

# Appendix A

## Pension Fund Breaches of the Law Log

October 2024

Number	<b>3</b>
Date	<b>Aug 22</b>
Category	<b>Administration - ABS</b>
Description and cause	Failure to produce 100% of Annual Benefit Statement notifications
Possible effect and wider implications	Members and former members do not have up to date information on the value of their LGPS benefits affecting their ability to make informed decisions around pension provision. Noncompliance with LGPS regulations timescales. Member has been unable to check personal data is complete and accurate or that the correct contributions have been credited.
Reaction	The technical team have issued 92.30% of the statements due. The majority of the deferred ABSs not issued were a result of outstanding leaver calculations which were identified as part of the backlog project contracted to a third party. The remainder relate to leavers awaiting transfer details from other LGPS funds before the deferred benefits can be processed or those that have left the scheme post 31 March 2022 and we await leaver information from employers. These cases are included in BAU work and handled by the Pension Admin Team as part of their daily process. Members will be contacted once the calculations have been completed.
Reported / Not reported	The matter was not referred to the Pensions Regulator. All the issues were identified and tasks have been set up on Altair to be dealt with as part of the work schedule

Colour rating	
Outcome of report / investigation	Not reported. 100% for active members were issued. While 86.19% for deferred members were issued, the rest were not produced due to ongoing benefit calculations or transfer calculations where we were awaiting information. These cases are included in BAU work and handled by the Pension Admin Team on a daily process.
Outstanding actions	
Comments	

Number	<b>6</b>
Date	<b>Sep 21</b>
Category	<b>Finance - Accounts</b>
Description and cause	Failure of the Fund to publish audited Fund Accounts for year 2019/20 by 30 September 2020
Possible effect and wider implications	Lack of accurate data available on which to base funding requirements. This could result in insufficient funds to pay all benefit liabilities.
Reaction	The Fund report and accounts were prepared but had not been signed off by the Auditors. The Fund accounts form part of the Council accounts. External auditors would not sign off on the Council accounts as there was an issue around the accounting treatment involving Croydon Affordable Homes LLP. However, this has now been resolved and agreed and we are awaiting sign off to be completed. The draft Annual Report and Accounts were presented to Pension Committee on 3 December 2021.

Reported / Not reported	<p>The matter had not initially been reported to the Pension Regulator. Progress had initially been delayed due to the issuing of the Section 114 notice applicable to Croydon and, more widely, to the impact of the Covid 19 pandemic. Many other LGPS Funds had been unable to finalise their accounts due to the impact of the pandemic. The continued delay in signing the accounts was as a result of the issues caused with Council's accounts around the accounting treatment of Croydon Affordable Homes LLP. The failure to sign off the accounts does not relate to a failure on the part of the Fund. The audit of the accounts is substantially complete and it is expected that the paperwork will be in place shortly to allow sign off to be finalised. The draft Annual Report and Accounts were published on the website. <b>Update March 2023:</b> Due to the passage of time and the fact that 3 years of accounts are still outstanding, the Chairs of the Board and Committee and Officers have issued a joint report to The Pensions Regulator. <b>Update April 2024:</b> Audit Committee agreed to delegate the sign off of the 19/20 accounts to Chair and the Section 151 Officer at the meeting on 14 March 2024. <b>Update June 2024:</b> The Audit opinion and Certificate remain outstanding. <b>Update September 2024:</b> The Audit opinion and Certificate remain outstanding.</p>
Colour rating	
Outcome of report / investigation	

Outstanding actions	<p>The Fund Accounts form part of the Council Accounts and cannot be signed off separately. The Head of Pensions will continue to liaise with Audit on progress on signing off the Council accounts. A joint Report has been submitted to the TPR by the Chairs of the Board, Committee and Head of Pensions. The Pension Regulator asked for a timetable for completion which the Head of Pension &amp; Treasury has provided and agreed to keep the Regulator informed of progress. <b>Update October 2023:</b> The 2019/20 accounts have been published and are expected to be signed off in March 2024. <b>Update June 2024:</b> The Audit opinion and Certificate remain outstanding. <b>Update September 2024:</b> The Audit opinion and Certificate remain outstanding.</p>
Comments	

