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**The Pension Regulator’s and Scheme Advisory Board Compliance Checklist**

**Date of Completion:**    27/02/2018

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Introduction

This document outlines how the London Borough of Tower Hamlets complies with the Pensions Regulator’s (TPR) Code of Practice No 14 Governance and administration of public service pension schemes (‘the TPR Code’) in relation to the management of the London Borough of Tower Hamlets Pension Fund which is part of the Local Government Pension Scheme (LGPS). It will be updated regularly by officers of the Fund and reported annually to the Pensions Committee and Pension Board (generally in February/March/April each year).

This document highlights all the key elements of the TPR Code and then evidences whether Tower Hamlets Council meets these areas of best practice. As part of this evidence it shows when the element was last checked and whether, at that point, it was considered fully, partially or not compliant. Where they are partially or not compliant, it also highlights whether Tower Hamlets Council have identified actions to be carried out to improve their current practices. Where an element is not yet active, the commentary will generally still highlight where advanced progress is being made.

Those reading this document should be mindful that the TPR Code applies equally to all public service pension schemes and therefore it is generic in nature. There may be a number of elements that are more specifically stipulated within LGPS legislation and it is not the purpose of this compliance checklist to consider that level of detail.

Further, Tower Hamlets Council may also incorporate key elements of national guidance from the LGPS Scheme Advisory Board into this compliance checklist. This version contains the checklists included as part of the Shadow Scheme Advisory Boards “Guidance on the creation and operation of Local Pension Boards in England and Wales”.

Key

**Frequency of review and last review date:** Where a process, policy or practice is officially reviewed at a set interval, the actual interval will be shown as well as the last interval date. However, in many circumstances processes and procedures are ongoing and part of the day – to - day operation of the Fund. In these circumstances, an annual check will be carried out to ensure that the ongoing process meets the TPR Code expectations and therefore the date shown will be the date that annual check was carried out and the frequency will be shown as “ongoing (annual check)”.

Completed:	Compliant:	Where responsibility relates to employers:
Fully completed	Fully compliant	Employers - Fully compliant
In progress	Partially compliant	Employers - Partially compliant
Not started	Non-compliant	Employers - Non-compliant
Not yet relevant	Net yet relevant	Not yet relevant

Definitions:	
<i>PSPA13</i>	Public Service Pensions Act 2013
<i>LGPS</i>	Local Government Pension Scheme
<i>TPR</i>	The Pensions Regulator
<i>TPR Code</i>	The Pensions Regulator's Code of Practice No 14 Governance and administration of public service pension schemes
<i>Scheme Manager</i>	For the London Borough of Tower Hamlets Pension Fund, this is Tower Hamlets Council (sometimes referred to as LBTH).
<i>Administering Authority / LBTHPF</i>	The LGPS specific term for Scheme Manager. For the London Borough of Tower Hamlets Pension Fund, this is Tower Hamlets Council (sometimes referred to as London Borough of Tower Hamlets or LBTH).
<i>IDRP</i>	Internal Dispute Resolution Procedure
<i>SAB</i>	The national LGPS Scheme Advisory Board
<i>PC</i>	Pensions Committee
<i>LPB</i>	Local Pension Board

Summary Dashboard

A dashboard showing the summary of the results of the latest compliance checklist is shown below:

No.	Check Completed	Compliant
Reporting Duties		
A1	Fully completed	Fully compliant
A2	Fully completed	Fully compliant
A3	Fully completed	Fully compliant
A4	Fully completed	Fully compliant
Knowledge and Understanding		
B1	Fully completed	Fully compliant
B2	Fully completed	Fully compliant
B3	Fully completed	Fully compliant
B4	Fully completed	Fully compliant
B5	Fully completed	Fully compliant
B6	Fully completed	Fully compliant
B7	Fully completed	Fully compliant
B8	Fully completed	Fully compliant
B9	Fully completed	Fully compliant
B10	Fully completed	Partially compliant
B11	Fully completed	Fully compliant
B12	Fully completed	Partially compliant
Conflicts of Interest		
C1	Fully completed	Fully compliant
C2	Fully completed	Fully compliant
C3	Fully completed	Fully compliant
C4	Fully completed	Fully compliant
C5	Fully completed	Fully compliant
C6	Fully completed	Fully compliant
C7	Fully completed	Fully compliant
C8	Fully completed	Fully compliant
C9	Fully completed	Fully compliant
C10	Fully completed	Fully compliant
C11	Fully completed	Fully compliant
Publishing Information		
D1	Fully completed	Fully compliant
D2	Fully completed	Fully compliant
D3	Fully completed	Fully compliant
D4	Fully completed	Fully compliant

No.	Check Completed	Compliant
Risk and Internal Controls		
E1	Fully completed	Partially compliant
E2	Fully completed	Fully compliant
E3	Fully completed	Fully compliant
E4	Fully completed	Fully compliant
E5	Fully completed	Fully compliant
E6	Fully completed	Fully compliant
E7	Fully completed	Fully compliant
E8	Fully completed	Partially compliant
Maintaining Accurate Member Data		
F1	Fully completed	Partially compliant
F2	Fully completed	Partially compliant
F3	Fully completed	Partially compliant
F4	Fully completed	Fully compliant
F5	Fully completed	Fully compliant
F6	Fully completed	Fully compliant
F7	Fully completed	Partially compliant
F8	Fully completed	Fully compliant
F9	Fully completed	Fully compliant
F10	Fully completed	Fully compliant
F11	Fully completed	Partially compliant
Maintaining Contributions		
G1	Fully completed	Fully compliant
G2	Fully completed	Fully compliant
G3	Fully completed	Partially compliant
G4	Fully completed	Partially compliant
G5	Fully completed	Partially compliant
G6	Fully completed	Fully compliant
G7	Fully completed	Employers - Fully compliant
G8	Fully completed	Fully compliant
G9	In progress	Partially compliant
Providing Information to Members and Others		
H1	Fully completed	Fully compliant
H2	Fully completed	Fully compliant
H3	Fully completed	Fully compliant
H4	In progress	Partially compliant
H5	Fully completed	Partially compliant
H6	Fully completed	Fully compliant

No.	Check Completed	Compliant
H7	In progress	Employers - Partially compliant
H8	Fully completed	Partially compliant
H9	In progress	Partially compliant
H10	In progress	Partially compliant
H11	Fully completed	Fully compliant
H12	In progress	Partially compliant
H13	Fully completed	Partially compliant
Internal Dispute Resolution		
I1	Fully completed	Partially compliant
I2	Fully completed	Non-compliant
I3	Fully completed	Fully compliant
I4	Fully completed	Non-compliant
I5	Fully completed	Fully compliant
I6	Fully completed	Partially compliant
I7	Fully completed	Fully compliant
I8	In progress	Non-compliant
I9	Fully completed	Partially compliant
Reporting Breaches		
J1	Fully completed	Fully compliant
J2	Fully completed	Fully compliant
J3	Fully completed	Fully compliant
Scheme Advisory Board Requirements		
K1	Fully completed	Fully compliant
K2	Fully completed	Fully compliant
K3	Fully completed	Fully compliant
K4	Fully completed	Fully compliant
K5	Fully completed	Fully compliant
K6	Fully completed	Fully compliant
K7	Fully completed	Partially compliant
K8	Fully completed	Fully compliant
K9	Fully completed	Fully compliant
K10	Fully completed	Fully compliant
K11	Fully completed	Fully compliant
K12	Fully completed	Partially compliant
K13	Fully completed	Fully compliant
K14	Fully completed	Fully compliant
K15	Fully completed	Fully compliant

A - Reporting Duties

Note the requirements in this section are not included in the TPR Code but they are a fundamental to the relationship with TPR.

Legal Requirements

All public service pension schemes have to be registered with TPR. In addition, all schemes must provide a regular scheme return to TPR, containing prescribed information. A return is required when the scheme receives a scheme return notice from the regulator. The scheme manager must also keep the regulator informed of any changes to registrable scheme details.

Note the requirements in this section are not included in the TPR Code but are a requirement for all schemes.

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
A1	Is your scheme registered with the Pension Regulator?	<p>Managers of public service pension schemes that are 'registrable schemes' must register their scheme with the Pensions Regulator (TPR). A 'registrable scheme' is an occupational or personal pension scheme which is registered with HMRC and has more than one member.</p> <p>HMRC have indicated that the new arrangements for the 2014 LGPS in England and Wales and the 2015 LGPS in Northern Ireland will not be treated by them as new pension schemes, but as part of the schemes that were already in place. Where a scheme doesn't need to be registered further with HMRC, no further registration of that scheme with TPR is required, as existing schemes should already be registered with TPR.</p> <p>However, the managers of these schemes (which may be the local administering authorities) should ensure that their scheme (or part of the scheme for which they are responsible) is properly registered with us. They must also let us know of any changes to their scheme's (or part of the scheme's) 'registrable information' and provide up-to-date information as soon as possible.</p> <p>Managers must provide 'registrable information' when they register with TPR. 'Registrable information' includes details about:</p> <ul style="list-style-type: none"><li>- the scheme</li><li>- the managers of the scheme</li><li>- employers.</li></ul>	Will be assessed annually to ensure new registration not required	n/a already registered	27/02/2018	Fully completed	Fully compliant	New registration will only be required if a new LGPS is created that is deemed to be a separate scheme	
A2	Is the information held on the Pensions Regulator's website about the scheme up-to-date?	<p>It is a legal requirement for managers of a scheme to notify TPR of changes to their scheme's registrable information as soon as possible, and they can be fined if they don't do so.</p> <p>In the future the TPR's Exchange online service will be available to view and update schemes' registrable information online. In the meantime, if you need to update information you should contact TPR directly.</p>	Intention will be to update as employers join or leave the scheme and check annually for overall accuracy.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
A3	Have you completed this latest Scheme Return in the required timescale?	<p>Also in the future the TPR will issue bespoke scheme returns for public service schemes to complete. These will ask for registrable and other information on a regular basis (at least every three years). This is in addition to the ongoing duty for managers to notify TPR of changes to registrable information as soon as possible.</p> <p>In the private sector, these are required for TPR on an annual basis and include membership, employer, asset, valuation and contact details. These are issued for completion in around January of each year.</p>		as and when received	27/02/2018	Fully completed	Fully compliant		
A4	Have you responded to the latest TPR public service pension scheme survey/questionnaire?	TPR also intends to issue periodic surveys to gather information in relation to how schemes demonstrate best practice. An initial (sample) survey was issued in March 2013 and a further survey issued during 2015.	Plan is to complete future required survey.	as and when received	27/02/2018	Fully completed	Fully compliant		

B - Knowledge and Understanding

Legal Requirements

A member of the pension board of a public service pension scheme must be conversant with:

- the rules of the scheme, and
- any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.

A member of a pension board must have knowledge and understanding of:

- the law relating to pensions, and
- any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the pension board.

