

Powys Pensions Board

Meeting Venue
Hwb3 - County Hall

Meeting Date
Friday, 30 November 2018

Meeting Time
10.00 am

For further information please contact
Carol Johnson
01597826206



County Hall
Llandrindod Wells
Powys
LD1 5LG

26 November, 2018

AGENDA

1.	APOLOGIES
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To receive apologies for absence.

2.	DECLARATIONS OF INTEREST
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To receive any declarations of interest.

3.	MINUTES OF THE BOARD
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To authorise the Chair to sign the minutes of the previous meeting of the Board held on 21 September, 2018 as a correct record.

(Pages 5 - 12)

4.	MATTERS ARISING
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a) TPR Code 14 Compliance – Annual Register of Board Member’s Interests
(To Follow)

5.	CHAIR'S ANNOUNCEMENTS
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6.	MINUTES OF PENSIONS AND INVESTMENT COMMITTEE
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Minutes of Pensions and Investment Committee held on 19 October, 2018.

(Pages 13 - 18)

7.	REVIEW OF COMPLIANCE WITH TPR CODE 14
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To consider the action plan for addressing amber and red items identified.
(Pages 19 - 46)

8.	PENSION SECTION REDESIGN / STAFFING UPDATE
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To note the new staffing structure.
(Pages 47 - 50)

9.	RECORDING BREACHES OF THE LAW
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To consider the report.
(Pages 51 - 52)

10.	REVIEW OF RISK REGISTER [STANDING ITEMS]
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To consider the Risk Register and note a new item – Workflow / Imaging Migration
(Pages 53 - 60)

11.	PENSION BOARD DECLARATION OF INTEREST FORM
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To consider the form.
(To Follow)

12.	GAD SECTION 13 UPDATE
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(To Follow)

13.	CYBER SECURITY - VERBAL UPDATE
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14.	WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE [STANDING ITEM]
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15.	ADMINISTRATION ACTIVITY REPORT [STANDING ITEM]
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To consider the activity report.
(Pages 61 - 62)

16.	TPR SURVEY
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17.	AUDIT REPORTS [STANDING ITEM] - NOTHING TO REPORT
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18.	INTERNAL DISPUTE RESOLUTION PROCEDURE [IDRP] UPDATE [STANDING ITEM] - NOTHING TO REPORT
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19.	CESSATION OF CONTRACTING OUT - UPDATE [STANDING ITEM]
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20.	POWYS TPR ANNUAL RETURN - VERBAL UPDATE
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21.	BOARD MEMBER TRAINING PLAN AND BOARD MEMBER TRAINING NEEDS SELF-ASSESSMENT [STANDING ITEM]
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(Pages 63 - 74)

22.	CONFIDENTIAL ITEMS
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The Board needs to consider whether making the following items public would disclose information relating to the financial or business affairs of any particular person or organisation when considering excluding the public from this part of the meeting.

23.	PENSION FUND CASH FLOW
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To consider the report.

(Pages 75 - 78)

24.	PENSION BOARD INSURANCE DOCUMENTATION
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(Pages 79 - 100)

25.	FUTURE BOARD MEETINGS
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To note the dates of meetings:

4 February, 2019

6 June, 2019

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**MINUTES OF A MEETING OF THE POWYS PENSIONS BOARD HELD AT ROOM
A17 - COUNTY HALL, LLANDRINDOD WELLS, POWYS ON FRIDAY, 21
SEPTEMBER 2018**

PRESENT

Gerard Moore, Independent Chair
Mick Hutchinson, Scheme Member Representative (GMB)
John Byrne, Scheme Member Representative (UNISON)
Wayne Thomas, Scheme Employer Representative
Chris Hurst, Secretary

1.	APOLOGIES
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None

2.	DECLARATIONS OF INTEREST
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The Chair advised he was an Associate in The Chartered Institute of Public Finance and Accountancy [CIPFA] and declared an interest if reference was made to CIPFA when discussing the Board's training.

The Board agreed that this complemented the work of the Pensions Board and that this did not represent a conflict.

3.	MINUTES OF THE BOARD
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The minutes of the last meeting held on 10 July 2018 were agreed as a correct record.

4.	MATTERS ARISING
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There were no matters arising that were not already included on the agenda.

5.	BOARD WORK PROGRAMME
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The Board considered the forward work programme and noted that the item on Cash Flows had been moved from January 2018 to November 2018. Understanding Liquidity would be considered at the November meeting.

A review of the Register of Interests would be included annually.

The Annual Training Plan would be considered at the November meeting.

6.	THE PENSION REGULATOR [TPR] CODE 14 COMPLIANCE
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This was discussed as Item 8.

7.	ANNUAL BENEFIT STATEMENTS
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Annual Benefit Statements had been issued to active, deferred and Councillor members by 31 August 2018. Data testing had been undertaken prior to the statements being issued.

Feedback is invited from members either from the letter accompanying the statement or the website.

Membership online has increased and statistics will be analysed.

The Board recorded their thanks to the Team for issuing statements on time.

8.	CHAIRMAN'S ANNOUNCEMENTS
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The Chair informed the Board that following a presentation from the Regulator, it was expected that the Board would examine the Register of Interests of both Board and Pension and Investment Committee Members. This will be an annual item unless there is a change of Membership.

The Local Authority Pension Fund Forum (LAPFF) has arranged an event for Local Government Pension Funds in Wales on 31 October 2018 in Cardiff regarding responsible investment and Powys Pension Fund are sending representatives to attend.

9.	MINUTES OF PENSIONS AND INVESTMENT COMMITTEE
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The Board received the Pensions and Investment Committee's minutes for 13 July 2018.

The Chair of the Board had presented an oral summary of the Board meeting held on 10 July 2018.

It was suggested that Board Members should fit in with the Committee's training programme where appropriate.

10.	TPR 2018 ANNUAL RETURN
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A date for submission is not yet available.

Data for 2018 will establish a baseline in data quality across the LGPS. The TPR will be expecting improvements annually rather than a specific baseline. This will be reviewed annually.

11.	REVIEW OF COMPLIANCE WITH TPR CODE 14
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The Compliance Analysis was a first draft. A version number and date would be included.

It was acknowledged that further work was needed and it would need to be cross referenced with the Data Improvement Plan. The Board were of the opinion that there could be a number of improvements made relatively easily.

The Board initially concentrated on the process rather than the content of the analysis. This would become a standing item for detailed review on each agenda.

12. RECORDING BREACHES OF THE LAW
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The Board had previously been advised that a breach of the law which had been recorded. It related to a backlog of 200 leavers that had not been processed within 2 months of them leaving. An interim leaving letter had been drafted, a copy of which would be considered by the Board at their next meeting. Measures have been put in place to ensure that this number does not increase outside expectations.

The Board discussed whether the breach was recordable or reportable and agreed that it was recordable rather than reportable, as it was not of material significance and an improvement plan had been identified. The Pensions and Investment Committee would be informed that this had been caused by higher priority work taking precedence and that the effect was minimal as there were no delays to payment of benefits. Overtime had been agreed to deal with the backlog.

The Board recommended that the breach was not material nor reportable.

13. FULL REVIEW OF RISK REGISTER [STANDING ITEMS]
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The Board raised the following comments [the numbers shown are the Risk Reference numbers]:

PEN008 Increased employer contributions and the risk of insolvency – the use of discretion to control liabilities but this was thought to be unwise. The level of discretion would be with the Secretary to the Board. Although Internal Audit could assist, it was thought that specialist advice would be sought from the Actuary. Covenants will need to be reviewed over the next few months. Controls are in place to protect the Fund. If an employer was to leave the Fund an exit valuation would be completed – under the new Regulations any surplus would be returned to the employer. Funding Strategy Statement will be updated to reflect this.

PEN010 In some larger pension funds there are sub strategies into lower risk investments for employers with weak covenants. The Powys Fund does not have such a sub strategy. If there was to be an

increase in contribution rates, recovery periods could be adjusted if this was justified.

PEN014 This risk reflects a potential lack of expertise at officer level – no formal succession planning is in place. However, governance was strong and a pragmatic approach could be taken

PEN015 An over reliance on key officers could be a risk. Investment expertise could be bought in and there is a strong network of support. Further training could be arranged through AON. The Pensions Manager has regular one to ones with the S151 Officer.

PEN019 Records of Member and Board training are kept. A short paper would be prepared for the Pensions and Investment Committee in this regard. Further consideration would be given to training after the event on 31 October 2018. In the meantime, the Chair would distribute slides regarding investment definitions.

The Board recommended that discussions with AON regarding specialised training on investments commence.

14. PENSION BOARD DECLARATION OF INTEREST FORM

The draft declaration of interest form would be circulated for Members' comments.

15. DRAFT DATA IMPROVEMENT PLAN

A first draft of a Data Improvement Plan had been circulated. The objectives and measures were noted. A data monitoring exercise had developed scores, reflecting 99.2% for common data and 75.9% for scheme specific data. Gaps or errors in data fields which imminently affected benefits would be given priority.

Employer's data was used and this set the terminology used in the Plan. However, the Pensions and Investment Committee would be asked whether this could be changed with the Employer.

Board Members were invited to consider the report in more detail and report back to the Secretary of the Board. It was suggested that an additional column could be included identifying the number of cases.

An annual report will be run and it was suggested that this should be run again before completing the Regulator's Scheme report, but acknowledging that resources for Pension Funds and feeder systems are limited.

The issue would be reconsidered at a future meeting.

16. GONE AWAY MEMBERS

Following a review of the member data, it was confirmed that an address tracing exercise would be undertaken to try and locate "Gone Away" members. It was confirmed that this was within GDPR regulations.

17.	POWYS PENSION BOARD TERMS OF REFERENCE
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It was considered that the Terms of Reference were still valid but should be reviewed in the light of pooling arrangements. It was noted that a Member's term of office could be extended beyond four years – it was agreed to ask the Pensions and Investment Committee for their view. The Terms of Reference should be reviewed every four years.

RESOLVED that the Board had formally considered the Terms of Reference and recommended that reference should be made to Pooling arrangements.

18.	WALES PENSION PARTNERSHIP - INVESTMENT POOLING UPDATE [STANDING ITEM]
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A Prospectus had been submitted to the FSA in June 2018 and approved in July 2018. The first tranche of assets, comprising global equity assets, will be transferred by the end of the year. It is expected that there will be a saving on fees and an increased return on assets.

A Joint Governance meeting is scheduled for 25 September 2018. The Board were concerned that the minutes of these meetings were not easily available. CIPFA guidance recommends that there is a requirement for Pools to consult with Pension Boards on governance but this has not yet happened.

