

# Pension Board Supplementary Agenda



- 8. Reporting Breaches of the Law** (Appendix E: Pages 3 - 8)  
For members to review the Fund's Reporting Breaches of the Law Policy and the Breaches of the Law Log.
  
- 9. Pension Fund Governance Review - Action Plan Progress**  
(Pages 9 - 22)  
For members to receive an update on the implementation of the findings from the Aon Governance Review.

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## APPENDIX E

### Reporting Breaches of the Law Policy

This document should be read in conjunction with the Terms of Reference for the Local Pension Board of Croydon Council Pension Fund dated 2 July 2015. Unless stated otherwise, the defined terms used in this document have the same meaning as attributed to them under the Terms of Reference document.

#### Legal requirements

Certain people are required to report breaches of the law in writing to the Compliance and Governance Manager as soon as reasonably practicable and where they have reasonable cause to believe that:

- A legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with, e.g. keeping records/internal controls; and
- The failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions.

Those subject to the reporting requirements in the context of public service pension schemes are as follows:

- A Scheme Manager
- Members of Local Pension Boards (“LPB’s”)
- Any person who is otherwise involved in the administration of a public service pension scheme
- Employers. In the case of a multiemployer scheme, any participating employer who becomes aware of a breach should consider their duty to report, regardless of whether the breach relates to, or affects members who are its employees or those of other employers
- Professional advisers including auditors, actuaries, legal advisers and fund managers
- Any person who is otherwise involved in advising the scheme manager in relation to the scheme

#### Implementing adequate procedures

Identifying and assessing a breach of law is important in reducing risk and providing an early warning of possible malpractice. Those people with a responsibility to report breaches, including Scheme Managers (in particular Pension Committee Members and officers) and LPB members (reporters) should establish and operate appropriate and effective procedures to ensure that they are able to meet their legal obligations. Procedures should enable people to raise concerns and facilitate the objective consideration of those matters

## **Procedures will include the following features:**

- Obtaining clarification of the law where it is not clear to those responsible for reporting
- Clarifying the facts around the suspected where they are not known
- Consideration of the material significance of the breach taking into account its cause, effect, the reaction to it, and its wider implications, including where appropriate, dialogue with the Scheme Manager or LPB
- The breach will be reported to the Governance and Compliance manager in the first instance, who will assess the cause, effect and the wider implications and determine if it is likely to be of material significance to the Pension Regulator and/or the Scheme Manager.
- A timeframe of 14 days for the procedure to take place that is appropriate to the breach and allows the report to be made as soon as reasonably practicable

## **Judging whether a breach must be reported**

Breaches can occur in relation to a wide variety of the tasks normally associated with the administration function of the scheme such as keeping records, internal controls, calculating benefits, making investments, or investments related decisions.

Having 'reasonable cause' to believe that a breach has occurred means more than merely having a suspicion that cannot be substantiated. Therefore, it is imperative that where a breach is suspected, reporters still refer the matter to the Compliance and Governance Manager so that investigations can be undertaken to establish whether or not a breach has in fact occurred and if the matter requires escalation to the Scheme Manager.

In establishing whether there is reasonable cause to believe that a breach has occurred, it is not necessary for a reporter to gather all the evidence which the Scheme Manager or the Pension Regulator may require before taking legal action.

It is also important that a reporter is aware that any delay in reporting any potential breach may exacerbate or increase the risk of the breach causing further and more significant issues.

## **The cause of the breach**

The breach is likely to be of material significance to the Scheme Manager or the Pension Regulator where it is for example, caused by (but not limited to):

- Dishonesty
- Poor governance, inadequate controls resulting in deficient administration, or slow or inappropriate decision-making practices
- Incomplete or inaccurate advice
- Acting (or failing to act) in deliberate contravention of the law

A breach will not normally be regarded as materially significant if it has arisen from an isolated incident, for example resulting from teething problems with a new system or procedure, or from an unusual or unpredictable combination of circumstances.

