

The Pension Regulator's and Scheme Advisory Board Compliance Checklist

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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	Not 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	In progress	Partially compliant
A3	Not yet relevant	Not yet relevant
A4	Fully completed	Non-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	Partially compliant
B7	Fully completed	Non-compliant
B8	Fully completed	Fully compliant
B9	Fully completed	Non-compliant
B10	Fully completed	Partially compliant
B11	Fully completed	Fully compliant
B12	Fully completed	Non-compliant
Conflicts of Interest		
C1	Fully completed	Non-compliant
C2	Fully completed	Partially compliant
C3	Fully completed	Partially compliant
C4	Fully completed	Partially compliant
C5	Fully completed	Non-compliant
C6	Fully completed	Partially compliant
C7	Fully completed	Partially compliant
C8	Fully completed	Partially compliant
C9	Fully completed	Partially compliant
C10	Fully completed	Fully compliant
C11	Fully completed	Fully compliant
Publishing Information		
D1	Fully completed	Fully compliant
D2	Fully completed	Partially compliant
D3	Fully completed	Fully compliant
D4	Fully completed	Fully compliant

No.	Check Completed	Compliant
Risk and Internal Controls		
E1	Fully completed	Non-compliant
E2	Fully completed	Non-compliant
E3	Fully completed	Non-compliant
E4	Fully completed	Non-compliant
E5	Fully completed	Non-compliant
E6	Fully completed	Non-compliant
E7	Fully completed	Partially 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	Non-compliant
G5	Fully completed	Partially compliant
G6	Fully completed	Fully compliant
G7	Fully completed	Employers - Non-compliant
G8	Fully completed	Partially compliant
G9	In progress	Partially compliant
Providing Information to Members and Others		
H1	Fully completed	Non-compliant
H2	Fully completed	Fully compliant
H3	Fully completed	Fully compliant
H4	In progress	Partially compliant
H5	Fully completed	Fully compliant
H6	Fully completed	Fully compliant

No.	Check Completed	Compliant
H7	In progress	Employers - Non-compliant
H8	Fully completed	Non-compliant
H9	In progress	Non-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	Fully 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	Not yet relevant
Reporting Breaches		
J1	Fully completed	Partially compliant
J2	Fully completed	Non-compliant
J3	Fully completed	Non-compliant
Scheme Advisory Board Requirements		
K1	Fully completed	Fully compliant
K2	Fully completed	Partially compliant
K3	Fully completed	Fully compliant
K4	Fully completed	Fully compliant
K5	Fully completed	Fully compliant
K6	Fully completed	Non-compliant
K7	Fully completed	Partially compliant
K8	Fully completed	Partially compliant
K9	Fully completed	Partially compliant
K10	Fully completed	Partially compliant
K11	Fully completed	Fully compliant
K12	Fully completed	Non-compliant
K13	Fully completed	Non-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	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?	Yes - Anant Dodia (the Pension Manager) is the contact on the registration.	n/a already registered	27/01/2016	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?	No new employers have been admitted for a long period of time, other than Academies. Academies as well as all other scheduled and admitted bodies should be included and so there is likely to be a need to update the employer details held by the Regulator for the new Academies.	Ongoing (annual check)	27/01/2016	In progress	Partially compliant		Anant to check when employer details were last updated, and if out of date update and then update when each new employer joins
A3	Have you completed this latest Scheme Return in the required timescale?	Bespoke public sector returns have not yet commenced.	Ongoing (annual check)	27/01/2016	Not yet relevant	Not yet relevant		
A4	Have you responded to the latest TPR public service pension scheme survey/questionnaire?	Not completed last survey which was a trail version. Plan is to complete future required survey.	Ongoing (annual check)	27/01/2016	Fully completed	Non-compliant		Complete all future surveys - this audit document may assist with completion.

