



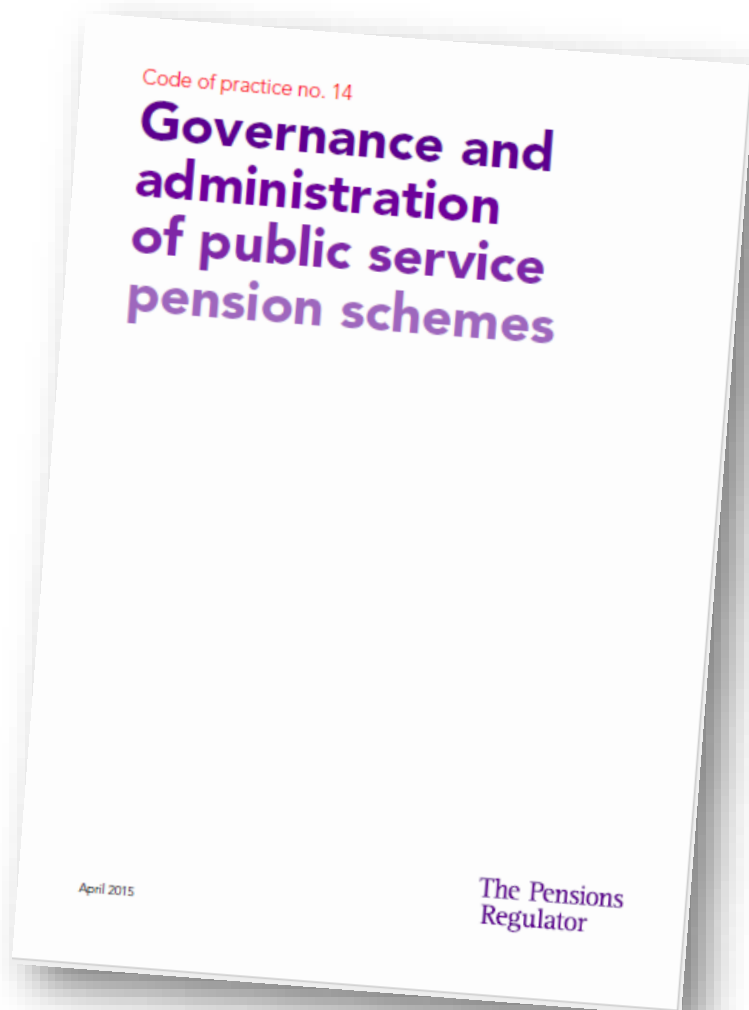
WARWICKSHIRE
pension fund

The Pensions Regulator

Warwickshire Local Pension
Board

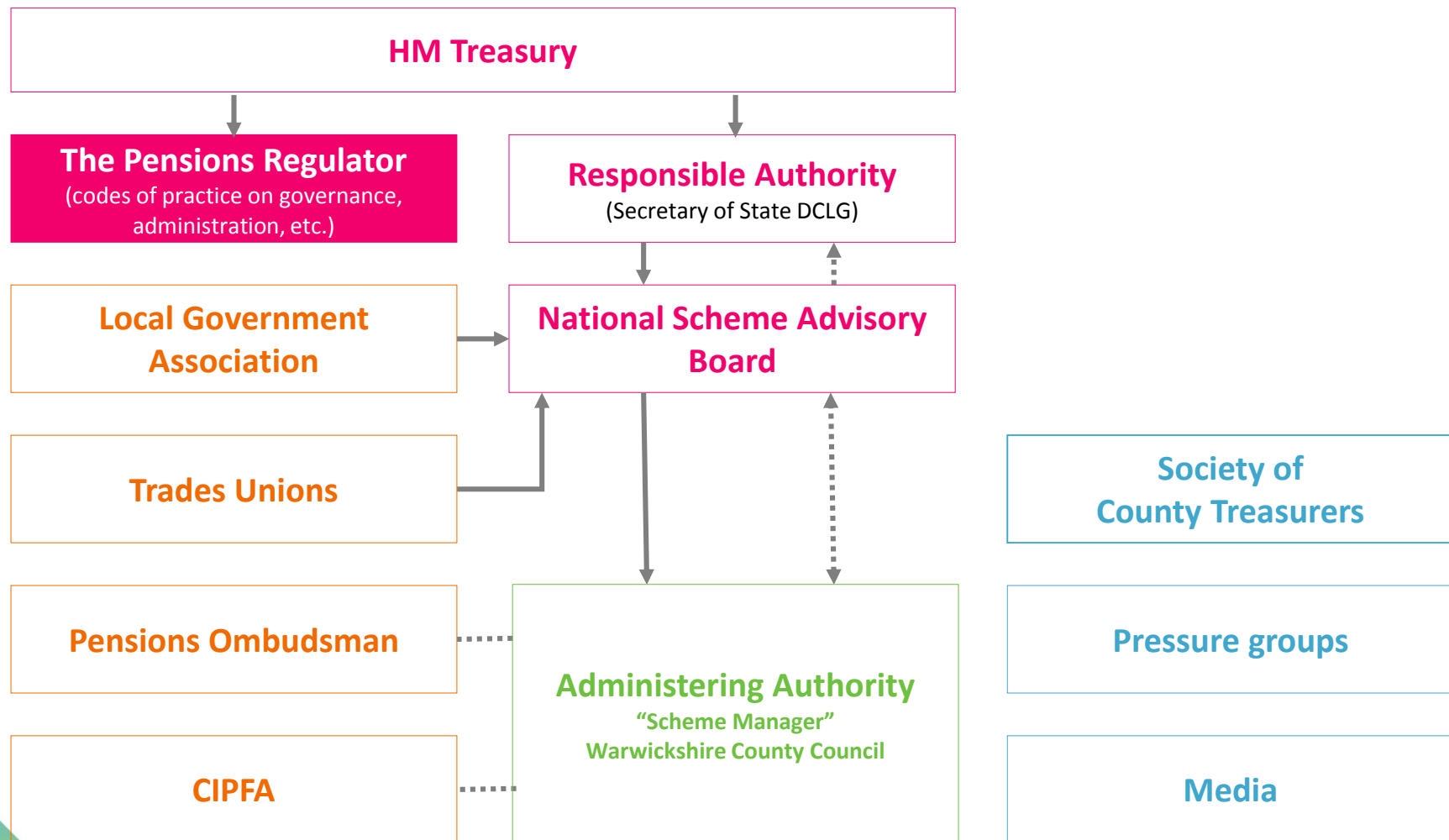
- Ian Colvin
- 11 July 2017

What we'll cover



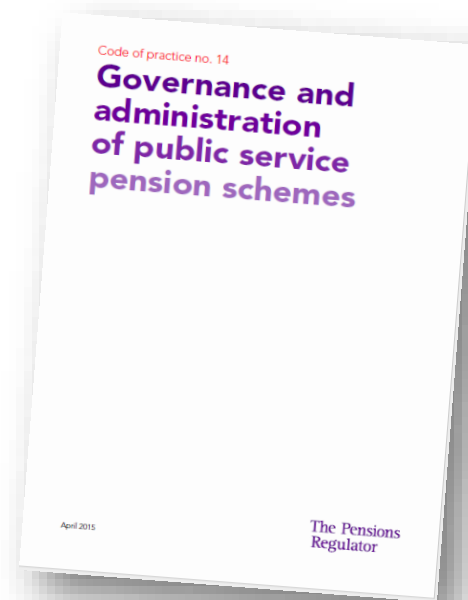
- **About the Code**
 - Legal framework
 - Content of the Code
 - Who it's aimed at
- **The Code**
 - Governing your Scheme
 - Risk
 - Administration
 - Resolving Issues

