



*Pensions*  
**Law Debenture Essentials**  
*Pension Trustee Self-Assessment*



Law Debenture has been acting as a professional pension trustee for over 25 years. Our experience, today applied to a large number of pension schemes of all types and sizes, means that we are able to bring a unique perspective to Trustee Self-Assessment.

Our original booklet on this topic, the first in the *Essentials* series, was published in March 2005 and was updated in May 2006. Our objective in this revision is to share our experience, reflect changes in the pensions world and take account of comments over the past 3 years.

When addressing the fundamental issue of measuring trustee “performance”, in this context, by “performance” we mean effectiveness in ensuring that:

- members and their dependants receive their benefits promptly and accurately calculated in accordance with the scheme provisions and the law; and
- so far as the trustees are able, sufficient assets are available and contributions paid to enable this objective to be met.

We hope this guide will help other trustees to review how well they approach these tasks.

There are separate questions for:

- all trustees; and
- the Chair of trustees and Chairs of sub-committees (who have additional responsibilities).

Of course, there is no right approach for all schemes at all times. Trustees will address these questions mindful of the particular circumstances of their own schemes. General principles should shine through, but the really important point is that the trustees have asked themselves the questions and reflected on the points raised.



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## How to use this document

The questions on which to test yourself are divided into the following categories:

- General
- Meetings
- Control and Monitoring
- Accountability
- Relationship with the Employer
- Specific questions for the Chair of the trustees / Chairs of a sub-committee

Trustees should be able to answer most questions, but we have provided an option to say that more information is required. Where there is a lack of detailed knowledge, trustees should be given the appropriate information so they can form a complete view.

Beside most questions there are practical comments. The final column is for responses. For a few questions a “yes” or “no” response is all that is required. For the others we suggest a scoring scale of 1 to 4 where 1 = poor; 2 = satisfactory; 3 = good and 4 = very good. “M” should be selected where more information is required before being able to respond. The scale is intended to draw out how well you feel that the issue is being dealt with. Beneath each question there is a space for comment.

Best value will be derived from this document by considering and answering the questions and then examining the collective views of fellow trustees, rather than from any detailed statistical analysis of the scores. The exercise will help trustees to record and demonstrate good practice. There is always room for improvement; trustees may find it particularly helpful to focus on any areas of weakness or concern, as identified by scores of 1 or 2 and by specific comments, and discuss how these areas might be improved.

We recommend that trustees consider carrying out a self assessment exercise, and review any changes in assessment, on a regular basis (perhaps annually).

Please note this document is not intended to constitute advice, nor to replace the need to take appropriate professional advice in the relevant areas.

Law Debenture welcomes any comments from users of this document as to how it could be developed. These may be addressed to: [bryan.king@lawdeb.com](mailto:bryan.king@lawdeb.com) (tel: 020 7696 5905), or to your usual contact at Law Debenture.

### Scoring System

**1 = poor   2 = satisfactory   3 = good   4 = very good   M = more information required**

Copies of this document are available to download at [www.lawdeb.com](http://www.lawdeb.com)  
Click on **Pension Trusteeship** and then on **Essentials**

# Questions for Trustees to Consider

## General

**1** How well are we living up to our objectives?

The trustees' objectives are to ensure that members receive their benefits in accordance with the rules and the law and that, so far as the trustees are able, sufficient assets are available and contributions paid to enable these objectives to be met. Everything else flows from this.

1 2 3 4 M

Comments:

**2** Do I have, or do I have access to, up-to-date copies of the key scheme documents?

The key documents include:

- Trust Deed & Rules (including any amendments) and announcements to members
- Members' handbook
- Memorandum and Articles of Association of the pension trustee company (if applicable)
- Terms of reference of any sub-committees
- Conflicts of interest policy
- Register of interests
- Statement of Investment Principles
- Statement of Funding Principles
- Recovery Plan (if applicable)
- Schedule of Contributions
- Actuarial Valuation reports
- The most recent Trustee Report and Accounts
- Minutes of meetings for (at least) the last year
- Advisers' and Service Providers agreements

A "bible" of scheme documents should be maintained either by a designated individual/organisation or electronically on a secure website.

1 2 3 4 M

Comments:

**3** How conversant am I with the documents in 2 above?

The Pensions Regulator defines being conversant with documents as meaning "having a working knowledge of those documents such that trustees are able to use them effectively when they are required to do so in the course of carrying out their duties as a trustee of a scheme".

