

<b>Bath &amp; North East Somerset Council</b>		
MEETING:	<b>LOCAL PENSION BOARD - AVON PENSION FUND</b>	
MEETING DATE:	<b>5<sup>th</sup> November 2015</b>	<b>AGENDA ITEM NUMBER</b>
TITLE:	<b>Avon Pension Fund Regulatory Breaches Policy</b>	
WARD:	ALL	
<b>AN OPEN PUBLIC ITEM</b>		
List of attachments to this report:  Appendix 1 – Draft Regulatory Breaches Policy		

## **1 THE ISSUE**

- 1.1 The purpose of this report is to propose a specific Regulatory Breaches Policy for the Pension Board. The policy is based on best practice from the Pensions Regulator.

## **2 RECOMMENDATION**

### **That the Board**

- 2.1 Agrees that the policy attached at Appendix 1 should be recommended to the Avon Pension Fund Committee for approval.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 There are no direct implications related to the Pension Board in connection with this report.

## **4 REPORT**

- 4.1 There is a legal requirement on all LPB Members (as well as the Pension Fund Committee Members, officers of the Fund, employers, and advisers) to report any significant – i.e. material - breaches of the relevant Pensions laws to the Pensions Regulator.
- 4.2 The Pensions Regulator code of practice no.14 (Governance and administration of public service pension schemes) states there should be a procedure in place within each fund to identify and assess breaches.
- 4.3 Failure to report a material breach without ‘reasonable excuse’ is a civil offence that can result in civil penalties. At the same time it also provides an opportunity to learn from any mistakes and review and improve processes in the areas where a breach has occurred.

- 4.4 Where a material breach has occurred and has been identified it should be recorded, assessed and where necessary reported as soon as reasonably practicable and the Pension Fund and LPB should ensure they are informed as soon as possible in line with the attached policy.
- 4.5 The policy defines what a breach of the law is, the responsibilities on those who should be reporting, the requirements for reporting a breach, and deciding if a breach is 'materially significant' to be reported to the regulator.
- 4.6 The attached policy sets out these responsibilities and provides a framework for the Fund to identify, manage and where necessary report breaches of the Law applying to the management and administration of the Fund.
- 4.7 Pension Fund officers are responsible for the management of this policy and ensuring that training is conducted for all relevant individuals as necessary.
- 4.8 The Board is therefore asked to consider the specific policy attached at Appendix 1 and recommend it for approval.

## **5 RISK MANAGEMENT**

- 5.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.
- 5.2 Adopting a reporting policy in relation to material breaches, mitigates against the potential for the LPB to act improperly or unlawfully, which may lead to a challenge to the work carried out by the LPB and a reputational risk to the Avon Pension Fund and Administering Authority.

## **6 EQUALITIES**

- 6.1 A proportionate equalities impact assessment has been undertaken and there are no significant issues to report.

## **7 CONSULTATION**

- 7.1 Report and Issues have been subject to consultation with the S151 Officer, Monitoring Officer and Strategic Director of Resources.

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<b>Background papers</b>	
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