

Cumbria LGPS Code of practice no.14 compliance statement

Governance of the Fund

The Code of Practice 14 notes that where it refers to “Pension Board” it considers that *“the scheme manager ... for a scheme has a pension board with responsibility for assisting the scheme manager to comply with the scheme regulations and other legislation relating to the governance and administration of the scheme and any requirements imposed by the regulator. The pension board must also assist the scheme manager with such other matters as the scheme regulations may specify. It will be for scheme regulations and the scheme manager to determine precisely what the pension board’s role, responsibilities and duties entail.”*

As set out within Part 2P of the Constitution of the Council, Section 2.1 (a) (iii) of the Local Pension Board’s terms of reference states that “the functions of the Local Pensions Board are to “Assist the Administering Authority of the Cumbria Local Government Pension Scheme secure compliance with... The requirements imposed by the Pensions Regulator in relation to the LGPS”.

Whilst the Local Pension Board is responsible for assisting the Administering Authority to ensure compliance with regulations imposed by the Pensions Regulator, it is the Pensions Committee that is a decision making body of the County Council (and constituted under S101 of the Local Government Act 1972).

Consequently, whilst the Code of Practice 14 details expectations of the “Pension Board”, the governance arrangements are such that these roles may be undertaken by either the Local Pension Board, the Pensions Committee or both. Obligations on individual Pension Board members set out within the Code (e.g. training) are considered by Cumbria to be equally relevant to Local Pension Board members and the Pensions Committee members.

Section: Governing your Scheme

Subsection: Knowledge and understanding required by pension board members [34 – 60]			RAG Rating: Green
Legal requirement	TPR's guidance	How the Fund complies with tPR Guidance	
A member of the pension board of a public service pension scheme must be conversant with: <ul style="list-style-type: none">• the rules of the scheme, and• any document recording policy about the administration of the scheme which is for	1. Schemes should establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding [38].	The Fund maintains a training policy reflecting the requirements for Knowledge and Understanding. The policy is reviewed on an annual basis when the training plan for the forthcoming year is agreed.	

<p>the time being adopted in relation to the scheme.</p> <p>A member of a pension board must have knowledge and understanding of:</p> <ul style="list-style-type: none"> • the law relating to pensions, and • any other matters which are prescribed in regulations. <p>The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the pension board.</p>	2. Schemes should designate a person to take responsibility for (1) [38].	The Senior Manager – Pensions & Financial Services is responsible for all training matters however it is an individual Local Pension Board (“Board”) member responsibility to establish and maintain their own personal knowledge and understanding. This is a different requirement from that of the Pensions Committee which is required to have the collective knowledge and understanding to ensure decisions are well informed and the outcomes understood.
	3. Schemes should prepare and keep an updated list of documents with which they consider pension board members need to be conversant [46]	All Board members are given key documents and web links to useful information sources.
	4. Clear guidance on the roles and responsibilities and duties of boards and its members should be set out in scheme documentation [47].	The terms of Reference for the Pension Board specify roles and responsibilities and these are documented accordingly.
	5. Schemes should assist pension board members to determine the degree of knowledge and understanding needed [48].	Committee and Board members are asked annually to complete a training needs assessment which informs the Fund's training plan for the next year. Additionally access to the CIPFA Knowledge and Skills Framework for Local Pension Boards and other relevant guidance is provided as above. This ensures that Board members can determine the knowledge and understanding required to appropriately undertake their role. Additionally Board members are given access to the CIPFA Knowledge and Skills Framework for Local Pension Boards and other relevant guidance.
	6. Schemes should provide board members with the relevant training and support that they require [55].	The training needs assessment informs the development of an Annual Training Plan. All Board members are invited to any training event provided to the Pensions Committee. Where a Board Member considers that attendance at an external course or conference may support their training needs, this will be considered for approval by the Senior Manager - Pensions and Financial.
	7. Schemes should offer pre-appointment training or arrange for mentoring by existing board members [56].	Skills of the applicants for vacant positions on the Board are assessed upon recruitment and where necessary additional training is provided. In addition, all Board members are given an induction by senior officers of the Fund before attending their first Board meeting. This includes an overview of the LGPS, an introduction to the Cumbria Fund and details of the roles and responsibilities of Board members.

