

# Powys Pensions Board

---

Meeting Venue

---

Meeting Date  
**Monday, 12 June 2023**

---

Meeting Time  
**2.00 pm**

---

For further information please contact  
**Rachel Pugh**  
01597 826496  
rachel.pugh1@powys.gov.uk



County Hall  
Llandrindod Wells  
Powys  
LD1 5LG

06.06.2023

## AGENDA

<b>1.</b>	<b>APOLOGIES</b>
-----------	------------------

To receive apologies for absence.

<b>2.</b>	<b>DECLARATIONS OF INTEREST</b>
-----------	---------------------------------

To receive any declarations of interest.

<b>3.</b>	<b>MINUTES OF THE BOARD</b>
-----------	-----------------------------

To authorise the Chair to sign the minutes of the meeting of the Board held on 03 May 2023 as a correct record.

(Pages 5 - 8)

<b>4.</b>	<b>MATTERS ARISING</b>
-----------	------------------------

Verbal update from the Chair.

<b>5.</b>	<b>MINUTES OF PENSIONS AND INVESTMENT COMMITTEE</b>
-----------	---

To note the minutes of the Pensions and Investment Committee held on 10 March 2023.

(Pages 9 - 14)

<b>6.</b>	<b>THE PENSION REGULATOR [TPR] CODES OF PRACTICE</b>
-----------	--

Updates made with regards to compliance of the TPR General Code of Practice  
(Pages 15 - 42)

<b>7.</b>	<b>OPERATIONAL AND ADMINISTRATION REPORT &amp; UPDATE</b>
-----------	---

To receive the report.  
(Pages 43 - 44)

<b>8.</b>	<b>LEGISLATION AND GOVERNANCE UPDATE</b>
-----------	--

To note the report.  
(Pages 45 - 50)

<b>9.</b>	<b>REVIEW OF RISK REGISTER</b>
-----------	--------------------------------

To review the Risk Register and consider any new risks.  
(Pages 51 - 56)

<b>10.</b>	<b>STANDING ITEMS WITH NO UPDATES REQUIRED</b>
------------	--

- a) Breaches Register
  - b) Board Communications Log
  - c) Internal Dispute Resolution Procedure [IDRP]
- (Pages 57 - 60)

<b>11.</b>	<b>CONFIDENTIAL</b>
------------	---------------------

The Board needs to consider in accordance with Section 106 [8] Local Government Pension Scheme [LGPS] Regulations 2013 whether it goes into the confidential agenda with the public and press being excluded as some of the information may relate to financial or business affairs of a particular person or organisation.

<b>12.</b>	<b>UPDATE BY CHAIR OF PENSIONS BOARD</b>
------------	--

To receive a verbal update.

<b>13.</b>	<b>AUDIT REPORT</b>
------------	---------------------

To note the report.  
(Pages 61 - 66)

<b>14.</b>	<b>KEY PERFORMANCE INDICATORS</b>
------------	-----------------------------------

To note the report.  
(Pages 67 - 70)

<b>15.</b>	<b>EMPLOYER PERFORMANCE</b>
------------	-----------------------------

To note the the report and attachments.

(Pages 71 - 76)

<b>16.</b>	<b>WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE [STANDING ITEM]</b>
------------	--

To note the the report and attachments.

(Pages 77 - 128)

<b>17.</b>	<b>FUTURE BOARD MEETINGS</b>
------------	------------------------------

2023

11 September – 2pm

20 November - 10am

This page is intentionally left blank

## MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT BY ZOOM ON WEDNESDAY, 3 MAY 2023

### PRESENT

Gerard Moore (Chair)

David Powell (Scheme Member Representative)

Ian Jones (Scheme Member Representative)

Nigel Brinn (Employer Representative)

Graham Evans (Employer Representative)

Chris Hurst (Pension Fund Manager, Secretary to the Board)

<b>1. APOLOGIES</b>
---------------------

Apologies for absence were received from:  
Wayne Thomas (Employer Representative)  
John Byrne (Scheme Member Representative)

<b>2. DECLARATIONS OF INTEREST</b>
------------------------------------

There were no declarations of interest.

<b>3. MINUTES OF THE BOARD</b>
--------------------------------

The minutes of the meetings held on 10 February 2023 were agreed as correct records.

<b>4. MATTERS ARISING</b>
---------------------------

Chairman's signature to be amended at the end of the minutes.

The Chair advised that The Pension Regulator [TPR] had advised it intends to place the legislation, in respect of the Singular Modular Code before Parliament very soon. The Chair will have the opportunity to speak with the Pension Regulator on the 18 May 2023, and provide an update to the Board.

The Board welcomed Ian Jones as a new Scheme Member Representative.

The Pensions Fund Manager advised that a recruitment exercise has begun with a view to seeking a replacement Employer Representative position, which will arise later in the year.

<b>5. REVIEW OF RISK REGISTER</b>
-----------------------------------

The Board undertook at “deep dive” of the Investment pillar of the Risk Register. It was noted that the Pensions and Investment Committee have welcomed recommendations from previous “deep dives”.

Noted:

The Latest Risk Review column in the report reflects the first review not the latest.

The Risk Register Matrix is on a scoring basis from 1 to 5

The Board noted the following or made the following comments [the numbers shown are the Risk Reference numbers]:

**INVEST0001** - Pension Fund assets fail to deliver returns in line with the anticipated returns underpinning the valuation of liabilities over the long-term.

The Pension Fund Manager informed Board that prudence has increased since the risk was identified in 2016 and that regular funding updates are received from the Actuary and regular strategy reviews are undertaken with the investment consultant.

The Board felt the Inherent Risk Score was too low due to the importance of the investment return when setting up employer contribution rates.

**The Board recommended that the Inherent Risk score for INVEST0001 was increased slightly from the current score of 6**

**INVEST0002** - Inappropriate long-term investment strategy.

INVEST0001 and INVEST0002 are interlinked and should remain within the risk register.

**The Board recommended that the narrative throughout the report, in the right-hand column, should be updated.**

**INVEST0003** - Active investment manager under-performance relative to the benchmark.

The Board agreed that the risk is to be updated to reflect that most assets have been pooled and noted that regular reviews were being held with contractors monitoring the pool. Assurance has been received that changes will be made when required.

**The Board recommended that Controls and Actions section of risk INVEST0003 could be expanded to reflect internal controls and the multi-layered processes in place, due to the pooling of funds.**

**INVEST0004** - To permit deficits to be eliminated over a recovery period rather than immediately, introduces the risk that action to restore solvency is insufficient between successive measurements.

The Pension Fund Manager explained that the risk reflected that employers in deficit have been identified and a recovery plan has been put in place.

**The Board recommended that to demonstrate a higher level of prudence additional information should be added to risk INVEST0004 and to include the triennial valuation information.**

**INVEST0005-** Permitting contribution rate changes to be introduced annual steps rather than immediately, introduces a risk that action to restore solvency is insufficient between successive measurements.

The risk was initially identified in 2016 and the Board agreed it should now reflect any recent changes to employers' contribution rates. It was noted that a key control remains in place with the Actuary having to sign off any approach at each valuation.

Discussions were held around the refunds to exiting employers and if an additional risk should be added around cash flow, this would be considered by the Pension Fund Manager and other risk register pillars checked for duplication.

**The Board recommended that additional information to reflect the issues of two way exiting employers is added to the review summary column of risk INVEST0005.**

**INVEST0006** - Pay and price inflation significantly more than anticipated.

The Pension Fund Manager advised the Board that due to a high inflationary environment, a contingency was built into the valuation of 5% for the short term providing an extra control by the Actuary at the 2022 valuation.

**The Board recommended that the discussions, regarding contingencies for high inflation, with the Actuary should be included in the Controls and Actions.**

**INVEST0007** - Insolvency of an investment manager investing Pension Fund assets

It was noted that risk INVEST0007 aligns with INVEST0003.

The pooled arrangements added an additional layer of assurance and reputational damage was taken into consideration within the risk, therefore the Board were content with the scores.

**The Board recommended that the Controls and Actions for risk INVEST0007 reflect the processes of the Welsh Pension Partnership (WPP).**

**INVEST0008** - Pooling of Pension Fund assets with other LGPS Pension Funds.

The risk was written when pooling was in its infancy and reflects how the Fund pools assets and needs review. The Pension Fund manager will consider the appropriate re-wording of this risk.

**The Board recommended that INVEST0008 is updated and monitored.**

**INVEST0009** - MIFID II ongoing compliance.

The Pension Fund Manager explained that regular checks are conducted to ensure criteria are met to operate as an institutional investor by offering and

logging training for Committee Members and answering periodic questionnaires from Asset Managers.

Inherent risk score remains high due to the reputational risk and financial implications would only be catastrophic if the Council were found uncompliant.

**The Board recommended that risk INVEST0009 Controls and Actions section includes more detail around higher investment costs and loss of diversification opportunity.**

**INVEST0010** Fall in the returns on Government bonds.

It was noted that the risk provides a lot of detail under controls and actions and the Board were satisfied with the content.

**INVEST0011** - Increased risk on Fund Employers.

The Board felt that the risk should sit on the governance pillar of the risk register.

**The Board recommended that risk INVEST0011 was moved to the governance pillar risk register.**

The Board questioned whether a fourth pillar in respect of financial risks should be considered, and the Pensions Fund Manager agreed to consider this.

<b>6. FUTURE BOARD MEETINGS</b>
---------------------------------

The Board noted the meeting dates:

**2023**

12 June – 2pm

11 September – 2pm

20 November - 10am

**Gerard Moore (Chair)**



**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE  
HELD AT BY ZOOM ON FRIDAY, 10 MARCH 2023**

**PRESENT**

County Councillor P E Lewis (Chair)

County Councillors E A Jones, C Kenyon-Wade, D H Williams, D A Thomas,

Trish Fretten, Employer representative, co-opted member

Gerard Moore, Independent Chair, Powys Pension Board

Head of Finance and Pension Fund Manager

Aon representatives – George Feane, Kenneth Ettles, Richard Antrobus, Jennifer O’Neil and Vera Apedo

<b>1.</b>	<b>APOLOGIES</b>
-----------	------------------

There were no apologies for absence.

<b>2.</b>	<b>DECLARATIONS OF INTEREST</b>
-----------	---------------------------------

Councillors A Jones, P Lewis, H Williams, and C Kenyon-Wade declared interests as members of the Local Government Pensions Scheme. These are personal interests, not prejudicial interests in accordance with Paragraph 12(b) (iv) of the Members Code of Conduct 2016.

<b>3.</b>	<b>MINUTES</b>
-----------	----------------

The Chair was authorised to sign the minutes of the Pensions and Investment Committee meeting held on 16 December 2022 as a correct record.

<b>4.</b>	<b>PENSIONS BOARD MINUTES</b>
-----------	-------------------------------

The Pension Board Chair’s report and the draft minutes from the meeting on 10 February 2023 were noted.

<b>5.</b>	<b>ADMINISTRATION AND GOVERNANCE REPORT</b>
-----------	---

The Committee received the Administration and Governance Report.

The Pension Fund Manager highlighted various issues including:

2.1 – The Scheme Advisory Board met with the Local Government Minister and have asked the Government that the regulation around age complications be considered for removal.

2.2 – Reforms are for consideration for the Investment Strategy and awaiting guidance on Asset Pooling.

2.3 – Scheme Valuation Report will be shared with Committee once available.

3.1 – Pension Dashboards - notification had been received that the implementation has been delayed.

Dashboard expectations have been included in the Data Improvement Plan and work is ongoing.

3.2 –approximately hundred responses were received from scheme members in response to a survey issued to the active membership of one Fund employer. A worthwhile exercise evidencing that the scheme is complex which led to a

targeted communications plan being compiled. A framework is now in place for the exercise to be repeated periodically.

4.2 – The Pensions Regulator has updated and published the following policies:

Revised - Enforcement Policy

Updated - Prosecution Policy

New Enforcement Strategy

4.3 – Joint working between The Pension Regulator [TPR] and Financial Conduct Authority has increased with eight workstreams to be covered.

4.4 - New Transfer guidance is being incorporated into working practices.

5.0 - Risk Register –At the last Committee meeting, following the Board’s Governance Pillar review, the Committee agreed that the risks listed below should be amalgamated. However, on further consideration the Pension Fund Manager recommended that they should remain as separate risks, as they identify specific risks which should be monitored and reviewed in their own right:

GOVERN0005,0006 and 0007

GOVERN 0012 and 0014

The Board will undertake an in-depth review around the Investment Pillar shortly.

6.1 – No new breaches identified.

A review is taking place around the employer contribution process, some employers have been moved over to an electronic monthly process, however more works is needed to ensure that the correct details and monitoring and are in place.

It was moved and duly seconded to note the report and that the risks GOVERN0005,0006 and 0007 and GOVERN 0012 and 0014 on the Governance Pillar of the Risk Register be kept as separate risks.

**RESOLVED:**

1. That the content of the report be noted.
2. The risks **GOVERN0005,0006 and 0007 and GOVERN 0012 and 0014 on the Governance Pillar of the Risk Register to be kept as separate risks.**

<b>6.</b>	<b>FUNDING STRATEGY STATEMENT</b>
-----------	-----------------------------------

The Committee received the Funding Strategy Statement.