## **The effect of the breach**

Evidence in relation to any of the following matters is particularly important and likely to be of material significance to the Scheme Manager and the Pension Regulator:

- Local Pension Board members, Committee Members or officers not having the appropriate degree of knowledge and understanding
- Local Pension Board members, Committee Members or officers having a conflict of interest
- Adequate internal controls not being established and operated
- The right money/contributions not being paid to the scheme at the right time
- Internal Dispute Resolution Procedures not having been made and/or implemented
- Information about benefits and other information about scheme administration not being disclosed to scheme members and others
- Information about the Local Pension Board or Committee not being published
- The scheme not being administered properly
- Appropriate records not being maintained
- Local Pension Board members, Committee members or officers having misappropriated any assets of the scheme or being likely to do so
- Repeated miscalculations or incorrect payment of benefits which have a detrimental impact on scheme members

## **The reaction to the breach**

Where prompt and effective action is taken to investigate and correct the breach and its causes and, where appropriate, notify any affected members, the Pension Regulator will not normally deem it to be materially significant.

A breach is likely to be of concern and material significance to the Pension Regulator where a breach has been identified and those involved:

- Do not take prompt and effective action to remedy the breach and identify and tackle its cause in order to minimise risk of recurrence.
- Are not pursuing corrective action to a proper conclusion or
- Fail to notify affected scheme members where it would have been appropriate to do so.

## **Submitting a report to the Scheme Manager**

All reports of possible breaches must be submitted in writing to the Compliance and Governance Manager. However, if the matter is considered particularly serious by the reporter it can be preceded by a telephone call, and brought directly to the Scheme Manager's attention (if appropriate).

## **Reporting more serious concerns**

Where sufficiently serious concerns exist or where a concern has been raised with the Pension Committee and the LPB consider that the Pension Committee have not taken appropriate action to rectify the issue it may be more appropriate for the LPB to report these directly, to the Pensions Regulator. Such concerns could include (but are not limited to) fundamental breaches of the Regulations or a fundamental failure by Croydon Council to ensure the effective governance of the fund.

In such situations reports should be made directly to the Governance and Compliance Manager who will then take the appropriate action and may refer the matter to the Pensions Regulator.

## **Reporting Procedure**

Any member of the Scheme or member of staff is able to report a breach. The individual reporting such a breach will be referred to as the 'reporter'.

The reporter should, in the first instance, bring any concerns that a breach of the law has occurred to the Governance and Compliance Manager within 3 working days. To bring a suspected breach to the attention of the Governance and Compliance Manager, the reporter must submit the details of the suspected breach in writing by hard copy by post or by electric submission to the Governance and Compliance Manager.

Once received, the Governance and Compliance manager will undertake the necessary review of the reporting document and then decide whether this represents a breach in considering the above.

In line with guidance issued by the National Standards Board and any other guidance that may be applicable and introduced from time to time, the Governance and Compliance manager is able to:

1. Obtain clarification of the law if it is not clear;
2. Clarify the facts where they are not known; and
3. Consider the material significance of the breach.

This procedure allows for no more than 14 days to elapse from the time that the suspected breach is raised until the Governance and Compliance manager decides whether the breach must be reported further to the Scheme Manager and/or Pensions Regulator.

## **Review of Breaches of the Law log**

Alternate meetings of the Pension Committee and the Local Pension Board will receive a copy of the updated Breaches of the Law log providing the following information:

- Date
- Category
- Description and cause of breach
- Possible effect of breach and wider implications
- Reaction of relevant parties to the breach
- Reported/not reported (with justification if not reported with dates)
- Traffic light colour
- Outcome of report and/or investigations
- Outstanding actions

## Croydon Council

<b>REPORT TO:</b>	<b>Pension Board 15 October 2020</b>
<b>SUBJECT:</b>	<b>Pension Fund Governance Review – Action Plan Progress</b>
<b>LEAD OFFICER:</b>	<b>Nigel Cook Head of Pensions Investment and Treasury</b>

### 1. RECOMMENDATION

- 1.1. The Board are invited to comment on and note progress in respect of the Governance Review Action Plan.

### 2. EXECUTIVE SUMMARY

- 2.1. This report advises the Board of the progress made in the implementation of the Action Plan arising from the Aon Hewitt Governance Review of the Pension Fund. It invites them to comment as they see fit and note the progress.

### 3. DETAIL

- 3.1. At its meeting on 17 October 2019 the Board were asked to note the review of the Fund's governance arrangements prepared by Aon Hewitt. They were also asked to note that an action plan to deliver the findings would be developed and presented to the Pension Committee in December 2019 and, subsequently, to the Board.

