

The Pension Regulator's and Scheme Advisory Board Compliance Checklist

Date of Completion: 19 July 2018

Contents

Introduction

Summary Results Dashboard

A - Reporting Duties

B - Knowledge and Understanding

C - Conflicts of interest

D - Publishing information about schemes

E - Managing risk and internal controls

F - Maintaining accurate member data

G - Maintaining contributions

H - Providing information to members and others

I - Internal Dispute Resolution

J - Reporting breaches of the law

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

Introduction

This document outlines how Middlesbrough Borough Council 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 Teesside 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 LGPS Local Pension Board.

This document highlights all the key elements of the TPR Code and then evidences whether Middlesbrough Borough 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 the 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, Middlesbrough Borough 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:

Fully completed
In progress
Not started
Not yet relevant

Compliant:

Fully compliant
Partially compliant
Non-compliant
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 Teesside Pension Fund , this is Middlesbrough Borough Council
<i>Administering Authority</i>	The LGPS specific term for Scheme Manager. For the Teesside Pension Fund , this is Middlesbrough Borough Council .
<i>IDRP</i>	Internal Dispute Resolution Procedure
<i>SAB</i>	The national LGPS Scheme Advisory Board
<i>Panel</i>	Teesside Pensions Committee
<i>PB</i>	Teesside Local Pension Board

Summary Dashboard

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

No.	Completed	Compliant
Reporting Duties		
A1	Fully completed	Fully compliant
A2	Fully completed	Partially 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	In progress	Partially compliant
B4	Fully completed	Fully compliant
B5	Fully completed	Fully compliant
B6	Fully completed	Partially compliant
B7	Fully completed	Fully compliant
B8	Fully completed	Partially compliant
B9	In progress	Partially compliant
B10	Fully completed	Non-compliant
B11	Fully completed	Non-compliant
B12	Fully completed	Fully compliant
Conflicts of Interest		
C1	Fully completed	Fully compliant
C2	Fully completed	Fully compliant
C3	Fully completed	Partially compliant
C4	Fully completed	Fully compliant
C5	Fully completed	Fully compliant
C6	Fully completed	Non-compliant
C7	Fully completed	Non-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.	Completed	Compliant
Risk and Internal Controls		
E1	Fully completed	Fully compliant
E2	Fully completed	Fully compliant
E3	Fully completed	Fully compliant
E4	Fully completed	Partially compliant
E5	Fully completed	Fully compliant
E6	Fully completed	Partially compliant
E7	Fully completed	Fully compliant
E8	Fully completed	Fully compliant
Maintaining Accurate Member Data		
F1	In progress	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	Partially compliant
F9	Fully completed	Non-compliant
F10	In progress	Partially compliant
F11	In progress	Partially compliant
Maintaining Contributions		
G1	Fully completed	Partially compliant
G2	Fully completed	Partially compliant
G3	Fully completed	Fully compliant
G4	Fully completed	Partially compliant
G5	Fully completed	Partially compliant
G6	Fully completed	Fully compliant
G7	Fully completed	Fully compliant
G8	Fully completed	Partially compliant
G9	Fully completed	Fully compliant
Providing Information to Members and Others		
H1	In progress	Partially compliant
H2	Fully completed	Fully compliant
H3	Fully completed	Partially compliant
H4	Fully completed	Partially compliant
H5	Not started	Non-compliant
H6	In progress	Partially compliant

No.	Completed	Compliant
H7	Fully completed	Partially compliant
H8	Fully completed	Fully compliant
H9	In progress	Partially compliant
H10	Fully completed	Fully compliant
H11	Fully completed	Fully compliant
H12	Fully completed	Fully compliant
H13	Fully completed	Partially compliant
Internal Dispute Resolution		
I1	Fully completed	Fully compliant
I2	Fully completed	Fully compliant
I3	Fully completed	Fully compliant
I4	Fully completed	Fully compliant
I5	Fully completed	Fully compliant
I6	In progress	Partially compliant
I7	Fully completed	Fully compliant
I8	Fully completed	Fully compliant
I9	Fully completed	Fully compliant
Reporting Breaches		
J1	Fully completed	Partially compliant
J2	Fully completed	Partially compliant
J3	Fully completed	Partially 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	Partially compliant
K6	Fully completed	Partially compliant
K7	Fully completed	Non-compliant
K8	Fully completed	Fully compliant
K9	Fully completed	Non-compliant
K10	Fully completed	Partially compliant
K11	Fully completed	Fully compliant
K12	Fully completed	Non-compliant
K13	Fully completed	Partially compliant
K14	Fully completed	Partially 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 Note the requirements in this section are not included in the TPR Code but are a requirement for all schemes.

No.	TPR Requirement	Teesside Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
A1	Is your scheme registered with the Pension Regulator?	The Teesside Fund is registered with the Pensions Regulator on the "Exchange" system.	n/a	n/a	Fully completed	Fully compliant		
A2	Is the information held on the Pensions Regulator's website about the scheme up-to-date?	Kier has advised that updates are carried out on an annual basis. The employers and membership numbers change so regularly in a large LGPS Fund that it is not practical to keep making changes as and when they occur. This is considered to be a reasonable approach.	Annually	Summer 2017	Fully completed	Partially compliant		Partial compliance is due to the site not being kept up to date more often than annually for practical reasons. This is considered to be an acceptable approach.
A3	Have you completed this latest Scheme Return in the required timescale?	Kier have confirmed that they complete a draft version of the scheme return and pass it to Middlesbrough Borough Council to approve/submit, as administering authority of the Fund. The 2017/18 scheme return was been completed within the required timescales, the 2017/18 return is expected in July 2018 with a deadline of September 2018.	Annually	Summer 2017	Fully completed	Fully compliant		
A4	Have you responded to the latest TPR public service pension scheme survey /questionnaire?	Kier have confirmed that they complete a draft version of the survey responses and pass it to Middlesbrough Borough Council to approve/submit, as administering authority of the Fund. They confirmed the 2018 survey was completed for the Fund.	Annually	Q3/Q4 2017	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	Teesside 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?	The Training Policy was adopted at the Pension Board's initial meeting on the 28th of July. The policy sets out that the following will be carried out: - Individual Training Needs – ensuring refresher training on the key elements takes place for each individual at least once every three years. - Hot Topic Training – attendance by at least 75% of the required Pension Fund Committee members, Pension Board members and senior officers at planned hot topic training sessions. This target may be focussed at a particular group of Pension Fund Committee members, Pension Board members or senior officers depending on the subject matter. - General Awareness – each Pension Fund Committee, Pension Board member or officer attending at least one day each year of general awareness training or events. - Induction training – ensuring areas of identified individual training are completed within six months.	At least every 3 years	Jun-17	Fully completed	Fully compliant	The policy is not currently on the website which would be best practice to allow the members and regulator to view it easily if required.	Ideally this Policy and Framework would be included on the pension fund website.
B2	Has a person been designated to take responsibility for ensuring the framework is developed and implemented?	The training policy states that the Head of Investment and Treasury Management is the named officer for enquiries and matters relating to the training policy.	At least every 3 years	Jun-17	Fully completed	Fully compliant		The current Head of Investment and Treasury Management is due to leave the Fund later in 2018. The responsibility for this must be handed to the newly appointed Head of Investment and Treasury Management.
B3	Is the Fund providing assistance to pension board members to determine the degree of knowledge and understanding required?	New members are provided with a key documents pack as per the training policy, and are aware of the degree of knowledge needed as this has been set out in the training policy. The policy sets out that an individual training need assessment will be carried out for each member. This is currently being developed but is not yet in place. This is expected by Q4 (2019). In addition, an individual training plan will be developed to assist each Pension Board member in achieving their individual training requirements within six months of those requirements being identified. These plans are not yet in place (expected Q4 i.e. 2019).	n/a	n/a	In progress	Partially compliant	Committee members and 2 pension board members will be changing following elections so it may be that the new assessments and plans are implemented after the new appointments.	Individual training plans should be put into place following a needs assessment (a needs assessment may not be necessary for new members as they may need training on all aspects), to allow the members to manage their own individual training needs. This will also be useful for the Fund's business planning, for planning training sessions around the key activities.
B4	Are the roles and responsibilities of pension boards and members of pension board clearly set out in scheme documentation?	The core functions for the Pension Board are set out in the Fund's Terms of Reference, which also sets out the key duties of the Board and the Chair.	At least every 3 years	Jun-17	Fully completed	Fully compliant		