The Public Service Pensions Act 2013



About the code: Legal framework

- **Code of Practice no. 14: Governance and administration of public service pension schemes**
 - All the public service pension schemes
- **Public Service Pensions Act 2013**
 - Provides the framework
 - Extends the role of the Regulator
- **Status of the Code**
 - It is not law itself
 - BUT some of the underlying principles are law



Contents of the Code

Governing your scheme

- Knowledge and understanding
- Conflicts of interest
- Publishing information about schemes

Risk

- Internal Controls

Administration

- Record-keeping
- Maintaining contributions
- Providing information to members

Resolving Issues

- Internal dispute resolution
- Reporting breaches of the law

About the code: who it's aimed at

Scheme Manager (including delegated functions)

- Direct requirements under the PSPA2013
- Wider requirements on governance, management and administration

Local Pension Board (LPB)

- Direct requirements under the PSPA2013
- Assisting the scheme manager in securing compliance

Employers

- Requirements to comply with data quality and timeliness
- Requirement to pay contributions

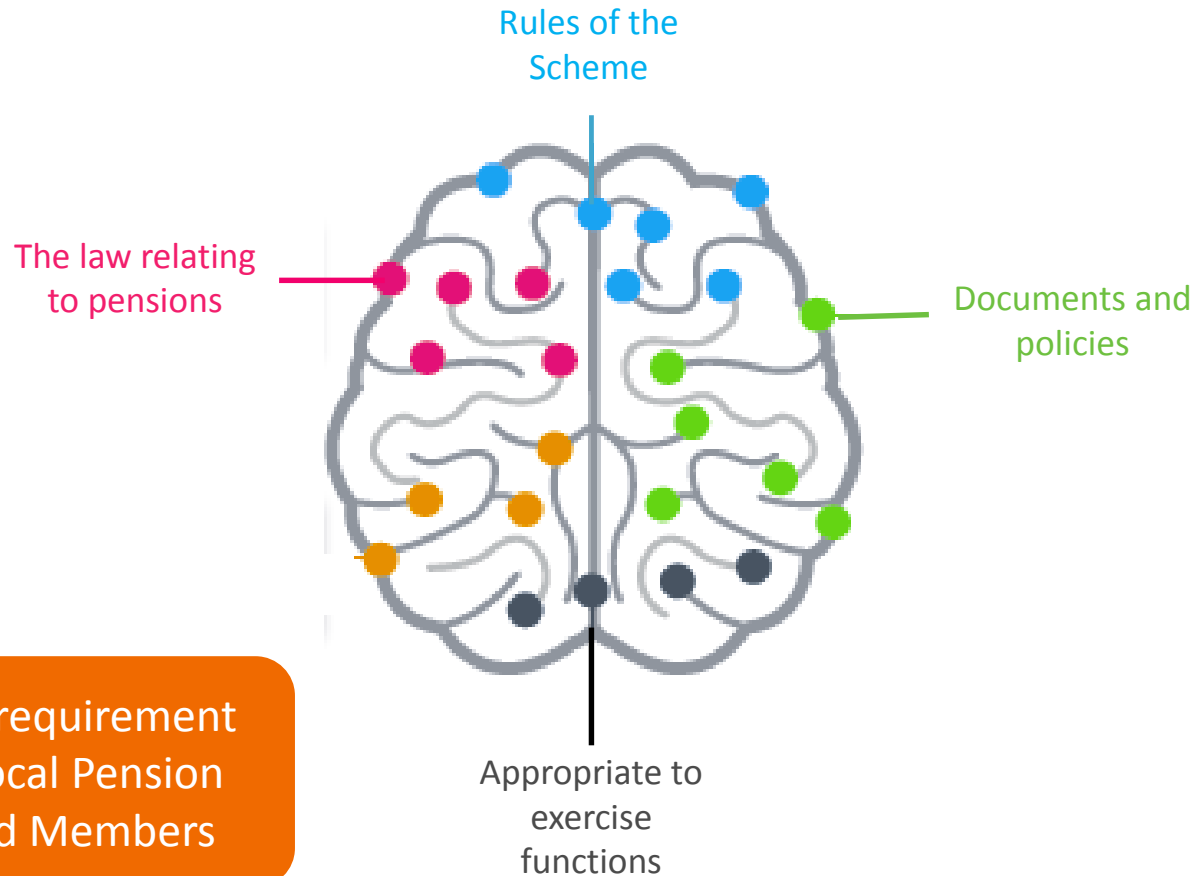
Scheme manager, LPB, elected members, other officers, employers, advisers