The Pensions Fund Manager has worked with the Actuary as part of valuation work and presented for approval.

4.13 – Wording has been amended with the statement regarding McCloud to reflect growth in knowledge and experience over the past three years. An update on progress relating to the McCloud remedy will be provided at the next Committee meeting.

It was moved and duly seconded to approve the amended Funded Strategy Statement.

**RESOLVED:**

**The amended Funding Strategy Statement be approved.**

<b>7.</b>	<b>EMPLOYER POLICY</b>
-----------	------------------------

The Committee received the updated Employer Policy.

The Pensions Fund Manager explained that the Funding Strategy Statement and Employer Policy are interlinked, and the latter has been updated to reflect the McCloud wording in addition to minor changes.

Consultations with employers were held in February 2023 and comments have been incorporated into the Statement and Policy.

McCloud amendments as in Funding Strategy Statement has been made to sections 3.3 and 4.1.

It was moved and duly seconded to approve the amended Employer Policy.

**RESOLVED:**

**The amended Employer Policy be approved.**

<b>8.</b>	<b>WALES PENSION PARTNERSHIP [WPP] UPDATE</b>
-----------	---

The Committee received the reports regarding the WPP.

It was noted that recent training undertaken by Members was worthwhile and the link had been circulated.

The Pensions Fund Manager reported that:

2.2- The WPP have disseminated a set of equal communications to the eight Funds in Wales to align consistent messaging.

3.0 – WPP will remain a signatory for the Stewardship Code after a successful submitted application.

Work is ongoing around the creation of new sub funds, private markets, real-estate and infrastructure which will be presented to Committee in the near future.

It was noted that the local strategy remains local to the Committee, and the WPP could be approached with specific needs and requirement to build or provide.

**The Wales Pension Partnership Report was noted.**

<b>9.</b>	<b>EXEMPT ITEM</b>
-----------	--------------------

**RESOLVED to exclude the public for the following items of business on the grounds that there would be disclosure to them of exempt information under category 3 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).**

<b>10.</b>	<b>RESPONSIBLE INVESTMENT</b>
------------	-------------------------------

AON representatives Jennifer O'Neill and Vera Apedo provided a presentation to develop a foundation of knowledge around the different approaches to net zero pathways and alignment to the Paris Alignment.

Clarification was provided around:

Net zero – which involves increasing investment into climate solutions such as decarbonising investments including renewable energy, low carbon buildings, energy efficient technologies and nature-based carbon reducing projects and

decarbonising investment portfolios to achieve net zero greenhouse gas emissions.

Paris Aligned Agreement - a legal binding international treaty which agrees for countries to reduce global warming below 2°C.

AON also detailed the new guidance for Task Force on Climate Related Financial Disclosures [TCFD] as in terms of requirements for local pension schemes.

The Pension Fund Manager advised that the WPP were regularly discussing Responsible Investment It was also noted that in addition to considering investments which reduce carbon emissions other issues also had to be considered such as social justice.

Different scenarios have been developed by AON for the Committee to devote time to review. Discussions took place around the options available to the Committee and the next steps would be to develop an appropriate approach and project plan to deliver objectives.

## 11. EQUITY RISK MANAGEMENT

The Committee considered the AON report presented by Kenneth Ettles. Recommendations were made to maintain the protection of the equity risk management strategy. A significant return would be protected for another three years until 2026. Long term objectives of the fund including risk and cost control were covered with a recap of previous decisions, before moving the expiring protection. Inflation, recession, and Interest rates were covered followed by the key aspects of the recommended structure provided in detail by AON.

It was moved and duly seconded to maintain the protection due to expire in April 2023 for a further three years until 2026.

### **RESOLVED:**

**to maintain the protection due to expire in April 2023 for a further three years until 2026.**

## 12. EQUITY RESTRUCTURE UPDATE

The Committee received the Equity Restructure Update Report from George Feane, AON.

Discussions took place around the equity structure along with confirmation of the transition into the WPP's Active Sustainable Equity Fund once available.

The Report provided and discussions took place around the details for the next steps of progression.

**The Equity Restructure Update Report was noted.**

## 13. STRATEGY

The Committee received the Investment Strategy Statement.

The document had been updated with minor changes to incorporate the equity restructuring and the WPP emerging markets sub-fund. The document will remain live to reflect changes and decisions.

A presentation of the Investment Strategy following the Valuation was provided by Kenneth Ettles, which included key investment related risks and management through the investment portfolio.

The Committee noted that the following risks would be reviewed with AON over the next year: cashflow management framework, inflation, risk and return profile and longevity risk management.

It was moved and duly seconded to approve the amended Investment Strategy Statement.

**RESOLVED:**

**The amended Investment Strategy Statement for publication be approved.**

<b>14.</b>	<b>PERFORMANCE MONITORING</b>
------------	-------------------------------

The Committee considered the Quarterly Monitoring Report Q4 2022 from Aon.

The presentation provided the Committee an update for Q4. The Committee noted that assets and returns had decreased over the quarter, but the Fund continued to achieve superior risk-adjusted returns over the long term. Questions and discussions took place around the LGPS peer group information and included details of the Fund and Asset Performance.

**Quarterly Monitoring Report Q4 2022 Report was noted.**

<b>15.</b>	<b>VALUATION UPDATE</b>
------------	-------------------------

The Committee received the Valuation Update Report.

The Pension Fund Manager presented a report on the 2022 Valuation to the Committee, which was presented to the Employers meeting by the Fund Actuary in December 2022. It reflected a positive result after a prudent stepped approach taken to build resilience for the fund which helps employers manage contribution rates.

It was noted that the overall whole of fund employer contribution rate had fallen, however the Committee were made aware that the Risk Shared Employers have seen a small increase in contributions which take effect in April 2023.

The Pension Fund Manager explained the benefits of the strategy and how the Committee's decisions have contributed towards the valuation and assurances provided within the report. In response to a question the Pension Fund Manager advised that the Actuary had reviewed the inflation assumptions as a result of the changes in inflation since March 2022 and the Committee noted that the assumptions were still valid. It was noted that the Governance and Audit Committee had considered an update on the valuation

The next steps:

The Funding Strategy Statement will be published.

The Actuary would sign the Rates and Adjustment Certificate by the 31 March 2023.

New contribution rates will take effect from April 2023.

**The Valuation Update Report was noted.****16. BUSINESS PLAN**

The Committee considered the Business Plan.

The Pension Fund Manager explained minor changes to the Plan that included work challenges for the Team, which reflected improved funding levels and a positive Audit Report.

Positive progress has been made regarding training within the Team, with the majority undertaken in-house and Team members carrying out professional qualifications.

Work with employers has progressed with more digital interaction and time spent to identify what policies need to be in place with a periodic cycle of training.

The Pension Board Chair suggested that the Board could review the performance against the Business Plan and the Pension Fund Manager welcomed this.

It was moved and duly seconded to approve the Business Plan, subject to financial information being included and the Plan being recirculated.

**RESOLVED:**

**The Business Plan be approved Subject to financial information being inserted and re-circulated.**

**17. GMP RECONCILIATION**

The Committee received the Guaranteed Minimum Pension (GMP) Reconciliation report.

The Pensions Fund Manager explained that a data matching national exercise has taken place with PCC and HMRC to ensure scheme members receive entitled benefits. The process is now concluding.

Additional work has resulted in the Payroll and Administration systems being aligned with a view to a monthly reconciliation in the near future.

The Pension Board Chair advised that the Board had been assured that in respect of the monthly payroll reconciliation the policy guidelines had been followed and communication with affected scheme members had been appropriate.

The Committee conveyed gratitude and thanks for the considerable work undertaken by the Pensions Team to achieve successful outcomes.

**The GMP Reconciliation Report was noted.**

## PENSION REGULATOR CODE OF PRACTICE 14 - COMPLIANCE ANALYSIS

Powys Pension Fund

		Action Required	Current Position
22	Scheme manager - each public service pension scheme has one or more persons responsible for managing or administering the scheme. Public service pension schemes can have different persons acting as scheme manager for different parts of the pension scheme. For the locally administered schemes, the scheme managers may be the local administering authorities or a person representing an authority or police force.		<i>The Administering Authority is designated scheme manager under the regulations.</i>
23	Pension board – the scheme manager (or each scheme manager) for a scheme has a pension board with responsibility for assisting the scheme manager to comply with the scheme regulations and other legislation relating to the governance and administration of the scheme and any requirements imposed by the regulator. The pension board must also assist the scheme manager with such other matters as the scheme regulations may specify. It will be for scheme regulations and the scheme manager to determine precisely what the pension board’s role, responsibilities and duties entail.		<i>A Local Pension Board has been established and operates under a prescribed Terms of Reference. The Board was established on</i>
<b>Governing your Scheme</b>			
38	Schemes <b>should</b> establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding to support their pension board members. Schemes <b>should</b> designate a person to take responsibility for ensuring that a framework is developed and implemented.		Training Log kept. Maintened by Secretary to the Board
39	However, it is the responsibility of individual pension board members to ensure that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the pension board.		Annual Training Needs Analysis conducted each April or upon joining the Board
40	Pension board members <b>must be conversant with their scheme rules</b> , which are primarily found in the scheme regulations, and documented administration policies currently in force for their pension scheme. Being ‘conversant’ means having a working knowledge of the scheme regulations and policies, so that pension board members can use them effectively when carrying out their duties.		Training needs assessed and needs identified. Remain Amber as always ongoing.
41	They <b>must also have knowledge and understanding of the law</b> relating to pensions (and any other matters prescribed in legislation) to the degree appropriate for them to be able to carry out their role, responsibilities and duties.		Training needs assessed and needs identified. Remain Amber as always ongoing.

42	<p>In terms of documented administration policies, specific documents recording policy about administration will vary from scheme to scheme. However, the following are examples of administration policies which the regulator considers to be particularly pertinent and would expect to be documented where relevant to a pension scheme, and with which pension board members must therefore be conversant where applicable. This list is not exhaustive and other documented policies may fall into this category:</p> <p>any scheme-approved policies relating to:  conflicts of interest and the register of interests  record-keeping  internal dispute resolution  reporting breaches  the appointment of pension board members  maintaining contributions to the scheme  risk assessments/management and risk register policies for the scheme</p> <p>scheme booklets, announcements and other key member and employer communications, which describe scheme policies and procedures</p> <p>the roles, responsibilities and duties of the scheme manager, pension board and individual pension board members</p> <p>In terms of reference, structure and operational policies of the pension board and/or any sub-committee</p> <p>statements of policy about the exercise of discretionary functions, statements of policy about communications with members and scheme employers  the pension administration strategy, or equivalent, and</p> <p>any admission body (or equivalent) policies.</p>		<p>Appropriate policies, documents and procedures in place and published (where applicable). Suggestion on setting up a Pension Board knowledge/document library in 2022. This has started with the consolidation of the 2022 Fund training videos into one area with links shared. Ongoing</p>
43	<p>For pension board members of funded pension schemes, documents which record policy about the administration of the scheme will include those relating to funding and investment matters. For example, where relevant they must be conversant with the statement of investment principles and the funding strategy statement.</p>		<p>Available on Fund website</p>
44	<p>Pension board members must also be conversant with any other documented policies relating to the administration of the scheme. For example, where applicable, they must be conversant with policies relating to:</p> <p>the contribution rate or amount (or the range/variability where there is no one single rate or amount) payable by employers participating in the scheme</p> <p>statements of assurance (for example, assurance reports from administrators)</p>		<p>Available on Fund website</p>
45	<p>Where DC or DC AVC options are offered, pension board members should also be familiar with the requirements for the payment of member contributions to the providers, the principles relating to the operation of those arrangements, the choice of investments to be offered to members, the provider's investment and fund performance report and the payment schedule for such arrangements.</p>		<p>AVC Training has been carried out. New AVC Risk documentation introduced. AVC Training to be included with TNA.</p>
46	<p><b>Schemes should prepare and keep an updated list of the documents with which they consider pension board members need to be conversant.</b> This will enable them to effectively carry out their role. They should make sure that both the list and the documents are available in accessible formats.</p>		<p>To be included in Pension Board Document Library</p>