19.	ADMINISTRATION ACTIVITY REPORT [STANDING ITEM]
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This has only been partially completed due to the close down of the annual accounts for the Council. It was the intention that a Finance Officer present the cash flow report to future meetings.

The number of active members has increased. The age range of 50/50s was mixed.

20.	AUDIT REPORTS [STANDING ITEM]
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There was nothing to report.

21.	INTERNAL DISPUTE RESOLUTION PROCEDURE [IDRP] UPDATE [STANDING ITEM]
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There was nothing to report.

22.	CESSATION OF CONTRACTING OUT - UPDATE [STANDING ITEM]
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Work was ongoing with the last date for queries to HMRC being October 2018. There is an expectation that all such queries from Powys will be submitted on time.

23.	BOARD SCHEME EMPLOYER REPRESENTATIVE (PCC)
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The matter of the current vacancy on the Board was in hand and discussions were ongoing with the S151 Officer.

24.	BOARD MEMBER TRAINING [STANDING ITEM]
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The Board were of the opinion that the Training Needs Analysis was due for review. Training should be categorised by priority.

The Chair commended the Regulator's online toolkit to Members of the Board. It was suggested that at the next meeting the Board go through the toolkit as a training exercise.

RESOLVED that

- **the Training Needs Analysis be circulated for completion and return prior to consideration at the next meeting; and**
- **standing items be circulated to the Board prior to the next meeting to enable time at the end of the meeting for training purposes.**

25.	TRAINING
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It was suggested that the way in which training records were presented should be reviewed.

26.	CONFIDENTIAL ITEMS
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RESOLVED that the public be excluded for the following items of business otherwise there would be disclosure to them of information relating to the financial or business affairs of any particular person or organisation.

27.	PENSION BOARD INSURANCE DOCUMENTATION
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RESOLVED that Members of the Board would consider the documentation and contact the Secretary with any comments.

28.	HEDGE FUND MANAGER LEGAL REVIEW
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The Board noted with approval the referral of contracts to the Legal Adviser.

29. FUTURE BOARD MEETINGS

The next meeting would be held on 30 November 2018.

Dates for a meeting in mid-January would be identified and circulated.

Gerard Moore
Chair

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**MINUTES OF A MEETING OF THE PENSIONS AND INVESTMENT COMMITTEE
HELD AT COMMITTEE ROOM A - COUNTY HALL, LLANDRINDOD WELLS,
POWYS ON FRIDAY, 19 OCTOBER 2018**

PRESENT

County Councillor P E Lewis (Chair)

County Councillors E A Jones, D H Williams and A W Davies

Mr G Moore, Chair of the Powys Pensions Board

Head of Financial Services and Pension Fund Manager

Richard Antrobus, Rachel Pinder and Lucinda Downing of Aon Hewitt

1.	APOLOGIES
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Apologies for absence were received from County Councillors JG Morris and T J Van-Rees.

2.	DECLARATIONS OF INTEREST
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Members of the Committee 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.

3.	MINUTES
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The Chair was authorised to sign the minutes of the meeting held on 6 September, 2018 as a correct record.

4.	PENSIONS BOARD MINUTES
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The Committee received the Board minutes for 10 July, having previously received the Chair's report in respect of this meeting. The Board's Chair advised that at the meeting on 21 September, 2018 the main issues considered by the Board was the Code of Practice 14 and compliance. He advised the Board was liaising with the Pension Fund Manager to do more work on this issue. The Board had considered how breaches were being recorded. It had considered a breach and it had agreed with the Pension Fund Manager that this should be a recorded breach rather than a reportable breach. The Pension Fund Manager advised the Committee would consider this issue further in Agenda Item 8. The Board's Chair advised that the Regulator was monitoring Funds regarding breaches.

5.	COMMUNICATIONS STRATEGY STATEMENT
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The Committee considered the revised Communication Strategy Statement and noted that electronic delivery of communications was now being encouraged. It was noted that 62% of active members were signed up to the online system "My Powys Pension".

RESOLVED	Reason for decision
That the revised Communications Strategy Statement be approved.	Statutory requirement.

6. DATA IMPROVEMENT PLAN

The Committee considered the Data Improvement Plan. This had been developed to address the Pensions Regulator (TPR) guidance regarding good practice for measuring the presence of member data.

TPR have set targets of 100% accuracy for data created after June 2010 and 95% accuracy for data created beforehand. In March 2018, Powys Pension Fund completed a review of the administration system's common pension data in line with the guidance and it was noted that 93% of records were accurate. In response to questions the Pension Fund Manager advised that inaccuracies had been given a priority, with those potentially affecting member benefits being given the highest priority. The Improvement Plan focused on high priority areas and the Committee would receive further reports on how these were being addressed.

The Pension Fund Manager advised that annual data cleanses are carried out with employers, which supported the accuracy of data.

RESOLVED	Reason for decision
To note the content of the Data Improvement Plan.	Good governance and compliance with the Pension Regulator Code of Practice.

The Chair amended the order of the agenda.

7. NEW DRAFT POLICY - REPORTING OF BREACHES

The Committee considered the draft policy for reporting breaches. The Pension Fund Manager advised that a breaches log is maintained and breaches will be discussed and considered at Pension Board meetings. The Committee noted that there are two levels of breach:

- record and if considered to be of material significance then
- reportable to the Pensions Regulator.

The Pension Fund Manager advised that a breach had been logged as a recordable breach because correspondence had not been sent to pension fund members regarding deferred pensions within the required two months. The Pension Board had discussed this breach and considered that this was not reportable.

The Pension Board Chair advised that the Policy should include a fast track process to enable the Pension Board to consider breaches as soon as they are logged rather than waiting for the next Board meeting.

RESOLVED	Reason for decision
That the draft Reporting of Breaches policy be approved subject to the inclusion of a fast	Statutory requirement and good governance.

<p>track process to enable the Pension Board to consider breaches as soon as they are logged rather than waiting for the next Board meeting.</p>	
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8.	PENSION FUND ANNUAL REPORT 2017/18
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The Committee considered the Pension Fund Annual Report 2017/18. It was noted that the Accounts had been approved by the Audit Committee and the Wales Audit Office.

RESOLVED	Reason for decision
That the 2017-18 Pension Fund Annual Report be approved and that the Annual Report be published by the 1st December 2018.	To ensure compliance with the Statutory requirements.

9.	WALES PENSION PARTNERSHIP POOLING - UPDATE
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The Committee noted that a Joint Governance Committee meeting had recently taken place.

The Pension Fund Manager advised that following the agreement in September to invest in the Global Growth sub-fund, a Transition Manager had to be appointed by the eight Funds in the Wales Pension Partnership [WPP] to facilitate the transfer.

As it was likely that the transfer of funds would be completed before the next Committee meeting in December, it was recommended that the Committee delegate to the S151 Officer to approve the appointment of the Transition Manager. The Committee noted that this was a time limited appointment and a Transition Manager would need to be appointed whenever funds were transferred.

RESOLVED	Reason for decision
that it be delegated to the S151 Officer to approve the appointment of the Transition Manager.	To enable the transfer of funds to the WPP in respect of the Global Growth Fund.

The Committee noted that WPP was now considering the next tranche of sub funds. It was noted that Aon Hewitt was reviewing what was being considered and whether this met the Powys Pension Fund's needs. This review would assist the Powys Pension Fund in its discussions at the WPP.

The Committee was advised that an update was to be sent to the Minister for Housing, Communities and Local Government (MHCLG) on how work on the WPP is progressing.

10.	FORWARD LOOKING BUSINESS PLAN
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The Committee received the Forward Looking Business Plan and noted that the Investment Strategy would be considered next year when the actuarial valuation is undertaken and the diversity of the fund would also be considered during this review. The Pension Board Chair indicated he would circulate press articles to the Committee on how other Funds were managing these issues.

The Committee noted the issues for consideration in 2019 onwards and that the management of risk in a volatile equity market was an important issue for it to consider and understand. It was agreed that this issue would be considered at the next Committee meeting. In respect of Cybercrime, the Board Chair advised that TPR was visiting 10 Pension Funds and would be looking at their arrangements for addressing cybercrime.

In respect of Responsible Investment, Aon agreed to circulate to the Committee a questionnaire which would assist the Members to consider their views on social policy and responsible investment. Aon advised that climate change modelling was being undertaken to see what effect different levels of climate change could have on asset classes.

11.	DECISIONS REVIEW
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The Decisions Review was noted.

12.	EXEMPT ITEM
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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).

The Chair changed the order of the remainder of the agenda as follows.

13.	Q2 MTAA REVIEW
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The Committee received the Quarter 2 Medium Term Asset Allocation [MTAA] report to 30 June, 2018. The Committee noted the underperformance of 0.1% against the benchmark in the Quarter 1. However, annually £2.5m had been added to the fund's value. Assets were being constantly monitored to protect the Fund from risks and to also add value.

The Committee also noted the Transition market document [Item 18] and the issues affecting markets including Brexit, climate change, cyber issues, global markets.

Aon provided the Committee with an overview of the high level issues which were considered by its Global Asset Allocation Team. Issues highlighted included:

- US trade wars and their impact on global trade
- The impact of Brexit
- Inflation

- US Federal Reserve decisions.

14.	INVESTMENT STRATEGY STATEMENT [ISS] [AON HEWITT]
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The Committee received the updated Investment Strategy Statement [ISS] which included amendments to reflect the recent changes to the Hedge Fund Managers.

15.	MTAA 2018 SIDE LETTER HEDGE FUNDS
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The Committee received and noted the MTAA agreement.

16.	ASSET ALLOCATION SEPTEMBER 2018
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The Committee noted that the value of the Fund as at 30 September, 2018 stood at £651.259m, which was an increase of £16m over Quarter 2.

17.	Q2 QUARTERLY MONITORING REPORT
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The Committee received the Quarterly Monitoring report. It was noted that the total asset value had increased by £15.0m over Q2.

The Committee noted the changes in Funds and that Aon was monitoring these changes. The Manager Ratings were new and with the movement of assets to the WPP, LINK would be asked for this data in the future.

In respect of responsible investments Aon advised it was looking at options and general information would be sent to the Committee. It was noted that there was a balance between responsible investment and generating returns for the Fund and the Committee had to consider these.

18.	TRANSITION MARKET
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The Transition Market report was considered with the Quarter 2 Medium Term Asset Allocation [MTAA] report to 30 June, 2018 above.

County Councillor P E Lewis (Chair)

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	B	C	D	E
1		PENSION REGULATOR CODE OF PRACTICE 14 - COMPLIANCE ANALYSIS		
2		Powys Pension Fund		
3		TEXT	Current Position	Action Required
24	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>	
25	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>	
35	Governing your Scheme			
41	38	Schemes should establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding to support their pension board members. Schemes should designate a person to take responsibility for ensuring that a framework is developed and implemented.	<i>Training Log kept</i>	
42	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.	Carry out an up to date skills and knowledge analysis	
43	40	Pension board members must be conversant with their scheme rules , 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.		
44	41	They must also have knowledge and understanding of the law 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.		

