

The Pension Regulator's Code of Practice 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 highlights all the 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)".

GOVERNING YOUR SCHEME

A – Knowledge and Understanding

Legal Requirement

A member of the pension board of a public service pension scheme must be conversant with:

- 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.

A member of a pension board must have knowledge and understanding of:

- the law relating to pensions, and
- any other matters which are prescribed in regulations.

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.

Ref	Code Requirement	Code Ref	Response	Frequency of Review	Last Review Date	Compliant	Action
A1	Are there policies and arrangements in place to support pension board members in acquiring and retaining knowledge and understanding?						
A2	Has a person been designated to take responsibility for ensuring that a framework is developed and implemented?						
A3	Is WCC providing assistance to pension board members to determine the degree of knowledge and understanding?						
A4	Are the roles and responsibilities of pension boards and members of the board clearly set out in scheme documentation?						
A5	Are pension board members aware of their legal responsibility in terms of knowledge and understanding?						
A6	Have pension board members got access to copies of the scheme rules and relevant scheme documentation?						
A7	Is there an updated list of fund specific documents with which the Is there an up-to-date list of the Fund specific documents with which pension board members need to be conversant in?						
A8	Are all pension board members investing sufficient time in their learning and development?						
A9	Does the Fund offer pre-appointment training for new pension board members or mentoring by existing members?						
A10	Is there a process in place for regularly assessing the pension board members' level of knowledge and understanding is sufficient for their role, responsibilities and duties?						
A11	Are records of learning activities being maintained?						
A12	Have the pension board members completed the Pension Regulator's toolkit for training on the Code of Practice number 14?						

B – Conflicts of Interest

Legal Requirement

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:

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.

Scheme regulations must include provision requiring the pension board to include employer representatives and member representatives in equal numbers.

- 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.

Ref	Code Requirement	Code Ref	Response	Frequency of Review	Last Review Date	Compliant	Action
B1	Does the Fund have a conflict of interest policy and procedure, which include identifying, monitoring and managing potential conflicts of interest?						
B2	Do pension board members have a clear understanding of their role, the circumstances in which they may have a conflict of interest and how to manage potential conflicts?						
B3	Have all Pension Board members provided appropriate information for the Administering Authority to determine whether a conflict exists (on appointment and from time to time)?						
B4	Does the appointment process for pension board members require disclosure of interests and responsibilities which could become conflicts of interest?						
B5	Is the conflicts policy regularly reviewed?						
B6	Does the Fund have a conflicts register and it is circulated for ongoing review and published?						
B7	Is appropriate information included in the register?						
B8	Is there a standing item on the agenda for declaring conflicts of interest?						
B9	Do those involved know how to report a conflict of interest?						
B10	Is the number of employer and member representatives on the board in line with legal requirements?						
B11	Is the board made up of the appropriate mix of representatives in order to minimise potential conflicts?						

C - Publishing information about schemes

Legal Requirement

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

The information must include:

- 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

Ref	Code Requirement	Code Ref	Response	Frequency of Review	Last Review Date	Compliant	Action
C1	Does the Administering Authority publish information about the pension board?			Annually			
C2	Does the Administering Authority publish other useful related information about the pension board?			Annually			
C3	Is all the information about the Pension Board kept up-to-date?			On-going			
C4	Does the Administering Authority publish information about pension board business?			quarterly			

MANAGING RISK

D – Managing Risk

Legal Requirement

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.

Internal controls are defined in the legislation as:

- 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

The legal requirements apply equally where a scheme outsources services connected with the running of the scheme.

Ref	Code Requirement	Code Ref	Response	Frequency of Review	Last Review Date	Compliant	Action
D1	Is there an agreed process for identifying and recording scheme risks?						
D2	Does the Fund have an adequate process to evaluate risks and establish internal controls?			quarterly			
D3	Does the Administering Authority have a risk register to record all risks identified and action taken?						
D4	Does the Administering Authority review the effectiveness of the risk management and internal control systems of the Fund?						
D5	Does the Administering Authority regularly review the risk register?						
D6	Is there a standing item on the Pension Board agenda to review scheme risks?						
D7	Does the Administering Authority have adequate systems, arrangements and procedures (internal controls) in place for the administration and management of the Fund and are they documented ?						
D8	Do these procedures apply equally to outsourced services, are internal controls reflected in contracts with third party providers and is there adequate reporting in relation to those controls?						

ADMINISTRATION

E – Scheme Record-keeping

Legal Requirement

Scheme managers must keep records of information relating to:

member information

transactions, and

pension board meetings and decisions.

