

Pensions Board

19 January 2016

Time 2.00 pm **Public Meeting?** YES **Type of meeting** Pensions
Venue Committee Room 3 - 3rd Floor - Civic Centre

Membership

Chair Cllr Sandra Samuels (Lab)
Vice-chair Cllr Stephen Simkins (Lab)

Employer Representatives

Caroline Jones
Joe McCormick
Paul Sheehan
Mike Sutton
Chris West

Trade Union Representatives

Sharon Campion (Unison)
Lee Nash (Unite)
Annette King (GMB)
Paul Sayers (UCATT)
Adrian Turner (Unison)

Quorum for this meeting is seven

Information for the Public

If you have any queries about this meeting, please contact the democratic support team:

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Copies of other agendas and reports are available from:

Website <https://wolverhamptonintranet.moderngov.co.uk>
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Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

Agenda

Part 1 – items open to the press and public

- | <i>Item No.</i> | <i>Title</i> |
|-----------------|--|
| 1 | Apologies for absence (if any) |
| 2 | Declarations of interests (if any) |
| 3 | Minutes of the previous meeting (2 July 2015) (Pages 1 - 4)
[For approval] |
| 4 | Matters arising
[To consider any matters arising from the minutes of the previous meeting] |
| 5 | Governance Monitoring (Pages 5 - 30)
[To consider work being undertaken by the Fund in relation to its effective governance] |
| 6 | Information Governance Audit (Pages 31 - 36)
[To consider an update on the Information Governance audit] |
| 7 | Pensions administration - data quality (Pages 37 - 50)
[To receive and note the report] |

Attendance

Members of the Pensions Board

Sharon Campion
Caroline Jones
Annette King
Joe McCormick
Lee Nash
Cllr Sandra Samuels
Cllr Stephen Simkins
Mike Sutton
Adrian Turner
Chris West

Employees

Geik Drever	Strategic Director of Pensions
Dereck Francis	Democratic Support Officer
Rachel Howe	Head of Governance - West Midlands Pension Fund

Part 1 – items open to the press and public

Item No. *Title*

1 **Election of Chair**

The Board was invited to elect a Chair for the remainder of the municipal year 2015/16. Dereck Francis, Democratic Support Officer reported that at its meeting on 24 June 2015, the Pensions Committee had asked the Board to consider electing Cllrs Sandra Samuels and Stephen Simkins as Chair and Vice-Chair respectively.

Adrian Turner referred to correspondence he had received from Malcolm Cantello (Unison) questioning the make-up of the Board particularly the inclusion of two councillors and who they were representing whilst on the Board. He sought clarity on the matter.

Rachel Howe, Head of Governance advised that a response had been provided to Mr Cantello on the points he had raised at the Pensions Committee. She undertook to circulate a copy of response to the Board members. She explained that the final version of the Regulations provided for Wolverhampton City Council councillors to be appointed onto the Board but that they had to sit as an employer or member representative. The make-up of the Board had also been discussed at the Governance Working Party. The composition of the Board was six employer representatives and six member representatives. Cllr Sandra Samuels was

appointed as an employee representative and Cllr Stephen Simkins as a member representative.

Chris West indicated that he was surprised that the Pensions Committee had made a suggestion regarding the appointment of the Chair and Vice-Chair.

At the end of the discussion nominations for the election of a Chair and Vice-Chair were sought.

Resolved:

1. That Councillor Sandra Samuels be elected Chair of the Pensions Board for the ensuing municipal year.
2. That Councillor Stephen Simkins be elected Vice-Chair of the Pensions Board for the remainder of the ensuing municipal year.

2 **Apologies for absence (if any)**

Apologies for absence were submitted on behalf of Paul Sheehan (Employer representative) and Paul Sayers (Member representative).

3 **Declarations of interests (if any)**

No declarations of interests were made.

4 **Pensions Board Work Plan 2015/16**

The Board considered an outline workplan for the forthcoming municipal year. The workplan had been designed to ensure that the Board's responsibilities are met. The dates for the proposed actions were tentative at this stage.

Referring to the work area 'data quality', Cllr Stephen Simkins asked whether it would be useful for the Board to have information on its role in terms of encouraging employers to provide the Fund with the necessary good data. In response Geik Drever, Strategic Director of Pensions informed the Board that the Fund worked with employers to improve their understanding of how data quality impacts on contribution rates. She also reported that she had written to the Chief Executives of the seven West Midlands district councils regarding their outstanding data and on what was required from them. Regarding the role of the Board, the Strategic Director of Pensions indicated that the Board members needed to recognise where the Fund was, urge employers to provide the data and think of ways that it could help improve the data quality. She also indicated that there were penalties under Service Level Agreements with the employers and that ultimately the Board could refer a matter to the Pensions Regulator.

Regarding 'customer engagement' Adrian Turner reported that he wanted to try and circulate information as soon as he could especially about the web portal. He asked that when the Fund produced information for circulation to members that the trade union logos be included on the literature. This would help the Trade Unions to promote the Pensions Scheme to potential new members and demonstrate to existing trade union members that their union supported the Scheme. Mr Turner added that trade unions could undertake a piece of work to promote the Scheme to its members.

Cllr Stephen Simkins asked whether a package should be worked up with the trade unions for them to outline the benefits of the Pensions Scheme to low-paid workers. In response Rachel Howe, Head of Governance agreed to take back to the Events Co-ordinator the possibility of trade union workshops.

Chris West added that anything the Board could do to increase the member levels of the Local Government Pension Scheme was worth a try subject to there not being any legal risks.

The Strategic Director of Pensions indicated that the leaflets and publicity literature could be placed in appropriate workplaces if the Board so wished.

Resolved:

1. That the proposed work programme for the period 2015/16 be approved.
2. That 'Membership levels' be looked at under the customer engagement' area of work.

5 **Pensions Board Training 2015**

Geik Drever, Strategic Director of Pensions presented a proposed outline training programme for the Board for the forthcoming municipal year. The programme aimed to cover all the topics Pensions Board would be asked to consider during the course of the year.

The Strategic Director of Pensions asked the Board members to complete the 'survey monkey' and agreed that a Board handbook would be prepared.

Resolved:

1. That the training session on 26 January 2015 be approved.
2. That Rachel Howe, Head of Governance circulate alternative dates to the all day training sessions on 25 August and 27 October.
3. That a Board handbook be produced.

6 **Publication of Fund Policies 2015**

Geik Drever, Strategic Director of Pensions presented a report which aimed to provide assurance that the Fund had met the legislative duty for publishing policies and strategies. The policies had been provided to the Board within their induction packs prior to the meeting. It was confirmed that the list of policies contained in the report was the full range of policies.

Cllr Stephen Simkins commented that some of the policies were of a technical nature and he asked whether the Fund could make them easier to understand. He also suggested that feedback be sought from attendees at the various Pensions roadshows about the jargon used in its literature.

In response Rachel Howe, Head of Governance reported that the Pension Service was looking at the Plain English Review as part of its Customer Services Strategy.

Resolved:

That the approval and publication of Fund Policies in compliance with the legislative requirements be noted.

7 **Information Governance**

Rachel Howe, Head of Governance presented a report on work being undertaken by the Fund in relation to information governance.

During the ensuing discussion the Head of Governance confirmed that she would be reporting back to the Board on the work of the Information Governance Working Party and the Information Governance Operational Group. In response to a question on open data she informed the Board that the Fund was in favour of this principal. The City of Wolverhampton Council hosted a site for 'frequently asked questions' which the Fund fed into. In terms of Open and Transparency Regulations, the Fund also fed into the City Council register.

Resolved:

That the information governance work being undertaken by the Fund be noted.

8 **Data Quality and the Cessation of Contracting Out - GMP Reconciliation**

Geik Drever, Strategic Director of Pensions presented a report on procedures the Fund was implementing to ensure optimum data quality was embedded with its administration system and associated records.

Resolved:

1. That the importance of holding clean data and steps taken by the Fund to improve data quality be noted.
2. That the activity underway to scope and understand the work involved in the reconciliation of the GMP records held by HMRC and the associated risks of not completing the project.

9 **Chairs announcements**

Cllr Sandra Samuels asked that the Board be kept informed of the position on the pension's deficit. Geik Drever, Strategic Director of Pensions reported that the Scheme Advisory Board (SAB) was working on this issue and she undertook to keep the Board updated on the work of the SAB.



Pensions Board

19 January 2016

Report title	Governance Monitoring	
Originating service	Pension Services	
Accountable employee(s)	Name	Rachel Howe, Head of Governance
	Tel	01902 554387
	Email	rachel.howe@wolverhampton.gov.uk
Report to be considered by	Name	Geik Drever, Strategic Director of Pension
	Tel	01902 552020
	Email	Geik.drever@wolverhampton.gov.uk

Recommendation for noting:

The Pensions Board is asked to note:

1. The work undertaken by the Fund in 2015 to ensure compliance with legislative requirements and best practice.

1.0 Purpose

- 1.1 To update the Pensions Board on the work being undertaken by the Fund in relation to its effective governance.

2.0 Background

- 2.1 The Local Pension Board's role is to ensure the effective governance of the scheme in its adherence to legislation and best practice.
- 2.2 This year has seen a number of significant changes to the governance of local government pension schemes and the Fund has worked hard to meet those changes within required timescales.

3.0 Governance Monitoring

- 3.1 The following work has been undertaken this year ensuring our effective governance and was reported to Pension Committee at their December meeting. There are no areas for concern and the Fund has in place a programme of work to ensure the continued development and adherence to best practice.

- Self-assessment against the Scheme Advisory Board's Key Performance Indicators attached at Appendix 1.
- The Board may recall that the Scheme Advisory Board produces its own scheme annual report and these indicators will be a comparable basis for all funds. Self-assessment against the Pension Regulator's Code of Practice attached at Appendix 2. The Code of Practice sets out how the Fund should operate in accordance with best practice and on a Red Amber, Green rating we have no areas with a red rating, appendix 2 shows some areas for continued development (flagged as Amber) as we fall in line with new requirements and working practices.
- A review of the Fund's risk register and compliance monitoring programme in line with feedback received from the Risk workshop held with Trustees and Pension Board Members. A copy is attached as Appendix 3

- 3.2 This year the Fund moved to electronic benefit statements and self-reported to the pensions regulator on our ability to meet the statutory deadline of 31 August. Following this report, the Fund met the extended deadline of 31 October with all benefit statements being issued prior to this date. No further reporting was required to the pensions regulator.
- 3.3 The Fund is commencing the program of reviewing our annual statements and policies to be presented to annual committee for approval in June. We will report back to the next meeting of the pension board on this area of work.