No.	TPR Requirement	Teesside Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B5	Are pension board members aware of their legal responsibility in terms of Knowledge and Understanding?	<p>The Terms of Reference refers to the Knowledge and Understanding Policy and Framework for details of the training/learning requirements.</p> <p>The Terms of Reference were adopted at the first PB meeting in July 2015 and updated in Sept 2017 (the July 2015 version can be found on the Pension Fund website but the more recent has not yet been uploaded). The Knowledge and Understanding Policy and Framework are not currently available on the website.</p>	At least every 3 years	Jun-17	Fully completed	Fully compliant		
B6	Have all pension board members got access to copies of the scheme rules and relevant Fund documentation?	<p>New members are provided with the key documents as per the policy wording. The list on the policy does not include the conflicts policy, risk policy and register, the breaches policy/procedure, the IDRPs or the Terms of Reference. Ideally these would be included in the list as the members should be fully conversant with these documents.</p> <p>In addition, pension board members can access the Fund's main policies and strategies via the Pension Fund website http://www.teespen.org.uk/documents/index.php?name=DOCUMENTS, though this does not include the full list of possible policies which is an area for development.</p>			Fully completed	Partially compliant	<p>The following policies/fund documents should ideally be added to the pension fund website and to the required list in the training policy:</p> <ul style="list-style-type: none"> - IDRPs - Training policy - Breaches policy and register - A fund conflicts policy and register - Terms of Reference - Discretions (website) - Administration policy - Risk policy and register <p>If not already provided, the members should be given a link to the fund website.</p>	
B7	Is there an up-to-date list of the Fund specific documents with which pension board members need to be conversant in?	This is included in the Training Policy on page 5.	At least every 3 years	Jun-17	Fully completed	Fully compliant		The list could be expanded to include all the new policies and procedures. Documents should be added to the website.
B8	Are all pension board members investing sufficient time in their learning and development?	<p>The Middlesbrough Borough Council website shows details of meetings attended and training courses attended - this is seen via links for each of the members on the fund website. It is considered that members who attend all training and meetings have so far invested sufficient time and the chair has also attended Committee meetings which is also useful for development.</p> <p>The policy requires annual general awareness training and there have not been recorded training courses on the Council website since 2015 so it may be that more training is required (though training has taken place since then e.g. on funding) - even if a member has a lot of experience in pensions, typically a refresh every 3 years is considered good practice.</p>	Annual	Last : 24 July 2017 and new in 23 July 2018 meeting	Fully completed	Partially compliant		Develop training plan for each member and develop recording and reporting of the training completed.

No.	TPR Requirement	Teesside Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B9	Does the Fund offer pre-appointment training for new pension board members or mentoring by existing members?	<p>The Training Policy states what training material new Board Committee and Senior Officers will be provided with and that an individual training plan will be developed to assist them in meeting their individual training needs. This information is provided as soon as they are appointed.</p> <p>All current members have all already had their induction training. All Committee members have to go through training before can be a voting members.</p> <p>Pre-appointment training is not currently provided, and nor is mentoring. However newly appointed board members may/are invited to attend Committee and Board meetings and training events taking place before their first meeting to develop their knowledge of the Fund. Board members can now remain in meeting even if not open to the public.</p>	n/a	n/a	In progress	Partially compliant	Given the way appointments work in the LGPS / public sector, pre-appointment training or mentoring before the appointment is often not practical or possible. Induction training is seen to be sufficient for meeting the pension board and committee members' needs.	The Administering Authority could consider putting in place pre-appointment training in the form of mentoring of existing members and attendance at pre-appointment training sessions, encouragement to complete the Regulator's toolkit and attendance at pension board and committee meetings as an observer before their formal appointment.
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?	At the first meeting in July 2015 the board were issued with a training needs analysis questionnaire. This has not been re-issued since commencement. There has been some training since the initial training which isn't yet recorded on the website.	Should be annual, not currently in place	n/a	Fully completed	Non-compliant		<p>Assessments of training needs should ideally be carried out on an annual basis and the training needs should feed into the business planning at the beginning of each year.</p> <p>Admin Authority to consider use of training management tool which provides certificates to show what has been attended as well as where some training needs are outstanding.</p>
B11	Are records of learning activities being maintained?	<p>The Middlesbrough Borough Council website shows details of meetings attended and training courses attended - this is seen via links for each of the members on the fund website. All have completed an introduction to LGPS in 2015 and the Regulator's toolkit.</p> <p>There have been training sessions since this induction material but these have not been recorded on the Council website. The administering authority is looking into how to deliver individual training records in an efficient way which will be transparent for pension scheme members and other interested parties.</p>	Should be quarterly or as and when training takes place	Autumn 2015	Fully completed	Non-compliant		Admin Authority to consider use of Aon's training management tool which provides certificates to show what has been attended as well as where some training needs are outstanding.
B12	Have the pension board members completed the Pension Regulator's toolkit for training on the Code of Practice number 14?	The Middlesbrough Borough Council website shows details of meetings attended and training courses attended - all current members completed the toolkit in 2015.	n/a	Aug-15	Fully completed	Fully compliant		A refresh of some key modules might be useful training as part of wider training. There have been some new modules added since the initial training was done.

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	Teesside 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?	Pension Fund Conflicts Policy with appropriate objectives and measurements in place which includes the three stage procedures to identify, monitor and manage potential conflicts of interest. The policy includes in (appendix 3) example scenarios giving rise to conflicts to help the users understand the possibilities for conflicts. This was put in place and approved at a meeting in June 28 2017.	At Least every 3 years	Jun-17	Fully completed	Fully compliant		The Administering Authority should consider making the policy available on the pension fund website.
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 Conflicts Policy was approved by the PB at the first meeting in July 2015. For new members, on appointment to their role all individuals will be provided with a copy of this Policy and be required to complete a Declaration of Interest. Declarations must be completed by all PB members and reaffirmed annually. In addition, opportunity for new declarations is provided at the start of each meeting and the meeting minutes and declarations are available on the Council website.	At Least every 3 years	Jun-17	Fully completed	Fully compliant		The Administering Authority should consider making the minutes and declarations available on the pension fund website.
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)?	Draft policy requires each PB member to declare, on appointment and at each meeting, any interests which may lead to conflicts of interest. At least once every 12 months, the Head of Investments and Treasury Management will provide to all those to whom the above procedures apply a copy of the Register of conflicts of interests. All individuals will complete a new Declaration of Interest confirming that their information contained in the Register is correct or highlighting any changes that need to be made to the declaration. The updated Register will then be circulated by the Head of Investments and Treasury Management to all individuals to whom it relates. Draft policy has been drafted and now needs to be implemented and members trained on the requirements.	Policy not yet in place.	Policy not yet in place	Fully completed	Partially compliant		Policy has been drafted - needs to be put in place.
C4	Does the appointment process for pension board members require disclosure of interests and responsibilities which could become conflicts of interest?	All PB members must complete a declaration of interest which is then assessed by the Head of Investments and Treasury Management to determine any possible conflicts. The procedure requires declaration at appointment stage, annually and at each meeting (if not already declared). The Head of Investments and Treasury Management has responsibility for ensuring the procedure is followed. The procedure is set out in the policy and therefore documented.	Ongoing annual check		Fully completed	Fully compliant		Consider whether declaration at interview stage (if interviews are carried out) would be appropriate i.e. before appointment.

