



TPR General code of practice

Clwyd Pension Fund - Scheme Assessment

Prepared for: Flintshire County Council
Clwyd Pension Fund Committee
Clwyd Pension Board

Prepared by: Aon
Date: 31 May 2024

Introduction






TPR Code Compliance model

This report sets out how Clwyd Pension Fund complies with the Pension Regulator's (TPR) General code of practice (the Code) in relation to the management of the Clwyd Pension Fund which is part of the Local Government Pension Scheme (LGPS).

Note that the Code applies to governing bodies of all occupational, personal and Public Service Pension Schemes and therefore it is generic in nature. This document highlights all the key elements of the Code relevant to Public Service Pension Schemes and sets out whether Flintshire County Council is compliant in each of the Code's modules. There may be a number of requirements relating to these elements that are specifically stipulated within LGPS legislation and it is not the purpose of this compliance model to consider that level of detail.

Key

-  Compliant
-  Compliant in some but not all areas
-  Not currently compliant

PFC Pension Fund Committee

PB Local Pension Board

TPR The Pensions Regulator

LGPS Local Government Pension Scheme

Code TPR's General code of practice



The governing body

The governing body – at a glance



Board Structure and activities

Fully compliant in 0 out of 5 modules



6 questions are red and 5 questions are amber out of 30 questions.

Advisers and service providers

Fully compliant in 0 out of 1 module



1 question is red and 2 questions are amber out of 19 questions.

Scheme governance

Fully compliant in 0 out of 1 module



No questions are red and no questions are amber out of 24 questions. 24 questions are unanswered.

Knowledge and understanding requirements

Fully compliant in 0 out of 2 modules



No questions are red and 5 questions are amber out of 20 questions.

Risk Management

Fully compliant in 2 out of 6 modules



6 questions are red and 4 questions are amber out of 50 questions. 7 questions are unanswered.

Essential actions

- Confirm that Induction training includes all required items, particularly for PB and Co-opted member induction.
- Review appointments section of the Governance Policy and ensure it includes all required elements
- Document where the Fund is not in full control of the recruitment process for the governing body particularly where this might impact on having an inclusive process.
- Document where the Fund is not in full control of the review process for the governing body particularly where this might impact on having a diverse membership.
- Complete the succession planning work set out in the 2024/25 Business Plan
- Incorporate resignation and removal processes into the Governance Policy based on FCC's policies.
- Confirm what processes relating to the appointment of the PFC and PB chairs are set out in the Constitution and PB Protocol
- Consider what training should be offered to PFC and PB Chairs

Comments

ORA not considered a priority at this time.

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

The governing body



Modules

Board structure and activities

- Role of the governing body (1)
- Recruiting and appointment to the governing body (2,6)
- *Arrangements for member-nominated trustee appointments (7)*
- Appointment and role of the chair (5)
- Meetings and decision-making (1)
- Remuneration and fee policy (4)

Knowledge & understanding requirements

- Knowledge and understanding (3,6)
- Governance of knowledge and understanding (3,6)

Value for scheme members (DC only)

- *Value for members (7)*

Notes:

The numbers next to the module names above set out Aon's interpretation of the Code for Public Service Pension Schemes. Please note it should not be taken as legal advice.

- (1) Applies
- (2) Mostly applies
- (3) Partially applies
- (4) Good practice
- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply

Advisers and service providers

- Managing advisors and service providers (4)

Risk management

- Identifying, evaluating and recording risks (1)
- Internal controls (1)
- Assurance reports on internal controls (1)
- Scheme continuity planning (4)
- Conflicts of interest (3,6)
- Own risk assessment (4)
- *Risk management function (7)*

Scheme governance

- Systems of governance (4)





Funding and investment

Funding and investment – at a glance



Investment

Fully compliant in 2 out of 4 modules



No questions are red and 6 questions are amber out of 37 questions.

Essential actions

- Consider whether investment performance reporting is done on both a gross and a net basis (of fees)
- Consider monitoring the investment risks at a manager level as well as a portfolio level
- Consider the operational risks of climate change
- Consider the short, medium and long term effects of climate change on the Fund's operations
- Document the review of operational risks of climate change
- Document the process to manage and assess the operational risks of climate change

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Funding and investment



Modules

Investment

- Investment governance (4)
- *Investment decision making (7)*
- Investment monitoring (4)
- Stewardship (6)
- Climate change (3,6)
- *Statement of investment principles (6)**
- *Default arrangements and charge restrictions (7)*

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- (6) Partially good practice
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* Note that for the Statement of investment principles module the Code references good practice for PSPSs. However, due to the overriding legal requirement to have an Investment Strategy Statement (ISS) in place we have not included any questions on this module but have referred to the ISS within the Investment governance module.