4.0 Financial implications

- 4.1 There are no financial implications contained within this report.

5.0 Legal implications

5.1 The Local Pension Board is tasked with ensuring the effective governance of the scheme.

6.0 Equalities implications

6.1 There are no equalities implications.

7.0 Environmental implications

7.1 There are no environmental implications.

8.0 Human resources implications

8.1 There are no implications.

9.0 Corporate landlord implications

10.1 There are no corporate landlord implications.

11.0 Schedule of background papers

11.1 Report to Pension Committee on 9 December 2015 – Compliance Monitoring Report
<https://wolverhamptonintranet.moderngov.co.uk/documents/s18319/Risk%20compliance%20monitoring%201%20July%20to%2030%20September%203015.pdf>

12.0 Appendices

12.1 Appendix 1
Self-assessment of the Scheme Advisory Board KPI's

12.2 Appendix 2
Self-assessment of the Pension Regulator's Code of Practice

12.3 Appendix 3
The Fund's Risk Register

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No.	Key Indicator	Examples of level for concern	Examples of good practice for high performing fund	Fund score	Evidence and comments	Minimum possible score	Maximum possible score
1	Risk management	No or only a partial and/or an unclear risk register with no or poorly specified or un-implemented mitigation actions over time leading to increased fund risk. No evidence of a risk register being	Comprehensive risk register covering the key risks (in accordance with current CIPFA guidelines) with prioritisation, robust mitigation actions, defined deadlines, with action tracking to completion. Evidence and e-links to demonstrate				
		a) prioritised	a) risks prioritised on a RAG red, amber, green or by a scoring methodology	1	a) Risks prioritised using a 5x5 scoring matrix		
		b) annually reviewed by Pensions Committee	b) completed actions signed off by Pensions Committee after at least annual update,	1	b) Departmental risk registers are reviewed at quarterly Senior Management Team meetings and top ten selected to present to Pensions Committee quarterly: http://wolverhampton.moderngov.co.uk/ieListMeetings.aspx?CommitteeId=186		
		c) annually reviewed by internal audit or external audit	c) annual review by internal audit and external audit	1	c) Internal audit review quarterly to look for any changes and then report annually to Pensions Committee. The 2014/15 annual internal audit report can be found at: http://wolverhampton.moderngov.co.uk/ieListDocuments.aspx?CId=186&Mid=4824&Ver=4		
		d) used to reduce high risks	d) <3 priority "red" risks	0	d) The Fund has 3 risks rated as "high".		
		e) available for public scrutiny.	e) public disclosure of a summary version published on fund website or in fund annual report.	1	e) Summary version published in the Fund's annual report: http://www.wmpfonline.com/annualreports		
		Self score -1 point for each one	Self score +1 point for each one	4		-5	5
2	Funding level and contributions (see explanatory notes)	a) Decreasing funding level (calculated on a standardised and consistent basis) and/or in bottom decile of LGPS, over the last three triennial valuations on a standardised like for like basis.	a) Funding level rising and getting closer to 100% funded (or above) over last three triennial valuations on a standardised like for like basis. Funding % 91 to >100 =score +5 80-90 =+4 70-79 =+3 60-69 = +2 <59 = +1	-1	a) The funding level reduced from 75% at the 2010 valuation to 70% at the 2013 valuation http://www.wmpfonline.com/article/4829/Actuarial-Valuation		
		b) No or minimal employer funding risk assessment and monitoring and not reported to Pensions Committee	b) Employer funding risk assessment and monitoring reports to Pension Committee. Net inward cashflow forecasts meeting planned income or significantly exceeding benefit outgoings.	1	b) We risk assess each employer and provide monitoring reports to Pensions Committee.		
		c) Total actual contributions and actual received in last 6 years less than that assumed and certified in last 2 triennial valuations.	c) Total actual contributions received in last 6 years equate to (or exceed) that assumed and certified in the last 2 triennial valuations.	1	c) Employers are generally paying the correct amounts due with the exception of a handful of cases.		
		d) Net inward cash flow less than benefit outgoings so need for any unplanned or forced sale of assets.	d) Net inward cash flow significantly exceeds benefit out-goings	1	d) A Hymans study we recently commissioned suggests net inwards cash flow currently exceeds benefit out-goings.		
				Self score -1 for each one	Self score a) as above and rest +1 for each one	5	
3	Deficit recovery (see explanatory notes)	a) No or opaque deficit recovery plan.	a) Transparent deficit recovery plan for tax raising and non-tax raising bodies.	1	Transparent deficit recovery plan for tax raising and non-tax raising bodies, the FSS and 2013 actuarial valuation can be found at: http://www.wmpfonline.com/CHttpHandler.ashx?id=4589&p=0 http://www.wmpfonline.com/article/4829/Actuarial-Valuation		
		b) Lengthening implied deficit recovery period (for contributions)	b) Implied deficit recovery reducing each triennial valuation.	1	The Fund's deficit recovery period was 25 years at the 2010 valuation, reducing to 22 years at the 2013 valuations respectively.		
		c) Implied deficit recovery periods >25 years for last 3 valuations.	c) Implied deficit recovery period in line <15 years for last 3 valuations	0	See above		
				Self score -1 point for each	Self score +1 point for each one	2	
4	Investment returns (see explanatory notes)	a) Required future investment return (calculated on standardised and prudently consistent basis) not aligned to the investment strategy target return, so lower likelihood of the fund achieving its funding strategy.	a) Required future fund investment return (calc by actuary) are consistent with and aligned to investment strategy (asset mix expected target returns) so higher likelihood of the fund meeting its funding strategy.	1	a) The investment strategy is formed with the aim of generating the returns required to meet liabilities.		
		b) Actual investment returns consistently undershoot actuarially required returns	b) Actual investment returns consistently exceed actuarially required returns	1	b) It is important that the Fund's investment returns over the last 10 years exceed actuarially required returns and for the Fund this is the case.		
				Self score -1 point for each one	Self score +1 point for each one	2	
Primary KPIs				13		-14	18

No.	Key Indicator	Examples of level for concern	Examples of good practice for high performing funds	Fund score	Evidence and comments	Minimum possible score	Maximum possible score
5	Pensions Committee and Pensions Board members competence	Appointees unclear of statutory role and unable to clearly articulate the funds funding and investment objectives. No evidence of	Appointees understand their statutory role and are able to clearly articulate the funds funding and investment objectives Evidence and e-links to demonstrate				
		a) different scheme employer types and no or minimal scheme member representation.	a) representation from different scheme employer types (scheduled and admitted) and member types (actives, deferred and pensioners).	1	a) Representation from different scheme employer types and member types, detailed at http://wolverhampton.moderngov.co.uk/mgListCommittees.aspx?bcr=1		
		b) No training needs analysis, or training strategy, or training log or use of CIPFA LGPS training framework.	b) annual training plan recorded against the CIPFA knowledge and understanding framework.	1	b) Trustee training policy in place for Pensions Committee/IASC members. A training timetable has also been developed for the new Pensions Board. Training is structured to fulfil the CIPFA Knowledge and Skills requirements. The Fund jointly won the "Trustee Development" award at the 2015 Pension Scheme of the Year Awards. The 2014/15 Trustee Training report can be found at: http://wolverhampton.moderngov.co.uk/ielListDocuments.aspx?CId=186&MId=4824&Ver=4		
		c) No training record disclosures	c) annual training records disclosed in Annual Report	1	c) All training is logged and disclosed in the Annual Report. http://www.wmpfonline.com/annualreports		
		d) Self assessment	d) annual self-assessment of training undertaken and identification of future needs.	1	d) Training needs analysis is carried out subjectively by Senior Managers and through evaluation forms which ask members which areas they feel they need training on.		
		Self score core -1 point for each	Self score +1 point for each one	4		-4	4
6	Administering authority staff accountability, leadership, experience, and training		Evidence and e-links to demonstrate				
		a) No or only part time Head of Fund and or only part time officers	a) Experienced Head of Fund with full time dedicated officers with at least 3+ years' experience.	1	a) Excellent experience and knowledge in all areas ranging from Pensions Administration through to Investments. Average of 15 years' experience across the Senior Management Team in Finance, Governance, Investments and Pensions Administration.		
		b) No or little induction or on-going training provision or experience recorded on the adoption of CIPFA LGPS knowledge and understanding framework.	b) staff undertake regular CIPFA LGPS TKU or other CPD training recorded across all LGPS skills (governance, benefits administration, funding, investments, and comms)	1	b) Training policy in place and recorded hours reported monthly to Senior Management Team meetings. CPD and structured program in place for CFA, PMI, CIPP and Accounting.		
		Self score -1 for each one	Self score +1 point for each one	2		-2	2
7	Statutory governance standards and principles (as per DCLG guidance and TPR codes)	Several key areas of non- compliance with	Evidence and e-links to demonstrate				
		a) DCLG LGPS statutory guidance	a) Full compliance with DCLG LGPS statutory guidance	1	a) 100% compliant with DCLG guidance		
		b) TPR guidance and codes and reasons why not explained.	b) Full compliance with TPR guidance and codes for public sector pension schemes	0	b) Undertaken TPR code self assessment. To be taken to next Pensions Committee and Board. Areas for development identified, working towards full compliance.		
		c) No, little or poor key decision taking records and no or poor self, or scheme employers, or scheme members assessment of overall fund effectiveness.	c) Meet or exceed other LGPS best practice on recording all key decision taking and annual self, scheme employers, scheme member assessment of overall effectiveness.	1	c) All decision taking recorded e.g. at Pensions Committee, Pensions Board, IASC and SMT meetings. Participate in CIPFA, SF3 and WM Company benchmarking to self assess our overall effectiveness. Member and employer satisfaction surveys are available as hardcopies (e.g. in our reception) and online. Feedback from these are reviewed quarterly.		
				Self core -1 for each one	Self score +1 for each one	2	

