

Summary of measures not yet completed and compliant

Summary date: 27 January 2021

No.	TPR Requirement	Notes from TPR Code	Clwyd Pension Fund Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B - Knowledge and Understanding									
B9	Does the Fund offer pre-appointment training for new pension board members or mentoring by existing members?	<p>56 - Newly appointed pension board members should be aware that their responsibilities and duties as a pension board member begin from the date they take up their post. Therefore, they should immediately start to familiarise themselves with the scheme regulations, documents recording policy about the administration of the scheme and relevant pensions law. Schemes should offer pre-appointment training or arrange for mentoring by existing pension board members.</p> <p>This can also ensure that historical and scheme-specific knowledge is retained when pension board members change.</p>	<p>Induction process in Training Policy including providing all with copies of key documents.</p> <p>Pre appointment training/mentoring is not currently offered. Training is provided on appointment and ongoing basis instead.</p>	Ongoing (annual check)	16 Jun 2020	Fully completed	Partially compliant	No further action planned. Acknowledged by the PB at 25/02/2020 meeting.	
B12	Have the pension board members completed the Pension Regulator's toolkit for training on the Code of Practice number 14?	<p>59 - The regulator has provided an e-learning programme to help meet the needs of pension board members, whether or not they have access to other learning.</p> <p>If schemes choose alternative learning programmes they should be confident that those programmes:</p> <ul style="list-style-type: none"> - cover the type and degree of knowledge and understanding required - reflect the legal requirements, and - are delivered within an appropriate timescale. 	<p>It is the intention that all PB and PC members will carry this out. However, focus has been on completing other induction training. Some PB/PC members have already completed some modules.</p> <p>In 2018 it was agreed to cover these areas as part of the general CPF customised training rather than requiring members to complete the toolkit modules.</p>	Ongoing (annual check)	16 Jun 2020	Fully completed	Partially compliant	PB acknowledged at 25 Feb 2020 meeting that it remains the case that the tool is not bespoke to LGPS needs and more bespoke training is being provided in these areas.	
D - Publishing information about schemes									
D4	Does the Administering Authority public information about pension board business?	<p>97 - Schemes should also consider publishing information about pension board business, for example board papers, agendas and minutes of meetings (redacted to the extent that they contain confidential information and/or data covered by the Data Protection Act 1998). They should consider any requests for additional information to be published, to encourage scheme member engagement and promote a culture of transparency.</p>	<p>PB are not public meetings so details are currently not published, though Flintshire may publish information relating to the PB from time to time. PB meeting minutes become part of PFC meetings and are therefore public. Link to PFC meetings on PB page of web site.</p> <p>An annual report by the Chair of the PB is prepared and published as part of the annual report and accounts.</p> <p>Members of the public can also request access to meeting papers.</p>	Ongoing (annual check)	16 Jun 2020	Fully completed	Partially compliant	Board agreed (25 February 2020 meeting) with the position on public information and no further action required.	Deb/Karen adding link to PFC meetings on PFC webpage
E - Managing risk and internal controls									
E7	Does the Administering Authority have adequate systems, arrangements and procedures (internal controls) in place for the administration and management of the Fund and are they documented?	<p>101 - The scheme manager must establish and operate internal controls. These must be adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and in accordance with the requirements of the law.</p> <p>A failure to have adequate internal controls may cause an administrative breach of the law.</p> <p>102 - For these purposes 'internal controls' means:</p> <ul style="list-style-type: none"> - arrangements and procedures to be followed in the administration and management of the scheme - systems and arrangements for monitoring that administration and management - arrangements and procedures to be followed for the safe custody and security of the assets of the scheme <p>103 - Internal controls should include:</p> <ul style="list-style-type: none"> - a clear separation of duties - processes for escalation and /decision making - documented procedures for assessing and managing risks, reviewing breaches of law and managing contributions <p>105 - The scheme's internal controls should address significant risks which are likely to have a material impact on the scheme. Scheme managers should employ a risk-based approach and ensure that sufficient time and attention is spent on identifying, evaluating and managing risks and developing and monitoring appropriate controls. They should seek advice, as necessary.</p>	<p>Based on a high level discussion, it is considered that there is a good awareness of appropriate internal controls and these appear to be in place. The Fund has process notes in place for known processes and new process notes are put in place for new areas so the Fund is compliant as it believes possible in current circumstances.</p> <p>For example, in relation to administration, different roles have different access and ability to carry out certain functions on the systems. There are, for example, limitations on who can check and get access to certain things (do, check, review process) and system won't allow anything to be done by a person without correct authority. Doing and checking can be done by the same person if at the right level but if this were the case a report on this goes to the Pension Administration Manager and investigated. A list of users and levels is available on altair. Also staff cannot access their own pension records.</p> <p>The Fund has put into place reporting on performance against the identified KPIs, and there are SLAs with the Employers to attempt to ensure timely and accurate data and contributions. The Pensions Administration Strategy sets out the greater focus the Fund has on systems (i.e. i-Connect).</p> <p>The finance team make good use of spreadsheets to carry out control checks in relation to movement of monies and bank reconciliation. Further information is included in point F3. They are in the process of documenting their existing procedures for contribution and employer information checking (also see G1).</p>	Ongoing (annual check)	16 Jun 2020	Fully completed	Partially compliant	Process notes for Finance Team in development	