- 3.2. The Board agreed:

*to fully endorse the findings of the Governance Review and to invite the Pension Committee to develop and, importantly, fully resource an action plan to comply with the Regulator's Code of Practice.*

- 3.3. A draft action plan, attached as Appendix A, was considered by the Committee on 11 February and they came to the following decision:

- 3.4. **RESOLVED:** *The Committee resolved to AGREE the report with the following revisions/additions:*

- I. An update on the implementation of the action plan will be provided to the Pension Committee every 12 months;*
- II. The Pension Committee will receive an item on conflicts of interests within 12 months of the meeting;*
- III. The need to follow/implement the decisions of the Pension Committee was reasserted; and*
- IV. An item to give consideration to representation and voting rights would be added to the Pension Committee's work programme.*

- 3.5. Developments since the Plan was agreed are included in Appendix A in red type.

#### **4. DATA PROTECTION IMPLICATIONS**

4.1. Will the subject of the report involve the processing of 'personal data'?

No.

**Approved by:** Lisa Taylor, Director of Finance, Investment and Risk, S151 Officer

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#### **CONTACT OFFICER:**

Nigel Cook, Head of Pensions Investment and Treasury,  
Finance, Investment and Risk  
Resources Department, ext. 62552.

#### **BACKGROUND DOCUMENTS:**

None.

#### **APPENDIX:**

A - Governance Action Plan (Updated as at October 2020)

## Governance Action Plan

The Croydon Pension Board commissioned Aon to carry out a Governance Review for the London Borough of Croydon Pension Fund which concluded in September 2019. Aon also undertook an independent review of the Fund's compliance with the Pension Regulator's (TPR's) Code of Practice No.14 which was completed in February 2019. Findings on both have been shared with senior officers of the Pension Fund and the Chair of the Pension Board.

This action plan relies heavily on work done by Aon on the Review. The table below sets out the areas which are recommended that the Fund consider in an action plan to address highlighted areas from the Governance Review and the review of compliance with TPR Code of Practice No.14. It includes timescales for action and aligns with the meeting schedule for both the Pensions Committee and Pension Board. These will be incorporated into the Fund's business plan.

The following action plan is set out in three overarching areas (i) Direction - which focuses on policies/strategies and the Fund's Annual Report and Accounts, (ii) Delivery - which focuses on how the Fund's implements its strategies and policies, together with appropriate monitoring as to whether they are being achieved, and good risk management to ensure effective and efficient delivery and (iii) Decisions - which focuses on the governance structure, approach to training and the overall ability of decisions makers to make appropriate decisions.

**Direction – What is the Fund trying to achieve?**

Having clear strategies and policies that also meet legislative requirements are fundamental. The following actions are drawn from the Aon Governance Report and TPR compliance review.

Reference	Title	Action	Officer Responsible	Due Date	Comments	Pension Board Review	Pensions Committee Decision	Date Completed
<b>1</b>	<b>Policies</b>							
1.1	<b>Knowledge and Skills Policy</b>	<p>Introduce a <b>Pension Fund Knowledge and Skills Policy</b> clarifying expectations for all those involved with the governance of the Fund (i.e. the Pensions Committee, Pension Board and Senior Officers). It should also have regard to the work with the London CIV.</p> <p>This needs to be supported by training, with reference to the CIPFA Guidance</p>	<b>Director of Finance, Investment &amp; Risk (Section S151) responsibility</b>	Q4 2019/20	<p>This recommendation was also made in the 2016 Governance review and not progressed. Local Pension Board Policy in place should be incorporated into one policy covering all areas. This policy should include details of the designated person, it is recommended this should be the S151 officer. If this is not achieved the shortfall can be reflected in individual training plans.</p> <p>Add list of documents that Board and Committee members should be conversant with to this policy.</p> <p>Links with training needs assessment and monitoring. It was also not clear if all Pension Board members have completed the TPR toolkit during the review.</p>	<p><b>Pension Board 2 APRIL 2020</b>  <b>14 January 2021 – Board to be invited to note the Knowledge and Skills Policy and the adoption of the CIPFA Knowledge and Skills Framework. Nigel to arrange for Committee and Board to complete the learning needs analysis and forward details of online training offered by the LGA (fundamentals).</b></p>	<p><b>Pension Committee September 2020</b>  <b>17 March 2020 – Committee agreed the Knowledge and Skills Policy and adopted the CIPFA Knowledge and Skills Framework. Policy has been amended to include Committee, Board and Senior Officers. It covers the CIV and includes a list of relevant documents. Individual training logs have been appended.</b></p>	

