

**CAMBRIDGESHIRE
PENSION FUND**



Pension Fund Board

Date: 6 July 2018

Report by: Head of Pensions

Subject:	Review of the Reporting Breaches of the Law to the Pensions Regulator Policy
Purpose of the Report	To present the review of the Reporting Breaches of the Law to the Pensions Regulator Policy to the Pension Fund Board.
Recommendations	The Board are asked to - 1. Provide recommendations to the Pension Fund Committee on the Reporting Breaches of the Law to the Pensions Regulator Policy provided in the appendix to this report
Enquiries to:	Name – Michelle Oakensen, Governance Officer, moakensen@northamptonshire.gov.uk

1. Background

- 1.1 In line with the Pensions Regulator's Code of Practice number 14 (Governance and administration of public service pension schemes); the Fund has developed a policy that sets out the mechanism for reporting breaches of the law.
- 1.2 The policy ensures that those with a responsibility to report breaches of the law are able to meet their legal obligations, by analysing situations effectively in order to make an informed decision on whether a breach has been made.
- 1.3 The policy was first approved by the Pension Fund Committee in October 2015 and is currently being reviewed for approval at the October 2018 meeting. The Pension Fund Board are asked to feed into this process by providing any recommendations to the review where appropriate.
- 1.4 The revised Reporting Breaches of the Law to the Pensions Regulator Policy is attached in Appendix 1.

2. The Pensions Regulator Code of Practice

- 2.1 The Code of Practice identifies those individuals responsible for reporting breaches of the law and the associated legal requirements
- 2.2 The policy provides the process to report a breach to the Regulator and details surrounding timescales and urgency of cases.

- 2.3 The policy also identifies the need to record breaches that are not significant to the Regulator in order that processes can be improved to avoid repeated occurrences.
- 2.4 Examples of breaches of significance and non-significance are documented in the appendix of the report, the purpose is to put into context the policy and when it may need to be enforced. Individuals will need to apply the principles of the policy when acting on reasonable cause to report a breach.

3. Changes to the Policy

- 3.1 The policy has been enhanced providing more clarification over significant material breaches and a decision tree featuring a traffic light system has been incorporated in order to make the assessing of breaches easier.
- 3.2 Additional appendices have also been added which provide additional examples of breaches.
- 3.3 All changes made to the document can be found in appendix 3.

3. Relevant Pension Fund Objectives

Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.

Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers

Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.

4. Finance & Resources Implications

- 4.1 Resources will need to be prioritised if a breach occurs to ensure compliance with the policy.

5. Risk Implications

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
There is not the appropriate understanding of the policy.	Training, explanation of the policy upon delivery and supporting documents.	Green

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
If the policy is not enforced incidences of breaches of the law may go unreported to the Pensions Regulator. It is better to self-report breaches of the law than for other parties such as advisors to the Fund to report identified breaches.	Red

6. Communication Implications

Direct Communications	All individuals who are involved in the administration of the Fund will be advised of their obligations to report breaches of the law and the associated procedure as detailed in the policy.
Website	The policy will be published on the LGSS Pensions Service website.

7. Legal Implications

- 7.1 Failure to adhere to the policy and to implement effective controls to prevent breaches of the law may result in fines and imprisonment of those charged with responsibility of the Fund.

8 Consultation with Key Advisers

- 8.1 Consultation with the Funds advisers was not required for this report.

9. Alternative Options Considered

- 9.1 Not applicable

10. Background Papers

- 10.1 Not applicable

11. Appendices

- 11.1 Appendix 1 – Reporting Breaches of the Law to the Pensions Regulator Policy 2018
- 11.2 Appendix 2 – Reporting Breaches of the Law to the Pensions Regulator Policy 2015
- 11.3 Appendix 3 – Comparison between the 2015 and 2018 policy.

Checklist of Key Approvals	
Is this decision included in the Business Plan?	Not applicable
Will further decisions be required? If so, please outline the timetable here	Not applicable
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Head of Pensions?	Mark Whitby – 18 June 2018