	8. Pension board members should undertake a personal training needs analysis [57].	As detailed in (5) Committee and Board members complete an annual training needs assessment to inform the Fund's training plan for the next year.
	9. Learning programs should be flexible [58].	The training plan is a dynamic document and although it is set annually it is designed to incorporate emerging issues e.g. new regulations
	10. Schemes should keep appropriate records of the learning activities of board members [60].	All training for officers and Board and Committee members is recorded and included with the Annual Report of the Fund.
Sub section: Conflicts of interest and representation [61 – 91].		RAG Rating: Green
Legal requirement	TPR's guidance	How the Fund complies with tPR Guidance
<p>In relation to the pension board, scheme regulations must include provision requiring the scheme manager to be satisfied:</p> <ul style="list-style-type: none"> that a person to be appointed as a member of the pension board does not have a conflict of interest: and from time to time, that none of the members of the pension board has a conflict of interest. <p>Scheme regulations must require each member or proposed member of a pension board to provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of meeting the requirements referred to above.</p> <p>Scheme regulations must include provision requiring the pension board to include employer representatives and</p>	1. The 'Seven principles of public life' should be applied to all board members [70].	All Board members are required to sign up to the Cumbria Local Pension Board Members' Code of Conduct (Conflict of Interest) Policy. (Link). This policy details Nolan's 7 principles of public life and these are applied to all officers, Local Pension Board and Pensions Committee members.
	2. Schemes should incorporate these principles into any codes of conduct (and across their policies and processes) and other internal standards for boards [70].	See 1.
	3. Take professional legal advice when considering issues to do with conflict of interests [74].	Where necessary complex conflict of interest issues would be referred for internal or if required external legal advice.
	4. Schemes should ensure that there is an agreed and documented conflicts policy and procedure which should be kept under regular review [76].	The Local Pension Board and Pensions Committee Members are deemed to be required to follow the Members Code of Conduct which forms part of the Constitution of the Council and is available on the Council's Website.
	5. Schemes should cultivate a culture of openness and transparency [78].	The Chair of both the Local Pension Board and Pensions Committee ensure a culture of openness and transparency within and outside of the meetings.
	6. Board members should have a clear understanding of their role and the circumstances in which they may find themselves in a position of conflict of interest [78].	Board members are provided with a full report pack in advance of the meeting, which enables them to consider and then disclose any relevant conflicts of interest, and these are

member representatives in equal numbers.		managed in line with the Code of Conduct (Conflict of Interest) Policy.
	7. Board members should know how to manage potential conflicts [78].	All members of the Local Pension Board and Pensions Committee are aware of how to manage potential conflicts. If there is doubt members of the Board and Committee may seek advice from the respective Chair or the Council's Monitoring Officer.
	8. Pension board members should be appointed under procedures that require them to disclose any interests or responsibilities which could become conflicts of interest [80].	A Declaration of Interest is completed by all Board members upon appointment and these are forwarded to the Monitoring Officer of the Administering Authority.
	9. All terms of engagement should include a clause requiring disclosure of all interests and responsibilities which could become conflicts of interest as soon as they arise [81].	Upon appointment Members are asked to sign a notification of pecuniary & other registerable interests form which are then held by Democratic Services.
	10. All disclosed interests should be recorded [81].	Members of the Local Pension Board and Pensions Committee are required to disclose interests at the commencement of each meeting. Any such disclosures are recorded in the minutes of these meetings.
	11. Schemes should consider what important matters or decisions are likely to be considered during, for example, the year ahead and identify and consider any potential or actual conflicts [82].	The annual Business Plan for the Fund is considered at approved at Pensions Committee each March. This is then reviewed by the Local Pension Board at the next scheduled meeting. The Business Plan enables members to consider any potential or actual conflicts that may arise.
	12. Identify, evaluate and manage dual interests [83].	Any dual interests relevant to agenda of the Local Pension Board and Pension Committee are declared at the commencement of each meeting and suitably managed by the respective Chair.
	13. Use a register of interests to record and monitor dual interests [84].	All declarations of interest are recorded and publically available on the website of the <u>Cumbria LGPS Local Pension Board</u> .
	14. Capture decisions about how to manage potential conflicts of interest in their risk register or elsewhere [84].	The risk register includes a risk associated with potential conflict of interests.
	15. The register of interest and other relevant documents should be circulated to the board for ongoing review [84].	See 13.