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45	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 any admission body (or equivalent) policies.</p>	Available	
46	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>	Available on website	
47	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>		
48	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>	AVC Training has been carried out	
49	46	<p>Schemes should prepare and keep an updated list of the documents with which they consider pension board members need to be conversant. 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>		

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50	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.		
51	48	Schemes should assist individual pension board members 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.	Carry out Training needs questionnaire	
52	49	Pension board members must have a working knowledge of their scheme regulations and documented administration policies . They should understand their scheme regulations and policies in enough detail to know where they are relevant to an issue and where a particular provision or policy may apply.		
53	50	Pension board members must have knowledge and understanding of the law relating to pensions (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.		
54	51	Pension board members should be able to identify and where relevant challenge any failure to comply with: 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.		
55	52	Pension board members' breadth of knowledge and understanding should be sufficient to allow them to understand fully and challenge any information or advice they are given. They should understand how that information or advice impacts on any issue or decision relevant to their responsibilities and duties.		
56	53	Pension board members of funded pension schemes should ensure that 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.		
57	54	All board members should attain appropriate knowledge 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) should have a greater level of knowledge than that considered appropriate for board members without this background.		
58	55	Pension board members should invest sufficient time in their learning and development alongside their other responsibilities and duties. Schemes should provide 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.		
59	56	Newly appointed pension board members should be aware that their responsibilities and duties as a pension board member begin from the date they take up their post. Therefore, they should immediately start to familiarise themselves with the scheme regulations, documents recording policy about the administration		

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60	57	Pension board members should undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses. They should use a personalised training plan to document and address these promptly.		
61	58	Learning programmes should be flexible , 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.		
62	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.		
63	60	Schemes should keep appropriate records of the learning activities of individual pension board members and the board as a whole . 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.		
64	Conflicts of Interest and Representation			
66	62	In relation to the pension board, scheme regulations must include provision 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.		
67	63	Scheme regulations must require 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.		
68	64	Scheme regulations must include provision requiring the pension board to include employer representatives and member representatives in equal numbers.		

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74	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 principles should be applied to all pension board members in the exercise of their functions as they require the highest standards of conduct. Schemes should incorporate the principles into any codes of conduct (and across their policies and processes) and other internal standards for pension boards.		
77	73	Scheme regulations will set out matters for which the pension board is responsible. Schemes should set out clear guidance on the roles, responsibilities and duties of pension boards and the members of those boards in scheme documentation. This should cover , 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.		
78	74	Schemes should consider 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.		
80	76	Schemes should ensure 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.		
81	77	Broadly, schemes should consider potential conflicts of interest in three stages: identifying monitoring, and managing.		
82	78	Schemes should cultivate a culture of openness and transparency. They should recognise the need for continual consideration of potential conflicts. Disclosure of interests which have the potential to become conflicts of interest should not be ignored. Pension board members should have a clear understanding of their role and the circumstances in which they may find themselves in a position of conflict of interest. They should know how to manage potential conflicts.		
83	79	Pension board members , and people who are proposed to be appointed to a pension board, must provide scheme managers with information that they reasonably require to be satisfied that pension board members and proposed members do not have a conflict of interest.		
84	80	Schemes should ensure 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.		

	B	C	D	E
85	81	All terms of engagement, for example appointment letters, should include a clause requiring disclosure 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'.		
86	82	Schemes should take time to consider 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. Pension board members should be notified as soon as practically possible and mitigations should be put in place to prevent these conflicts from materialising.		
87	83	As part of their risk assessment process, schemes should identify, evaluate and manage dual interests which have the potential to become conflicts of interest and pose a risk to the scheme and possibly members, if they are not mitigated. Schemes should evaluate the nature of any dual interests and assess the likely consequences were a conflict of interest to materialise.		
88	84	A register of interests should provide a simple and effective means of recording and monitoring dual interests and responsibilities. Schemes should also capture decisions about how to manage potential conflicts of interest in their risk registers or elsewhere. The register of interests and other relevant documents should be circulated to the pension board for ongoing review and published, for example on a scheme's website.		
89	85	Conflicts of interest should be included as an opening agenda item 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 have the potential to become conflicts of interest , and to minute discussions about how they will be managed to prevent an actual conflict arising.		
90	86	Schemes should establish and operate procedures which ensure that pension boards are not compromised by potentially conflicted members. They should consider 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.		
95	90	While scheme regulations must require pension boards to have an equal number of employer and member representatives, there is flexibility to design arrangements which best suit each scheme.		

	B	C	D	E
96	91	<p>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). Those responsible for appointing members to a pension board should also consider the mix of skills and experience needed on the pension board in order for the board to operate effectively in light of its particular role, responsibilities and duties.</p>		
97	Publishing Information about Schemes			
98	92	<p>The scheme manager for a public service scheme must publish information about the pension board for the scheme(s) and keep that information up-to-date.</p>		
99	93	<p>The information must include:</p> <ul style="list-style-type: none"> 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. 		
100	94	<p>Scheme members will want to know that their scheme is being efficiently and effectively managed. Public service pension schemes should have a properly constituted, 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.</p>		
101	95	<p>Scheme managers must publish the information required about the pension board 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.</p>		

	B	C	D	E
102	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, schemes should also publish useful related information about the pension board such as:</p> <ul style="list-style-type: none"> the employment and job title (where relevant) and any other relevant position held by each board member the pension board appointment process who each pension board member represents the full terms of reference for the pension board, including details of how it will operate, and any specific roles and responsibilities of individual pension board members. 		
103	97	<p>Schemes should also consider publishing information 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 should consider any requests for additional information to be published, to encourage scheme member engagement and promote a culture of transparency.</p>		
104	98	<p>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.</p>		
106	Managing Risks			
111	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	
112	105	<p>Scheme managers must establish and operate internal controls. These should address significant risks which are likely to have a material impact on the scheme. Scheme managers should employ a risk-based approach and ensure that sufficient time and attention is spent on identifying, evaluating and managing risks and developing and monitoring appropriate controls. They should seek advice, as necessary.</p>	Discussed at each Board meeting	

	B	C	D	E
113	106	Before implementing an internal controls framework, schemes should carry out a risk assessment . They should begin by: setting the objectives of the scheme determining the various functions and activities carried out in the running of the scheme, and identifying the main risks associated with those objectives, functions and activities.	Discussed at each Board meeting	
114	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, schemes should refer to relevant sources 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	
115	108	Once schemes have identified risks, they should record them in a risk register and review them regularly . Schemes should keep appropriate records to help scheme managers demonstrate steps they have taken to comply, if necessary, with legal requirements.	Discussed at each Board meeting	
116	109	should consider both these areas 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	
117	110	administering authority. Schemes should review their existing arrangements and procedures 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. Any such review should be appropriate to the outcome of the risk evaluation .	Discussed at each Board meeting	
118	111	Schemes should consider what internal controls are appropriate to mitigate the main risks they have identified and how best to monitor them . 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	
120	113	Risk assessment is a continual process and should take account of a changing environment 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	
121	114	For example, where relevant, schemes should put in place systems and processes for making an objective assessment of the strength of an employer's covenant (which should include analysis of their financial position, prospects and ability to pay the necessary employer contributions).	In Place - exercise to be undertaken again soon	
122	115	An effective risk assessment process will provide a mechanism to detect weaknesses at an early stage. Schemes should periodically review the adequacy of internal controls in: 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.		

	B	C	D	E
123	116	<p>Internal or external audits and/or quality assurance processes should ensure that adequate internal controls are in place and being operated effectively. 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.</p>	<p>Annually reviewed by Wales Audit Office. Internal Audit completed in 2016 - still awaiting final report for signing.</p>	
126	119	<p>The legal requirements relating to internal controls apply equally where schemes outsource services connected with the running of the scheme. Providers should be required to demonstrate that they will have adequate internal controls in their tenders for delivering services. The requirements should be incorporated in the terms of engagement 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, scheme managers should be satisfied that internal controls associated with those services are adequate and effective.</p>		
127	120	<p>An increasing number of service providers are obtaining independent assurance reports to help demonstrate their ability to deliver quality administration services. Schemes should ask their service providers to demonstrate that they have adequate internal controls relating to the services they provide. It is vital that schemes ensure they receive sufficient assurance from service providers. For example, the information from providers should be sufficiently detailed and comprehensive and the service level agreements should cover all services that are outsourced. Schemes should also consider including provisions in contracts for outsourced services requiring compliance with appropriate standards. This should help to ensure effective administration.</p>		
128	Administration			
132	124	<p>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. 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.</p>	<p>Data Quality testing Undertaken in 2018.</p>	
133	125	<p>Scheme managers must establish and operate adequate internal controls, which should include processes and systems to support record-keeping requirements and ensure that they are effective at all times.</p>	<p>Data Quality and Testing Policy in place</p>	
134	126	<p>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.</p>	<p>Data Quality and Testing Policy in place</p>	

	B	C	D	E
135	127	Scheme managers must keep specific member data, which will enable them to uniquely identify a scheme member and calculate benefits correctly. This is particularly important with the establishment of career average revalued earnings (CARE) schemes. Scheme managers must be able to provide members with accurate information regarding their pension benefits (accrued benefits to date and their future projected entitlements) in accordance with legislative requirements, as well as pay the right benefits to the right person (including all beneficiaries) at the right time.		
136	128	Schemes should require participating employers to provide them with timely and accurate data in order for the scheme manager to be able to fulfil their legal obligations. Schemes should seek to ensure that processes are established by employers 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.		
137	129	Schemes should seek to ensure that employers understand the main events 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	
138	130	Schemes should ensure that appropriate procedures and timescales are in place for scheme employers to provide updated information when member data changes, 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	
139	131	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. In doing so, they will have clear oversight of the core scheme transactions and should be able to mitigate risks swiftly.		
140	132	Scheme managers must keep records of transactions made to and from the scheme and any amount due to the scheme which has been written off. They should be able to demonstrate that they do so.		
141	133	Scheme managers must keep records of pension board meetings including any decisions made. Schemes should also keep records of key discussions, which may include topics such as compliance with policies relating to administration of the scheme.	Available in Minutes	
142	134	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.	Available in Minutes	

