

**Cambridgeshire  
Pension Fund**



**Pension Fund Board**

**Date:** 4<sup>th</sup> October 2019

**Report by:** Head of Pensions

<b>Subject:</b>	<b>Anti-Fraud and Corruption Policy Review</b>
<b>Purpose of the Report</b>	To present the Cambridgeshire Pension Fund Anti-Fraud and Corruption Policy review
<b>Recommendations</b>	<b>The Board are asked to review the Anti-Fraud and Corruption Policy and provide recommendations to the Pension Fund Committee</b>
<b>Enquiries to:</b>	Michelle Oakensen, LGSS Governance Officer, <a href="mailto:moakensen@northamptonshire.gov.uk">moakensen@northamptonshire.gov.uk</a>

**1. Background**

- 1.1 The administering authority is responsible for ensuring appropriate policies are in place for the safeguarding of the Fund's assets through appropriate methods of risk management. It is therefore appropriate for the Fund to have in place an Anti-Fraud and Corruption Policy.
- 1.2 The administering authority promotes a zero tolerance approach towards fraud, corruption and other malpractice for personal gain. Dishonesty, lack of integrity avoidance of controls and failure to comply with agreed policies will not be tolerated.
- 1.2 The prevention/detection of fraud/corruption and the protection of the public funds are everyone's responsibility and of paramount importance to the authority.

**2. Review**

- 2.1 The Policy was first created and approved by the Pension Fund Committee in October 2017 and it was felt appropriate time to review.
- 2.2 By establishing contact with members it reduces the likelihood of fraud and a proactive approach can be taken when deceased members are identified to prevent overpayments.
- 2.3 In addition, the Pensions Regulator has put significant focus on data quality and the Cambridgeshire Pension Fund is required to submit a data quality score on a yearly basis. The undertaking of member mortality screening and address tracing ensures the data held by the Fund is as accurate as possible.

### 3. Changes to the policy

- 3.1 The table below highlights the key proposed changes to the policy following appointment of the Fund's UK mortality screening and address tracing provider and the change in the approach to verifying the continued existence of overseas members –

Section	Change	Detail of activity
10	Addition of mortality screening services and Tell us Once	Deferred, pensioner and frozen refunds members are screened monthly to identify members that have passed away
10	Addition of address tracing services for UK	Address tracing to be carried out every two years with more in depth tracing being carried out for members who will be realising a benefit within the two years following the exercise.
10	Removal of Western Union and replaced with proof of existence certificates	All pensioner members are asked to complete and return a proof of existence form (witnessed by a suitably qualified professional).

### 4. Next steps

- 4.1 The Pension Fund Board as asked to review the Anti-Fraud and Corruption Policy and provide recommendations to the Pension Fund Committee where appropriate.
- 4.2 The reviewed Policy will be taken to the Pension Fund Committee meeting of the 12<sup>th</sup> December 2019 for approval.

### 5. 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.
Continually monitor and measure clearly articulated objectives through business planning.
Deliver consistent plain English communications to stakeholders.
Seek and review regular feedback from all stakeholders and use the feedback appropriately to shape the administration of the Fund.
Ensure cash flows in to and out of the Fund are timely and of the correct amount.

### 6. Risk Management

- 6.1 The Pension Fund Committee and Local Pension Board are expected to ensure the Fund has appropriate policies are in place for the safeguarding of the Fund's assets through appropriate methods of risk management.

- 6.2 The risks associated with not having appropriate policies in place and acting appropriately have been captured in the Fund's risk register as detailed below.

<b>Risk No.</b>	<b>Risk mitigated</b>	<b>Residual risk</b>
8	Risk of fraud and error	Green
16	Failure to provide relevant information to the Pension Committee/Pension Board to enable informed decision making	Green

- 6.3 The full risk register can be found at the following link - <https://pensions.cambridgeshire.gov.uk/app/uploads/2019/05/RiskRegisterCPF.May2019.pdf>

## **7. Finance & Resources Implications**

- 7.1 None.

## **8. Communication Implications**

<b>Website</b>	The Fund will publish the revised policy on its website
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## **9. Legal Implications**

- 9.1 Not applicable.

## **10. Consultation with Key Advisers**

- 10.1 None

## **11. Alternative Options Considered**

- 11.1 There are no alternative options to be considered

## **12. Background Papers**

- 12.1 Not applicable

## **13. Appendices**

- 13.1 Appendix 1 – Revised Anti-Fraud and Corruption Policy

<b>Checklist of Key Approvals</b>	
Has this report been cleared by Head of Pensions?	Mark Whitby – 16 <sup>th</sup> September 2019