

Agenda Item 10

Pension Committee

3 December 2021

Reporting and Recording Breaches of the Law Policy

Report of the Head of Pensions

Background

The proposed policy sets out the procedure to be followed by certain persons involved with the Gloucestershire Pension Fund in relation to identifying, recording and, where necessary, reporting breaches of the law to the Pensions Regulator.

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

The policy is designed to assist those individuals who have a legal responsibility to report certain breaches to the Regulator in determining whether a breach they have identified should be reported. It has also been developed to assist the Administering Authority, in ensuring it is aware of all breaches of the law in relation to the Fund and that these are appropriately recorded and then dealt with.

The proposed policy, attached as appendix 1, sets out how the Administering Authority of the Gloucestershire Pension Fund will strive to achieve best practice through use of a formal reporting breaches procedure. It reflects the guidance contained in the Regulator's Code of Practice.

Gloucestershire Pension Fund Reporting Breaches Procedure

The Funds' current breaches policy can be located on the funds website ([gloucestershire_breaches_policy_final-66364.pdf](#)). The proposed policy attached at appendix 1 is procedurally the same as the existing policy, but the proposed policy has been updated to reflect the current legislative requirements of the Pensions Act 2004 and the Pension Regulators Code of Practice.

The proposed policy aims to ensure individuals responsible are able to meet their legal obligations and avoid placing any reliance on others to report. The procedure will also assist in providing an early warning of possible malpractice and reduce risk. There are four key steps to this procedure:

1. Understanding the law and what is a breach
2. Determining whether a suspected breach is an actual breach
3. Determining whether the breach is likely to be of material significance and so should be reported to the Regulator
4. Recording the breach, even if it is not reported.

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Contained within the policy is information on the assistance available for individuals in following this policy including:

1. referral to a level of seniority for a decision to be made on whether to report
2. dealing with complex cases
3. timescales for reporting
4. early identification of very serious breaches
5. a decision tree

Reporting

In accordance with best practise, the policy stipulates that a report will be presented to the Pension Committee and the Pensions Board on a quarterly basis setting out:

- all breaches, including those reported to the Regulator and those unreported, with the associated dates
- in relation to each breach, details of what action was taken and the result of any action (where not confidential)
- any future actions for the prevention of the breach in question being repeated
- highlighting new breaches which have arisen in the last year/since the previous meeting.

Review

This Reporting and Recording Breaches of the Law Policy will be formally reviewed and updated by the Pension Committee at least every three years, or sooner as a result of legal or regulatory changes, evolving best practice and ongoing review of the effectiveness of the procedure set out in this Policy.

Recommendation

That the Committee approve the Reporting and Recording Breaches of the Law Policy.

Contact Officer

Matthew Trebilcock – Head of Pensions (01452 328920)