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	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?	Training policy statement in place - covers both committee and board members. This is based on the committee members' policy and so may need to be updated to specifically reference the TPR requirements and any other additional requirements for the pension board, such as the recent CIPFA Pension Board knowledge and skills framework. Training policy is available on website (i.e. via meetings information) and detailed in the annual report.	Ongoing (annual check)	02/02/2016	Fully completed	Fully compliant		Policy statement could be updated for some specific board member training requirements, the updated CIPFA list for PB (includes additional items such as administration), a list of key documents and officer training/knowledge requirements.
B2	Has a person been designated to take responsibility for ensuring the 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)	02/02/2016	Fully completed	Fully compliant		
B3	Is the Fund providing assistance to pension board members to determine the degree of knowledge and understanding required?	Much of the focus, to date, has been on the PC, including an annual consideration of the Training Policy/CIPFA requirements and a training plan. This is being rolled out to the Pension Board gradually as part of ongoing induction. Governance training was included in the first meeting (July 2015). A knowledge and skills training needs analysis is underway - the pension board members have been given specific questions on what certain elements are, e.g. performance monitoring, investment, actuarial valuations, legislation. This analysis was provided by Hymans (based on CIPFA requirements). Not all board members have returned these, but they have been chased and it is expected this will be discussed at the March 2016 meeting, this is hoped to assist with planning of the training for next year. At the first LPB meeting the Investment & Treasury Manager also went through the annual report to show PB members all the policies that need to be aware of e.g. SIP, admin strategy, comms, and training policy and accounts. The roles and responsibilities were also explained. The training provided to members gave a list of key documents (available in public meeting pack online) which the PB members need, and they were all told documents are available either on the website or by asking the Investment & Treasury Manager - and were also given a copy of the annual report by email.	Ongoing (annual check)	02/02/2016	Fully completed	Fully compliant		
B4	Are the roles and responsibilities of pension boards and members of pension board clearly set out in scheme documentation?	Board members Terms of Reference sets out the roles and responsibilities of the Board Members and covered as a key part of the agenda at the first LPB meeting (28/7/15). Further there was an initial training session explaining the roles of the different parties involved with the Fund.	Ongoing (annual check)	02/02/2016	Fully completed	Fully compliant		
B5	Are pension board members aware of their legal responsibility in terms of Knowledge and Understanding?	This is detailed in Terms of Reference which were provided and discussed at the first LPB meeting (28/7/15). Also in first meeting on 28 July 2015 there was specific governance training including roles and responsibilities and the key statutory documents. The Training Policy and requirements were further covered at the 1/10/15 LPB, including the legal requirements relating to their knowledge and skills.	Ongoing (annual check)	02/02/2016	Fully completed	Fully compliant		