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B1	Are there policies and arrangements in place to support pension board members in acquiring and retaining knowledge and understanding?	38 - Schemes should establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding to support their pension board members.	Training policy with appropriate objectives and measurements in place, with reference to the TPR requirements and any other additional requirements for the pension board, such as the recent CIPFA Pension Board knowledge and skills framework.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant	Next review scheduled for March 2018	
B2	Has a person been designated to take responsibility for ensuring the framework is developed and implemented?	38 - Schemes should designate a person to take responsibility for ensuring that a framework is developed and implemented	Corporate Director of Resources is responsible for the implementation of the policy a. This is detailed in the policy. On a day to day basis (e.g. the work plan) the Investment and Treasury Manager arranges and manages training for PC and LPB members.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
B3	Is the Fund providing assistance to pension board members to determine the degree of knowledge and understanding required?	48 - Schemes should assist individual pension board members to determine the degree of knowledge and understanding that is sufficient for them to effectively carry out their role, responsibilities and duties as a pension board member  40 - Being 'conversant' means having a working knowledge of the scheme regulations and policies, so that pension board members can use them effectively when carrying out their duties  49 - Pension board members must have a working knowledge of their scheme regulations and documented administration policies. They should understand their scheme regulations and policies in enough detail to know where they are relevant to an issue and where a particular provision or policy may apply  50 - Pension board members must have knowledge and understanding of the law relating to pensions (and any other prescribed matters) sufficient for them to exercise the functions of their role. Pension board members should be aware of the range and extent of the law relating to pensions which applies to their scheme, and have sufficient understanding of the content and effect of that law to recognise when and how it impacts on their responsibilities and duties.  52 - Pension board members' breadth of knowledge and understanding should be sufficient to allow them to understand fully and challenge any information or advice they are given. They should understand how that information or advice impacts on any issue or decision relevant to their responsibilities and duties.  53 - Pension board members should ensure that they have the appropriate degree of knowledge and understanding of funding and investment matters relating to their scheme to enable them to effectively carry out their role. This includes having a working knowledge of provisions in their scheme regulations and administration policies that relate to funding and investment, as well as knowledge and understanding of relevant law relating to pensions.  54 - All board members should attain appropriate knowledge so that they are able to understand the relevant law in relation to their scheme and role. The degree of knowledge and understanding required of pension board members may vary according to the role of the board member, as well as the expertise of the board member. For example, a board member who is also a pensions law expert (for instance, as a result of their day job) should have a greater level of knowledge than that considered appropriate for board	Dedicated induction training will be provided based on CIPFA requirements and TPR Toolkit also incorporated – final details to be determined. Also all new members will be provided with key documents as per Training Policy. Ongoing PB members will be required to attend further training with Pensions Committee in addition to carrying out additional ad - hoc training as other needs arise. Annual self -assessment will be completed through the effectiveness survey.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
B4	Are the roles and responsibilities of pension boards and members of pension board clearly set out in scheme documentation?	47 - The roles, responsibilities and duties of pension boards and their individual members will vary between pension schemes. Matters for which the pension board is responsible will be set out in scheme regulations. Clear guidance on the roles, responsibilities and duties of pension boards and the members of those boards should be set out in scheme documentation.  48 - Schemes should assist individual pension board members to determine the degree of knowledge and understanding that is sufficient for them to effectively carry out their role responsibilities and duties as a pension board member	Board members Terms of Reference sets out the roles and responsibilities of the Board Members and it forms part of the initial training session (induction) explaining the roles of the different parties involved with the Fund.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
B5	Are pension board members aware of their legal responsibility in terms of Knowledge and Understanding?	39 - It is the responsibility of individual pension board members to ensure that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the pension board.	This is detailed in Terms of Reference and the induction training session has a specific governance training which covers roles and responsibilities and the key statutory documents.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B6	Have all pension board members got access to copies of the scheme rules and relevant Fund documentation?	<p>40 - Pension board members must be conversant with their scheme rules, which are primarily found in the scheme regulations, and documented administration policies currently in force for their pension scheme.</p> <p>42 - The following are examples of administration policies which the regulator considers to be particularly pertinent and would expect to be documented where relevant to a pension scheme, and with which pension board members must therefore be conversant where applicable. This list is not exhaustive:</p> <ul style="list-style-type: none"> <li>- any scheme-approved policies relating to: <ul style="list-style-type: none"> <li>A) conflicts of interest and the register of interests</li> <li>B) record-keeping</li> <li>C) internal dispute resolution</li> <li>D) reporting breaches</li> <li>E) maintaining contributions to the scheme</li> <li>F) the appointment of pension board members</li> </ul> </li> <li>- risk assessments/management and risk register policies for the scheme</li> <li>- scheme booklets, announcements and other key member and employer communications, which describe scheme policies and procedures</li> <li>- the roles, responsibilities and duties of the scheme manager, pension board and individual pension board members</li> <li>- terms of reference, structure and operational policies of the pension board and/or any sub-committee</li> <li>- statements of policy about the exercise of discretionary functions</li> <li>- statements of policy about communications with members and scheme employers</li> <li>- the pension administration strategy, or equivalent, and</li> <li>- any admission body (or equivalent) policies.</li> </ul> <p>43 - Documents which record policy about the administration of the scheme include those relating to funding and investment matters. For example, where relevant they must be conversant with the statement of investment principles and the funding strategy statement.</p> <p>44 - Pension board members must also be conversant with any other documented policies relating to the administration of the scheme. For example, where applicable, they must be conversant with policies relating to:</p> <ul style="list-style-type: none"> <li>- the contribution rate or amount (or the range/variability where there is no one single rate or amount) payable by employers participating in the scheme</li> <li>- statements of assurance (for example, assurance reports from administrators)</li> </ul>	Will be part of induction training including welcome pack with key documents included.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
B7	Is there an up-to-date list of the Fund specific documents with which pension board members need to be conversant in?	46 - Schemes should prepare and keep an updated list of the documents with which they consider pension board members need to be conversant. This will enable them to effectively carry out their role. They should make sure that both the list and the documents are available in accessible formats.	Yes listed in the induction handout and also in the annual report and accounts and training. The training policy also include these items	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
B8	Are all pension board members investing sufficient time in their learning and development?	<p>55 - Pension board members should invest sufficient time in their learning and development alongside their other responsibilities and duties. Schemes should provide pension board members with the relevant training and support that they require. Training is an important part of the individual's role and will help to ensure that they have the necessary knowledge and understanding to effectively meet their legal obligations.</p> <p>56 - Newly appointed pension board members should be aware that their responsibilities and duties as a pension board member begin from the date they take up their post. Therefore, they should immediately start to familiarise themselves with the scheme regulations, documents recording policy about the administration of the scheme and relevant pensions law. Schemes should offer pre-appointment training or arrange for mentoring by existing pension board members.</p> <p><del>This can also ensure that historical and scheme-specific knowledge is retained when pension board members change.</del></p>	Much of the training has been provided as part of LPB meetings and attendance to date is good. A log is maintained of who has been to which meeting and training and the record will be reported in annual report and accounts as for committee.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
B9	Does the Fund offer pre-appointment training for new pension board members or mentoring by existing members?	<p>56 - Newly appointed pension board members should be aware that their responsibilities and duties as a pension board member begin from the date they take up their post. Therefore, they should immediately start to familiarise themselves with the scheme regulations, documents recording policy about the administration of the scheme and relevant pensions law. Schemes should offer pre-appointment training or arrange for mentoring by existing pension board members.</p> <p><del>This can also ensure that historical and scheme-specific knowledge is retained when pension board members change.</del></p>	Pre-appointment training is on offer (also mentoring), and once members start they are given training. PB members are all motivated and have been keen to get hold of the required information to date.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
B10	Is there a process in place for regularly assessing the pension board members' level of knowledge and understanding is sufficient for their role, responsibilities and duties?	<p>57 - Pension board members should undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses. They should use a personalised training plan to document and address these promptly.</p> <p>58 - Learning programmes should be flexible, allowing pension board members to update particular areas of learning where required and to acquire new areas of knowledge in the event of any change.</p>	See comments in B3 - the knowledge and skills analysis will be carried out annually, albeit to date not all LPB members have completed it.	Annual	27/02/2018	Fully completed	Partially compliant		
B11	Are records of learning activities being maintained?	<p>60 - Schemes should keep appropriate records of the learning activities of individual pension board members and the board as a whole.</p> <p>This will help pension board members to demonstrate steps they have taken to comply with legal requirements and how they have mitigated risks associated with knowledge gaps. A good external learning programme will maintain records of the learning activities of <del>individuals on the programme or of group activities, if these have taken place.</del></p>	A log is maintained of who has been to which meeting and training and the record will be reported in annual report and accounts as for committee.	Ongoing (each meeting)	27/02/2018	Fully completed	Fully compliant		
B12	Have the pension board members completed the Pension Regulator's toolkit for training on the Code of Practice number 14?	<p>59 - The regulator has provided an e-learning programme to help meet the needs of pension board members, whether or not they have access to other learning.</p> <p>If schemes choose alternative learning programmes they should be confident that those programmes:</p> <ul style="list-style-type: none"> <li>- cover the type and degree of knowledge and understanding required</li> <li>- reflect the legal requirements, and</li> <li>- <del>are delivered within an appropriate timescale.</del></li> </ul>	It has been mentioned to LPB members and formally set as a requirements. It is agreed this is a useful training tool and need to check with PB members annually, as the modules are being used in training sessions in meetings.	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		Will recommend board members carry it out - put in policy, and consider going through as group in meeting.

C - Conflicts of interest

Legal Requirements

The Public Service Pensions Act 2013 sets out the legal requirements for scheme managers and pension boards for conflicts of interest.

In relation to the pension board, scheme regulations must include provision requiring the scheme manager to be satisfied:

- that a person to be appointed as a member of the pension board does not have a conflict of interest and
- from time to time, that none of the members of the pension board has a conflict of interest.

Scheme regulations must require each member or proposed member of a pension board to provide the scheme manager with such information as the scheme manager reasonably requires for the purposes of meeting the requirements referred to above.

Scheme regulations must include provision requiring the pension board to include employer representatives and member representatives in equal numbers.