Number	<b>7</b>
Date	<b>Sep 22</b>
Category	<b>Finance - Accounts</b>
Description and cause	Failure to publish the audited Fund Accounts for year 20/21 by 30 September 2021
Possible effect and wider implications	Lack of accurate data available on which to base funding requirements. This could result in insufficient funds to pay all benefit liabilities.
Reaction	The report and accounts were prepared but the accounts had not been signed off by the auditors due to issues with the Council's accounts for 2019/20 around the accounting treatment of Croydon Affordable Homes LLP. The accounts cannot be signed off until the 2019/20 account have been completed. The draft Annual Report and Accounts were presented to Pension Committee on 3 December 2021
Reported / Not reported	<p>The matter had not been initially reported to the Regulator. Due to the passage of time, in July 2022 the Head of Pensions and Treasury reconsidered whether to report the breach, the main consideration being whether it would affect the valuation. Having consulted the Actuary and deemed that the valuation could still be signed off, it was decided that the breach still did not need reporting.</p> <p><b>Update March 2023:</b> Due to the passage of time and the fact that 3 years of accounts are still outstanding, the Chairs of the Board and Committee and Officers have issued a joint report to The Pensions Regulator</p>

Colour rating	
Outcome of report / investigation	
Outstanding actions	<p>The Fund Accounts form part of the Council Accounts and cannot be signed off separately. The Head of Pensions will continue to liaise with Audit on progress on signing off the Council accounts. A joint Report has been submitted to the TPR by the Chairs of the Board, Committee and Head of Pensions.</p> <p>The Pension Regulator asked for a timetable for completion which the Head of Pension &amp; Treasury has provided and agreed to keep the Regulator informed of progress. <b>Update October</b></p> <p><b>2023:</b> The Corporate Director of Resources and Section 151 Officer is expecting the 2020/21 accounts to be finalised by June 2024. <b>Update June 2024</b> 2020/21 accounts have been updated and passed to the auditor to audit. <b>Update September 2024</b> Expect the auditors will issue a disclaimed audit opinion in line with the proposed backstop by 13 December 2024.</p>
Comments	

Number	8
Date	Sep 22
Category	Finance - Accounts
Description and cause	Failure to publish the audited Fund Accounts for year 21/22 by 30 September 2022
Possible effect and wider implications	Lack of accurate data available on which to base funding requirements. This could result in insufficient funds to pay all benefit liabilities.
Reaction	The report and accounts are being prepared. The audit of the accounts cannot be started until completion of the 19/20 and 20/21 accounts.
Reported / Not reported	<p>The matter had not been initially reported to the Regulator. The cause of the breach was due to the failure of the Council rather than failure in the administration of the scheme. The Actuary has confirmed that the valuation can still be completed, so the scheme can still comply with its legal requirements on funding. The breach has not resulted in any detrimental effects to members benefits.</p> <p><b>Update March 2023:</b> Due to the passage of time and the fact that 3 years of accounts are still outstanding, the Chairs of the Board and Committee and Officers have issued a joint report to The Pensions Regulator.</p>
Colour rating	

Outcome of report / investigation	
Outstanding actions	<p>The Fund Accounts form part of the Council Accounts and cannot be signed off separately. A joint Report has been submitted to the TPR by the Chairs of the Board, Committee and Head of Pensions.</p> <p>The Pension Regulator asked for a timetable for completion which the Head of Pension &amp; Treasury has provided and agreed to keep the Regulator informed of progress. <b>Update</b></p> <p><b>October 2023:</b> The Corporate Director of Resources and Section 151 Officer is expecting the 2021/22 accounts to be finalised by June 2024. <b>Update June 2024</b> Accounts need to be updated and audited. <b>Update September 2024</b> Expect the auditors will issue a disclaimed audit opinion in line with the proposed backstop by 13 December 2024.</p>
Comments	