No.	TPR Requirement	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?	Annual report has been provided in the first PB meeting and by email (and each annual report will be available in future years in meetings etc.) and also online. It contains all the key policies and strategies. These key documents were highlighted as part of initial training at 28/7/15 LPB meeting. Other scheme documentation is available online, via PC meeting packs which all LPB members have access too. LPB members have been told they can request documents from the Investment & Treasury Manager. A few of the recommended items may not have been seen yet by the PB members e.g. the valuation report/rates and adjustments certificate, the IDRP, the Scheme Booklet, discretions, and there are some policies which are not yet drafted for the Fund i.e. Conflicts, Breaches, Risk Management.	Ongoing (annual check)	02/02/2016	Fully completed	Partially compliant		Ensure LPB receive final key documents recommended.
B7	Is there an up-to-date list of the Fund specific documents with which pension board members need to be conversant in?	Not explicitly listed, but was implied through annual report and accounts and training. The training policy will be updated to include these items	Ongoing (annual check)	02/02/2016	Fully completed	Non-compliant		Training Policy to be updated with list of key documents.
B8	Are all pension board members investing sufficient time in their learning and development?	Much of the training has been provided as part of LPB meetings and attendance to date is good, albeit it is early days. 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)	02/02/2016	Fully completed	Fully compliant		
B9	Does the Fund offer pre-appointment training for new pension board members or mentoring by existing members?	Pre-appointment training is not offered (nor is mentoring), but once members start they are given training. All are motivated and have been keen to get hold of the required information to date.	Ongoing (annual check)	02/02/2016	Fully completed	Non-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?	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	02/02/2016	Fully completed	Partially compliant		
B11	Are records of learning activities being maintained?	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)	02/02/2016	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?	It has been mentioned to LPB members but not formally set as a requirement as yet as there has been a lot to take in initially. It is agreed this is a useful training tool so will be added to the requirements going forward, and it will be considered whether to use the modules in training sessions in meetings.	Ongoing (annual check)	02/02/2016	Fully completed	Non-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	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?	There is currently no formal policy for conflicts of interest for the pension fund (board or committee) though it is mentioned in the PB and PC Terms of Reference. It has been recognised that this is best practice to have a conflicts management policy in place for the Fund and so is looking to develop this. The LBTH Council's constitution includes the requirement to declare disclosable pecuniary interests in the Code of Conduct, and so all PB and PC members have followed this requirement. However, this does not cover all circumstances that would be covered in a Fund specific Conflicts of Interest Policy.	Ongoing (annual check)	02/02/2016	Fully completed	Non-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?	The pension board (and committee) have had high level training on the TPR requirements and the requirements in relation to conflicts are briefly set out in the Terms of Reference. However it is noted that this could be emphasised further through the implementation of a formal policy and register for the fund, and a dedicated training session covering conflicts of interest (this may involve the TPR toolkit module). The declaration of pecuniary interests completed for the council may have highlighted some of the relevant considerations in this area.	Ongoing (annual check)	02/02/2016	Fully completed	Partially 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)?	PC and LPB have made declarations in line with the Council's Code of Conduct requirements (see C1) and declarations of pecuniary interests is a formal item on each LPB (and PC) agenda. However, as noted previously, this may not cover all aspects as would be covered with a Fund specific situation.	Ongoing (annual check)	02/02/2016	Fully completed	Partially 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?	No declarations to date in the appointment process under any pension Fund requirement (this is looked at once appointed by way of the Council Code of Conduct declaration). However, as per previous points, this may not pick up all Fund specific situations.	Ongoing (annual check)	02/02/2016	Fully completed	Partially 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?	No conflicts policy currently in place but in progress - including the requirement for regular review of the policy (i.e. annually, no later than every three years).	Ongoing (annual check)	02/02/2016	Fully completed	Non-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?	There is only the Council's pecuniary interest register. There is no current conflicts identification and management process covering wider Fund potential conflicts, this is being implemented currently and this will include the maintenance of a conflicts register to be published and reviewed as a standing agenda item.	Ongoing (annual check)	02/02/2016	Fully completed	Partially 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?	The register for Council pecuniary interests excludes potential conflicts from wider roles and responsibilities in relation to the Fund. This is being developed/considered and will include the TPR recommended elements as well as any other information considered of use to the PB/PC.	Ongoing (annual check)	02/02/2016	Fully completed	Partially compliant		Ensure the conflicts register includes all recommended items.