- Requirement to report breaches of the law connected with the scheme

Contents of the Code

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Administration <ul style="list-style-type: none">• Record-keeping• Maintaining contributions• Providing information to members	Resolving Issues <ul style="list-style-type: none">• Internal dispute resolution• Reporting breaches of the law

Governing your fund: Knowledge and Understanding



Legal requirement
for Local Pension
Board Members

Governing your fund: Knowledge and Understanding

Areas of knowledge and understanding required

Includes but not limited to –

- Scheme approved policies (conflicts / reporting / record-keeping)
- Risk assessment / management
- Scheme booklets / member communications
- Understanding the roles of pension board members and the scheme manager
- Policies in relation to discretions
- Communications with scheme members and scheme employers
- Policies on funding and investment (FSS, ISS)

Documents and
policies

Governing your fund: Knowledge and Understanding

Degree of knowledge and understanding required

- A working knowledge
- What is relevant to the subject under discussion?
- How does it impact on my role at a Board member?
- Identify and challenge a failure to comply with regulations or the Code of Practice
- Sufficient to understand and challenge any information or advice given

An individual responsibility but supported by the Fund

Governing your fund: Conflicts of interest



- Regulation 108
- The administering authority must:
 - be satisfied that any person to be appointed to the pension board **does not have** a conflict of interest.
 - be satisfied from time to time that **none of the members** of a local pension board has a conflict of interest.
- A person who is to be appointed as a member of a local pension board must:
 - provide such information as the administering authority reasonably requires to ensure no conflict applies.

“A financial or other interest which is likely to prejudice a person’s exercise of functions as a member of the pension board” (para 61 CoP 14)



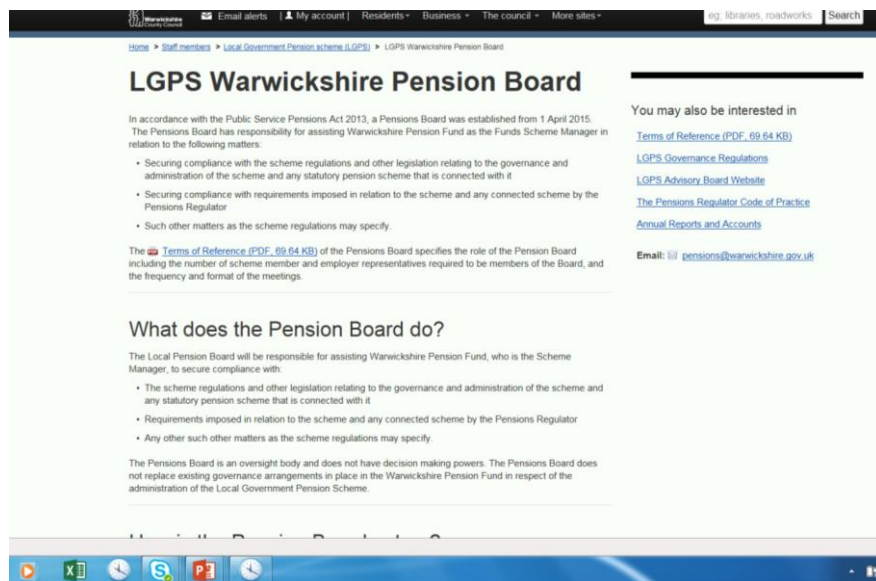
Governing your fund: Publishing information about schemes

