

The Pension Regulator and Scheme Advisory Board Compliance Fund Governance - Improvement Plan

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Reviewed by: Local Pension Board

Introduction:

The Code of Practice is issued by The Pensions Regulator, the body that regulates occupational and personal pension schemes provided through employers.

The regulator's statutory objectives are to:

- protect the benefits of pension scheme members
- reduce the risks of calls on the Pension Protection Fund (PPF)
- promote, and improve understanding of, the good administration of work-based pension schemes
- maximise compliance with the duties and safeguards of the Pensions Act 2008

Codes of practice provide practical guidance on how to comply with the legal requirements of the pension regulations.

Review:

Aon undertook a review in 2015, then again in October 2018. Aon's overall findings showed a significant improvement in compliance with the TPR Code. There were however areas that were judged to be non-compliant or partially compliant.

The purpose of this Improvement Plan is to address those areas of non or partial compliance.

Monitoring:

The Pension Policy and Investment Committee will review the Improvement Plan periodically to monitor progress. A periodic report will be presented to the Local Pension Board for information.

A – Reporting Duties

A4. Requirement: Have you responded to the latest TPR public service pension scheme survey/questionnaire?

Aon 2018 Review: Compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
Complete the 2018/19 (issued on 05.11.08) Survey	Survey to be completed	Paul Reddaway	28.02.2019	Completed in required deadline.

B. Knowledge and Understanding

B1. Requirement:

Are there policies and arrangements in place to support pension board members in acquiring and retaining knowledge and understanding?

Aon 2018 Review: Compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
<p>The Pension Policy and Investment Committee (PPIC) and Pension Board (PB) Training Policy is not on the Fund website.</p> <p>This policy does not include training objectives, details of how training will be documented nor how attendance at events will be recorded and</p>	<p>Review the training policy every three years and include the 3 year review in the policy</p> <p>Include objectives in the Training Policy and specify how training will be recorded and monitored</p>	Paul Reddaway	30.09.2019	A report to agree the training will discussed at PB on 18 th July

monitored.				
B2. Requirement: Has a person been designated to take responsibility for ensuring the framework is developed and implemented? Aon 2018 Review: Compliant				
Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
The Head of Finance, Pension Investment is responsible for the training policy however this is not set out in the policy	To specify who is responsible for the policy and its implementation	Paul Reddaway	30.09.2019	This has been updated – now shows the Head of Finance

B5. Requirement: Are pension board members aware of their legal responsibility in terms of Knowledge and Understanding? Aon 2018 Review: Compliant				
Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
Whilst pension board members are told about this on appointment, it is included in Aon's induction training and included in Terms of Reference this is not set out in the formal training policy.	Add legal requirements to training policy and consider extending the training to the pension committee members in a formal policy	Paul Reddaway	30.06.2019	Training Policy updated

B10. Requirement:

Is there a process in place for regularly assessing the pension board members' level of knowledge and understanding is sufficient for their role, responsibilities and duties?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
Formal regular assessment of knowledge and understanding against required competencies (e.g. CIPFA) does not appear to be taking place.	Annually review records kept (in PB and PPIC meetings) in order to highlight any individuals with outstanding requirements. This should be against CIPFA and other required competencies	Paul Reddaway	30.09.2019	This will added as a standing item to PB & PPIC

B11. Requirement: Are records of learning activities being maintained?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
An annual report is created from information collected from PPIC and PB members. Members are given the information before the report is published to give them time to complete further training if felt necessary	Create an ongoing record of training carried out and review annually at Local Pension Board	Paul Reddaway	31.05.2020	This will be picked up as we proceed through the year and collated for the 2019/20 PF Annual Report

B12. Requirement: Have the pension board members completed the Pension Regulator's tool kit for training on the Code of Practice number 14?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
This requirement is included in the training policy. Members have a year to complete the modules after being appointed and should confirm when completed.	Ensure confirmation is received and documented that all members have completed the tool kit.	Paul Reddaway	30.09.2019	This will be considered at each PPIC meeting as a standing item.