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
C1	Does the Fund have a conflict of interest policy and procedure, which include identifying, monitoring and managing potential conflicts of interest?	<p>76 - Schemes should ensure that there is an agreed and documented conflicts policy and procedure, which includes identifying, monitoring and managing potential conflicts of interest. They should keep this under regular review. Policies and procedures should include examples of scenarios giving rise to conflicts of interest, how a conflict might arise specifically in relation to a pension board member and the process that pension board members and scheme managers should follow to address a situation where board members are subject to a potential or actual conflict of interest.</p> <p>86 - Schemes should establish and operate procedures which ensure that pension boards are not compromised by potentially conflicted members. They should consider and determine the roles and responsibilities of pension boards and individual board members carefully to ensure that conflicts of interest do not arise, nor are perceived to have arisen.</p> <p>Toolkit module - The policy should:</p> <ul style="list-style-type: none"><li>- outline the steps to be followed by pension board members and scheme managers to address a situation where board members have a potential or actual conflict of interest</li><li>- include a three-stage process to identify, monitor and manage potential conflicts of interest</li><li>- include examples of scenarios giving rise to conflicts</li></ul>	Yes - this was prepared and approved June 2016.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		Putting in place a formal conflicts policy for the Fund, which includes how to identify and manage potential conflicts and once in place this should be reviewed on a regular basis (e.g. annually).
C2	Do pension board members have a clear understanding of their role, the circumstances in which they may have a conflict of interest and how to manage potential conflicts?	78 - Schemes should cultivate a culture of openness and transparency. They should recognise the need for continual consideration of potential conflicts. Disclosure of interests which have the potential to become conflicts of interest should not be ignored. Pension board members should have a clear understanding of their role and the circumstances in which they may find themselves in a position of conflict of interest. They should know how to manage potential conflicts.	The pension board (and committee) have had training on the TPR requirements and the requirements in relation to conflicts and this also is briefly set out in the Terms of Reference.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		Consider a dedicated training session on this topic including when any policy formally implemented and introduced.
C3	Have all Pension Board members provided appropriate information for the Administering Authority to determine whether a conflict exists (on appointment and from time to time)?	79 - Pension board members, and people who are proposed to be appointed to a pension board, must provide scheme managers with information that they reasonably require to be satisfied that pension board members and proposed members do not have a conflict of interest.	PC and LPB have made declarations in line with the Council's Code of Conduct requirements	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		See other actions which cover formal requirements to be documented for the Fund
C4	Does the appointment process for pension board members require disclosure of interests and responsibilities which could become conflicts of interest?	<p>80 - Schemes should ensure that pension board members are appointed under procedures that require them to disclose any interests, including other responsibilities, which could become conflicts of interest and which may adversely affect their suitability for the role, before they are appointed.</p> <p>81 - All terms of engagement, for example appointment letters, should include a clause requiring disclosure of all interests, including any other responsibilities, which have the potential to become conflicts of interest, as soon as they arise. All interests disclosed should be recorded. See the section of this code on 'Monitoring potential conflicts'.</p> <p>82 - Schemes should take time to consider what important matters or decisions are likely to be considered during, for example, the year ahead and identify and consider any potential or actual conflicts of interest that may arise in the future. Pension board members should be notified as soon as practically possible and mitigations should be put in place to prevent these conflicts from materialising.</p>	Yes - this will be declared on application and signing a declaration form before commencing appointment this is to minimise the risk of appointing potentially conflicted members.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		Consider including requirement for future members to make declarations at application/pre-appointment stage to minimise risk of appointing potentially conflicted members.
C5	Is the conflicts policy regularly reviewed?	76 - The conflicts policy and procedure should be regularly reviewed.	Yes (annually).	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		Include need for regular review of the policy within policy wording
C6	Does the Fund have a conflicts register and it is circulated for ongoing review and published?	<p>83 - As part of their risk assessment process, schemes should identify, evaluate and manage dual interests which have the potential to become conflicts of interest and pose a risk to the scheme and possibly members, if they are not mitigated. Schemes should evaluate the nature of any dual interests and assess the likely consequences were a conflict of interest to materialise.</p> <p>84 - A register of interests should provide a simple and effective means of recording and monitoring dual interests and responsibilities. Schemes should also capture decisions about how to manage potential conflicts of interest in their risk registers or elsewhere. The register of interests and other relevant documents should be circulated to the pension board for ongoing review and published, for example on a scheme's website.</p> <p>Toolkit module - When managing conflicts of interest, it is essential that all conflicts of interest are recorded and the action taken is documented. The scheme should be able to demonstrate that records of conflicts are kept and that the register is monitored and reviewed regularly.</p>	Yes	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		Include a Pension Fund Conflicts register (for PB and PC) in the conflict policy/process to be drafted.
C7	Is appropriate information included in the register?	<p>Toolkit module - The register should outline areas where potential conflicts may arise and include details of:</p> <ul style="list-style-type: none"><li>- all obligations owed by pension boards</li><li>- all corporate hospitality offered (whether or not it has been accepted)</li><li>- personal financial interests (such as significant investments in particular organisations)</li><li>- other employment (for example where a pension board works with more than one scheme or where the spouse/family member of a pension board member works for an organisation which is bidding to provide services to the scheme)</li><li>- actions or mitigations taken</li></ul>	Yes	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		Ensure the conflicts register includes all recommended items.
C8	Is there a standing item on the agenda for declaring conflicts of interest?	<p>85 - Conflicts of interest should be included as an opening agenda item at board meetings and revisited during the meeting, where necessary. This provides an opportunity for those present to declare any interests, including other responsibilities, which have the potential to become conflicts of interest, and to minute discussions about how they will be managed to prevent an actual conflict arising.</p> <p>Toolkit module - At the start of all pension board meetings it is good practice for pension board members to declare whether they have any new conflicts of interest, either due to a change in circumstances, or because of a particular item that is to be considered at the meeting.</p>	There is a standing item	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
C9	Do those involved know how to report a conflict of interest?	Toolkit module - The policy should set this out.	Members trained at induction and provided with copy of Conflicts Policy annually. Also Policy referred to at start of each meeting	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		<p>Include in policy how to highlight a potential conflict.</p> <p>Recommend members complete the TPR toolkit training (or carry out this module as part of next committee/board training)</p>
C10	Is the number of employer and member representatives on the board in line with legal requirements?	90 - While scheme regulations must require pension boards to have an equal number of employer and member representatives, there is flexibility to design arrangements which best suit each scheme.	The board is made up of 3 member representatives, 3 employer representatives (including 1 Admission Body) and 1 independent chair which meets scheme regulation requirements. There is a vacant post for admitted body employer representation.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
C11	Is the board made up of the appropriate mix of representatives in order to minimise potential conflicts?	91 - Arrangements should be designed with regard to the principles of proportionality, fairness and transparency, and with the aim of ensuring that a pension board has the right balance of skills, experience and representation (for example, of membership categories and categories of employers participating in the scheme). Those responsible for appointing members to a pension board should also consider the mix of skills and experience needed on the pension board in order for the board to operate effectively in light of its particular role, responsibilities and duties.	It is believed that the make up includes suitable representation from membership and employers and includes an independent chair. It also includes a wide range of quite different backgrounds.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		

D - Publishing information about schemes

Legal Requirements

The scheme manager for a public service scheme must publish information about the pension board for the scheme(s) and keep that information up-to-date.

The information must include:

- who the members of the pension board are
- representation on the board of members of the scheme(s), and
- the matters falling within the pension board's responsibility

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
D1	Does the Administering Authority publish information about the pension board?	95 - Scheme managers must publish the information required about the pension board and keep that information up-to-date. This will ensure that scheme members can easily access information about who the pension board members are, how pension scheme members are represented on the pension board and the responsibilities of the board as a whole.	The Fund website and the Council website provides information relating to the LPB	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
D2	Does the Administering Authority publish other useful related information about the pension board?	96 - When publishing information about the identity of pension board members, the representation of scheme members and matters for which the board is responsible, schemes should also publish useful related information about the pension board such as: - the employment and job title (where relevant) and any other relevant position held by each board member - the pension board appointment process - who each pension board member represents - the full terms of reference for the pension board, including details of how it will operate, and - any specific roles and responsibilities of individual pension board members.	The responsibilities/TOR of the members are on the website  The appointment process is not included on the website at this stage (albeit a broad overview of how the members were appointed would be sufficient at this stage).	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
D3	Is all the information about the Pension Board kept up-to-date?	98 - Scheme managers must ensure that information published about the pension board is kept up-to-date. Schemes should have policies and processes to monitor all published data on an ongoing basis to ensure it is accurate and complete.	All information which is put onto the website is up - to - date so far. The clerk for the committee is responsible for making sure information is uploaded to the website after meetings - and this is also being carried out for the pension board.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
D4	Does the Administering Authority public information about pension board business?	97 - Schemes should also consider publishing information about pension board business, for example board papers, agendas and minutes of meetings (redacted to the extent that they contain confidential information and/or data covered by the Data Protection Act 1998). They should consider any requests for additional information to be published, to encourage scheme member engagement and promote a culture of transparency.	All meetings and papers (PB and PC) are public (some PC items may be restricted).	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		

E - Managing risk and internal controls

Legal Requirements

The scheme manager must establish and operate internal controls which adequately ensure the scheme is administered and managed in accordance with the scheme rules and the requirements of the law.

Internal controls are defined in the legislation as:

- arrangements and procedures to be followed in the administration and management of the scheme
- systems and arrangements for monitoring that administration and management
- arrangements and procedures to be followed for the safe custody and security of the assets of the scheme

The legal requirements apply equally where a scheme outsources services connected with the running of the scheme.