	B	C	D	E
143	135	Schemes should retain records for as long as they are needed. 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. Schemes should have in place adequate systems and processes to enable the retention of records for the necessary time periods.	Currently 15 years following GDPR review.	
144	136	Schemes should have policies and processes that monitor data on an ongoing basis to ensure it is accurate and complete, regardless of the volume of scheme transactions. This should be in relation to all membership categories, including pensioner member data where queries may arise once the pension is being paid.	Monthly Data exchange and cleanse via iconnect	
145	137	Schemes should adopt a proportionate and risk-based approach to monitoring, 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.		
146	138	Schemes should continually review their data and carry out a data review exercise at least annually. This should include an assessment of the accuracy and completeness 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	
147	139	Where the management of scheme data has been outsourced, it is vital that schemes understand and are satisfied that the controls in place will ensure the integrity of scheme member data. They should ensure that the administrator has assessed the risks that poor or deficient member records may present to the scheme and has taken the necessary steps to mitigate them, where applicable.	Data Quality testing and Improvement Plan	
148	140	Where there has been a change of administrator or the administration system/platform, schemes should review and cleanse data records and satisfy themselves that all data are complete and accurate.		
149	141	Where schemes identify poor quality or missing data, they should put a data improvement plan in place to address these issues. The plan should have specific data improvement measures 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	
150	142	Schemes should ensure that member records are reconciled with information held by the employer, 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	
151	143	Schemes 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.	reviewed under GDPR May 2018	
152	144	Schemes should understand: <ul style="list-style-type: none"> • their obligations as data controllers and who the data processors are in relation to the scheme • the difference between personal data and sensitive personal data (as defined in the Data Protection Act 1998) • how data are held and how they should respond to data requests from different parties • the systems which need to be in place to store, move and destroy data, and • how data protection affects member communications. 	reviewed under GDPR May 2018	
154	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 May 2018	

	B	C	D	E
155	Maintaining Contributions			
156	147	Employer contributions must be paid to the scheme in accordance with any requirements in the scheme regulations. 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 Policy in place	
157	148	at the latest by the 19th day of the month following the deduction, or by the 22nd day if paid electronically (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.		
158	149	failure is likely to be of material significance to the regulator in the exercise of any of its functions, they must give notice of the failure to the regulator 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, 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. For more information about reporting breaches of the law, see this section of the code.		
159	150	As part of the requirement to establish and operate adequate internal controls, 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. 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 Policy in place	
160	151	Schemes should monitor pension contributions, resolve payment issues and report payment failures, as appropriate, so that the scheme is administered and managed in accordance with the scheme regulations and other legal requirements.		
161	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.		
162	153	These procedures and processes should help scheme managers to meet their statutory duty to report materially significant payment failures to the regulator, as well as ensuring the effective management of scheme contributions and payment of the right pension.	Breaches Log and Policy in place	
164	155	Public service pension schemes which meet these exemptions should nonetheless develop a record for monitoring the payment of contributions to the scheme (a contribution monitoring record, which must reflect any requirements in scheme regulations where relevant). Schemes should prepare the contributions monitoring record in consultation with employees.		
165	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.		

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166	157	<p>A contributions monitoring record should include the following information:</p> <ul style="list-style-type: none"> • contribution rates • the date(s) on or before which employer contributions are to be paid to the scheme • the date by when, or period within which, the employee contributions are to be paid to the scheme • the rate or amount of interest payable where the payment of contributions is late. 		
167	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.		
170	161	Schemes 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.		
171	162	Schemes should apply a risk-based and proportionate approach to help identify employers and situations which present a higher risk of payment failures occurring and which are likely to be of material significance and require the scheme manager to intervene.		
172	163	Schemes should be aware of what is to be paid in accordance with the contributions monitoring record or other scheme documentation, which may be used by the pension scheme. Schemes should also have a process in place to identify where payments are late or have been underpaid, overpaid or not paid at all.		
174	165	Schemes should have adequate internal controls in place to monitor the sharing of payment information between the employer, pension scheme and member. Where the necessary payment information is not automatically available or provided by employers, schemes should request the additional information they need. Schemes may not need to obtain payment information as a matter of course, only where it is required for effective monitoring.		
175	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.		
176	167	Where the administration of scheme contributions is outsourced to a service provider, schemes should ensure that there is a process in place to obtain regular information on the payment of contributions to the scheme and a clear procedure in place to enable them to identify and resolve payment failures which may occur.		
177	168	<p>When schemes identify or are notified of a problem, they should assess whether a payment failure has occurred before taking steps to resolve and, if necessary, report it. During their assessment, schemes should take into account:</p> <ul style="list-style-type: none"> • 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 • 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 • contributions paid directly to a pension provider, scheme administrator or investment manager • any AVCs included with an employer's overall payment. 		

	B	C	D	E
178	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> <p>a. Investigate any apparent employer failure to pay contributions in accordance with the contributions monitoring record or legal requirements.</p> <p>b. Contact the employer promptly to alert them to the payment failure and to seek to resolve the overdue payment.</p> <p>c. Discuss it further with the employer as soon as practicable to find out the cause and circumstances of the payment failure.</p> <p>d. Ask the employer to resolve the payment failure and take steps to avoid a recurrence in the future.</p>		
179	170	<p>information will help to provide evidence of schemes' effective monitoring processes and could help to demonstrate that the scheme manager has met the legal requirement to establish and operate adequate internal controls. It will also form part of the decision of whether or not to report a payment failure to the regulator and, where relevant, members.</p>		
180	171	<p>The regulator recognises that a monitoring process based on information provided by employers may not be able to confirm deliberate underpayment or non-payment, or fraudulent behaviour by an employer. Schemes should review current processes or develop a new process which is able to detect situations where fraud may be more likely to occur and where additional checks may be appropriate.</p>		
196	Providing information to Members			
198	188	<p>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.</p>		
199	189	<p>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.</p>		
200	190	<p>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.</p>		
201	191	<p>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.</p>		
202	192	<p>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.</p>		
203	193	<p>The information must be given as soon as practicable but no more than two months after the date the request is made.</p>		

	B	C	D	E
206	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"> • basic scheme information • information about the scheme that has materially altered • information about the constitution of the scheme • 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) • information about transfer credits • information about lifestyling (this requirement will not apply in respect of DB benefits in public service pension schemes) • information about accessing benefits, and • information about benefits in payment. 		
207	197	<p>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.</p>		
208	198	<p>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).</p>		

	B	C	D	E
209	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"> • active members • deferred members • pensioner members • prospective members • spouses or civil partners of members or prospective members • other beneficiaries, and • recognised trade unions. 		
210	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>		
211	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>		

	B	C	D	E
213	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"> • scheme members and beneficiaries being provided with the option to opt out of receiving information electronically by giving written notice to the scheme • managers being satisfied that the electronic communications have been designed: <ul style="list-style-type: none"> – so that the person will be able to access and either store or print the relevant information and – taking into account the requirements of disabled people • 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"> – it is proposed to provide information electronically in the future and – scheme members and beneficiaries may opt out of receiving information electronically by sending written notice. 		
214	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"> • a statement advising that the information is available on the website • the website address • details of where on the website the information or document can be read, and • an explanation of how the information or document may be read on the website. 		

	B	C	D	E
215	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"> • at least two documents have been given to the recipient by hand or sent to the recipient's last known postal address • 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 • 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 • 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. 		
216	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"> • available to view free of charge, at a place that is reasonable having regard to the request • 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) • given for a charge that does not exceed the expense incurred in preparing, posting and packing the information, or • publicly available elsewhere. 		
217	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>		
218	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. Address tracing exercise to be undertaken late 2018.	
219	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>		
220	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	
222	Resolving Issues			

	B	C	D	E
227	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	
228	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	
229	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.	
230	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	
231	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	
233	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	
234	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.		
235	224	Schemes may choose to specify time limits within which the following people must apply for a dispute to be resolved: <ul style="list-style-type: none"> • scheme members • widows, widowers, surviving civil partners or surviving dependants of deceased scheme members • surviving non-dependant beneficiaries of deceased scheme members, and • prospective scheme members. 	Within 6 months of being notified of decision	

	B	C	D	E
236	225	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.	Within 6 months of being notified of decision	
237	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"> • a person who has ceased to be within the categories in paragraph 224 above • 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. 		
238	227	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.		
239	228	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.	Matter to be acted upon quickly but within 4 months	
240	229	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.		
241	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	
242	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 ¹²³ . 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.		

	B	C	D	E
243	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 ¹²³ . 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.		
244	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.		
245	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	
246	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	
247	236	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 ¹²⁴ : <ul style="list-style-type: none"> • prospective members, if it is practicable to do so • any scheme members who have not already been given the information • certain relevant people who request the information and who have not been given that information in the previous 12 months, and • members or prospective members when schemes receive jobholder information, or when a jobholder becomes an active member, in connection with automatic enrolment. 		
248	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	

	B	C	D	E
249	238	In addition, scheme managers must provide information about TPAS and the Pensions Ombudsman at certain stages ¹²⁵ . 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	
250	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"> • the procedure and processes to apply for a dispute to be resolved • the information that an applicant must include • the process by which any decisions are reached, and • an acknowledgement once an application has been received. 		
251	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.		
252	Reporting Breaches of the Law			
256	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.		
257	245	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.		

	B	C	D	E
258	246	<p>Procedures should include the following features:</p> <ul style="list-style-type: none"> • a process for obtaining clarification of the law around the suspected breach where needed • a process for clarifying the facts around the suspected breach where they are not known • 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 • a clear process for referral to the appropriate level of seniority at which decisions can be made on whether to report to the regulator • an established procedure for dealing with difficult cases • 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 • 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 • a process for identifying promptly any breaches that are so serious they must always be reported. 		
259	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>		
260	248	<p>Having ‘reasonable cause’ to believe that a breach has occurred means more than merely having a suspicion that cannot be substantiated.</p>		
261	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>		
262	250	<p>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.</p>		

	B	C	D	E
263	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.		
264	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.		
265	253	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: <ul style="list-style-type: none"> • cause of the breach • effect of the breach • reaction to the breach, and • wider implications of the breach. 		
266	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.		
267	255	The breach is likely to be of material significance to the regulator where it was caused by: <ul style="list-style-type: none"> • dishonesty • poor governance or administration • slow or inappropriate decision making practices • incomplete or inaccurate advice, or • acting (or failing to act) in deliberate contravention of the law. 		
268	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.		

	B	C	D	E
269	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.		
270	258	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: <ul style="list-style-type: none"> • 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 • 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 • 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 • 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 • 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 • 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 • any other breach which may result in the scheme being poorly governed, managed or administered. 		
271	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.		
272	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.		
273	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.		

	B	C	D	E
274	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.		
275	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.		
276	264	The report should be dated and include as a minimum: <ul style="list-style-type: none"> • full name of the scheme • description of the breach or breaches • any relevant dates • name of the employer or scheme manager (where known) • name, position and contact details of the reporter, and • role of the reporter in relation to the scheme. 		
277	265	Additional information that would help the regulator includes: <ul style="list-style-type: none"> • the reason the breach is thought to be of material significance to the regulator • the address of the scheme • the contact details of the scheme manager (if different to the scheme address) • the pension scheme's registry number (if available), and • whether the concern has been reported before. 		
278	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.		
280	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.		

