

The Pensions Regulator

Self assessment against the tPR 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, maintained by the Fund's in-house compliance team. • A breach procedure is in place and was approved by the Pensions Committee on 23 September 2015. • Employers are updated through the regularly published employer briefing note. Regular engagement is undertaken with employers together with coaching sessions outlining their responsibilities. • The Fund's compliance team has in place a compliance monitoring program ensuring the effective administration of the Fund. This is set against the TPR Code of Practice. • No reports were made during 2016 to the tPR in relation to breaches.
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. • Registrable information includes details about:- <ul style="list-style-type: none"> ○ The Scheme ○ The managers of the Scheme ○ Employers 		<p>Current practice</p> <ul style="list-style-type: none"> • WMPF is registered with tPR • The Fund's registrable information on Exchange online was fully reviewed in August 2016 and going forward will be updated as soon as possible following any changes.

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	<ul style="list-style-type: none"> 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"> WMPF responded to the TPR's questionnaire Compliance will fully review annually once published
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? 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? 		<p>Current practice</p> <ul style="list-style-type: none"> Compliance officers attend Team Management Meetings, to identify and evaluate risks with officers from each service area named as Risk Owner. Risks are recorded in a risk register with actions taken. Risks are reported quarterly at Senior Management Team meetings and at Pensions Committee meetings. Risk workshops are held annually, attended by Senior Managers with training delivered to Pensions Committee and Pensions Board members on the Fund's approach to risk management (operational) and investment risk WCC's audit department review and report on the Fund's risk management annually at Pensions Committee.

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	<ul style="list-style-type: none"> Do you regularly review the risk register? Do you have a standing item on the pension board agenda to review scheme risks? 		<p>Areas for development</p> <ul style="list-style-type: none"> The Fund is working to embed risk management in all areas of working practice
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. The scheme manager must communicate certain other information to scheme members when required. The Fund should provide communications that are accurate, clear and accessible. 		<p>Current practice</p> <ul style="list-style-type: none"> The Fund produced all available benefit statements by the statutory deadline for 2016. Where possible the Fund communicates electronically with members and has incorporated a new mail marketing system into its communication approach. The Fund has published its annual communications policy detailing the engagement with stakeholders throughout 2017. The Fund has a technical team who are able to interpret legislation and translate to user friendly guides and FAQ's published on the Fund's website <p>Areas for development</p> <ul style="list-style-type: none"> Throughout 2017 the Fund is focusing on pensioner engagement and will be exploring options for creating a pensioner newsletter and workshops

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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 and complies with the legislative requirement of publishing information. • The Fund submits information about its Board to the National Scheme Advisory Board who publishes a checklist on their website showing the Fund's compliance. • The Fund publishes Pensions Board agendas, papers and minutes. • The appointment process of the Pensions Board was presented to the Board for approval in January 2017 and has been used for the first time in 2017.
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. 		<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

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	<ul style="list-style-type: none"> 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>contributions received.</p> <ul style="list-style-type: none"> A new Debt Management Policy was implemented to assist the Fund in the recovery of contributions due. The Pensions Administration Strategy has been reviewed and updated in 2016 and outlines the Fund's approach to issuing fines for late payment of contributions <p>Areas for development</p> <ul style="list-style-type: none"> The Fund to continue to monitor and follow up any late or outstanding contributions
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. 		<p>Current practice</p> <ul style="list-style-type: none"> The Pensions Administration Strategy outlines the Fund's approach to issuing charges and re-charges to employers for their failure to submit clean data and accurate employer returns. Employer events during the year cover a range of topics, including what information employers are required to provide and the importance of data quality. (including but not limited to employer coaching, employer peer group, mid-year review and AGM). Members records are held on the Pensions Administration system (UPM) which has inbuilt checks.

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	<ul style="list-style-type: none"> • 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. • 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"> • Data protection is embedded in the organisation. All Fund employees have received training. • The Fund now has a dedicated Business Performance and Data Management team responsible for managing data quality • Data quality is a reportable KPI and is reported each meeting to the Senior Management and Pensions Committee. <p>Areas for development</p> <ul style="list-style-type: none"> • The fund has a workplan for ensuring the transition to the new General Data Protection Regulations • Ongoing engagement with employers to ensure accurate data and resolution of outstanding issues
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 		<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. All stages are monitored by the Fund's compliance team to ensure adherence to legislative timetables for resolution.

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	<p>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> <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 • Ensure that any 'specified person' undertaking the first stage of a two stage procedure is also implementing procedures 		<ul style="list-style-type: none"> • 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"> • IDR stage 2 applications logged and allocated a reference number. They are then acknowledged by the Fund. • IDR stage 2 decisions are communicated to individuals within 2 months. We notify the individual if this time frame is likely to be longer. 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. • During 2016 the IDR process and policy was updated to reflect the tPR's code and following consultation with employers.. • Employers are required to notify the Fund of IDR applications at the first stage. • Quarterly compliance checks are made of registered medical practitioners. • Compliance to monitor timescales are being adhered to for stage 1 and 2 – a new internal KPI has been introduced.

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			<p>Areas for development</p> <ul style="list-style-type: none"> • Further engagement with employers to ensure the process continues to be adhered to.
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. ○ 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 		<p>Current practice</p> <ul style="list-style-type: none"> • Conflicts of interest are declared at the start of each municipal year and are recorded at each Pensions Board and Pensions Committee meeting and annual declaration. • 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 are set out in the terms of references and the Fund's constitution. • The Pensions Board has an equal number of employer and member representatives.

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	<p>regulations or in other scheme documentation.</p> <p>Representation on boards</p> <ul style="list-style-type: none"> • Pension boards must have an equal number of employer and member representatives. 		<p>As above.</p> <p>From 2017/2018 financial year there will be nominations open for a third of the board to change.</p>