	16. The register of interest and other relevant documents should be published [84].	See 13.
	17. Conflicts of interest should be included as an opening agenda item at board meetings and revisited during the meeting where necessary [85].	"Disclosures of Interest" is a standing item at the commencement of each meeting of both the Local Pension Board and the Pensions Committee. Any disclosures are recorded in the minutes of the meeting.
	18. Establish and operate procedures which ensure that boards are not compromised by potentially conflicted members [86].	The agenda for each meeting progresses through standing items of noting the Terms of reference and an invitation to disclose any interests highlighted as being the topics for discussion during the Board meeting.
	19. Be open and transparent about the way they manage potential conflicts of interest [87].	See 13 and 17.
	20. Seek professional legal advice when assessing any option when seeking to manage a potential conflict of interest [88].	Where necessary complex conflict of interest issues would be referred for internal or if required external legal advice.
	21. Membership of boards should be designed with regard to proportionality, fairness and transparency and with the aim of ensuring that the board has the right balance of skills, experience and representation [91].	The Board's membership comprises equal representation from employers and scheme members. Board members are appointed following an open and transparent selection process which ensures appointed members have the relevant experience and capacity to conduct their role effectively.
Sub section: Publishing information about schemes [92 – 99]		RAG Rating: Green
Legal requirement	TPR's guidance	How the Fund complies with tPR Guidance
<p>The scheme manager for a public service scheme must publish information about the pension board for the scheme(s) and keep that information up-to-date.</p> <p>The information must include:</p> <ul style="list-style-type: none"> • who the members of the pension board are • representation on the board of members of the scheme(s), and • the matters falling within the pension board's responsibility. 	1. Schemes should also publish up-to-date relevant information about the pension board such as set out in 96 and 97.	<p>The Board has a dedicated web page Cumbria LGPS Local Pension Board that includes details such as:</p> <ul style="list-style-type: none"> • Board membership ; • Board terms of reference; • A link to the Cumbria County Council website LPB meetings detailing agendas and minutes of the Board's meetings.
	2. Have policies and processes to ensure all data published about the pension board is accurate and complete [98].	Changes to the membership of the Local Pension Board are reflected promptly on the dedicated web page Data relating to the Local Pension Board and Pensions Committee is published on the Council's Website. When

		officers become aware of any changes to this information the website is updated in a timely manner.
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Section: Managing Risks

Sub section: Internal controls [101 – 120]		RAG Rating: Green
Legal requirement	TPR's guidance	How the Fund complies with tPR Guidance
The scheme manager of a public service pension scheme 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.	1. Internal controls should include a clear separation of duties, processes for escalation and decision making and documented procedures for assessing and managing risks, reviewing breaches of law and managing contributions to the scheme [103].	<p>The review of Fund risks is regularly considered by officer and reviewed by Pensions Committee on a quarterly basis.</p> <p>Breaches of law are recorded on the Fund's breach register by officers and reported to Pensions Committee quarterly.</p> <p>The Fund Policy document (available on the Fund's website) includes a specific section on Internal Controls and Risk Management.</p> <p>The management of contributions to the scheme is monitored by officers on a monthly basis as payments are paid by employers for both the employer and employee contribution to the Fund.</p>
	2. Internal controls should address significant risks which are likely to have a material impact on the scheme and a risk-based approach should be used [105].	<p>As stipulated in the Fund's Governance Policy Statement (2.7) the Fund maintains a dynamic risk register which is formally reviewed every quarter but is also updated on an on-going basis as risks arise or their potential impact / likelihood changes.</p> <p>Each risk is scored for its potential impact and likelihood, with an indication of the direction of travel since the previous quarter. The mitigation of risk is also considered within the Risk Register.</p> <p>The risk register is formally considered on a quarterly basis by both the Local Pension Board and the Pensions Committee, with significant emerging issue being escalated by Officers to the Chair and Vice Chair of the Pensions Committee in the intervening periods.</p>