No.	Key Indicator	Examples of level for concern	Examples of good practice for high performing funds	Fund score	Evidence and comments	Minimum possible score	Maximum possible score
8	Quality and accessibility of information and statutory statements, strategies, policies (governance, FSS, SIP, comms, admin authority and employer discretions policies)		Evidence and e-links to demonstrate				
		a) Statutory publications not all in place or published on fund website or updated in accordance with regulatory requirements and due timelines.	a) Statutory publications all in place and published on fund website and updated in accordance with regulatory requirements and due timelines.	1	a) Publications all in place and published on the Fund website and updated in accordance with regulatory requirements and due timelines.		
		b) Fund and employers discretions not published	b) Fund and employer discretions published	0	b) Employers discretions are not published. We will from time to time advise Committee of Fund discretions and when they are agreed/exercised, however we do not cover specific employer discretions as there are so many of them bespoke to each employer. Going forward we will publish our Fund discretions and a list of employers who have discretions, with links to their websites.		
		c) Do not seek to meet any recognised 'Plain English' or e-publishing standards	c) Meet 'Plain English' and or other recognised e-publishing standards.	0	c) Whilst we endeavour to ensure our documents meet 'plain English' standards we do not hold the Crystal Mark for plain English to meet this standard. This is not something we are pursuing at the moment.		
	Self score -1 for each one	Self score +1 for each one		1		-3	3
9	a) Adoption and report compliance with Investment Governance Principles (IGP) (was Myner Principles) and voluntary adoption/signatory to FRC Stewardship Code and UNPRI	No or un-explained non-compliance and/or non-support of	Evidence and e-links to demonstrate				
		a) IGP	a) 100% compliance with IGP	1	a) Compliant with Myner Principles: http://www.wmpfonline.com/CHttpHandler.ashx?id=4606&p=0		
		b) UK Stewardship Code	b) adoption and public reporting of compliance against the FRC UK Stewardship Code	1	b) The Fund has signatory status to the FRC UK Stewardship Code and publishes its compliance against the Code on its website at http://www.wmpfonline.com/CHttpHandler.ashx?id=4650&p=0		
		c) UN PRI	c) external managers or fund are PRI signatories	1	c) Fund has signatory status to UNPRI		
	Self score -1 for each	Self score +1 for each		3		-3	3
10	a) Historic investment returns (last 1, 3, 5, and 10 years) and b) total investment costs compared to other LGPS funds. (See explanatory notes)		Evidence and e-links to				
		a) overall fund investment returns (net of fees) for last 1, 3, 5 years bottom two quintiles	a) overall fund investment return (net of fees) for last 1, 3, 5 years a) Top quintile score +5 points	0	a) The Fund's performance is not in the top or bottom quintiles over all 1, 3 and 5 year periods.		
		Score -3 and -5 points	b) Next two quintiles score +3 and 0 points respectively	0	b) The Fund's 1 year performance is in the top quintile, 3 year performance is in the 4th quintile and 5 year performance is in the bottom quintile.		
		b) Retain fund managers under-performing their mandates for 2 triennial valuation cycles. Score -1 point	b) >75% of fund mandates deliver over rolling 3 year performance periods. Score +1 point	0			
		c) Fund does not benchmark its fund manager and total investment costs relative to other LGPS funds. Score -1 point	c) Fund benchmarks its fund manager and total investment costs Score +1	1	c) The Fund benchmarks its fund manager and total investment costs in CIPFA and SF3 benchmarking.		
				1		-7	7

No.	Key Indicator	Examples of level for concern	Examples of good practice for high performing funds	Fund score	Evidence and comments	Minimum possible score	Maximum possible score
11	Annual report and audited financial statements	<p>a) Do not fully meet some regulatory requirements or CIPFA LGPS guidance</p> <p>b) Not published in Admin Authority Accounts by 1st October.</p> <p>c) Published on SAB website after 1st November</p> <p>Self score -1 for each one</p>	<p>Evidence and e-links to demonstrate</p> <p>a) Meet all regulatory and CIPFA best practice guidance</p> <p>b) Publish in Administering Authority accounts by 1st October</p> <p>c) Publish fund report and accounts of SAB website before 1st November.</p> <p>Self score +1 for each one</p>	<p>1</p> <p>1</p> <p>1</p> <p>3</p>	<p>a) See KPI 17</p> <p>b) Achieved. http://www.wolverhampton.gov.uk/CHttpHandler.ashx?id=7922&p=0</p> <p>c) Achieved, http://www.lgpsboard.org/index.php/fund-annual-reports-2015</p>		3
12	Scheme membership data	<p>a) Common data does not meet TPR standards</p> <p>b) Conditional data do not meet the TPR standards. No plans in place to rectify this.</p> <p>Self score -1 for each</p>	<p>Evidence and e-links to demonstrate</p> <p>a) >99% common data meets TPR quality and due date standards</p> <p>b) >95% of conditional data meets TPR quality and due date standards. Plans in place to improve this.</p> <p>Self score +1 for each one</p>	<p>-1</p> <p>-1</p> <p>-2</p>	<p>The TPR standard for common data after June 2010 is 0% failure and 5% failure for data before June 2010. It is difficult to split the data</p>	-2	2
13	Pension queries, pension payments, and Annual Benefit Statements	<p>a) No or poor website with no scheme member or employer access.</p> <p>b) ABS do not meet regulatory requirements or due timelines for issuance.</p> <p>Self score -1 for each</p>	<p>Evidence and e-links to demonstrate</p> <p>a) Good website with interactive scheme member and employer access.</p> <p>b) ABS meet or exceed regulatory standards and due timelines for issuance.</p> <p>Self score +1 for each</p>	<p>1</p> <p>-1</p> <p>0</p>	<p>a) The Fund engaged with customers when the website was redesigned in August 2014. Webportal allows employees to login and access their details and allows employers to load and amend data.</p> <p>b) The Fund did not meet the statutory deadline of 31st August 2015 for issuing Annual Benefit Statements. This was the first time the Fund did not meet the ABS deadline.</p>	-2	2
14	Cost efficient administration and overall VFM fund management	<p>a) In bottom quartile with high total admin cost pa per member (based CIPFA or other benchmark tool).</p> <p>b) Not in any national or regional frameworks for any externally procured services or collective investments.</p> <p>Self score -1 for each</p>	<p>Evidence and e-links to demonstrate</p> <p>a) In top quartile with low total admin cost pa per fund member (based CIPFA or other benchmark tool calculated on a consistent and transparent basis).</p> <p>b) Lead and/or actively participates in collaborative working and collective LGPS procurement, shared services or CIVs</p> <p>Self score +1 for each</p>	<p>1</p> <p>1</p> <p>2</p>	<p>a) For SF3 benchmarking, 7th best for total management costs (includes administration and fund management costs) and 12th best for administration costs. Therefore top quartile.</p> <p>b) Actively participates in collaborative working and collective LGPS procurement.</p>	-2	2
15	Handling of formal complaints and IDRPCs	<p>a) Any Pensions Ombudsman determinations (and any appeals) fines were against the actions of the fund (ie not employer).</p> <p>Score -1</p>	<p>Evidence and e-links to demonstrate</p> <p>a) No Stage 2 IDRPCs and no Pensions Ombudsman findings against the fund actions in last 3 years.</p> <p>Score +1</p>	<p>-1</p> <p>-1</p>	<p>a) Six cases progressed to the Ombudsman in the last three years, one resulting in a determination against the Fund.</p>	-1	1
16	Fraud prevention	<p>No or minimal systems/programme or plan or mechanisms in place to</p> <p>a) Prevent fraud</p> <p>b) Detect fraud</p> <p>c) detect pension over-payments due to unreported deaths</p> <p>Self score -1 for each one</p>	<p>Evidence and e-links to demonstrate</p> <p>a) Fraud prevention programme in place.</p> <p>b) Use external monthly, quarterly/annual mortality screening services, and</p> <p>c) participate in bi-annual National Fraud Initiative.</p> <p>Self score +1 for each one</p>	<p>1</p> <p>1</p> <p>1</p> <p>3</p>	<p>a) The Fund is part of the Council's corporate fraud activities which includes a corporate fraud awareness training programme (via the Council intranet), fraud surgeries, fraud awareness presentations, and a whistleblowing hotline: http://www.wolverhampton.gov.uk/article/3057/Fraud-and-Corruption</p> <p>b) Use mortality screening services, through Millenium Halo and Club Together magazine.</p> <p>c) Participate in bi-annual national fraud initiative.</p>	-3	3
17	Internal and external audit		Evidence and e-links to demonstrate				

No.	Key Indicator	Examples of level for concern	Examples of good practice for high performing funds	Fund score	Evidence and comments	Minimum possible score	Maximum possible score
		a) No annual internal audit or qualified internal and external audit opinions	a) Unqualified annual internal reports with no or only low priority management actions	1	a) In the annual report internal audit reported that overall they could provide reasonable assurance that the Fund has adequate governance, risk management arrangements and internal control processes in place. The 2014/15 annual internal audit report can be found at: http://wolverhampton.moderngov.co.uk/ieListDocuments.aspx?CId=186&Mid=4824&Ver=4		
		b) Urgent management action recommended on high/serious risks.	b) Unqualified and annual external audit with no or only low priority management recommendations.	1	b) Unqualified annual external audits. For 2014/15, there are no areas of significant control weaknesses. There may be one minor recommendation for improvement, but this may well be a third party issue, rather than the Fund's.		
		c) Only moderate or low level of assurance and a number of high priority action recommended	c) Full or substantial assurance against all key audit areas with no high risk recommendations.	1	c) Our score reflects the fact that internal audit have indicated that professionally, they would never be able to give absolute assurance (reasonable assurance is the professional standard audit work to) and b) above.		
		Self score -1 for each	Self score +1 for each	3		-3	3
18	Quality assurance	No evidence of	Evidence and e-links to demonstrate				
		a) quality management system	a) Fund has formal quality management external certification	1	a) The Fund has held the Customer Service Excellence accreditation since 2008 and CIPFA Governance Mark of Excellence since early 2015, but does not hold a formal quality management external certification such as BSI or ISO.		
		b) external reviewed publications	b) Crystal Mark for plain English for publications/forms	0	b) The Fund does not hold Crystal Mark for plain English for publications/forms, however the website and publications were reviewed at a high level as part of the above accreditations - no issues were raised.		
		c) externally approved website accessibility	c) externally approved website accessibility	1	c) Website accessibility has not been formally externally approved, however see above.		
		d) any awards.	d) pensions & investment recognition award(s)	1	d) Have won 17 pensions and investment industry recognition awards over the last 17 years.		
		Self score -1 for each one	Self score +1 for each one	3		-4	4
Secondary KPIs				24		-42	42
Total KPIs				24		-42	42