c. Conflicts of Interest

C1 & C5. Requirement: Does the Fund have a conflict of interest policy and procedure, which include identifying, monitoring and managing potential conflicts of interest? Is the conflict of interest policy regularly reviewed?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks and timescales	Responsible Officer	Timescales	Progress Update
The Fund uses the Councils conflict of interest policy but should have its own policy	<p>Create a Fund conflict of interest policy which should include the code of conduct and reference that it will be reviewed every 3 years</p> <p>The policy to be available on the Funds website.</p>	<p>Paul Reddaway</p> <p>Tim O'Connor</p>	30.09.2019	Research other PFs examples good practice

C6 & C7. Requirement: Does the Fund have a conflict register and is it circulated for ongoing review and published?
Is appropriate information included in the register

Aon 2018 Review: C6 - **Non-compliant** C7 - Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
There is no Fund conflict register	Create a conflict register and include conflicts in the annual report and accounts and ensure the register includes recommended information	Paul Reddaway	30.09.2019	Research other PFs examples good practice

D. Publishing Information about Schemes

D1 & D2. Requirement: Does the Administering Authority publish information about the pension board?
Does the Administering Authority publish other useful related information about the pension board?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
There is no information about members of the PB or the PPIC on the fund website or the Council Website. but not the additional information on responsibilities.	Ensure the following information is available on the Fund and Council Website: <ul style="list-style-type: none"> - PB and PPIC membership - Terms of Reference - Responsibilities of board members - Code of Practise (para 96) 	Tariq Soomauroo Tim O'Connor	30.04.2019	

E. Managing risk and Internal Controls

E4. Requirement: Does the Administering Authority review the effectiveness of the risk management and internal systems of the Fund?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
There is no formal review of risk management.	Ensure the following information is available on the Fund and Council Website: <ul style="list-style-type: none"> - PB and PPIC membership - Terms of Reference - Responsibilities of board members - Code of Practise (para 96) 	Tariq Soomaaroo Tim O'Connor	30.04.2019	Just needs to be put onto the website

E7. Requirement: Does the Administering Authority have adequate systems, arrangements and procedures (internal controls) in place for the administration and management of the Fund and are they documented?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
It is considered that there are adequate internal controls in place. Most are set out in the risk register, though it is recognised this could be more comprehensive and better documented.	Develop a detailed administration risk register which includes details on all internal controls. Update the Risk Policy, documenting internal controls once risks are identified. Report on errors where further training is required. Ensure calculations are checked by another pensions officer.	Tim O'Connor	30.09.2019	

E8. Do these procedures apply equally to outsourced services, are internal controls reflected in contracts with third party providers and is there adequate reporting in relation to those controls?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
The only outsourced process relates to AVCs. A contract review has not been done for some time.	Review the AVC service provided and document terms of engagement and contract arrangements. Address all issues experienced	Julie Barker	31.07.2019	

F. Maintaining accurate member data

F3. Does the Fund keep records of and reconcile transactions as required by the Record Keeping Regulations?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
Record keeping regulations were considered complaint except in relation to AVC's.	Agree with the Prudential a way of ensuring compliance with regulations	Tim O'Connor	31.08.2019	
No evidence of checking benefit outgo cashflows and reconciling by employer.	Ensure robust processes for checking employer cashflows in relation to benefit payments.	Paul Reddaway	30.09.2019	Still awaiting access to Pension Admin systems to undertake formal reconciliation

F9. Is a data improvement plan in place which is being monitored with a defined end date?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
A formal documented data improvement plan is not in place. A formal administration strategy is not in place to support the improvement plan. HR expectations differ.	Create a formal improvement plan with agreed targets and timescales so progress can be monitored. Create a formal administration strategy to set out objectives Discuss HR expectations with Head of HR and document roles and responsibilities with all stakeholders	Tim O'Connor	30.09.2019	