1.2	<b>Conflicts of Interest</b>	Review Pension Board Conflict Policy and then expand to cover all of those involved with the management of the Fund (i.e. Pension Committee and senior officers) in a Fund wide <b>Conflicts of Interest Policy</b> . It should also have regard to the work with the London CIV		Q4 2019/20	Completed.			
1.3	<b>Funding Strategy Statement</b>	Some minor amendments could be made to this to incorporate the London CIV as part as the 2019 valuation.	<b>Head of Pensions and Treasury - Nigel Cook</b>	Q4 2019/20	This will be reviewed as part of the 2019 valuation and these minor changes should be reflected there	<b>N/A</b>	<b>Pension Committee 17 March 2020 17 March 2020 – Committee agreed the Funding Strategy Statement</b>	
1.4	<b>Governance Policy and Compliance Statement</b>	Review overall policy and update Statutory Compliance Statement to ensure includes all required areas.  Update to reflect the delegated responsibilities and governance structure relating to LGPS pooling through the London CIV. For example there is no mention in the current policy of asset pooling, such as changes to delegated responsibilities or the new governance bodies (Shareholder Committee).	<b>Governance &amp; Compliance Manager</b>	Q4 2019/20	This needs to be reviewed again in March 2020.  The policy refers to two appendices. Appendix B states the extent to which it complies with points in the Secretary of State's Statutory Guidance however not all points from the 2008 guidance are included. The appendices to the Policy are not available on the Fund website and we have not seen evidence that it has been updated since 2017 (currently annual but moving to three yearly). Also must be approved by Committee.  Note links with 10.1, 10.2 and 10.3.	<b>Agreed by Pension Board on 17 October 2019 – If necessary to comply with "decisions 10.1-10.3" will be reported to the Pension Board on 16 January 2020. To be reported to Board on 14 January 2021. Currently being worked on.</b>	<b>Agreed by Pension Committee 17 September 2019 - If necessary to comply with "Decisions 10.1-10.3" will be reported to Pension Committee on 17 March 2020 To be reported to Committee on 3 November 2020 Currently being worked on.</b>	
1.5	<b>Investment Strategy Statement</b>	On next review once the 2019 valuation is concluding, re-introduce the Myners Compliance Statement.	<b>Head of Pensions and Treasury - Nigel Cook</b>	Q1 2020/21	This will be reviewed as part of the 2019 valuation and these changes should be reflected there	<b>N/A</b>	<b>In accordance with decision of Pension Committee on 5 November 2019 the revised statement will be produced by officers under delegated powers by 31 March 2020</b>	

1.6	<b>Breaches of the Law Policy</b>	Review current Pension Board breaches procedure but in doing so, expand to cover all of those involved with the management of the Fund (i.e. Committee and senior officers).	<b>Governance &amp; Compliance Manager</b>	Q1 2020/21	There appears to have been no updates or changes since the previous review. See breaches monitoring and recording (6.1)	<b>Pension Board July 2020 Procedure and documents updated to reflect gov review requirements</b>	<b>Pension Committee June 2020 15 September 2020 – Committee agreed revisions to Reporting Breaches of the Law Policy</b>	
1.7	<b>Communications Policy</b>	Consider whether Policy should be updated to include mention of London CIV.  Reference to risks relating to the policy and how they are managed should be added.	<b>Governance &amp; Compliance Manager</b>	Q1 2020/21	This was last reviewed in June 2017 and currently due annual review but move to three yearly so review no later than June 2020.	<b>Agreed by Pension Board On 17 October 2019.</b>	<b>Agreed by Pension Committee On 17 September 2019.</b>	
1.8	<b>Administering Authority Discretionary Policy</b>	Introduce a Pension Fund Administering Authority Discretionary Policy to provide clarity on these areas.	<b>Governance &amp; Compliance Manager</b>	Q1 2020/21	There have been no changes since the previous review. In a Board paper (January 2019) reference was made to a list of policies which are required, and this included a Policy Statement of Exercise of Discretionary Powers. It is not known if the Board agreed to focus on this policy. This is legally required.	<b>Pension Board July 2020 14 January 2021 – Board to be invited to agree the Administering Authority Discretionary Policy Employer discretions policy also completed – Hr to decide on their response.</b>	<b>Pension Committee June 2020 8 December 2020 – Committee to be invited to agree the Administering Authority Discretionary Policy Employer discretions policy also completed – Hr to decide on their response</b>	
1.9	<b>Employer (admission / cessation / bulk transfer) Policy</b>	Consider whether to introduce admission and bulk transfer policies, to provide greater detail and expand on some of the areas in the FSS.  Update the "Policy for Employer leaving the Fund" in line with exit credit legislation (and review when further amendment regulations are made).	<b>Head of Pensions and Treasury - Nigel Cook</b>	TBC	Although not legally required, many administering authorities have now put admission and bulk transfer policies in place to provide greater detail and expand on some of the areas in the FSS.	<b>N/A</b>	<b>TBC</b>	