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The Pensions Regulator

Code of Practice

Summary of Fund's compliance with The Pensions Regulator's code of practice

Code	RAG status
Reporting breaches of the law	
Reporting duties	
Internal controls and managing risks	
Communicating to members	
Publishing scheme information	
Maintaining contributions	
Record keeping	
Resolving internal disputes	
Pension board conflicts of interest and representation	

Detail of Fund's compliance with The Pensions Regulator's code of practice

Code	Key points	RAG status	Current assessment and areas for development
Reporting breaches of the law	<ul style="list-style-type: none"> • All reporters should have effective arrangements in place to meet their duty to report breaches of the law. • The Fund must report breaches of the law when it has reasonable cause to believe that: <ul style="list-style-type: none"> ○ A legal duty 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 Pensions Regulator (tPR) • The report must be made in writing and must be made as soon as reasonably practicable. • A system for recording all breaches even if they are not reported. • Not every breach has to be reported, tPR's traffic light system should be used to decide. 		<p>Current practice</p> <ul style="list-style-type: none"> • The Fund has a breach log, recording all breaches. • A breach procedure is in place and was approved by the Pensions Committee on 23 September 2015. • Employers to be updated through the November employer briefing note, that breaches may be reported.
Reporting duties	<ul style="list-style-type: none"> • Managers of public service schemes must let tPR know of any changes to their scheme's 'registrable information' and provide the up-to-date information as soon as possible. 		<p>Current practice</p> <ul style="list-style-type: none"> • WMPF is registered with tPR

Code	Key points	RAG status	Current assessment and areas for development
	<ul style="list-style-type: none"> • Registrable information includes details about:- <ul style="list-style-type: none"> ○ The Scheme ○ The managers of the Scheme ○ Employers • In the future, tPR is planning to issue bespoke scheme returns for public service schemes to complete. These will ask schemes to provide registrable and other information to them on a regular basis (at least every three years). This is in addition to the ongoing duty for managers to notify them of changes to registrable information as soon as possible. 		<ul style="list-style-type: none"> • The Fund's registrable information on Exchange online was fully reviewed in November 2015 and going forward will be updated as soon as possible following any changes. • Compliance will fully review annually.
Internal controls and managing risks	<ul style="list-style-type: none"> • The scheme manager must establish and operate adequate internal controls that enable them to manage risks that relate to their scheme. • Schemes should have a process to identify, evaluate and manage risks on an ongoing basis. <p>Internal controls checklist</p> <ul style="list-style-type: none"> • Do you have effective arrangements and procedures to ensure that the pension scheme is being run in accordance with the scheme rules and requirements of the law? 		<p>Current practice</p> <ul style="list-style-type: none"> • Compliance officers attend Team Management Meetings, to identify and evaluate risks. • Risks are recorded in a risk register with actions taken. • Risks are reported quarterly at Senior Management Team meetings and at Pensions Committee meetings.

Code	Key points	RAG status	Current assessment and areas for development
	<ul style="list-style-type: none"> • Do you regularly review the arrangements and procedures? • Do you have a process to identify risks? • Do you have a process to evaluate risks? • Do you have in place processes or controls to manage risks? • Do you have a risk register to record all risks identified and action taken? • Do you regularly review the risk register? • Do you have a standing item on the pension board agenda to review scheme risks? 		<ul style="list-style-type: none"> • Risk workshops are held annually, attended by Senior Managers, Pensions Committee and Pensions Board members. • WCC's audit department review and report on the Fund's risk management annually at Pensions Committee. <p>Areas for development</p> <ul style="list-style-type: none"> • The Fund's compliance with tPR's code of practice (including internal controls and risk management) will be reported to the Pensions Committee and Pensions Board.
Communicating to members	<ul style="list-style-type: none"> • The scheme manager must provide annual benefit statements to active members of defined benefit (DB) public service pension schemes. • The first statement must be provided within 17 months of the scheme regulations coming into force. 		<p>Current practice</p> <ul style="list-style-type: none"> • The Fund aims to provide annual benefit statements to active and deferred members by 31st August each year. • Annual benefit statements for deferred members were issued July 2015.

Code	Key points	RAG status	Current assessment and areas for development
	<ul style="list-style-type: none"> • The scheme manager must communicate certain other information to scheme members when required. • The Fund should provide communications that are accurate, clear and accessible. 		<ul style="list-style-type: none"> • Annual benefit statements for active members were issued in two batches (28 September 2015 and 19 October 2015) and did not meet the 31 August 2015 statutory deadline. tPR were notified and have confirmed they will not be taking any action. • The Fund has a dedicated Communications Team to ensure communications such as annual benefit statements are accurate, clear and accessible. • Letters to members are peer reviewed. <p>Areas for development</p> <ul style="list-style-type: none"> • The Fund is actively working with its software provider and employers to improve the timeliness and ease of exchange of information, to prevent delays in 2016.

Code	Key points	RAG status	Current assessment and areas for development
Publishing scheme information	<ul style="list-style-type: none"> • The scheme manager must publish and keep up-to-date information about the pension board. • The scheme manager must publish information about the pension board and keep that information up to date, including: <ul style="list-style-type: none"> ○ Who the pension board members are ○ Representation on the pension board ○ Matters for which the pension board is responsible • The Fund should also publish: <ul style="list-style-type: none"> ○ The pension board's terms of reference ○ The pension board appointment process ○ Who each pension board member represents ○ Employment and job title (where relevant) and any other relevant position held by each board member ○ Any specific roles and responsibilities of individual pension board members • Schemes should consider publishing other information such as pension board papers, agendas and meeting minutes (with confidential information removed). • 		<p>Current practice</p> <ul style="list-style-type: none"> • The Fund has a dedicated Pensions Board website with up-to-date information about the Pensions Board. The website is reviewed quarterly, to ensure it is up to date. There is also a full annual review. • Information published on the website about the Pensions Board includes all of the information recommended. • The Fund publishes Pensions Board agendas, papers and minutes. • The appointment process of the Pensions Board was published.

Code	Key points	RAG status	Current assessment and areas for development
Maintaining contributions	<ul style="list-style-type: none"> • The scheme manager should produce and maintain a payment schedule or contributions monitoring record. • Check that contributions are paid to your scheme. • Set up a process that you can use to identify and manage contribution payment failures. • You should attempt to recover contributions within 90 days of the due date (for employers' contributions) or prescribed period (for employees' contributions) and keep a record of your investigation and communications between you and the employer. • If scheme managers have reasonable cause to believe that a late payment of employer and/or employee contributions is likely to be of material significance to the regulator, it must be reported to tPR and members within stipulated timescales and by the stipulated method. 		<p>Current practice</p> <ul style="list-style-type: none"> • The Fund's finance team maintains a contributions monitoring record and carries out monthly contribution monitoring. • Compliance testing is carried out quarterly to ensure the timeliness and reasonableness of contributions received. • Employers to be updated through the November employer briefing note, that late payers may be reported. <p>Areas for development</p> <ul style="list-style-type: none"> • Consolidation of information from a number of sources to put in place a single monitoring tool. • The Pensions Administration Strategy (PAS) is being updated for 1 April 2016 and will include more detail regarding late payers reporting policy and procedures. • Compliance testing to check late payers are chased and that there are records of investigation.

Code	Key points	RAG status	Current assessment and areas for development
Record keeping	<ul style="list-style-type: none"> • The scheme manager must keep records of member and beneficiary information, transactions, and pension board meetings and decisions. • The scheme should have effective record-keeping processes and regularly evaluated member data. • The scheme should work with employers to ensure they understand what information they're required to provide and when they need to do this. • Schemes must keep records of transactions made to and from the scheme and reconcile these against expected contributions and costs. • Schemes should retain records for as long as is relevant for the purposes for which they are needed. • Schemes must ensure that member data processes meet the requirements of the Data Protection Act 1998 and the data protection principles. • Schemes should monitor data quality at least annually. If poor quality or missing data is identified the scheme should agree a data improvement plan. This should have a defined end date and must be monitored to track progress. 		<p>Current practice</p> <ul style="list-style-type: none"> • The Fund has a Pensions Administration Strategy which is reviewed annually. Additionally employers are consulted with, as part of the review. • Employer events during the year cover a range of topics, including what information employers are required to provide and the importance of data quality. • Members records are held on the Pensions Administration system (UPM) which has inbuilt checks. • Data protection is embedded in the organisation. All Fund employees have received training. • Data quality checks of common and conditional data are carried out. <p>Areas for development</p> <ul style="list-style-type: none"> • A data improvement plan to be taken to 9 December 2015 Pensions Committee and 19 January 2016 Pensions Board.