47	The roles, responsibilities and duties of pension boards and their individual members will vary between pension schemes. Matters for which the pension board is responsible will be set out in scheme regulations. Clear guidance on the roles, responsibilities and duties of pension boards and the members of those boards should be set out in scheme documentation.		To be included in Pension Board Document Library
48	Schemes <b>should assist individual pension board members</b> to determine the degree of knowledge and understanding that is sufficient for them to effectively carry out their role, responsibilities and duties as a pension board member.		Achieved through Training Needs Assessments
49	Pension board members <b>must have a working knowledge of their scheme regulations and documented administration policies</b> . They <b>should understand their scheme regulations and policies</b> in enough detail to know where they are relevant to an issue and where a particular provision or policy may apply.		Regular Training reviews in place and all training logged
50	Pension board members <b>must have knowledge and understanding of the law relating to pensions</b> (and any other prescribed matters) sufficient for them to exercise the functions of their role. Pension board members should be aware of the range and extent of the law relating to pensions which applies to their scheme, and have sufficient understanding of the content and effect of that law to recognise when and how it impacts on their responsibilities and duties.		Regular Training reviews in place and all training logged
51	Pension board members <b>should be able to identify and where relevant challenge any failure to comply with:</b>  the scheme regulations  other legislation relating to the governance and administration of the scheme  any requirements imposed by the regulator, or  any failure to meet the standards and expectations set out in any relevant codes of practice issued by the regulator.		Pension Board members have the knowledge, skills and comfort to challenge Committee and Officers
52	Pension board members' breadth of knowledge and understanding <b>should be sufficient</b> to allow them to understand fully and challenge any information or advice they are given. They <b>should understand</b> how that information or advice impacts on any issue or decision relevant to their responsibilities and duties.		Regular Training reviews in place and all training logged
53	Pension board members of funded pension schemes <b>should ensure that</b> they have the appropriate degree of knowledge and understanding of funding and investment matters relating to their scheme to enable them to effectively carry out their role. This includes having a working knowledge of provisions in their scheme regulations and administration policies that relate to funding and investment, as well as knowledge and understanding of relevant law relating to pensions.		Annual Training Needs Analysis conducted every April
54	All board members <b>should attain appropriate knowledge</b> so that they are able to understand the relevant law in relation to their scheme and role. The degree of knowledge and understanding required of pension board members may vary according to the role of the board member, as well as the expertise of the board member. For example, a board member who is also a pensions law expert (for instance, as a result of their day job) <b>should have a greater level of knowledge</b> than that considered appropriate for board members without this background.		Annual Training Needs Analysis conducted every April
55	Pension board members <b>should invest sufficient time in their learning and development</b> alongside their other responsibilities and duties. <b>Schemes should provide</b> pension board members with the relevant training and support that they require. Training is an important part of the individual's role and will help to ensure that they have the necessary knowledge and understanding to effectively meet their legal obligations.		Annual Training Needs Analysis conducted every April

56	Newly appointed pension <b>board members should be aware</b> that their responsibilities and duties as a pension board member begin from the date they take up their post. Therefore, they <b>should immediately start to familiarise</b> themselves with the scheme regulations, documents recording policy about the administration		Each new board member receives one to one training with the Chair.
57	Pension board members <b>should undertake a personal training needs analysis</b> and regularly review their skills, competencies and knowledge to identify gaps or weaknesses. They <b>should use a personalised training plan</b> to document and address these promptly.		Annual Training Needs Analysis conducted every April
58	Learning <b>programmes should be flexible</b> , allowing pension board members to update particular areas of learning where required and to acquire new areas of knowledge in the event of any change. For example, pension board members who take on new responsibilities will need to ensure that they gain appropriate knowledge and understanding relevant to carrying out those new responsibilities.		
59	The regulator will provide an e-learning programme to help meet the needs of pension board members, whether or not they have access to other learning. If schemes choose alternative learning programmes they should be confident that those programmes:  cover the type and degree of knowledge and understanding required  reflect the legal requirements, and  are delivered within an appropriate timescale.		
60	Schemes <b>should keep appropriate records of the learning activities of individual pension board members and the board as a whole</b> . This will help pension board members to demonstrate steps they have taken to comply with legal requirements and how they have mitigated risks associated with knowledge gaps. A good external learning programme will maintain records of the learning activities of individuals on the programme or of group activities, if these have taken place.		Attendance at training events (and what types) kept in spreadsheet format.
<b>Conflicts of Interest and Representation</b>			
62	In relation to the pension board, <b>scheme regulations must include provision</b> requiring the scheme manager to be satisfied:  that a person to be appointed as a member of the pension board does not have a conflict of interest and  from time to time, that none of the members of the pension board has a conflict of interest.		COI declared at every Board meeting

63	Scheme <b>regulations must require</b> each member or proposed member of a pension board to provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of meeting the requirements referred to above.		COI declared at every Board meeting	
64	Scheme <b>regulations must include provision</b> requiring the pension board to include employer representatives and member representatives in equal numbers.		Equal representation from employer and scheme representatives appointed and each meeting maintains a quorate status	
70	Some, if not all, of the 'Seven principles of public life' (formerly known as the 'Nolan principles') will already apply to people carrying out roles in public service pension schemes, for example through the Ministerial code, Civil Service code or other codes of conduct. These <b>principles should be applied to all pension board members</b> in the exercise of their functions as they require the highest standards of conduct. <b>Schemes should incorporate the principles into</b> any codes of conduct (and across their policies and processes) and other internal standards for pension boards.		Nolan's principles circulated to Board periodically.	
73	Scheme regulations will set out matters for which the pension board is responsible. <b>Schemes should set out</b> clear guidance on the roles, responsibilities and duties of pension boards and the members of those boards in scheme documentation. This <b>should cover</b> , for example, whether they have responsibility for administering or monitoring the administration of the scheme; developing, delivering or overseeing compliance with requirements for governance and/or administration policies; and taking or scrutinising decisions relating to governance and/or administration. Regardless of their remit, potential conflicts of interest affecting pension board members need to be identified, monitored and managed effectively.		Chairman meets with new members to provide guidance and explanation of expectations	
74	<b>Schemes should consider</b> potential conflicts of interest in relation to the full scope of roles, responsibilities and duties of pension board members. It is recommended that all those involved in the management or administration of public service pension schemes take professional legal advice when considering issues to do with conflicts of interest.			
76	<b>Schemes should ensure</b> that there is an agreed and documented conflicts policy and procedure, which includes identifying, monitoring and managing potential conflicts of interest. They should keep this under regular review. Policies and procedures should include examples of scenarios giving rise to conflicts of interest, how a conflict might arise specifically in relation to a pension board member and the process that pension board members and scheme managers should follow to address a situation where board members are subject to a potential or actual conflict of interest.		Policy Approved in 2022	Previous rating
77	Broadly, <b>schemes should consider potential conflicts</b> of interest in three stages:  identifying  monitoring, and  managing.		Policy Approved in 2022	Previous rating

78	<b>Schemes should cultivate a culture of openness and transparency. They should recognise</b> the need for continual consideration of potential conflicts. Disclosure of interests which have the potential to become conflicts of interest should not be ignored. <b>Pension board members should have a clear understanding of their role</b> and the circumstances in which they may find themselves in a position of conflict of interest. They should know how to manage potential conflicts.		COI declared at every Board meeting
79	<b>Pension board members</b> , and people who are proposed to be appointed to a pension board, <b>must provide</b> scheme managers with <b>information</b> that they reasonably require to be satisfied that pension board members and proposed members do not have a conflict of interest.		
80	<b>Schemes should ensure</b> that pension board members are appointed under procedures that require them to disclose any interests, including other responsibilities, which could become conflicts of interest and which may adversely affect their suitability for the role, before they are appointed.		Identified at interview/appointment
81	All terms of engagement, for example appointment letters, <b>should include a clause requiring disclosure</b> of all interests, including any other responsibilities, which have the potential to become conflicts of interest, as soon as they arise. All interests disclosed should be recorded. See the section of this code on 'Monitoring potential conflicts'.		Policy Approved in 2022
82	<b>Schemes should take time to consider</b> what important matters or decisions are likely to be considered during, for example, the year ahead and identify and consider any potential or actual conflicts of interest that may arise in the future. <b>Pension board members should be notified as soon as practically possible and mitigations should be put in place</b> to prevent these conflicts from materialising.		Would be identified in the workplan
83	As part of their risk assessment process, <b>schemes should identify, evaluate and manage dual interests</b> which have the potential to become conflicts of interest and pose a risk to the scheme and possibly members, if they are not mitigated. <b>Schemes should evaluate</b> the nature of any dual interests and assess the likely consequences were a conflict of interest to materialise.		Would be identified in the workplan
84	<b>A register of interests should provide</b> a simple and effective means of recording and monitoring dual interests and responsibilities. <b>Schemes should also capture decisions</b> about how to manage potential conflicts of interest in their risk registers or elsewhere. The register of interests and other relevant <b>documents should be circulated to</b> the pension board for ongoing review and published, for example on a scheme's website.		Policy Approved in 2022
85	<b>Conflicts of interest should be included as an opening agenda item</b> at board meetings and revisited during the meeting, where necessary. This provides an opportunity for those present to declare any interests, including other responsibilities, which <b>have the potential to become conflicts of interest</b> , and to minute discussions about how they will be managed to prevent an actual conflict arising.		COI declared at every Board meeting
86	<b>Schemes should establish and operate procedures</b> which ensure that pension boards are not compromised by potentially conflicted members. They <b>should consider</b> and determine the roles and responsibilities of pension boards and individual board members carefully to ensure that conflicts of interest do not arise, nor are perceived to have arisen.		

Previous rating

Previous rating

90	While scheme regulations <b>must require pension boards to have an equal number</b> of employer and member representatives, there is flexibility to design arrangements which best suit each scheme.		Equal numbers appointed and each Board meeting is quorate
91	Arrangements should be designed with regard to the principles of proportionality, fairness and transparency, and with the aim of ensuring that a pension board has the right balance of skills, experience and representation (for example, of membership categories and categories of employers participating in the scheme). <b>Those responsible for appointing members to a pension board should also consider the mix of skills</b> and experience needed on the pension board in order for the board to operate effectively in light of its particular role, responsibilities and duties.		On-going traing needs analysis conducted April 2022
<b>Publishing Information about Schemes</b>			
92	<b>The scheme manager for a public service scheme must publish information</b> about the pension board for the scheme(s) and <b>keep that information up-to-date.</b>		<a href="#">Available on website. Ongoing review of Uploaded documents to ensure relevance</a>
93	The information <b>must include:</b> who the members of the pension board are representation on the board of members of the scheme(s), and the matters falling within the pension board's responsibility.		Board membership and terms of reference available on website. Also links to meetings and agenda documents.
94	Scheme members will want to know that their scheme is being efficiently and effectively managed. Public service pension <b>schemes should have a properly constituted</b> , trained and competent pension board, which is responsible for assisting the scheme manager to comply with the scheme regulations and other legislation relating to the governance and administration of the scheme and requirements imposed by the regulator.		<a href="#">Powy Pension Board terms of reference provides the detail</a>
95	<b>Scheme managers must publish the information required about the pension board</b> and keep that information up-to-date. This will ensure that scheme members can easily access information about who the pension board members are, how pension scheme members are represented on the pension board and the responsibilities of the board as a whole.		<a href="#">Available on website</a>

Sep-22

96	<p>When publishing information about the identity of pension board members, the representation of scheme members and matters for which the board is responsible, <b>schemes should also publish</b> useful related information about the pension board such as:</p> <p>the employment and job title (where relevant) and any other relevant position held by each board member</p> <p>the pension board appointment process</p> <p>who each pension board member represents</p> <p>the full terms of reference for the pension board, including details of how it will operate, and</p> <p>any specific roles and responsibilities of individual pension board members.</p>		Discussed at Pension Board meeting 28.10.22 and happy to leave in current state, no reason to change.
97	<p>Schemes <b>should also consider publishing information</b> about pension board business, for example board papers, agendas and minutes of meetings (redacted to the extent that they contain confidential information and/or data covered by the Data Protection Act 1998). They <b>should consider any requests for additional information</b> to be published, to encourage scheme member engagement and promote a culture of transparency.</p>		<a href="#">Available on Council Website</a>
98	<p><b>Scheme managers must ensure that information published about the pension board is kept up-to-date. Schemes should have policies and processes to monitor all published data on an ongoing basis to ensure it is accurate and complete.</b></p>		Minutes regularly uploaded and documentation reviewed.
<b>Managing Risks</b>			
104	<p>Good internal controls are an important characteristic of a well-run scheme and one of the main components of the scheme manager's role in securing the effective governance and administration of the scheme. Internal controls can help protect pension schemes from adverse risks, which could be detrimental to the scheme and members if they are not mitigated.</p>		Discussed at each Board meeting
105	<p><b>Scheme managers must establish and operate internal controls. These should address</b> significant risks which are likely to have a material impact on the scheme. Scheme managers <b>should employ a risk-based approach</b> and ensure that sufficient time and attention is spent on identifying, evaluating and managing risks and developing and monitoring appropriate controls. They <b>should seek advice, as necessary.</b></p>		Discussed at each Board meeting and included in risk register
106	<p>Before implementing an internal controls framework, <b>schemes should carry out a risk assessment.</b> They should begin by:</p> <p>setting the objectives of the scheme</p> <p>determining the various functions and activities carried out in the running of the scheme, and</p> <p>identifying the main risks associated with those objectives, functions and activities.</p>		Discussed at each Board meeting