No.	TPR Requirement	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
C8	Is there a standing item on the agenda for declaring conflicts of interest?	There is a standing item but it is focussed on Council pecuniary interests.	Ongoing (annual check)	02/02/2016	Fully completed	Partially compliant		
C9	Do those involved know how to report a conflict of interest?	There has been some high level training including on the Code of Practice, and the opportunity to declare conflicts from a Council declaration requirement, as well as the opportunity to raise concerns at PB and PC meetings when considering the agenda - declarations of interest is on each agenda. However it is recognised that there could be more explicit training and it would be ideal to have this set out in a formal policy, and to cover this more fully in a future training session. It is recognised the TPR's module on the toolkit will provide useful training for members.	Ongoing (annual check)	02/02/2016	Fully completed	Partially compliant		Include in policy how to highlight a potential conflict. Recommend members complete the TPR toolkit training (or carry out this module as part of next committee/board training)
C10	Is the number of employer and member representatives on the board in line with legal requirements?	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. All positions are currently filled.	Ongoing (annual check)	02/02/2016	Fully completed	Fully compliant		
C11	Is the board made up of the appropriate mix of representatives in order to minimise potential conflicts?	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. There were no selection interviews, but it is considered the balance of membership is suitable and all are engaging with the training provided.	Ongoing (annual check)	02/02/2016	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	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?	The Committee area of the Tower Hamlets council website provides information relating to the LPB via the committee meeting/agenda pages.	Ongoing (annual check)	02/02/2016	Fully completed	Fully compliant		
D2	Does the Administering Authority publish other useful related information about the pension board?	<p>The details of which members represent which parties as well as the job title and employment is currently provided via meeting papers on the committee site. This could be made more explicit.</p> <p>The responsibilities/TOR of the members are currently not given on the website but are available by looking through meeting packs.</p> <p>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).</p> <p>There currently is no Pension fund website, and LBTH are considering creating a site and are looking into the options to implement this e.g. via a link from Council site, or an independent site provided by a platform provider.</p>	Ongoing (annual check)	02/02/2016	Fully completed	Partially compliant		The information provided should be updated to include details of job title, employment, representation and responsibilities (e.g. Terms of Reference) on the committee website or a future LBTH Pension Fund website
D3	Is all the information about the Pension Board kept up-to-date?	All information which is put onto the website is up - to - date so far. The Governance officer / 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)	02/02/2016	Fully completed	Fully compliant		
D4	Does the Administering Authority public information about pension board business?	All meetings and papers (PB and PC) are public (some PC items may be restricted).	Ongoing (annual check)	02/02/2016	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	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?	<p>The Pension Manager (Anant Dodia) has fed into the identification of the administration risks with the Council's risk manager for LBTH but not formally for the pension fund (at the time there was also some discussion about how those risks could be mitigated). The Council's final risk register has not been shared with the pension team though the Committee has access - there is not much information relevant to the pension fund included - there has been insufficient time to discuss this with PC/PB members in meetings to date.</p> <p>The Pension Manager is not always given access to audit reports (but could access them if required as public documents as part of meeting papers) - currently this is not formally used for setting controls/identifying risks for the pension fund.</p> <p>To date, other than the items mentioned above there has been no formal process for identifying risks for the pension fund. It has been identified through the TPR compliance checking process that this is an area which needs development and so the implementation of a formal risk management strategy/policy and register is being considered.</p>	Ongoing (annual check)	02/02/2016	Fully completed	Non-compliant	There may be some overlap in the risks identified for the LBTH and the Fund, but the Fund should have it's own risk management procedures.	Put in place a formal risk management policy and risk register for the Fund. Could use the CIPFA guide for this.
E2	Does the Fund have an adequate process to evaluate risks and establish internal controls?	<p>Not currently in place - this has been identified as an area which needs to be addressed as soon as possible.</p> <p>It is recognised that there are good internal controls in place in many areas fund management, but there is no formal identification/documentation of these for risk management and monitoring purposes.</p>	Ongoing (annual check)	02/02/2016	Fully completed	Non-compliant		As above
E3	Does the Administering Authority have a risk register to record all risks identified and action taken?	<p>There is no Fund Risk register currently in place - this is under consideration and when implemented will include the TPR recommended items.</p>	Ongoing (annual check)	02/02/2016	Fully completed	Non-compliant	<p>TPR guidance: The risk register should contain:</p> <ul style="list-style-type: none"> - 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 <p>TPR also provides a sample risk register on the website.</p>	Risk register to be drafted and to include recommended items