1.10	<b>General points relating to policies</b>	<p>As each policy/strategy is reviewed, ensure it includes all the key areas of aims/objectives, measures, risks, who was consulted, when/how approved, when it is due for next review.</p> <p>Ensure that all relevant policies are updated to reflect pooling through the London CIV Ltd.</p> <p>Ensure all policies/strategies and key documents are on the Fund's website (and a process is in place to update them as new versions are agreed).</p>	<b>Governance &amp; Compliance Manager</b>	Ongoing Work in progress				
<b>2</b>	<b>Annual Report and Accounts</b>							
2.1	<b>Approval</b>	Ensure all future years' annual report are formally approved by the Committee.	<b>Head of Pensions and Treasury - Nigel Cook</b>	Q2 2020/21	The Annual Report and Accounts was considered at the September 2018 Committee meeting, including the associated audit report. However, the report was noted rather than approved by the Committee.	<b>14 January 2021 – Board to be invited to note the Annual Report and Accounts 2019/2020</b>	<b>The 2018/2019 Annual Report and Accounts have been published. The 2019/2020 versions will be considered by Pension Committee September 2020</b>	
2.2	<b>Adherence with CIPFA Guidance</b>	Review content of annual report to ensure it adheres to CIPFA guidance.	<b>Head of Pensions and Treasury - Nigel Cook</b>	Q2 2020/21	The 2017/18 annual report again do not appear to include the elements of the CIPFA annual guidance that were missing in the previous years. Note more recent guidance has been issued so a review against that will be required. Officers set out an explanation for departures from the guidance – these departures were largely due to lack of data collected for new reporting requirements. These explanations were accepted by the auditor.		<b>The 2018/2019 Annual Report and Accounts have been published. The 2019/2020 versions will be considered by Pension Committee September 2020</b>	

## Delivery

Having a clear plan for implementing the Fund's strategies and policies, together with appropriate monitoring as to whether they are being achieved, and good risk management ensure effective and efficient delivery. The following actions are drawn from the Aon Governance Report and TPR compliance review.

Reference	Title	Action	Officer Responsible	Due Date	Comments	Pension Board Review	Pensions Committee Decision	Date Completed
<b>3</b>	<b>Business Planning</b>							
3.1	<b>Develop a Fund Business Plan</b>	<p>Introduce a <b>three-year rolling business plan</b> incorporating the following areas:</p> <ul style="list-style-type: none"> <li>- legislation (e.g. valuation, implementation of a forthcoming legislative changes),</li> <li>- performance monitoring (e.g. the review of an area of a service that is failing to meet the agreed service standard)</li> <li>- standard practice (e.g. review of advisers, review of strategies and policies),</li> <li>- the evolving environment (e.g. new investment vehicles, a greater focus on information technology efficiencies)</li> <li>- risk management (e.g. reviewing staffing structure due to increasing manpower risk).</li> </ul> <p>Ensure the Fund's Business Plan aligns with the London CIV Business Plan and that London CIV are aware of LB of Croydon Pension Fund's requirements.</p>	<b>Governance &amp; Compliance Manager</b>	Q2 2020/2021.	<p>CIPFA guidance set out the requirement to have a business plan in place for the Fund.</p> <p>There is no explicit business plan for the Fund. However, some elements that would make up a business plan are undertaken, including a forward plan of both Pension Committee and Pension Board business.</p> <p>The current practice should be improved and made more transparent with the development of a central business plan incorporating or summarising all of these elements in a single place of reference. It should include (or be agreed at the same time) as the Fund's budget, including London CIV costs, and should be approved by the Pension Committee.</p>	<b>Pension Board 2 April 2020 March 2021 – Board to be asked to agree Business Plan for 2021/24</b>	<b>Pension Committee September 2020. 15 September 2020 – Committee agreed the Pension Fund Business Plan 2020/23</b>	
<b>4</b>	<b>Performance Measurement</b>							

