

The Pension Regulator's Code of Practice Summary Compliance Checklist

Date of Completion:

Introduction

This document outlines how Westminster City Council complies with the Pensions Regulator's (TPR) Code of Practice No 14 Governance and administration of public service pension schemes ('the TPR Code') in relation to the management of the Council's Pension Fund which is part of the Local Government Pension Scheme (LGPS). It will be updated regularly by officers of the Fund and reported annually to the Pensions Committee and Pension Board.

This document provides a summary of key elements of the TPR Code and then evidences whether Westminster City Council meets these areas of best practice. As part of this evidence it shows when the element was last checked and whether, at that point, it was considered fully, partially or not compliant. Where they are partially or not compliant, it also highlights whether Westminster Council have identified actions to be carried out to improve their current practices. Where an element is not yet active, the commentary will generally still highlight where advanced progress is being made.

Those reading this document should be mindful that the TPR Code applies equally to all public service pension schemes and therefore it is generic in nature. There may be a number of elements that are more specifically stipulated within LGPS legislation and it is not the purpose of this compliance checklist to consider that level of detail.

Further, Westminster City Council may also incorporate key elements of national guidance from the LGPS Scheme Advisory Board into this compliance checklist. This version contains the checklists included as part of the Shadow Scheme Advisory Boards "Guidance on the creation and operation of Local Pension Boards in England and Wales".

The national LGPS Scheme Advisory Board

Pensions Committee

Local Pension Board

The Pensions Regulator's Code of Practice No 14 Governance and administration of public service pension schemes

Frequency of review and last review date: Where a process, policy or practice is officially reviewed at a set interval, the actual interval will be shown as well as the last interval date. However, in many circumstances processes and procedures are ongoing and part of the day – to - day operation of the Fund. In these circumstances, an annual check will be carried out to ensure that the ongoing process meets the TPR Code expectations and therefore the date shown will be the date that annual check was carried out and the frequency will be shown as "ongoing (annual check)".

Ref	Legal Requirement	Code Ref	Westminster City Councils response	Frequency of Review	Last Review Date	Compliant	Action
Knowledge and Understanding	<p>A member of the pension board of a public service pension scheme must be conversant with:</p> <ul style="list-style-type: none"> the rules of the scheme, and any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme. <p>A member of a pension board must have knowledge and understanding of:</p> <ul style="list-style-type: none"> the law relating to pensions, and any other matters which are prescribed in regulations. <p>The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the pension board.</p>		<p>There is a knowledge and skills policy in place for the Pension Board that covers the areas that members are legally required to have knowledge of.</p> <p>On appointment each board member is required complete a self-assessment/training needs analysis based on the CIPFA knowledge and skills framework to identify areas where training may be required. This is repeated annually.</p> <p>Extensive area was provided in this area as part of the induction programme and follow up training under the pension board contracted training programme.</p> <p>Records of training sessions are also maintained along with access to an internal portal for board members to record other activities undertaken.</p>			compliant	
Conflicts of Interest	<p>The Public Service Pensions Act 2013 sets out the legal requirements for scheme managers and pension boards for conflicts of interest. In relation to the pension board, scheme regulations must include provision requiring the scheme manager to be satisfied:</p> <p>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.</p> <p>Scheme regulations must include provision requiring the pension board to include employer representatives and member representatives in equal numbers.</p> <ul style="list-style-type: none"> 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. 		<p>There is a comprehensive conflict of interest policy that covers the role of the Board and the role of the Authority in identifying, monitoring and managing conflicts of interest.</p> <p>There is a standing item for declaration of interests on the pension board agenda.</p> <p>There are equal numbers of employer and employee representative from different backgrounds. Councillors, admitted bodies and members of the scheme from the Council or admitted bodies.</p> <p>The Conflict of interest policy is reviewed annually.</p>			Partially compliant	Checks need to be done to ensure that the method for recording risk is sufficient.
Publishing information about schemes	<p>The scheme manager for public service scheme must publish information about the pension board for the scheme(s) and keep that information up to date</p> <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 		<p>Information regarding the role and membership of the board along with key documents – Terms of Reference, Code of Conduct, Conflicts of Interest Policy, Knowledge and Skills policy are published on the Council's website along with the agenda and minutes of the meetings</p> <p>The annual report and accounts that are published also provide a key source of information</p>			compliant	