1 2 3 4 M

Comments:

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<p><b>4</b> Do I have sufficient knowledge and understanding to enable me properly to discharge my duties as a trustee?</p>	<p>The Pensions Act 2004 requires trustees to have knowledge and understanding of:</p> <ul style="list-style-type: none"> <li>■ The law relating to pensions and trusts</li> <li>■ The principles relating to the funding of pension schemes</li> <li>■ The principles relating to investment of a scheme's assets</li> </ul> <p>The Pensions Regulator's Scope Guidance sets out what trustees need to know and understand and the documents they need to be familiar with.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>5</b> Have I read the Pensions Regulator's Guidance for Trustees?</p>	<p>The Pensions Regulator's web site contains guidance for trustees, including codes of practice which are designed to help trustees understand their duties in key areas such as scheme funding and knowledge and understanding. The site also contains statements on how pension schemes are regulated. The address is: <a href="http://www.thepensionsregulator.gov.uk">www.thepensionsregulator.gov.uk</a>. The Regulator's telephone number is 0870 606 3636.</p>	<p>Yes/No</p>
<p>Comments:</p>		
<p><b>6</b> Was there an induction process for me as a new trustee?</p>	<p>New trustees should receive and review a "bible" of scheme documents (see Question 2), and appropriate training should be implemented as soon as practicable. If possible, this process should start in advance of formal appointment.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>7</b> How well am I encouraged and able to obtain the training which I need? Have I worked through the Pension Regulator's Trustee Toolkit?</p>	<p>Trustees should regularly review their learning needs and undertake to fill any gaps in their knowledge.</p> <p>The Pensions Regulator's Trustee toolkit available at <a href="http://www.trusteetoolkit.com/arena/index.cfm">http://www.trusteetoolkit.com/arena/index.cfm</a> is a free e-learning programme to help trustees meet the requirements relating to trustee knowledge and understanding as set out under the Pensions Act 2004. Completion of this training could be reported to members in the annual trustee report.</p> <p>The Pensions Regulator is of the view that the Trustee toolkit is required study for new trustees unless they can find an alternative learning programme which covers all the items in the scope guidance at a level relevant for them.</p> <p>There are also training opportunities offered by other organisations (such as the National Association of Pension Funds and the Pensions Management Institute) and by professional advisers. Some courses lead to (optional) examinations. It is good practice for trustees to keep a log of training.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		

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<p><b>8</b> How well do I keep up to date on pensions issues?</p>	<p>One useful (and free) way to keep up to date is to join the Pensions Regulator’s mailing list. See Question 5 for contact details. Advisers offer (free) seminars and briefing notes (and should be prepared to send publications directly to trustees). The Pensions Management Institute has a trustee group and associated newsletter, and the National Association of Pension Funds also has a trustee group (both subject to a modest charge).</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>9</b> Do we have a conflicts of interest policy and does the Chair provide helpful guidance on identifying and managing conflicts of interest?</p>	<p>Trustees should have an agreed written policy for identifying, monitoring and managing conflicts of interest which is reviewed regularly. The Memorandum and Articles of Association of the Trustee Company should address the issue of conflicts of interest for directors. The Trust Deed and Rules may also contain relevant provisions.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>10</b> Do we have a register of interests? Is the register reviewed at each meeting?</p>	<p>A trustee company board is required to have a register of interests and it is suggested that other trustee boards should consider having such a register. Interests need to be disclosed whether or not a conflict of interest arises. If an actual or potential conflict of interest arises, this needs to be declared specifically.</p> <p>Such a register could be included in the agenda papers for, or made available at, each meeting.</p>	<p>Yes/No</p>
<p>Comments:</p>		
<p><b>11</b> Have I made all relevant disclosures of interests etc?</p>	<p>Any potential or actual conflicts of interest or duty should be disclosed and managed in accordance with the trustees’ policy.</p>	<p>Yes/No</p>
<p>Comments:</p>		

## Meetings

<p><b>12</b> Do I attend all meetings?</p>	<p>Trustee meetings should not be thought of as commitments which can be easily avoided if other demands conflict. Attendance (either collective or individual) could be reported to members in the annual trustee report.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		<p><b>SCORING SYSTEM</b>  1 = poor    2 = satisfactory  3 = good    4 = very good  M = more information required</p>