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
E1	Is there an agreed process for identifying and recording scheme risks?	106 - Before implementing an internal controls framework, schemes should carry out a risk assessment. They should begin by: - setting the objectives of the scheme - determining the various functions and activities carried out in the running of the scheme, and - identifying the main risks associated with those objectives, functions and activities.  107 - An effective risk assessment process will help schemes to identify a wide range of internal and external risks, which are critical to the scheme and members. When identifying risks, schemes should refer to relevant sources of information, such as records of internal disputes and legislative breaches, the register of interests, internal and external audit reports and service contracts.  108 - Once schemes have identified risks, they should record them in a risk register and review them regularly. Schemes should keep appropriate records to help scheme managers demonstrate steps they have taken to comply, if necessary, with legal requirements.	The Fund Risk Management and Internal Controls Policy to be tabled for approval at the September 2017 Committee meeting. The ension Manager has fed into the identification of the administration risks with the Council's risk manager for LBTH and also formally for the pension fund.	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		
E2	Does the Fund have an adequate process to evaluate risks and establish internal controls?	109 - Not all risks will have the same potential impact on scheme operations and members or the same likelihood of materialising. Schemes should consider both these areas when determining the order of priority for managing risks and focus on those areas where the impact and likelihood of a risk materialising is high.  110 - Many pension schemes will already have adequate internal controls in place, some of which may apply to a variety of the functions of the administering authority. Schemes should review their existing arrangements and procedures to determine whether they can prevent and detect errors in scheme operations and help mitigate pension scheme-related risks. For example, schemes could obtain assurance about their existing controls through direct testing or by obtaining reports on controls. Any such review should be appropriate to the outcome of the risk evaluation.  111 - Schemes should consider what internal controls are appropriate to mitigate the main risks they have identified and how best to monitor them. For example, the scheme manager(s) for a funded scheme should establish and operate internal controls that regularly assess the effectiveness of investment-related decision making. Scheme managers for all pension schemes should establish and operate internal controls that regularly assess the effectiveness of data management and record-keeping.	Yes	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
E3	Does the Administering Authority have a risk register to record all risks identified and action taken?	Schemes should use a risk register to record all risks.  The risk register should contain: - details of the risks identified - the likelihood of the risk arising - the impact of the risk if it does arise - the actions taken to mitigate the risk - when mitigation action was taken - when the risk and mitigation should next be reviewed - who has responsibility for monitoring the risk, if it is not the scheme manager  A sample risk register is shown below.	Yes	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
E4	Does the Administering Authority review the effectiveness of the risk management and internal control systems of the Fund?	101 - The scheme manager must establish and operate internal controls. These must be adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and in accordance with the requirements of the law.  A failure to have adequate internal controls may cause an administrative breach of the law.  102 - For these purposes 'internal controls' means: - arrangements and procedures to be followed in the administration and management of the scheme - systems and arrangements for monitoring that administration and management - arrangements and procedures to be followed for the safe custody and security of the assets of the scheme  103 - Internal controls should include: - a clear separation of duties - processes for escalation and /decision making - documented procedures for assessing and managing risks, reviewing breaches of law and managing contributions  105 - The scheme's internal controls should address significant risks which are likely to have a material impact on the scheme. Scheme managers should employ a risk-based approach and ensure that sufficient time and attention is spent on identifying, evaluating and managing risks and developing and monitoring appropriate controls. They should seek advice, as necessary.	There are substantial internal controls in place including a number of ongoing monitoring areas that are reported to PB and PC (investment matters and administration).	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
E5	Does the Administering Authority regularly review the risk register?		There is at least annual review of the risk register by PB and possibly PC	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
E6	Is there a standing item on the Pension Board agenda to review scheme risks?	Establishing effective internal controls is not a one-off exercise and must take into account a changing environment as well as new and emerging risks.  Procedures need to be in place to: - regularly monitor the effectiveness of internal control systems - ensure controls are kept up to date - ensure controls are capable of mitigating new and emerging risks	There is at least annual review of the scheme risks by PB based on outcome of internal audit	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
E7	Does the Administering Authority have adequate systems, arrangements and procedures (internal controls) in place for the administration and management of the Fund and are they documented ?	<p>101 - The scheme manager must establish and operate internal controls. These must be adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and in accordance with the requirements of the law.</p> <p>A failure to have adequate internal controls may cause an administrative breach of the law.</p> <p>102 - For these purposes 'internal controls' means:</p> <ul style="list-style-type: none"> <li>- arrangements and procedures to be followed in the administration and management of the scheme</li> <li>- systems and arrangements for monitoring that administration and management</li> <li>- arrangements and procedures to be followed for the safe custody and security of the assets of the scheme</li> </ul> <p>103 - Internal controls should include:</p> <ul style="list-style-type: none"> <li>- a clear separation of duties</li> <li>- processes for escalation and /decision making</li> <li>- documented procedures for assessing and managing risks, reviewing breaches of law and managing contributions</li> </ul> <p>105 - The scheme's internal controls should address significant risks which are likely to have a material impact on the scheme. Scheme managers should employ a risk-based approach and ensure that sufficient time and attention is spent on identifying, evaluating and managing risks and developing and monitoring appropriate controls. They should seek advice, as necessary.</p>	There is a large range of internal controls in place which may transpire to be adequate (examples shown below).	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
E8	Do these procedures apply equally to outsourced services, are internal controls reflected in contracts with third party providers and is there adequate reporting in relation to those controls?	<p>119 - The legal requirements apply equally where a scheme outsources services connected with the running of the scheme. Providers should be required to demonstrate that they will have adequate internal controls in their tenders for delivering services. The requirements should be incorporated in the terms of engagement and contract between the scheme and service provider. Outsourced services may include, for example, the maintenance of records and data, calculation of benefits and investment management services. Where services are outsourced, scheme managers should be satisfied that internal controls associated with those services are adequate and effective.</p> <p>120 - An increasing number of service providers are obtaining independent assurance reports to help demonstrate their ability to deliver quality administration services. Schemes should ask their service providers to demonstrate that they have adequate internal controls relating to the services they provide. It is vital that schemes ensure they receive sufficient assurance from service providers. For example, the information from providers should be sufficiently detailed and comprehensive and the service level agreements should cover all services that are outsourced. Schemes should also consider including provisions in contracts for outsourced services requiring compliance with appropriate standards. This should help to ensure effective administration.</p>	<p>AVCs are provided by external providers. There is a low take up of this option, and contracts with current providers have been in place for a long time so contracts have not recently been reviewed. The providers of AVCs (Aviva and Equitable Life) as well as the custodians and fund managers are not proving regular reporting/information and so this may be an area for consideration. However Equitable Life has recently provided information relating to its internal controls.</p> <p>Otherwise, annual AAF reports (internal control reports) are obtained from Fund Managers and from State Street (Custodian).</p>	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		Consider development of contracts with AVC providers and consider inclusion of KPIs/SLAs and regular reporting on their audit reports and confirmation of their internal controls.

F - Maintaining accurate member data

Legal Requirements

Scheme managers must keep records of information relating to:

- member information
- transactions, and
- pension board meetings and decisions.

The legal requirements are set out in the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 ('the Record Keeping Regulations').

The Data Protection Act 1998 and the data protection principles set out additional requirements for using, holding and handling personal information. Other requirements are set out in the:

- Pensions Act 1995 and 2004
- Pensions Act 2008 and the Employers' Duties (Registration and Compliance) Regulations 2010
- Occupational Pension Schemes (Scheme Administration) Regulations 1996 (SI 1996/1715)
- Occupational Pension Schemes (Scheme Administration) Regulations (Northern Ireland) 1997 (SR 1997 No 94)
- Registered Pension Schemes (Provision of Information) Regulations 2006 (SI 2006/567)

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F1	Do member records record the information required as defined in the Record Keeping Regulations and is it accurate?	126 - Scheme managers must ensure that member data across all membership categories specified in the Record Keeping Regulations is complete and accurate. Member data should be subject to regular data evaluation.  127 - Scheme managers must keep specific member data, which will enable them to uniquely identify a scheme member and calculate benefits correctly. This is particularly important with the establishment of career average revalued earnings (CARE) schemes. Scheme managers must be able to provide members with accurate information regarding their pension benefits (accrued benefits to date and their future projected entitlements) in accordance with legislative requirements, as well as pay the right benefits to the right person (including all beneficiaries) at the right time.	LBTH use Altair as their main administration system. It records all member and beneficiary information set out in Record Keeping Regulations apart from: - requirement to record AVC information. This is an element that is effectively outsourced to the AVC provider. AVC statements are produced by the providers and LBTH issue them to the members once scanning them (so they are held on each LBTH Altair member record). Other than this, very little information is held on Altair. It will be necessary for LBTH to obtain assurance from AVC providers (Aviva and Equitable Life) regarding complying with the requirements in relation to AVCs.	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		Emails sent to AVC providers asking if they comply - responses outstanding.