No.	TPR Requirement	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
E4	Does the Administering Authority review the effectiveness of the risk management and internal control systems of the Fund?	Given there is no formal risk policy or procedure it is not possible to review the risk management functions fully, and there is no formal process for the review of the effectiveness of the internal controls we have identified. However, as identified below (E) However as identified below (E7) there are substantial internal controls in place including a number of ongoing monitoring areas that are reported to PC (investment matters and administration).	Ongoing (annual check)	02/02/2016	Fully completed	Non-compliant		
E5	Does the Administering Authority regularly review the risk register?	The currently is no risk register but it has been agreed that one should be put in place for the Fund.	Ongoing (annual check)	02/02/2016	Fully completed	Non-compliant		Recommend at least annual review of the risk register by PC and possibly PB (at least shared with PB) once in place, but more often focussing on key or new risks.
E6	Is there a standing item on the Pension Board agenda to review scheme risks?	There is not currently a standing agenda item on Board or Committee meetings for risk discussions - it has been agreed this should be added once policy and risk register in place	Ongoing (annual check)	02/02/2016	Fully completed	Non-compliant		Include as standing agenda item for PC/PB
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 ?	There is a large range of internal controls in place which may transpire to be adequate (examples shown below). Areas where improvements could be made are in the documentation of existing processes and documentation of risk management so that it can be more regularly reviewed. The team is also currently developing reporting against administrative KPIs/SLAs for the pension board. In particular, the administration processes should identify who is authorised to carry out the various stages (e.g. checking). Examples of internal controls currently in place: Access to building restricted / Disaster recovery systems in place / Altair (pension admin system) is tested at a national level / Use of Altair automated workflow/task management for certain standard tasks / All calculations are checked and when payments made checked by third person / Monthly reconciliation of records - checks on data errors, missing data, number of records etc. / National Fraud Initiative checks / Annual benefit statements process and statements require members check their details / Password security on Altair so restricted access for personnel including disabling former staff / Member comms scanned on internal systems and kept next to each member records / Overseas pensioners - life certificate checks / BACS pension payments for all but 2 members / Planning and testing of annual exercise for benefit statements / Filters for spam email etc. / Data systems backed up regularly (hosted externally and retained off site) / Triennial valuation identifies data issues and "fixed" at time / Monthly reconciliation of lump sums etc. on Egress / Bank reconciliation - with the paperwork notifying of the payments etc. including things like fund managers and custodian transactions / Any movements of cash with the custodian requires two authorised signatories (out of five named individuals) / State Street (custodian) have a written agreement re how everything is communicated as well as a separate internal controls document / Only certain people have access to custodian website / Invoices can only be authorised by specified pension fund officers/purchase orders required for all invoices / Budgets in place and all invoices are checked to ensure they are correct and in line with what was agreed / Balance between Altair and Agresso systems is checked on monthly basis for non-regular payments to members such as refunds, lump sums, tv ins and out.	Ongoing (annual check)	02/02/2016	Fully completed	Partially compliant	There are many controls in place and LBTH may consider this to be sufficient to feel comfortable that these address all material fund risks. However, until a formal risk register is in place, it is unclear whether the controls in place are adequate.	Add a page at beginning of admin procedure manual to set out which staff is authorised to do which tasks (i.e. checking etc.). Formal documentation of internal controls in place as part of risk management policy/register.
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?	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 providing regular reporting/information and so this may be an area for consideration. However Equitable Life has recently provided information relating to its internal controls. Otherwise, annual AAF reports (internal control reports) are obtained from Fund Managers and from State Street (Custodian).	Ongoing (annual check)	02/02/2016	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	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?	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)	27/01/2016	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?	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)	27/01/2016	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.

