

Title: Internal Audit Report – Governance and Administration of Berkshire Pension Scheme (TPR Code of Practice 14)

Contains Confidential or Exempt Information?: *NO - Part I'*

Member reporting: Councillor Lenton, Chairman Berkshire Pension Fund and Pension Fund Advisory Panels

Meeting and Date: Berkshire Pension Fund and Pension Fund Advisory Panels - 16 January 2017

Responsible Officer(s): Nick Greenwood, Pension Fund Manager, Kevin Taylor, Deputy Pension Fund Manager

Wards affected: None



## REPORT SUMMARY

1. This report provided for Members' information details of an Internal Audit Report commissioned to determine whether RBWM as the Administering Authority of the Berkshire Pension Fund is compliant with The Pension Regulator's Code of Practice No.14 concerning Governance and Administration of Public Service Pension Schemes.
2. Many of the issues identified have been dealt with although a few remain outstanding. Please see Appendix 1.
3. A verbal update will be provided at the meeting.

## 1. DETAILS OF RECOMMENDATION(S)

### RECOMMENDATION That Panel:

**notes the Internal Audit Report on compliance with the Pensions Regulator Code of Practice 14.**

## 2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

The Pension Panel acts as the Scheme Manager for the Berkshire Pension Fund and needs to consider and keep under review its governance and administration practices and standards to ensure that it is compliant with Scheme Regulations and the requirements of The Pensions Regulator.

Code of Practice 14 was issued in April 2015 with the comment from the Pensions Regulator that:

“The Public Service Pensions Act 2013 (the 2013 Act) introduces the framework for the governance and administration of public service pension schemes and provides an extended regulatory oversight by the regulator.

The regulator is required to issue one or more codes of practice covering specific matters relating to public service pension schemes. This code of practice sets out the legal requirements for public service pension schemes in respect of those specific matters. It contains practical guidance and sets out standards of conduct and practice expected of those who exercise functions in relation to those legal requirements.

The practical guidance sections in this code are not intended to prescribe the process for every scenario. They do, however, provide principles, examples and benchmarks against which scheme managers and members of pension boards can consider whether or not they have understood their duties and obligations and are reasonably complying with them.”

Internal Audit were requested to review the Fund’s compliance with this Code of Practice and their summary report is attached at Annex 1.

### **3. KEY IMPLICATIONS**

- 3.1 The Administering Authority is required to maintain the Pension Fund in accordance with Scheme Regulations and Codes of Practice issued by The Pensions Regulator. Failure to do so could damage the reputation of the Royal Borough as the Administering Authority to the Berkshire Pension Fund.

### **4. FINANCIAL DETAILS / VALUE FOR MONEY**

None

### **5. LEGAL IMPLICATIONS**

The Administering Authority is required to govern and administer the Pension Scheme in accordance with the Public Service Pensions Act 2013 and associated Local Government Pension Scheme Regulations. Failure to do so could lead to challenge.

### **6. RISK MANAGEMENT**

**Table 1: Risk Analysis**

<b>Risks</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>
Pension Scheme not governed in lien with legislation	Medium	Internal and External Audits	Low

### **7. POTENTIAL IMPACTS**

Failure to comply with Pension legislation could result in Scheme members being paid the wrong benefits and the Administering Authority being reported to the Pensions Regulator where failure is deemed to be of a material significance.

**8. CONSULTATION**

Not applicable

**9. TIMETABLE FOR IMPLEMENTATION**

Immediate

**10. APPENDICES**

Annex 1 - Internal Audit Report

**11. BACKGROUND DOCUMENTS**

None

**12. CONSULTATION (MANDATORY)**

Berkshire Pension Fund and Pension Fund Advisory Panels