F2	Does the Fund have the appropriate processes in place so employers can provide timely and accurate information?	128 - Schemes should require participating employers to provide them with timely and accurate data in order for the scheme manager to be able to fulfil their legal obligations. Schemes should seek to ensure that processes are established by employers which enable the transmission of complete and accurate data from the outset. Processes will vary from employer to employer, depending on factors such as employee turnover, pay periods, number of employees who are members and the timing and number of payroll processing systems.  129 - Schemes should seek to ensure that employers understand the main events which require information about members to be passed from the employer to the scheme and/or another employer, such as when an employee: - joins or leaves the scheme - changes their rate of contributions - changes their name, address or salary - changes their member status, and - transfers employment between scheme employers.  130 - Schemes should ensure that appropriate procedures and timescales are in place for scheme employers to provide updated information when member data changes, for checking scheme data against employer data and for receiving information which may affect the profile of the scheme. If an employer fails to act according to the procedures set out above, meaning that they and/or scheme managers may not be complying with legal requirements, those under a statutory duty to report breaches of the law to the regulator under section 70 of the Pensions Act 2004 should assess whether there has been a relevant breach and take action as necessary.	Procedures are not formally documented. However, at the beginning of the year all employers are provided with an updated contribution table, a guide to accompany the monthly return spreadsheet explaining in full the format and requirements and where further guidance can be found, and required timescales, and even provides format verifications to assist employers. It also explains what is required at year end.  However, data is considered to be quite accurate due to the ways of working with employers, which varies by employers e.g.: '- Monthly interface files from the LBTH payroll system in relation to all employers who are paid by LBTH, ensures all changes (joiners, leavers etc.) are identified at least monthly, Employers have been asked to fill in the standard spreadsheet but this is not always returned in the required format. - Other employers (about 22 in total) have a standard excel to keep up to date albeit some still use forms for notification of changes. Some concerns over the accuracy of pay data for some employers. - interfaces between pensioner records on payroll and Altair ensure things such as addresses are up to date. - All correspondence relating to members is scanned onto Altair and linked to the member record, but older correspondence may be stored on a different system. - Members records are updated annually for contributions and monthly for pay figure - the team are considering moving to monthly for contributions as well.  Currently the processes often result in the administration team identifying any information requirements and then proactively chasing employers for information required. However it is noted that more documented instructions could help improve the flow of timely and accurate information. There are central guides produced by LGE that could be circulated to employers.	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		Send LGE guide around on annual basis, or create an alternative administration guide, and distribute to employers so aware of requirements.  Consider monthly update of contributions on member records.
F3	Does the Fund keep records of and reconcile transactions as required by the Record Keeping Regulations?	131 - Schemes should be able to trace the flow of funds into and out of the scheme and reconcile these against expected contributions and scheme costs. In doing so, they will have clear oversight of the core scheme transactions and should be able to mitigate risks swiftly.  132 - Scheme managers must keep records of transactions made to and from the scheme and any amount due to the scheme which has been written off. They should be able to demonstrate that they do so.	The specific requirements of the record keeping regulations are adhered to except: - Employer contributions are not recorded to the member record on Altair and Pension Fund records are not maintained with this information for all employers (albeit, for LBTH paid employers, the information can be extracted from the LBTH payroll) - this is not a compliance matter relating to the record keeping legislation but more best practice to clarify delegated responsibilities.  Other points identified of note are: '- Pension increases are detailed in resource link including breakdown of elements, but there is currently no comparing to member records so there is possibly some inaccuracies in the data held on Altair. - Although information is held for all write offs, officers have identified it would be helpful to have a fund specific policy in relation to write offs.	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		- Change processes so employer contributions are held at member level. - Consider introducing additional reconciliation between Altair and Resourcelink pensioner payroll records. - Consider a Fund specific formal policy/procedure for dealing with write offs.
F4	Are records kept of pension board meetings as required by the Record Keeping Regulations?	133 - Schemes must keep records of all pension board meetings. Schemes should also keep records of decisions made and key discussions, which may include topics such as compliance with policies in relation to the administration of the scheme. This will ensure there is a clear and transparent audit trail.	Clerk for Committee also does this for PB meetings and all details are posted on LBTH website.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
F5	Are records kept of decisions made by the pension board, outside of meetings as required by the Record Keeping Regulations?	134 - Schemes must also record any decisions taken by members of the pension board other than at a pension board meeting, or by a committee/sub-committee of a pension board, including the date, time, and place of the decision and the names of board members participating in that decision.  <u>This will ensure that there is a clear and transparent audit trail of the decisions made in relation to the scheme</u>	No decisions made by LPB are outside normal meetings.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
F6	Are records retained for as long as they are needed?	135 - Schemes should retain records for as long as is relevant for the purposes for which they are needed. It is likely data will need to be held for long periods of time. Schemes will need to keep some records for a member even after they have retired, ensuring that pension benefits can be settled for as long as they need to be paid. It is also important that schemes have in place systems and processes so they can keep records for the necessary amount of time.	Records are retained indefinitely, i.e. no member records are archived or removed from the systems as there is enough storage capacity to retain them and it is considered necessary to do so. There are no remaining paper files, all historic files including microfiche have been scanned onto an electronic system. Some records are kept on historic systems. Agresso is relatively new so all historic information is retained on there and will be kept indefinitely.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F7	Does the Administering Authority have policies and processes to monitor data on an ongoing basis?	<p>136 - Schemes should have policies and processes that monitor data on an ongoing basis to ensure it is accurate and complete, regardless of the volume of scheme transactions. This should be in relation to all membership categories, including pensioner member data where queries may arise once the pension is being paid.</p> <p>137 - Schemes should adopt a proportionate and risk-based approach to monitoring, based on any known or historical issues that may have occurred in relation to the scheme's administration. This is particularly important for the effective administration of CARE pension schemes, which requires schemes to hold significantly more data than needed for final salary schemes.</p>	<p>There is no formal policy or documented procedure for the checks that are carried out, but there is confidence in the accuracy and completeness of the vast majority of data required. Checks that are carried out include:</p> <ul style="list-style-type: none"> <li>- Annual posting of contributions, where checks are made with data versus member records to pick up any anomalies and this flows through to the benefit statements process.</li> <li>- There are no formal "common" data (as defined by TPR) checks, but Altair won't allow a record to be set up without common data items so this is not felt to be regularly necessary.</li> <li>- Triennial valuation exercise - amend records on 3 yearly basis if any issues identified by actuaries doing their data cleaning.</li> <li>- Only 2 pensioners are still paid by cheque not BACS so reduces risk</li> <li>- 2 yearly National Fraud Initiative exercise is carried out to identify deceased members.</li> <li>- Payslips sent in March and April and then at other times if changes in amounts occur, otherwise not sent. When payslips are returned the team then investigates any possible address errors.</li> <li>- Life certificate exercise is carried out every year for overseas pensioners as won't be picked up via other exercises.</li> <li>- All benefits are checked twice when calculated and a third time before being put into payment</li> </ul> <p>No checking is carried out for the setting up of new joiners but most are electronic uploads which remove manual input error risk. There are some areas where the checking procedures could be better documented and this is discussed in section E under internal controls.</p>	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant	We are currently undertaking data review with the software providers(aquila Heywood)	Consider formalising/formally documenting the checking procedures carried out.
F8	Does the Administering Authority carry out a data review at least annually?	138 - Schemes should continually review their data and carry out a data review exercise at least annually. This should include an assessment of the accuracy and completeness of the member information data held. Schemes should decide the frequency and nature of the review in light of factors such as the level of data quality, any issues identified and key scheme events.	The steps carried out in item F7 ensure that data is reviewed at least annually. Further, issues can be identified as part of the triennial valuation exercise.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
F9	Is a data improvement plan in place which is being monitored with a defined end date?	141 - Where schemes identify poor quality or missing data, they should put a data improvement plan in place to address these issues. The plan should have specific data improvement measures which schemes can monitor and a defined end date within a reasonable timeframe when the scheme will have complete and accurate data.	Currently there is no plan in place as there are no significant issues with data. However when issues arise, such as identification of possible deceased members following NFI checks or missing data on a monthly return, the team will allocate the work to the number of staff required to fix the issues within a suitable timescale. This approach is currently not formally documented. It is noted that should any future issues arise e.g. with meeting the deadlines for annual benefit statements, a plan would be set out for how to resolve the issue and this would be monitored and formally documented. It was further noted that this could be incorporated into their team plan	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		Ensure, if any future data issues should arise, the are formally documented in an improvement plan.
F10	Are processes and policies in place to reconcile scheme data with employer data?	142 - Schemes should ensure that member records are reconciled with information held by the employer, for example postal address or electronic address (email address) changes and new starters. Schemes should also ensure that the numbers of scheme members is as expected based on the number of leavers and joiners since the last reconciliation. Schemes should be able to determine those members who are approaching retirement, those who are active members and those who are deferred members.	Monthly return process helps identify the new joiners and leavers on a regular basis and monthly information includes postal information for members from employers - differences are investigated. This is done via Resourcelink interface for LBTH payroll paid employers. For employers not paid through LBTH payroll, spreadsheets are sent to employers with current details for them to check. These all include elements such as home addresses.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
F11	Do the Administering Authority's member data processes meet the requirements of the Data Protection Act 1998 and the data protection principles?	<p>143 - Schemes must ensure that member data processes meet the requirements of the Data Protection Act 1998 and the data protection principles.</p> <p>144 - In relation to data management, schemes should understand:</p> <ul style="list-style-type: none"> <li>- the obligations of data controllers</li> <li>- the difference between personal data and sensitive personal data</li> <li>- how data is held and how responses to data requests from different parties are handled</li> <li>- the systems required to store, move and destroy data</li> </ul>	<p>Authority as a whole asks people to make declaration on regular basis.</p> <p>There is a LBTH DPA Officer who attended and presented/discussed on the topic recently in a team meeting.</p> <p>Egress or GSX is used for sending data to/from employers which is fully secure. Focal point is used for secure transfer of data to/from actuaries at triennial valuation time.</p> <p>It has been identified that email correspondence with members is not secure at present. However sending information to LBTH internal email addresses is OK as the systems are secure.</p> <p>Aviva might use WinZip as not one contact they deal with.</p>	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		Check Council DPA policy about info to the public and make sure that's followed. Ensure member data is not sent to email addresses unprotected, even if member requests this. Consider putting in place additional controls which prevents unsecure emails from being sent