No.	TPR Requirement	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F3	Does the Fund keep records of and reconcile transactions as required by the Record Keeping Regulations?	<p>The specific requirements of the record keeping regulations are adhered to except:</p> <ul style="list-style-type: none"> - 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. <p>Other points identified of note are:</p> <ul style="list-style-type: none"> '- 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)	27/01/2015	Fully completed	Partially compliant		<ul style="list-style-type: none"> - 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?	Clerk for Committee also does this for PB meetings and all details are posted on LBTH website.	Ongoing (annual check)	27/01/2015	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?	No decisions made by LPB are outside normal meetings.	Ongoing (annual check)	27/01/2015	Fully completed	Fully compliant		
F6	Are records retained for as long as they are needed?	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)	27/01/2016	Fully completed	Fully compliant		
F7	Does the Administering Authority have policies and processes to monitor data on an ongoing basis?	<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"> - 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. - 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. - Triennial valuation exercise - amend records on 3 yearly basis if any issues identified by actuaries doing their data cleaning. - Only 2 pensioners are still paid by cheque not BACS so reduces risk - 2 yearly National Fraud Initiative exercise is carried out to identify deceased members. - 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. - Life certificate exercise is carried out every year for overseas pensioners as won't be picked up via other exercises. - All benefits are checked twice when calculated and a third time before being put into payment <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)	27/01/2016	Fully completed	Partially compliant		Consider formalising/formally documenting the checking procedures carried out.
F8	Does the Administering Authority carry out a data review at least annually?	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)	27/01/2016	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F9	Is a data improvement plan in place which is being monitored with a defined end date?	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)	27/01/2016	Fully completed	Fully compliant		Ensure, if any future data issues should arise, they are formally documented in an improvement plan.
F10	Are processes and policies in place to reconcile scheme data with employer data?	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)	27/01/2016	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>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)	27/01/2016	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 th day of the month, or 22 nd day if paid electronically) or earlier date if required by the scheme regulations	Regulator: Within a reasonable period – 10 working days

No.	TPR Requirement	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?	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)	27/01/2016	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?	<p>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.</p> <p>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.</p> <p>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.</p>	Ongoing (annual check)	02/02/2015	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?	<p>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.</p> <p>Variance analysis carried out at year end to see any difference to cover any thing the monthly checks may not have picked up on.</p>	Ongoing (annual check)	02/02/2016	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?	<p>Other than via internal and external audit (which should identify areas for concern), the processes are not regularly reviewed.</p> <p>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.</p>	Ongoing (annual check)	02/02/2016	Fully completed	Non-compliant		

No.	TPR Requirement	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?	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. 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.	Ongoing (annual check)	02/02/2016	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?	Where in relation to specific member information this will be retained on the member's record. 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.	Ongoing (annual check)	02/02/2016	Fully completed	Fully compliant		
G7	Do employers provide sufficient information to monitor contributions and is this in accordance with the LGPS regulations?	Some information, such as pay information, can sometime be missing from monthly returns and no explicit returns are received for LBTH paid employers. Further, the current notifications do not include all elements required by LGPS regulations i.e. split between main scheme and 50/50 scheme members and it is not clear that the pensionable pay figure includes assumed pensionable pay.	Ongoing (annual check)	02/02/2016	Fully completed	Employers - Non-compliant		Format of return should be updated to meet LGPS regulations and ensure all received and fully completed in future.
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?	Recently payments which are delayed have been paid within 2-5 days so these are not considered material. It is considered that the Treasury and administration teams would know how to escalate any payment breaches but a formal process is not currently documented and so this is being considered as an area for improvement.	Ongoing (annual check)	02/02/2016	Fully completed	Partially compliant		To be included in breaches policy which is currently being considered.
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?	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)	02/02/2016	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	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?	Active statements did not meet the August deadline - this was due to the difficulties with the new CARE scheme as opposed to an employer information issue. A new interface had to be created to capture the required information. Statements were sent by 30 November 2015.	Ongoing (annual check)	27/01/2016	Fully completed	Non-compliant		Ensure all processes are now in place to avoid issues for 2015/16
H2	Do these meet the legal requirements in relation to format?	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)	27/01/2016	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?	All deferred statements are automatically done (i.e. not on request) - completed at end of June/ beginning of July in 2015. This is only where the address is available -i.e. not for Gone Always 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. In relation to pension credit members, no requests have been received for statements.	Ongoing (annual check)	27/01/2016	Fully completed	Fully compliant		
H4	Does this meet the legal requirements in relation to format?	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 investigated and verified.	Ongoing (annual check)	27/01/2016	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?	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)	27/01/2016	Fully completed	Fully 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?	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)	27/01/2016	Fully completed	Fully compliant		
H7	Is basic scheme information provided to all new and prospective members within the required timescales?	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 timescales. Intrafund transfers and TV ins do result in correspondence to members.	Ongoing (annual check)	27/01/2016	In progress	Employers - Non-compliant		Review how information is circulated to new joiners, such as perhaps reinstate the use of statutory notices with a brief guide.