4.1	<b>Build on Key Performance Indicator (KPI) information/measures provided to Pension Committee</b>	<p>Introduce additional performance measures including funding, governance, administration and communications matters ensuring measures are aligned to the objectives within the Fund's policies and strategies. Key measures should be referenced in strategies and policies.</p> <p>Ensure Administration and Communication updates, including these performance measures, are a standing item on Committee agendas.</p> <p>Review the objectives of the London CIV and elements that were highlighted as part of the initial business case, to identify any further matters that can be more scientifically measured and reported to the Fund as key performance indicators, including in relation to costs.</p>	<b>Head of Service</b>	Q4 2020/21 (likely to have multiple stages)	<p>In the 2016 report Aon noted that investment activity is covered in detail in the Committee papers. Aon recommend that other areas including funding, governance, administration and communications matters are also covered during Committee meetings. There is evidence of improvement with regular inclusion of Key Performance Indicators (KPIs) covering mainly administration as well as updates on funding and governance matters.</p> <p>Note that CIPFA Annual Report guidance issued in March 2019 sets out requirements for KPIs relating to administration to be reported on annually.</p>	<b>Additional KPIs to be included at Pension Board 2 April 2020. Initial results have already been presented to the Board and Committee.</b>	<b>Additional KPIs to be included At Pension Committee 17 March 2020.</b>
4.2	<b>Data Improvement Plan</b>	Given TPR focus on data quality the Fund should develop a data improvement plan which should be subject to regular review. This should include regular measuring of and improving conditional and scheme specific data.	<b>Governance &amp; Compliance Manager</b>	December 2020.		<b>Pension Board July 2020 14 January 2021 – Board to be asked to agree Data Improvement Plan</b>	<b>Pension Committee December 2020.</b>
5	<b>Risk Management</b>						

5.1	<b>Risk Register</b>	<p>Risk register should be updated regularly and a standing item at the Pensions Committee and Local Pension Board meetings.</p> <p>TPR guidance states that a scheme manager "must establish and operate internal controls". LB of Croydon should ensure it full meets the requirements of this guidance.</p>	<b>Governance &amp; Compliance Manager</b>	Q4 2019/0	Completed. A 6-monthly review of the risk register happens. The Committee considers risks rated as amber or red.	<b>Full Register to be provided to alternate Pension Boards, i.e. 2 April 2020, September 2020, March 2021 and subsequent alternate. 14 January 2021 – Board to be asked to note the contents of Risk Register</b>	<b>Full register to be provided to alternating Pension Committees, i.e. 17 March 2020, September 2020, March 2021 and subsequent alternate meetings. 15 September 2020 – Committee noted contents of Risk Register 8 December 2020 – Committee to be asked to note contents of Risk Register</b>
5.2	<b>Formal review of risk management and time spent on risk management</b>	Suggest that activity to consider risk management and internal controls are undertaken and documented in addition to monitoring the risk register.	<b>Governance &amp; Compliance Manager</b>	Completed.	Internal and external audit reviews meet this requirement.	<b>Pension Board 2 April 2020</b>	<b>Pension Committee 17 March 2020 17 March 2020 – Risk Management Policy re-adopted</b>
<b>6</b>	<b>Breaches</b>						
6.1	<b>Breaches recording and monitoring</b>	Introduce a system to record and monitor breaches and introduce reporting of these to Committee and Board via a clear and regularly updates breaches log.	<b>Head of Service / Governance &amp; Compliance Manager</b>	Q2 2020/21	Should include but not be restricted to legal timescales for administration tasks (many of which are now in CIPFA annual report requirements).	<b>Report to each meeting 15 October – Board to be asked to note revisions to Reporting Breaches of the Law Policy and to note update of the Fund's Breaches of the Law Log</b>	<b>Report to each meeting 15 September 2020 – Committee agreed revisions to Reporting Breaches of the Law Policy and noted update of the Fund's Breaches of the Law Log 8 December 2020 – Committee to be asked to note update of the Fund's Breaches of the Law Log</b>
<b>7</b>	<b>Resources</b>						

7.1	<b>Adequate resources and succession planning</b>	Review appropriateness of staffing levels and consider succession planning	<b>Head of Service</b>	Ongoing	A number of senior officers involved in the management of the Fund have left the Administering Authority. Consider whether some of the areas for improvement identified in this report have been impacted by a lack of resource, and perhaps a gap in expertise, as result of these departures. If so, review the appropriateness of the staffing levels and also consider succession planning. This will be added to the administration KPI report.	<b>Monitored annually by the Pension Board.</b>	<b>The Chair of the Board reports annually to the Pensions Committee.</b>
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## Decisions

Having an appropriate governance structure, involving the right people, with the right attitude and the appropriate skills and knowledge is key. The following actions are drawn from the Aon Governance Report and TPR compliance review.