	B	C	D	E
281	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.		
282	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.		
283	271	In cases of immediate risk to the scheme, for instance, where there is any indication of dishonesty, the regulator does not expect reporters to seek an explanation or to assess the effectiveness of proposed remedies. They should only make such immediate checks as are necessary. The more serious the potential breach and its consequences, the more urgently reporters should make these necessary checks. In cases of potential dishonesty the reporter should avoid, where possible, checks which might alert those implicated. In serious cases, reporters should use the quickest means possible to alert the regulator to the breach.		
285	273	The statutory duty to report does not, however, override 'legal privilege' ¹³⁴ . This means that oral and written communications between a professional legal adviser and their client, or a person representing that client, while obtaining legal advice, do not have to be disclosed. Where appropriate a legal adviser will be able to provide further information on this.		
287	275	The Employment Rights Act 1996 (ERA) provides protection for employees making a whistleblowing disclosure to the regulator. Consequently, where individuals employed by firms or another organisation having a statutory duty to report disagree with a decision not to report to the regulator, they may have protection under the ERA if they make an individual report in good faith. The regulator expects such individual reports to be rare and confined to the most serious cases.		

CYNGOR SIR POWYS COUNTY COUNCIL**Pension Board****30th November 2018****REPORT BY: Pension Fund Manager****SUBJECT: Pensions Section Redesign**

REPORT FOR: Information

1. Introduction

- 1.1 Following the retirement of the Pension Fund Manager and Senior Pensions Technician in short succession in 2018, the opportunity was taken to redesign the Pensions Section to increase the administration resource and better meet the requirements of more challenging administrative landscape and increased scrutiny on LGPS Pension Funds.
- 1.2 The implementation of the electronic interface, i-Connect, also changed the way the section administers the LGPS, with less time required on checking employer data as a result.

2. Existing Pensions Section Structure (Appendix A)

- 2.1 It was felt that the old design was a little convoluted in its reporting structure and didn't offer much opportunity for staff progression. It also included a post that specifically focussed on data (Systems Assistant) and some of the more clerical tasks (post etc)
- 2.2 The introduction of i-Connect for the main scheme employer introduced monthly data checks and verifications within the program itself reducing the requirement for the Systems Assistant post, which did not have the scope to be able to take on additional administrative responsibilities.

3. New Pensions Structure (Appendix B)

- 3.1 The new structure was designed with administration in mind. The introduction of a second Senior Pensions Technician post encouraged progression opportunities for existing staff and a larger focus on checking administration, where required. This was

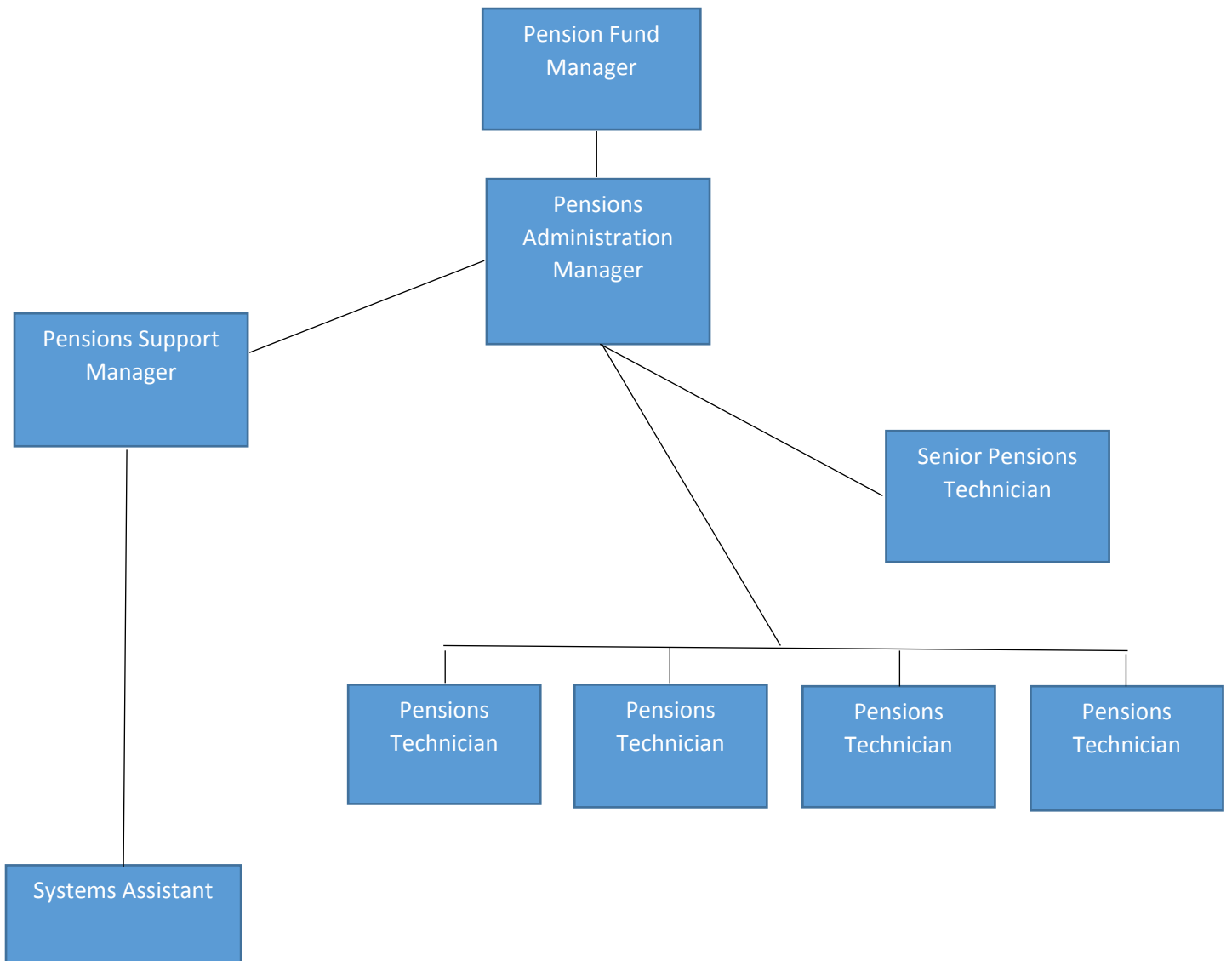
accomplished through the deletion of the Systems Assistant post, which also increased the administration capacity within the section.

- 3.2 There is also a greater emphasis on Employer interaction, training and scheme communications through the more senior posts.
- 3.3 Through a succession of internal and external appointments, the Section will be back up to full resource from 1st January 2019, after running on reduced numbers for the past few months.

Appendix A

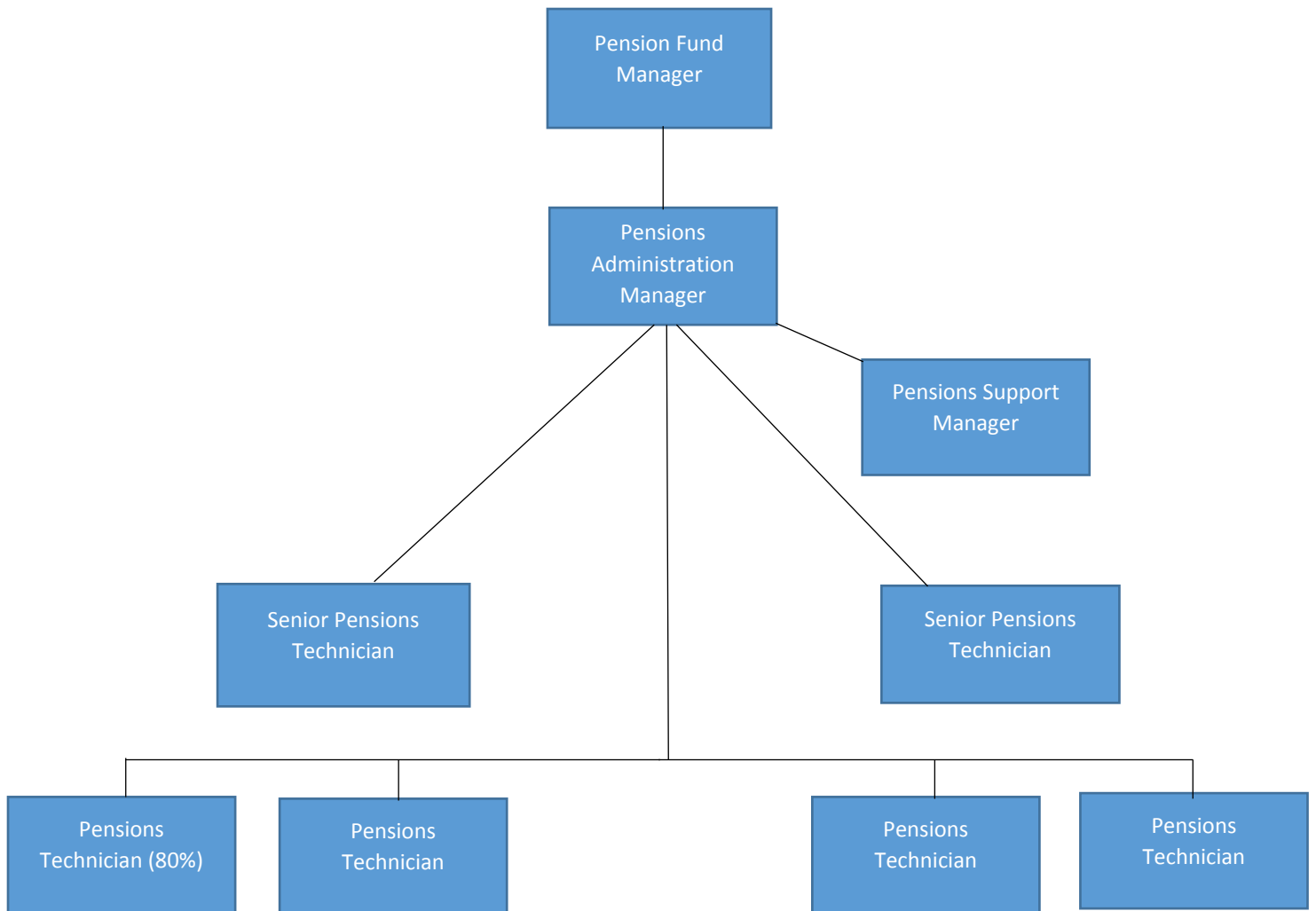
Pensions Section Structure prior to November 2018