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G - Maintaining contributions									
G1	Does the Fund have procedures and processes in place to identify payment failures?	<p>150 - The scheme manager should ensure that there are effective procedures and processes in place to identify payment failures that are – and are not – of material significance to the regulator. A 'payment failure' is where contribution payments are not paid to the scheme by the due date(s), or within the prescribed period and a 'materially significant payment failure' refers to a payment failure which is likely to be of material significance to the regulator in the exercise of its functions.</p> <p>151 - Schemes should monitor pension contributions, resolve payment issues and report payment failures, as appropriate, so that the scheme is administered and managed in accordance with the scheme regulations and other legal requirements.</p>	<p>Spreadsheet in place showing expected contributions and is compared with how much paid by each employer. Pay is stored on there as well. If late, the expected amount (and contribution once paid) is highlighted red. Employer SLA is 19th/22nd of the following month for both employee and employer conts. SLA says the Fund may charge interest on late payments but to date this has not been implemented.</p> <p>The sheet is monitored on receipt of remittance(s) and/or payment received, and a key check carried out on the 19th/22nd to identify late payments. However there is currently no procedure documented for this and is down to an individual on the team being available to do this. Few employers have payment timing issues, so there is no formal procedure to follow when failures happen. In practice, failures are raised with the DHPF and the team will chase the employer via phone or email first. Remittance advices updated to include APP and 50/50.</p>	Ongoing (annual check)	25 Jun 2020	Fully completed	Partially compliant		Document procedures for dealing with late and incorrect payments. (DHPF)
G2	Do those processes and procedures include a contributions monitoring record to determine whether contributions are paid on time and in full?	<p>152 - Adequate procedures and processes are likely to involve:</p> <ul style="list-style-type: none"> - developing a record to monitor the payment of contributions - monitoring the payment of contributions - managing overdue contributions, and - reporting materially significant payment failures. <p>156 - A contributions monitoring record will enable schemes to check whether contributions have been paid on time and in full, and, if they have not, provide a trigger for escalation for schemes to investigate the payment failure and consideration of whether scheme managers need to report to the regulator and, where relevant, members.</p> <p>157 - A contributions monitoring record should include the following information:</p> <ul style="list-style-type: none"> - contribution rates - the date(s) on or before which employer contributions are to be paid to the scheme - the date by when, or period within which, the employee contributions are to be paid to the scheme - the rate or amount of interest payable where the payment of contributions is late. 	<p>The spreadsheet highlights where a payment is not received by the 19th/22nd of each month. It also highlights if contributions could be incorrect by comparing salary vs contribution rate employer rates so there appears to be robust checks in place. If rates paid by employer do not look consistent this will be raised. There is no formal documented procedure (albeit the spreadsheet does store all the historical information too). For employee contributions checks are made via i-Connect system to assess accuracy. For those employers not using i-Connect the year-end file is used to reconcile employee contributions.</p> <p>Remittance advices updated for Financial year April 2019 to compliment the new Employer Compliance Certificate produced.</p>	Ongoing (annual check)	25 Jun 2020	Fully completed	Partially compliant		Formalise procedures for dealing with late payments (as above).
G3	Do those processes and procedures include monitoring payments against the contributions monitoring record on an ongoing basis?	<p>161 - Schemes should monitor contributions on an ongoing basis for all the membership categories within the scheme. Schemes should regularly check payments due against the contributions monitoring record.</p> <p>162 - Schemes should apply a risk-based and proportionate approach to help identify employers and situations which present a higher risk of payment failures occurring and which are likely to be of material significance and require the scheme manager to intervene.</p> <p>163 - Schemes should be aware of what is to be paid in accordance with the contributions monitoring record or other scheme documentation, which may be used by the pension scheme. Schemes should also have a process in place to identify where payments are late or have been underpaid, overpaid or not paid at all.</p> <p>164 - For schemes to effectively monitor contributions they will require access to certain information. Employers will often provide the payment information that schemes need to monitor contributions at the same time as they send the contributions to the scheme.</p> <p>165 - Schemes should have adequate internal controls in place to monitor the sharing of payment information between the employer, pension scheme and member. Where the necessary payment information is not automatically available or provided by employers, schemes should request the additional information they need. Schemes may not need to obtain payment information as a matter of course, only where it is required for effective monitoring.</p> <p>165 - Scheme managers must record and retain information on transactions, including any employer and employee contributions received and payments of pensions and benefits, which will support them in their administration and monitoring responsibilities.</p> <p>166 - Where the administration of scheme contributions is outsourced to a service provider, schemes should ensure that there is a process in place to obtain regular information on the payment of contributions to the scheme and a clear procedure in place to enable them to identify and resolve payment failures which may occur.</p>	<p>The process includes reconciliation with the payment received and shown in the financial system.</p>	Ongoing (annual check)	25 Jun 2020	Fully completed	Partially compliant		Processes still to be documented