Code	Key points	RAG status	Current assessment and areas for development
	<ul style="list-style-type: none"> Where data problems are identified which are not being resolved the scheme should consider whether a breach of the law needs to be reported to the PR. 		<ul style="list-style-type: none"> Following this, a mid-year review of progress will be taken to the 2016 June/July Pensions Board.
Resolving internal disputes	<ul style="list-style-type: none"> The scheme manager must set up and operate arrangements which comply with legal requirements for resolving internal disputes with members and others. The Fund should regularly check that the arrangements work effectively. <p>Communication</p> <ul style="list-style-type: none"> The procedure should be: <ul style="list-style-type: none"> Communicated in scheme documentation, e.g. a joining booklet Easily accessible, e.g. on the scheme website Schemes can choose to specify a time limit to submit an application for some people and must provide a time limit for others (6 months recommended for the latter). Where the scheme can choose to specify a time limit, this limit should be published and made readily available. 		<p>Current practice</p> <p>Communication</p> <ul style="list-style-type: none"> The Fund includes its internal dispute resolution process (IDRP) in its joining booklet (A Guide to the LGPS for employees (England and Wales)) and has a separate IDRP booklet. Both are published on the scheme website. The Fund operates a two stage process, stage 1 is with employers and stage 2 is with the Fund. The Fund sets a time limit to submit an application of 6 months for all. <p>Managing the application</p> <ul style="list-style-type: none"> IDRP stage 2 applications logged and allocated a reference number. They are then acknowledged by the Fund, there is no set timescale to acknowledge and we do not provide contact details of TPAS

Code	Key points	RAG status	Current assessment and areas for development
	<p>Managing the application</p> <ul style="list-style-type: none"> • Upon receipt of a second stage IDR application: <ul style="list-style-type: none"> ○ An acknowledgement should be sent ○ Contact details of TPAS should be provided • Members should be advised if the time frame is expected to be shorter or longer than the published timeframe (two months for the Fund's stage 2 currently) and provide regular progress updates to manage their expectations. • When notifying the applicant of a decision contact details for the Pensions Ombudsman should be provided <p>Raising awareness Schemes should:</p> <ul style="list-style-type: none"> • Raise awareness of the IDR • Ensure it is being followed • Review the procedure regularly to ensure it remains effective 		<p>(although they are in the published IDR booklet).</p> <ul style="list-style-type: none"> • IDR stage 2 decisions are currently communicated to individuals within 2 months. We notify the individual if this time frame is likely to be longer, but not shorter. At this point we provide contact details for TPAS and the Pensions Ombudsman. • If an individual has not heard anything from stage 1 (a) after 3 months, or (b) 1 month after a stipulated response date, they can refer their application to the Fund under stage 2. <p>Areas for development</p> <ul style="list-style-type: none"> • The IDR process and policy has been updated to reflect the tPR's code and is currently being piloted by employers. • Employers to be asked to notify the Fund of IDR applications at the first stage.

Code	Key points	RAG status	Current assessment and areas for development
	<ul style="list-style-type: none"> Ensure that any 'specified person' undertaking the first stage of a two stage procedure is also implementing procedures 		<ul style="list-style-type: none"> Compliance to monitor timescales are being adhered to for stage 1 and 2 – a new internal KPI has been introduced. Raising employer awareness – for example, to include in the April employer briefing note, following the pilot.
Pension board conflicts of interest and representation Page 25	<ul style="list-style-type: none"> Pension board members must disclose any potential conflicts to the scheme manager, providing the scheme manager with such information as they reasonably require for the purposes of meeting the legal requirements for conflicts of interest. Scheme managers must: <ul style="list-style-type: none"> Be satisfied that public service pension board members do not have a conflict of interest Check from time to time that none of the members of the pension board have a conflict of interest as a crucial part of managing potential conflicts Maintain a register of conflicts of interest which is monitored and reviewed regularly. 		<p>Current practice</p> <ul style="list-style-type: none"> Conflicts of interest are recorded at each Pensions Board and Pensions Committee meeting. As well as recording conflicts, actions to mitigate the conflicts are also recorded. The Fund has a conflicts of interest policy. Pensions Board terms of reference are published on the Fund's website. Guidance on the roles, responsibilities and duties of the Pensions Board and its members is set out in terms of references and the Fund's constitution.

Code	Key points	RAG status	Current assessment and areas for development
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 26</p>	<ul style="list-style-type: none"> ○ Details of conflicts and actions to mitigate it should be recorded. <p>Managing conflicts of interest</p> <ul style="list-style-type: none"> ● Schemes should ensure that there is an agreed and documented conflicts policy and process. ● Clear guidance on the roles, responsibilities and duties of pension boards and their members should be set out in scheme regulations or in other scheme documentation. <p>Representation on boards</p> <ul style="list-style-type: none"> ● Pension boards must have an equal number of employer and member representatives. 		<ul style="list-style-type: none"> ● The Pensions Board has an equal number of employer and member representatives.

WEST MIDLANDS PENSION FUND RISK REGISTER

PENSIONS ADMINISTRATION RISKS																	
Top 10	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)			Risk movement	Review frequency	Date of next review	Risk owner
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating				
In Top 10	To improve our funding level	Pensions Administration	PA2	Liabilities need to be orphaned across the Funds remaining employers in the event of an employer failing.	High (4)	High (4)	High (16)	1. All new employer bodies need to have a suitable guarantee/covenant in place prior to being admitted into the scheme 2. Monitoring is carried out on existing employers and the covenant strength is assessed and each employer is risk rated. 3. Higher risk employers are monitored closely by the Employer Team 4. Where there are concerns, the Fund opens dialogue with the relevant employers and where possible, arranges face-to-face meetings to explore their situation in more detail. Once the Fund has a more detailed understanding of the situation, it will discuss the possibility of the provision of additional security by those organisations to further strengthen their covenant.	1. Implemented 2. In progress 3. In progress 4. In progress	100% 60% 100% 15%	High (4)	Medium (3)	Medium (12)		1. Quarterly 2. Quarterly 3. Quarterly 4. Quarterly	Dec 15	Head of Pensions Administration
In Top 10	To provide excellent customer service	Pensions Administration	PA3	Pension benefits are calculated with inaccurate or incomplete data (leading to under/overpayments)	Medium (3)	Very high (5)	High (15)	1. Robust process in place to ensure accuracy of calculations, including officer checking. 2. Induction training to ensure officers are suitably skilled, as well as regular staff training to raise awareness of the importance of data quality. 3. Data quality reviews of common and conditional data in place and reported to Committee quarterly. 4. The PAS sets out expectations and requirements of employers in relation to data quality. 5. Communication with employers at AGM to stress the importance of complete and accurate data. 6. Data validation checks undertaken:- (a) by actuary at valuation (b) through National Fraud Initiative (c) through Millennium Halo 7. Web portal in place for members to input their details directly removing employee human error 8. Bulk data import in place for employers to load their joiners data straight to the Fund's system (UPM) 9. Bulk data import in progress for employers to load their member changes data straight to UPM 10. Bulk data import to enable employers to load their early leavers data straight to UPM has been put on hold. The Fund provided a specification for this to Civica, but then found that Civica are producing a standard product which is likely to be cheaper. 11. Individual member changes and individual early leavers data can be loaded straight to UPM by employers.	1. Implemented 2. Implemented 3. Implemented 4. Implemented 5. Implemented 6. (a) Implemented (b) Implemented (c) Implemented 7. Implemented 8. Implemented 9. In progress 10. Proposed 11. Implemented	100% 100% 100% 100% 100% 100% 100% 100% 95% 0% 100%	Medium (3)	High (4)	Medium (12)		1. Quarterly 2. On-going 3. Quarterly 4. Annually 5. Annually 6. (a) Triennially (b) Every 2 years (c) Monthly 7. On-going 8. Adhoc - if required 9. Adhoc - if required 10. In 6 months 11. Adhoc - if required	Dec 15 N/A Dec 15 Mar 16 Dec 15 Mar 16 Mar 16 Dec 15 N/A N/A May 16 N/A	Assistant Director - Actuarial & Pensions
In Top 10	To provide excellent customer service	Pensions Administration	PA5	The Fund does not complete the Guaranteed Minimum Pension (GMP) reconciliation.	High (4)	Very high (5)	High (20)	1. A project is underway to achieve this by December 2018. 2. Initial analysis has been completed. 3. The Fund has engaged ITM to do more analysis to identify the gaps. ITM report due end of Nov. 4. Progress of the project is reported monthly to the Senior Management Team. 5. Report to Pensions Committee quarterly.	1. In progress	10% - 15%	High (4)	High (4)	High (16)		Monthly	Dec 15	Head of Pensions Administration
In Top 10	To improve our funding level	Pensions Administration	PA7	Future liabilities increase	High (4)	High (4)	High (16)	1. The Fund undergoes a triennial valuation, in conjunction with the Fund's actuary. Although liabilities will increase, controls are put in place to ensure assets keep pace with liabilities. The closer the match, 2. Life expectancy: Although there is no life expectancy hedging, a prudent allowance is built into the actuarial assumption, for life expectancy to improve. 3. Inflation and wage and salary inflation: The Fund invests in index-linked bonds and the PIP, which provides an index linked income stream. 4. Interest rates: Investment returns are monitored quarterly with liabilities in mind.	1. Implemented 2. Implemented 3. Implemented 4. Implemented	100% 100% 100% 100%	Medium (3)	High (4)	Medium (12)		1. Triennially 2. Triennially 3. Triennially 4. Quarterly	Mar 16	Assistant Director - Actuarial and Investments

WEST MIDLANDS PENSION FUND RISK REGISTER

Top 10	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)			Risk movement	Review frequency	Date of next review	Risk owner
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating				
In Top 10	To provide excellent customer service	Pensions Administration	PA8	Failure to adhere to statutory requirements/LGPS regulations.	High (4)	Medium (3)	Medium (12)	1. Governance team in place to help translate regulations	1. Implemented	100%	High (4)	Low (2)	Medium (8)		Annually	Nov 15	Assistant Director - Actuarial & Pensions
								2. Technical team in place to help translate regulations and to ensure new systems meet regulatory requirements.	2. Implemented								
								3. Robust testing process for any system changes.	3. Implemented								
								4. Use of other Fund's (that use UPM) knowledge.	4. Implemented								
								5. Civica have enhanced their specialist LGPS knowledge and can challenge any changes which do not adhere to the regulations.	5. Implemented	85%							
								6. LGPS 2014 changes being loaded into UPM for use	6. In progress								
								7. Internal dispute resolution (IDRP) process: (a) Undertaken IDRP process review (b) IDRP guide updated and being piloted with employers	7. In progress	80%							
								8. ABS delivery: (a) Provided feedback into Local Government Association (LGA) survey, to be reported to The Pensions Regulator (TPR) (b) Sent follow up letter to Civica (c) WMPF report to TPR as required to meet reporting requirements and follow up on actions (d) Produced reports for all employers, highlighting issues. Met with 4 out of 7 districts to follow up. Expect to have met with all 7 by end of November.	8. (a) - (b) Implemented (c) - (d) In progress	60%							