Current Pension Section Structure



Appendix B

Pensions Section Structure from November 2018



	A	B	C	D	E	F	G	H	I	J	K
1	Powys Pension Fund Breaches			2018_19							
2											
3	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
4	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 c200 deferred members. Cause: 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. Effect: 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	

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Risk Register

	A	B	C	D	E	F	G	H	J	L	N	O	P	Q	R	T	V	X
1								Inherent Risk			Residual Risk							
2	Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	P	I	Risk Rating	Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
3		PEN001	01/11/15		Pensions Administration	Failure to pay pensions and lump sums on time	Financial difficulty for the scheme member concerned, reputational risk to the Pension Fund, and additional cost to the employer where interest is payable as a result of late payment.	M	L	Low	Maintenance and update of Altair and Trent systems, sufficient staff resources and training. Quality assurance processes in place to check work done.	C Hurst	A Davies	Review of process as part of the ongoing review of pensions administration processes following the implementation of the 2014 Scheme.	M	L	Low	
4		PEN002	01/11/15		Finance	Failure to collect and account for pension contributions being paid over to the Fund on time by Fund employers.	Adverse audit opinion, potential delays to Fund employer FRS17/IAS19 reporting; and potential delay to production of annual report and accounts.	L	M	Low	Contributions received monitored on a monthly basis by Fund accounting staff.	D Powell	A Davies	Requirement that each end of scheme year, Fund employers certify that they have paid over contributions at the correct rates and on time.	L	M	Low	
5		PEN003	01/11/15		Finance	Insufficient Fund cashflow to meet liabilities as they fall due.	Immediate injections of cash from Fund employers would be required where Fund assets cannot be liquidated quickly. For now the Fund is cashflow positive but will not remain so for much longer, therefore requiring the use of investment income to subsidise the payment of pension benefits rather than being reinvested as now.	H	M	Medium	Funding strategy statement. Have this year (2015) commissioned Fund actuary to undertake a Fund cashflow forecast based on a) Fund maturity and b) impact of need for major employer (Powys CC) to reduce budget by a further £27M over next two years or so.	D Powell	A Davies	Following completion of the fund actuary's cashflow forecast, review strategic asset allocation to ensure that cashflow remains positive (on a targeted and monitored basis) whilst at the same time ensuring that the Fund is not forced to liquidate assets on an unplanned basis.	M	L	Low	
6		PEN004	01/11/15		Pensions Administration	Inability to deliver service as a result of loss of pensions administration system, or any other system used in the provision of service (eg. pensioner payroll). Failure of any system used by the service as a result of a breach of cyber security.	Failure to provide service	L	L	Low	Business Continuity Plan for the Pensions administration service. Assurances received from all systems providers in relation to their current resilience to the threat of a failure in cyber security.	C. Hurst	A Davies	Keep Business Continuity Plan under review. Periodic review by the Pension Board of provider assurances in respect of cyber security.	L	L	Low	
7		PEN005	01/11/15		Pension Fund	Inability to deliver service as a result of the loss of key personnel	Failure to provide service at all, or at an acceptable level	L	M	Low	Business Continuity Plan in place for the pensions administration service	C Hurst	A Davies	Keep Business Continuity Plan under review	L	M	Low	
8		PEN006	01/11/15		Pension Fund	Loss of funds through fraud or misappropriation	Financial loss to the Fund	L	M	Low	Internal and External Audit regularly test that appropriate controls are in place and are working effectively. Due diligence is carried out whenever a new investment manager is appointed	C Hurst	A Davies	None	L	M	Low	
9		PEN007	01/01/15	FSS	Pension Fund	Significant rise in employer contribution rates for Fund employers with strong covenants, as consequence of increases in liabilities.	Employer contribution rates rise to unacceptable levels, putting upward pressure on Council Tax rates and the ability of Powys County Council to continue to deliver services to its communities.	L	M	Low	Employers have Discretionary Powers Policies that help to control liabilities. In reality, little can actually be done in mitigation due to the fact that liabilities are largely determined by bond yields that are outside of the Fund's control.	C Hurst	A Davies	Investigate further liability mitigations such as ill health strain insurance; developing guidance to assist employers to manage liability increases derived from their actions or inactions; and, work closely with the Fund actuary to determine appropriate valuation assumptions and deficit recovery strategies.	L	M	Low	

Risk Register

	A	B	C	D	E	F	G	H	J	L	N	O	P	Q	R	T	V	X
1								Inherent Risk			Residual Risk							
2	Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	P	I	Risk Rating	Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
10		PEN008	01/01/15	FSS	Pension Fund	Significant rises in employer contribution rates for Fund employers with weak covenants as a consequence of increases in liabilities.	Employer contribution rates rise to unsustainable levels that cause employers to become insolvent	L	H	Medium	Employers have Discretionary Powers Policies that help to control liabilities. In reality, little can actually be done in mitigation due to the fact that liabilities are largely determined by bond yields that are outside of the Fund's control.	C Hurst	A Davies	In process of developing risk sharing arrangements to enable employers with weak covenants to attain a degree of certainty over the level of employer contribution rates.	L	M	Low	
11		PEN009	01/01/15	FSS	Pension Fund	Significant rises in employer contribution rates for employers with strong covenants as a result of poor/negative investment returns.	Employer contribution rates rise to unacceptable levels that result in Powys County Council being unable to provide appropriate services for its communities.	L	M	Low	Use expert specialist consultants to help set and monitor investment strategy and investment manager performance and selection. Quarterly investment performance reports presented to	C Hurst	A Davies	Continual monitoring of performance; review of asset allocation strategy, including consideration of alternative asset classes and non-market led assets.	L	M	Low	
12	Page 54	PEN010	01/01/15	FSS	Pension Fund	Significant rises in employer contribution rates for employers with weak covenants as a result of poor/negative investment returns.	Employer contribution rates rise to unsustainable levels that result in employers with weak covenants becoming insolvent.	L	H	Medium	Use expert specialist consultants to help set and monitor investment strategy and investment manager performance and selection. Quarterly investment performance reports presented to	C Hurst	A Davies	Continual monitoring of performance; review of asset allocation strategy, including consideration of alternative asset classes and non-market led assets.	L	M	Low	
13		PEN011	01/01/15	FSS	Pension Fund	Failure to comply with LGPS and other statutory regulations.	Payment of incorrect pension benefits; provision of incorrect benefit estimates; failure to comply with governance standards; failure to meet HMRC tax requirements. Resulting in: loss of customer satisfaction / confidence; IDRPs and Ombudsman appeals; TPR fines for non-compliance.	H	L	Medium	Rigorous checking and authorisation procedures in respect of pension benefit calculations and payments; and, regular review of governance compliance policy. Staff training and development.	C Hurst	A Davies	Closer partnership working with employer payrolls to facilitate accurate data receipts; increased compliance oversight provided by newly established Pensions Board.	M	L	Low	
14		PEN012	25/01/16		Pensions Administration	Failure to hold scheme member's personal data securely.	Poor data quality; compromised data; fines	L	M	Low	Compliance with Powys County Council Data Protection and ICT policies.	C Hurst	A Davies	Data protection audit in conjunction with TPR data quality standards to be undertaken	L	M	Low	
15		PEN013	01/04/15	TPR	Pension Fund	Failure to maintain and hold up to date and accurate pension records.	Payment of incorrect pension benefits; late payment of benefits; assessment of incorrect liability values. Resulting in loss of customer confidence and satisfaction; IDRPs and Ombudsman appeals; and, incorrect assessment of employer contribution rates.	M	M	Medium	Pensions team work with employer payrolls to ensure data quality; data validation checks undertaken by team at each year end; validation checks carried out at each actuarial valuation (triennially) by the Fund actuary. Staff training and development.	C Hurst	A Davies	Additional data validation and quality checks to be implemented as required by the TPR code of practice.	L	M	Low	

Risk Register

	A	B	C	D	E	F	G	H	J	L	N	O	P	Q	R	T	V	X
1												Inherent Risk			Residual Risk			
2	Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	P	I	Risk Rating	Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
16		PEN014	25/01/16	CIPFA	Pension Fund	Lack of expertise of Pension Fund Officers and Service Director	Poor decision making in relation to principal functions of the Pension Fund , particularly in relation to investments.	L	H	Medium	Officers ensure that they receive appropriate training and are required to keep up to date with developments in pensions matters, as part of their periodic Individual Performance Reviews and by attending relevant conferences and seminars, by reading and through discussions with consultants and peers.	C Hurst	A Davies	Formalised Officer training via individual training plans based on the CIPFA 'Knowledge and Skills' framework, as is the the procedure for members of both Pensions & Investment Committee and the Pensions Board.	L	M	Low	
17		PEN015	25/01/16	CIPFA	Pension Fund	Over-reliance on key Officers	Whe senior Officers leave or are term sickness, large knowledge gaps remain.	M	H	Medium	In the short term, knowledge gaps can be filled by using our external colleagues from other Welsh Funds and buying in assistance from consultants.	C Hurst	A Davies	Formalise succession planning by including in Officer individual training plans for less senior Officers.	M	L	Low	
18	Page 55	PEN016	25/01/16		Pensions Administration	Failure to communicate effectively with stakeholders.	Scheme members unaware of their rights under the LGPS and make poor decisions in relation to pension rights. Employers unaware of the scheme regulations, the procedures and their responsibilities, resulting in poor or inappropriate decision-making and may adversely effect the flow of pensions data to the Pension Fund.	L	M	Low	the Pensions Support Manager is tasked with responsibilities in relation to scheme and Fund communications, as part of their Job Description. In addition, the Fund has a clear communications policy as well as a regularly updated website.	C Hurst	A Davies	No further action proposed.	L	M	Low	
19		PEN017	26/01/16		Pensions Administration	Failure to provide the pensions service in accordance with principles of equality.	Some stakeholders may be unable to access the service fully or at all. In the worst case scenario, this could result in court action against the Fund.	M	M	Medium	The Fund maintains a Welsh Language register in respect of scheme members and employers.	C Hurst	A Davies	To utilise technology to enable access to service and information for stakeholders with disabilities, other language needs etc.	L	M	Low	
20		PEN018	01/01/15	FSS	Pension Fund	Failure to collect payments due from ceasing employers with no active members.	Failure to collect cessation payments from ceasing employers results in relevant liabilities being funded by the Powys Pension Fund and the active employers.	L	M	Low	The Fund undertakes periodic reviews of the strength of employer covenants. For existing employers, the Fund requires that a guarantor, bond or 'risk sharing agreement' is in place. For all new employers, the Fund insists on either a guarantor or a bond being in place.	C Hurst	A Davies	No further action planned.	L	M	Low	