107	An effective risk assessment process will help schemes to identify a wide range of internal and external risks, which are critical to the scheme and members. When identifying risks, <b>schemes should refer to relevant sources</b> of information, such as records of internal disputes and legislative breaches, the register of interests, internal and external audit reports and service contracts.		Discussed at each Board meeting
108	Once schemes have identified risks, they <b>should record them in a risk register and review them regularly. Schemes should keep appropriate records</b> to help scheme managers demonstrate steps they have taken to comply, if necessary, with legal requirements.		Discussed at each Board meeting and included in risk register
109	Not all risks will have the same potential impact on scheme operations and members or the same likelihood of materialising. <b>Schemes should consider both these areas</b> when determining the order of priority for managing risks and focus on those areas where the impact and likelihood of a risk materialising is high.		Discussed at each Board meeting and included within risk register reviews
110	Many pension schemes will already have adequate internal controls in place, some of which may apply to a variety of the functions of the administering authority. <b>Schemes should review their existing arrangements and procedures</b> to determine whether they can prevent and detect errors in scheme operations and help mitigate pension scheme-related risks. For example, schemes could obtain assurance about their existing controls through direct testing or by obtaining reports on controls. <b>Any such review should be appropriate to the outcome of the risk evaluation.</b>		Discussed at each Board meeting and regularly reviewed as part of business as usual operations
111	<b>Schemes should consider what internal controls are appropriate to mitigate the main risks they have identified and how best to monitor them.</b> For example, the scheme manager(s) for a funded scheme should establish and operate internal controls that regularly assess the effectiveness of investment-related decision making. Scheme managers for all pension schemes should establish and operate internal controls that regularly assess the effectiveness of data management and record-keeping.		Discussed at each Board meeting and considered on risk register.
113	Risk assessment is a <b>continual process and should take account of a changing environment</b> and new and emerging risks, including significant changes in or affecting the scheme and employers who participate in the scheme.		Discussed at each Board meeting and during regular risk register reviews
114	For example, where relevant, <b>schemes should put in place systems and processes for making an objective assessment of the strength of an employer's covenant</b> (which should include analysis of their financial position, prospects and ability to pay the necessary employer contributions).		In Place - ongoing throughout 2023. Work with Fund actuary to assess as required.
115	An effective risk assessment process will provide a mechanism to detect weaknesses at an early stage. <b>Schemes should periodically review the adequacy of internal controls in:</b>  mitigating risks  supporting longer-term strategic aims, for example relating to investments  identifying success (or otherwise) in achieving agreed objectives, and  providing a framework against which compliance with the scheme regulations and legislation can be monitored.		Discussed at Board meeting accordingly. Risk Register regularly reviewed and investment strategy monitored and reviewed regularly.
116	<b>Internal or external audits and/or quality assurance processes should ensure that adequate internal controls are in place and being operated effectively.</b> Reviews should take place when substantial changes take place, such as changes to pension scheme personnel, implementation of new administration systems or processes, or where a control has been found to be inadequate.		Annual Wales Audit Office reviews. Internal Audit of Administration due in 2022.

119	The legal requirements relating to internal controls apply equally where schemes outsource services connected with the running of the scheme. <b>Providers should be required to demonstrate that they will have adequate internal controls in their tenders</b> for delivering services. <b>The requirements should be incorporated in the terms of engagement</b> and contract between the scheme and service provider. Outsourced services may include, for example, the maintenance of records and data, calculation of benefits and investment management services. Where services are outsourced, <b>scheme managers should be satisfied that internal controls associated with those services are adequate and effective.</b>		Annual Assurances from providers sought.
120	An increasing number of service providers are obtaining independent assurance reports to help demonstrate their ability to deliver quality administration services. <b>Schemes should ask their service providers to demonstrate</b> that they have adequate internal controls relating to the services they provide. <b>It is vital that schemes ensure they receive sufficient assurance from service providers.</b> For example, the information from providers should be sufficiently detailed and comprehensive and the <b>service level agreements should cover all services that are outsourced.</b> <b>Schemes should also consider including provisions in contracts for outsourced services requiring compliance with appropriate standards.</b> This should help to ensure effective administration.		Annual Assurances from providers sought.
<b>Administration</b>			
124	Failure to maintain complete and accurate records and put in place effective internal controls to achieve this can affect the ability of schemes to carry out basic functions. Poor record-keeping can result in schemes failing to pay benefits in accordance with scheme regulations, processing incorrect transactions and ultimately paying members incorrect benefits. For funded schemes, it may lead to schemes managing investment risks ineffectively. There is also the potential for the maladministration of members' contributions and failure to identify any misappropriation of assets. <b>Schemes should be able to demonstrate to the regulator, where required, that they keep accurate, up-to-date and enduring records to be able to govern and administer their pension scheme efficiently.</b>		Data Quality testing Undertaken annually (latest in October 2022)
125	<b>Scheme managers must establish and operate adequate internal controls, which should include processes</b> and systems to support record-keeping requirements and ensure that they are effective at all times.		Monthly and annual data checking exercise
126	<b>Scheme managers must ensure that member data across all membership categories specified in the Record Keeping Regulations is complete and accurate. Member data should be subject to regular data evaluation.</b>		Monthly and annual data checking exercise
127	<b>Scheme managers must keep specific member data, which will enable them to uniquely identify a scheme member and calculate benefits correctly.</b> This is particularly important with the establishment of career average revalued earnings (CARE) schemes. <b>Scheme managers must be able to provide members with accurate information regarding their pension benefits (accrued benefits to date and their future projected entitlements)</b> in accordance with legislative requirements, as well as pay the right benefits to the right person (including all beneficiaries) at the right time.		Final Salary and CARE data held in Admin system accordingly

Feb-23



128	<b>Schemes should require participating employers to provide them with timely and accurate data in order</b> for the scheme manager to be able to fulfil their legal obligations. <b>Schemes should seek to ensure that processes are established by employers</b> which enable the transmission of complete and accurate data from the outset. Processes will vary from employer to employer, depending on factors such as employee turnover, pay periods, number of employees who are members and the timing and number of payroll processing systems.		Finance check monthly. Annual letter of compliance issued to employers. Process currently being reviewed late 2022/23. nearly half of employers currently submit data digitally monthly.
129	<b>Schemes should seek to ensure that employers understand the main events</b> which require information about members to be passed from the employer to the scheme and/or another employer, such as when an employee:  joins or leaves the scheme  changes their rate of contributions  changes their name, address or salary  changes their member status, and  transfers employment between scheme employers.		Guidance and training provided at time of Admission into Fund. Iconnect allows electronic input and updating. Communication and training plan in place for 2023.
130	<b>Schemes should ensure that appropriate procedures and timescales are in place for scheme employers to provide updated information when member data changes,</b> for checking scheme data against employer data and for receiving information which may affect the profile of the scheme. If an employer fails to act according to the procedures set out above, meaning that they and/or scheme managers may not be complying with legal requirements, those under a statutory duty to report breaches of the law to the regulator under section 70 of the Pensions Act 2004 should assess whether there has been a relevant breach and take action as necessary.		Guidance and training provided at time of Admission into Fund and periodically thereafter
131	<b>Schemes should be able to trace the flow of funds into and out of the scheme and reconcile these against expected contributions and scheme costs.</b> In doing so, they will have clear oversight of the core scheme transactions and <b>should be able to mitigate risks swiftly.</b>		Finance Section carry out checks
132	Scheme managers <b>must keep records of transactions made to and from</b> the scheme and any amount due to the scheme which has been written off. They <b>should be able to demonstrate</b> that they do so.		Audit trails available in Admin system and quarterly reconciliation with Finance.
133	<b>Scheme managers must keep records of pension board meetings including any decisions made. Schemes should also keep records of key discussions,</b> which may include topics such as compliance with policies relating to administration of the scheme.		Available in Minutes and held on fund website
134	<b>Scheme managers must also keep records relating to any decision taken by members of the pension board other than at a pension board meeting, or taken by a committee/sub-committee, which has not been ratified by the pension board. The records must include the date, time and place of the decision and the names of board members participating in that decision. This will ensure that there is a clear and transparent audit trail of the decisions made in relation to the scheme.</b>		Available in Minutes

135	<b>Schemes should retain records for as long as they are needed.</b> It is likely that data will need to be held for long periods of time and schemes will need to retain some records for a member even after that individual has retired, ensuring that pension benefits can be properly administered over the lifetime of the member and their beneficiaries. <b>Schemes should have in place adequate systems and processes to enable the retention</b> of records for the necessary time periods.		GDPR notice advises that data will be held for as long as required to administer the scheme appropriately.
136	<b>Schemes should have policies and processes that monitor data on an ongoing basis to ensure it is accurate and complete,</b> regardless of the volume of scheme transactions. This <b>should be in relation to all membership categories</b> , including pensioner member data where queries may arise once the pension is being paid.		Data Improvement Plan in place on fund website and regularly reviewed
137	<b>Schemes should adopt a proportionate and risk-based approach to monitoring,</b> based on any known or historical issues that may have occurred in relation to the scheme's administration. This is particularly important for the effective administration of CARE pension schemes, which requires schemes to hold significantly more data than needed for final salary schemes.		Monthly and annual data monitor and cleanse processes in place.
138	<b>Schemes should continually review their data and carry out a data review exercise at least annually.</b> This <b>should include an assessment of the accuracy and completeness</b> of the member information data held. Schemes should decide the frequency and nature of the review in light of factors such as the level of data quality, any issues identified and key scheme events.		Data Quality Testing and Improvement Plan in place and regularly reviewed
140	Where there has been a change of administrator or the administration system/platform, <b>schemes should review and cleanse data records and satisfy themselves</b> that all data are complete and accurate.		Completed in 2019 with regular data cleansing taking place
141	Where schemes <b>identify poor quality or missing data, they should put a data improvement plan in place</b> to address these issues. The plan <b>should have specific data improvement measures</b> which schemes can monitor and a defined end date within a reasonable timeframe when the scheme will have complete and accurate data.		Data Quality testing and Improvement Plan, but monitored Annually
142	<b>Schemes should ensure that member records are reconciled with information held by the employer,</b> for example postal address or electronic address (email address) changes and new starters. Schemes should also ensure that the numbers of scheme members is as expected based on the number of leavers and joiners since the last reconciliation. Schemes should be able to determine those members who are approaching retirement, those who are active members and those who are deferred members.		Monthly/Annual Reconciliation
143	Schemes <b>must ensure that processes that are created to manage scheme member data meet the requirements of the Data Protection Act 1998 and the data protection principles.</b>		reviewed under GDPR exercise
144	Schemes <b>should understand:</b> <ul style="list-style-type: none"> <li>• their obligations as data controllers and who the data processors are in relation to the scheme</li> <li>• the difference between personal data and sensitive personal data (as defined in the Data Protection Act 1998)</li> <li>• how data are held and how they should respond to data requests from different parties</li> <li>• the systems which need to be in place to store, move and destroy data, and</li> <li>• how data protection affects member communications.</li> </ul>		reviewed under GDPR exercise

146	Where applicable, schemes should be able to demonstrate that they keep records in accordance with these and any other relevant legal requirements. Schemes should read the relevant legislation and any guidance in conjunction with this code where applicable.		reviewed under GDPR exercise
<b>Maintaining Contributions</b>			
147	<b>Employer contributions must be paid to the scheme in accordance with any requirements in the scheme regulations.</b> Where employer contributions are not paid on or before the date they are due under the scheme and the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to the regulator in the exercise of any of its functions, the scheme manager must give a written report of the matter to the regulator as soon as reasonably practicable.		Breaches Log and procedure in place. Ongoing risk requiring monitoring. Stricter monitoring in place and performance now reported to Board at each meeting.
148	Where employee contributions are deducted from a member's pay, <b>the amount deducted must be paid to the managers of the scheme at the latest by the 19th day of the month following the deduction, or by the 22nd day if paid electronically</b> (the 'prescribed period'), or earlier if required by scheme regulations. References to 'days' means all days. References to 'working days' do not include Saturdays, Sundays or Bank Holidays.		Breaches Log and procedure in place. Ongoing risk requiring monitoring. Stricter monitoring in place and performance now reported to Board at each meeting.
149	<b>failure is likely to be of material significance</b> to the regulator in the exercise of any of its functions, they <b>must give notice of the failure to the regulator</b> and the member within a reasonable period after the end of the prescribed period. Where there is a failure to pay employee contributions on an earlier date in accordance with scheme regulations, <b>schemes should also consider their statutory duty under section 70 of the Pensions Act 2004 to assess and if necessary report breaches of the law.</b> For more information about reporting breaches of the law, see this section of the code.		Breaches Log and procedure in place. Ongoing risk requiring monitoring. Stricter monitoring in place and performance now reported to Board at each meeting.
150	As part of the requirement to establish and operate adequate internal controls, <b>scheme managers should ensure that there are effective procedures and processes in place to identify payment failures that are – and are not – of material significance to the regulator.</b> A 'payment failure' is where contribution payments are not paid to the scheme by the due date(s), or within the prescribed period and a 'materially significant payment failure' refers to a payment failure which is likely to be of material significance to the regulator in the exercise of its functions.		Breaches Log and procedure in place. Ongoing risk requiring monitoring. Stricter monitoring in place and performance now reported to Board at each meeting.
151	Schemes <b>should monitor pension contributions, resolve payment issues and report payment failures, as appropriate,</b> so that the scheme is administered and managed in accordance with the scheme regulations and other legal requirements.		Breaches Log and procedure in place. Ongoing risk requiring monitoring. Stricter monitoring in place and performance now reported to Board at each meeting.
152	Adequate procedures and processes are likely to involve:  developing a record to monitor the payment of contributions  monitoring the payment of contributions  managing overdue contributions, and  reporting materially significant payment failures.		In place.
153	These procedures and processes <b>should help scheme managers to meet their statutory duty to report materially significant payment failures to the regulator,</b> as well as ensuring the effective management of scheme contributions and payment of the right pension.		Breaches Log and Policy in place