Number	9
Date	Mar 23
Category	Administration - Refunds
Description and cause	<p>A refund to which a member was entitled was paid after the deadline stated in the LGPS Regulations 2013 (as amended). Under Regulation 18 (1) of the LGPS Regulations 2013 (as amended) when a member with less than 2 years qualifying service ceases active membership of the Fund they are entitled to receive a refund of contributions. Under 18(5) the administering authority must make the refund when the person requests payment or on the expiry of 5 years from the date active membership ceased if no request for payment has been received.</p>
Possible effect and wider implications	<p>Member does not receive monies they are entitled to. Possibly causing financial hardship however the amounts due are relatively small. The impact to the Fund is insignificant.</p>
Reaction	<p>Under Regulation 18 (1) of the LGPS Regulations 2013 (as amended) when a member with less than 2 years qualifying service ceases active membership of the Fund they are entitled to receive a refund of contributions. Under 18(5) the administering authority must make the refund when the person requests payment or on the expiry of 5 years from the date active membership ceased if no request for payment has been received.</p>

Reported / Not reported	Not Reported. Letters explaining the member's rights to refunds were sent out on 21.8.2018 with reminders being sent on 17.1.2019. No response was received from the member until 2.3.2023 when completed claim forms were sent in. At this point the refund calculations were finalised and requests for ad hoc payments to be made were signed off on 8.3.2023.
Colour rating	
Outcome of report / investigation	The cause is the difficulty in tracing members. An amendment to the regulations is planned which will take away the requirement to make payment within 5 years of active membership in the Fund ceasing. Pension Dashboard requirements may assist members in keeping check on their pension entitlements. The admin Team have been told that as soon as they receive a refund claim form for a frozen refund they must act immediately.
Outstanding actions	
Comments	This is an issue across all LGPS funds. The LGA are pushing for the regulations to be changed to eliminate the 5 year payment deadline. It is difficult to trace members if they do not provide us with up to date address information. It would take considerable resources to try to trace address details and issue more reminders for outstanding cases . LGA advice is to wait for the regulatory change to be put into place.

Number	<b>10</b>
Date	<b>Mar 23</b>
Category	<b>Administration - Refunds</b>
Description and cause	<p>A refund to which a member was entitled was paid after the deadline stated in the LGPS Regulations 2013 (as amended). Under Regulation 18 (1) of the LGPS Regulations 2013 (as amended) when a member with less than 2 years qualifying service ceases active membership of the Fund they are entitled to receive a refund of contributions. Under 18(5) the administering authority must make the refund when the person requests payment or on the expiry of 5 years from the date active membership ceased if no request for payment has been received.</p>
Possible effect and wider implications	<p>Member does not receive monies they are entitled to. Possibly causing financial hardship however the amounts due are relatively small. The impact to the Fund is insignificant.</p>
Reaction	<p>Under Regulation 18 (1) of the LGPS Regulations 2013 (as amended) when a member with less than 2 years qualifying service ceases active membership of the Fund they are entitled to receive a refund of contributions. Under 18(5) the administering authority must make the refund when the person requests payment or on the expiry of 5 years from the date active membership ceased if no request for payment has been received.</p>

Reported / Not reported	Not Reported. A letter explaining the member's rights to a refund was sent out on 31.3.2017. No response was received from the member until 13.3.2023 when the completed claim form was sent in. A check needed to be done to ensure that the member was not active before payment could be made due to possible tax implications. Once this had been verified the refund calculations were finalised and the request for ad hoc payment to be made was signed off on 31.3.2023.
Colour rating	
Outcome of report / investigation	The cause is the difficulty in tracing members. An amendment to the regulations is planned which will take away the requirement to make payment within 5 years of active membership in the Fund ceasing. Pension Dashboard
	requirements may assist members in keeping check on their pension entitlements. The admin Team have been told that as soon as they receive a refund claim form for a frozen refund they must act immediately.
Outstanding actions	
Comments	This is an issue across all LGPS funds. The LGA are pushing for the regulations to be changed to eliminate the 5 year payment deadline. It is difficult to trace members if they do not provide us with up to date address information. It would take considerable resources to try to trace address details and issue more reminders for outstanding cases . LGA advice is to wait for the regulatory change to be put into place.