	3. Sufficient time and attention should be spent on identifying, evaluating and managing risks and developing and monitoring appropriate controls [105].	See 2.
	<u>Identifying risks</u>	
	4. Schemes should carry out a risk assessment relating to the main objectives of the scheme [106].	See 2.
	5. Schemes should record risks in a risk register and review it regularly [108].	See 2.
	6. Schemes should keep appropriate records to demonstrate compliance [108].	The review of the risk register is included in the minutes of the Pensions Committee at each meeting.
	<u>Evaluate risks and develop internal controls</u>	
	7. Prioritise risks where the impact and likelihood of the risk materialising is high [109].	See 2.
	8. Review any existing internal controls [110].	See 2.
	9. Design and implement internal controls to mitigate main risks and consider how best to monitor them [111].	Internal controls are outlined within the risk register of the Fund.
	<u>Monitor controls effectively</u>	
	10. Schemes should periodically review the adequacy of internal controls [115].	The Pensions Committee reviews the risk register on a quarterly basis. The risk register is also presented to the Local Pension Board at each meeting.
	11. Internal or external audits and/or quality assurance processes should ensure that adequate internal controls are in place and being operated effectively [116].	Internal audit of Cumbria County Council undertake a risk based approach to reviewing systems including those of the Pension Fund. External Audit review internal controls of systems as part of the annual review of the Fund's annual financial statements. The Fund receives an annual assurance letter from Lancashire County Council (who are responsible for internal audit of Your Pension Service "YPS") as to the effectiveness of internal controls for pensions administration.
	12. Review internal controls when substantial changes take place or where a control has been found to be inadequate [116].	Where controls are found to be inadequate by internal or external audit an action plan is completed by officers of the Fund detailing the actions to be taken and the timeframe for addressing the areas to be improved.

	<u>Suggested internal controls</u>	
	13. Internal controls that regularly assess the effectiveness of investment-related decision making.	Quarterly monitoring of investment performance is undertaken by the Investment Sub Group and reported to the Pensions Committee. This is also reviewed by the Board at each meeting.
	14. Internal controls that regularly assess the effectiveness of data management and record-keeping.	See 11.
	15. Internal controls that ensure that new employers understand what member data is required and how it should be supplied [112].	New employers are provided with an admission agreement setting out their obligations to the Scheme, and are signposted to the Scheme Policy Document. They are also provided with user application forms to access the YPS employers area of the website for secure exchange of member data and detailed employer guidance. In order to send and receive data directly with the Fund access forms for the use of the Fund's SharePoint portal are provided.
	16. Internal controls that require internal or external auditors to audit any automated systems [112].	See 11.
	17. Internal controls to ensure that systems support the maintenance and retention of good member records [112].	See 16. Additionally the Fund maintains a data improvement plan to address any areas where the quality of information held in member records could be improved.
	18. Internal controls that ensure that data are complete (e.g. undertake a data-cleansing or member tracing exercise and review this on a regular basis (at least annually or at regular intervals that they consider appropriate) [112].	Data quality is regularly reviewed (at least annually) within the Fund.
	19. Ensure that all staff completes information management training before they are given access to sensitive data.	All staff are required to undertake annual training on effective control and protection of data.
	20. Ensure that member communications are reviewed regularly [112]	Member communications are regularly reviewed. This is also incorporated into the risk register of the Fund.
	21. Schemes should put in place systems and processes for making an objective assessment of the strength of an employer's covenant.	A risk based review of the covenant of employers within the Fund was undertaken in 2018 by Mercer Ltd.

Section: Administration

Sub section: Scheme Record-keeping [122 – 146]		RAG Rating: Green
Legal requirement	TPR's guidance	How the Fund complies with tPR Guidance
<p>Scheme managers must keep records of information relating to:</p> <ul style="list-style-type: none"> • member information • transactions, and • pension board meetings and decisions <p>Schemes must ensure that processes that are created to manage scheme member data meet the requirements of the Data Protection Act 1998 and the data protection principles.</p>	1. Schemes should be able to demonstrate to the regulator, where required, that they keep accurate, up-to-date and enduring records [124].	The Fund's Administration Strategy & Communications Policy outlines the procedure and deadlines for employers' submission of data to the fund. YPS is audited on an annual basis to ensure that data held is accurate.
	2. Schemes should establish and operate adequate internal controls to support record-keeping requirements [125].	The Fund operates a weekly "immediate payment run" for retirement lump sums, death grants transfers out of the Fund etc where payments have been calculated and prepared by YPS. These are checked on an individual basis with a two stage checking process within the core pension team prior to payment being made.
	3. Member data should be subject to regular data evaluation [126].	The Fund continually reviews the quality of the data that it holds and a data improvement plan has been developed to address areas where the quality of data can be enhanced.
	4. Schemes must be able to provide members with accurate information regarding their pension benefits and pay right benefits to right person at right time [127]	<p>An electronic self -service "my pension online" facility is available which allows members to access individual pensions information 24/7. This allows members to access their data and verify that service and pensionable pay and hours have been correctly recorded.</p> <p>Additionally, in 2018 the Fund issued 100% of Annual Benefit Statements within the deadline of 31st August.</p>
	5. Schemes should require employers to provide them with timely and accurate data and ensure that appropriate procedures are there for employers to do this [128 and 130].	The Fund's Administration Strategy & Communications Policy outlines the procedure and deadlines for employers' submission of data to the fund. Additionally the Employer Guide sets out in detail the Fund's specific data requirements. A very