Reference	Title	Action	Officer Responsible	Due Date	Comments	Pension Board Review	Pensions Committee Decision
<b>8</b>	<b>Conflict of Interest</b>						
8.1	<b>Conflict of Interest declarations and approach for implementing Fund wide policy</b>	This should involve implementing the requirements of the Fund wide Conflict of Interest Policy including:  - it should clearly set out who conflicts should be reported to - require all parties to complete a declaration and allow for an annual exercise to reaffirm declarations - implement conflict register	<b>Governance &amp; Compliance Manager</b>	Completed.	Covered by Council's Constitution. .	<b>Interests disclosed at every meeting.</b>	<b>Interests disclosed at every meeting; there is a reference to the member's entry in the Register of Interests.</b>
<b>9</b>	<b>Knowledge and Skills</b>						
9.1	<b>Training plan implemented, assessed and managed</b>	Implement training plan as part of Knowledge and Skills Policy including: - training needs assessment of the Committee and Board annually. - introduce induction training and ongoing regular training on conflicts of interest and pension fund responsibilities (including fiduciary responsibility), and consider further training requirements relating to the London CIV and asset pooling. - consider further training opportunities including access to external training events to expand the knowledge of members. - an up to date training log should be maintained for the Board and Committee.	<b>Governance &amp; Compliance Manager</b>	Q2 2020/21.  Delivery is linked to 1.1 above.		<b>Nigel to arrange for Committee and Board to complete the learning needs analysis and forward details of online training offered by the LGA (fundamentals).</b>	<b>Policy has been amended to include Committee, Board and Senior Officers. It covers the CIV and includes a list of relevant documents. Individual training logs have been appended</b>

<b>10</b>	<b>Governance Structure</b>						
10.1	<b>Governance Structure – Functions of the Pensions Board</b>	Update Part 3 of the Constitution is updated to be consistent to avoid any confusion around the responsibilities of the Pension Board.	<b>Governance &amp; Compliance Manager</b>	June 2020.	Part of overall constitutional role	<b>June 2020 To be reported to Board on 14 January 2021</b>	<b>June 2020 To be reported to Committee on 3 November 2020</b>
10.2	<b>Governance Structure - Scheme of Delegation</b>	Consider officer delegations (within Constitution and more generally) and ensure they are clearly documented.  Given some concerns that have been raised about who makes decisions, consider review of the Committee terms of reference.	<b>Governance &amp; Compliance Manager</b>	Q1 2020/21	Completed.	<b>To be reported to Board on 14 January 2021</b>	<b>To be reported to Committee on 3 November 2020</b>
10.3	<b>Governance Structure - London CIV</b>	Update Constitution as required to reflect new London CIV governance arrangements.  Review information sharing with and from the London CIV and its governance bodies to ensure appropriate information is being provided to the officers, Pension Committee and Pension Board, and there is appropriate engagement.  Ensure that the new client engagement approach to be provided by the London CIV is agreed and put in place.	<b>Governance &amp; Compliance Manager</b>	Ongoing	Now in place.	<b>To be reported to Board on 14 January 2021</b>	<b>To be reported to Committee on 3 November 2020</b>
<b>11</b>	<b>Meeting Administration</b>						
11.1	<b>Meeting Minutes</b>	Review minutes to ensure appropriate level of detail and all comments and concerns raised at meetings are captured.	<b>Democratic Services</b>		Complete. Minutes are taken in the standard LB Croydon format. Members are able to request comments are noted in minutes.		

## Additional items

These are additional areas that arose from the review of compliance with the Pension Regulator's code of practice No. 14 and the Scheme Advisory Board (SAB) guidance.