May-23

155	Public service pension schemes which meet these exemptions <b>should nonetheless develop a record for monitoring the payment of contributions to the scheme</b> (a contribution monitoring record, which must reflect any requirements in scheme regulations where relevant). <b>Schemes should prepare the contributions monitoring record in consultation with employees.</b>		Procedure in place, but looking to develop using software for reconciliation and monitoring.
156	A contributions monitoring record will enable schemes to check whether contributions have been paid on time and in full, and, if they have not, provide a trigger for escalation for schemes to investigate the payment failure and consideration of whether scheme managers need to report to the regulator and, where relevant, members.		Procedure in place, but looking to develop using software for reconciliation and monitoring to help
157	A <b>contributions monitoring record should include the following information:</b> <ul style="list-style-type: none"> <li>• contribution rates</li> <li>• the date(s) on or before which employer contributions are to be paid to the scheme</li> <li>• the date by when, or period within which, the employee contributions are to be paid to the scheme</li> <li>• the rate or amount of interest payable where the payment of contributions is late.</li> </ul>		Noted. Statement of fact/process.
158	The date when employer contributions must be paid is the date on or before which they are due under the scheme in accordance with the scheme regulations (or other scheme documentation). Schemes should assess the timing of payments against the date specified.		Noted. Statement of fact/process.
161	Schemes <b>should monitor contributions on an ongoing basis for all the membership categories within the scheme. Schemes should regularly check payments due against the contributions monitoring record.</b>		Procedure in place, but looking to develop using software for reconciliation and monitoring to help
162	Schemes <b>should apply a risk-based and proportionate approach to help identify employers and situations which present a higher risk of payment failures</b> occurring and which are likely to be of material significance and require the scheme manager to intervene.		Procedure in place, but looking to develop using software for reconciliation and monitoring to help
163	Schemes <b>should be aware of what is to be paid in accordance with the contributions monitoring record</b> or other scheme documentation, which may be used by the pension scheme. Schemes <b>should also have a process in place to identify where payments are late or have been underpaid, overpaid or not paid at all.</b>		Procedure in place, but looking to develop using software for reconciliation and monitoring to help
165	Schemes <b>should have adequate internal controls in place to monitor the sharing of payment information between the employer, pension scheme and member.</b> Where the necessary payment information is not automatically available or provided by employers, <b>schemes should request the additional information</b> they need. Schemes may not need to obtain payment information as a matter of course, only where it is required for effective monitoring.		Procedure in place within the Finance Section but looking to develop by using software
166	Scheme managers must record and retain information on transactions, including any employer and employee contributions received and payments of pensions and benefits, which will support them in their administration and monitoring responsibilities.		Procedure in place within the Finance Section
167	Where the <b>administration of scheme contributions is outsourced</b> to a service provider, <b>schemes should ensure that there is a process in place to obtain regular information on the payment of contributions to the scheme</b> and a <b>clear procedure in place</b> to enable them to identify and resolve payment failures which may occur.		Procedures and policy in place

168	<p>When schemes identify or are notified of a problem, they <b>should assess whether a payment failure has occurred before taking steps to resolve and, if necessary, report it.</b> During their assessment, <b>schemes should take into account:</b></p> <ul style="list-style-type: none"> <li>• legitimate agreed payments made directly by an employer for scheme purposes, ie where the scheme has agreed that a contributions payment can be made late due to exceptional circumstances</li> <li>• legitimate agreed payment arrangements made between an employee and employer, ie where the employer has agreed that a contribution payment can be made late due to exceptional circumstances</li> <li>• contributions paid directly to a pension provider, scheme administrator or investment manager</li> <li>• any AVCs included with an employer's overall payment.</li> </ul>		Procedures and policy in place
169	<p>Where schemes identify a payment failure, they should follow a process to resolve issues quickly. This should normally involve the following steps:</p> <ol style="list-style-type: none"> <li>Investigate any apparent employer failure to pay contributions in accordance with the contributions monitoring record or legal requirements.</li> <li>Contact the employer promptly to alert them to the payment failure and to seek to resolve the overdue payment.</li> <li>Discuss it further with the employer as soon as practicable to find out the cause and circumstances of the payment failure.</li> <li>Ask the employer to resolve the payment failure and take steps to avoid a recurrence in the future.</li> </ol>		Breaches Log and procedure in place.
<b>Providing information to Members</b>			
188	Scheme regulations must require scheme managers to provide an annual benefit information statement to each active member of a DB scheme established under the 2013 Act or new public body scheme. The statement must include a description of the benefits earned by a member in respect of their pensionable service.		Procedures in place. Digital distribution and paper to those that have requested
189	The first statement must be provided no later than 17 months after the scheme regulations establishing the scheme come into force. Subsequent statements must be provided at least annually after that date.		
190	Statements must also comply with HM Treasury directions in terms of any other information which must be included and the manner in which they must be provided to members.		Annual Review exercise on All Wales basis
191	Managers of a scheme must also provide a benefit statement following a request by an active, deferred or pension credit member of a DB scheme if the information has not been provided to that member in the previous 12 months before that request.		Noted. Statement of fact/process.
192	These benefit statements must include information about the amount of benefits by reference to a particular date and how they are calculated. The full details depend on the type of member making the request.		Compliant
193	The information must be given as soon as practicable but no more than two months after the date the request is made.		Procedures in place to ensure timescales adhered to.

196	<p>Under the Disclosure Regulations 2013, managers of a scheme must provide other information to members and others in certain circumstances (for example, on request). The Regulations set out the information which must be given, the timescales for providing such information and the methods that may be used. Not all information must be provided in respect of all public service pension schemes (there are some exemptions for specified public service schemes or according to the type of benefit offered), but information which scheme managers may need to provide includes:</p> <ul style="list-style-type: none"> <li>• basic scheme information</li> <li>• information about the scheme that has materially altered</li> <li>• information about the constitution of the scheme</li> <li>• annual report (this requirement will generally not apply to unfunded DB public service pension schemes and DB schemes for local government workers) information about funding principles, actuarial valuations and payment schedules (these requirements will generally not apply to unfunded DB public service pension schemes and DB schemes for local government workers)</li> <li>• information about transfer credits</li> <li>• information about lifestyling (this requirement will not apply in respect of DB benefits in public service pension schemes)</li> <li>• information about accessing benefits, and</li> <li>• information about benefits in payment.</li> </ul>		Compliant. Misc regs require notification to members within timescales. Amber to reflect difficulties in notifying all deferred members of actual benefits within timescales. Interim letter issued to advise of benefit entitlement whilst actual benefits calculated. Noted as recordable breach (not reportable).
197	The detail of the information that must be provided to scheme members and others and any exemptions are set out in the Disclosure Regulations 2013. Managers must provide the required information, along with confirmation that members may request further information and the postal and email addresses to which a person should send those requests and enquiries.		In place
198	Managers of a scheme must ensure that scheme members and others are given information in accordance with the Disclosure Regulations 2013, unless they are an 'excluded person' (as defined above).		Noted. Statement of fact/process.

199	<p>The Disclosure Regulations 2013 make provision for scheme members and others to receive information that is relevant to their pension rights and entitlements under the scheme. The categories of people who are entitled to receive information vary according to the different types of information, and there are exemptions where information has already been provided in a specified period. The detail of who is entitled to any particular type of information is set out in the Disclosure Regulations 2013 but may include any of the following ('a relevant person'):</p> <ul style="list-style-type: none"> <li>• active members</li> <li>• deferred members</li> <li>• pensioner members</li> <li>• prospective members</li> <li>• spouses or civil partners of members or prospective members</li> <li>• other beneficiaries, and</li> <li>• recognised trade unions.</li> </ul>		
200	<p>Managers must disclose certain basic information about the scheme and the benefits it provides to a prospective member (if practicable to do so) or a new member. Where the manager has received jobholder information for the member or prospective member they must provide the information within a month of the jobholder information being received. Where they have not received jobholder information, they must provide the information within two months of the date the person became an active member of the scheme.</p>		procedures in place. Compliant.
201	<p>Managers must also provide information on request to a relevant person within two months of the request being made, except where the same information was provided to the same person or trade union in the 12 month before the request.</p>		Compliant. Procedures in place in workflow system.

203	<p>Generally, schemes may choose how they provide information to scheme members, including by post, electronically (by email or by making it available on a website) or by any other means permitted by the law. For benefit statements issued under the 2013 Act, HM Treasury directions may specify how the information must be provided. Where schemes wish to provide information required under the Disclosure Regulations 2013 by electronic means there are important steps and safeguards that must first be met. These include:</p> <ul style="list-style-type: none"> <li>• scheme members and beneficiaries being provided with the option to opt out of receiving information electronically by giving written notice to the scheme</li> <li>• managers being satisfied that the electronic communications have been designed: <ul style="list-style-type: none"> <li>– so that the person will be able to access and either store or print the relevant information and</li> <li>– taking into account the requirements of disabled people</li> <li>• ensuring that members and beneficiaries who were members or beneficiaries of the public service pension scheme on 1 December 2010 (where the scheme had not provided information electronically prior to that date) has been sent a written notice (other than via email or website), informing them that: <ul style="list-style-type: none"> <li>– it is proposed to provide information electronically in the future and</li> <li>– scheme members and beneficiaries may opt out of receiving information electronically by sending written notice.</li> </ul> </li> </ul> </li> </ul>		<p>Exercise carried out and majority of scheme documentation delivered electronically, except to those who have opted out of e-communications. Workplan in place to increase targeted communications to those members who have not engaged as frequently as hoped but also age appropriate targeted communications (near retirement, mid-career etc)</p>
204	<p>Where schemes make information or a document available on a website for the first time, they must give notice (other than via a website) to the recipient. They must ensure that the notice includes:</p> <ul style="list-style-type: none"> <li>• a statement advising that the information is available on the website</li> <li>• the website address</li> <li>• details of where on the website the information or document can be read, and</li> <li>• an explanation of how the information or document may be read on the website.</li> </ul>		<p>Compliant</p>



205	<p>When any subsequent information is made available on a website, managers of a scheme must give a notice (other than via a website) to recipients informing them that the information is available on the website. This notice will not be required where:</p> <ul style="list-style-type: none"> <li>• at least two documents have been given to the recipient by hand or sent to the recipient's last known postal address</li> <li>• each of those letters asks the recipient to give their electronic (email) address to the scheme and informs the recipient of their right to request (in writing) that information or documents are not to be provided electronically</li> <li>• a third letter has been given to the recipient by hand or sent to the recipient's last known postal address and includes a statement that further information will be available to read on the website and that no further notifications will be sent to the recipient and</li> <li>• the managers of the scheme do not know the recipient's email address and have not received a written request that information or documents are not to be provided to the recipient electronically.</li> </ul>		Exercise carried out and majority of scheme documentation delivered electronically, except to those who have opted out of e-communications
206	<p>In some cases, the Disclosure Regulations 2013 specify that information must be made available by one of the following methods:</p> <ul style="list-style-type: none"> <li>• available to view free of charge, at a place that is reasonable having regard to the request</li> <li>• published on a website (in which case the procedure to be followed before making information available on a website does not apply, except that the person or trade union must be notified of certain details)</li> <li>• given for a charge that does not exceed the expense incurred in preparing, posting and packing the information, or</li> <li>• publicly available elsewhere.</li> </ul>		Compliant
207	<p>Schemes should design and deliver communications to scheme members in a way that ensures they are able to engage with their pension provision. Information should be clear and simple to understand as well as being accurate and easily accessible. It is important that members are able to understand their pension arrangements and make informed decisions where required.</p>		Ongoing Exercise to establish preferred member method of delivery on an individual member basis (eg preferred language)
208	<p>Schemes should attempt to make contact with their scheme members and, where contact is not possible, schemes should carry out a tracing exercise to locate the member and ensure that their member data are up-to-date.</p>		Numbers of "Gone Away" members identified. New facility being used to check small numbers of members as required. Ongoing exercise
209	<p>Where a person has made a request for information, schemes should acknowledge receipt if they are unable to provide the information at that stage. Schemes may encounter situations where the time period for providing information takes longer than expected. In these circumstances, schemes should notify the person and let them know when they are likely to receive the information. Scheme managers and managers (where different) must provide information in accordance with the time periods specified in the 2013 Act and Disclosure Regulations 2013.</p>		Compliant with appropriate processes in place
210	<p>To promote transparency, schemes should make information readily available at all times to ensure that prospective and existing members are able to access information when they require it.</p>		Website, Intranet, bilingual (work continuing)

# Resolving Issues

Sep-22

Page 34

216	Dispute resolution arrangements may require people with an interest in the scheme to first refer matters in dispute to a 'specified person' in order for that person to consider and give their decision on those matters. The specified person's decision may then be confirmed or replaced by the decision taken by the scheme manager after reconsideration of the matters.		Pensions Decision - Pensions Administration Manager. Employer decision - HR Manager
217	Scheme managers and specified persons (if used as part of a scheme's procedure) must take the decision required on the matters in dispute within a reasonable period of receiving the application. They must notify the applicant of the decision within a reasonable period of having taken it.		IDRP information made available to Specified Person
218	Internal dispute resolution procedures must state the manner in which an application for the resolution of a pension dispute is to be made, the particulars which must be included in such an application and the manner in which any decisions required in relation to such an application are to be reached and given. The procedure must specify a reasonable period within which applications must be made by certain people.		Detail in Letter.
219	Scheme managers must provide information about the scheme's dispute resolution procedure as well as information about The Pensions Advisory Service (TPAS) and the Pensions Ombudsman to certain people at certain stages.		Included in letters
220	Scheme members expect their pension scheme to be managed effectively. Where a person with an interest in the scheme is not satisfied with any matter relating to the scheme (for example a decision which affects them), they have the right to ask for that matter to be reviewed.		Included in letters
222	Schemes can operate a two-stage procedure with a 'specified person' undertaking the first-stage decision. Alternatively, they may adopt a single-stage procedure if they consider that is more appropriate for their scheme.		Two-stage adopted. Stage 1 - Pensions Administration Manager. Stage 2 - Pension Fund Manager. Similar practice for most Welsh LGPS Funds.
223	With the exception of certain matters outlined below, the law does not prescribe the detail of the dispute resolution procedure. Schemes should decide on this and ensure it is fit for purpose.		Noted. Statement of fact/process.