Legal Requirement to publish

- 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

Plus

- Board papers
- Minutes
- agendas



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Managing Risk

The Scheme manager has a legal responsibility to establish internal controls

For these purposes ‘internal controls’ means:

- arrangements and procedures to be followed in the administration and management of the scheme
- systems and arrangements for monitoring that administration and management, and
- arrangements and procedures to be followed for the safe custody and security of the assets of the scheme



Managing Risk

Pension Fund Risk Register



Risk Register Governance																
Risk Register Completed: Ian Colvin																
Date of Revision: 8 Jan 2016																
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
				Gross score					Current score							
Priority / Objective	Risk No.	Is this a devolved Corporate Risk? Ref No	Risk	Likelihood	Impact			Total Score = L(I+I+I)	Current Mitigating Controls	Likelihood	Impact			Total Score = L(I+I+I)	Associate d Business Plan Action / Policy Option / Capital	PI
					Financial	Reputation	Resources				Financial	Reputation	Resources			
A.1 - To provide a first class service to all Pension Fund Members including actives, deferreds, pensioners and dependants.	1		Failure to act within the appropriate legislative and policy framework could lead to illegal actions, complaints against the fund and appeals	3	4	4	3	33	Trained staff. Appropriate checking processes. Professional advice. Close working with other Funds. Policies kept up to date and discussed at PCF.	1	3	3	2	8		

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Administration: Scheme record-keeping

Member
information



Pension Board
meetings and
decisions



Records of
transactions



Legal requirement
to keep

The Public Service
Pensions (Record Keeping
and Miscellaneous
Amendments) Regulations
2014

Administering
Authority
Responsibility

The Pensions Regulator's Blog



“the oil of the digital economy”

Joris Toonders

Administration: Maintaining Contributions

Monitoring the payment of contributions



- Employers must pay over employee contributions by 22nd of the following month if using electronic transfer or 19th of the following month in any other case (or earlier if required by the fund)
- Employers must pay over employer contributions as agreed with the fund
- Funds must ensure they have adequate procedures to spot failures to pay and resolve them
- Funds must regularly monitor and reconcile contributions
- Funds must take steps to deal with failure to pay contributions

Administration: Information to Members



Annual Benefit Statements

Annual statements to all actives and deferreds by no later than 31 August each year