F11. Do the Administering Authority's member data processes meet the requirements of the Data Protection Act 1998 and the data protection principles, and the new requirements of GDPR (from 25 May 2018)?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
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There is not a privacy notice on the member website, and members should be informed by data controllers how their data will be used.	Ensure privacy notice is available on the Fund website	Tim O'Connor	01.04.2019	
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G. Maintaining contributions

G6. Does the Fund maintain a record of any investigations and communications with employers?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
There is no formal record of correspondence with employers in relation to the payment of contributions	Create a correspondence log with employers	Karen Bennett	31.03.2019	All correspondence is filed (logged) – and is available for audit inspection.

G9. If the administration of contributions outsourced to a service provider, is there a process in place to obtain regular information on the payment of contributions to the scheme?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
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AVC's – there in no annual reconciliation between contributions received by Prudential and the council's finance system	Improve monitoring of AVC contributions. Reconcile AVC contributions with Council's finance system annual and keep records	Karen Bennett	30.09.2019	This is included in the 2019/20 work plan. Awaiting a payroll report and dealing with payroll outside of the Council's payroll
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H. Providing information to members and others

H1. Has an annual benefit statement (ABS) been provided to all active members within the required timescales?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
97.5% of ABS were issued by the 31 st August. ABS for 1 Academy Trust employer were not issued by the deadline.	Ensure all ABS are issued by the statutory deadline	Tim O'Connor	31.08.2019	

H2 & H4. Do these meet the legal requirements in relation to format?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
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ABS (Actives & DB) compliant apart from: - Date of pensionable service - Summary of the method used for calculating member and survivor benefits - deductions: pension debits or scheme pays debits (<i>if applicable</i>) -pensionable remuneration on leaving (DB)	Ensure active and deferred ABS include the info as identified	Tim O'Connor	31.08.2019	
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H8. Basic Scheme Information – Does this meet the legal requirements in relation to format? Aon 2018 Review: Non-compliant				
Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
Areas of non-complaint identified	Ensure the Guide to the LGPS and associated forms issued to new members or potential members is compliant and website updated	Tim O'Connor	31.05.2019	

H9. Is all other information provided in accordance with the legal timescales? Aon 2018 Review: Partially compliant				
Specific Area Identified	Tasks	Responsible	Timescales	Progress Update

		Officer		
Full evidence was not available to guarantee the Fund is fully compliant.	Ensure all areas are fully compliant and controls and monitors are put in place to evidence compliance in future.	Tim O'Connor	01.09.2019	

H12. Does the Administering Authority aim to design and deliver communications in a way that ensures scheme members are able to engage with their pension provision?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
ABS to be reviewed in order to satisfy the requirement	Review and update published communications and consider re-branding.	Tim O'Connor	01.06.2019	

I. Internal Dispute Resolution Procedure (IDRP)

I2. Does the Administering Authority's process highlight or consider whether a dispute is exempt?

Aon 2018 Review: Non-compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
IDRP Employee guide does not state explicitly who is eligible nor who is exempt.	Review the IDRP guide and update to include details on what is exempt.	Julie Barker	01.09.2019	

13. Does the information made available to applicants about the procedure clearly state the procedure and process to apply for a dispute to be resolved including:- who it applies to- who the specified person (stage 1) is - the timescales for making applications- who to contact with a dispute- the information that an applicant must include- the process by which decisions are reached?

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
There is no name or email address for the 'nominated person'. Limited information on how decisions are made.	Review policy providing more details on stage 1 and 2 decision process. Provide email address of 'nominated person'.	Julie Barker	01.09.2019	

16. Does the Administering Authority notify and advertise the procedure appropriately?

Aon 2018 Review: Partially compliant				
Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
IDRP not available on the 'useful forms and guides' area of the Fund website	Once the IDRP has been reviewed, update the website as identified	Tim O'Connor	01.06.2019	

I8. Does the Administering Authority regularly assess the effectiveness of its arrangements?				
Aon 2018 Review: Non-compliant				
Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
No formal review of processes	Processes for IDRP should be formally reviewed and documented ensuring consistently and timescales met and documented.	Julie Barker	01.10.2019	

J. Reporting breaches of the law

J1: Is the Administering Authority satisfied that those responsible for reporting breaches under the legal requirements and TPR guidance understand the requirements?
J2: Does the Administering Authority have appropriate procedures in place to meet their legal obligations for identifying

and assessing breaches?