No.	TPR Requirement	Teesside Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
C5	Is the conflicts policy regularly reviewed?	The policy is to be reviewed every three years or earlier if considered appropriate	Triennially	Jun-17	Fully completed	Fully compliant		
C6	Does the Fund have a conflicts register and it is circulated for ongoing review and published?	<p>The Fund has a documented list of conflicts of interests which is updated on an annual basis, as part of the work for the annual report, via an email request for declaration from all members on the Committee. It is noted that not all respond, to this request. In each meeting declarations are also invited. However this is not on a formal register.</p> <p>The Council's Register of conflicts of interest may be viewed by any interested party at any point in time, and this includes members on the Committee and some on the Pensions Board. The members listed on the fund website also have links to the Council website which show the details of the member including their declared other interests. However this isn't specifically relating to the pension fund and is only for the employer representatives, not the member ones.</p>	Ongoing annual check	Jun-17	Fully completed	Non-compliant		<p>We would recommend having a formal conflicts register for the Fund and making it publicly available. Currently it is not possible to see the member representatives' declarations (if any).</p> <p>An example register is provided as an appendix to the conflicts policy.</p>
C7	Is appropriate information included in the register?	As mentioned above, the Fund does not have it's own conflicts register. The Council website lists the other interests and employments for Council members but not for others, and doesn't include detail on mitigations/actions taken.	n/a	n/a	Fully completed	Non-compliant		
C8	Is there a standing item on the agenda for declaring conflicts of interest?	This is part of the standard meeting agenda for both PB and PC meetings.	Ongoing annual check	Jun-17	Fully completed	Fully compliant		
C9	Do those involved know how to report a conflict of interest?	The Conflict of Interest Policy clearly states what individuals should do if they have or think they may have a conflict of interest	Ongoing annual check	Jun-17	Fully completed	Fully compliant		
C10	Is the number of employer and member representatives on the board in line with legal requirements?	Details of the make up of the board are set out in terms of reference on the Fund website. This includes the requirement in paragraphs 9 and 10 to have half employer and member representatives (three of each).	n/a	Jul-15	Fully completed	Fully compliant		
C11	Is the board made up of the appropriate mix of representatives in order to minimise potential conflicts?	<p>The Administering Authority has attempted to obtain an appropriate mix, through:</p> <ul style="list-style-type: none"> - Setting out the requirements for representatives in the Terms of Reference (e.g. 2 member representatives must be from unions, the other from the pensioner population, and split of employer representatives from different employer groups); and - The appointment process included an appointments panel interview to assess capacity of individuals to fulfil role as Pension Board Member; and - The appointment of Chair and Deputy chair from the member and non-member representatives, and the rotation of these roles. 	n/a	Jul-15	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	Teesside 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 Terms of Reference sets out how the members are represented, and this as well as the details of who the pension board members are on the pension Fund website: http://www.teespen.org.uk/contacts/index.php?name=PENSION_BOARD . The Terms of Reference on the website is not the most recent version but the key details are unchanged in the 2017 version. The details of the members and an excerpt from the TOR are on the Middlesbrough Borough Council website: http://democracy.middlesbrough.gov.uk/aksmiddlesbrough/users/public/admin/main.pl?op=ListCommitteeDetails&keyid=150	Ongoing	Jun-17	Fully completed	Fully compliant		The New Terms of Reference should be updated on the pension fund website.
D2	Does the Administering Authority publish other useful related information about the pension board?	See: http://democracy.middlesbrough.gov.uk/aksmiddlesbrough/users/public/admin/kab71.pl?cmte=TPB&pn=2 . There is a clear Terms of Reference for the Pensions Board that sets out all of the required details on appointment, roles and responsibilities and the Council website holds useful information about each member (obtained though clicking on the links on each member in the pension fund website).	Ongoing	Jun-17	Fully completed	Fully compliant		
D3	Is all the information about the Pension Board kept up-to-date?	The Committee and Pension Board members are on the MBC website (links are provided for the pension board via the fund website) which is kept up to date - it is the responsibility of member services to make the change under the instructions of the Head of Investment and Treasury Management. The information is reviewed on an ongoing basis. There is no formal process or policy for this but given changes to members are not common this is done on an ad-hoc basis.	Ongoing		Fully completed	Fully compliant		
D4	Does the Administering Authority public information about pension board business?	All pension board meetings are public meetings and papers/agendas/minutes etc. are set out on the Middlesbrough Borough Council website. http://democracy.middlesbrough.gov.uk/aksmiddlesbrough/users/public/admin/kab71.pl?cmte=TPB	Ongoing		Fully completed	Fully compliant		The minutes could be more easily accessed if directly saved on the pension fund website, but the existing approach is 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	Teesside 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 fund has a risk register and risk policy. The methodology and matrix is similar to that used by the Council, but the Regulator's guidance was also used, scaled for the size of the Fund.</p> <p>The policy sets out the aims and objectives of the Fund in relation to managing risks, and the process of identifying, assessing, managing monitoring and reporting of risks. This includes the use of a separate risk register.</p>	At least every 3 years	Jun-17	Fully completed	Fully compliant	There has apparently been some comments from the auditors suggesting the risk register should merge with the Councils. However we believe the fund has very different risks and available approaches to managing risks, and to ensure good quality fund governance which prioritises actions based on meeting objectives and managing risks, the fund should have it's own register and internal controls to directly address those risks.	
E2	Does the Fund have an adequate process to evaluate risks and establish internal controls?	<p>As part of the Risk Register, risks are assigned a likelihood of occurring score and a potential impact score. These are combined on a grid, so the risks with high likelihood and high impact (and especially both) are identified on the top right quartile of the grid and prioritised.</p> <p>High scoring risks will have actions (internal controls) assigned to them below the grid, other risks are still listed but with a lower status and not necessarily any actions but still showing the controls in place.</p>	Bi-annually to PB and in annual business planning	Jul-18	Fully completed	Fully compliant		
E3	Does the Administering Authority have a risk register to record all risks identified and action taken?	<p>The Fund's risks are recorded on the Fund's Risk register and the Pension Committee consider them on a quarterly basis.</p> <p>The risk register covers such areas as governance, funding, investments and administration.</p>	Ongoing	Jul-18	Fully completed	Fully compliant		

No.	TPR Requirement	Teesside 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?	<p>Kier currently carries out the majority of the administration functions for the administering authority. Kier have extensive documented processes for the various administration functions and these are widely understood by those individuals in the relevant teams.</p> <p>The Head of Investments and Treasury Management has a copy of the KPI reporting which goes through him, and procurement monitoring. Details are provided below in the response to E8. He has confirmed he is comfortable that these SLA/KPIs are meeting suitable internal control standards. He will then turn this into reporting for the Committee (twice a year), which is also then seen by the Pension Board via the business plan which is annual e.g. compared with estimated out-turn for the year.</p> <p>While there is a breaches policy and reporting procedure which has been agreed by the Fund, this has not yet been shared with Kier and breaches of the law which on their own are not material but should be recorded may not currently be being recorded in line with the fund policy.</p> <p>Kier has regular client meetings with the Head of Investments & Treasury Management where any administration related issues are discussed. Kier are also sometimes required to attend Pension Board and Committee meetings, and where necessary Kier and the administering authority agree any improvement plans in relation to the administration. Kier have annual internal and external audits. There has also been recent agreement on the provision of a report on the administration to be presented to the Pension Board at each meeting.</p>	Quarterly and as required	Apr-18	Fully completed	Partially compliant		<p>Breaches policy and procedure should be rolled out to Kier employees and a breaches register kept for all breaches of the law, even if not material enough to be reportable to the Regulator.</p> <p>The pension board should ensure the regular reporting to the board includes the items they wish to monitor in relation to the governance and administration of the Fund, and so keep this under review. Reference to the Regulator's Code of Practice and Internal Controls guidance may be useful for this.</p>
E5	Does the Administering Authority regularly review the risk register?	The Administering Authority reviews the risk register on a semi-annual basis. It is reported twice yearly to the board and once yearly to Committee meeting. However when critical risks arise these are brought to PB and PC when needed to discuss plans for management/mitigation and would be added to the register at that point.	Twice yearly	Jul-18	Fully completed	Fully compliant		
E6	Is there a standing item on the Pension Board agenda to review scheme risks?	Currently this is not a standing item on every Pension Board agenda. It has been presented to the board and it is now planned to be a standing item for every second meeting i.e. twice yearly.	Twice yearly	Jul-18	Fully completed	Partially compliant		The regulator would ideally see this on each meeting agenda however the administering authority has this twice yearly. If significant risks were to arise in the meantime this would be raised at a meeting and so this would seem to be an acceptable approach.