Number	<b>11</b>
Date	<b>Apr 23</b>
Category	<b>Administration - Refunds</b>
Description and cause	<p>A refund to which a member was entitled was paid after the deadline stated in the LGPS Regulations 2013 (as amended). Under Regulation 18 (1) of the LGPS Regulations 2013 (as amended) when a member with less than 2 years qualifying service ceases active membership of the Fund they are entitled to receive a refund of contributions. Under 18(5) the administering authority must make the refund when the person requests payment or on the expiry of 5 years from the date active membership ceased if no request for payment has been received.</p>
Possible effect and wider implications	<p>Member does not receive monies they are entitled to. Possibly causing financial hardship however the amounts due are relatively small. The impact to the Fund is insignificant.</p>
Reaction	<p>Under Regulation 18 (1) of the LGPS Regulations 2013 (as amended) when a member with less than 2 years qualifying service ceases active membership of the Fund they are entitled to receive a refund of contributions. Under 18(5) the administering authority must make the refund when the person requests payment or on the expiry of 5 years from the date active membership ceased if no request for payment has been received.</p>
Reported / Not reported	<p>Not Reported. A letter explaining the member's rights to a refund was sent out on 16.5.2017. No response was received from the member until 8.6.2017 when the member requested a transfer quote which was provided on 15.6.2017. The member decided not to proceed with the transfer. No further correspondence was received from the member until 3.3.2023 when another transfer request was received which they were no longer entitled to. A refund form was then issued as that was the only option available to the member.</p>

Colour rating	
Outcome of report / investigation	The cause is the difficulty in tracing members. An amendment to the regulations is planned which will take away the requirement to make payment within 5 years of active membership in
	the Fund ceasing. Pension Dashboard requirements may assist members in keeping check on their pension entitlements. The admin Team have been told that as soon as they receive a refund claim form for a frozen refund they must act immediately.
Outstanding actions	
Comments	This is an issue across all LGPS funds. The LGA are pushing for the regulations to be changed to eliminate the 5 year payment deadline. It is difficult to trace members if they do not provide us with up to date address information. It would take considerable resources to try to trace address details and issue more reminders for outstanding cases . LGA advice is to wait for the regulatory change to be put into place.

Number	<b>13</b>
Date	<b>Aug 23</b>
Category	<b>Administration - ABS</b>
Description and cause	Failure to produce 100% of Annual Benefit Statement notifications
Possible effect and wider implications	Members and former members do not have up to date information on the value of their LGPS benefits affecting their ability to make informed decisions around pension provision. Noncompliance with LGPS regulations timescales. Member has been unable to check personal data is complete and accurate or that the correct contributions have been credited.
Reaction	The team managed to issue 94.61% of annual benefit statements.
Reported / Not reported	The matter was not referred to the Pensions Regulator. All the issues were identified and tasks have been set up on Altair to be dealt with as part of the work schedule.
Colour rating	

Outcome of report / investigation	Not Reported.
Outstanding actions	
Comments	

Number	14
Date	<b>Nov 23</b>
Category	<b>Administration - Refunds</b>
Description and cause	<p>A refund to which a member was entitled was paid after the deadline stated in the LGPS Regulations 2013 (as amended). Under Regulation 18 (1) of the LGPS Regulations 2013 (as amended) when a member with less than 2 years qualifying service ceases active membership of the Fund they are entitled to receive a refund of contributions. Under 18(5) the administering authority must make the refund when the person requests payment or on the expiry of 5 years from the date active membership ceased if no request for payment has been received.</p>
Possible effect and wider implications	<p>Member does not receive monies they are entitled to. Possibly causing financial hardship however the amounts due are relatively small. The impact to the Fund is insignificant.</p>
Reaction	<p>Under Regulation 18 (1) of the LGPS Regulations 2013 (as amended) when a member with less than 2 years qualifying service ceases active membership of the Fund they are entitled to receive a refund of contributions. Under 18(5) the administering authority must make the refund when the person requests payment or on the expiry of 5 years from the date active membership ceased if no request for payment has been received.</p>