J3: Are breaches being recorded in accordance with the agreed procedures

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
No formal documented process for reporting breaches	Creation of a formal process and procedure	Tim O'Connor	01.09.2019	

K. Scheme Advisory Board – Guidance on the operation of Local Pension Boards in England and Wales

K4. A Local Pension Board should designate a person to take responsibility for ensuring that the knowledge and understanding policy and framework is developed and implemented.

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
Head of Finance, Pension Investment is responsible for this however it is not reflected in the policy	Ensure policy is updated with this information	Paul Reddaway	30.09.2019	Included in the wider training review

K7. Members of a Local Pension Board should undertake a personal training needs analysis and put in place a personalised training plan.

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
There are currently no individual needs assessment before training is provided	Create a training needs assessment check list prior to the delivery of training	Paul Reddaway	01.06.2019	Included in the wider training review

K8. An Administering Authority should prepare a code of conduct and a conflicts policy for its Local Pension Board for approval in accordance with the Administering Authority's constitution and at the first meeting of the Local Pension Board. The Local Pension Board should keep these under regular review.

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
The Council's Code of Conduct includes reference to conflicts, this is not linked to the Pension Board Terms of Reference.	Amend Pension Board TOR to include conflicts	Paul Reddaway	31.03.2020	The TOR will be revised at the next Council AGM

K11. An Administering Authority should agree the ongoing reporting arrangements between the Local Pension Board and the Administering Authority.

Aon 2018 Review: Non-compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
TOR states that an annual report on the work of the Board will be included in the Pension Annual Report but no annual report is prepared	Create an annual report	Paul Reddaway	30.09.2019	An annual report of the PF is being prepared – for reporting to Full Council

K12. A Local Pension Board should understand the Administering Authority's requirements, controls and policies for FOIA compliance so that the Local Pension Board is aware of them and can comply with them.

Aon 2018 Review: Non-compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
This is not completed	Create report to Local Pension Board on FOIA compliance	Paul Reddaway	30.09.2019	All FOIA requests go through the Council's Complaints team - a separate log will be asked to be maintain of PF requests

K13. A Local Pension Board should put in place arrangements to meet the duty of its members to report breaches of law

Aon 2018 Review: Non-Complaint

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
There are no formal policies or procedures specifically for PB or PPIC.	Put in place a breaches procedure and log and make members of the PB and PPIC aware – standing Agenda item.	Paul Reddaway	01.09.2019	Included on PB & PPIC agendas

K14. Local Pension Board should consider (with its Administering Authority) the need to publish an annual report of its activities.

Aon 2018 Review: Non-compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
Not in place	To be included in annual report (K11)	Paul Reddaway	30.06.2019	The Annual report will sent all employers

K15. An Administering Authority should consult on, revise and publish its governance compliance statement to include details of the terms, structure and operational procedures relating to its Local Pension Board.

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
The published governance compliance statement does not include the details required in relation to the LPB. This was identified as an action to include in the 2015 TPR Compliance review.	Include additional PB terms, structure and operational procedures detail in 2018/19 and all future statements.	Paul Reddaway	30.06.2019	Now include in standing items on all agendas

K7. Members of a Local Pension Board should undertake a personal training needs analysis and put in place a personalised training plan.

Aon 2018 Review: Partially compliant

Specific Area Identified	Tasks	Responsible Officer	Timescales	Progress Update
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There are currently no individual needs assessment before training is provided	Create a needs assessment check list prior to the delivery of training	Paul Reddaway	01.06.2019	Will considered as part of the wider training piece
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