

Report to: **Pension Committee**

Date: **31 May 2016**

By: **Chief Operating Officer**

Title of report: **Reporting Breaches Policy**

Purpose of report: **To inform the Committee of the Reporting Breaches Policy that provides a framework for reporting breaches of the law applying to the management and administration of the Fund.**

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## **RECOMMENDATIONS**

**The Committee is recommended to agree the attached reporting breaches policy.**

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### **1. Background**

1.1 Under the Pensions Act 2004 there is a legal requirement on all Pension Fund Committee Members, Pension Board Members, officers of the Fund, employers, and advisers to report any significant breaches of the law to the Pensions Regulator where they are likely to be of material significance to them. 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 these breaches.

### **2. Supporting Information**

2.1 The attached (Appendix A) Reporting Breaches Policy, which have been produced by officers in conjunction with Hymans Robertson, 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.

2.2 Where a breach of the law is identified both the Pension Committee and the Pension Board will need to take all necessary steps to consider the breach and if necessary report to the Pensions Regulator. It is stressed that, as set out in the breaches policy, only material breaches are required to be reported to the Pensions Regulator.

2.3 The Committee and Board are required to monitor all breaches and ensure that adequate resources are allocated to managing and administering this process. Officers will effectively be responsible for the management and execution of this policy and for ensuring that training is conducted for all relevant officers, elected members, Members of the Committee and Pension Board on an ongoing basis.

2.4 The identification, management and reporting of breaches is important. It is a requirement of the Pensions Act 2004 and Pensions Regulator's Code of Practice; failure to report a breach without "reasonable excuse" is a civil offence that can result in civil penalties. Details of significant breaches will be published in the Fund's Annual Report.

### **3. Conclusion and reasons for recommendations**

3.1 The Fund, Committee and the Board cannot rely on waiting for other reporters to report a breach where it has occurred. Where a breach has occurred and has been identified it should be recorded, assessed and where necessary reported as soon as reasonably practicable. The Reporting Breaches Policy provides a framework to achieve this.

3.2 If any breach is considered significant or it is not clear as to whether it is significant, then it will be reported to Committee and the Pension Board to consider. The Section 151 officer will make the final determination as to whether it is materially significant having regard to the guidance set out in the Code and after consultation with the Council Monitoring Officer.

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Local Member(s): All  
Background Documents  
None