Risk Register

	A	B	C	D	E	F	G	H	J	L	N	O	P	Q	R	T	V	X
1												Inherent Risk			Residual Risk			
2	Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	P	I	Risk Rating	Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
21		PEN019	25/01/16	SAB	Pension Fund	Lack of expertise of members of Pensions & Investment Committee	Poor decision making in relation to all aspects of the Fund, particularly those in relation to investment.	M	H	Medium	On 16th July 2015 the Fund adopted the CIPFA Knowledge and Skills Framework to inform its training plans for members of Pensions & Investment Committee (and the Pension Board)	C Hurst	A Davies	Rollout of individual training plans for all members over the coming year (2016/17). After each County Council election, specific training events are put on for new members elected to Pensions & Investment Committee.	L	H	Medium	
22		PEN020	01/01/15	FSS	Pension Fund	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.	L	M	Low	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.	C Hurst	A Davies	No further action planned.	L	M	Low	
23		PEN021	01/01/15	FSS	Pension Fund	Inappropriate long-term investment strategy.	Failure to meet funding objectives.	L	H	Medium	Use of a Fund specific benchmark, as recommended by the Fund's investment consultant	C Hurst	A Davies	Nothing further planned	L	H	Medium	
24	Page 56	PEN022	01/01/15	FSS	Pension Fund	Active investment manager under-performance relative to the benchmark.	Failure to meet funding objectives.	L	M	Low	Short-term (quarterly) investment monitoring analyses market performance and active managers relative to their index benchmark	C Hurst	A Davies	Nothing further planned	L	M	Low	
25		PEN023	01/01/15	FSS	Pension Fund	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.	L	M	Low	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.	C Hurst	A Davies	No further action planned.	L	M	Low	
26		PEN024	01/01/15	FSS	Pension Fund	Permitting contribution rate changes to be introduced by annual steps rather than immediately, introduces a risk that action to restore solvency is insufficient between successive measurements.	Increased employer contribution rates.	L	M	Low	Each individual employer situation is discussed with the Pension Fund actuary, with stepping restricted to three years, or 6 years, in very exceptional circumstances.	C Hurst	A Davies	No further action proposed.	L	M	Low	

Risk Register

	A	B	C	D	E	F	G	H	J	L	N	O	P	Q	R	T	V	X
1								Inherent Risk			Residual Risk							
2	Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	P	I	Risk Rating	Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
27		PEN025	01/01/16	FSS	Pension Fund	Pensioners living longer and, changing retirement patterns.	Increased employer contribution rates.	L	M	Low	Mortality assumptions are set with some allowance for future increases in life expectancy. The Fund actuary investigates these matters at each valuation or more frequently where appropriate. If significant demographic changes were to occur between valuations, the Pension Fund will advise employers accordingly and notify them of the likely impact on their contribution rates, reviewing bond values, as required.	C Hurst	A Davies	No further action proposed.	L	M	Low	
28		PEN026	01/01/16	FSS	Pension Fund	Deteriorating patterns of ill health or other early retirements.	Increase in employer contribution rates and deficit recovery payments.	L	M	Low	Employers are required to pay the capital costs of early retirements (pension strain), upfront for all cases. Ill health retirements and costs are monitored against Fund allowances.	C Hurst	A Davies	No further action proposed.	L	M	Low	
29		PEN027	01/01/15	FSS	Pension Fund	Fall in the returns on Government bonds.	Increase to the value placed on Fund liabilities.	M	M	Medium	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	C Hurst	A Davies	No further action proposed.	M	M	Medium	
30		PEN028	01/01/15	FSS	Pension Fund	Pay and price inflation significantly more than anticipated.	Increased employer contribution rates and deficit recovery payments.	M	M	Medium	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.	C Hurst	A Davies	No further action proposed.	M	M	Medium	
31		PEN029	26/01/16	SAB	Pensions Administration	Failure to reconcile all relevant active, deferred and pensioner member GMP records against the data held by DWP in respect of the cessation of contracting out, by April 2018.	Increase in Fund liabilities; increased employer contribution rates and deficit recovery payments; and, payment of incorrect pension benefits.	M	M	Medium	In process of assessing how best to deal with the work required. Unlikely to be possible to complete with current in-house resources - due to current 'core' business volumes and specialist nature of work required. Therefore evaluating external	C Hurst	A Davies	Appoint external partners to a) identify scale of work required; b) bank 'quick wins'; complete reconciliations by April 2018.	M	L	Low	

Risk Register

	A	B	C	D	E	F	G	H	J	L	N	O	P	Q	R	T	V	X
1								Inherent Risk			Residual Risk							
2	Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	P	I	Risk Rating	Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
32		PEN030	04/03/16	LPB	Pension Fund	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.	M	C	High	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.	D Powell	A Davies	Increased investment manager diversification may be further facilitated by pooling via the Wales Pool that is currently under development. As agreed by P & I Committee on 9th February 2017, when entering into new contractual arrangements with investment managers, contract documentation is to be referred to the Fund's legal advisers for review and appropriate due diligence.	L	C	Medium	
33		PEN031	04/03/16	LPB	Pension Fund	Pooling of Pension Fund assets with other LGPS Pension Funds.	Investment of Fund Officer and Committee time and other resource with unknown outcomes; front loaded costs before potential savings are realised; potential loss of local accountabilities; and, the loss of the primacy of the Fund and its strategic needs.	M	M	Medium	Due diligence on all pooling proposals; full transparency of all pool proposals and costs; full participation of the Pension Fund in all pooling development.	C Hurst	A Davies	Pooling vehicle to be structured so that each participating Fund has full representation in the pool; the pool structure enables full strategic decisions to be retained by each individual Fund; and, economies of scale (based on experience to date) indicate that savings will be made by the Fund that will exceed initial costs.	L	M	Low	
34		PEN032	10/03/17	LPB	Pension Fund	An admitted body ceasing to exist with insufficient funding or level of a bond available to meet all its Fund liabilities.	Unfunded pension liabilities being orphaned without sufficient funding/guarantees in place, resulting on increased liabilities falling on other Fund employers.	M	L	FALSE	To seek funding guarantees wherever poaaible, from other Scheme employers or outside bodies. To require, in all cases, a bond or other form of security to protect the Fund in the case of unexpected cessation and insolvency. Ensuring that admitted bodies are fully aware of their obligations and responsibilities to the Pension Fund and the benefits of their employees.	C Hurst	A Davies	Regular review of admitted body covenants and financial health.	M	L	FALSE	

Risk Register

	A	B	C	D	E	F	G	H	J	L	N	O	P	Q	R	T	V	X
1								Inherent Risk								Residual Risk		
2	Reporting Level	Risk Reference	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	P	I	Risk Rating	Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	P	I	Risk Rating	Notes
35		PEN033	01/08/18	PPF	Pension Fund	Transfer of Workflow and Imaging System	Software supplier contract ending 31.03.19. Unable to deliver Admisitration Service of the LGPS	H	I	HIGH	Due diligence on migration exercise	C Hurst	A Davies	Constant monitoring until project completed			HIGH	

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CYNGOR SIR POWYS COUNTY COUNCIL

**Pension Board
30th November 2018**

REPORT BY: Pension Fund Manager

SUBJECT: Membership and Financial Statistics for the period 1st July to 30th September 2018

REPORT FOR: Information

1. Introduction

- 1.1 Further to the report provided in the September 2018 Pension Board meeting, this report contains the membership and Pensions Administration financial statistics for the period 1st July to 30th September 2018.

2. Pensions Administration Financial Statistics - Income & Expenditure

- 2.1 Presented as a separate item on Agenda.

3. Pensions Administration membership statistics

- 3.1 The table below contains the detail of the movements of the scheme membership between the different statuses (Active member to a pensioner or deferred status for example).

The column on the left shows the totals per status at the start of the period. The middle section shows the movements, which leaves the totals per status at the end of the period in the right hand column.

Key:

Status

- | | |
|----------|--|
| 1 | Active Member |
| 2 | Undecided leaver (Deferred not yet processed) |
| 3 | Exit (Refund, Transfer Out) |
| 4 | Deferred member |
| 5 | Pensioner member |
| 6 | Dependant Member |
| 7 | Death |
| 8 | Awaiting Entry (Starter not fully processed) |

9 Frozen Refund
10 Optant Out
T Third Tier Cessation

Old Status	In Force at 01/07/2018	New Status											Other Locn.	Other St.	Total Off	Total On	In Force at 30/09/2018	
		1	2	3	4	5	6	7	8	9	O	T						Z
1	5625		261	15	17	32				27	4					356	507	5776
2	299	94			2	6										102	262	459
3	12663																80	12743
4	6222			40		39										79	19	6162
5	3965			21				19								40	77	4002
6	631			2				8								10	4	625
7	3335																27	3362
8	10																5	15
9	520																27	547
O	1096		1	1												2	16	1110
T																		
Z																		
Other Locn.																		
Other St.																		
Blank		413		1			4		5		12							
Total	34366	507	262	80	19	77	4	27	5	27	16				589	1024	34801	



Powys

**CRONFA BENSIWN
POWYS
PENSION FUND**

**MEMBER KNOWLEDGE & TRAINING
NEEDS SELF-ASSESSMENT FORM**

Last Reviewed November 2018

Introduction

In accordance with the requirements of the Public Service Pensions Act 2013, the CIPFA Knowledge & Skills Framework and the policy adopted by the Powys Pension Fund in July 2015, members of both the Pensions & Investment Committee and the Pension Board are required to have knowledge and understanding of:

- pensions legislative and governance context
- pensions accounting and auditing standards
- financial services procurement and relationship management
- investment performance and risk management
- financial markets and products knowledge
- actuarial methods, statements and practices.

They are also required to be conversant with the Powys scheme and policy documentation.

This self-assessment is designed to help Members to identify their current level of knowledge and in which areas they may need further training or development.

Completing the Self-Assessment

When completing the self-assessment, it is important that you assess your own level of knowledge as accurately and as honestly as possible so that your specific and personal development and training needs can be identified. Please assess your knowledge and understanding of each aspect, by ticking the appropriate box against the following scale:

Tick Box	Knowledge	Experience
A	Detailed understanding	Fully competent in the subject to a high level of detail
B	Reasonable understanding	Reasonable level of knowledge / competence in the subject
C	Limited understanding	Some knowledge or exposure to the subject
D	Not sure	No / limited knowledge or exposure to the subject

Please complete the self-assessment. Should you have any queries in relation to any aspect of the self-assessment, please contact the Pension Fund Manager.

MEMBER KNOWLEDGE AND TRAINING NEEDS SELF-ASSESSMENT

Name:

I am a Member of (delete as required):

PCC Pensions & Investment Committee / Powys Pension Board

Section A: Legislation

Members are required to have a general (rather than in-depth) knowledge and understanding about the legislation relating to pensions in general.