G - Maintaining contributions

Legal requirements

Contributions must be paid as detailed below, and where not done, they should be reported to TPR in circumstances where the scheme manager has reasonable cause to believe that the failure is likely to be of material significance to TPR in the exercise of any of its functions. Reporting must be carried out as detailed below.

Contribution Type		Contributions must be paid		When a failure should be	
Employer		On or before the due date as defined by the scheme regulations		To The Regulator: As soon as reasonably practicable	
Employee		Paid within the prescribed period (19 <sup>th</sup> day of the month, or 22 <sup>nd</sup> day if paid electronically) or earlier date if required by the scheme regulations		Regulator: Within a reasonable period – 10 working days	

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
G1	Does the Fund have procedures and processes in place to identify payment failures?	150 - The scheme manager should ensure that there are effective procedures and processes in place to identify payment failures that are – and are not – of material significance to the regulator. A 'payment failure' is where contribution payments are not paid to the scheme by the due date(s), or within the prescribed period and a 'materially significant payment failure' refers to a payment failure which is likely to be of material significance to the regulator in the exercise of its functions.  151 - Schemes should monitor pension contributions, resolve payment issues and report payment failures, as appropriate, so that the scheme is administered and managed in accordance with the scheme regulations and other legal requirements	There is a Treasury team contribution monitoring spreadsheet which is explicit about what is required on a monthly basis in terms of checking, and there is a procedure note to explain what to do. It's objective is to focus on identifying and notifying late or incorrect contributions.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
G2	Do those processes and procedures include a contributions monitoring record to determine whether contributions are paid on time and in full?	152 - Adequate procedures and processes are likely to involve: - developing a record to monitor the payment of contributions - monitoring the payment of contributions - managing overdue contributions, and - reporting materially significant payment failures.  156 - A contributions monitoring record will enable schemes to check whether contributions have been paid on time and in full, and, if they have not, provide a trigger for escalation for schemes to investigate the payment failure and consideration of whether scheme managers need to report to the regulator and, where relevant, members.  157 - A contributions monitoring record should include the following information: - contribution rates - the date(s) on or before which employer contributions are to be paid to the scheme - the date by when, or period within which, the employee contributions are to be paid to the scheme - the rate or amount of interest payable where the payment of contributions is late.	As outlined above, this is all incorporated into a Treasury team spreadsheet. It automatically flags if there is a late payment, as the sheet includes entries for dates expected and paid - the Treasury team will go in and update the sheet for dates paid when the payments arrive on the bank statement - roughly this is looked at daily around the usual payment dates. The spreadsheet would therefore indicate if an employer was a continual/regular late payment offender.  In relation to payments being made in full, there are checks carried at both employer and employee contribution amount. These are generally carried out at total level per month, i.e. no individual spot checks unless there appears to be a bigger problem. For the Admitted bodies, the information is broken down by staff, but for LBTH there are so many members individual member checks are not carried out and only totals are therefore considered. LBTH checks are slightly different as there are so many members - these involve broad checks on the totals and only investigated if there are significant differences to expected amounts (or amounts in previous months). It is considered this is adequate as the payroll system for LBTH is considered to be more reliable. However it is noted that using this approach, there is no way to check the right contribution rate is being charged other at the year end.  In addition, at the start of the financial year, Treasury team will look at the rates changes and check the amounts being paid agree with expectations (employers are notified of required changes in advance of the year start). In relation to LBTH paid employers, the Head of Payroll is asked to confirm the rate to pay - and the Treasury team will check its what's agreed in valuation rates and adjustments certificate.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		Recommend more spot checks to ensure contributions actually correct member by member (for LBTH) - even without payroll this check can be carried out to ensure the ratio of employer to each employee contribution rate are correct, for example.
G3	Do those processes and procedures include monitoring payments against the contributions monitoring record on an ongoing basis?	161 - Schemes should monitor contributions on an ongoing basis for all the membership categories within the scheme. Schemes should regularly check payments due against the contributions monitoring record.  162 - Schemes should apply a risk-based and proportionate approach to help identify employers and situations which present a higher risk of payment failures occurring and which are likely to be of material significance and require the scheme manager to intervene.  163 - Schemes should be aware of what is to be paid in accordance with the contributions monitoring record or other scheme documentation, which may be used by the pension scheme. Schemes should also have a process in place to identify where payments are late or have been underpaid, overpaid or not paid at all.  164 - For schemes to effectively monitor contributions they will require access to certain information. Employers will often provide the payment information that schemes need to monitor contributions at the same time as they send the contributions to the scheme.  165 - Schemes should have adequate internal controls in place to monitor the sharing of payment information between the employer, pension scheme and member. Where the necessary payment information is not automatically available or provided by employers, schemes should request the additional information they need. Schemes may not need to obtain payment information as a matter of course, only where it is required for effective monitoring.  165 - Scheme managers must record and retain information on transactions, including any employer and employee contributions received and payments of pensions and benefits, which will support them in their administration and monitoring responsibilities.  166 - Where the administration of scheme contributions is outsourced to a service provider, schemes should ensure that there is a process in place to obtain regular information on the payment of contributions to the scheme and a clear procedure in place to enable them to identify and resolve payment failures which may occur.	For admitted bodies, checks of the money in bank account vs amounts provided in the information for each employer and employee are carried out. The LBTH is not explicitly checked by the Treasury Team as this should be covered by separate payroll team processes, but any issues would be picked up at year end. Monthly reconciliation to start from September 2017	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		Recommend process is updated to explicitly check amounts credited to accounts in relation to internal payroll on a monthly basis.
G4	Are these procedures regularly reviewed to ensure they are effective?	171 - The regulator recognises that a monitoring process based on information provided by employers may not be able to confirm deliberate underpayment or non-payment, or fraudulent behaviour by an employer. Schemes should review current processes or develop a new process which is able to detect situations where fraud may be more likely to occur and where additional checks may be appropriate.	Other than via internal and external audit (which should identify areas for concern), the processes are now being review quarterly.  There are relatively few employers in the Fund and a good relationship exists with them, so the risk of deliberate underpayment or fraudulent behaviour is considered to be minor.	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
G5	Do the Administering Authority's processes include managing overdue contributions in line with TPR's suggested approach?	<p>168 - When schemes identify or are notified of a problem, they should assess whether a payment failure has occurred before taking steps to resolve and, if necessary, report it. During their assessment, schemes should take into account:</p> <ul style="list-style-type: none"> <li>- legitimate agreed payments made directly by an employer for scheme purposes, i.e. where the scheme has agreed that a contributions payment can be made late due to exceptional circumstances</li> <li>- legitimate agreed payment arrangements made between an employee and employer, i.e. where the employer has agreed that a contribution payment can be made late due to exceptional circumstances</li> <li>- contributions paid directly to a pension provider, scheme administrator or investment manager</li> <li>- any AVCs included with an employer's overall payment.</li> </ul> <p>169 - Where schemes identify a payment failure, they should follow a process to resolve issues quickly. This should normally involve the following steps:</p> <ol style="list-style-type: none"> <li>Investigate any apparent employer failure to pay contributions in accordance with the contributions monitoring record or legal requirements.</li> <li>Contact the employer promptly to alert them to the payment failure and to seek to resolve the overdue payment.</li> <li>Discuss it further with the employer as soon as practicable to find out the cause and circumstances of the payment failure.</li> </ol>	<p>Not formally documented, but the Pension Manager has a procedure to follow if any contributions were materially late. This involves escalating the issue to PC and possibly the Regulator. The Treasury department passes cases to the Pension Manager to follow up when late payments are identified through their monitoring.</p> <p>AVC providers contact administration team by email if they expect a contribution which is not then paid. This is then investigated - typically it will be due to a member leaving the Fund.</p>	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		Formalise process to follow in situations of late or incorrect payments
G6	Does the Fund maintain a record of any investigations and communications with employers?	170 - Schemes should maintain a record of their investigation and communications between themselves and the employer. Recording this information will help to provide evidence of schemes' effective monitoring processes and could help to demonstrate that the scheme manager has met the legal requirement to establish and operate adequate internal controls. It will also form part of the decision of whether or not to report a payment failure to the regulator and, where relevant, members.	<p>Where in relation to specific member information this will be retained on the member's record.</p> <p>For generic contributions information the Treasury department keeps a record of communications with employers but the Pension Manager is copied in. The Pension Manager is a key contact for admitted bodies, and there's a shared area for all such emails.</p>	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
G7	Do employers provide sufficient information to monitor contributions and is this in accordance with the LGPS regulations?	164 - Employers will often provide the payment information that schemes need to monitor contributions at the same time as they send the contributions to the scheme, which may be required under the scheme regulations. Payment information may include:	A monthly return is provided by employers to the administration team such as pay information	Ongoing (annual check)	27/02/2018	Fully completed	Employers - Fully compliant		
G8	Is there a satisfactory process in place to assess the materiality of any payment failures and ensure that those which are material are reported to the Regulator within a reasonable period?	<p>173 - Scheme managers must report payment failures which are likely to be of material significance to the regulator within a reasonable period, in the case of employee contributions; and as soon as reasonably practicable in the case of employer contributions</p> <p>174 - Where schemes identify a payment failure, they should attempt to recover contributions within 90 days from the due date or prescribed period having passed without full payment of the contribution.</p> <p>175 - While schemes are not expected to undertake a full investigation to establish materiality or investigate whether an employer has behaved fraudulently, schemes should ask the employer:</p> <ul style="list-style-type: none"> <li>- the cause and circumstances of the payment failure</li> <li>- what action the employer has taken as a result of the payment failure, and</li> <li>- the wider implications or impact of the payment failure.</li> </ul> <p>176 - When reaching a decision about whether to report, schemes should consider these points together and establish whether they have reasonable cause to report.</p> <p>177 - Having reasonable cause means more than merely having a suspicion that cannot be substantiated. Schemes should investigate the payment failure and use their judgement when deciding whether to report to the regulator.</p> <p>178 - Schemes may choose to take an employer's response to their enquiries at face value if they have no reason to believe it to be untrue or where their risk-based process indicates that there is a low risk of continuing payment failure. Where they receive no response, schemes may infer that an employer is unwilling to pay the contributions due.</p> <p>181 - Schemes should identify and report to the regulator, as appropriate, any payment failures that may not be of material significance taken individually, but which could indicate a systemic problem. For example, an employer consistently failing to pay contributions by the due date or within the prescribed period, but paying within 90 days, may be due to inefficient scheme systems and processes. Schemes may also need to report payment failures that occur repeatedly and are likely to be materially significant to the regulator, depending on the circumstances.</p> <p>182 - Reporting payment failures of employer contributions as soon as 'reasonably practicable' means within a reasonable period from the scheme manager having reasonable cause to believe that the payment failure is likely to be of material significance to the regulator. Schemes should also consider whether it may be appropriate to report a payment failure of employer contributions to</p>	This is included in reporting breaches policy	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
G9	If the administration of contributions outsourced to a service provider, is there a process in place to obtain regular information on the payment of contributions to the scheme?	167 - Where the administration of scheme contributions is outsourced to a service provider, schemes should ensure that there is a process in place to obtain regular information on the payment of contributions to the scheme and a clear procedure in place to enable them to identify and resolve payment failures which may occur.	AVCs are paid to AVC providers - confirmation is being obtained on the checks that are carried out. It has been agreed that there could be greater checking of contribution payments to ensure the amounts paid are agreed by the AVC provider, though it is expected any discrepancies would be picked up during the annual accounts audit.	Ongoing (annual check)	27/02/2018	In progress	Partially compliant		

H - Providing information to members and others

Legal requirements

The law requires schemes to disclose information about benefits and scheme administration to scheme members and others. This includes requirements relating to benefit statements and certain other information which must be provided under the requirements of the 2013 Act, HM Treasury directions and the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 ('the Disclosure Regulations 2013'). In addition to these duties, there are other legal requirements relating to the provision of information to members and others under other legislation.

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H1	Has an annual benefit statement been provided to all active members within the required timescales?	188 - Scheme regulations must require scheme managers to provide an annual benefit information statement to each active member of a DB scheme established under the 2013 Act or new public body scheme. The statement must include a description of the benefits earned by a member in respect of their pensionable service.  189 - The first statement must be provided no later than 17 months after the scheme regulations establishing the scheme come into force (i.e. 31st August 2015). Subsequent statements must be provided at least annually after that date.	Yes	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
H2	Do these meet the legal requirements in relation to format?	190 - Statements must also comply with HM Treasury directions in terms of any other information which must be included and the manner in which they must be provided to members.	The statements have been designed to follow the LGA template. The statements have been checked and include the required information in the Regulations. HMT Directions apply from next years' statements but these statements comply regardless.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
H3	Has a benefit statement been provided to all active, deferred and pension credit members who have requested one within the required timescales?	191 - Managers of a scheme must also provide a benefit statement following a request by an active, deferred or pension credit member of a DB scheme if the information has not been provided to that member in the previous 12 months before that request.  193 - The information must be given as soon as practicable but no more than two months after the date the request is made	All deferred statements are automatically done. This is only where the address is available -i.e. not for Gone Aways where Altair has an identifier for returned mail as GA and a statement is not then automatically produced. DWP tracing is carried out roughly every year to help identify missing address for members over SPA.  <del>In relation to pension credit members, no requests have been received for statements</del>	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
H4	Does this meet the legal requirements in relation to format?	192 - These benefit statements must include information about the amount of benefits by reference to a particular date and how they are calculated. The full details depend on the type of member making the request.	The statements have been checked and include the required information except in the following areas: - Deferred statements /pension credit statements missing the start date for pensionable service, the method of calculating member and survivor benefits, the survivor pension on death of the member and the date the pensionable service ended (no details on any deductions are mentioned as there are no accompanying notes). However it is possible information on individual requests does provide this information and this will need further investigation and verified.	Ongoing (annual check)	27/02/2018	In progress	Partially compliant		Consider updating statements to include the required additional information so as to ensure fully compliance.
H5	Has an annual benefit statement been provided to all members with AVCs within the required timescales?	194 - Managers of a scheme must provide a benefit statement to a member of a DC public service pension scheme, who is not an 'excluded person', within 12 months of the end of the scheme year. An 'excluded person' is a member or beneficiary whose present postal address and email address is not known to the scheme because the correspondence has been returned (in the case of postal correspondence) or has not been delivered (in the case of electronic correspondence).	Currently the statements are sent to LBTH to send out to members and this meets the required deadline. However there are no checks that the statements are provided for all members with AVCs - this could be an additional check to ensure data quality, using the summary information provided by the AVC providers along with the physical statements.	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		Consider checking if a statement is produced by AVC providers for all members where this is expected - use summary information from AVC providers.
H6	Do these meet the legal requirements in relation to format?	195 - The information which must be provided includes the amount of contributions (before any deductions are made) credited to the member during the immediately preceding scheme year, the value of the member's accrued rights under the scheme at a date specified by the managers of the scheme and a statutory money purchase illustration. The full detail of the information that must be provided is set out in the Disclosure Regulations 2013.	The Aviva statements include all required information. The Equitable Life statements do not include any projected benefits under paragraphs 6 to 8 of Schedule 6 but this is acceptable as the statements are for members who are no longer paying contributions.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
H7	Is basic scheme information provided to all new and prospective members within the required timescales?	200 - Managers must disclose certain basic information about the scheme and the benefits it provides to a prospective member (if practicable to do so) or a new member. Where the manager has received jobholder information for the member or prospective member they must provide the information within a month of the jobholder information being received. Where they have not received jobholder information, they must provide the information within two months of the date the person became an active member of the scheme.  201 - Managers must also provide the information on request to a relevant person within two months of the request being made, except where the same information was provided to the same person or trade union in the 12 months before the request.	It is not clear whether all new employees are receiving appropriate information about the scheme and on time. There is a brief guide to the scheme but the admin team do not now issue statutory notices and therefore they are relying on it being issued prior to that point as part of the induction process. Terms and condition letters include reference to the LBTH intranet site where basic scheme information is held, but this is for LBTH employees only, and this information does not include the required level of information  It is not clear on what is provided for employees of other employers or whether it meets timescales, it is known that in general a link to the LGPS 2014 scheme page is provided.  Statutory notices (i.e. legal notices about joining the scheme) are no longer sent (ceased a few years ago) which would be one means to ensure information is being provided in the right manner. <del>Information transferred and TPRs do not include information on members</del>	Ongoing (annual check)	27/02/2018	In progress	Employers - Partially compliant		Review how information is circulated to new joiners, such as perhaps reinstate the use of statutory notices with a brief guide.
H8	Does this meet the legal requirements in relation to format?	200 - As per Regulation 6 of the Disclosure Regulations 2013.	There is a brief guide to the scheme which provides the required information other than a few minor exceptions: - The statement regarding whether any charges are applied to leaving service benefits and where further information can be obtained - The comments about transfers out do not give the statement about the 1993 Act (i.e. protection for early leavers) - the conditions for re-entry after leaving could be more explicit - We aren't able to check the comments provided by the AVC provider for new AVC members as we do not have examples - e.g. on life styling and that the value may depend on the range of different possibilities. - The IDRPs leaflet is referred to but the contact details aren't provided at this early stage However, as mentioned above, it is not clear on what is provided for employees of other employers or whether it meets timescales, it is known that in general a link to the LGPS 2014 scheme page is provided (which would provide the key details about the LGPS benefits).	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		As above (H8)
H9	Is all other information provided in accordance with the legal timescales?	196 - Under the Disclosure Regulations 2013, managers of a scheme must provide other information to members and others in certain circumstances (for example, on request). The Regulations set out the information which must be given, the timescales for providing such information and the methods that may be used. Not all information must be provided in respect of all public service pension schemes (there are some exemptions for specified public service schemes or according to the type of benefit offered), but information which scheme managers may need to provide includes: - information about the scheme that has materially altered - information about the constitution of the scheme - information about transfer credits - information about life styling (this requirement will not apply in respect of DB benefits in public service pension schemes) - information about accessing benefits, and - information about benefits in payment.  197 - The detail of the information that must be provided to scheme members and others and any exemptions are set out in the Disclosure Regulations 2013. Managers must provide the required information, along with confirmation that members may request further information and the postal and email addresses to which a person should send those requests and enquiries	It is not fully apparent whether all disclosure timescales are being met, for example: . although there is some internal reporting on KPIs, these do not necessarily measure in the same manner as legal timescales for elements such as transfers credit notifications or retirements. However, 2015 performance for Q3 is above 90% for most tasks and it is therefore it is expected that average times are well within the statutory requirements. - other communications include a pensioner newsletter every year with pension increase letter, deferred members received a newsletter with their statements in 2015 and active members were sent a newsletter this year with the benefit statements. Key scheme changes would generally be included in there but no strict monitoring of compliance is checked. - LBTH are waiting verification from the AVC providers regarding their compliance with these disclosure requirements	Ongoing (annual check)	27/02/2018	In progress	Partially compliant		Ongoing consideration of how better to identify if these requirements are met.