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G4	Are these procedures regularly reviewed to ensure they are effective?	171 - The regulator recognises that a monitoring process based on information provided by employers may not be able to confirm deliberate underpayment or non-payment, or fraudulent behaviour by an employer. Schemes should review current processes or develop a new process which is able to detect situations where fraud may be more likely to occur and where additional checks may be appropriate.	Payments are, on the whole, usually on time but no formal review of the process/procedure is undertaken. This will be incorporated as a part of formalising the procedure. Audit activity in this area both in relation to the Annual Report and Accounts and Administration Audit. Internal Audit review the process followed for contributions. External Audit undertake a reasonableness check to compare their expected contributions against actual received contributions.	Ongoing (annual check)	25 Jun 2020	Fully completed	Partially compliant		Ensure documented process includes a regular review of effectiveness of process.
G5	Do the Administering Authority's processes include managing overdue contributions in line with TPR's suggested approach?	168 - When schemes identify or are notified of a problem, they should assess whether a payment failure has occurred before taking steps to resolve and, if necessary, report it. During their assessment, schemes should take into account: - legitimate agreed payments made directly by an employer for scheme purposes, i.e. where the scheme has agreed that a contributions payment can be made late due to exceptional circumstances - legitimate agreed payment arrangements made between an employee and employer, i.e. where the employer has agreed that a contribution payment can be made late due to exceptional circumstances - contributions paid directly to a pension provider, scheme administrator or investment manager - any AVCs included with an employer's overall payment. 169 - Where schemes identify a payment failure, they should follow a process to resolve issues quickly. This should normally involve the following steps: a. Investigate any apparent employer failure to pay contributions in accordance with the contributions monitoring record or legal requirements. b. Contact the employer promptly to alert them to the payment failure and to seek to resolve the overdue payment. c. Discuss it further with the employer as soon as practicable to find out the cause and circumstances of the payment failure. d. Ask the employer to resolve the payment failure and take steps to avoid a recurrence in the future.	TPR's suggested approach is followed. This will be formally documented. The CPF Breaches Procedure is in place to monitor this area. All breaches are reported to the PB and PFC regularly.	Ongoing (annual check)	25 Jun 2020	Fully completed	Partially compliant		Formalise procedures for dealing with late and incorrect payments.
H - Providing information to members and others									
H7	Is basic scheme information provided to all new and prospective members within the required timescales?	200 - Managers must disclose certain basic information about the scheme and the benefits it provides to a prospective member (if practicable to do so) or a new member. Where the manager has received jobholder information for the member or prospective member they must provide the information within a month of the jobholder information being received. Where they have not received jobholder information, they must provide the information within two months of the date the person became an active member of the scheme. 201 - Managers must also provide the information on request to a relevant person within two months of the request being made, except where the same information was provided to the same person or trade union in the 12 months before the request.	When CPF notified, they send a starter letter with Member Self-Service registration details to all new members. Once member registers on Member Self-Service they are provided with a starter pack including relevant forms to complete. Within Member Self-Service there is a brief guide to scheme. Employers may also provide this information but Fund cannot confirm in all cases. Councillor members are provided this information in paper format. All documentation is reviewed as and when changes arise (as well as part of periodic process reviews) and the Fund ensure they meet legal requirements. Also the Fund measure against the 2 month legal timescale for information to be provided to member. Fund has implemented i-Connect which highlights new members on a monthly basis rather than end of year and so helps solve them throughout the year. For those employers providing information in paper format a year-end exception report is reviewed to identify any differences and flags any missing starters. Statistics are now available through KPI monitoring. They are reported monthly and this information is reviewed at each PFC and PB meeting.	Ongoing (annual check)	10 Jul 2020	Fully completed	Employers - Partially compliant	Whilst CPF are considered compliant here we are awaiting employer KPI stats before moving from 'partially compliant'.	Evaluating current KPI timescales structure and feedback to be given to Employers on a monthly basis from April 2020 with reporting expected Q3 2020/21.
H10	Is all other information provided in the format and methods required by law?	See above.	Fund monitor all legally required timescales as part of KPI reports which are issued to PFC and PB. Where issues arise with employer failing to provide data or providing inaccurate data the Fund works with that employer to rectify situation to ensure processes can be carried out correctly and within required timescales. All information is provided in line with Disclosure Regulations and the Fund ensures changes are reflected as and when they arise. In addition the Fund carries out process reviews which considers content of all documents to members. In addition the Fund's Benefit Adviser undertakes an annual review of the actively provided AVCs via Prudential.	Ongoing (annual check)	10 Jul 2020	In progress	Partially compliant	From September 2020 the Fund must ensure it complies with new website accessibility requirements. As part of this work the Fund will also review content of information provided. In addition additional KPIs being developed by Fund for Q2 2020/21.	