Managing Risk	<p>The scheme manager must establish and operate internal controls that adequately ensure the scheme is administered and managed in accordance with the requirements of the law.</p> <p>Internal controls are defined in the legislation as:</p> <ul style="list-style-type: none"> · arrangements and procedures to be followed in the administration and management of the scheme · systems and arrangements for monitoring that administration and management · arrangements and procedures to be followed for the safe custody and security of the assets of the scheme <p>The legal requirements apply equally where a scheme outsources services connected with the running of the scheme.</p>		<p>Westminster City Council as part of the tri-borough shared service arrangement operates a comprehensive risk management strategy that ties into internal audits assessment of internal controls.</p> <p>The Council's approach to risk management and internal controls extends to the pension fund.</p> <p>There is a risk register specifically for the pension fund that identifies, and evaluates risk. This is reviewed quarterly at the pensions committee and the pension board meeting.</p>			compliant	
Scheme Record-keeping	<p>Scheme managers must keep records of information relating to:</p> <ul style="list-style-type: none"> • member information • transactions, and • pension board meetings and decisions. <p>The legal requirements are set out in the Public Service Pensions (record keeping and Miscellaneous Amendments) Regulations 2014.</p>		<p>Member information is stored by the appointed pension administrators Surrey CC on the Altair data base and calculation system. In addition all paper forms are stored on a linked document imaging system the records of which go back to the early 2000's.</p> <p>The Altair data base stores pension payroll records.</p> <p>Transfers in and out are recorded on altar and then matched to bank records on a quarterly basis.</p> <p>Pension Board decisions will be stored by the committee section. People Services will maintain a record of papers submitted by the department. Finance will maintain a record of the papers it submits.</p>			compliant	
Maintaining Contributions	<p>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</p> <p>Where employee contributions are deducted from a member's pay, the amount deducted must be paid to the managers of the scheme at the latest by the 19th day of the month following the deduction, or by the 22nd day if paid electronically (the 'prescribed period') or earlier if required by scheme</p>		<p>Westminster monitors pension contributions paid into the pension fund from all the fund employers. All employers are advised to make payment by the 19th day of the month following deduction by the latest.</p> <p>As of June 2017 no report has been made to the regulator because no material breach has been identified.</p>			compliant	

	regulations. References to 'days' means all days. References to 'working days' do not include Saturdays, Sundays or Bank Holidays.						
Providing Information to Members and Others	The law requires schemes to disclose information about benefits and scheme administration to scheme members and others. This includes requirements relating to benefit statements and certain other information which must be provided under the requirements of the 2013 Act, HM Treasury directions and the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 ('the Disclosure Regulations 2013'). In addition to these duties, there are other legal requirements relating to the provision of information to members and others under other legislation.		The Annual Benefit Statements (ABS) for 2015/ 2016 were sent late. Approximately 500 revised ABS plus some 250 withheld ABS are being sent to members in the 1 st week of July 2017. The regulator was informed of their late release.			Partially compliant	Remedial action is being taken to rectify those statements that were not delivered on time and to ensure going forward this will be done
Internal Dispute Resolution	Scheme managers must make and implement dispute resolution arrangements that comply with the requirements of the law and help resolve pension disputes between the scheme manager and a person with an interest in the scheme. The act states that a person has an interest in the scheme if they: <ul style="list-style-type: none"> · are a member or beneficiary · are a prospective member · have ceased to be a member, beneficiary or prospective member · claim to be any of the above and the dispute relates to this claim. 		People services have an IDR procedure in place. Where a complaint cannot be resolved informally the individual is requested to put full details of their complaint in writing to the Payroll, Pension and Establishment Officer, Kim Edwards. Kim will liaise with the Director of People Services to review the complaint. The Director of People Services is the nominated officer to review a case, seek professional input where required and make a final determination on behalf of the administering authority.			compliant	
Reporting Breaches of Law	Certain people are required to report breaches of the law to the regulator where they have reasonable cause to believe that: <ul style="list-style-type: none"> • a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with • the failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions. 		Duty for reporting breaches and how to report formed part of the induction training that was given by the fund actuary Barnett Waddingham. Where a material breach is identified , for example a fund employer not making payments regularly on time or the ABS being sent late. The Payroll, Pensions and Establishment Officer will advise the TPR. The Pensions Committee and The Pensions Board will also be updated on the issue and the planned remedial action.			compliant	