No.	TPR Requirement	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H8	Does this meet the legal requirements in relation to format?	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)	27/01/2016	Fully completed	Non-compliant		As above (H8)
H9	Is all other information provided in accordance with the legal timescales?	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)	02/02/2016	In progress	Non-compliant		Ongoing consideration of how better to identify if these requirements are met.
H10	Is all other information provided in the format and methods required by law?	Internal communications comply with the regulations but this cannot be confirmed until confirmation from AVC providers.	Ongoing (annual check)	02/02/2016	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?	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). 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.	Ongoing (annual check)	27/01/2016	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?	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. Communications are produced internally with the LBTH's council design team. Benefit statements are based on the 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.	Ongoing (annual check)	27/01/2015	In progress	Partially compliant		Submit surveys with communications to review engagement and understanding
H13	Does the Administering Authority use a tracing service?	See F7 for checks carried out (NFI on 2 yearly basis and life certificates). 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.	Ongoing (annual check)	27/01/2016	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	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
I1	Has the Administering Authority put in place an internal dispute resolution procedure?	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)	27/01/2016	Fully completed	Fully 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.
I2	Does the Administering Authority's process highlight or consider whether a dispute is exempt?	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)	27/01/2016	Fully completed	Non-compliant		This detail will be included as and when the IDRP policy, procedure and leaflet /correspondence is updated.
I3	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?	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)	27/01/2016	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.
I4	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)	27/01/2016	Fully completed	Non-compliant		Liaise with employers to agree a stage 1 process (which could be use of the LBTH stage 1 appointed person).

No.	TPR Requirement	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
15	Are the timescales in the procedure adhered to including sending an acknowledgment on receipt of an application?	The expected timescales are set out in the IDRPs 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)	02/02/2016	Fully completed	Fully compliant		
16	Does the Administering Authority notify and advertise the procedure appropriately?	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)	02/02/2016	Fully completed	Partially compliant		Ensure IDRPs information is included for new joiners to the scheme
17	Are the notification requirements in relation to TPAS and the Pensions Ombudsman being adhered to?	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)	27/01/2016	Fully completed	Fully compliant		
18	Does the Administering Authority regularly assess the effectiveness of its arrangements?	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 IDRPs cases. 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.	Ongoing (annual check)	27/01/2016	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 IDRPs cases.
19	Does the Administering Authority regularly assess the effectiveness where employers carry out a stage one process?	There have been no employer stage 1 IDRPs to monitor	Ongoing (annual check)	27/01/2016	Fully completed	Not yet relevant		

