

## WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND LOCAL PENSION BOARD  
12 July 2018

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### **PENSION FUND – TPR CODE OF PRACTICE 14 REVIEW**

#### **Purpose of the Report**

1. This report updates the Board on the findings of an internal review of the Wiltshire Pension Fund compliance with the Pension Regulator's Code of Practice 14 for the Fund year 2017-18.

#### **Background**

2. The scope of the internal review of Pensions was assessed by Officers in relation to the adequacy of the key controls and procedures in place for the Wiltshire Pension Fund. The specification of the review was set out by an independent questionnaire originally provided by Aon Consulting.

#### **Considerations for the Board**

3. The questionnaire posed 84 questions covering all areas of the Fund's internal controls & the answers to most of the areas reviewed were that they were found to be adequately controlled. On the whole risks were being well managed but some practices required improvement of their internal controls to ensure the achievement of objectives.
4. Of the 16 areas identified as requiring improvement 2 had shown improvement and have moved from a greater risk to a lesser risk. This left 13 risks where no significant progress had been made & 1 new risk where the risk rating had worsened. The key risks identified where progress had worsened or no improvement had been made are set out below. Officers will set in place an updated Action Plan to address all risks falling below the adequate standard.

New Risks identified		
Risk No.	Description of the risk	Remedy date
E8	Internal controls should be reflected in the Fund's service provider contracts.	Rolling programme

Ongoing Risks identified		
Risk No.	Description of the risk	Remedy date
E7	A review of internal controls is required to ensure all Fund procedures are up to date	December '18
F2	Ensuring that Employers provide timely & accurate information	December '18
F9	Implementing a data improvement plan	December '18
F10	Setting in place procedures to reconcile Fund & Employer records	December '18
H6	Are AVC statements compliant with legal requirements?	April '19
H7	Are Employers issuing new Scheme members will all the essential basic Scheme information?	September '18

H8	Is the format for issuing basic Scheme information to members in the required legal format?	September '18
H9	Is all information to members provided within the required legal timescales?	July '19
I2	Does the IDR procedure highlight whether a case is exempt?	September '18
I3	Does the IDR procedure clearly set out the process for the applicant?	September '18
I4	Where Employers make Stage 1 IDR decisions, can the Fund confirm that those Employers have a formal IDR process in place?	September '18
I8	Does the Fund regularly verify its own effectiveness of its IDR arrangements?	September '18
I9	Where required, does the Fund regularly verify the effectiveness of Employer Stage 1 IDR processes?	September '18

### **Conclusions**

5. It was recognised that 20% of the internal controls highlighted by the questionnaire require improvement in their practices, however thematically many of the risks relate to a common issue such as the IDR process & the reconciliation of data received from Employers. Addressing these themes will in turn address a number of risks in one exercise.
6. It is also noted that a number of the risks relate to a monitoring nature rather than an actual concern that a procedure or arrangement was actually failing to occur. Setting in place an active monitoring strategy of processes will address this nature of risk identified.
7. The implementation of GDPR, the transfer of investment services to the Brunel Pension Partnership & the decision to purchase additional software from our pension database provider have all contributed to an overall review of our service provider contracts & agreements. Whilst this review has uncovered some dormant risks it has also been an opportunity to reframe the services offered under our existing contracts & bring them up to date.

### **Environmental Impact**

8. There is no environmental impact from this report.

### **Financial Considerations**

9. There are no immediate financial considerations resulting from the reporting of the Fund's compliance with tPR Code of Practice 14.

### **Risk Assessment**

10. The risks reflected in this Internal Audit by Officers shall be included in the Risk Register which is updated quarterly and presented to this Board.

### **Legal Implications**

11. There are no immediate legal implications arising from this report.

**Safeguarding Considerations/Public Health Implications/Equalities Impact**

12. There are no implications at this time.

**Proposals**

13. The Board is asked to note the internal, self-assessment undertaken by Officers.

ANDY CUNNINGHAM

Head of Pensions Administration and Relations

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