		small number of employers do not meet these deadlines, and an ongoing training and support programme provides support to employers to enable them to comply. Regular training is organised for employers to help support them to understand and deliver on their responsibilities. Employer guides are available within the employer section of the YPS website for guidance on events that need to be communicated to the scheme.
	6. Schemes should seek to ensure that employers understand the main events which require information to be passed to the scheme [129].	See 5.
	7. Schemes should be able to trace the flow of funds into and out of the scheme and reconcile these against expected contributions and scheme costs [131].	Employers advise the Fund of pension contributions due, this is checked by the Fund to ensure the employer contribution rate reconciles to the actuarial certificate and the total contributions due are relatively consistent with previous months. The Fund's bank account is monitored to determine when funds are received from each employer.
	8. Records should be kept regarding meetings of and decisions by pension boards as well as records of key discussions [133].	Records of and access to agendas and minutes of <u>LPB meetings</u> are available on Cumbria County Council website
	9. Records should be retained for as long as they are needed [135].	The Administering Authority has a records retention policy. Most records are stored electronically, and paper records are in the main stored with Cumbria CC's records management team, who securely destroy records in line with this record retention policy. For many Pensions records, the retention period is 100 years reflecting the need to retain information relating to a scheme member throughout their career and until their death (or the death of their partner and dependents).
	10. Schemes should have in place adequate systems and processes to enable the retention of records for the necessary time periods [135].	See 9. Whilst recent records are securely held electronically, older paper records are maintained with the Council archives.
	11. Schemes should monitor data (based on a proportionate and risk based approach) on an ongoing basis to ensure it is accurate and complete [136,137].	Data quality is reviewed at least annually. A data improvement plan ensures that, where improvements can be made, a clear action plan outlines the activities and timescale for improvement.

	12. Schemes should carry out a data review exercise at least annually [138].	See 11.
	13. Schemes should continually review their data [138].	See 11.
	14. Upon change of admin system or administrator, schemes should review and cleanse data records [140]	In 2011, the Fund changed its administrator from Capita Services to Lancashire County Council under a shared service arrangement. This is now delivered by the Local Pensions Partnership (operating as "Your Pension Service"). A thorough data cleanse was conducted at this date to ensure the transition of accurate and up to date information.
	15. Schemes should put in place a data improvement plan where poor quality or missing data is identified [141].	See 11.
	16. Schemes should reconcile member records with information held by the employer [142].	Comparisons of active member data with employer payroll data occur each pay period. Reconciliations between pay and contributions are carried out on a monthly basis. YPS provide the Fund with details of the pension payroll due to be paid. This is reviewed to ensure the monthly payroll is broadly consistent with the previous month.
Sub section: Maintaining contributions [147 – 186]		RAG Rating: Green
Legal requirement	TPR's guidance	How the Fund complies with tPR Guidance
Employer contributions must be paid to the scheme in accordance with any requirements in the scheme regulations. Where employer contributions are not paid on or before the date they are due under the scheme and the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to the regulator in the exercise of any of its functions, the scheme manager must give a written report of the matter to the regulator as soon as reasonably practicable.	1. Scheme managers should have effective procedures and processes in place to identify payment failures that are – and are not – of material significance to the regulator [150 to 151].	There is a clear procedure in place to ensure that employer contributions are paid in a timely manner and that any late or non-payments are quickly identified. All legal breaches are reported to the Pensions Committee and Local Pension Board with any significantly material breaches reported to the Pension Regulator.
	2. Such procedures are likely to involve: <ul style="list-style-type: none"> Developing a record to monitor the payment of contributions. Monitoring the payment of contributions. Managing overdue contributions. 	The Fund has a procedure document detailing how the payment of contributions are monitored and how overdue contributions will be managed including methods for escalating any non-payment.