Administration

Administration – at a glance



Scheme administration

Fully compliant in 0 out of 1 module



1 question is red and 4 questions are amber out of 16 questions.

Information handling

Fully compliant in 1 out of 4 modules



No questions are red and 8 questions are amber out of 42 questions.

Essential actions

- Ensure the person responsibility for each administration process is documented
- Ensure a regular review process is put in place as part of documenting the administration processes
- Ensure all administration processes are documented
- Finalise business continuity plan
- Ensure all administration processes are documented and a review process is put in place
- Document all financial transactions processes and ensure ongoing review cycle is implemented
- Ensure financial transaction approvals processes are documented
- Ensure regular discussions take place with employer issuing payments via cheque
- Implement a process to check reports from Accounts Payable show payment timeframes are being met, and regular reports are being received and are acted on
- Ensure all processes relating to record keeping for administration transactions are documented,

IT

Fully compliant in 0 out of 2 modules



No questions are red and 5 questions are amber out of 17 questions.

Contributions

Fully compliant in 0 out of 3 modules



2 questions are red and 6 questions are amber out of 13 questions.

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Administration



Modules

Scheme administration

- Planning and maintaining administration (1)

Information handling

- Financial transactions (1)
- Transfers out (2)
- Record-keeping (3,6)
- Data monitoring and improvement (1)

IT

- Maintenance of IT systems (1)
- Cyber controls (2,6)

Contributions

- Receiving contributions (3)
- Monitoring contributions (1)
- Resolving overdue contributions (1)

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- (5) Mostly good practice
- (6) Partially good practice
- (7) Does not apply





Communications and disclosure

Communications and disclosure – at a glance



Information to members

Fully compliant in 2 out of 5 modules



4 questions are red and 2 questions are amber out of 22 questions.

Public information

Fully compliant in 1 out of 2 modules



1 question is red and 1 question is amber out of 14 questions.

Essential actions

- Review member letters, forms and factsheets to confirm they apply the principles of plain language
- Consider more targeted communications and roadmaps in line with Communications Strategy and Business plan
- Confirm with Prudential that their benefit statements are sent on time
- Confirm with Prudential and Utmost that the benefit statements content meets the legal requirements around information provided
- Confirm that information about Pension Wise is included with applications for members taking their AVCs
- Review the Pension Board website page to ensure the information provided meets the requirements of the code
- Document the review process for Pension Board information on website

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Communication and disclosure



Modules

Information to members

- General principles for member communications (1)
- *Annual pension benefit statements (DC)* (7)
- *Summary funding and pension benefit statements (DB)* (7)
- Benefit information statements (PSPS) (1)
- Retirement risk warnings and guidance (1)
- Notification of right to cash transfer sum or contribution refund (2)
- *Chair's statement* (7)
- Scams (1)
- *Audit requirements* (7)

Public information

- Publishing scheme information (PSPS) (2,6)
- Dispute resolution procedures (2,6)

Notes:

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Reporting to TPR

Reporting to TPR – at a glance



Regular reports

Fully compliant in 1 out of 1 module



No questions are red and no questions are amber out of 3 questions.

Whistleblowing- Reporting breaches of the law

Fully compliant in 2 out of 4 modules



No questions are red and 3 questions are amber out of 11 questions.

Essential actions

- Communicate the requirements under the breaches procedure to employers as part of update to Administration strategy and annual employer update
- Highlight the availability of training in relation to breaches requirements (in addition to other training) when communicating with employers
- Consider how to ensure employers are aware of the duty to report contribution breaches and put in place a CPF escalation process
- Improve recording of contribution payment failures to expand information being captured

Comments

The Administering Authority have selected to answer all questions within this section.

The Administering Authority have selected to include all questions when determining whether they comply with the Code within this section.

Reporting to TPR



Modules

Regular reports

- Registrable information and scheme returns (1)

Whistleblowing - reporting breaches of the law

- Who must report (1)
- Decision to report (1)
- How to report (1)
- Reporting payment failures (1)

Notes:

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The information set out in this report is based on the expectations set out in the Code, compared to your current practice and it is not a regulatory and compliance audit. The information is based on the responses by the Administering Authority to questions set by Aon based on information contained in the Code.

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