WEST MIDLANDS PENSION FUND RISK REGISTER

INVESTMENT RISKS																	
Top 10	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)			Risk movement	Review frequency	Date of next review	Risk owner
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating				
In Top 10	To achieve target investment returns	Investments	I2	Fund does not achieve investment returns.	High (4)	High (4)	Medium (16)	1. Diversified portfolio. 2. Monthly monitoring of investment manager performance at Investment Management Team (IMT) meetings. 3. Regular monitoring of market conditions.	Implemented	100%	High (4)	Low (2)	Medium (8)		Monthly	Dec 15	Assistant Director - Investments
GOVERNANCE RISKS																	
Top 10	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)			Risk movement	Review frequency	Date of next review	Risk owner
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating				
In Top 10	To become a top performing fund	Governance	G5	The Fund breaches Information Security and Data Quality regulations.	High (4)	Very high (5)	High (20)	1. Continuous staff training on data protection	1. Implemented	100%	Medium (3)	High (4)	Medium (12)		Annually	Dec 15	Head of Governance/ Assistant Director - Actuarial & Pensions
								2. In-depth training for senior managers on information governance	2. Implemented	100%							
								3. There is an information governance project underway in preparation for an information governance audit in December.	3. In progress	50%							
								4. Data encryption and password protection	4. Implemented	100%							
								5. Use of file transfer protocol	5. Implemented	100%							
								6. All information security breaches are reported and any systemic issues are identified and corrected.	6. Implemented	100%							
								7. System back-up to protect against data loss.	7. Implemented	100%							
								8. A data improvement plan to be taken to the Dec 15 PC and Jan 16 Pensions Board (PB)	8. In progress	80%							
								9. A dedicated data team is being set-up, as part of the Pensions Administration structure review	9. In progress	60-70%							
In Top 10	To become a top performing fund	Governance	G2	Lack of independence between the Fund, elected members and pension board representatives from their authorities, resulting in poor decision making	High (4)	High (4)	High (16)	1. Full trustee induction training is provided to members on joining the Pensions Committee and Pensions Board to inform them of their duties and responsibilities.	1. Implemented	100%	High (4)	Medium (3)	Medium (12)		Quarterly	Dec 15	Head of Governance
								2. There are sufficient numbers on the Committee to ensure that the Fund's interests are put before individual authorities.	2. Implemented	100%							
								3. Members are bound by codes of conduct.	3. Implemented	100%							
								4. Conflicts of interest policy in place for Pensions Committee and Pensions Board	4. Implemented	100%							
								5. All districts are represented and have voting powers.	5. Implemented	100%							
								6. Clear delegation of authority within the Council and the Fund's separate constitutions, setting out the roles and responsibilities of the Fund.	6. Implemented	100%							
								7. Conflicts of interest policy in place for Pensions Committee and Pensions Board.	7. Implemented	100%							
In Top 10	To provide excellent customer service	Governance	G3	The Fund cannot continue to operate and deliver its priority services following a disaster, IT incident or data loss scenario.	High (4)	Medium (3)	Medium (12)	1. Business continuity plan in place for incidents which deny access to Mander House. Includes ability to access systems from home. The plan is regularly reviewed and tested.	1. Implemented	100%	Medium (3)	Medium (3)	Medium (9)		Annually	Feb 16	Head of Governance
								2. WCC has 2 servers at a primary site (the Civic Centre) and 2 servers at a secondary site (Stafford County Council). The Fund's data is mirrored at both sites.	2. Implemented	100%							
								3. Testing of the business continuity plan by WCC is in the early stages. Compliance and Risk Team to liaise with WCC's IT department, to ensure testing takes place.	3. In progress	10%							
In Top 10	All objectives	Governance	G7	Change in government policy/LGPS reforms	Very high (5)	High (4)	High (20)	1. The Fund keeps abreast of developments, participating in consultation and calls for evidence, and collaborating with other funds.	1. Implemented	100%	High (4)	High (4)	High (16)		Monthly	Dec 15	Strategic Director of Pensions

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Pensions Board

19 January 2016

Report title	Information Governance Audit	
Originating service	Pension Services	
Accountable employee(s)	Emma Bland Tel Email	Compliance and Risk Manager 01902 554387 emma.bland@wolverhampton.gov.uk
Report has been considered by	Geik Drever Tel Email	Strategic Director of Pensions 01902 552020 geik.drever@wolverhampton.gov.uk

Recommendations for noting:

The Pensions Board is asked to:

1. Note the Information Governance work undertaken by the Fund.
2. Note the outcome of the Information Governance audit.

1.0 Purpose

- 1.1 To update the Pensions Board on the work which has been undertaken by the Fund in relation to Information Governance (IG) and the outcome of the IG audit.

2.0 Background

- 2.1 IG ensures that organisational information is managed as an asset to ensure that all statutory, regulatory and best practice requirements are met. It covers information security, data quality, records management, data protection, freedom of information, environmental information regulations and information governance management.
- 2.2 On the 2 July 2015, the Head of Governance updated the Pensions Board on the work being undertaken to improve the Fund's information governance, in preparation for an Information Governance audit by an external IG specialist, *Dilys Jones Associates (DJA)*.

3.0 IG Audit

- 3.1 The Fund has been working to a toolkit (version 13), evidencing how the Fund complies with the law and central guidance in the following areas:-
- Information governance management
 - Confidentiality and data protection assurance
 - Information security assurance
 - Customer records assurance
- 3.2 The toolkit is a mandatory self-assessment for bodies such as the NHS and local authorities (corporately). The Fund has been pro-active in undertaking the assessment separately and commissioning an IG specialist to independently audit it.
- 3.3 The assurance scoring ranges from 0-3 and the Fund were hoping to achieve a level 2, which would demonstrate that the Fund can be trusted to maintain the confidentiality and security of personal information.
- 3.4 The audit took place on 8 December 2015 and having reviewed the evidence provided, DJA reported that both City of Wolverhampton Council (CWC) and the Fund have a considerable number of controls in place to safeguard data, the Fund has put significant effort into achieving compliance and has effectively achieved a satisfactory score (at least level 2 in all categories) and has the opportunity to score level 3 in a number of categories by the end of March 2016.
- 3.5 The table shown in Appendix 1 summarises the categories covered, the current position of compliance achieved, indicating the areas where further work is required to confirm the level of compliance or improve to the next level.
- 3.6 The recommendations largely involve enhancing existing documents and procedures, in particular the information asset register and privacy impact assessment, which were introduced this year.

3.7 The Fund will continue to build on the work already undertaken, by assessing the audit recommendations and where appropriate building them into the Fund's IG strategy, with the aim of achieving a level 3 by March 2016. IG tests have already been built into the compliance monitoring programme to ensure that current standards of IG are maintained, going forward.

4.0 Financial implications

4.1 To enable the Fund to move to a clear desk policy, a temporary member of staff has been employed to assist in the scanning and destruction of documents. An additional temporary member of staff is also being sought to help get through the documents quicker.

4.2 Failure to comply with information governance requirements could result in a breach which could result in a significant financial penalty from the Information Commissioner's Office (ICO).

5.0 Legal implications

5.1 As a data processor, processing personal data on behalf of the Council (the data controller) the Fund is obligated to meet information governance requirements. Failure to comply would mean falling foul of legislation which would leave the Fund open to challenge.

6.0 Equalities implications

6.1 This report contains no equalities implications.

7.0 Environmental implications

7.1 The clear desk policy should ultimately reduce paper use, as it encourages electronic over paper working.

8.0 Human resources implications

8.1 The report contains no direct human resource implications.

9.0 Corporate Landlord

9.1 There are no corporate landlord implications.

10.0 Schedule of background papers

10.1 Agenda item no. 7 at the 2 July 2015 Pensions Board: *Information Governance*, which can be found at:-
<http://wolverhampton.moderngov.co.uk/documents/s11988/Information%20Governance.pdf>

11.0 Schedule of Appendices

11.1 Appendix 1 – Audit findings

The table below sets out the key findings and an estimated score for each requirement checked. Green scores don't require any notable work to confirm. Yellow scores need some key items confirmed that should already be in place (such as evidence of policy approval). Red categories need significant work, but should be achievable and may even achieve the level above.

Req No	Description	Level	Summary findings
Information Governance Management			
13-145	There are approved and comprehensive Information Governance Policies with associated strategies and/or improvement plans.	3	This level can be achieved with evidence of senior approval and enhanced action plan.
13-148	The training needs of all staff are assessed in relation to Information Governance requirements and they are all appropriately trained.	3	Enhancements on specific needs assessment required to ensure all specific needs catered for.
Confidentiality and Data Protection Assurance			
13-252	Staff are provided with clear guidance on keeping personal information secure, on respecting the confidentiality of customers.	2	Level 3 is possible with some enhancements to the code and compliance manual.
13-256	All new processes, services, information systems, and other relevant information assets are developed and implemented in a secure and structured manner, and comply with IG security accreditation, information quality and confidentiality and data protection requirements.	2	Processes are in place but need updating to latest code of practice from ICO. Evidence of improvements and use needed for level 3.
Information Security Assurance			
13-371	The Information Governance agenda is supported by adequate information security skills, knowledge and experience which meet the organisation's assessed needs.	3	Supported by CWC Public Services Network (PSN) accreditation.

13-372	A formal information security risk assessment and management programme for key Information Assets has been documented, implemented and reviewed.	2	Need clarity on the risk section of the information asset register – what does the assessed risk cover. Can enhance with more detailed risk assessment against template list of threats. Also need approval evidence.
13-374	Operating and application information systems (under the organisation's control) support appropriate access control functionality and documented and managed access rights are in place for all users of these systems.	3	Significant work on security statements advised to enhance documented controls – setting out access control features.
13-375	All transfers of hardcopy and digital person identifiable and sensitive information have been identified, mapped and risk assessed; technical and organisational measures adequately secure these transfers.	2	Need to improve consistency and ensure link to risk register is documented. Conduct annual review when required.
13-376	Business continuity plans are up to date and tested for all critical information assets (data processing facilities, communications services and data) and service - specific measures are in place.	2	No specific actions other than that identified in the internal audit report.
13-378	Information Assets with computer components are capable of the rapid detection, isolation and removal of malicious code and unauthorised mobile code.	See WCC score (level 2 in v12)	Relates to PSN documentation for WCC.
13-379	Policy and procedures are in place to ensure that Information Communication Technology (ICT) networks operate securely.	See WCC score (level 2 in v12)	Relates to PSN documentation for WCC.
13-381	There is an information asset register that includes all key information, software, hardware and services.	2	Register can be enhanced and if reviewed level 3 may be achieved.