<p>Where employee contributions are not paid within the prescribed period, if the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to the regulator in the exercise of any of its functions, they must give notice of the failure to the regulator and the member within a reasonable period after the end of the prescribed period. Where there is a failure to pay employee contributions on an earlier date in accordance with scheme regulations, schemes should also consider their statutory duty under section 70 of the Pensions Act 2004 to assess and if necessary report breaches of the law.</p>	<ul style="list-style-type: none"> Reporting payment failures which are likely to be of material significance to the regulator [152]. 	
	<p><u>Developing a record to monitor the payment of contributions</u></p> <p>3. Schemes should have a contributions monitoring record to check contributions have been paid in full and in a timely manner [155 to 157].</p>	<p>Employers are required to submit detailed information on a monthly basis, in respect of both membership data and any payments of contributions made.</p> <p>This data is reconciled on a contributions monitoring record to information already held by the Fund's Pension Administrators and any validation queries are followed up in a timely manner.</p>
	<p><u>Monitoring the payment of contributions</u></p> <p>4. Schemes should monitor contributions on an on-going basis [161].</p>	<p>All contributions are recorded and maintained monthly and kept for the required retention period.</p>
	<p>5. A risk based and proportionate monitoring approach should be used to identify employers and situations which present a higher risk of payment failure [162].</p>	<p>Where there is a perceived higher risk of late or non-payment of contributions for an employer these employers are more closely monitored and late/non-payments are escalated to the Finance Manager – Regulatory and Benefits immediately for direct intervention.</p>
	<p>6. Schemes should have a process in place to identify where payments are late or have been underpaid, overpaid or not paid at all [163].</p>	<p>Monthly monitoring and reconciliations highlight any late, overpaid, underpaid or non- payment of contributions. A record is kept detailing amounts received, dates of transactions and action taken on non-payment.</p>
	<p>7. Scheme managers must record and retain information on transactions (including any employer and employee contributions) [166].</p>	<p>See 6.</p>
	<p><u>Managing overdue contributions</u></p> <p>8. Where a payment failure is identified, there should be a process to follow to resolve the issue quickly (including the suggested steps set out in the Code) [169].</p>	<p>When a payment is not received by the due date an email is immediately sent to the employer and an entry is made onto the Breach Register. Contact is made with the employer if the contributions remain unpaid and includes phone contact or a visit to the employer where necessary.</p>

	9. Schemes should keep a record of their investigation and communications between themselves and the employer [170].	All stages of the recovery process for overdue contributions including communication with employers are documented.
	10. Schemes should have a process which is able to detect deliberate underpayment or non-payment or other fraudulent behaviour by an employer [171].	The monitoring of payments by scheme employers reviews any variance from prior months. Where variances are material, this is followed up with the relevant employer to clarify and understand why contributions levels have changed.
	<u>Reporting payment failures which are likely to be of material significance to the regulator</u>	
	11. Where schemes identify a payment failure, they should attempt to recover contributions within 90 days of their due date [174].	Regular contact is made with the employer in order to attempt to obtain the payment within 90 days. The Breach Register is updated with the steps taken. The Fund follows the debt recovery policy of the Admin authority and can issue financial penalties to employers where necessary. Interest is charged on late payments in line with the Regulations, where it is economic to do so. Legal action is taken when the debt recovery process has been exhausted.
	12. Where a payment failure is identified it should at least ask the employer the 3 questions set out in 175.	The contact with the employer will include asking the three questions set out in 175 i.e. <ul style="list-style-type: none"> • cause/circumstances • subsequent employer action • wider implications/impact of the payment failure.
	13. Schemes should investigate the payment failure and use their judgement when deciding whether to report to the regulator taking into account the wording of the Code [177].	In the event of non-payment the Fund will investigate it and also seek information from other sources whilst remaining compliant with GDPR. The entry in the Breach Register is reviewed by an appropriate member of the Pensions Team and a decision is taken on whether the breach is considered significantly material to report to the Regulator. If the breach is assessed as being significantly material it is reported to the Pension Regulator within relevant timescales.
	14. Schemes should consider whether it is appropriate to report payment failures of employer contributions to members where it is reported to the regulator. This should be done within 10 working days and if appropriate to	Where a breach is reported to the Regulator affected scheme members will be notified within the time limits set out in the Code.