Other information about scheme administration

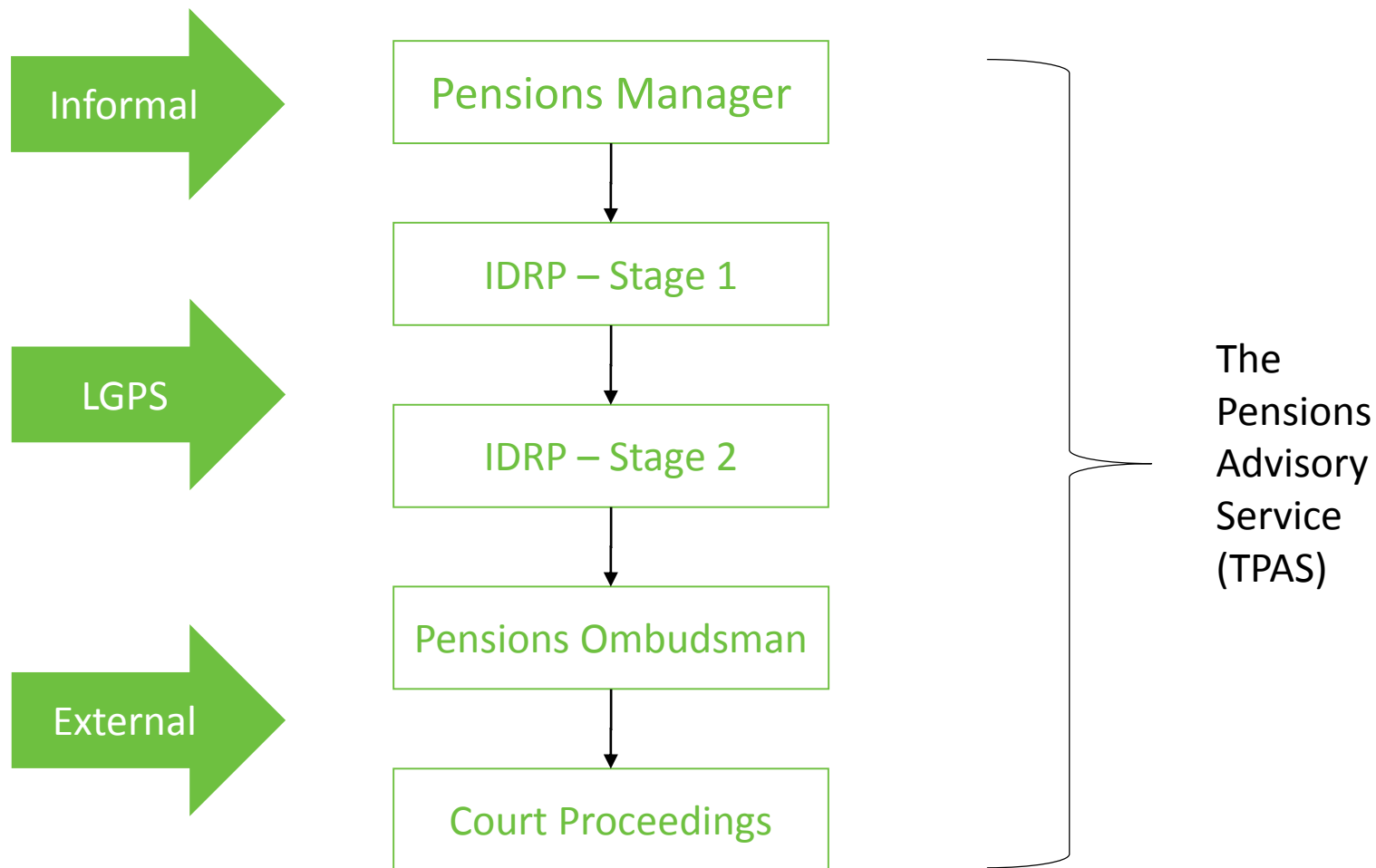
Other information might include;

- Basic scheme information on request
- Scheme changes
- Annual report
- Information about funding principles, actuarial valuations and payment schedules information about transfer credits
- Information about accessing benefits
- Information about benefits in payment.

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Resolving Issues: Internal Dispute Resolution



Resolving Issues: Reporting breaches of the law

- “an act of breaking or failing to observe a law, agreement or code of conduct”
- In terms of LGPS, failure to:
 - Do anything required by the scheme or overriding legislation;
 - Maintain accurate records;
 - Act on any fraudulent act or omission identified;
 - Comply with policies and procedures;
 - Of employer to pay over contributions;
 - Pay benefits accurately or on time.



Resolving Issues: Reporting breaches of the law


- **Applies to:**

- Elected members;
- Officers;
- Pension Board;
- Scheme employers;
- Professional advisers;
- Third party providers (where used).



Resolving Issues: Reporting breaches of the law





The material and charts included herewith are provided as background information for illustration purposes only. It is not a definitive analysis of the subjects covered, nor is it specific to circumstances of any person, scheme or organisation. It is not advice and should not be relied upon. It should not be released or otherwise disclosed to any third party without our prior consent. Hymans Robertson LLP accepts no liability for errors or omissions or reliance upon any statement or opinion.

Thank you