13-382	All information assets that hold, or are, personal data are protected by appropriate organisational and technical measures.	3	Evidence of introducing new assets required.
Customer Records Assurance			
13-441	The Information Governance agenda is supported by adequate information quality and records management skills, knowledge and experience.	3	Policy approval needs to be evidenced.
13-443	Procedures are in place to ensure the accuracy of customer information on all systems and /or records that support the service provided to that customer.	3	Confirm findings with more documentary evidence.

Pensions Board

19 January 2016

Report title	Pensions Administration – Data Quality	
Originating service	Pensions Administration	
Accountable employee(s)	Rachel Brothwood Tel Email	Assistant Director, Actuarial and Pensions 01902 55 1715 Rachel.brothwood@wolverhampton.gov.uk
Report to be/has been considered by	Geik Drever Tel Email	Strategic Director of Pensions 01902 552020 Geik.drever@wolverhampton.gov.uk

Recommendations for noting:

The Board is asked to note the on-going review of data and the actions being taken to ensure the completeness and quality of data held by the Fund.

1.0 Purpose

- 1.1 To provide the Pension Board with an overview of how the Fund measures data against legislative record keeping requirements and the expectations of the Pensions Regulator and to summarise the plans in place to make improvements to data quality and the data review process.

2.0 Background

- 2.1 The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 came into force in April 2015. These set out a list of the records the Fund must keep in relation to member and beneficiaries, transactions and Pension Board meetings and decisions. The Pensions Regulator now regulates the governance and administration of public service pension schemes and will oversee compliance with the new regulations.
- 2.2 The Pensions Regulator has issued guidance to scheme managers noting that failure to hold complete and accurate records can impact a funds ability to carry out basic functions. Funds are encouraged to regularly evaluate member data and work with employers to ensure processes are in place to deliver the correct information on a timely basis. If a Fund or employer fails to act, resulting in a breach of the legislative requirement, a report may need to be made to the Pensions Regulator who has the power to issue improvement notices and fines.
- 2.3 In its guidance, the Pensions Regulator encourages a proportionate and risk-based approach to regular data monitoring, noting that significantly more data needs to be held to operate the CARE Scheme (introduced under LGPS 2014). At least annually, the Pensions Regulator expects Funds to carry out a formal data review and set a data improvement plan, to address issues with data quality within a set time period.
- 2.4 This paper was discussed with the Pensions Committee at their meeting on 9 December 2015 and has been updated for the Pensions Board to reflect activity in recent weeks.

3.0 Fund data review process

- 3.1 The Fund has a process for reviewing data on an annual basis, as part of the Annual Return employer data submission exercise, following the production of Benefit Statements and on an on-going basis as members leave or retire. This has been developed to reflect the new legislation and guidance and extended following the 2015 Annual Return.
- 3.2 Prior to the introduction of the new legislation, the Fund was actively engaging with larger employers in relation to the gaps and inconsistencies within the data submitted to the Fund following previous Annual Return exercises and in relation to data issues causing the failure of the production of benefit statements. Fund data was also tested against the Pension Regulator's "common" and "conditional" record keeping requirements applicable to pension schemes in the private sector.

3.3 Fund data has now been tested against the new legislative requirements and this testing will develop over time, as new reporting functionality is added to the administration software system. The results (included in Appendix 1) indicate there are no material gaps or areas of concern but work is needed to ensure the accuracy of data, particularly salary information provided by employers, following review of 2015 annual return submissions. Over time, capabilities to report against the areas specified in the regulations are expected to develop to enhance this review.

3.4 Actions have been identified to further review and address areas where data is incomplete or requires review. The data review will be revisited in May 2016 for monitoring purposes and to incorporate new reporting and data available at that time.

4.0 2015 annual return process – follow-up

4.1 As reported to Committee in September 2015 (and discussed with the Board during their away day in October 2015), late submission and errors within the 2015 Annual Returns impacted on the Fund's ability to issue benefit statements. Since then, a number of employers (and members) have approached the Fund to alert us to errors in the salary data submitted, which will impact on the CARE pension credited for 2014/15 and their 2015 benefit statements. With a CARE scheme, it is critically important that the Fund receives and processes correct salary information each year as this will impact on the pension calculated by the Fund and significant additional time and cost will be incurred if records need reviewing and amending at a later date.

4.2 The Fund has and continues to take a number of actions to engage with employers and the administration software supplier to investigate and resolve issues encountered in 2015, to correct and prevent these re-occurring in 2016. These include:

- Detailed review of the errors encountered in the 2015 process
- Reporting back to individual employers on the issues with their files and data gaps for further investigation
- Review and development of the data extract specification
- Plans for wider employer briefing and coaching
- Face-to-face meetings with larger employers with regular follow-up on the actions required

4.2 Appendix 2 summarises the steps we are taking to engage with employers on this issue. Those employers who delivered their 2015 Annual Return late or had significant issues with their data will be fined and additional costs re-charged in accordance with the Fund's Pensions Administration Strategy.

4.3 We are actively working with our software supplier, employers and are collaborating with other funds to improve data exchange. We are looking to move to more frequent (monthly) exchange to alleviate some of the issues with the annual return process and to enable greater bulk and electronic working to enhance efficiency.

5.0 Financial implications

5.1 Problems with data are putting increased pressure on the Fund's resources. The review of the Pension Administration structure (discussed with the Committee in December

2015) will bring a new focus on data with dedicated resources fully engaged on resolving data issues.

- 5.2 The Pension Administration Strategy allows the Fund to recharge additional costs incurred. This will be reviewed in 2016 and fines may be increased. The Pensions Regulator also has the powers to issue fines to the Fund and participating employers in the event of non-compliance with a written notice of improvement.

6.0 Legal implications

- 6.1 Failure to adequately address data issues risk breach of Record Keeping legislation and will leave the Fund open to challenge by the Pensions Regulator. The Fund is taking steps to review data and pro-actively address issues with employers but will ultimately need to rely on the information supplied by employers.
- 6.2 The Fund may need to report employers who do not engage or deliver the information required by the Fund to the Pensions Regulator.

7.0 Equalities implications

- 7.1 There are no implications.

8.0 Environmental implications

- 8.1 There are no implications

9.0 Human resources implications

- 9.1 There are no direct implications but the establishment of the Fund has been reviewed to take into account the additional work needed on Fund data.

10.0 Corporate landlord implications

- 10.1 There are no implications

11.0 Schedule of background papers

- 11.1 None

12.0 Appendices

- 12.1 Appendix 1 – Assessment relative to the legal requirement
Appendix 2 – Schedule of engagement with employers

Appendix 1

Assessment of Fund data relative to the requirements set out in The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014

The table below summarises the results of a review of the data held by the Fund. Where reports are available to test this data ("TPR reports") they have been run. Otherwise, a review of the data held has been carried out to assess whether or not the information would be held by the Fund, based on the processes currently in place and embedded within the Fund administration system. In some cases a further review of historic records is required to confirm the likely completeness of the data for all members. A risk indicator is given to highlight potential risks or areas requiring data cleansing and/or further investigation. In line with guidance from the Pensions Regulator, a proportionate approach is being adopted to monitoring and data cleansing, with the next review planned for May 2016.

Requirement	Assessment / observation (November 2015)	Risk / result
Member and Beneficiary information		
Name	TPR report available. Minimal risk contained in this area as a forename and surname has to be provided to create a members record. They are never deleted and left blank, only replaced if they change and we are notified.	100%
Date of birth	TPR report available. Minimal risk contained in this area as a date of birth has to be given to create a members record by the employer. If the member advises us it is incorrect then we will amend upon sight of the birth certificate.	100%
Gender	TPR report available. Minimal risk contained in this area as a gender has to be given to create a members record by the employer. TPR report run will identify if the gender does not match title and they are then amended if the employer supplied them incorrectly.	100%
Last known postal address	TPR report available for address and post code held against a local identifier. Where we have received returned post and cannot locate the members new address we insert the Funds address which is not the last known address. Last known address will be held in the documents on the record.	96% (see note 1.)

Member's scheme identification number	It is not possible to have a pension record without a member scheme identification number within UPM. Minimal risk contained in this area. No report available to show missing identification numbers as it would be redundant.	
NI Number	TPR report available. Minimal risk contained in this area as an NI Number has to be given to create a members record by the employer. The report will show any with a temporary number, these are then fed back to the employer to amend.	Temporary NI held for 0.25% of members (see note 2.)
For active , deferred and pensioner member;		
Date of joining and leaving	TPR reports for start & leave dates available. No risk contained in these areas. Date of joining has to be present to create a new members record and in order for a member to change from an active member to other, they need to submit a leave date amongst other data.	100%
Details of employment with any employer in the scheme	TPR report for employer name held is available.	100%
Period of pensionable service in that employment	No report currently available to pull this information. However the information is held in the service & salary screen/table and also the status history screen/table. This information is held for each member who has contributed to the scheme.	
Amount of pensionable earnings in each year of that employment	No report currently available to pull this information. However the information is uploaded to the earnings and contributions screen/table each year through the annual returns process. The employers provide the information for all their employees on a schedule which is uploaded to the identified record for each member on said schedule. The quality is unknown.	(see note 3.)
In respect of each member's rights or beneficiary entitlement		
Formula used in calculating the member's or beneficiary's pension or benefit	No report currently available to pull this information. The information is not retained in a specific screen or table but is held on a document on the individual records once the calculation has been done. There will be the benefit statements each year, any provisional quotes (estimates) requested and then finally when they retire or are due a benefit from us the final calculation will be done to inform them of the pension/benefit. There is minimal risk as the information is held in the document list of the relevant record.	
The percentage to be applied in respect of revaluation for each year to the member's accrued rights	No report currently available to pull this information. Under the new 2014 regulations each members' active record has to be revaluated. The percentage can be found in the CARE table on the individual member record where it states revaluation rate. We feel there is minimal risk as revaluation takes place each year for all relevant active members.	