224	<p>Schemes may choose to specify time limits within which the following people must apply for a dispute to be resolved, following notification to them:</p> <ul style="list-style-type: none"> <li>• scheme members</li> <li>• widows, widowers, surviving civil partners or surviving dependants of deceased scheme members</li> <li>• surviving non-dependant beneficiaries of deceased scheme members, and</li> <li>• prospective scheme members.</li> </ul>		Within 6 months of being notified of decision
225	<p>If schemes decide to specify time limits, they should publish and make those time limits readily available to ensure that those with an interest in the scheme are aware that they must submit an application within a prescribed time limit.</p>		Within 6 months of being notified of decision
226	<p>Scheme managers must ensure their scheme's procedure specifies a reasonable period within which applications by the following people must be made:</p> <ul style="list-style-type: none"> <li>• a person who has ceased to be within the categories in paragraph 224 above</li> <li>• a person who claims that they were a person within the categories in paragraph 224 above and has ceased to be such a person, and the dispute relates to whether they are such a person.</li> </ul>		Noted. Statement of fact/process.
227	<p>A reasonable period would be six months beginning immediately after the date on which the person ceased to be, or claims they ceased to be, a person with an interest in the scheme. However, schemes have the flexibility to exercise their judgement and take an application outside a specified time period, if appropriate.</p>		6 months applied
228	<p>Managers and specified persons (where applicable) must decide the matter in dispute within a reasonable period of receiving the application. A reasonable period is within four months of receiving the application. In the case of a two-stage dispute resolution procedure, the reasonable period applies to each stage separately. Where a dispute is referred to scheme managers for a second-stage decision, the reasonable period begins when the managers receive the referral. However, there may be cases where it will be possible to process an application sooner than the reasonable time given. Where this is the case, there should not be a delay in taking the decision.</p>		Matter to be acted upon quickly but within 4 months
229	<p>There may be exceptional circumstances of a particular dispute which may prevent the process being completed within the reasonable time period stated above. For instance, where the dispute involves unusually complex and labour-intensive calculations or research, or delays occur that are outside the control of the scheme manager (or specified person), or because they need to obtain independent evidence.</p>		Noted. Statement of fact/process.

230	The regulator recognises that the circumstances of each dispute are different and decision times may vary. Schemes should be satisfied that the time taken to reach a decision is appropriate to the situation and be able to demonstrate this, if necessary.		Procedure is documented and evidenced
231	Applicants must be notified of the decision made by a scheme manager and specified person (where applicable) within a reasonable time period after the decision has been made <sup>123</sup> . Schemes should usually notify applicants of the decision no later than 15 working days after the decision has been made. However, there may be cases where it is possible to notify an applicant sooner than the reasonable time given. Where this is the case, there should not be a delay in notifying them of the decision.		Procedures in place to notify
232	Applicants must be notified of the decision made by a scheme manager and specified person (where applicable) within a reasonable time period after the decision has been made <sup>123</sup> . Schemes should usually notify applicants of the decision no later than 15 working days after the decision has been made. However, there may be cases where it is possible to notify an applicant sooner than the reasonable time given. Where this is the case, there should not be a delay in notifying them of the decision.		Procedures in place to notify
233	Scheme regulations or other documents recording policy about the administration of the scheme should specify internal dispute resolution arrangements. Schemes should focus on educating and raising awareness of their internal dispute resolution arrangements and ensuring that they are implemented.		Included in correspondence.
234	Schemes should ensure that the effectiveness of the arrangements is assessed regularly and be satisfied that those following the process are complying with the requirements set, which includes effective decision making. This is particularly important where the arrangements require employers participating in the pension scheme to carry out duties as part of the process, for example where schemes have implemented the two-stage procedure and employers are acting as the specified person for the first stage		Guidance provided to Employers and individuals where appropriate
235	Schemes should confirm and communicate their arrangements to members, for example, in the joining booklet. Schemes should make their arrangements accessible to potential applicants, for example by publishing them on a scheme website.		Information readily available. Compliments and Complaints policy produced and published.
236	<p>Scheme managers must provide the following information about the procedure and processes the scheme has in place for the internal resolution of disputes to certain people in certain circumstances<sup>124</sup>:</p> <ul style="list-style-type: none"> <li>• prospective members, if it is practicable to do so</li> <li>• any scheme members who have not already been given the information</li> <li>• certain relevant people who request the information and who have not been given that information in the previous 12 months, and</li> <li>• members or prospective members when schemes receive jobholder information, or when a jobholder becomes an active member, in connection with automatic enrolment.</li> </ul>		Information available.

237	Scheme managers must also provide the postal or email address and job title of the person to contact in order to make use of the internal dispute arrangements.		Included in correspondence
238	In addition, scheme managers must provide information about TPAS and the Pensions Ombudsman at certain stages <sup>125</sup> . Upon receiving an application for the resolution of a pension dispute, scheme managers (or the specified person) must make the applicant aware as soon as reasonably practicable that TPAS is available to assist members and beneficiaries of the scheme and provide contact details for TPAS. When notifying the applicant of the decision, scheme managers must also inform the applicant that the Pensions Ombudsman is available to investigate and determine complaints or disputes of fact or law relating to a public service pension scheme and provide the Pension Ombudsman's contact details.		Included in correspondence
239	Schemes can decide what information they need from applicants to reach a decision on a disputed matter and how applications should be submitted. Schemes should ensure they make the following information available to applicants: <ul style="list-style-type: none"> <li>• the procedure and processes to apply for a dispute to be resolved</li> <li>• the information that an applicant must include</li> <li>• the process by which any decisions are reached, and</li> <li>• an acknowledgement once an application has been received.</li> </ul>		Information available.
240	When reviewing an application, scheme managers and specified persons (where relevant) should ensure that they have all the appropriate information to make an informed decision. They should request further information if required. Scheme managers and specified persons should be satisfied that the times taken to reach a decision and notify the applicant are appropriate to the situation and that they have taken the necessary action to meet the reasonable time periods. Scheme managers should be able to demonstrate this to the regulator if required.		Noted. Statement of fact/process.
<b>Reporting Breaches of the Law</b>			
244	Schemes should be satisfied that those responsible for reporting breaches are made aware of the legal requirements and this guidance. Schemes should provide training for scheme managers and pension board members. All others under the statutory duty to report should ensure they have a sufficient level of knowledge and understanding to fulfil that duty. This means having sufficient familiarity with the legal requirements and procedures and processes for reporting.		Reporting Breaches Policy produced and available on Fund website

245	<p>Identifying and assessing a breach of the law is important in reducing risk and providing an early warning of possible malpractice in public service pension schemes. Those people with a responsibility to report breaches, including scheme managers and pension board members, should establish and operate appropriate and effective procedures to ensure that they are able to meet their legal obligations. Procedures should enable people to raise concerns and facilitate the objective consideration of those matters. It is important that procedures allow reporters to decide within an appropriate timescale whether they must report a breach. Reporters should not rely on waiting for others to report.</p>		<p>Reporting Breaches Policy produced and available on Fund website. Traffic light system included for determining seriousness</p>
246	<p>Procedures should include the following features:</p> <ul style="list-style-type: none"> <li>• a process for obtaining clarification of the law around the suspected breach where needed</li> <li>• a process for clarifying the facts around the suspected breach where they are not known</li> <li>• a process for consideration of the material significance of the breach by taking into account its cause, effect, the reaction to it, and its wider implications, including (where appropriate) dialogue with the scheme manager or pension board</li> <li>• a clear process for referral to the appropriate level of seniority at which decisions can be made on whether to report to the regulator</li> <li>• an established procedure for dealing with difficult cases</li> <li>• a timeframe for the procedure to take place that is appropriate to the breach and allows the report to be made as soon as reasonably practicable</li> <li>• a system to record breaches even if they are not reported to the regulator (the record of past breaches may be relevant in deciding whether to report future breaches, for example it may reveal a systemic issue), and</li> <li>• a process for identifying promptly any breaches that are so serious they must always be reported.</li> </ul>		<p>Reporting Breaches Policy produced and available on Fund website. Traffic light system included for determining seriousness. Breaches Log kept and updated regularly.</p>
247	<p>Breaches can occur in relation to a wide variety of the tasks normally associated with the administrative function of a scheme such as keeping records, internal controls, calculating benefits and, for funded pension schemes, making investment or investment-related decisions.</p>		<p>Noted. Statement of fact/process.</p>
248	<p>Having 'reasonable cause' to believe that a breach has occurred means more than merely having a suspicion that cannot be substantiated.</p>		<p>Noted. Statement of fact/process.</p>
249	<p>Reporters should ensure that where a breach is suspected, they carry out checks to establish whether or not a breach has in fact occurred. For example, a member of a funded pension scheme may allege that there has been a misappropriation of scheme assets where they have seen in the annual accounts that the scheme's assets have fallen. However, the real reason for the apparent loss in value of scheme assets may be due to the behaviour of the stock market over the period. This would mean that there is not reasonable cause to believe that a breach has occurred.</p>		<p>Noted. Statement of fact/process.</p>

250	Where the reporter does not know the facts or events around the suspected breach, it will usually be appropriate to check with the pension board or scheme manager or with others who are in a position to confirm what has happened. It would not be appropriate to check in cases of theft, suspected fraud or other serious offences where discussions might alert those implicated or impede the actions of the police or a regulatory authority. Under these circumstances the reporter should alert the regulator without delay.		Noted. Statement of fact/process.
251	If the reporter is unclear about the relevant legal provision, they should clarify their understanding of the law to the extent necessary to form a view.		Noted. Statement of fact/process.
252	In establishing whether there is reasonable cause to believe that a breach has occurred, it is not necessary for a reporter to gather all the evidence which the regulator may require before taking legal action. A delay in reporting may exacerbate or increase the risk of the breach.		Noted. Statement of fact/process.
253	<p>In deciding whether a breach is likely to be of ‘material significance’ to the regulator. It would be advisable for those with a statutory duty to report to consider the:</p> <ul style="list-style-type: none"> <li>• cause of the breach</li> <li>• effect of the breach</li> <li>• reaction to the breach, and</li> <li>• wider implications of the breach.</li> </ul>		Detailed in Breaches Policy
254	When deciding whether to report, those responsible should consider these points together. Reporters should take into account expert or professional advice, where appropriate, when deciding whether the breach is likely to be of material significance to the regulator.		Noted. Statement of fact/process.
255	<p>The breach is likely to be of material significance to the regulator where it was caused by:</p> <ul style="list-style-type: none"> <li>• dishonesty</li> <li>• poor governance or administration</li> <li>• slow or inappropriate decision making practices</li> <li>• incomplete or inaccurate advice, or</li> <li>• acting (or failing to act) in deliberate contravention of the law.</li> </ul>		Detailed in Breaches Policy

256	When deciding whether a breach is of material significance, those responsible should consider other reported and unreported breaches of which they are aware. However, historical information should be considered with care, particularly if changes have been made to address previously identified problems.		Noted. Statement of fact/process.
257	A breach will not normally be materially significant if it has arisen from an isolated incident, for example resulting from teething problems with a new system or procedure, or from an unusual or unpredictable combination of circumstances. But in such a situation, it is also important to consider other aspects of the breach such as the effect it has had and to be aware that persistent isolated breaches could be indicative of wider scheme issues.		Noted. Statement of fact/process.
258	<p>Reporters need to consider the effects of any breach, but with the regulator's role in relation to public service pension schemes and its statutory objectives in mind, the following matters in particular should be considered likely to be of material significance to the regulator:</p> <ul style="list-style-type: none"> <li>• pension board members not having the appropriate degree of knowledge and understanding, which may result in pension boards not fulfilling their roles, the scheme not being properly governed and administered and/or scheme managers breaching other legal requirements</li> <li>• pension board members having a conflict of interest, which may result in them being prejudiced in the way that they carry out their role, ineffective governance and administration of the scheme and/or scheme managers breaching legal requirements</li> <li>• adequate internal controls not being established and operated, which may lead to schemes not being run in accordance with their scheme regulations and other legal requirements, risks not being properly identified and managed and/or the right money not being paid to or by the scheme at the right time</li> <li>• accurate information about benefits and scheme administration not being provided to scheme members and others, which may result in members not being able to effectively plan or make decisions about their retirement</li> <li>• appropriate records not being maintained, which may result in member benefits being calculated incorrectly and/or not being paid to the right person at the right time</li> <li>• pension board members misappropriating any assets of the scheme or being likely to do so, which may result in scheme assets not being safeguarded, and</li> <li>• any other breach which may result in the scheme being poorly governed, managed or administered.</li> </ul>		Noted. Statement of fact/process.
259	Reporters need to take care to consider the effects of the breach, including any other breaches occurring as a result of the initial breach and the effects of those resulting breaches.		Noted. Statement of fact/process.
260	Where prompt and effective action is taken to investigate and correct the breach and its causes and, where appropriate, notify any affected members, the regulator will not normally consider this to be materially significant.		Noted. Statement of fact/process.



