

Staff and Pensions Committee

Review of the Pension Fund's Breaches Policy

14 June 2021

Recommendation(s)

1. That the Staff and Pensions Committee note and comment on the report.

1. Executive Summary

- 1.1 The Pension Regulator sets out in Code of Practice 14 the legal requirements for reporting breaches of the law.
- 1.2 The code sets out those people who have a responsibility to report a breach where they believe there is reasonable cause that the legal duty which is relevant to the administration of the pension scheme has not been or is not being complied with and, failure to comply is likely to have a significant failure in the exercise of the scheme's functions.
- 1.3 The attached policy (Appendix 1) provides more details about the reporting function.

2. Financial Implications

- 2.1 The Pension Regulator can impose significant fines for major breaches of the law.

3. Environmental Implications

- 3.1 None.

4. Supporting Information

- 4.1 Following a review of the procedures as to how the administration team deal with a breach of the law the policy has been reviewed and amended to reflect this. The policy explains:
 - What is a breach and how to classify the breach within a Red, Amber, Green (RAG) assessment,
 - Provides examples of breaches, and
 - Escalation and reporting of a breach.

- 4.2 To support the changes to the procedure for classifying and reporting breaches, the administration team is providing training for all members of the administration and fund teams.
- 4.3 The Fund's Administration Strategy has been updated and is attached Appendix 2. The update is highlighted on page 10.
- 4.4 The Administration Strategy has also been amended on page 3 to reflect the collection of data from Scheme Employers by *i-connect*.

5. Timescales associated with the decision and next steps

- 5.1 Following this meeting the Policy and Administration Strategy will be uploaded to the Fund's website.

Appendices

- 1. Appendix 1 Breaches Policy
- 2. Appendix 2 Administration Strategy

Background Papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: n/a