No.	TPR Requirement	Teesside 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>It is considered that there are adequate internal controls in place in the outsourced administrator Kier. The Fund has recently drawn up an administration report which will be prepared by Kier and presented at each pension board meeting.</p> <p>Kier are working towards PASA accreditation.</p> <p>Key internal controls are in place and Kier recently undertook a PASF audit by the Home Office.</p> <p>Kier is also a key testing party for the Heywoods pension admin software, which is used by the majority of local authority pension administration services, and this helps with knowledge and management of the systems.</p> <p>Kier use the setup of roles within the system that prevent access to records to those who do not need access. Only certain roles of suitable seniority can complete certain tasks such as checking of calculations. However there is only 1 member of staff who carried out the vast majority of these checks which is a risk.</p> <p>Kier use a fully integrated pension administration system from Heywoods (provides member records administration, pension payroll, task and document management) which reduces risk of systems failing to work together in harmony.</p> <p>The task management system creates tasks when member events are identified in employer returns and a required timescale is set out when this is set up, to allow the administration teams to prioritise work.</p> <p>New staff are given a formal training plan including the systems and how the LGPS benefits are structured. The system records which members of staff carried out which task, even if their initials are not entered in the required field, using log in identification.</p> <p>Member calculations processes include a consistency error checker which is run automatically before any task to highlight data issues and all work is saved on the members' record.</p> <p>There is a risk in relation to manual entry of employer contributions/pay information to member accounts where an employer has fewer than 40 staff. This is covered in section F2.</p>	Ongoing	Sep-17	Fully completed	Fully compliant		<p>Suggest take action to mitigate key-man risk of one senior checker of calculations carrying out almost all checking of member calculations.</p> <p>Consider implementing a system to do automatic uploading of contribution returns to individual member records to reduce risk of manual error in cases where employer has fewer than 40 members, or additional staff to check these entire if interfaces not possible.</p>
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>The administering authority outsources the administration to Kier and details of the internal controls are given above.</p> <p>The contract details certain KPI/SLAs which are currently consistently met by Kier.</p> <p>There is a SLA in place that covers the specific requirements to provide admin services (e.g. Data Protection).</p> <p>Kier and the administering authority are currently reviewing a draft of amendment to the agreement to cover the requirements of GDPR.</p> <p>The administration strategy lists some key KPIs for administration. The KPIs which are regularly reported on to the Procurement team and to the Administering Authority are under the following categories:</p> <ul style="list-style-type: none"> - timely data entry for new members - timely processing of transfers - timely refund of contributions - timely benefit estimates - costs to employers recharged monthly - timely annual benefit statements - benefit payments made on time - calculations of benefits are accurate 	Procurement led - 5 year extension agreed	Jan-16	Fully completed	Fully compliant	<p>The last formal contract review was in 2016 and a five - year extension was agreed.</p> <p>The Regulator is particularly focused on service and risk in relation to outsourced providers.</p> <p>The Head of Investments and Treasury Management has confirmed that KPI/SLA monitoring takes place and is effective management of the internal controls.</p> <p>The pension board has recently approved reporting to the pension board on a regular basis from Kier.</p>	<p>The SLA/KPI categories are clearly meeting a majority of the things we would expect to see. Some further development could be in the meeting of legal disclosure timescales, and quality of membership data (e.g. including for those where benefits are not yet in payment). The accuracy of employer contributions may be difficult for the administrator to control but this should also be checked and reported on (i.e. as well as timeliness of payment of contributions). This maybe outside of the Kier reporting but should ideally be reported to the board as well.</p>

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	Teesside 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?	<p>A common data report is produced on regular basis (we have not been given information on how regular). We have not been given the most recent score for this work so cannot comment on the accuracy of common data items.</p> <p>Some items on the Regulations are scheme specific or conditional data items - Kier is awaiting SAB / LGA guidance on the Conditional/Scheme Specific data prior to commencement of reporting to ensure consistency with other funds. We've not been given information on any testing of this data or the accuracy of it, though we know</p> <p>An individual record is held for each post a member holds in the Fund (identified via NINO and unique identifier for the post). Benefits are calculated via service details (pre 2014 benefits) and CARE information for each specific CARE year, and this information is on the member's record. Pension Credits and Debits are recorded on each record</p> <p>Details of AVCs held on the member record - but administration of this is undertaken by Prudential. The Altair record does not hold the history of investment decisions by the member or the funds held. We understand Prudential do hold the required records based on evidence provided previously for another LGPS Fund.</p> <p>Formula for calculating benefits are held within the Altair system and revaluation records are held. Pension increases for each year are held on a pensioner member record.</p> <p>Member contributions are loaded to each member record, but employer contributions on behalf of members do not impact the benefits and are not held on individual member records, though a record of the contributions is kept in the returns from the employer.</p> <p>Some of the transactional items on the Regulations will not apply to individual members in the LGPS so these records are not kept. However any transfers or refunds or death benefits will be clearly recorded on a member's record when it is closed, including all the required information.</p>	Some data - annual, other aspects, triennial, employer returns moving to monthly process	Various	In progress	Partially compliant	<p>We have not been given information on the regularity of the data checks and the data scores, therefore the accuracy of the data held.</p> <p>However we believe Kier are recording data correctly and in line with what is required in the Regulations as they apply to LGPS funds.</p> <p>We believe it is an acceptable approach in mid-2018 to be awaiting the guidance before carrying out scheme specific data testing for the scheme return score. However as a matter of course there should be regular testing of the quality of data on a regular basis that looks at more than just the common data items.</p>	<p>Our suggestion is to put in place at least annual testing of the membership data quality, covering both common and scheme-specific data items required for the scheme return data scores, but also other data requirements which may not be covered by those tests but which demonstrate good data management. We recommend at least annual reporting on data quality of the fund to the pension board.</p> <p>Monthly checking of the contributions and member data provided by employers would improve overall data quality and help reduce impact of the year-end process.</p>

No.	TPR Requirement	Teesside Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F2	Does the Fund have the appropriate processes in place so employers can provide timely and accurate information?	<p>There is a Fund Administration Strategy in place which is regularly reviewed. This is provided to all employers so they can understand their obligations. The employer website also includes forms for new members, and information about the LGPS, however Kier have confirmed that this doesn't set out the required timescales or provide much additional guidance. More detail is provided to the new members by Kier on joining the Fund. There is an annual meeting with employers where these matters are discussed with those which attend.</p> <p>The Administering Authority has put additional funding in place to allow the creation of an Employer Liaison function at Kier, to improve communication and oversight of employers in the fund.</p> <p>At the time of the review and site visit, around half of the employers had not submitted their annual returns which was required for the Annual Benefit Statement process, and there were 2 days left before the deadline so employers are currently not all providing timely information. Kier is in the process of implementing monthly employer returns which will improve the timeliness of provision of employer information.</p> <p>When annual return is submitted it is returned to the employer to resolve issues if the information looks incorrect, and this will continue with monthly processing. It is rare that member information is missing on annual returns but Kier will contact the employer directly to investigate if tis is the case. Employers provide regular reports on new starters to be processed. Leavers often take longer to provide the information for the administration team to process.</p> <p>Kier have not yet implemented the breaches register to record any breaches to legal timescales which would help identify ongoing issues.</p> <p>There is a risk in relation to the manual entry of employer contributions/pay information to member accounts where an employer has fewer than 40 staff, and where there are more than 40, the reformatting of the file to upload the information to the records. There is als the challenge of the additional work when this moves to a monthly process. Kier has suggested there will be an additional 2 staff to do this. There are some self - checks in this process and it is a clear process with only 3 screens which helps mitigate these risks, but there is no checking of entries by another colleague due to the sheer numbers of members involved.</p> <p>The Fund website is currently being redeveloped and the new site will include all key</p>	<p>Strategy is reviewed at least every three years.</p> <p>Employer data is reviewed annually but this is moving to monthly.</p>	Sep-17	Fully completed	Partially compliant		<p>When the monthly return process is up and running and the process results in the timely and accurate provision of data from employers this should change to be fully compliant, providing clear processes are in place and documented.</p> <p>The new Employer Liaison function should improve employer engagement and understanding, and should improve the chances of obtaining accurate and timely information from the employers.</p> <p>Consider implementing a system to do automatic uploading of contribution returns to individual member records to reduce risk of manual error in cases where employer has fewer than 40 members, or additional staff to check these entries if interfaces not possible.</p> <p>The website should include the Pensions Administration Strategy and the employers should be directed to this site to access this as well as any other guidance on employer requirements.</p>
F3	Does the Fund keep records of and reconcile transactions as required by the Record Keeping Regulations?	<p>Cashflow reconciliation is carried out by the administering authority.</p> <p>Kier monitor the monthly contribution process and report /chase any late payments or issues with contributions received.</p> <p>Kier then provide Middlesbrough Borough Council (MBC) details of any overpayment to follow up, and the balancing and cashflow is undertaken by MBC.</p> <p>MBC and Kier carry out a monthly three-way check: Kier check the correct rates/amounts have been paid in the information provided by the employer returns, according to the rates and adjustments certificate, and that what the employer says they have paid is in line with the return from the employer. MBC checks the actual amounts received in the bank account with those which are expected, as provided by Kier.</p>	Monthly	Jul-18	Fully completed	Partially compliant		<p>We expect that an annual pension fund accounts audit will also include some checks on the transactions, though this should be confirmed by those dealing with the fund accounts audit.</p> <p>We haven't confirmed whether pension payments are reconciled with the administration payroll records on a monthly/annual basis and whether these checking procedures are documented/recorded and so we have not been able to confirm full compliance in this area. We would suggest (if they don't already exist) development of a formal documentation of the checking/reconciliation processes as evidence of compliance.</p>

No.	TPR Requirement	Teesside Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
F4	Are records kept of pension board meetings as required by the Record Keeping Regulations?	The Pension Board's meeting minutes are stored on the Council's website, and there is a link to the general committee area on the pension fund website. The April 2018 minutes are not yet on the website (analysis carried out on 10th May 2018).	Quarterly	Feb-18	Fully completed	Fully compliant		It may be easier for users to find the minutes if also stored directly on the pension fund website. Minutes should be uploaded as soon as they are completed.
F5	Are records kept of decisions made by the pension board, outside of meetings as required by the Record Keeping Regulations?	The Pension Board's role is generally not to make decisions regarding investment or funding, but to support the administering authority in its functions and monitor the effectiveness of the funds governance arrangements. However the Pension Board may make recommendations to the Committee or administering authority and these activities are recorded in the meeting minutes which are available on the Council website.	Quarterly	Feb-18	Fully completed	Fully compliant		
F6	Are records retained for as long as they are needed?	Records are currently retained indefinitely. Some records are kept in paper form in the basement of the offices, the rest have been scanned onto the system. With introduction of GDPR Kier/the administering authority are awaiting sight of industry best practice and/or ICO guidance before making changes to this policy.	n/a	n/a	Fully completed	Fully compliant	It will be difficult to regularly assess the accuracy of records held on paper files but these are rarely used and relate to historic cases and so in the main do not impact upon the correct settlement of members' benefits. There is a justifiable cause for keeping records indefinitely as potential beneficiaries could raise queries many years after the death or transfer of a member and evidence may be required as to the action taken.	

No.	TPR Requirement	Teesside 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>There does not seem to be any written processes for monitoring data. The draft administration strategy sets out a requirement for annual data checks and resolution of issues within 2 months as a KPI, but this policy is not currently published on the fund website though it was approved by Committee in September 2017.</p> <p>Data checks are currently undertaken as part of the year end process and when producing Annual Benefit Statements.</p> <p>In addition, an individual's data is checked when undertaking a calculation process. Member calculations processes include a consistency error checker which is run automatically before any task to highlight data issues.</p> <p>There are also Common Data reports carried out (it's not clear how often these take place). Kier is waiting for guidance on scheme specific data items to test before running those reports.</p> <p>Plans are in place to move to monthly contribution posting which will also include relevant checks on data received (e.g. record held, contribution matches pay held, contribution received, etc.).</p> <p>Existence, format and reasonableness checks are also undertaken with the fund actuary once every three years when producing data for triennial valuation.</p> <p>Monthly mortality checks on all pensioner members are carried out along with the use of Tell Us Once if there is a possibility/confirmation that a member has died. If a payslip is returned then Kier seek to contact the member, but if there is no response payment is suspended until contact is resumed or confirmation of death is received.</p>	Annual for some, more and less often for others	Sep-17	Fully completed	Partially compliant		<p>Monthly reconciliation of the employer returns will help with reviewing the employer information provided and resolving issues before the end of the year process.</p> <p>While there is a broad data quality KPI set out in the administration strategy, there are various ways in which the data quality should be monitored and the processes and details of what is required should be documented in detail. This could also be included in the Kier contract SLA/KPIs, noting that it can be heavily reliant on employer data provision as well as effective administration.</p>
F8	Does the Administering Authority carry out a data review at least annually?	<p>Details of the processes are det out in F7. The data for the year-end process is tested at least annually, and in terms of data testing as a bulk exercise, this is done regularly for common data items but Kier is waiting for guidance before carrying this out on scheme specific data (since the site visit it has become clear that a bulk exercise on this sort of data will not be ready in time for the 2018 scheme return and will be carried out by the Scheme Advisory Board). The Regulator will ask for scheme specific data scores using whatever approach is currently being used in the 2018 scheme return.</p> <p>Data for valuations is tested on a triennial basis, but this will mainly test data reasonableness and existence, and will be limited in individual member accuracy. Some key fields not needed for the valuation will not be tested in this analysis unless requested and included.</p>	Employer return data checked annually (moving to monthly process) and annually for common data items.	May-18	Fully completed	Partially compliant	Funds should find a suitable approach (noting time and resource constraints) to testing scheme specific data for the 2018 scheme return by autumn 2018.	Common and Scheme specific data testing should be carried out at least annually, with a written data improvement plan put in place to resolve any data issues.

No.	TPR Requirement	Teesside 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?	<p>Kier's response is that a data improvement plan would be agreed with Middlesbrough Borough Council if any particular issues arose, and no such plan is currently in place.</p> <p>GMP Reconciliation is a one - off project following the cessation of contracting-out, and the team are working through the discrepancies with HMRC. The team are waiting for national guidance on tolerances and dealing with overpayments before making suggestions to the pensions board/committee on how to deal with these issues. Where records need to be amended these will be done directly on the members' Altair record. There has not been any formal reporting or data improvement plan on this project yet.</p>	n/a	n/a	Fully completed	Non-compliant	<p>It is highly unlikely in a fund of this size for there to be no areas where record keeping or the processed of administration and gathering data could be improved. The Regulator has made similar comments in it's 2018 survey.</p> <p>The approach for GMP reconciliation (awaiting national guidance) is considered reasonable, but a progress report and commentary on the current status would be useful as a record.</p>	<p>We strongly recommend a data improvement plan is put in place to address all short and long term plans to improve the quality of records held and the process of employers providing information. It is clear some activities in this area are taking place, but the plans should be formally documented so progress can be monitored against the plan.</p> <p>For example, the move to monthly returns to improve the processes is something which should be included on the data improvement plan, as well as GMP Reconciliation.</p>
F10	Are processes and policies in place to reconcile scheme data with employer data?	<p>Currently Kier carry out a year - end reconciliation which is soon to move to a monthly reconciliation.</p> <p>This will allow leavers and new members to be identified each month and further information requested from he employer if necessary, rather than waiting until the year end.</p> <p>Since there is no compulsory NRA for LGPS Kier requires the employer/member to inform them unit that they are approaching retirement.</p>	Annual, moving to monthly	May-18	In progress	Partially compliant	<p>We suggest the processes for the reconciliation are documented by Kier to help demonstrate compliance and to help manage the administration and training for Kier staff, since the monthly reconciliation will be require significant resource to manage.</p>	<p>When the monthly return process is up and running and the process results in the timely and accurate provision of data from employers this should change to be fully compliant.</p> <p>The new Employer Liaison function should improve employer engagement and understanding, and should improve the chances of obtaining accurate and timely information from the employers.</p>
F11	Do the Administering Authority's member data processes meet the requirements of the Data Protection Act 1998 and the data protection principles, and the new requirements of GDPR (from 25 May 2018)?	<p>Kier's and the administering authority's full policies are still being worked on regarding GDPR.</p> <p>Annual training on DP/GDPR is undertaken so that staff are aware of the obligations.</p> <p>Kier's company policy is that personal data is not discussed on the phone unless checks on identity have been undertaken (though specifics would still not be discussed). Email correspondence (in particular to personal email addresses) will only occur with an individual member if written agreement is received and member confirms they agree to the risks of doing so.</p> <p>Any personal data issued to 3rd parties is issued via a secure online portal, requiring the receiver to login to their specific account.</p>	Ongoing	Currently taking place	In progress	Partially compliant		<p>Completion of GDPR policies and compliant practices and privacy notices. Complete the check when these are in place to confirm compliance.</p>

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	Teesside 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?	<p>Kier carry out monthly monitoring of contributions paid to ensure they are being received from all employers and that they are on time. This process will identify payment failures in terms of existence, but may not always identify incorrect amounts. Discrepancies are reported to MBC when necessary.</p> <p>Currently payment breaches are not being recorded in the breaches log but correspondence with employers is retained in separate folders for each employer.</p> <p>It is not evident that all of the procedures and processes are formally documented, however the checks that are carried out are documented, and the process is well established and the staff are familiar with the process and keep records of what checks have been carried out.</p>	Annual	Currently being updated for monthly returns (May 2018)	Fully completed	Partially compliant		<p>Recommend all breaches are recorded in the fund breaches log, as many small contribution breaches could be indicative of a larger issue which is material and reportable to the Regulator.</p> <p>Recommend the full process for checking contributions and monitoring payment is formalised and documented.</p>

No.	TPR Requirement	Teesside Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
G2	Do those processes and procedures include a contributions monitoring record to determine whether contributions are paid on time and in full?	<p>Kier carry out monthly monitoring of contributions paid to ensure they are being received from all employers and that they are on time. If amounts appear inaccurate they will request the employer resolves, and the new submission will be checked.</p> <p>Sense checks are applied to ensure employee contribution rate is in the correct range when compared to the employer contribution, and missing members will be flagged, however often checks on the level of pay being accurate will be at the year end process carried out by the administration team rather than monthly. It is not clear whether Kier are checking the % rate paid versus the required rate in the rates and adjustments certificate using the payroll information provided. This is challenging for Kier to carry out due to the number of member movements and monthly changes in pay where includes overtime and bonuses. However some further checks could be carried out on a per member basis once the annual pay is known. There are tolerance checks in terms of the pay amount used.</p> <p>Discrepancies are reported to MBC when necessary.</p> <p>AVCs are paid directly to the AVC provider by the employer so Kier do not receive details on a monthly basis. Annually AVCs are checked for existence compared to what is expected, and chased if missing.</p> <p>Currently breaches are not being recorded in the breaches log but correspondence with employers is retained in separate folders for each employer.</p>	Ongoing i.e. annual but moving to monthly	Ongoing (May 2018) for 2018 year end process	Fully completed	Partially compliant	<p>There are some concerns about how the contributions information is uploaded to member records, the risk of manual entry resulting in errors, and the challenge of the additional work when this moves to a monthly process. Kier has suggested there will be an additional 2 staff to do this. This is considered further in section F2.</p>	<p>Recommend the process for checking contributions and monitoring payment is formalised and documented, and further checks to assess accuracy be carried out - there will need to be a slick process for carrying this out when monthly returns are submitted. Kier has suggested they will add a "self - check" for inputting values in the monthly returns spreadsheet to flag any potential incorrect amounts to the employer before this is submitted.</p> <p>Consider if improvements to process would identify failure to pay AVCs sooner than annually.</p>
G3	Do those processes and procedures include monitoring payments against the contributions monitoring record on an ongoing basis?	<p>Cashflow reconciliation is carried out by the administering authority.</p> <p>Kier monitor the monthly contribution process and report /chase any late payments or issues with contributions received.</p> <p>Kier then provide Middlesbrough Borough Council (MBC) details of any under or overpayment to follow up, and the balancing and cashflow is undertaken by MBC. The administering authority with Kier's information is carrying out checks of the actual amounts received in the bank account with those expected based on the returns provided by the employer.</p> <p>Kier has confirmed that non payment of AVCs is queried where expected but amounts on member records are not reconciled with actual amounts paid.</p>	Monthly	Jul-18	Fully completed	Fully compliant		<p>We recommend if it is not already, a formal documented process is put in place to monitor the payments made versus the employer submitted returns. Part of that formal process may be that contributions are not posted until the amounts have been reconciled.</p> <p>There may be some development of checking for AVC records vs amounts paid.</p>
G4	Are these procedures regularly reviewed to ensure they are effective?	The employers are being transitioned to monthly returns which will improve the checking of the accuracy of the employer contributions being paid. It's not clear that a formal regular review of the processes in place.	n/a	n/a	Fully completed	Partially compliant		Procedures should be reviewed on an annual basis to identify and try to resolve any issues.

No.	TPR Requirement	Teesside 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>Kier has commented that late payment of contributions is rare and so there is no formal "list" of employers who regularly do not pay, though Kier do include comments on this in their annual report to the administering authority. So far interest has not been applied or additional administration charges levied for any late payments though the administration strategy does allow for this to occur. This is the first year where there have been some instances of employers not paying on time, though it typically is due to the 19th falling on a weekend and the payment is received within a few days. Some have external payroll providers or are very small employers who have struggled to meet the requirements. This will be monitored more closely from now on.</p> <p>Kier do carry out monthly monitoring of contributions paid to ensure they are being received from all employers and that they are on time. This process will identify payment failures in terms of existence, but may not always identify incorrect amounts.</p> <p>Currently breaches are not being recorded in the breaches log but correspondence with employers is retained in separate folders for each employer.</p> <p>It is not evident that the procedures and processes are formally documented (other than the actual checks), however they are well established and the staff are familiar with the process and keep records of what checks have been carried out, and Kier are aware of requirement to report payment failures. There is a close relationship with Head of Investments & Treasury Management and others within MBC who deal with this.</p>	Monthly	Jul-18	Fully completed	Partially compliant		<p>When monthly returns are implemented, the checking of late payments should be more robust, and a formal procedure should be put in place and documented for monthly reporting (not just annual).</p> <p>The breaches log needs to be implemented and used by Kier staff.</p> <p>Consider implementing application of interest or administration charges for late or incorrect payment/returns.</p> <p>Greater monitoring to be implemented going forward due to incidence of issues increasing with number of employers.</p>
G6	Does the Fund maintain a record of any investigations and communications with employers?	Specific communication with an individual employer will be held on that employer's folder within Kier's computer system.	Ongoing	Ongoing	Fully completed	Fully compliant		
G7	Do employers provide sufficient information to monitor contributions and is this in accordance with the LGPS regulations?	Kier confirmed employers provide the information required in paper or spreadsheet returns and there are some self-checks on the spreadsheets to help with ensuring reliable data is provided.	Ongoing	Ongoing	Fully completed	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>Kier staff know to report non payment to the administering authority after trying to resolve with the employer directly.</p> <p>The breaches log is not currently being used.</p> <p>In general employer relationships are good and employers attend the training/annual meetings where processes and requirements are explained.</p>	Monthly checks and annual report	Jul-18	Fully completed	Partially compliant		<p>Historically there have not been any issues with late payment but as incidence is increasing this will be monitored in greater detail, and interest may be applied in future.</p> <p>The breaches log needs to be regularly updated.</p>
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?	<p>Kier monitor the monthly contribution process and report /chase any late payments or issues with contributions received.</p> <p>Kier then provide Middlesbrough Borough Council (MBC) details of any under or overpayment to follow up, and the balancing and cashflow is undertaken by MBC. Further details are provided in item F3.</p>	Monthly	Jul-18	Fully completed	Fully compliant	Kier seem to be carrying out what is required of them under the administration contract. However there may be some improvements to be made to ensure contributions are fully checked for accuracy and the monthly process should help with this.	We recommend Kier and MBC discuss how to ensure the reconciliation of the amounts in the account with the employer information is carried out effectively.

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	Teesside 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?	Kier produce ABS's to legal requirements and where employer data was provided in time, Kier confirmed all of the statements were sent for 2016/17 before 31 August. Formal evidence/statistics were not provided as to the total number completed by 31 August (including where not sent due to data issues). Kier review the process post ABS issuance and prior to work on the next set to improve the process. Kier are currently working on 2017/18 statements. At the date of the visit (10 May) the deadline for employer data was only a few day away but less than 50% had submitted all of the required information, which makes the deadlines more challenging to meet, but the team have been speaking to many employers about their data and it is expected the majority will arrive soon allowing the majority if not all the statements to be completed in time.	Annual	Aug-17	In progress	Partially compliant		Statistics on the performance for the 31 August 2017 ABS exercise would be useful evidence of compliance or non compliance. It will always be difficult to achieve 100% due to the reliance on employer data, however moving to a monthly returns process should improve this and reduce year-end queries. The fund should look to improve its % within the deadline on an annual basis.
H2	Do these meet the legal requirements in relation to format?	Kier have confirmed this is the case and provided an example statement (from 2017 and draft 2018) as evidence.	Annual	Ongoing (May 2018)	Fully completed	Fully compliant	It is important to ensure in the drafting of the new statements that descriptions of how the benefits are calculated is retained. Any deductions need to be included (e.g. due to pension debits or scheme pays) - we did not see such an example so can't comment on whether or not this is included.	
H3	Has a benefit statement been provided to all active, deferred and pension credit members who have requested one within the required timescales?	Kier have confirmed that these requirements are met, though we have not been provided with evidence in the form of statistics on this particular KPI in an administration service report.	Ongoing	Ongoing	Fully completed	Partially compliant		This is shown as partially compliant only because we have not seen evidence of the compliance. Statistics on meeting the deadlines for such requests would provide sufficient evidence to make this fully compliant.
H4	Does this meet the legal requirements in relation to format?	Kier have confirmed this is the case and provided an example statement (from 2017 and draft 2018) as evidence. However on examination it is not clear that the final pensionable remuneration at the date of leaving is included in the statement and that is a requirement of the regulations.	Annual	Ongoing (May 2018)	Fully completed	Partially compliant		Include the pensionable remuneration at date of leaving in the statement. If this is included for 2018 this will be fully compliant.
H5	Has an annual benefit statement been provided to all members with AVCs within the required timescales?	This is undertaken by the AVC provider - Prudential. In our experience Prudential are used to dealing with such arrangements and do provide statements in a timely manner, however it's not clear that this is being monitored by Kier or the administering authority.	Should be annual	TBC	Not started	Non-compliant		MBC as administering authority is responsible for ensuring the AVC requirements are met so this should be monitored and rectified if statements not sent on time to all members.
H6	Do these meet the legal requirements in relation to format?	Aon have seen statements provided by Prudential for other LGPS Funds and the format will be the same for the Teesside fund. These are compliant with the requirements.	Should be annual	TBC	In progress	Partially compliant	Ideally we would see examples for this Fund to confirm compliance.	

No.	TPR Requirement	Teesside Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H7	Is basic scheme information provided to all new and prospective members within the required timescales?	<p>Kier have confirmed that they meet these requirements. This information is included in the regular KPI reporting to the administering authority.</p> <p>We have not seen formal evidence of this compliance - it should be possible to measure how quickly the communications are being sent to new members using the task management system. We have not yet seen any statistics on this nor whether there is any reporting to the administering authority on these timescales, however we have been assured that the required standards are met and the KPI reporting suggests this is being measured.</p> <p>There are likely to be cases where legal or internal timescales are missed through circumstances out of the administrator's control i.e. insufficient information from employer on new members. These cases should be recorded as could be indicative of areas where internal controls could be improved.</p>	Admin reporting to pension board will be at each meeting going forward, including KPIs. More detail goes to administering authority and twice annually to Committee.	Apr-18	Fully completed	Partially compliant		Evidence of compliance against not just the internal KPIs/SLAs but the key legal timescales set out in the regulations is strongly recommended. This will help assess the member experience, meeting legal requirements and internal standards, all of which are important for good governance.
H8	Does this meet the legal requirements in relation to format?	Kier have been provided with the regulations and have confirmed that where they are responsible for sending the communications (as opposed to employers) they meet these requirements.	Communications are reviewed annually	TBC - Kier to confirm	Fully completed	Fully compliant		
H9	Is all other information provided in accordance with the legal timescales?	<p>Kier have confirmed that they meet these requirements.</p> <p>We have not seen formal evidence of this compliance - it should be possible to measure how quickly the communications are being sent to new members using the task management system. We have not yet seen any statistics on this nor whether there is any reporting to the administering authority on these timescales, however we have been assured that the required standards are met and the KPI reporting suggests this is being measured.</p> <p>There are likely to be cases where timescales are missed through circumstances out of the administrator's control i.e. insufficient information from employer such as leaver forms, or awaiting member responses. These cases should be recorded as could be indicative of areas where internal controls could be improved.</p>	Ongoing (we recommend KPIs on timescales are reported and reviewed on a quarterly basis)	TBC - Kier to confirm when last reviewed	In progress	Partially compliant		Evidence of compliance against the key legal timescales set out in the regulations is strongly recommended. This will help assess the member experience, meeting legal requirements and internal standards, all of which are important for good governance.
H10	Is all other information provided in the format and methods required by law?	Kier have been provided with the relevant regulations and has confirmed this is the case. It is not possible for us to check compliance independently under all possible scenarios but given the compliance for the cases we have seen and Kier's experience and knowledge being a third party service provider, we have assumed full compliance.	TBC - Kier to confirm when last reviewed (we believe this is annually)	TBC - Kier to confirm when last reviewed	Fully completed	Fully compliant		
H11	Where any information is only provided electronically (i.e. instead of any hard copy) does it comply with the legal requirements?	<p>There is no information which is only provided electronically.</p> <p>Hard copies of communications are provided to member's home address. No emails are sent to personal email addresses.</p>	n/a	n/a	Fully completed	Fully compliant	The processes may need to be developed if more members require electronic communications.	

No.	TPR Requirement	Teesside Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
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?	<p>Developments to member communications are planned for as part of Kier's enhancement to the administration service. The ABS is being developed and improved for the 2018 process following feedback from the previous year.</p> <p>Feedback is sought and received as part of the retirement process but very few members provide feedback.</p> <p>The Fund has Member Self Service for the members to review their details online and obtain retirement quotations, but much of the functionality is not currently used (e.g. making changes to records online).</p>	Ongoing for 18 months	Jul-18	Fully completed	Fully compliant	While developments are ongoing, the existing processes and information are considered to be clear and simple to understand for members. The planned development is sufficient to achieve compliance in this area but this should be regularly monitored and improved.	Further enhancements to on-line services may help with member engagement. The website development to include all relevant documents and policies is a significant part of this.
H13	Does the Administering Authority use a tracing service?	<p>Kier use a DWP tracing service to find deferred members approaching their state pension age where an address is not held or is incorrect. Members approaching retirement are looked for on a monthly basis.</p> <p>Kier also use ATMOS and TUO/TUAAD for mortality screening where the system or staff notice something unusual in the member record or their activity (such as returned payslips).</p> <p>There are no current tracing processes for overseas pensioners, and no annual existence check for any members.</p> <p>Kier uses "Tell us Once" but this relies on reporting and honesty of members and others to report deaths. Monthly mortality checks on all pensioner members are carried out along with the use of Tell Us Once if there is a possibility/confirmation that a member has died. If a payslip is returned then Kier seek to contact the member, but if there is no response payment is suspended until contact is resumed or confirmation of death is received.</p>	Monthly (members approach retirement), no regular tracing for others.	May-18	Fully completed	Partially compliant	The Regulator has stated that its preference would be for deferred members to be traced on a regular i.e. 3 yearly basis so that contact is not lost and benefits are more likely to be able to be paid when due. However the Regulator recognises this is not a priority for many funds given limited resources.	We would recommend the regular existence checks and tracing of overseas members is undertaken, which will reduce risk of overpayments to deceased members, and reduce cases of fraud. This will also help manage the liabilities for deferred members as will identify where members have died and no liability remains.

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	Teesside 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?	The fund has an IDRP in place which is documented. Kier has also written a practitioner guide for employers' appointed stage 1 person to follow when carrying out their own stage 1 process, and this includes sample letters. Stage 2 is carried out by an independent external consultant.	n/a	n/a	Fully completed	Fully compliant		
I2	Does the Administering Authority's process highlight or consider whether a dispute is exempt?	The information provided to members sets out which disputes will be eligible for the IDRP process.	n/a	n/a	Fully completed	Fully compliant		
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 listed is provided to members in the IDRP pack provided to members upon receipt of an application, this includes details on the process and the timelines. Contact details are also provided at each stage of the process and in any written correspondence. Kier act as a "middleman" for the IDRP to ensure the process is managed correctly and within the required timescales. They receive the forms from the member and if they are eligible, or can be resolved outside of the IDRP process (which is the preferred route). If not they pass them on to the employers appointed stage 1 person and send a letter back to the member to explain that it is what has happened. A copy is sent to Kier and all parties are made aware of the 2 month deadline. If there has been no response near the end of the 2 month period Kier will chase up on this and let the member know if there is to be a delay. A similar process is followed for stage 2.	n/a	n/a	Fully completed	Fully compliant		
I4	Has the Administering Authority ensured that employers who make first stage decisions also have IDRP in place?	Kier has passed the practical guide to the employers to pass on to their stage 1 appointed decision maker, including sample letters including information where members can get further information which can then be passed on. There is not much more the administering authority can do to in this area.	n/a	n/a	Fully completed	Fully compliant		

No.	TPR Requirement	Teesside 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?	Kier works to a 2 month deadline, but will keep the member informed if there are to be any delays to this (e.g. due to the need to gather further evidence). Kier sends an acknowledgment when the application is received, including consideration of whether the complaint could be resolved outside of the IDR process and whether or not it is eligible.	n/a	n/a	Fully completed	Fully compliant		
16	Does the Administering Authority notify and advertise the procedure appropriately?	Information on the IDR process is not included on the pension fund website for members to access at any time. However members are provided with the full details upon any complaint/application and the need to have IDR in place is included in the administration strategy. Details are provided in any benefit settlement correspondence e.g. retirement, transfer, refund of contributions, death benefits. We have not seen evidence of whether this is included in communications which are sent to new members, but it will be included in the information to go on the website as part of the revamp.	n/a	n/a	In progress	Partially compliant		The IDR should be put on the newly developed fund website for members to refer to and it should be referred to in joiner information - we recommend these communications from the Fund for new joiners are checked to ensure they mention this.
17	Are the notification requirements in relation to TPAS and the Pensions Ombudsman being adhered to?	These details are provided at each required stage as well as in the correspondence notifying members of any benefit settlement such as retirement, refund, transfer, death benefits.	n/a	n/a	Fully completed	Fully compliant		The guidance and IDR should be updated, along with member correspondence, to reflect the change in the disputes section of TPAS merging into the Ombudsman, if not done already.
18	Does the Administering Authority regularly assess the effectiveness of its arrangements?	Kier provides reporting to the administering authority on a regular basis on the number of cases raised, the number won/lost and the number which resulted in Ombudsman involvement. This is included in the annual report and accounts. The vast majority of cases involve the member disagreeing with the approach taken on ill health retirement. And as a result Kier has included an explanation in the correspondence of the difference between benefits provided by the DWP in ill health and those provided by the LGPS, in particular the definition for eligibility. In the latest year, there were 10 cases and all 10 were dismissed which suggests an effective process is in place.	Annual report in report and accounts	31/03/2018	Fully completed	Fully compliant		
19	Does the Administering Authority regularly assess the effectiveness where employers carry out a stage one process?	As above since employers are carrying out the stage 1 via appointed persons and since Kier acts as the manager of the correspondence. They are therefore aware of all the employer stage 1 cases and can report on those to the administering authority.	Annual report in report and accounts	31/03/2018	Fully completed	Fully 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	Teesside Approach / Evidence	Frequency of Review	Last Review Date	Check 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 procedure and policy has been passed to Kier but has not yet be shared with the staff and training provided, and minor breaches which would not be reportable to the Regulator may not be being recorded on a register. However staff at Kier know how to escalate apparent breaches and resolve them with their managers.	Jul-17	Jul-17	Fully completed	Partially compliant		
J2	Does the Administering Authority have appropriate procedures in place to meet their legal obligations for identifying and assessing breaches?	Breaches procedure has been created and put in place (which was adopted by the Board at their July 2017 meeting), and should operate in conjunction with breaches log. The policy sets out the approach under the key areas set out in the Code of Practice and an example breaches log. The administrators Kier were not aware of the contents of the policy nor using this log at the time of this review. However the staff at Middlesbrough Borough Council and at Kier know what constitutes a breach as part of their day to day tasks and how to escalate and deal with the breach.	Regularly reviewed i.e. at least every 3 years	Jul-17	Fully completed	Partially compliant		Policy and procedure needs to be implemented.
J3	Are breaches being recorded in accordance with the agreed procedures?	The policy sets out that all breaches and likely breaches identified are to be reported to the relevant manager, in conjunction with the Director of Finance and Resources, as soon as they are identified, with relevant associated information. The Head of Investments and Treasury Management will ensure that all breaches are logged on the Council's breaches log. The breaches log is set up but Kier staff have not yet recorded any breaches and are not aware of the breaches log. However they have confirmed that since this was implemented there has not been a breach material enough to report to the Regulator, but it's likely small breaches have taken place (e.g. relating to contributions or meeting timescales). These should be recorded in one log as an accumulation of such breaches could be indicative of a wider issue and warrant some improvement action and/or reporting.	Ongoing (annual review)		Fully completed	Partially compliant		Breaches log needs the be implemented and reviewed by pensions board on a regular basis to identify any systematic or recurring issues which need to be resolved and/or 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	Teesside 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	Teesside Pension Committee Committee approved establishment at their meeting on 1st April 2015.	Annual	Sep-17	Fully completed	Fully compliant		The board should include a review in a board meeting on an annual basis.
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 meeting of the Pension Board was held on the 28th July 2015.	n/a	n/a	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	The Board adopted their Training Policy at their first meeting on 28th July 2015. The revised policy developed in June 2017 adopted CIPFA Knowledge and Skills framework as part of this re-draft	At least every 3 years	Jun-17	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	The Training Policy states that the Head of Investment and Treasury Management is the named officer for ensuring that the Pension Board is equipped to perform its role.	n/a	n/a	Fully completed	Fully compliant		New appointment in this role must understand and take on this responsibility when current Head of Investment and Treasury Management leaves.
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	The Training Policy states that there will be induction training for each new board member on appointment and that each member will have an individual training plan. All members have completed the Regulator's toolkit and the introduction to the LGPS course. Ongoing training will be in line with pension board matters arising. There has been further training since 2015 but this has not been documented in a training record - the training in 2015 is listed on the Council website. Evidence of training plans for individuals are needed to demonstrate compliance.	Ongoing annual	Aug-15	Fully completed	Partially compliant		Recommend training records and training assessments be completed/carried out and feed into annual training plans
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 fund documents are available on the website http://www.teespen.org.uk/documents/index.php?name=DOCUMENTS . The additional policies which have been implemented since the recent Governance review are not yet on the website but this is in progress (the new policies for funding etc. is being implemented). The contract with Kier is being expanded to include website services, and this will include the additional policies.	Ongoing when changes to policies made	Jun-17	Fully completed	Partially compliant		We recommend all key policies/strategies included on pension fund website, including conflicts, risk etc.

No.	SAB Requirement	SAB Section	Teesside Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
K7	Members of a Local Pension Board should undertake a personal training needs analysis and put in place a personalised training plan.	6	The training policy states that this will be done and an assessment was carried out some years ago, but regular assessment and individual training plans are not yet in place.	Should be annual	Autumn 2015	Fully completed	Non-compliant		Fund will consider an interactive training management tool (records attended courses and flags gaps in training).
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 pension Board adopted a code of conduct policy at its first meeting On 28/07/2015 and have adopted the Policy updated in June 2017 that also covers the Pension Committee. All members are expected to adhere to the Council's policy.	Ongoing at least every 3 years	Jun-17	Fully completed	Fully compliant		
K9	Training should be arranged for officers and members of a Local Pension Board on conduct and conflicts.	7	Policy on conflicts have been approved by the board, and the employer representatives are required to comply with the conduct requirements of the Council.	Compliance checks completed for existing members	No training provided to date	Fully completed	Non-compliant		Carry out training for board and Committee on conflicts of interest.
K10	A Local Pension Board should establish and maintain a register of interests for its members.	7	There are details of the interests on the Council website for employer representatives, and the pension board minutes record any interests disclosed at each meeting. However the Pension Board and Committee do not have their own register.	Regularly i.e. at each quarterly meeting	Apr-18	Fully completed	Partially compliant		We recommend the Fund has it's own register of interests for Committee and Board members, and officers.
K11	An Administering Authority should agree the ongoing reporting arrangements between the Local Pension Board and the Administering Authority.	8	The administrators Kier provide KPI reporting to the procurement department on key SLA/PKIs for the contract, which mainly relate to timescales, and there is an annual report to the board on this. Further details are provided in the response to E8. The Pension Board are provided with the minutes and meeting papers for all committee meetings and review them at their meetings. There is a standing item on the agenda where an update is given of the previous committee meeting.	Annual/at each meeting	Jul-18	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	This hasn't taken place to date.	n/a	n/a	Fully completed	Non-compliant		Recommend the AA requirements are set out in the next board meeting.
K13	A Local Pension Board should put in place arrangements to meet the duty of its members to report breaches of law.	8	The Board formally approved the revised Breaches Policy at their meeting on 24th July 2017. A register has been created but it is not currently being fully utilised to record all breaches.	Ongoing at least every 3 years	Jul-17	Fully completed	Partially compliant		
K14	A Local Pension Board should consider (with its Administering Authority) the need to publish an annual report of its activities.	8	The report for the commencement and the 16/17 year is published on the website - this was July 2017 meeting papers. The 2017/18 report could be published on the website but may be too late to be included in the annual report and accounts.	This should be annual	Jul-17	Fully completed	Partially compliant		This should be included in the Fund report and accounts as best practice.
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 policy that is published on the Fund website is dated 2011 and hence pre-dates the Pension Board. This has been updated and approved by the Board at their November 2017 meeting. And includes all relevant information on the Pension Board.	Ongoing at least every 3 years	Nov-17	Fully completed	Fully compliant		