

**CYNGOR SIR POWYS COUNTY COUNCIL**

**Pensions and Investment Committee  
19<sup>th</sup> October 2018**

**REPORT BY:** Strategic Director of Resources

**SUBJECT:** New Draft Policy – Reporting of Breaches

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**REPORT FOR:** Information

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**1 Introduction**

- 1.1 The report outlines the requirement for all individuals with a role in the Local Government Pension Scheme (LGPS) LGPS (including members of the Committee, members of the Local Pension Board and officers) that they have a duty to report breaches of law when they have reasonable cause to believe that a breach of the law has occurred.
- 1.2 The Pensions Regulator's Code of Practice, which became official guidance for the LGPS on 1<sup>st</sup> April 2015, includes practical guidance and expected standards and best practices in relation to reporting breaches of the law. This policy and procedure has been designed to comply with the guidance and ensure that Powys Pension Fund follows best practice in this area.

**2 Background**

- 2.1 All individuals with a role in the administration of the LGPS have a duty to report breaches of the law, when there is a reasonable belief that:
- A legal duty relevant to the administration of the scheme has not been, or is not being, complied with; and
  - The failure to comply is likely to be of a material significance to the Regulator
- 2.2 This includes Officers of the Administering Authority (Powys County Council), members of the Pensions and Investment Committee, members of the local Powys Pension Board, scheme employers, professional advisers to the scheme (Fund Actuary) as well as any other person involved in an advisory role to the administering authority (in relation to the scheme).
- 2.3 An individual can be subject to a civil penalty if they fail to comply with this requirement without a reasonable excuse. The duty to report

breaches take precedent over any other responsibilities that an individual may have with regards to the scheme.

- 2.4 This policy has been written in order to provide compliance with The Pension Regulator's Code of Practice and ensure the Powys Pension Fund follows best practices in the recording and reporting of breaches.
- 2.5 Breaches of the Law can occur in relation to a wide variety of tasks associated with the administration of the scheme such as:
- Record Keeping
  - Internal procedures and controls
  - Calculation and payment of benefits
  - Payment of contributions
  - Member Communications
  - Making investments or investment related decisions
- 2.6 Procedures should be in place to ensure reporters are able to meet their reporting duty. Practical guidance in relation to this is included in The Pension Regulator's Code of Practice and this policy has been written to reflect that guidance.
- 2.7 The attached Breaches Policy and log provides detail on how individuals can identify, assess, record and report a breach of law relating to the Fund.

### 3 Conclusion

- 3.1 Following approval of the Breaches policy, it will be made available to all participating employers within the fund and published on the Fund's website. It is presented in draft form at this meeting, for consideration ahead of a formal presentation at the next Committee meeting.
- 3.2 All individuals with a role in the LGPS have a duty to report breaches of law when they have reasonable cause to believe that a breach of material significance to the Pensions Regulator has taken place. Where a breach is not deemed material there is a requirement to record the breach.

<b>Recommendation:</b>		<b>Reason for Recommendation:</b>	
• Consider new policy and comment		Statutory requirement and good governance	
<b>Person(s) To Action Decision:</b>	Pension Fund Manager		
<b>Date By When Decision To Be Actioned:</b>		Next Committee meeting	
<b>Relevant Policy (ies):</b>	N/A		

<b>Within Policy:</b>	N/A	<b>Within Budget:</b>	N/A
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<b>Relevant Portfolio Member(s):</b>	Cllr Aled Davies
<b>Relevant Local Member(s):</b>	N/A