Reported / Not reported	Not Reported. A completed claim form was sent in on 6 November 2023. A check needed to be done to ensure that the member was not active before payment could be made due to possible tax implications. Once this had been verified the refund calculations were finalised on 21.11.2023.
Colour rating	
Outcome of report / investigation	The cause is the difficulty in tracing members. An amendment to the regulations is planned which will take away the requirement to make payment within 5 years of active membership in the Fund ceasing. Pension Dashboard requirements may assist members in keeping check on their pension entitlements. The admin Team have been told that as soon as they receive a refund claim form for a frozen refund they must act immediately.
Outstanding actions	
Comments	This is an issue across all LGPS funds. The LGA are pushing for the regulations to be changed to eliminate the 5 year payment deadline. It is difficult to trace members if they do not provide us with up to date address information. It would take considerable resources to try to trace address details and issue more reminders for outstanding cases . LGA advice is to wait for the regulatory change to be put into place.

Number	15
Date	October 23
Category	<b>Finance - Accounts</b>
Description and cause	Failure to publish the audited Fund Accounts for year 22/23 by 30 September 2023
Possible effect and wider implications	Lack of accurate data available on which to base funding requirements. This could result in insufficient funds to pay all benefit liabilities.
Reaction	The report and accounts are being prepared. The audit of the accounts cannot be started until completion of the 19/20, 20/21, 21/22 accounts.
Reported / Not reported	The matter has not been reported to the Regulator. The failure to complete prior years accounts has been reported to The Pensions Regulator. The cause of the breach was due to the failure of the Council rather than failure in the administration of the scheme. The Actuary has confirmed that the valuation can still be completed, so the scheme can still comply with its legal requirements on funding. The breach has not resulted in any detrimental effects to members benefits.

Colour rating	
Outcome of report / investigation	
Outstanding actions	Resources and Section 151 Officer is expecting the accounts to be back on track by March 2025. <b>Update June 2024</b> – A revised target date will need to be agreed. <b>Update September 2024</b> Expect the auditors will issue a disclaimed audit opinion in line with the proposed backstop by 13 December 2024.
Comments	

Number	16
Date	<b>Aug 24</b>
Category	<b>Administration - ABS</b>
Description and cause	Failure to produce 100% of Annual Benefit Statement notifications
Possible effect and wider implications	Members and former members do not have up to date information on the value of their LGPS benefits affecting their ability to make informed decisions around pension provision. Noncompliance with LGPS regulations timescales. Member has been unable to check personal data is complete and accurate or that the correct contributions have been credited.
Reaction	The team managed to issue 95.92% of annual benefit statements.
Reported / Not reported	The matter was not referred to the Pensions Regulator. All the issues were identified and tasks have been set up on Altair to be dealt with as part of the work schedule

Colour rating	
Outcome of report / investigation	Not Reported. The team managed to issue 100% of the active members and 92.64% of deferred members notifications . The outstanding issues are being dealt with and member records updated as part of the work schedule.
Outstanding actions	
Comments	

## Breaches Log Ratings Categorisation Table

Rating	Description	Breach Occurred		Breach Identified		Action Taken	Decision
	Cause, effect, reaction and wider implications considered together <b>ARE LIKELY</b> to be of material significance	Error has occurred	<b>PLUS</b>	Errors not recognised	<b>PLUS</b>	No action taken to rectify and tackle the cause	<b>MUST</b> report to TPR
	Cause, effect, reaction and wider implications considered together <b>MAY</b> be of material significance	Error has occurred	<b>PLUS</b>	Error rectified	<b>PLUS</b>	Systemic cause not addressed so issue may arise again	<b>MAY</b> report to TPR – consider the evidence and make a decision
	Cause, effect, reaction and wider implications considered together <b>ARE NOT LIKELY</b> to be of material significance	Error has occurred	<b>PLUS</b>	Error rectified	<b>PLUS</b>	Systemic causes addressed to mitigate against issue arising again	<b>DO NOT</b> report to TPR