	members within 30 days of the report to the regulator. [182].	
	15. Reports to the regulator should be made in accordance with the code.	Any reports to the Pension Regulator concerning employer contributions are made within the time limits set out in the Code.
	16. Reports to the regulator of failure by an employer to pay employee contributions where this is judged of material significance to the regulator should also be communicated to the members within 30 days. [184]	Where a breach is reported to the Regulator affected scheme members will be notified within the time limits set out in the Code.
Sub section: Providing information to members [187 – 211]		RAG Rating: Green
Legal requirement	TPR's guidance	How the Fund complies with tPR Guidance
<p>The law requires schemes to disclose information about benefits and scheme administration to scheme members and others.</p> <p>The Code summarises the legal requirements around -</p> <ul style="list-style-type: none"> (1) Benefit statements, provided annually for active members [188 – 195] (2) Other information about scheme administration [196 – 197]. (3) Who is entitled to information [198 – 199] (4) When basic scheme information must be provided [200 – 201] (5) What information must be disclosed on request [202] (6) How benefit statements and other information must be provided [203 – 206] 	<p>1. Schemes should design and deliver communications to scheme members in a way that ensures they are able to engage with their pension [207].</p>	<p>YPS uses a wide range of communications media such as:</p> <ul style="list-style-type: none"> • An electronic self -service "my pension online" facility and the YPS website, both of which allow members to access pensions information 24/7 • Annual benefit statements are made available to all members via the online facility. Members who choose to opt out of e communication are provided with a paper copy. • Face to face presentations to groups and one to one appointments at pension surgeries are offered to all members • A dedicated helpdesk and email facility are available to members <p>All new scheme members are sent a letter within one month of the Fund receiving information of the new member. This provides them with information and links to the YPS website where they can access scheme and benefits information.</p>
	<p>2. Information should be clear and simple to understand as well as being accurate and easily accessible [207].</p>	<p>All information whether electronic, written or face to face is delivered in a simple and clear manner avoiding pension jargon. Standard letters are currently being reviewed to ensure they are written in a clear and concise way which is easy for scheme members to understand.</p>

Scheme should also comply as appropriate with other legal disclosure requirements [211].	3. Schemes should attempt to make contact with their scheme members and, where contact is not possible, schemes should carry out a tracing exercise to locate the member and ensure that their member data are up-to-date [208].	<p>The Fund makes every attempt to contact scheme members. When contact attempts have not been successful, attempts at tracing are made as follows:</p> <ul style="list-style-type: none"> • for active members the service contacts the employer for up to date details; • for pensioner members contact is made with the member's bank in the first instance, asking the bank to forward a letter on. • for deferred members, email is used if the member is registered. • periodically the Fund will commission an external tracing exercise for those members that it has been unable to locate. <p>The Fund is scheduled to commission its next tracing exercise to locate missing deferred scheme members in Q3 2018/19.</p>
	4. Where a person has made a request for information, schemes should acknowledge receipt if they are unable to provide the information at that stage [209].	Receipt of emails to the pensions helpdesk is confirmed automatically. Paper correspondence is only acknowledged if the query has not been dealt with within the appropriate service standard.
	5. Schemes may encounter situations where the time period for providing information takes longer than expected. In these circumstances, schemes should notify the person and let them know when they are likely to receive the information [209].	<p>Details of service standards, targets and processes are published on the YPS website here in order to manage member's expectations.</p> <p>Performance against these targets is presented to the Pensions Committee and Local Pension Board on a quarterly basis.</p>
	6. Information should be readily available at all times to ensure that members are able to access it when they require [210].	<p>The details of when and what information is provided to members is contained in the Administration Strategy & Communications policy that is published on Cumbria County Council website here - Fund Policy Document</p> <p>A number of other key documents are made available on the YPS website here – Cumbria Fund Information</p>

Section: Resolving Issues

Sub section: Internal dispute resolution [212 – 240]			RAG Rating: Green
Legal requirement	TPR's guidance	How the Fund complies with tPR Guidance	
<p>Scheme managers must make and implement dispute resolution arrangements that comply with the requirements of the law and help resolve pensions disputes between the scheme manager and a person with an interest in the scheme.</p>	<p>1. In terms of the LGPS, the requirements relating to IDRP are prescribed in the LGPS regulations.</p>	<p>Details of the Internal Dispute Resolution Procedure (IDRP) are published on the YPS website here and contained within the employee's brief and full guide. In addition the appeals application form is available within the IDRP guide, and it contains further guidance for members including the specific time limits imposed by the IDRP.</p> <p>These documents are reviewed regularly to ensure that they are in line with amending legislation and procedures.</p> <p>Procedures for employers are also contained within the employer guide on the website. In addition a guide for employers is also available, used particularly for employers who have a new adjudicator reviewing a stage 1 case.</p>	
	<p>2. Schemes may decide to specify time limits within which a member must apply for a dispute to be resolved and should publish and make these IDRP time limits readily available [225].</p>	<p>See 1.</p>	
	<p>3. Schemes should be satisfied that the time taken to reach a decision is appropriate to the situation and be able to demonstrate this, if necessary. [230 and 240]</p>	<p>See 1.</p>	
	<p>4. Schemes should provide the applicant with regular updates on the progress of their investigation. They should notify the applicant where the time period for a decision is expected to be shorter or longer than the reasonable time period and let them know when they are likely to receive an outcome [232].</p>	<p>In respect of stage 1 and stage 2 IDRP cases, a task management process exists through the pension administration system to ensure that the appropriate deadlines and notifications are provided to members and representatives involved in the IDRP and that those deadlines are adhered to. Bespoke documentation covers acknowledgements and details of extensions to time limits.</p>	

