

The Pensions Regulator

Code of Practice

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

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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

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	<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.

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	<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.

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	<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.

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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.

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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.

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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.

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	<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

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	<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.

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	<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	<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.

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	<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.