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H10	Is all other information provided in the format and methods required by law?	See above.	Internal communications comply with the regulations but this cannot be confirmed until confirmation from AVC providers.	Ongoing (annual check)	27/02/2018	In progress	Partially compliant		Waiting confirmation that requirements are met from AVC providers
H11	Where any information is only provided electronically (i.e. instead of any hard copy) does it comply with the legal requirements?	<p>203 - Generally, schemes may choose how they provide information to scheme members, including by post, electronically (by email or by making it available on a website) or by any other means permitted by the law. For benefit statements issued under the 2013 Act, HM Treasury directions may specify how the information must be provided. Where schemes wish to provide information required under the Disclosure Regulations 2013 by electronic means there are important steps and safeguards that must first be met. These include:</p> <ul style="list-style-type: none"> <li>- scheme members and beneficiaries being provided with the option to opt out of receiving information electronically by giving written notice to the scheme</li> <li>- managers being satisfied that the electronic communications have been designed: <ul style="list-style-type: none"> <li>A) so that the person will be able to access and either store or print the relevant information and</li> <li>B) taking into account the requirements of disabled people</li> </ul> </li> <li>- ensuring that members and beneficiaries who were members or beneficiaries of the public service pension scheme on 1 December 2010 (where the scheme had not provided information electronically prior to that date) has been sent a written notice (other than via email or website), informing them that: <ul style="list-style-type: none"> <li>A) it is proposed to provide information electronically in the future and</li> <li>B) scheme members and beneficiaries may opt out of receiving information electronically by sending written notice.</li> </ul> </li> </ul> <p>204 - Where schemes make information or a document available on a website for the first time, they must give notice (other than via a website) to the recipient. They must ensure that the notice includes:</p> <ul style="list-style-type: none"> <li>- a statement advising that the information is available on the website</li> <li>- the website address</li> <li>- details of where on the website the information or document can be read, and</li> <li>- an explanation of how the information or document may be read on the website.</li> </ul> <p>205 - When any subsequent information is made available on a website, managers of a scheme must give a notice (other than via a website) to recipients informing them that the information is available on the website. This notice will not be required where:</p> <ul style="list-style-type: none"> <li>- at least two documents have been given to the recipient by hand or sent to the recipient's last known postal address</li> <li>- each of those letters asks the recipient to give their electronic (email) address to the scheme and informs the recipient of their right to request (in writing) that information or documents are not to be provided electronically</li> <li>- a third letter has been given to the recipient by hand or sent to the recipient's last known postal address and includes a statement that further information will be available to read on the website and that no further notifications will be sent to the recipient and</li> </ul>	<p>No information is exclusively provided electronically (note comments above re new joiner information where there is some lack of clarity on what and how it is provided, but initial contact is via mail and hard copies can be provided of intranet material if required).</p> <p>Correspondence with members via email is carried out at member request and benefit notifications and annual statements sent by post. Newsletters are sent with pension increase notifications or benefit statements.</p>	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
H12	Does the Administering Authority aim to design and deliver communications in a way that ensures scheme members are able to engage with their pension provision?	207 - Schemes should design and deliver communications to scheme members in a way that ensures they are able to engage with their pension provision. Information should be clear and simple to understand as well as being accurate and easily accessible. It is important that members are able to understand their pension arrangements and make informed decisions where required.	<p>This can not be fully evidenced at this stage but there is also a plan to provide a questionnaire with questions about the communications with the next communications that go to members as there has not been a survey for some time.</p> <p>Communications are produced internally with the LBTH's council design team. Benefit statements are based on he LGA template, and have a paragraph which welcomes feedback in relation to the statement or any other aspect of the pension service. There are no communications related complaints, other than a few queries regarding materials for partially sighted members, where alternative materials were provided.</p>	Ongoing (annual check)	27/02/2018	In progress	Partially compliant		Submit surveys with communications to review engagement and understanding
H13	Does the Administering Authority use a tracing service?	208 - Schemes should attempt to make contact with their scheme members and, where contact is not possible, schemes should carry out a tracing exercise to locate the member and ensure that their member data are up-to-date.	<p>See F7 for checks carried out (NFI on 2 yearly basis and life certificates).</p> <p>In addition pensioner cases investigated when post (payslips etc.) returned. Deferred members are generally investigated when communications are attempted close to retirement. However a tracing service is not used for younger deferred members who have unknown addresses.</p>	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		Consider carrying out regular tracing service checks on other deferred members.

I - Internal Dispute Resolution

Legal requirements

The Pensions Act 1995 requires scheme managers to set up and implement an Internal Dispute Resolution Procedure (IDRP) to help resolve disputes between the scheme manager and people with an interest in the scheme.

The act states that a person has an interest in the scheme if they:

- are a member or beneficiary
- are a prospective member
- have ceased to be a member, beneficiary or prospective member
- claim to be any of the above and the dispute relates to this claim.

The Act also states that the procedure must include:

- how an application is to be made
- what must be included in an application
- how decisions are to be reached and notified
- a specified period (which is reasonable) within which applications must be made.

The procedure may require people with an interest in the scheme to first refer matters in dispute to a 'specified person' in order for that person to consider and give their decision on those matters. This decision may then be confirmed or replaced by the decision taken by the scheme manager after reconsideration of the matters. However, legislation provides flexibility for scheme managers to decide the details of these.

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
11	Has the Administering Authority put in place an internal dispute resolution procedure?	213 - Scheme managers must make and implement dispute resolution arrangements that comply with the requirements of the law and help resolve pensions disputes between the scheme manager and a person with an interest in the scheme.	There is a formal process in place. This is documented in IDRP leaflet. The procedure includes 2 stages for references and the IDRP leaflet and all related correspondence provides the required contact details at each stage. Stage one goes to a LBTH officer first for adjudication, who will then issue the decision letter which includes more information including information on stage 2, TPAS and the Pensions Ombudsman.	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		IDRP could be updated to ensure it is up to date, and includes all required and additional helpful information. Current version is based on old DCLG sample
12	Does the Administering Authority's process highlight or consider whether a dispute is exempt?	214 - Section 50(9) of the 1995 Pensions Act states that a dispute is exempt if: - proceedings have commenced in a court or tribunal - the Pensions Ombudsman has started an investigation - it is prescribed by regulations made by the Secretary of State.	This is not currently included (explicitly - some elements are implied) although those involved in the IDRP process know what circumstances are exempt and will notify the member immediately if that is the case. It is noted the IDRP leaflet is due for updating and this will be one area to be included to save members time in submitting an exempt dispute case.	Ongoing (annual check)	27/02/2018	Fully completed	Non-compliant		This detail will be included as and when the IDRP policy, procedure and leaflet /correspondence is updated.
13	Does the information made available to applicants about the procedure clearly state the procedure and process to apply for a dispute to be resolved including: - who it applies to - who the specified person (stage 1) is - the timescales for making applications - who to contact with a dispute - the information that an applicant must include - the process by which decisions are reached?	215 - A person has an interest in the scheme if they: - are a member or surviving non-dependant beneficiary of a deceased member of the scheme - are a widow, widower, surviving civil partner or surviving dependant of a deceased member of the scheme - are a prospective member of the scheme - have ceased to be a member, beneficiary or prospective member or - claim to be in one of the categories mentioned above and the dispute relates to whether they are such a person.  216 - Dispute resolution arrangements may require people with an interest in the scheme to first refer matters in dispute to a 'specified person' in order for that person to consider and give their decision on those matters. The specified person's decision may then be confirmed or replaced by the decision taken by the scheme manager after reconsideration of the matters.  225 - If schemes decide to specify time limits, they should publish and make those time limits readily available to ensure that those with an interest in the scheme are aware that they must submit an application within a prescribed time limit.  237 - Scheme managers must also provide the postal or email address and job title of the person to contact in order to make use of the internal dispute arrangements.  239 - Schemes can decide what information they need from applicants to reach a decision on a disputed matter and how applications	The information to applicants includes the required items, including the target timescales (on back of IDRP leaflet), what information is required (form to complete in leaflet) and the contact details for the IDRP process.  If responses are to be delayed, the member is informed with the reason for the delay and the expected new response timescale.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		Recommend the IDRP is updated to include as much helpful information as possible to the members and to ensure the TPR and legal recommendations/ requirements are met.
14	Has the Administering Authority ensured that employers who make first stage decisions also have IDRP in place?		This has not been done. However, no other employers outside LBTH have had IDRP cases, but it is expected that if they were to arise, employers would pass them to LBTH for stage 1.	Ongoing (annual check)	27/02/2018	Fully completed	Non-compliant		Liaise with employers to agree a stage 1 process (which could be use of the LBTH stage 1 appointed person)
15	Are the timescales in the procedure adhered to including sending an acknowledgment on receipt of an application?	Note - For the LGPS, the timescales must be in accordance with the LGPS regulations.  231 - Applicants must be notified of the decision made by a scheme manager and specified person (where applicable) within a reasonable time period after the decision has been made.  230 - The regulator recognises that the circumstances of each dispute are different and decision times may vary. Schemes should be satisfied that the time taken to reach a decision is appropriate to the situation and be able to demonstrate this, if necessary.  232 - Schemes should provide the applicant with regular updates on the progress of their investigation. They should notify the applicant where the time period for a decision is expected to be shorter or longer than the reasonable time period and let them know when they are likely to receive an outcome.  239 - Schemes should send an acknowledgement once an application has been received.	The expected timescales are set out in the IDRP leaflet. Although these are not formally monitored (as it is outside of pension team initially) the pensions team do try to keep an eye on timescales. They have examples of cases where there has been a delay and the member is informed with reason and expected new timescales.  An acknowledgement is sent for all new cases (example evidenced).	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
16	Does the Administering Authority notify and advertise the procedure appropriately?	236 -Information about the IDRP must be communicated to: - prospective members (if practicable) - scheme members who haven't already been given the information - members, or prospective members, when schemes receive jobholder information, or when a jobholder becomes an active member, in connection with automatic enrolment - certain people who request the information and haven't been given it in the previous 12 months  233 & 235 - The procedure should be: - communicated in scheme documentation, e.g. a joining booklet - easily accessible, e.g. on the scheme website - within documents recording policy about the administration of the scheme	Standard paragraph in all standard letters for notification of benefit letters (as evidenced on death benefit notification, retirement and correspondence relating to non-refund payment).  The guide is also on the intranet for LBTH employees.  However it is unlikely this information is being provided for new scheme members.	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		Ensure IDRP information is included for new joiners to the scheme