Reference	Title	Action	Officer Responsible	Due Date	Comments	Pension Board Review	Pensions Committee Decision
<b>12</b>	<b>TPR Survey</b>						
12.1	<b>Annual Survey</b>	Ensure Response provided to TPR annual survey request - normally November each year	<b>Pensions Administration Manager.</b>	<b>Done.</b>	<b>To be completed by officers as required</b>	<b>Gov and Compliance Manager currently working on it- collating data in anticipation of issuing of notice from TPR</b>	
<b>13</b>	<b>Publishing information about the Board</b>						
13.1	<b>Website</b>	Consider adding additional information from Code of Practice paragraph 96 about the Pension Board and Pension Committee members onto the Fund website.	<b>Hymans, as provider of website.</b>	<b>In progress.</b>			
<b>14</b>	<b>Maintaining accurate member data</b>						
14.1	<b>Record Management Policy</b>	It is recommended that a Record Management Policy is implemented setting out how records are maintained and the future deletion policy.	<b>Pensions Administration Manager.</b>	December 2020		Jan-21 <b>To be reported to Board in March 2021</b>	NA
14.2	<b>AVC providers</b>	Consider checking with AVC providers regarding data held.	<b>Pension Administration Manager.</b>	Done	Done	<b>Done</b>	
<b>15</b>	<b>Maintaining contributions</b>						
15.1	<b>Formalise procedure regarding reporting and monitoring contributions</b>	Suggest the Fund formalise reporting and monitoring requirements for receipt of contributions in formal process notes and refer to in administration strategy.	<b>Governance and Compliance Manager</b>	<b>December 2020.</b>		Dec-20  Much work has been done around this. New templates issued and checking sheet put in place. Currently working on I-connect employers and liaising with accountancy regarding payment receipt reconciliation. Process to be created when these items are finalised.	NA
<b>16</b>	<b>Providing information to members and others</b>						

16.1	<b>ABS - Active</b>	Ensure accompanying notes to ABS statement are fully compliant with requirements	<b>Pensions Administration Manager.</b>	Q1/2 2020/21	Active ABS and notes independently reviewed by Aon & not fully compliant. To be addressed by reporting KPIs.		
16.2	<b>ABS - Deferred</b>	Ensure accompanying notes to ABS statement are fully compliant with requirements	<b>Pensions Administration Manager.</b>	Q1/2 2020/21	Deferred 2018 ABS and notes independently reviewed by Aon & not fully compliant.	<b>Engage with Board to complete - Officers to lead.</b>	<b>Share confirmation with Pensions Committee for information.</b>
16.2	<b>Benefit Statements - requested by member</b>	We suggest that KPI/SLA statistics are held on whether benefit statements following a request by an active, deferred or pension credit member are provided no more than two months after the date the request is made.	<b>Pensions Administration Manager.</b>	Ongoing	To be included in the KPI reporting process.	NA	NA
<b>17</b>	<b>Internal Dispute Resolution</b>						
17.1	<b>IDRP</b>	Next update to this guide to include details on what is exempt (as per section 50(9) of the 1995 Pensions Act.  Officers also confirmed they would check approach of non-administering authority employers relating to stage 1 IDRPs.  It is recommended that the Fund maintain a log of IDRP cases is maintained including receipt and issuing of letters to monitor timescales.	<b>Head of Pensions Administration.</b>	December 2020.		<b>Engage with Board to complete</b>	Committee to sign off PENSION COMMITTEE SEPTEMBER 2020 December 2020
17.2	<b>TPAS role - amend guidance</b>	Update to include details on what is TPAS role now is.	<b>Head of Pensions Administration.</b>	June 2020.	The signposting requirements have changed as a result of the disputes arm of TPAS moving to the Ombudsman. The guide needs to be updated to reflect this as it still refers to TPAS offering support for disputes. TPAS is now only available for general guidance.	June	NA
<b>18</b>	<b>SAB requirements</b>						
18.1	<b>Freedom of Information</b>	Suggest report to Pension Board on FOI compliance is issued by officers, this should be accompanied by appropriate guidance and or training (as required).		TBC	Will follow the same process as the Council.		Done - Council FOI process
18.2	<b>Board Annual Report</b>	Consider producing an annual report for the Board (which could form part of the Fund's annual report).	<b>Governance and Compliance Manager.</b>	Done	We would expect this to be prepared by the Board itself, probably initial draft by the Chair.	<b>To be reported to Board on 15 October 2020</b>	Done and keep separate. Check guidance.