Ref	Code Requirement	Code Ref	Response	Frequency of Review	Last Review Date	Compliant	Action
E1	Do member records record the information required as defined in the Record Keeping Regulations and is it accurate?						
E2	Does the Fund have the appropriate processes in place so employers can provide timely and accurate information?						
E3	Does the Fund keep records of and reconcile transactions as required by the Record Keeping Regulations?						
E4	Are records kept of pension board meetings as required by the Record Keeping Regulations?						
E5	Are records kept of decisions made by the pension board, outside of meetings as required by the Record Keeping Regulations?						
E6	Are records retained for as long as they are needed?						
E7	Does the Administering Authority have policies and processes to monitor data on an ongoing basis?						
E8	Does the Administering Authority carry out a data review at least annually?						
E9	Is a data improvement plan in place which is being monitored with a defined end date?						
E10	Are processes and policies in place to reconcile scheme data with employer data?						
E11	Do the Administering Authority's member data processes meet the requirements of the Data Protection Act 1998 and the data protection principles?						

F – Maintaining Contributions

Legal Requirement

Ref	Code Requirement	Code Ref	Response	Frequency of Review	Last Review Date	Compliant	Action
F1	Does the Fund have procedures and processes in place to identify payment failures?						
F2	Do those processes and procedures include a contributions monitoring record to determine whether contributions are paid on time and in full?						
F3	Do those processes and procedures include monitoring payments against the contributions monitoring record on an ongoing basis?						
F4	Are these procedures regularly reviewed to ensure they are effective?						
F5	Do the Administering Authority's processes include managing overdue contributions in line with TPR's suggested approach?						
F6	Does the Fund maintain a record of any investigations and communications with employers?						
F7	Do employers provide sufficient information to monitor contributions and is this in accordance with the LGPS regulations?						
F8	Is there a satisfactory process in place to assess the materiality of any payment failures and ensure that those which are material are reported to the Regulator within a reasonable period?						
F9	If the administration of contributions outsourced to a service provider, is there a process in place to obtain regular information on the payment of contributions to the scheme?						

G – Providing Information to Members and Others

Legal Requirement

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.

Ref	Code Requirement	Code Ref	Response	Frequency of Review	Last Review Date	Compliant	Action
G1	Has an annual benefit statement been provided to all active members within the required timescales?						
G2	Do these meet the legal requirements in relation to format?						
G3	Has a benefit statement been provided to all active, deferred and pension credit members who have requested one within the required timescales?						
G4	Does this meet the legal requirements in relation to format?						
G5	Has an annual benefit statement been provided to all members with AVCs within the required timescales?						
G6	Do these meet the legal requirements in relation to format?						
G7	Is basic scheme information provided to all new and prospective members within the required timescales?						
G8	Does this meet the legal requirements in relation to format?						
G9	Is all other information provided in accordance with the legal timescales?						
G10	Is all other information provided in the format and methods required by law?						
G11	Where any information is only provided electronically (i.e. instead of any hard copy) does it comply with the legal requirements?						
G12	Does the Administering Authority aim to design and deliver communications in a way that ensures scheme members are able to engage with their pension provision?						
G13	Does the Administering Authority use a tracing service?						

RESOLVING ISSUES

H – Internal Dispute Resolution

Legal Requirement

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:

- 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.

The Act also states that the procedure must include:

- how an application is to be made
- what must be included in an application
- how decisions are to be reached and notified
- a specified period (which is reasonable) within which applications must be made.

Ref	Code Requirement	Code Ref	Response	Frequency of Review	Last Review Date	Compliant	Action
H1	Has the Administering Authority put in place an internal dispute resolution procedure?						
H2	Does the Administering Authority's process highlight or consider whether a dispute is exempt?						
H3	Does the information made available to applicants about the procedure clearly state the procedure and process to apply for a dispute to be resolved including:- who it applies to- who the specified person (stage 1) is - the timescales for making applications- who to contact with a dispute- the information that an applicant must include- the process by which decisions are reached?						
H4	Has the Administering Authority ensured that employers who make first stage decisions also have IDR in place?						
H5	Are the timescales in the procedure adhered to including sending an acknowledgment on receipt of an application?						
H6	Does the Administering Authority notify and advertise the procedure appropriately?						
H7	Are the notification requirements in relation to TPAS and the Pensions Ombudsman being adhered to?						
H8	Does the Administering Authority regularly assess the effectiveness of its arrangements?						
H9	Does the Administering Authority regularly assess the effectiveness where employers carry out a stage one process?						

I – Reporting Breaches of Law

Legal Requirement

Certain people are required to report breaches of the law to the regulator where they have reasonable cause to believe that:

- 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.

Ref	Code Requirement	Code Ref	Response	Frequency of Review	Last Review Date	Compliant	Action
I1	Is the Administering Authority satisfied that those responsible for reporting reaches under the legal requirements and TPR guidance understand the requirements?						
I2	Does the Administering Authority have appropriate procedures in place to meet their legal obligations for identifying and assessing breaches?						
I3	Are breaches being recorded in accordance with the agreed procedures?						