261	Where prompt and effective action is taken to investigate and correct the breach and its causes and, where appropriate, notify any affected members, the regulator will not normally consider this to be materially significant.		Noted. Statement of fact/process.
262	Reporters should consider the wider implications of a breach when they assess which breaches are likely to be materially significant to the regulator. For example, a breach is likely to be of material significance where the fact that the breach has occurred makes it appear more likely that other breaches will emerge in the future. This may be due to the scheme manager or pension board members having a lack of appropriate knowledge and understanding to fulfil their responsibilities or where other pension schemes may be affected. For instance, public service pension schemes administered by the same organisation may be detrimentally affected where a system failure has caused the breach to occur.		Noted. Statement of fact/process.
263	Reports must be submitted in writing and can be sent by post or electronically, including by email or by fax. Wherever possible reporters should use the standard format available via the Exchange online service on the regulator's website.		Noted. Statement of fact/process.
264	The report should be dated and include as a minimum: <ul style="list-style-type: none"> <li>• full name of the scheme</li> <li>• description of the breach or breaches</li> <li>• any relevant dates</li> <li>• name of the employer or scheme manager (where known)</li> <li>• name, position and contact details of the reporter, and</li> <li>• role of the reporter in relation to the scheme.</li> </ul>		Noted. Statement of fact/process.
265	Additional information that would help the regulator includes: <ul style="list-style-type: none"> <li>• the reason the breach is thought to be of material significance to the regulator</li> <li>• the address of the scheme</li> <li>• the contact details of the scheme manager (if different to the scheme address)</li> <li>• the pension scheme's registry number (if available), and</li> <li>• whether the concern has been reported before.</li> </ul>		Noted. Statement of fact/process.
266	Reporters should mark urgent reports as such and draw attention to matters they consider particularly serious. They can precede a written report with a telephone call, if appropriate.		Noted. Statement of fact/process.

268	The regulator will acknowledge all reports within five working days of receipt, however it will not generally keep a reporter informed of the steps taken in response to a report of a breach as there are restrictions on the information it can disclose.		Noted. Statement of fact/process.
269	The reporter should provide further information or reports of further breaches if this may help the regulator to exercise its functions. The regulator may make contact to request further information.		Noted. Statement of fact/process.
270	Breaches should be reported as soon as reasonably practicable, which will depend on the circumstances. In particular, the time taken should reflect the seriousness of the suspected breach.		Detailed in Breaches Policy

## CYNGOR SIR POWYS COUNTY COUNCIL

Pension Board  
12<sup>th</sup> June 2023

REPORT BY: Board Secretary

SUBJECT: Administration Update

REPORT FOR: Information

**1. Introduction**

- 1.1 Further to the information provided at the previous Pension Board meeting, this report contains the membership and Pensions Administration financial statistics for the period 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2023.

**2. Pensions Administration Financial Statistics - Income & Expenditure**

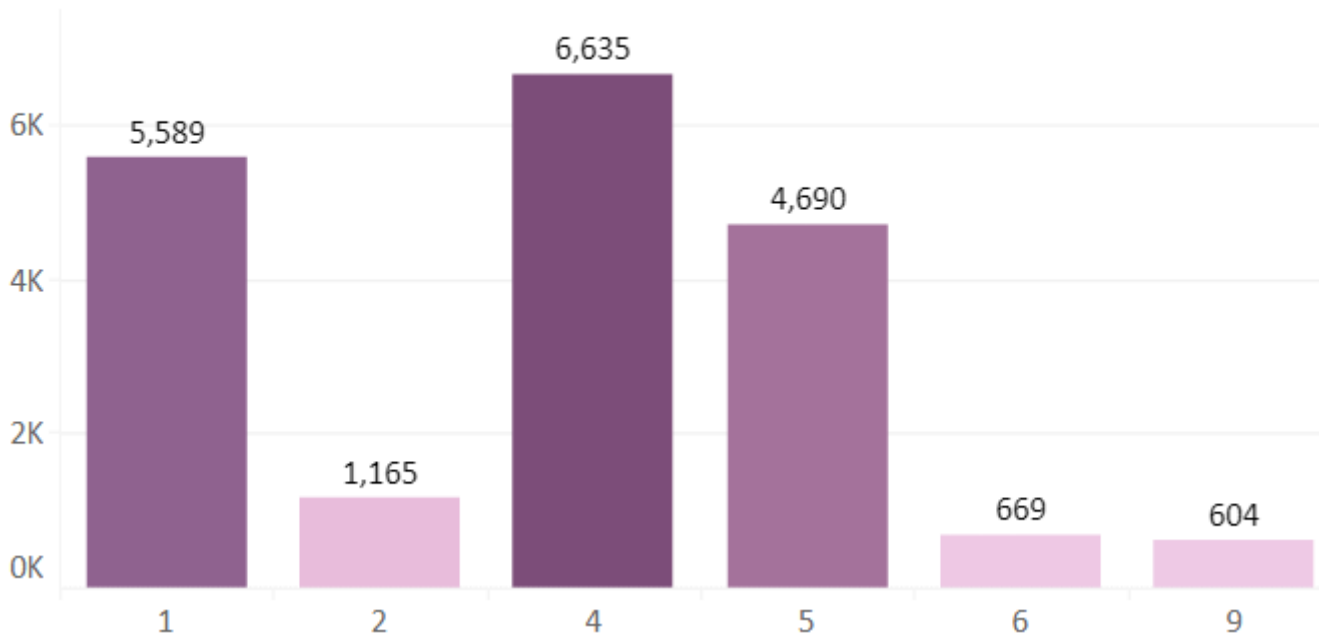
## 2.1

<u>Payments</u>	<u>January</u>	<u>February</u>	<u>March</u>
Pensions	2,152,975	2,198,206	2,125,392
Lump Sum	177,518	184,192	301,620
Transfers Out	2,811	33,005	47,818
Death Grants	19,038	149,289	333
<b>Total Payments</b>	<b>2,352,342</b>	<b>2,564,692</b>	<b>2,475,164</b>
<u>Income</u>			
Employee Contributions	(548,392)	(529,369)	(579,549)
Employer Contributions	(1,854,145)	(1,846,572)	(1,976,747)
Transfers In	(667,810)	(241,107)	(226,160)
<b>Total Income</b>	<b>(3,070,348)</b>	<b>(2,617,048)</b>	<b>(2,782,456)</b>

**3. Pensions Administration membership statistics**

- 3.1 The graphics below provide a high-level overview of the scheme membership profile

## Member Employment Records by Status



Key:

### Status

1. Active
2. Undecided Leaver (Deferred not yet processes/Outstanding Action)
4. Deferred
5. Pensioner
6. Dependant Pensioner
9. Frozen Refund

### 3.2 50/50 Scheme Membership

Active	18
Deferred	9

### 3.3 Number of Active Participating Employers: 22

**CYNGOR SIR POWYS COUNTY COUNCIL****Powys Pension Board  
12<sup>th</sup> June 2023****REPORT BY: Board Secretary****SUBJECT: Legislation and Guidance Update**

---

**REPORT FOR: Information**

---

**1. Summary**

Since the last Pension Board meeting, the LGA have published Bulletins 234 - 237, which contain important updates for administering authorities and scheme employers. It also provides a general update for all LGPS stakeholders.

This report provides the Board with an update on any new legislative changes and guidance that has been issued recently, including the above.

**2. Scheme Advisory Board Updates**

**2.1** This section provides an update on the Scheme Advisory Board (SAB) notifications within the above bulletins.

**2.2 Knowledge and Skills Framework Survey**

The SAB is reviewing and updating the CIPFA guidance on the Knowledge and Skills Framework for committee members and officers.

On 22 March 2023, Gareth Brown emailed administering authorities asking them to complete a survey regarding the knowledge and skills framework.

A response was submitted with input from the Pension Board Chair considered.

**2.3 McCloud data guidance**

The SAB has produced guidance which sets out what options administering authorities may consider if they are unable to collect data needed to implement the McCloud remedy. It covers both missing data and data the authority is not confident is accurate.

## 2.4 SAB Responds to Cost Management Consultation

On 6 March 2023, the SAB responded to the consultation on changes to their cost management process. The response is generally supportive of the Department for Levelling Up, Housing and Communities' (DLUHC) approach.

## 3. LGPS Updates

### 3.1 Employee Contribution Rates from April 2023

The table below shows the pay ranges and corresponding employee contribution rates that apply to the LGPS in England and Wales from 1 April 2023.

Band	Actual pensionable pay for an employment	Main section contribution rate for that employment	50/50 section contribution rate for that employment
1	Up to £16,500	5.50%	2.75%
2	£16,501 to £25,900	5.80%	2.90%
3	£25,901 to £42,100	6.50%	3.25%
4	£42,101 to £53,300	6.80%	3.40%
5	£53,301 to £74,700	8.50%	4.25%
6	£74,701 to £105,900	9.90%	4.95%
7	£105,901 to £124,800	10.50%	5.25%
8	£124,801 to £187,200	11.40%	5.70%
9	£187,201 or more	12.50%	6.25%

### 3.2 Progress Update Report

On 10 February 2023, the Department for Levelling Up, Housing and Communities (DLUHC) published a consultation and draft regulations on changing the annual revaluation date in the LGPS.

The LGA agree in principle with the change, but do not agree with the timing. They also comment that whilst the policy aim is mostly addressed by the draft regulations, some technical amendments are required.

The proposals seek to remove the impact of inflation on the annual allowance. It does so by changing the annual revaluation from the 1 to 6 April 2023, and thereafter on each 6th of April, for all members.

#### Background

The annual allowance (AA) should reflect the increase in a member's pension benefits above inflation. However, since HM Treasury realigned the period over which pension growth is measured with the tax year in 2015/16, inflationary increases are taken into account.

As things currently stand, the allowance for inflation in the AA calculation does not match the annual revaluation applied to pension accounts. To date the imbalance has been negligible because inflation has been low.

However, the imbalance for tax year 2022/2023 is 7 per cent. This is the difference between the allowance for inflation in the AA calculation of 3.1 per cent and the annual revaluation of 10.1 per cent. Consequently, without changes to scheme regulations, there will be a significant increase in the number of LGPS members breaching the annual allowance and potentially incurring a tax charge.

By moving the annual revaluation to 6 April the imbalance is removed. Both the AA inflation and the annual revaluation will use the same September CPI, meaning that only members pension savings will count towards the AA.

### **Government Actuary Department (GAD) Data Requests**

GAD confirmed it will be requesting valuation data as at 31 March 2022. This will be used primarily for the Section 13 exercise, but also to assist with other projects including DLUHC and SAB policy work.

### **New LGPS Employers in Wales**

The Government recently made The Local Government and Elections (Wales) Act 2021 (Corporate Joint Committees) (Consequential Amendments) Order 2023. The Order came into force on 1 April 2023.

The Order extends the LGPS to employees of:

- Mid Wales Corporate Joint Committee (CJC)
- North Wales Corporate Joint Committee
- South East Wales Corporate Joint Committee
- South West Wales Corporate Joint Committee.

The Order also specifies the appropriate administering authority for each one. Powys County Council is the administering authority for the Mid Wales CJC.

## **4. The Pensions Regulator (TPR)**

### **4.1 Corporate Plan 2023/24**

On 21 April 2023, TPR published its [Corporate Plan](#) for 2023/24.

The plan outlines TPR's key priorities for the year. These include:

- working with the Financial Conduct Authority and D W P to develop a value for money framework
- launching the new defined benefit funding code

- laying foundations for a significant increase in addressing quality outcomes in defined contribution schemes
- increasing its attention on tackling scammers
- supporting schemes to prepare for dashboards.

## 5. Pension dashboards

The [Pensions Dashboard Programme](#) (PDP) regularly publishes a newsletter which includes updates on:

- their new connection hub, which provides useful resources and information to prepare for connection to the ecosystem
- their pensions dashboards myth busting video
- understanding the dashboards available

### **DWP announce delays to dashboards to connection deadlines**

On 2 March 2023, the LGA forwarded an email to stakeholders on behalf of the Pensions Regulator (TPR). The email confirms the Government's intention to legislate to amend schemes' connection deadlines. This follows a written ministerial statement issued by DWP announcing the delays. The statement says delays are necessary to give the Pensions Dashboards Programme (PDP) the time it needs to meet the challenges in developing the digital architecture. DWP will provide an update on dashboards to Parliament before summer recess.

It is not clear if connection deadlines for public service pension schemes will change.