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
17	Are the notification requirements in relation to TPAS and the Pensions Ombudsman being adhered to?	238 - In addition, scheme managers must provide information about TPAS and the Pensions Ombudsman at certain stages. Upon receiving an application for the resolution of a pension dispute, scheme managers (or the specified person) must make the applicant aware as soon as reasonably practicable that TPAS is available to assist members and beneficiaries of the scheme and provide contact details for TPAS. When notifying the applicant of the decision, scheme managers must also inform the applicant that the Pensions Ombudsman is available to investigate and determine complaints or disputes of fact or law relating to a public service pension scheme and provide the Pension Ombudsman's contact details.	The TPAS and Ombudsman details are provided at the required stages - evidence of standard letters have been shown at acknowledgement of dispute, and both decision stages	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
18	Does the Administering Authority regularly assess the effectiveness of its arrangements?	234 - Schemes should ensure that the effectiveness of the arrangements is assessed regularly and be satisfied that those following the process are complying with the requirements set, which includes effective decision making.	<p>No formal reporting as such is in place (IDRP cases are quite rare and are almost exclusively Tier 3 Ill health cases), but the PB has recently asked for reports of all complaints and IDRP cases.</p> <p>The reporting of this information is now in progress - the team is currently updating their KPI performance monitoring items for the PB and will include this in the reporting. It is intended the reporting will start from new financial year i.e. April 2016.</p>	Ongoing (annual check)	27/02/2018	In progress	Non-compliant		Recommend the PB monitors whether all disputes seem to come from one particular area, suggesting a systemic issue, and monitor timescales for dealing with IDRP cases.
19	Does the Administering Authority regularly assess the effectiveness where employers carry out a stage one process?	234 - See above - this is particularly important where the arrangements require employers participating in the pension scheme to carry out duties as part of the process, for example where schemes have implemented the two-stage procedure and employers are acting as the specified person for the first stage.	There have been no employer stage 1 IDRPs to monitor	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		

J - Reporting breaches of the law

Legal Requirements

Certain people are required to report breaches of the law to the regulator where they have reasonable cause to believe that:

- a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with
- the failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions.

People who are subject to the reporting requirement ('reporters') for public service pension schemes are:

- scheme managers
- members of pension boards
- any person who is otherwise involved in the administration of a public service pension scheme
- employers: in the case of a multi-employer scheme, any participating employer who becomes aware of a breach should consider their statutory duty to report, regardless of whether the breach relates to, or affects, members who are its employees or those of other employers
  
- professional advisers including auditors, actuaries, legal advisers and fund managers: not all public service pension schemes are subject to the same legal requirements to appoint professional advisers, but nonetheless the regulator expects that all schemes will have professional advisers, either resulting from other legal requirements or simply as a matter of practice
  
- any person who is otherwise involved in advising the managers of the scheme in relation to the scheme.

The report must be made in writing as soon as reasonably practicable.

No.	TPR Requirement	Notes from TPR Code	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Completed	Compliant	Notes	Action
J1	Is the Administering Authority satisfied that those responsible for reporting reaches under the legal requirements and TPR guidance understand the requirements?	244 - Schemes should be satisfied that those responsible for reporting breaches are made aware of the legal requirements and this guidance. Schemes should provide training for scheme managers and pension board members. All others under the statutory duty to report should ensure they have a sufficient level of knowledge and understanding to fulfil that duty. This means having sufficient familiarity with the legal requirements and procedures and processes for reporting.	A formal breaches procedure is in place and also available on the fund website.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
J2	Does the Administering Authority have appropriate procedures in place to meet their legal obligations for identifying and assessing breaches?	245 - Identifying and assessing a breach of the law is important in reducing risk and providing an early warning of possible malpractice in public service pension schemes. Those people with a responsibility to report breaches, including scheme managers and pension board members, should establish and operate appropriate and effective procedures to ensure that they are able to meet their legal obligations. Procedures should enable people to raise concerns and facilitate the objective consideration of those matters. It is important that procedures allow reporters to decide within an appropriate timescale whether they must report a breach. Reporters should not rely on waiting for others to report.  246 - Procedures should include the following features: - a process for obtaining clarification of the law around the suspected breach where needed - a process for clarifying the facts around the suspected breach where they are not known - a process for consideration of the material significance of the breach by taking into account its cause, effect, the reaction to it, and its wider implications, including (where appropriate) dialogue with the scheme manager or pension board - a clear process for referral to the appropriate level of seniority at which decisions can be made on whether to report to the regulator - an established procedure for dealing with difficult cases - a timeframe for the procedure to take place that is appropriate to the breach and allows the report to be made as soon as reasonably practicable - a system to record breaches even if they are not reported to the regulator (the record of past breaches may be relevant in deciding whether to report future breaches, for example it may reveal a systemic issue), and - a process for identifying promptly any breaches that are so serious they must always be reported.	A formal breaches procedure is in place and also available on the fund website.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
J3	Are breaches being recorded in accordance with the agreed procedures?	246 - Procedures should include a system to record breaches even if they are not reported to the regulator (the record of past breaches may be relevant in deciding whether to report future breaches, for example it may reveal a systemic issue).	A formal breaches procedure is in place and also available on the fund website.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		

K - Scheme Advisory Board - Guidance on the creation and operation of Local Pension Boards in England and Wales

Legal Requirements

Clause 7 of the Public Service Pensions Act provides that the national Scheme Advisory Board (SAB) may provide advice to scheme managers or pension boards in relation to the effective and efficient administration and management of the scheme.

It also provides that a person to whom advice is given by virtue of subsection (1) or (2) must have regard to the advice.

The Scheme Advisory Board has published guidance on the creation and operation of Local Pension Boards in England and Wales which incorporates a number of action point check lists at the end of some of the sections. The following are the items in those checklists.

No.	SAB Requirement	SAB Section	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
K1	Administering Authority to have approved the establishment (including Terms of Reference) of the Local Pension Board by 1 April 2015.	5	Established 26 November 2014	One off - no further review necessary	27/02/2018	Fully completed	Fully compliant		
K2	The Local Pension Board must be operational (i.e. had its first meeting no later than 4 months after the 1 April 2015).	5	Quarterly meetings	One off - no further review necessary	27/02/2018	Fully completed	Fully compliant		
K3	Once established a Local Pension Board should adopt a knowledge and understanding policy and framework (possibly in conjunction with the Pensions Committee if appropriate).	6	PB approved the training framework annually.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
K4	A Local Pension Board should designate a person to take responsibility for ensuring that the knowledge and understanding policy and framework is developed and implemented.	6	Corporate Director of Resources is named as responsible person in policy statement	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
K5	The Administering Authority should offer access to high quality induction training and provide relevant ongoing training to the appointed members of the Local Pension Board.	6	PB engaged in continuous training internally and externally.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
K6	A Local Pension Board should prepare (and keep updated) a list of the core documents recording policy about the administration of the Fund and make the list and documents (as well as the rules of the LGPS) accessible to its members.	6	The key documents are included in the annual report and accounts and also on the scheme website.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
K7	Members of a Local Pension Board should undertake a personal training needs analysis and put in place a personalised training plan.	6	There is a Training Plan (annual) but it is focussed at whole PC/P B level. Annual self -assessment will be completed through effectiveness survey.	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant	A model is being developed to capture individual training needs against CIPFA requirements/TPR toolkits and to monitor against those specific requirements.	
K8	An Administering Authority should prepare a code of conduct and a conflicts policy for its Local Pension Board for approval in accordance with the Administering Authority's constitution and at the first meeting of the Local Pension Board. The Local Pension Board should keep these under regular review.	7	The Terms of Reference have been approved which include a short section on conflicts. A formal conflicts policy for the Fund was approved by PC June 2016 and this cover the TPR requirements (see section C for details).	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
K9	Training should be arranged for officers and members of a Local Pension Board on conduct and conflicts.	7	This was covered in part in the initial meeting and subsequent meetings	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
K10	A Local Pension Board should establish and maintain a register of interests for its members.	7	This has been implemented in June 2016 for the PC and PB members and also declarations are being made at each meeting in line with Council requirements.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
K11	An Administering Authority should agree the ongoing reporting arrangements between the Local Pension Board and the Administering Authority.	8	These are outlined in the LPB terms of reference.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
K12	A Local Pension Board should understand the Administering Authority's requirements, controls and policies for FOIA compliance so that the Local Pension Board is aware of them and can comply with them.	8	Copy of Council's FOI policy will be provided to all PB members as part of induction pack.	Ongoing (annual check)	27/02/2018	Fully completed	Partially compliant		
K13	A Local Pension Board should put in place arrangements to meet the duty of its members to report breaches of law.	8	There is a formal breaches policy in place and members received training	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		
K14	A Local Pension Board should consider (with its Administering Authority) the need to publish an annual report of its activities.	8	The Chairman of the LPB is required to prepare an annual report which is published in annual report and accounts (this is in the LPB terms of reference). The first report will be due summer 2016.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		

No.	SAB Requirement	SAB Section	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
K15	An Administering Authority should consult on, revise and publish its governance compliance statement to include details of the terms, structure and operational procedures relating to its Local Pension Board.	8	The Governance Compliance Statement (as included in the 2014/15 annual report and accounts) includes the required information.	Ongoing (annual check)	27/02/2018	Fully completed	Fully compliant		