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Any increase to be applied to the pensioner member's or beneficiary pension or benefit in payment in each year.	No report currently available to pull this information. We feel there is minimal risk as the increase is added each year for all relevant pension/beneficiary members. Before the annual run a data cleansing exercise is done. Once the run has been done a report is produced with any failures and they are then analysed and corrected individually.	
Pension debit Information relevant to calculating any reduction to the member's rights.	No report currently available to pull this information. However the information for each relevant member can be found on the Court Order screen/table. This information has to be entered as part of the Divorce Settlement process and so we feel there is minimal risk with this data.	
Pension credit Information relevant to calculating each member's rights	No report currently available to pull this information. However the information for each Deferred Ex-Spouse status can be found on the Pension History screen/table. This information has to be entered as part of the Divorce Settlement process and so we feel there is minimal risk with this data.	
Records of Transactions		
Employer or member contributions paid in relation to each active member	TPR report available for member contributions. This information is found on the earnings & contribution screen/table. There is no report for the employer contributions however from 2014/2015 this is now added to & found on the same screen/table as the member contributions. As the information is now put on the screens mentioned, through the annual returns process, there is minimal risk moving forward	96% of members have contribution history
Pension and benefit payments		
Date of payment	There isn't a report available for this area. The Lump Sum payments are held on outgoing single payments. The status history screen/table shows the date the member became a pensioner, the date they were paid pension from and on the payroll record for the member it shows the frequency and on the payroll transaction enquiry screen is shows the payment dates for pension paid. The lump sum payment details have to be retained due to the process they are done through so there is no risk of it being missing. The date of payment for pension benefits cannot be missed as this is set for all relevant eligible payees when the payroll process is started once the previous months has ended. This is a UPM process & has to be done so there is minimal risk of the data being missing.	
Payments made to any member who leaves the scheme other than on a transfer	We believe that this covers Refunds of contributions to members. There isn't a report available for the 5 areas mentioned below.	

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Members name	Information can be found in the folder details. Members name has to be on a record for it to exist. There is minimal risk in this being missing.	
Leaving date	This can be found in the Status History screen/table. As part of the refund process this information has to be entered and so there is minimal risk of it being missing.	
Member's entitlement at that date	This information can be found in the Status History Screen/table on the Full Refund line. As part of the refund process in UPM this information is automatically written back as part of the calculation and so we feel there is no risk associated with this.	
Method for calculating any entitlement under the scheme	This information is not found on a screen or table. It can be found in the document list as a calculation document. This is produced as part of the refund calculation and so there is no risk of it being missing.	
How the entitlement was discharged	This information is found in the Single Outgoing Payment screen/table under payment method. This is automatically added when payment is made as part of the UPM refund process and so there is minimal risk of it being missing.	
Receipt or payment of money or assets relating to the transfer of members into or out of the scheme	There isn't a report available for the 5 areas mentioned below. The information mentioned is dealt with through the Transfer In process & the Transfer Out process.	
Member's name	Information can be found in the folder details. Members name has to be on a record for it to exist. There is minimal risk in this being missing.	
Transfer terms	Information is held in the Transfer screen/table and would either depict "Occupational" or "Private".	
Name of scheme member has transferred into or out	For a Transfer In, the name can be found in the transfer screen/table. This has to be entered as part of the process and so poses minimal risk of being missed. For a Transfer Out, the name of the scheme can be found in the Single Outgoing Payments screen/table. As this is done through the process it poses minimal risk of being missing.	
Transfer date	For a Transfer In, the transfer date can be found in the transfer screen/table. This has to be entered as part of the process and so poses no risk of being missed. For a Transfer Out, the transfer date can be found in the Single Outgoing Payments screen/table. As this is done through the process it poses minimal risk of being missing.	

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Date of receipt or payment of money or assets	For a Transfer In & a Transfer Out the date of receipt or date of payment can be found in the Single Incoming Payment screen/table and the Single Outgoing Payment screen/table.	
Payments made by or on behalf of the scheme manager to any person, except pension and benefit payments and payments made to members who leave the scheme (other than on a transfer)	Unclear what this may include. Our interpretation is: Death grants, balance of pension for estates or beneficiaries, Compensatory payments. There are no reports for the information required.	
Name and address of person that payment was made to	Beneficiary Details View screen/table will show death grant payments, the payee and their address can be found in the table behind the initial information held. For balance of pension payments the name and address is held on the RB2 form held in the documents and also the Balance of Payment Request form. It is not held on a screen or table. No screen specific to compensatory payments.	
Reason for payment	This can be found on the beneficiary details view screen for Death grants. The balance of pension payment reason is held on the manual calculation sheet on UPM in the document list and also identified in the coding used to upload to the ledger which is written back to Agresso when the payment is made.	
Any movement or transfer of assets from the scheme to any person	We are making an assumption that AVC retirement payments come under this section. Where either Prudential or Equitable life send us monies via cheque or Bacs to then be paid from us to the member. Further investigation into this is required but most payments go direct from Prudential to the member.	
Name and address of the person that the assets were moved or transferred to		
Reason for transaction		
Payments made to any employer participating in the scheme	We would only expect payments to fall due to an employer if an overpayment is made. In practice these are generally addressed through adjustments to subsequent payments rather than a return of monies to employers.	

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Any amount due to the scheme that has been written off in the scheme's accounts	This is now done through the Agresso system. Everything is run through an action and reports can be run off for them. The reports and Accounts produced each year will also contain this information and overpayments of pension benefits are recorded manually on a spread sheet. They are then analysed and updated quarterly. There is a screen that could be utilised in UPM called Overpayment table once it is unhidden/made available. Reports could possibly then be run for them. Discussions with the managers involved suggest minimal risk with missing data.	
Any other payment to the scheme	There is potential in the future to receive payments for fast track divorce cases or multiple quotes. If this is agreed or used then the information below would need to be integrated into the UPM system when dealing with them. As of now there are no other types for this area, so for now there is no known risk.	
Name and address of the person from whom it is received		
Where a payment is made in respect of a member, name of member		

Notes:

1. Where returned post is received, the Fund contacts employers and/or uses tracing agencies to obtain up-to-date address information which is then subject to a verification process. Web portal provides members with a facility to self-serve change of address.
2. The introduction of bulk data imports (BDI) for joiners in 2014 prevents the use of temporary NI numbers so the use of temporary NI numbers is historic. The Fund will liaise with employers to cleanse this data (noting that it will not be available in all cases e.g. beneficiaries under the age of 16).
3. Missing salary information is actively being investigated as part of the review of annual return data. Post 2014, under the new scheme and salary definition the Fund is reliant on the accuracy of the salary information provided by employers each year.
4. A number of the Fund's historic records are held on microfiche. These files continue to be reviewed and scanned on to member files to enhance the Fund's electronic records.

Appendix 2

Schedule of engagement with employers

Meetings have been held with 7 of the Fund's largest employers, covering 70% of the membership and 63% of the annual return errors.

Employer	Number of members	Date of meeting	Data report issued							Follow Up		
			Leavers	Joiners	Casuals	Null Address	Contribution Queries	Nil Contributions	2015 Annual return errors	1	2	
2*	30540	22/09/2015	29/09/2015	01/12/2015	4/01/2016						26/11/2015	16/12/2015
3	7861	12/11/2015	19/11/2015	19/11/2015	19/11/2015	19/11/2015	18/11/2015	18/11/2015	19/11/2015			
4	9109	29/10/2015	05/11/2015	10/11/2015	05/11/2015	05/11/2015	05/11/2015	05/11/2015	19/11/2015			
5	8047	28/10/2015	10/11/2015	03/11/2015	03/11/2015	03/11/2015	03/11/2015	03/11/2015	19/11/2015			
6	4941	10/11/2015	13/11/2015	13/11/2015	13/11/2015	13/11/2015	13/11/2015	13/11/2015	13/11/2015			
7	7062	24/11/2015	17/11/2015	27/11/2015		27/11/2015	27/11/2015	27/11/2015	27/11/2015			
8	7587	22/11/2015	03/11/2015	03/11/2015	03/11/2015	03/11/2015					20/11/2015	16/12/2015

*Note that the focus to date for this employer has been on pre 2014/15 data issues. We will shortly be finalising and issuing analysis of 2015 annual return errors and more recent queries.

In addition, a further three meetings have been held with two employers and a payroll provider for 15 employers. Work is underway to complete the analysis of the data errors for the remaining employers, starting with the largest 25 employers (which will increase coverage to approximately 85% of the membership), and others on request, as shown in the table below. As at 31 December 2015 we had completed and issued data analysis covering 76% of the membership.

Other Employers

Employer	Number of members	Date of meeting	Data sent					
			Leavers	Joiners	Casuals	Null Address	Nil Contributions	2015 Annual return errors
9	348	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
85	1852	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
115	332	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
127	387	23/11/2015	30/11/2015	30/11/2015	30/11/2015	30/11/2015	30/11/2015	30/11/2015
133	264	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
236	360	n/a	04/01/2016	04/01/2016	04/01/2016	04/01/2016	04/01/2016	04/01/2016
227	259	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
274	555	n/a	08/01/2016	08/01/2016	08/01/2016	08/01/2016	08/01/2016	08/01/2016
224	32	n/a	04/12/2016	04/12/2016	04/12/2016	04/12/2016	04/12/2016	04/12/2016
300	259	n/a	10/12/2015	10/12/2015	10/12/2015	10/12/2015	10/12/2015	10/12/2015
301	285	n/a	10/12/2015	10/12/2015	10/12/2015	10/12/2015	10/12/2015	10/12/2015
354	165	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
358	164	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
390	195	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
391	1	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
413	87	12/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015
440	58	12/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015
454	82	12/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015
455	295	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
460	34	12/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015
498	25	12/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015
575	33	12/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015
605	374	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015

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625	24	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
626	28	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
637	27	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
638	65	12/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015
690	39	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
692	56	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
719	61	12/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015
720	17	12/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015
721	21	12/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015
723	23	12/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015
725	17	12/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015
772	56	n/a	21/12/2015	21/12/2015	21/12/2015	21/12/2015	21/12/2015	21/12/2015
778	25	n/a	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015	23/12/2015
881	18	12/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015
887	34	12/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015	20/11/2015

Early January 2016 we issued invites to all employers to attend one of four workshops we are holding on the Annual Return process. These workshops are intended to look more broadly at the “customer journey” but will also provide an opportunity to discuss queries raised from the 2015 exercise.

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