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	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 breaches under the legal requirements and TPR guidance understand the requirements?	The staff currently in place in the administration team know how to escalate any breaches and senior officers are aware of their reporting requirements. The requirements of the Code of Practice no 14 including reporting breaches was explained as training in the November Committee meeting and high level at Board meeting through looking at Committee papers review. The Treasury team also confirm they know their responsibilities in respect of their roles and breaches but this is not formally set out for the Pension Fund. Employers and other Fund contacts have not been notified of requirements.	Ongoing (annual check)	02/02/2016	Fully completed	Partially compliant		Consider ensuring this is explicitly covered as part of training or the introduction of a formal breaches procedure. If may be suitable to require all offices, board and committee members complete training on the requirements - for example the TPR toolkit module on breaches.
J2	Does the Administering Authority have appropriate procedures in place to meet their legal obligations for identifying and assessing breaches?	The staff currently in place in the administration team know how to escalate any breaches and senior officers are aware of their reporting requirements. However it is recognised that this is an area that needs to be formally documented to ensure all staff, PC, PB, employers and other contacts (current and future) are able to identify breaches, how to clarify the legal points, how to decide about the material significance and where all breaches should be recorded.	Ongoing (annual check)	02/02/2016	Fully completed	Non-compliant		Action to consider setting up a formal breaches procedure and distributing to all relevant parties including advisors, employers, officers and pension committee and board members.
J3	Are breaches being recorded in accordance with the agreed procedures?	Despite the staff having well established procedures for dealing with administrative errors, contribution breaches and delays to issue of benefit statements and other communications, these are not formally documented currently. It is considered that the risks of material breaches are low due to the levels of internal controls in place, the level of experience on the pensions team and the well established processes in place for gathering employer information. However, it is recognised that breaches are inevitable. There is no current formal breaches procedure but it has been identified that this is an area for development. It is also agreed that reporting against this should take place as part of the reporting to the Pension Board.	Ongoing (annual check)	02/02/2016	Fully completed	Non-compliant		All breaches in law to be recorded and reported regularly to PC and/or PB to help identify systemic issues and ensure serious cases are reported to the Regulator.

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	02/02/2016	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	First PB meeting was 28 July 2015. The meeting was, unfortunately, not quorate but it commenced on an informal basis with all points ratified at the next meeting in October 2015.	One off - no further review necessary	02/02/2016	Fully completed	Partially 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 have approved the training framework (at the October 2015 meeting).	Ongoing (annual check)	02/02/2016	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)	02/02/2016	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	Induction external training session by State Street was offered (most attended) and there has been training at each meeting to date. A further induction day is currently being planned (due March 2016). Further, the plan is to continue to provide training at future meetings (and use analysis of training needs to create training plans on annual basis)	Ongoing (annual check)	02/02/2016	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	This is currently being considered for inclusion in the training policy - currently this is covered through the key documents included in the annual report and accounts (and accounts themselves). All of the members have been emailed a copy of the accounts as well as receiving it as part of the PC papers.	Ongoing (annual check)	02/02/2016	Fully completed	Non-compliant		Include list of documents in policy and ensure those are easily accessible by PB members
K7	Members of a Local Pension Board should undertake a personal training needs analysis and put in place a personalised training plan.	6	The PB members have been given an analysis to complete (see section B for more details) and this is currently underway - these should be collected by the March meeting so that training plans can be discussed. The objective is to complete these on an annual basis.	Ongoing (annual check)	02/02/2016	Fully completed	Partially compliant		

No.	SAB Requirement	SAB Section	London Borough of Tower Hamlets Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
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 is currently being considered to cover the TPR requirements (see section C for details).	Ongoing (annual check)	02/02/2016	Fully completed	Partially compliant		Formal conflicts policy (see section C for more details).
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 (see details on section B and C) however further training on conflicts including implementation of the formal policy and register will take place in the coming months.	Ongoing (annual check)	02/02/2016	Fully completed	Partially compliant		Further training for PB and PC members on Conflicts
K10	A Local Pension Board should establish and maintain a register of interests for its members.	7	This will be implemented for the PC and PB members when the formal Fund policy is drafted. Declarations have been made in line with Council requirements.	Ongoing (annual check)	02/02/2016	Fully completed	Partially compliant		Register of interests to be created for Pension Fund, rather than just Council Code.
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)	02/02/2016	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	Not explicitly covered by training yet	Ongoing (annual check)	02/02/2016	Fully completed	Non-compliant		Ongoing (annual check)
K13	A Local Pension Board should put in place arrangements to meet the duty of its members to report breaches of law.	8	The Fund is considering putting in place a formal breaches policy and members will receive training on the requirements (will include TPR toolkit module)	Ongoing (annual check)	02/02/2016	Fully completed	Non-compliant		Policy and training as detailed in section J
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)	02/02/2016	Fully completed	Fully compliant		
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)	02/02/2016	Fully completed	Fully compliant		