1. The law relating to pensions.

This includes occupational pensions' legislation (in outline) and the key provisions of related legislation that affects the Powys Pension Fund and impacts on the roles and activities of the Members of either the Pensions & Investment Committee and/or the Powys Pension Board.

I have knowledge and understanding of:		A	B	C	D
1.1	<p><u>Occupational pensions legislation:</u> Including: key provisions of the Local Government Superannuation Act 1972, the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, Pensions Act 1995, Public Service Pensions Act 2013, Codes of practice and guidance issued by The Pensions Regulator.</p>				
1.2	<p><u>The tax privileges and requirements for occupational pension schemes:</u> Including: the relevant provisions of the Finance Act 2004 e.g those that set the conditions to be met by a Registered Pension Scheme; allow personal pensions and occupational pensions to run concurrently; Fund obligations in respect of scheme payments (both authorised and unauthorised) and in relation to Lifetime and Annual Allowances.</p>				
1.3	<p><u>Pensions related legislation:</u> Including: anti-discrimination; arrangements for giving advice on pensions; civil partnerships; local government compensation arrangements; data protection; employment rights; money laundering; parental leave;</p>				

	divorce.				
1.4	The specific powers of the Secretary of State in the event of a disagreement between the Pension Fund and one of the participating employers.				
1.5	<u>Dispute resolution:</u> Including: the Internal Disputes Resolution Procedure of the LGPS; the role of the Pensions Advisory Service; the Pensions Ombudsman.				
1.6	<u>The law relating to internal controls and sound administration:</u> Including the obligation to administer the scheme in accordance with legal and regulatory requirements, such as those imposed by the Disclosure of Information Regulations.				
1.7	<u>The interface between occupational schemes and state pension provision:</u> Including the implications of contracting out and the relationship between pension scheme benefits and means tested state benefits.				
1.8	The obligation on employers to offer a qualifying scheme for all employees under Automatic Enrolment regulations				
1.9	An understanding of how the roles of the Pensions Regulator, Pensions Advisory Service and the Pensions Ombudsman relate to the working of the scheme.				

Section B: Funding and Investment

Members are required to have knowledge and understanding about the principles relating to the funding of occupational pension schemes and the investment of the scheme's assets.

2. Investment.

This includes the major asset classes and their risk profiles as well as information about other asset classes and the principles of risk and reward.

I have knowledge and understanding of:		A	B	C	D
2.1	<u>Capital markets:</u> Including: in broad terms, the effect of economic cycles.				
2.2	<u>The major asset classes and their characteristics:</u> Equities, Bonds, Property, Cash				

2.3	<u>The implications of overseas investment:</u> Including foreign exchange risk and political risk				
2.4	<u>The existence of other asset classes, instruments and techniques:</u> Including: amounts used as an asset class; default funds and life-styling arrangements (DC); with profits arrangements.				
2.5	<u>The balance between risk and reward:</u> Including: the nature of risk; risk/reward profile of each major asset class; basic principles of matching assets to liabilities (DB); the basic principles of matching assets to pension expectations (DC); basic principles of managing risk by diversification of asset classes.				

3. Funding.

This includes the principles relating to the way in which funding is dependent upon the contributions and the value of the liabilities of the scheme.

I have knowledge and understanding of:		A	B	C	D
3.1	How the funding for occupational defined benefit arrangements works in general and specifically for the LGPS.				
3.2	<u>How liabilities are valued for different purposes:</u> Including: the significance of future cash flows; the importance of assumptions and their impact; the volatility of the value of liabilities.				
3.3	How the market value of assets is assessed.				
3.4	<u>Funding measures:</u> Including: the measurement of liabilities; the setting of contribution rates (e.g recovery plan in the event of a deficit).				
3.5	<u>Potential risks to the ability of the scheme to pay benefits:</u> Including: the financial instability of any scheme employer; transferring liabilities to a new employer; unusually high salary increases; the volatility of assets relative to liabilities.				
3.6	<u>The importance of complete, accurate and up-to-date</u>				

	<u>member data:</u> Including the need for robust processes and systems; the need for employers to be aware of and accept their obligations.				
3.7	<u>The impact of discretionary powers:</u> Including the impact of employer decisions e.g. augmentation.				
3.8	The nature and status of professional advice.				
3.9	<u>Transfers and bulk transfers in and out of the scheme:</u> Including: the responsibility of the Fund to decide upon the calculation of transfer values.				
3.10	A broad understanding of the implications of accepting new employers into the Fund and of the cessation of existing employers.				
3.11	An awareness of the importance of monitoring early and ill-health retirement strain costs.				

4. Contributions.

This includes the principles relating to the funding of schemes and the way in which contribution levels are dependent upon the funding of the scheme.

I have knowledge and understanding of:		A	B	C	D
4.1	The nature of the employer/trustee and the effect of the scheme's funding level on scheme employers.				
4.2	The way in which an employer's admission agreement reflects their ability to fund the scheme.				
4.3	The calculation of regular contributions to fund liabilities for future accruals.				
4.4	The setting of special contributions for past service, including agreement on a recovery plan.				
4.5	<u>Member contributions including:</u> regular and additional contributions (e.g. AVCs and APCs); other concurrent member pension arrangements (e.g. FSAVCs, personal pensions and stakeholder pensions); the timelines of payments to the scheme; the importance of complete, accurate and up-to-date member records;				

	the importance of robust systems and processes.				
4.6	The role of the scheme employer in the calculation and collection of member contributions.				

5. Strategic Asset Allocation.

This includes the principles relating to the suitability of different asset classes to meet the liabilities of the scheme.

I have knowledge and understanding of:		A	B	C	D
5.1	<u>The process of strategic asset allocation including:</u> the importance of selecting an appropriate mix of asset classes and taking account of the correlation between them and the Pension Fund's investment objectives.				
5.2	The characteristics of alternative asset classes and financial instruments.				
5.3	The use of specialised investment techniques including liability driven investment arrangements.				
5.4	Reviewing asset allocation decisions including regular review and the response to any change in the maturity or the status of the scheme.				

6. AVC Investment Choices.

This includes the principles relating to the choice of investments.

I have knowledge and understanding of:		A	B	C	D
6.1	<u>The implications for scheme members of the investment strategies adopted by the Fund's chosen AVC providers including:</u> whether or not the providers offer investment choices to members; the range of investment choices where they are offered; the suitability of investment choices offered; the implications of a default investment choice; the implications of life styling as a default investment choice.				
6.2	The importance of member understanding of investment risk.				

7. Fund Management.

This includes the principles of fund management and how performance can be measured.

I have knowledge and understanding of:		A	B	C	D
7.1	<u>The structure of investment portfolios including:</u> active vs. passive management; pooled funds v. segregated portfolios; re-balancing portfolios; and, investment styles.				
7.2	The selection of fund managers.				
7.3	<u>Investment mandates including:</u> an understanding of the nature of the contractual relationship between Pensions & Investment Committee and the Fund's asset managers; and, the fee structure and charges.				
7.4	Measurement of performance including the use of indices, benchmarks and targets.				
7.5	The mechanisms for monitoring investment arrangements and investment managers, including reports from investment managers; implications of changes within investment managers' organizations; compliance with the investment strategy statement (ISS); the completeness and accuracy of records; the calculation and the impact of charges and fees; transitional asset management; robust processes and systems.				
7.6	The importance of sound custody arrangements including adequate monitoring and accurate record keeping.				
7.7	The importance of responsible ownership of assets including the extent to which social, environmental and ethical considerations are taken into account when making investment decisions; the corporate governance of the companies in which the Fund invests; the extent to which (if at all) the Fund will exercise its voting rights; and the Fund's membership of the Local Authority Pension Fund Forum (LAPFF).				
7.8	The Myners principles for the governance of the investment decision making process including associated CIPFA and SOLACE guidance; the need to set targets for the Pensions & Investment Committee and to report				

	against them.				
7.9	An awareness of the limits placed by regulation on the investment activities of the Fund.				

Section C: Scheme Documentation

Members need to be familiar with the documents that are specific to their own scheme so that they are able to make use of these documents in carrying out their functions.

8. The Local Government Pension Scheme Regulations.

This includes any subsequent amending regulations.

I have knowledge and understanding of:		A	B	C	D
8.1	The duties, powers and discretions of the Pension Fund.				
8.2	The balance of power between the Fund Employers and the Pension Fund including when it is appropriate to exercise various Pension Fund powers.				
8.3	Classes of members in the scheme including membership eligibility criteria.				
8.4	Benefits under the scheme including the circumstances, both current and historic, under which benefits are payable; how they are calculated and how payments are made.				

9. Investment Strategy Statement (ISS).

I have knowledge and understanding of:		A	B	C	D
9.1	Roles and responsibilities for preparing the ISS				
9.2	The Fund's investment objectives and asset allocation strategy.				
9.3	The contents of the ISS including legal and regulatory requirements covering the contents of the ISS.				
9.4	Monitoring and updating the ISS as appropriate.				

10. Funding Strategy Statement (FSS).

I have knowledge and understanding of:		A	B	C	D
10.1	Responsibilities for preparing the Funding Strategy Statement.				
10.2	The Fund's statutory and strategic funding objectives.				
10.3	Contents of the Funding Strategy Statement.				
10.4	Monitoring the Funding Strategy Statement including regular monitoring and special review in the event of change.				

11. Other scheme documentation.

This includes the Fund's Annual Report & Accounts as well as scheme guides and leaflets issued to scheme members on all aspects of the Local Government Pension Scheme.

I have knowledge and understanding of:		A	B	C	D
11.1	Scheme guides, leaflets and other member communications.				
11.2	Principle results contained within the most recent Actuarial Valuation Report and subsequent actuarial advice including the deficit recovery plan; and, the importance of inter-valuation monitoring.				
11.3	Minutes of Fund related meetings and the importance of policies and issues contained within them.				
11.4	Stewardship reports including compliance issues.				
11.5	Internal and external audit reports, including checks on the adequacy and robustness of systems and procedures used in member communications.				
11.6	The Fund's Annual Report & Accounts.				
11.7	Agreements and contracts including those with professional advisers and service providers.				
11.8	Committee or Council approved policies and procedures, including the internal disputes resolution				

	procedure (IDRP), managing conflicts of interest, the Risk Register.				
11.9	Statement of compliance with the Myners' Principles.				
11.10	Terms of reference of both the Pensions & Investment Committee and the Pensions Board.				
11.11	Pensions & Investment Committee and Board member skills audit, training needs analysis and training log.				

12. Comments.

Please use this space to record any comments or to add any further training or knowledge needs for which you think training would be appropriate.

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