TPR confirms it:

- will write to those schemes affected by the announcement to confirm when new deadlines are set
- has published updated guidance and checklist to help schemes focus on what they should be doing now to prepare for their dashboard duties
- will produce a 'content toolkit' with key messages for administering authorities to use, as appropriate, in their communications.

### **GAD blog on Dashboards**

On 22 March 2023, the Government Actuaries Department (GAD) published a blog on matching members for dashboards. The blog looks at the questions administrators need to ask when deciding what matching data to use. It also emphasises the need for regular data quality reporting and cleansing.

The administration team are currently working on assessing the quality of the data required for the pension dashboard exercise and the initial results demonstrate that the data is of a very high quality. Nevertheless, work will continue on data cleansing ahead of the eventual live launch.



## **6. Recommendation**

Board are asked to note the contents of this report.

This page is intentionally left blank

# Investment Risk Register May 2023

DATE :

## Summary of Risks Ratings

Almost Certain	0	0	0	0	0
Likely	0	0	0	0	0
Possible	0	0	0	0	0
Unlikely	2	5	3	0	0
Rare	0	0	0	0	0
Unassigned 0	Insignificant	Minor	Moderate	Major	Catastrophic

6

### Red Risks Total:

Risk Register	Risk Title	Net Risk Level	Risk Owner
---------------	------------	----------------	------------

### New Risks Total:

Risk Register	Risk Title	Net Risk Level	Risk Owner	Created Date
---------------	------------	----------------	------------	--------------

### Changing Risks Total:

Risk Register	Risk Title	Net Risk Level	Change	Risk Owner
---------------	------------	----------------	--------	------------

Detail							
Investment Risk							
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST0001	Pension Fund assets fail to deliver returns in line with the anticipated returns underpinning the valuation of liabilities over the long-term.	Increased employer contribution rates.	Cllr David Thomas Chris Hurst	9	4	08/09/2020  21/12/2020	Review Summary: Regular investment performance reviews. Investigate protection strategies as/when/if required  Review Summary: Regular investment performance reviews. Investigate protection strategies as/when/if required
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> <li>anticipate long-term returns on a relatively prudent basis to reduce the risk of under-performance. Only anticipate long-term returns on a relatively prudent basis to reduce the risk of under-performance. Also monitors and analyses progress every three years for each employer. In addition, the Fund receives quarterly funding updates to help monitor the position. At the 2022 Valuation, prudence was increased further by a reduction to the deficit recovery period and an increase in the probability of funding success.</li> </ul>				Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST0002	Inappropriate long-term investment strategy.	Failure to meet funding objectives.	Cllr David Thomas Chris Hurst	8	4	04/05/2023  08/09/2020	Review Summary: Local and regular monitoring of strategy to ensure it remains appropriate. Review conducted as a result of the 2022 Valuation outcome and adjustments made as required.  Review Summary: New ISS operated for 2020. regularly reviewed as Fund/WPP develops
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> <li>Use of a Fund specific benchmark, as recommended by the Fund's investment consultant. Use of a Fund specific benchmark, as recommended by the Fund's investment consultant. Strategy regularly reviewed and adjusted following the outcome of valuations.</li> </ul>				Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST0003	Active investment manager under-performance relative to the benchmark. This includes active management within the Wales Pension Partnership.	Failure to meet funding objectives.	Cllr David Thomas Chris Hurst	4	2	08/09/2020  21/12/2020	Review Summary: Regularly reviewed with Investment Consultant and Manager changes made as required  Review Summary: Regularly reviewed with Investment Consultant and Manager changes made as required
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> <li>Regular investment monitoring analyses market performance and active managers relative to their index benchmark. Regular investment monitoring analyses performance of active managers relative to their index benchmark at the Pool level and locally with the Pensions and Investment Committee.</li> </ul> <p>Regular Performance Updates presented by the WPP to officers where Managers present and detail latest performance. Regular reports to the WPP Joint Governance Committee and also local Pensions and Investment Committee.</p>				Control In Place			

Detail							
Investment Risk							
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST0004	To permit deficits to be eliminated over a recovery period rather than immediately, introduces the risk that action to restore solvency is insufficient between successive measurements.	Increased employer deficit recovery payments.	Cllr David Thomas Chris Hurst	4	2	08/09/2020	Review Summary: As detailed in Funding Strategy Statement
29/01/2018						21/12/2020	Review Summary: As detailed in Funding Strategy Statement
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> <li>Consider every such situation with the Pension Fund actuary, for each individual employer. It is the practice to discuss every such situation with the Pension Fund actuary, for each individual employer. Moreover deficit recovery periods are generally restricted to no more than 25 years, or 40 years in very exceptional circumstances.</li> </ul> <p>At the 2022 Valuation the recovery period was reduced at the whole of Fund level to increase prudence and reduce the risk.</p>				Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST0005	Permitting contribution rate changes to be introduced by annual steps (down as well as up) rather than immediately, introduces a risk that action to restore solvency is insufficient between successive measurements.	Instability in employer contribution rates.	Cllr David Thomas Chris Hurst	6	4	08/09/2020	Review Summary: Decisions taken in accordance with advice from Fund Actuary
25/01/2018						21/12/2020	Review Summary: Decisions taken in accordance with advice from Fund Actuary
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> <li>Each individual employer situation is discussed with the Pension Fund actuary, with stepping restricted as appropriate</li> <li>Each individual employer situation is discussed with the Pension Fund actuary, with stepping restricted to three years, or 6 years, in very exceptional circumstances.</li> </ul>				Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST0006	Pay and price inflation significantly more than anticipated.	Increased employer contribution rates and deficit recovery payments.	Cllr David Thomas Chris Hurst	9	4	08/09/2020	Review Summary: Review and discuss with Actuary at valuation
30/01/2017						21/12/2020	Review Summary: Review and discuss with Actuary at valuation
Controls and Actions				Latest Control		Reviews	Review Date
<ul style="list-style-type: none"> <li>Employers responsible for salary awards and are reminded of effect on salary-linked pension liabilities</li> <li>Employers 'pay' for their own salary awards and are reminded of the geared effect on salary-linked pension liabilities. Particularly where bias towards longer serving employees may be considered.</li> </ul> <p>Actuary is able to consider inflation within their methodology when in a high inflation environment (such as during the 2022 valuation)</p>				Action Completed			

Detail							
Investment Risk							
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST007 03/03/2016	Insolvency of an investment manager investing Pension Fund assets.	A reduction in the capital value of the Fund; a loss of liquidity as creditors agree on distribution of assets; the costs of legal representation; and, reputational damage.	Cllr David Thomas Chris Hurst	9	6	09/01/2023	Review Summary: Considered by Investment Consultant and at each Committee meeting
						08/09/2020	Review Summary: Ongoing
Controls and Actions				Latest Control		Reviews	Review Date
	<ul style="list-style-type: none"> <li>diversification of investment managers, limits for individual investments mandates Diversification of investment managers; adherence to the limits for individual investment mandates as set out in the LGPS investment regulations; regular meetings with investment managers undertaken by the Fund's investment consultant; Statement on Standards for Attestation Engagements No. 16 internal controls are monitored on an annual basis; due diligence by investment consultants to ensure that custodians are used by each investment manager; equity investment mandates are invested in pooled funds; and, only well respected and researched investment managers are selected in the first place.</li> </ul> <p>Managers closely monitored at the Pool Level.</p>			Control In Place			
	<ul style="list-style-type: none"> <li>Increased investment manager diversification facilitated via the Wales Pension Partnership Increased investment manager diversification facilitated via the Wales Pension Partnership .</li> </ul>			Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				
INVEST008 30/03/2017	Pooling of Pension Fund assets with other LGPS Pension Funds.	Investment of Fund Officer and Committee time. Front loaded costs before potential savings are realised on a per-sub fund basis; Transition Risk and costs.	Cllr David Thomas Chris Hurst	9	6	04/05/2023	Review Summary: Risk updated following Pension Board meeting on the 3rd of May 2022
						08/09/2020	Review Summary: Ongoing
Controls and Actions				Latest Control		Reviews	Review Date
	<ul style="list-style-type: none"> <li>Due diligence on all pooling proposals; full transparency of all pool proposals and costs; full participation of Pension Fund</li> </ul> <p>Due diligence on all pooling proposals by Pool oversight Adviser , Investment Consultants and Legal Advisers; full transparency of all pool proposals and costs with local input from each of the investing funds advisers; full participation of the Pension Fund in all pooling development.</p> <p>Regular Officer meetings via working groups; Quarterly Joint Governance Committee meetings; 6 monthly meetings with the Board Chairs to ensure good governance.</p> <p>Regular Training provided to Committee and Board Members by the Pool .</p>			Control In Place			
	<ul style="list-style-type: none"> <li>Pooling vehicle to be structured so that each participating Fund has full representation the pool Each participating Fund has full representation in the pool at officer and Committee level ; the pool structure enables full strategic decisions to be retained by each individual Fund;</li> </ul>			Control In Place			
Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews	
Date Identified			Owner				

Page 4 of 5

Detail

Investment Risk

INVEST0009 01/10/2019	MIFID II ongoing compliance to ensure retention of Institutional Investor Status	Financial implications of not being treated as an institutional investor. Restricted Investment opportunities and diversification. Reputational Risk	<i>Cllr David Thomas</i> Chris Hurst	12	6	11/07/2022 05/07/2021	Review Summary: Current process continues, but updated as required when new manager appointed or training needs identified. Review Summary: Regularly reviewed and updated on adoption of a new Investment Manager
--------------------------	--	--	---	----	---	--------------------------	---

Controls and Actions			Latest Control	Reviews	Review Date
<ul style="list-style-type: none"> <li>Regular Review of MIFID Status</li> <li>Regular Review of MIFID Status by Investment Managers.</li> <li>Training provided (and logged) to decision makers (Pensions and Investment Committee).</li> <li>Good Governance project expected to increase governance around this risk.</li> </ul>			Control In Place		

Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews
Date Identified			Owner			

INVEST0010 01/01/2015	Fall in the returns on Government bonds.	Increase to the value placed on Fund liabilities.	<i>Cllr David Thomas</i> Chris Hurst	9	4	11/07/2022 05/07/2021	Review Summary: Regularly monitored by Consultant for each meeting Review Summary: Discussed with Investment Consultants as required
--------------------------	--	---	---	---	---	--------------------------	---

Controls and Actions			Latest Control	Reviews	Review Date
<ul style="list-style-type: none"> <li>Allowing for a risk-based approach should limit the impact of short-term changes in returns on Government bonds</li> <li>Allowing for a risk-based approach should limit the impact of short-term changes in returns on Government bonds. Some investment in bonds also helps to mitigate this risk. Monitoring (quarterly) helps to give an early warning of significant changes.</li> </ul>			Control In Place		

Risk Ref	Risk Identified	Potential Consequence	Portfolio	Inherent	Residual	Latest Risk Reviews
Date Identified			Owner			

INVEST0011	Increased risk on Fund Employers.	Potential Failure of Participating Employer or unsustainable Employer Contributions	<i>Unassigned</i> Jane Thomas	4	4	04/05/2022	Review Summary: Employer Risk Assessment to be conducting as part of valuation work in 2022-23
------------	-----------------------------------	---	----------------------------------	---	---	------------	--

This page is intentionally left blank



Breach No	YEAR	Breach Type	Nature of Breach	Breach Description	Action	Material Significance (Y/N)	P & I Committee Notified	Pension Board Notified	TPR Notified	RAG Status
1	2018/19	Administration	Late Notification of deferred Benefits	Disclosure Regulations state that any deferred leaver should be notified of their deferred benefit options within two months of the fund receiving complete leaver information from the employer. Due to the backlog of casework in the fund these deadlines have not been met for a number of historic deferred members. <b>Cause:</b> The backlog has occurred through the introduction of the new LGPS and the increased complexity around administration (aggregations, final salary links etc). An increase in the numbers of deferred pensioners who have left employment through reorganisations in recent months has also had an impact. <b>Effect:</b> although a breach, it is not considered material, as the information is not critical when making future decisions. Where a deferred member reaches retirement age their calculation will be completed at that point. This is a national issue for most funds across the LGPS.	New letter produced and issued to leavers upon notification of leaving, stating their entitlements upon leaving membership of the LGPS (i.e. under 2 years = refund, over 2 years = Deferred)	N	N	Y	N	
2	2018/19	Administration	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members.	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.	N	Y	Y	N	

This page is intentionally left blank

## CYNGOR SIR POWYS COUNTY COUNCIL

Pension Board  
12th June 2023

**REPORT BY:** Board Secretary

**SUBJECT:** Powys Pension Board Communications Log

**REPORT FOR:** Information

**1. Introduction**

- 1.1** This report lists the communications issued to the Board in between the official meetings, for information and discussion as required.

**2. Communications Log**

**2.1**

<u>Communication</u>	<u>Date Sent</u>
TPR February Roundup	06.03.23
TPR March Roundup	31.03.23
TPR Equality Email	04.04.23
TPR April Roundup	05.05.23
TPR May Roundup	25.05.23

**3. Recommendation**

Note communications issued.

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank



By virtue of paragraph(s) 14 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank



By virtue of paragraph(s) 14 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank



By virtue of paragraph(s) 14 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 14 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank