

# The Pension Regulator's and Scheme Advisory Board Compliance Checklist

**Date of Completion:** 25/04/2019

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## Introduction

This document outlines how **London Borough of Lewisham** complies with the Pensions Regulator's (TPR) Code of Practice No 14 Governance and administration of public service pension schemes ('the TPR Code') in relation to the management of the **London Borough of Lewisham** LGPS 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 Pension Panel and LGPS Local Pension Board.

This document highlights all the key elements of the TPR Code and then evidences whether **London Borough of Lewisham** 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, **London Borough of Lewisham** may also incorporate key elements of national guidance from the LGPS Scheme Advisory Board into this compliance checklist. This version contains the checklists included as part of the Shadow Scheme Advisory Boards "Guidance on the creation and operation of Local Pension Boards in England and Wales".

## Key

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

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

### Definitions:

<i>PSPA13</i>	Public Service Pensions Act 2013
<i>LGPS</i>	Local Government Pension Scheme
<i>TPR</i>	The Pensions Regulator
<i>TPR Code</i>	The Pensions Regulator's Code of Practice No 14 Governance and administration of public service pension schemes
<i>Scheme Manager</i>	For the <b>London Borough of Lewisham Pension Fund</b> , this is the <b>London Borough of Lewisham</b>
<i>Administering Authority</i>	The LGPS specific term for Scheme Manager. For the <b>London Borough of Lewisham Pension Fund</b> , this is the <b>London Borough of Lewisham</b> .
<i>IDRP</i>	Internal Dispute Resolution Procedure
<i>SAB</i>	The national LGPS Scheme Advisory Board
<i>PIC</i>	<b>Lewisham Pensions Investment Committee</b>
<i>PB</i>	<b>Lewisham Local Pension Board</b>

## Summary Dashboard

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

No.	Completed	Compliant
<b>Reporting Duties</b>		
A1	Fully completed	Fully compliant
A2	Fully completed	Fully compliant
A3	Fully completed	Partially compliant
A4	Fully completed	Fully compliant
<b>Thanks</b>		
B1	Fully completed	Partially compliant
B2	Fully completed	Partially compliant
B3	Fully completed	Partially compliant
B4	Fully completed	Fully compliant
B5	Fully completed	Fully compliant
B6	Fully completed	Partially compliant
B7	Fully completed	Partially compliant
B8	Fully completed	Partially compliant
B9	Fully completed	Partially compliant
B10	Fully completed	Partially compliant
B11	Fully completed	Partially compliant
B12	In progress	Partially compliant
<b>Conflicts of Interest</b>		
C1	Fully completed	Partially compliant
C2	Fully completed	Fully compliant
C3	Fully completed	Fully compliant
C4	Fully completed	Fully compliant
C5	Fully completed	Fully compliant
C6	Fully completed	Partially compliant
C7	Fully completed	Partially compliant
C8	Fully completed	Fully compliant
C9	Fully completed	Partially compliant
C10	Fully completed	Fully compliant
C11	Fully completed	Fully compliant
<b>Publishing Information</b>		
D1	Fully completed	Partially compliant
D2	Fully completed	Non-compliant
D3	Fully completed	Partially compliant
D4	Fully completed	Fully compliant

No.	Completed	Compliant
<b>Risk and Internal Controls</b>		
E1	Fully completed	Non-compliant
E2	Fully completed	Non-compliant
E3	Fully completed	Partially compliant
E4	In progress	Partially compliant
E5	Fully completed	Partially compliant
E6	Fully completed	Non-compliant
E7	Fully completed	Partially compliant
E8	Fully completed	Partially compliant
<b>Maintaining Accurate Member Data</b>		
F1	Fully completed	Partially compliant
F2	Fully completed	Fully compliant
F3	Fully completed	Partially compliant
F4	Fully completed	Fully compliant
F5	Fully completed	Fully compliant
F6	Fully completed	Fully compliant
F7	Fully completed	Fully compliant
F8	Fully completed	Fully compliant
F9	Fully completed	Non-compliant
F10	Fully completed	Fully compliant
F11	Fully completed	Fully compliant
<b>Maintaining Contributions</b>		
G1	Fully completed	Partially compliant
G2	Fully completed	Partially compliant
G3	Fully completed	Partially compliant
G4	In progress	Fully compliant
G5	Fully completed	Partially compliant
G6	Fully completed	Fully compliant
G7	Fully completed	Employers - Fully compliant
G8	Fully completed	Non-compliant
G9	Fully completed	Not yet relevant
<b>Providing Information to Members and Others</b>		
H1	Fully completed	Employers - Fully compliant
H2	Fully completed	Partially compliant
H3	Fully completed	Partially compliant
H4	Fully completed	Partially compliant
H5	Fully completed	Fully compliant
H6	Fully completed	Fully compliant

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

## A - Reporting Duties

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

### Legal Requirements

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

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

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
A1	Is your scheme registered with the Pension Regulator?	Officers confirmed that London Borough of Lewisham are registered with TPR. Contacts include Carol Eldridge (Group Finance Manager, Pensions and Payroll) and Gavin Roberts (Pensions Manager).  The Group Finance Manager, Pensions and Payroll and the Pensions Manager have their own log in to the Exchange site to make changes.	One off - i.e. is registered	n/a	Fully completed	Fully compliant		
A2	Is the information held on the Pensions Regulator's website about the scheme up-to-date?	Officers confirmed at a meeting held 26 March that the number of scheme employers does not change significantly and information is likely to be up to date.	Annual	26/03/2019	Fully completed	Fully compliant		
A3	Have you completed this latest Scheme Return in the required timescale?	The 2018 scheme return was sent to Lewisham on 25 September and was submitted on 23 October. It should be noted that there is a new requirement to test the common and conditional/scheme-specific and report a score in the 2018 scheme return. There is no centrally agreed list of scheme-specific items for the LGPS in this first year so Funds have to use their own judgement in conjunction with their software supplier guidance. The percentage of data assessed as present and accurate for Lewisham was not provided to TPR, we understand this was due to time constraints rather than any particular concerns around the data itself.	Annual	26/03/2019	Fully completed	Partially compliant	Plans are in place with the Scheme Advisory Board nationally to develop a centrally agreed standard template in Summer 2019 for 2019 returns.	Officers have indicated they will supply percentages to TPR in this years return and we recommend that information is provided.
A4	Have you responded to the latest TPR public service pension scheme survey/questionnaire?	Officers confirmed that the 2018 TPR Governance and Administration Survey was completed and returned to the Regulator by the 30 November 2018 deadline - a copy of the response was seen as part of this review.	Annual	26/03/2019	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	London Borough of Lewisham 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?	<p>The Board's Terms of Reference set out that the Fund has a Knowledge and Understanding Policy and Framework. In July 2015, at the Board's first meeting, a Knowledge and Training Policy was agreed.</p> <p>A slightly revised Knowledge and Training Policy was considered by the Board at their second meeting on December 2017 - see <a href="http://councilmeetings.lewisham.gov.uk/documents/s53902/5a%20Appendix%201%20-%20Knowledge%20and%20Training%20Policy.pdf">http://councilmeetings.lewisham.gov.uk/documents/s53902/5a%20Appendix%201%20-%20Knowledge%20and%20Training%20Policy.pdf</a>.</p> <p>It is important to keep this policy under review, at least every three years, but preferably annually.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		<p>The policy should ideally include the objectives of the policy. It is noted that there is a separate learning log but the policy does not specify how training will be recorded and monitored.</p> <p>The Policy is not dated or available on the Fund's website.</p>
B2	Has a person been designated to take responsibility for ensuring the framework is developed and implemented?	<p>There is no reference to a delegated person in the Policy, the accompanying learning log or learning needs analysis.</p> <p>In practice, the Principal Accountant – Treasury &amp; Pensions Manager is the designated person for maintaining this information but this is likely to be superseded when a new Compliance Officer is appointed.</p>	Not specified in policy. Suggest annually.	26/03/2019	Fully completed	Partially compliant		Include responsibility in policy.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B3	Is the Fund providing assistance to pension board members to determine the degree of knowledge and understanding required?	<p>The Knowledge and Training Policy sets out that members are required to "undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses".</p> <p>Members are asked to use a personalised training plan to document and address gaps. However, officers confirmed in a meeting on 26 March that these plans are not chased or reviewed by the Fund to check whether members are meeting their training needs.</p> <p>For the PIC there is a skills audit against the Fund's annual Business Plan, for example a review undertaken in line with MiFID II requirements in June 2018. The same review against the Business Plan is not undertaken for the PB.</p> <p>PIC members are required to undertake 5 hours of training over the course of each financial year. Such a numerate requirement is not in place for PB.</p> <p>It is noted that, at both PIC and PB meetings, updates on forthcoming training opportunities are clearly communicated to Board and Committee members.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		<p>There is no specific reference in training documentation (Policy or Log) to the information that a new Board member is provided as part of their knowledge and training. We recommend documenting the process in place as part of the induction of new members to the PB and PIC.</p> <p>We suggest the Fund has a process in place to collate and review training needs analysis and personalised training plans and use that to inform training requirements for the PB and PIC.</p> <p>Consider also making any requirements for training (e.g. number of hours) the same for both the PIC and PB as well as using the Business Plan review to assess Training Needs.</p>
B4	Are the roles and responsibilities of pension boards and members of pension board clearly set out in scheme documentation?	The core functions of the Board are set out in the Pension Board's Terms of Reference which forms part of the Council's Constitution. It sets out the key duties of the members and role of the chair. The Board's terms of reference are also available on the Fund's website. The Terms of Reference were reviewed on 6 March 2018.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		The Terms of Reference have been reviewed in March 2018 and this version is on the Lewisham Pension Fund website. The Terms of Reference in the Constitution (i.e. Appendix 4) is an earlier version dated February 2015 and this should be updated accordingly.
B5	Are pension board members aware of their legal responsibility in terms of Knowledge and Understanding?	The Pensions Board Terms of Reference refers to a Knowledge and Understanding Policy and Framework. The Policy then sets out the legal requirements on Board members and the level of knowledge members are expected to attain and how they are expected to record their training.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B6	Have all pension board members got access to copies of the scheme rules and relevant Fund documentation?	<p>Information is available on the Lewisham Pension Fund website including scheme guides, factsheets and a recent member newsletter (August 2018).</p> <p>The agenda and papers from the Pension Investment Committee are circulated to Pension Board members, and they are considered as part of the agenda at Pension Board meetings.</p> <p>The annual report includes a summary of Fund policies. We have noted that the Fund does not appear to have a Governance Compliance Statement and Policy in place, this is required under LGPS Regulations and must be in line with the Secretary of State's guidance. Also there is no evidence of the link to the scheme regulations being made explicitly available to Pension Board members, we suggest this link is added to the Lewisham Pension Fund website - <a href="http://lgpsregs.org/schemeregs/index.php">http://lgpsregs.org/schemeregs/index.php</a>.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		<p>The Fund needs to put in place a Governance Compliance Statement.</p> <p>Not all policies are available on the Fund's website. A review of this should be undertaken and any missing policies added.</p> <p>The Full Scheme guide on the Lewisham Pension Fund website is v 1.6 (April 2015). The latest version available is June 2018 (v5.0) from LGA and this should also be updated.</p>
B7	Is there an up-to-date list of the Fund specific documents with which pension board members need to be conversant in?	A list is included in Fund's Knowledge and Training Policy	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		The Policy is not dated or available on the Fund's website directly.
B8	Are all pension board members investing sufficient time in their learning and development?	<p>Officers include information on national conferences and courses and encourage PB members to attend at each meeting. This is also the case for PIC. Internal training takes place at the PIC (e.g. Investment Managers and Actuary as needed). Internal training does not take place within the PB.</p> <p>The Fund does not share details of training logs at PB meetings, these are recorded by Officers and held directly with them only.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		<p>The Fund should consider setting a measurable requirement for PB members in terms of training hours per annum.</p> <p>Also consider options for internal training for the PB on key areas.</p>
B9	Does the Fund offer pre-appointment training for new pension board members or mentoring by existing members?	<p>Pre-appointment training is not currently provided, and nor is mentoring. This is partly due to challenges experienced by the PB having reconfigured in December 2017 following a period of 2 years out of meeting cycle, as well as challenges in appointing members to vacancies.</p> <p>All new members are provided with the Terms of Reference and an explanation of their roles and responsibilities as Board members.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		Ensure approach for new members is documented in formal training policy, and is monitored and adhered to.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
B10	Is there a process in place for regularly assessing the pension board members' level of knowledge and understanding is sufficient for their role, responsibilities and duties?	<p>The Terms of Reference for the Pension Board states "Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board."</p> <p>Reminders are given to Board members to complete their Training Needs Analysis at Board meetings. Board members do share this information with Officers - however this is not currently reviewed or collated to assess findings or put actions into place.</p> <p>The PIC undertake a self-review against the CIPFA Knowledge and Skills Competencies.</p> <p>No induction training in place for new members, noted challenges with maintaining one of the employee representatives on the Board over last couple of years.</p> <p>Current PB chair had high level of knowledge and good experience ahead of joining Board and therefore no specific induction training was required. PIC Chair is also experienced and specific induction training was again not relevant.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		<p>We suggest the Fund has a process in place to collate and review training needs analysis and personalised training plans and use that to inform training requirements for the PB and PIC.</p> <p>An induction process should be considered for new members and documented in the Fund's Knowledge and Understanding Policy and Framework.</p>
B11	Are records of learning activities being maintained?	At the last Pension Board meeting in January 2019 an events programme was shared with the Board setting out forthcoming activity. However, a record of attendance at training / learning opportunities does not appear to be being maintained (unless provided to the Fund by the PB member).	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		A record of all training attended should be held centrally by the Fund and regularly updated. This information for both the PIC and PB could then be published (e.g in Fund's Annual Report or directly on the website).
B12	Have the pension board members completed the Pension Regulator's toolkit for training on the Code of Practice number 14?	<p>Officers recommend that Board members complete the Pension Regulator's Public Service Toolkit.</p> <p>As noted in the papers for 31 January 2019 Board meeting, only one member of the Board has confirmed that the toolkit has been completed.</p>	Ongoing (annual check)	22/03/2019	In progress	Partially compliant		Consider also making any measurable hours requirements for training the same for both the PIC and PB as well as using the Business Plan review to assess Training Needs.



## C - Conflicts of interest

### Legal Requirements

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

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

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

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

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

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
C1	Does the Fund have a conflict of interest policy and procedure, which include identifying, monitoring and managing potential conflicts of interest?	<p>The Pension Board has a Conflict of Interest Policy which includes procedures to identify, monitor and manage potential conflicts of interest. It was adopted on 23 July 2015 and was reviewed on 6 March 2018.</p> <p>The policy is not available directly on the Fund's website.</p> <p>There is no specific policy in place for the PIC or for Fund Officers.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		<p>The Policy is not dated or available on the Fund's website.</p> <p>Consider extending the reach of this Policy to cover both PIC and Officers as well as the Pension Board.</p>
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?	<p>The Conflict of Interest Policy sets out requirements for members and newly appointed members to confirm they do not have a conflict of interest and for members of the Board to disclose interests or responsibilities that could become conflicts of interests which may impact on their role.</p> <p>The Conflicts Register is brought to every Board meeting and there is a declaration of interest at the start of Board meetings. There is also a similar declaration at the start of PIC meetings.</p> <p>Officers confirmed at a meeting on 26 March that the Board have not had training on the area of Conflicts.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		Consider holding a training session or review of requirements on Conflicts of Interest with the Board.
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)?	The Conflict of Interest Policy states that Conflicts of Interest will be included as an opening agenda item at Board meetings and Declarations of Interest are sought at the beginning of meetings.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
C4	Does the appointment process for pension board members require disclosure of interests and responsibilities which could become conflicts of interest?	The Conflict of Interest Policy states that "people who are proposed to be appointed to a Pension Board, must provide Lewisham Council with information that they reasonably require to be satisfied that Pension Board members and proposed members do not have a conflict of interest."  They also have the opportunity to disclose any potential conflicts at every meeting.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		
C5	Is the conflicts policy regularly reviewed?	The Policy was reviewed at 6 March 2018 Pension Board meeting.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		The Fund should continue to review the Policy at least every 3 years, but preferably annually.  The Fund should ensure the Policy is available on the Fund's website.
C6	Does the Fund have a conflicts register and it is circulated for ongoing review and published?	The Conflicts Policy indicates that "the register of interests and other relevant documents will be circulated to the Pension Board for ongoing review and published on Lewisham's pension website".  The Register has been considered at recent Pension Board meetings but there is no evidence that it is available on the Lewisham Pension Fund website.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		The Fund should publish the updated register of interests on its website.
C7	Is appropriate information included in the register?	The Council website does not list other interests or employments for Board members all of whom are non-Council members.  The Register of Conflicts of Interests considered at the latest Board meeting includes details of a registered conflict.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		Recommend Council website is updated accordingly.
C8	Is there a standing item on the agenda for declaring conflicts of interest?	Yes, it is on the agenda for every meeting.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
C9	Do those involved know how to report a conflict of interest?	The policy does set out the requirement to log any potential conflicts of interest and that they should be logged on the register. It does not say who in the Administering Authority they should report it to.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		When the Conflict of Interest Policy is next reviewed it would be helpful to state who conflicts should be reported to.
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 its terms of reference on the Fund website. This includes the requirement in paragraph 9 which sets out there are 4 voting members, 2 employer and 2 member representatives. Paragraph 22 sets out details regarding the independent chair.  It was also noted that there is an interim replacement for the employer representative from Lewisham Homes while the Director of Finance role being recruited to. Officers confirmed that the replacement will be asked to join the PB.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		Ensure that the Fund website reflects the latest membership of the PB.
C11	Is the board made up of the appropriate mix of representatives in order to minimise potential conflicts?	The Administering Authority has attempted to obtain an appropriate mix, through: - Setting out the requirements for representatives in the Terms of Reference - The appointment of a non voting independent Chair	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		

## D - Publishing information about schemes

### Legal Requirements

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

The information must include:

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

No.	TPR Requirement	London Borough of Lewisham 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 Board members are on the Pension Fund website: <a href="http://www.lewishampensions.org/lewisham-pension-fund/about-us/local-pension-board/">http://www.lewishampensions.org/lewisham-pension-fund/about-us/local-pension-board/</a> .  Membership of the Board is not up to date on the Fund website noting that there appears to be an employee representative vacancy. Officers confirmed at 26 March meeting that this is now filled by a union representative; however an interim replacement for one of the employer representatives is currently in place. Membership details are not up to date on the Council's website <a href="http://councilmeetings.lewisham.gov.uk/mgCommitteeDetails.aspx?ID=353">http://councilmeetings.lewisham.gov.uk/mgCommitteeDetails.aspx?ID=353</a> .	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		Details of the composition of the Pension Board should be updated on the Council and Fund websites.
D2	Does the Administering Authority publish other useful related information about the pension board?	There is no information on the Council or Fund website about Pension Board members other than their name and who they represent. Pension Investment Committee members information includes details for Councillors but not for other members of that Committee; however, we understand that non-voting observers do not attend the PIC therefore names cannot be added to the website.	Ongoing (annual check)	26/03/2019	Fully completed	Non-compliant		Add additional information from Code of Practice paragraph 96 about the Pension Board and Pension Committee members onto the Fund website.
D3	Is all the information about the Pension Board kept up-to-date?	The Committee and Board members are on the Lewisham Pension Fund website. However the Observers on the Pensions Investment Committee are not named in the list provided on the Fund's website, this is because none attend.  The Fund website reflects a vacancy but Officers confirmed this information is out of date.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		Ensure public information about the Board is kept fully up to date and correct.
D4	Does the Administering Authority publish information about pension board business?	All pension board meetings are public meetings and papers/agendas/minutes etc. are set out on the Lewisham Council website <a href="http://councilmeetings.lewisham.gov.uk/ieListMeetings.aspx?CIId=353&amp;Year=0">http://councilmeetings.lewisham.gov.uk/ieListMeetings.aspx?CIId=353&amp;Year=0</a> .	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		

## E - Managing risk and internal controls

### Legal Requirements

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

Internal controls are defined in the legislation as:

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

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

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes
E1	Is there an agreed process for identifying and recording scheme risks?	<p>The Fund does not have a Risk Policy in place. A Risk Register for mainly investment related matters is considered by the PIC annually and this was recently also taken to the PB. The PB noted the lack of administration, governance and communication items on the Risk Register, and it has since been identified that the Fund does in fact have a separate Risk Register covering these areas which is managed by the Group Finance Manager - Pensions and Payroll.</p> <p>On the Risk Register relating to investment matters, either the PIC, the Exec Director of Resources and Regeneration (also S151 officer), the Head of Corporate Resources, the Principal Accountant – Treasury &amp; Pensions Manager or the PB are the named owners of the risks listed.</p> <p>The risks on the Register do not appear to align with agreed Fund objectives and it is not clear how new risks are identified.</p>	Policy not in place	N/A	Fully completed	Non-compliant	
E2	Does the Fund have an adequate process to evaluate risks and establish internal controls?	<p>The Risk Register shows who has responsibility for each risk listed and the current control in place to manage it. It also sets out any additional requirements or procedures relevant to that risk.</p> <p>The PIC consider the Risk Register annually at one of its meetings. The PB have now seen the Risk Register at their 23 October 2018 meeting. This Register has mainly investment related items listed.</p> <p>The Group Finance Manager - Pensions and Payroll maintains a separate Risk Register for administration issues. This Register covers both Pensions and Payroll related items, but does not appear to be reviewed by the PB or PIC. The risks are reviewed but could be updated to ensure they cover a wider range of areas including for example, accurate maintenance of records, fraud against the Fund, managing the cost of administration as well as communication related items.</p>	Annually	26/03/2019	Fully completed	Non-compliant	The Fund should ensure that their risk register is comprehensive and includes all areas of the administration and management of the Fund including (i) investment, (ii) funding, (iii) administration, (iv) governance and (v) communication. The Risk Policy should set out how the Register is managed, monitored and updated including how they establish controls and identify risks.

## E - Managing risk and internal

### Legal Requirements

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No.	TPR Requirement	Action
E1	Is there an agreed process for identifying and recording scheme risks?	Ensure the Fund in conjunction with the PIC and PB develops a risk policy.  Consider developing Fund objectives which help drive the content on the Risk Register.  Ensure that the Fund's Risk Register contains all areas of the administration and management of the Fund (not just investment related items).
E2	Does the Fund have an adequate process to evaluate risks and establish internal controls?	We would strongly recommend pulling together the current separate strands of the two existing risk registers into a single holistic risk register covering all areas.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes
E3	Does the Administering Authority have a risk register to record all risks identified and action taken?	<p>Risk register which focuses on investment related matters is reviewed and monitored. Administration Risk Register is maintained separately.</p> <p>The Fund identifies new risks when key policies are reviewed and revised, e.g. updating Funding Strategy Statement following the valuation or changes and updates to the Investment Strategy Statement. It is not clear how new risks on the Administration Risk Register are identified though, and whether any attempt is made to link them to the Fund's objectives.</p> <p>The Risk Register considered by the PIC is based on the TPR template.</p>	Annually	26/03/2019	Fully completed	Partially compliant	The Fund should ensure that their risk register is comprehensive and includes all areas of the administration and management of the Fund including (i) investment, (ii) funding, (iii) administration, (iv) governance and (v) communication. The Risk Policy should set out how the Register is managed, monitored and updated including how they establish controls and identify risks.
E4	Does the Administering Authority review the effectiveness of the risk management and internal control systems of the Fund?	<p>The Fund has an external audit once a year, it is reviewed by Senior Officers and it is reported to Full Council. It is currently not considered by the PIC or the PB. Internal audit findings have not historically been taken to PIC but officers confirmed they plan to bring them to the PB going forward.</p> <p>There is a concern mentioned by Fund Officers that external audit lack enough understanding and experience on pensions matters meaning that Fund Officers are involved in elongated audits which require greater resources than might be anticipated from the Fund.</p> <p>There is no formal review of risk management (other than the Risk Register) and no risk policy in place.</p> <p>There is no formal process for reporting breaches of the law although the Fund does have a log which is based on TPRs template.</p>	Annually	26/03/2019	In progress	Partially compliant	
E5	Does the Administering Authority regularly review the risk register?	The PIC review the Risk Register annually and the plan is that following the recent sharing with the PB they will also now review the Risk Register on an annual basis. At the moment that only relates to investment related risk.	Annually	26/03/2019	Fully completed	Partially compliant	
E6	Is there a standing item on the Pension Board agenda to review scheme risks?	There is no standing item on the PB agenda to review scheme risks although the Board did receive a copy of the Risk Register at the October 2018 meeting where it was noted that the Register related in the main to investment related issues only.	Quarterly i.e. at each meeting	23/10/2018	Fully completed	Non-compliant	

No.	TPR Requirement	Action
E3	Does the Administering Authority have a risk register to record all risks identified and action taken?	As above
E4	Does the Administering Authority review the effectiveness of the risk management and internal control systems of the Fund?	<p>Regarding the internal audit Rob / Gavin to confirm the frequency of these reviews and their recent findings.</p> <p>We recommend that the Fund consider how best to ensure PIC and PB are informed of both external and internal audit findings to ensure adequate review of information provided.</p>
E5	Does the Administering Authority regularly review the risk register?	The Fund needs to ensure that the Risk Register captures all risks relating to the management and administration of the Fund.
E6	Is there a standing item on the Pension Board agenda to review scheme risks?	TPR would expect to see the PB considering risks at each meeting and the Fund should consider adding as a standing agenda item for all future meetings.



No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes
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>The Fund does not have a Pensions Administration Strategy - such a Strategy (albeit not mandated) can be helpful as it provides a statement outlining the policies and performance standards aimed at providing a cost-effective and high quality service.</p> <p>The Fund use the Altair task management system - every day, tasks on task lists are allocated, and management can monitor all tasks on the team to prioritise and allocate to other members on the team depending on deadlines/workloads. Officers indicate that there is a backlog of cases (particularly status 2 undecided leavers). Heywood guides are used but there are no internal process notes documenting work to undertake key tasks.</p> <p>All cases are checked including estimates and staff work through an allocated checksheet as they review cases, with payments being authorised appropriately at various different threshold levels depending on seniority.</p> <p>All information scanned to records and manual calculations also scanned to member records. There are c400 boxes of historic files containing records which are stored in another nearby Council office which are available when necessary.</p>	Ongoing (annual check)	Ongoing (annual check)	Fully completed	Partially compliant	
E8	Do these procedures apply equally to outsourced services, are internal controls reflected in contracts with third party providers and is there adequate reporting in relation to those controls?	<p>Lewisham's LGPS AVC provider is Clerical Medical. The Fund have access to the Clerical Medical website and can get instant values online and also receive annual statements each April which are posted to scheme members.</p> <p>The Fund's custodian is Northern Trust who make their control report available to the Fund through an online portal. Some investment managers do also provide annual internal control reports (either directly or via their websites), officers have confirmed these are not actively managed or monitored.</p>	Ongoing (annual check)	Ongoing (annual check)	Fully completed	Partially compliant	

No.	TPR Requirement	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>We recommend the Fund creates an Administration Strategy.</p> <p>We recommend the Fund creates internal process notes documenting the various procedures specific to Lewisham.</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>On the whole, Officers are content with the service from the AVC provider but it is important to ensure that specific administration services provided and responsibilities delegated to the administrator should be documented in the terms of engagement and contract between the Fund and any third party which carries out any outsourced admin service (such as AVC providers and tracing agencies).</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	London Borough of Lewisham 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?	Records are maintained on the Altair Heywood System: - Altair system won't allow a new member without key details (including NI) - I-Connect used by Administering Authority with uploads on a monthly basis - All mandatory info is checked before it is uploaded to Altair  We note that in the 2018 TPR Scheme return the percentages for common & scheme specific data scores were not provided to TPR.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		Officers have indicated they will supply percentages to TPR in this year's return and we recommend that information is provided.
F2	Does the Fund have the appropriate processes in place so employers can provide timely and accurate information?	I-Connect monthly upload covers this for the administering authority, Lewisham Council.  Employers (admitted and scheduled bodies) are submitting monthly payroll data using a control sheet. The Administering Authority maintains an Excel workbook which has a separate sheet for each employer, and these are checked by the administration team when submitted. If there is any missing data, these are returned to the employer to be rectified.	Ongoing (annual check)	02/04/2019	Fully completed	Fully compliant	Employer Control sheet reviewed	
F3	Does the Fund keep records of and reconcile transactions as required by the Record Keeping Regulations?	Incoming contribution schedules are reviewed on a monthly basis. Accounting emails from employers are kept in a Sharepoint file which is accessible by team members and also reconciled monthly.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant	No evidence of write-off policy therefore unable to consider fully compliant at this time.	

No.	TPR Requirement	London Borough of Lewisham 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?	Board Agendas, papers and minutes are on the Lewisham website. <a href="http://councilmeetings.lewisham.gov.uk/ieListMeetings.aspx?CId=353&amp;Year=0">http://councilmeetings.lewisham.gov.uk/ieListMeetings.aspx?CId=353&amp;Year=0</a>	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		
F5	Are records kept of decisions made by the pension board, outside of meetings as required by the Record Keeping Regulations?	All meeting minutes and papers contain records of decisions made in meetings and these are held online. To date, no decisions have been made outside meetings so no recording has been necessary.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		
F6	Are records retained for as long as they are needed?	Member records are held on Altair permanently, with archived historical images. Pre Altair some paper records are held in storage and are accessible for review as necessary.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		It is recommended that a Record Management Policy is implemented setting out how records are maintained and the future deletion policy.
F7	Does the Administering Authority have policies and processes to monitor data on an ongoing basis?	I-Connect checks are undertaken monthly by the pensions team. Scheduled and admitted bodies payroll data is also checked monthly as it is submitted. Pre valuation checks done including seeking to address aggregation issues which are currently impacting on the data quality for the 2019 valuation.  Member information is checked at the year-end when benefit statements are being produced i.e. CARE pay compared to previous years, and contributions are checked to see if paid in line with the CARE pay. Anything unreasonable in terms of data or data changes since last year are queried with the employer. Officers confirmed that the national Tell Us Once system is used by the Fund.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		It is recommended that a Data Improvement Plan is implemented to address any areas where data is incomplete / potentially inaccurate.
F8	Does the Administering Authority carry out a data review at least annually?	Member information is thoroughly checked when annual benefit statements are being produced. Anything unreasonable in terms of data or data changes since the previous scheme year are queried with the employer.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		We recommend that this checking procedure could be more formally documented as a Data Review Exercise, which will allow scoring and the ability to see year on year trends.
F9	Is a data improvement plan in place which is being monitored with a defined end date?	Currently there is no formal data improvement plan in place (although it was noted that where issues are identified they are dealt with in a timely manner).	Ongoing (annual check)	26/03/2019	Fully completed	Non-compliant		It is recommended that a Data Improvement Plan is implemented to address any areas where data is incomplete / potentially inaccurate.
F10	Are processes and policies in place to reconcile scheme data with employer data?	I-Connect covers this for Lewisham Council as it has validation processes on upload.  Employers are submitting monthly payroll data - the Control sheet used (as mentioned above) collates all necessary information.  Fund officers also noted work to address backlog of leavers where calculations required. Also reviewing frozen refunds given 5 year period since introduction of new scheme.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		
F11	Do the Administering Authority's member data processes meet the requirements of the Data Protection Act 1998 and the data protection principles, and the new requirements of GDPR (from 25 May 2018)?	All staff completed training on GDPR and data protection information is on the Lewisham website. <a href="https://lewisham.gov.uk/mayorandcouncil/aboutthecouncil/access-to-information/freedom-of-information-act/publication-scheme/~/_link.aspx?_id=556C869D56A54ECA869867DFAAF64EBF&amp;_z=z">https://lewisham.gov.uk/mayorandcouncil/aboutthecouncil/access-to-information/freedom-of-information-act/publication-scheme/~/_link.aspx?_id=556C869D56A54ECA869867DFAAF64EBF&amp;_z=z</a> Disaster recovery with Aquila Heywood. Home workers have secure logins.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		

## G - Maintaining contributions

### Legal requirements

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

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

No.	TPR Requirement	London Borough of Lewisham 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>A new payroll system is being implemented currently by Lewisham Council, which is currently operating at the parallel run stage. Errors being found and resolved.</p> <p>The Fund receives a control sheet from employers each month, which captures all the information required for the payroll. This is checked and matched and any omissions or errors are reported back to the employer. Once checked by the pension team, this is passed to finance to load.</p> <p>No formal procedure is documented for this process, and it is currently reliant on one specific individual to do this job every month. Resourcing is an issue.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		We suggest documenting the process for the monthly payroll / contribution checks so that any member of the team could deal with it. Being reliant on one specific person is a potential point of failure without a documented process.
G2	Do those processes and procedures include a contributions monitoring record to determine whether contributions are paid on time and in full?	<p>The monthly reconciliation shows where contributions are not present but not necessarily whether they are correct. A tolerance check is done against previous months report but this does not show discrepancies. A receipt date is input by the admin team to control the payroll sheets and these are stored in folders on the network for each employer.</p> <p>Monthly reconciliation of employer's pay is done but contributions are not loaded to Altair until year end which can result in approx. 800 manual uploads. No specific check is made of these manual inputs, but then pay data extracts are reviewed when Annual Benefit Statements are produced.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		We suggest that over 2019/20 a significant project is undertaken to get all employers (other than the Council) set up on I-Connect. This will not provide an immediate resolution, but in the meantime we suggest investigating whether bulk uploads of data can be used (if needed) rather than manual entry.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
G3	Do those processes and procedures include monitoring payments against the contributions monitoring record on an ongoing basis?	Yes - see above	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		
G4	Are these procedures regularly reviewed to ensure they are effective?	Fund procedures are audited every year (June). The Fund is also reliant on employer processes being audited, which is harder to achieve.	Ongoing (annual check)	26/03/2019	In progress	Fully compliant		Not clear what review processes are in place to address potential fraud.
G5	Do the Administering Authority's processes include managing overdue contributions in line with TPR's suggested approach?	If contributions are overdue an email will be sent to the employer detailing and emphasising the possibility of fines for repeated non-compliance. However, it was confirmed there have been no instances where this has arisen to date.  The issue of raising / recharging fines to employers is currently not in the administration strategy (largely as it has not arisen with to date). The administration strategy is currently being reviewed.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		We strongly recommend putting in place an Administration Strategy to clearly set out details of fines / procedures for managing overdue contributions, and we also recommend having a policy on how many times you will chase employers (and how) before escalating.
G6	Does the Fund maintain a record of any investigations and communications with employers?	It was confirmed that employers are mainly sent information via email. All correspondence (and contribution schedules etc) are stored in the sharepoint library (categorised by employer) which is accessible to the pensions team.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		Consider whether others outside the pensions team might need access to the sharepoint library too.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
G7	Do employers provide sufficient information to monitor contributions and is this in accordance with the LGPS regulations?	I-Connect is in use for Lewisham Council. For all other employers who are not using i-Connect, a control sheet is used which we understand contains all the information to comply with LGPS regulations. Returns from employers are not accepted until all the requisite data has been provided.	Ongoing (annual check)	26/03/2019	Fully completed	Employers - Fully compliant		
G8	Is there a satisfactory process in place to assess the materiality of any payment failures and ensure that those which are material are reported to the Regulator within a reasonable period?	There is no reporting process currently to assess payment failures. This needs to be captured in the Administration strategy and also in the breaches procedure.	Ongoing (annual check)	26/03/2019	Fully completed	Non-compliant		We suggest the Fund formalise their reporting and monitoring processes in formal process notes, in the Fund's administration strategy, and in the breaches procedure (when drafted), as appropriate.
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?	Not applicable	n/a	n/a	Fully completed	Not yet relevant		

## H - Providing information to members and others

### Legal requirements

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

No.	TPR Requirement	London Borough of Lewisham 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?	It was advised that for the 2018 exercise 100% of statements went out within the required timescales for all known active members (members on Altair at 31 August 2018)	Annual	26/03/2019	Fully completed	Employers - Fully compliant		
H2	Do these meet the legal requirements in relation to format?	<p>The Active ABS and notes has been provided and compared with the HMT Directions (i.e. the Disclosure Regulations) and they are compliant other than the following pieces of information which are not included:</p> <ul style="list-style-type: none"> <li>- No caveat about partners pensions, specifically i) co-habiting partners' pensions exclude pre1988 membership ii) post leaving marriage pensions exclude pre 1978/1988 membership</li> <li>- No caveat that an actuarial increase is included on the pre 2014 benefits but this can change at any time</li> <li>- No details for divorce or annual scheme pays debits (question for Gavin - is this conditional text which only comes in if it applies?)</li> <li>- It is not clear how any deductions e.g. for pension debits or scheme pays debits would be shown on the statement if they were to apply.</li> <li>- No date of when members' pensionable service started in that employment (only date joined LGPS)</li> <li>- No summary method of how members and partners benefits are calculated</li> <li>- No details of how any deduction from benefits is calculated</li> </ul>	Annual	02/04/2019	Fully completed	Partially compliant	Active ABS and notes independently reviewed by Aon & not fully compliant.	Review active ABS to ensure all these areas are addressed.
H3	Has a benefit statement been provided to all active, deferred and pension credit members who have requested one within the required timescales?	<p>It was confirmed that Lewisham are compliant in this area and that all statements were issued for Active, Deferred and Pension Credit members.</p> <p>The only members for whom statements were not issued were deferred members with no known address.</p>	Ongoing	26/03/2019	Fully completed	Partially compliant		We suggest that KPI/SLA statistics are held on whether benefit statements are issued (and when) following a request by an active, deferred or pension credit member to ensure they are provided no more than two months after the date the request is made.



No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H4	Does this meet the legal requirements in relation to format?	<p>The Deferred ABS and notes has been provided and compared with the HMT Directions (i.e. the Disclosure Regulations) and they are compliant other than the following pieces of information which are not included:</p> <ul style="list-style-type: none"> <li>- No caveat that current NPA may change as SPA changes for Post 1 April 2014 leavers.</li> <li>- No statement on rejoining the LGPS setting out that members must tell the administering authority of i) deferred benefits ii) of other public service membership iii) advise original AA of new membership</li> <li>- No date is detailed confirming when pensionable service commenced</li> <li>- No summary of the method of calculating the members' benefits or survivors' benefits</li> <li>- Members' pensionable remuneration at date of leaving is not detailed</li> </ul> <p>A separate Deferred statement is issued for Pension credit members</p>	Annual	02/04/2019	Fully completed	Partially compliant	Deferred ABS and notes independently reviewed by Aon & not fully compliant.	Review deferred ABS to ensure all these areas are addressed.
H5	Has an annual benefit statement been provided to all members with AVCs within the required timescales?	It was confirmed that AVC statements were provided by Clerical Medical in April and were posted out with the ABS statements.	Annual	26/03/2019	Fully completed	Fully compliant		We recommend that a check is put in place to cross reference that everyone who should have had an AVC statement did receive one.
H6	Do these meet the legal requirements in relation to format?	Both the Equitable Life and Clerical Medial AVC statements have been provided. They have been compared with the HMT Directions (i.e. the Disclosure Regulations), and both are compliant.	Annual	02/04/2019	Fully completed	Fully compliant		
H7	Is basic scheme information provided to all new and prospective members within the required timescales?	Starter information is provided by the Fund within statutory timeframes once the new starter notification is received. Issues will only arise when an employer is late in notifying the Administering Authority of the required information	Ongoing (annual check)	26/03/2019	Fully completed	Employers - Fully compliant		Question for Gavin - are performance statistics kept on this to identify if any employers are regularly failing to provide information in a timely manner?
H8	Does this meet the legal requirements in relation to format?	The welcome letter (pack) and Notice of Admission was provided and compared against the Disclosure Regs. The documents and information on the website provide all the information required although the link to the Full Guide on the website is out of date and should be amended.	Ongoing (annual check)	02/04/2019	Fully completed	Partially compliant	Reviewed welcome letter, Notice of Admission and Lewisham Fund website.	We recommend that you update the link to the Full Guide for members on the website immediately as it is out of date.

No.	TPR Requirement	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
H9	Is all other information provided in accordance with the legal timescales?	<p>Officers noted that the Fund has a backlog, meaning that not all legal timescales are being met in all cases.</p> <p>The Fund do not have a Pensions Administration Strategy setting out KPIs/SLAs, and we did not see evidence of the PIC reviewing turnaround times for administration (as would be expected).</p> <p>The Fund did communicate scheme changes (from May 2018) to members in the August 2018 newsletter on the Fund website:  <a href="https://www.lewishampensions.org/media/4159/scheme-newsletter-august-2018.pdf">https://www.lewishampensions.org/media/4159/scheme-newsletter-august-2018.pdf</a>.  We have seen evidence of recent scheme changes (from December 2018 through LGPS (Miscellaneous Amendment) Regulations 2018) due to be communicated through the Deferred ABS, we have not seen evidence of this being communicated to active or pensioner members.</p> <p>The Pension Manager confirmed he only has only certain access rights to the website to make changes (as it is a hosted website).</p> <p>The 2019 Pension increase rate and the 2019/2020 contribution rates were recently loaded to the website.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		<p>The Fund should put in place a plan to address current backlogs.</p> <p>We recommend that the Fund prepare and publish a Pensions Administration Strategy.</p> <p>The Fund should ensure all changes to Scheme Regulations are communicated in line with the Disclosure Regulations.</p>
H10	Is all other information provided in the format and methods required by law?	<p>Updates regularly use LGA template text provided centrally and therefore this would meet requirements. We haven't been able to gather evidence of all possible communications listed above.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		
H11	Where any information is only provided electronically (i.e. instead of any hard copy) does it comply with the legal requirements?	<p>Nothing historically has been sent by email to members</p> <p>Pensioner PI information is being sent electronically in 2019, the Fund no longer sends an accompanying newsletter, so this information is included on pensioners' payslips. We have not reviewed the pensioner payslips for April 2019.</p> <p>Employer information is sent by email.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		<p>We suggest that a check is made to ensure the email requirements are met (point 203) for the pensioners pensions increase.</p>

No.	TPR Requirement	London Borough of Lewisham 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>This was identified as an issue and it was understood that their should be more engagement with scheme members.</p> <p>There are no statistics monitoring engagement on the website nor have their been any customer surveys. Officers noted that they are seeking to recruit a new team member responsbile for compliance who would be involved in this area.</p>	Ongoing (annual check)	26/03/2019	In progress	Non-compliant		Ensure that new team member responsible for this is quickly brought up to speed, and is tasking with monitoring and improving customer engagement.
H13	Does the Administering Authority use a tracing service?	<p>The fund are currently using a tracing company (Target) for deferred and frozen refund members. NFI and 'Tell us Once' are also used, and overseas members are checked (by life certificate) every 2 years.</p> <p>The Fund does not use DWP tracing.</p>	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		

## I - Internal Dispute Resolution

### Legal requirements

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

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

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

The Act also states that the procedure must include:

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

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

No.	TPR Requirement	London Borough of Lewisham 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?	Procedure on sharepoint - (internal site) -modified February 19  Details on IDRP also on website under complaints section.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		
I2	Does the Administering Authority's process highlight or consider whether a dispute is exempt?	This is not currently stated in the IDRP guide nor on the website.	Ongoing (annual check)	26/03/2019	Fully completed	Non-compliant		IDRP guides to be updated with exemption wording
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 IDRP note on the website does not provide in depth information for employers or members. It does not include the following requirements: - who it applies to - who the specified person (stage 1) is - the timescales for making applications - the information that an applicant must include - the process by which decisions are reached	Ongoing (annual check)	02/04/2019	Fully completed	Non-compliant	Admin IDRP procedure and website IDRP note reviewed	IDRP policy should be reviewed and amended in line with current requirements
I4	Has the Administering Authority ensured that employers who make first stage decisions also have IDRP in place?	Officers outlined that all employers in the Fund use Lewisham Council's second stage decision maker, Head of Legal, for their first stage decisions.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		We recommend that the Fund ensure that all employers are fully aware of the appropriate process for IDRP.

No.	TPR Requirement	London Borough of Lewisham 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?	Officers confirmed that there are very few cases but when they arise they are adhered to within the prescribed timescales. It is therefore difficult to obtain any further evidence on this.	Ongoing (annual check)	26/03/2019	Fully completed	Fully compliant		We recommend that, if not already, statistics are kept on all IDRPs cases to document whether the required timescales are met.
16	Does the Administering Authority notify and advertise the procedure appropriately?	Brief mention of IDRPs on website only. Admin IDRPs procedure is kept internally on sharepoint which is only accessed by pensions team  IDRPs is mentioned on the <b>welcome letter</b> - refer to pensions team in first instance but then states to contact TPAS at any stage. This should now be the Pensions Ombudsman. Detailed on <b>Notice of Admission</b> - refer to pensions team in first instance. IDRPs is mentioned in the Deferred Benefit letter to members and in the retirement forms issued to members to complete. Officers are checking other documents including transfer letters.	Ongoing (annual check)	02/04/2019	In progress	Partially compliant		Checks ongoing to ensure this information is included in all relevant communication.
17	Are the notification requirements in relation to TPAS and the Pensions Ombudsman being adhered to?	The signposting requirements have changed as a result of the disputes arm of TPAS moving to the Ombudsman. TPAS is now only available for general guidance.  The procedure mentions the Pensions Ombudsman services in both stage 1 and stage 2 of the IDRPs.	Ongoing (annual check)	02/04/2019	Fully completed	Fully compliant	Admin IDRPs procedure reviewed	
18	Does the Administering Authority regularly assess the effectiveness of its arrangements?	The IDRPs was modified in February 2019 but changes not known. No regular review is undertaken.	Ongoing (annual check)	26/03/2019	Fully completed	Non-compliant		The IDRPs policy should be reviewed to ensure it is fully in line with current requirements and loaded to the pension fund website. It should also state when and how it will next be reviewed.
19	Does the Administering Authority regularly assess the effectiveness where employers carry out a stage one process?	Officers outlined that all employers in the Fund use Lewisham Council's second stage decision maker, Head of Legal, for their first stage decisions. It is not clear what information is shared with Fund employers on this topic or how often this is assessed.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		The administering authority should ensure it communicates the IDRPs requirements fully to all employers, and assesses the effectiveness of their arrangements.

## J - Reporting breaches of the law

### Legal Requirements

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

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

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

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

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

No.	TPR Requirement	London Borough of Lewisham 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 Fund have a Breaches Log, but there is no Breaches Policy in place. Training has not been provided on Breaches to PIC or PB members.	Ongoing (annual check)	26/03/2019	Fully completed	Non-compliant		A Breaches Policy should be in place, and appropriate breaches training provided.
J2	Does the Administering Authority have appropriate procedures in place to meet their legal obligations for identifying and assessing breaches?	The Fund does not have a formal process or escalation procedure around identifying and assessing breaches.  However, work is done and checked and signed off at the appropriate level, and informally processes are in place for monitoring contributions, checking member benefit calculations and completing benefit statements etc. Staff are aware of how to raise and escalate any issues that arise with the Pensions Manager, thereby reducing the potential for breaches to occur. However it is recognised that it would be preferable if the procedures were formalised in a procedure note and/or policy.	Ongoing (annual check)	26/03/2019	Fully completed	Non-compliant		A Breaches Policy should be in place which sets out appropriate procedures.
J3	Are breaches being recorded in accordance with the agreed procedures?	Yes the Fund has a breaches log but there have been no entries to date. This may be partially due to a lack of training on how to identify / assess / record breaches, as we would expect all LGPS Funds to have a number of recordable breaches given the complexity of the LGPS Pensions environment and the volume of cases that are worked upon.	Ongoing (annual check)	26/03/2019	Fully completed	Partially compliant		The Fund should keep the breaches log up to date and in line with agreed policy.

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

### Legal Requirements

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

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

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

No.	SAB Requirement	SAB Section	London Borough of Lewisham 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	Full Council approved the creation of a Local Pension Board at its meeting held 25 February 2015.	One - off at commencement	n/a	Fully completed	Fully compliant		
K2	The Local Pension Board must be operational (i.e. had its first meeting no later than 4 months after the 1 April 2015).	5	The first meeting of the Pension Board was held 23 July 2015. However we have noted that the second meeting did not take place until December 2017.	One - off at commencement	n/a	Fully completed	Fully compliant	It appears that meetings are now regularly taking place since December 2017.	
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	<p>The Board's Terms of Reference set out that the Fund has a Knowledge and Understanding Policy and Framework. In July 2015, at the Board's first meeting, a Knowledge and Training Policy was agreed.</p> <p>A slightly revised Knowledge and Training Policy was considered by the Board at their second meeting on December 2017 - see <a href="http://councilmeetings.lewisham.gov.uk/documents/s53902/5a%20Appendix%201%20-%20Knowledge%20and%20Training%20Policy.pdf">http://councilmeetings.lewisham.gov.uk/documents/s53902/5a%20Appendix%201%20-%20Knowledge%20and%20Training%20Policy.pdf</a>.</p> <p>It is important to keep this policy under review, at least every three years.</p>	Not specified	01/12/2017	Fully completed	Partially compliant		<p>The policy should ideally include the objectives of the policy. It is noted that there is a separate learning log but the policy does not specify how training will be recorded and monitored.</p> <p>The Policy is not dated or available on the Fund's website.</p>
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	<p>There is no reference to a delegated person in the Policy or accompanying learning log or learning needs analysis.</p> <p>In practice the Principal Accountant – Treasury &amp; Pensions Manager is the designated person for maintaining this information but this is likely to be superseded when a new Compliance Officer is appointed.</p>	Not specified	01/12/2017	Fully completed	Partially compliant		Update policy to include this information.
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	Formal induction training is not provided. The Board are regularly updated on national training opportunities however internal training with the Board does not take place.	Ongoing	January 2019 meeting	Fully completed	Partially compliant		Review Training Needs Analysis

No.	SAB Requirement	SAB Section	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
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 Fund does not have the following policies in place: (i) Reporting Breaches of the Law Policy (ii) Risk Policy.  The following policies are in place but need to be made available on the Fund's website: (i) Local Pension Board Conflict of Interest Policy, (ii) Local Pension Board Training Policy, (iii) Local Pension Board Training Log.  Whilst not LPB policies the Fund should put in place a Governance Compliance Statement and update their Administration Strategy	Annually	January 2019 meeting	Fully completed	Non-compliant		Key policies are missing and need to be developed.
K7	Members of a Local Pension Board should undertake a personal training needs analysis and put in place a personalised training plan.	6	The Terms of Reference for the Pension Board states "Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board."  Reminders are given to Board members to complete their Training Needs Analysis at Board meetings.	Ongoing (Annually)	January 2019 meeting	Fully completed	Partially compliant		As stated earlier the Fund should consider how it collates and uses the information in members Training Needs Analysis.
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 has a Conflict of Interest Policy which includes procedures to identify, monitor and manage potential conflicts of interest. It was adopted on 23 July 2015 and was reviewed on 6 March 2018.  The policy is not available directly on the Fund's website.	Ongoing (Annually)	01/03/2018	Fully completed	Partially compliant		Policy should be added to Fund website.
K9	Training should be arranged for officers and members of a Local Pension Board on conduct and conflicts.	7	When a member joins the Board they are given the Terms of Reference which sets out the requirements on conduct and conflicts.  No specific training has been put in place on conflicts	Ongoing	26/03/2019	Fully completed	Partially compliant		Consider putting specific training in place for Board members to explain requirements.
K10	A Local Pension Board should establish and maintain a register of interests for its members.	7	Whilst there is information on the Council's website to record declarations of interest for Councillors this is not held for members of the Board (who are not Councillors).	Ongoing (Annually)	26/03/2019	Fully completed	Non-compliant		The Fund should prepare and maintain a register of interests for its members.
K11	An Administering Authority should agree the ongoing reporting arrangements between the Local Pension Board and the Administering Authority.	8	There is a standing item on the agenda of the Pension Board to review the agenda, papers and minutes from the PIC meetings.  The Board also prepared an annual report which was incorporated in the Fund's Annual Report for 2018/19.	Ongoing (Annually)	26/03/2019	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	The Council has a central team where FOI requests are sent and are then distributed to relevant officers in service areas.  Officers within the Fund who are contacted in such cases provide information back to the central Council team. Officers do not believe that PB members are aware of this process.	Ongoing (Annually)	03/04/2019	Fully completed	Partially compliant		The Fund should ensure the Board are aware of requirements in this area.



No.	SAB Requirement	SAB Section	London Borough of Lewisham Approach / Evidence	Frequency of Review	Last Review Date	Check Completed	Compliant	Notes	Action
K13	A Local Pension Board should put in place arrangements to meet the duty of its members to report breaches of law.	8	The Fund have a Breaches Log however they do not have a Breaches Policy in place. Training has not been provided on Breaches to PIC or PB members.	Ongoing (Annually)	26/03/2019	Fully completed	Non-compliant		The Fund should prepare and maintain a Breaches Policy and provide training on breaches appropriately.
K14	A Local Pension Board should consider (with its Administering Authority) the need to publish an annual report of its activities.	8	The Pension Board published an annual report for the first time in 2018 which was part of the Fund's overall Annual Report 2017/18 - <a href="https://lewishampensions.org/media/4311/annual-report-201718-final.pdf">https://lewishampensions.org/media/4311/annual-report-201718-final.pdf</a> .	Annually	01/11/2018	Fully completed	Fully compliant		
K15	An Administering Authority should consult on, revise and publish its governance compliance statement to include details of the terms, structure and operational procedures relating to its Local Pension Board.	8	The Lewisham Fund does not have a Governance Compliance Statement in place. The Annual Report notes that the Fund adheres to the Council Policy.	No Policy in place	26/03/2019	Fully completed	Non-compliant		The Fund is legally required to have a Governance Compliance Statement under the LGPS Regulations and this should be put in place.