	5. Schemes should focus on educating and raising awareness of their internal dispute resolution arrangements and ensuring that they are implemented [233].	<p>All communications with members include details of the IDRP process.</p> <p>Training for employers and bulletins highlighting problem areas such as ill health determinations are utilised where appropriate.</p>
	6. Schemes should ensure that the effectiveness of the arrangements is assessed regularly and be satisfied that those following the process are complying with the requirements set, which includes effective decision making [234].	The policy is reviewed at least annually to ensure that it is compliant with current regulations.
	7. Schemes should confirm and communicate their arrangements to members, for example, in the joining booklet [235].	See 5.
	8. Schemes should make their arrangements accessible to potential applicants, for example by publishing them on a scheme website [235].	See 1. Details of the IDRP are published on the YPS website.
	9. Schemes should ensure they make the following information available to applicants: <ol style="list-style-type: none"> The procedure and processes to apply for a dispute to be resolved; The information that an applicant must include; The process by which any decisions are reached; and An acknowledgement once an application has been received [239]. 	<p>Details of the IDRP are published on the YPS website. This includes the process of how to apply for a dispute to be resolved and the information required to be supplied in lodging a dispute.</p> <p>The right to appeal a decision under IDRP is part of all YPS documentation where a decision is being taken that may affect a member or prospective member's benefits, whether that be an administering or employing authority decision.</p> <p>A log of all appeal cases is kept detailing dates when cases are received, acknowledged and determined.</p>
Sub section: Reporting breaches of the law [241 – 275]		RAG Rating: Green
Legal requirement	TPR's guidance	How the Fund complies with tPR Guidance
Certain people are required to report breaches of the law to the regulator where they have reasonable cause to believe that:	1. People who are subject to the reporting requirement are set out in [242].	<p>Those responsible for reporting breaches to the Pensions Regulator include:</p> <ul style="list-style-type: none"> • Officers of the Fund • Members of the Pensions Committee • Members of the Local Pension Board • Scheme employers

<ul style="list-style-type: none"> a legal duty which is 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 regulator in the exercise of any of its functions. 	2. Schemes should be satisfied that those who are responsible for reporting breaches are made aware of the legal requirement and the Code [244].	<p>The Fund ensures that the people who are subject to reporting requirement are made aware of the legal requirement and the Code in the following ways:</p> <ul style="list-style-type: none"> The Pension Regulator presented to Local Pension Board members in Jan 2018 including responsibility for reporting breaches of the law Employers are reminded of their responsibilities at employer training events Officers receive training on their responsibilities at team meetings
	3. Training should be provided for scheme managers and pension board members [244].	See 2.
	4. All others under a statutory duty to report should ensure they have sufficient level of knowledge and understanding to fulfil that duty [244].	See 2.
	5. Those with a statutory duty to report should establish and operate appropriate and effective procedures in regards to reporting breaches [245].	<p>The Fund maintains a policy on reporting breaches to the Pension Regulator. This sets out the responsibilities and procedure for all relevant people to for identifying, assessing and reporting/recording breaches of the law. The Policy is subject to an annual review and approval as part of the review and approval of the Fund policy document.</p> <p>Breaches concerning non-payment or late payment of contributions have a separate process which has been documented in the relevant section above.</p>
	6. Those procedures should be in accordance with and take into account paragraphs 245 to 262 of the Code.	The policy on reporting breaches is compliant with the Code.
	7. Reports made to the Regulator should be submitted in accordance with paragraphs 263 to 271.	A breach register is maintained that records all breaches within the Fund. This includes a decision as to whether the breach is deemed to be reportable to the Pensions Regulator. A report made to the regulator is submitted in accordance with the appropriate guidelines.