<p><b>13</b> Do I receive the necessary papers, sufficiently in advance?</p>	<p>Many trustee boards consider it good practice for the meeting papers to be circulated at least 7 days prior to the meeting.</p> <p>Are the papers presented of sufficiently high standard? Do the papers explain what the trustees have to decide, and any relevant provisions in the Trust Deed and Rules and the law?</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>14</b> Do I read my papers carefully in advance?</p>	<p>Trustees should be encouraged to prepare properly for meetings. This requires a thorough reading of all of the papers. This will enable meetings to progress efficiently and effectively, and for sufficient time to be spent debating the important decisions.</p> <p>To improve the quality of debate at the meeting, trustees should ask questions for clarification, and should raise points of detail, in advance of the meeting.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>15</b> How efficiently are our meetings planned well in advance?</p>	<p>It is good practice to plan meeting dates annually in advance.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>16</b> Do we avoid having to consider last-minute papers wherever possible?</p>	<p>Trustees should be very reluctant to consider papers at short or no notice, unless unavoidable. Trustees should not be pressured into making decisions without proper process, advice and consideration.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>17</b> How well do we focus on the “big picture”?</p>	<p>For defined benefit schemes, the “big picture” issues are:</p> <ul style="list-style-type: none"> <li>■ Covenant of the employer</li> <li>■ Funding and contributions</li> <li>■ Investment strategy</li> <li>■ Administration</li> </ul> <p>For defined contribution schemes, the “big picture” issues are:</p> <ul style="list-style-type: none"> <li>■ Investment choices</li> <li>■ Member information</li> <li>■ Administration</li> </ul>	<p>1 2 3 4 M</p>
<p>Comments:</p>		

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<p><b>18</b> How well do we understand the decision making process?</p>	<p>It is helpful to have a summary, written in plain English, and perhaps prepared by the Scheme's lawyer, of the key powers and discretions which the trustees have, making clear where the employer must be consulted or the employer's agreement must be obtained. This is sometimes referred to as a "balance of powers" summary.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>19</b> How efficiently do we use advisers at meetings?</p>	<p>In general, advisers should be present for the items which concern them. Some advisers may be present throughout a meeting, but others need only attend for particular items (e.g. investment managers). Trustees should have the opportunity to meet each adviser at least once a year.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>20</b> How effectively are our meetings managed?</p>	<p>The objective, if not always achievable, is to make sure sufficient time is allocated to each topic. Does the chair know how and when tactfully to bring debate to an end?</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>21</b> Are meetings chaired in an impartial manner, seeking consensus without compromising the integrity of decision-making?</p>		<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>22</b> Does the Chair moderate the discussion and assist in the reaching of consensus whenever possible?</p>	<p>It is important that all relevant views are aired and that the discussions remain focused on the issues in hand.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>23</b> To what extent can our discussions be described as open – inviting suggestions and "difficult" questions?</p>		<p>1 2 3 4 M</p>
<p>Comments:</p>		

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<p><b>24</b> To what extent are all trustees encouraged to participate in debate?</p>	<p>It should be remembered that some trustees may not be familiar with formal meetings and may be reticent to contribute.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>25</b> Is there an appropriate degree of discussion of the issues for which the sub-committees are responsible?</p>	<p>It is usual for some of the trustee business to be delegated to sub-committees e.g. investment, administration, audit, valuation.</p> <p>Minutes of the sub-committees should be circulated to all trustees. Often any trustee may attend a sub-committee meeting.</p> <p>It is important that trustees gain sufficient understanding of the work of the sub-committees of which they are not members.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>26</b> Do I receive draft minutes promptly after meetings?</p>	<p>Minutes should normally be produced within 14 days of the meeting. It is common practice for these to be reviewed by the Chair before being circulated to all trustees, and other attendees as necessary, for comment/approval.</p> <p>Each trustee should read draft minutes and raise any comments. The minutes are the collective responsibility of the trustees – not just of the minute writer! Timely minutes also prompt follow-up action.</p> <p>Minutes should include clearly identifiable action points, specifying the person responsible.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		

## Control and Monitoring

<p><b>27</b> Do we have a “business plan” or timetable of events?</p>	<p>A “business plan” is simply a name for a list of things to do, showing when tasks will be completed and by whom (i.e. a forward agenda timetable covering the next 12-18 months). But it is an essential discipline.</p> <p>It may be helpful to identify matters which should be addressed at every meeting, and matters which should be addressed annually or less frequently.</p>	<p>Yes/No</p>
<p>Comments:</p>		

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<p><b>28</b> Do we have a risk register and is it reviewed regularly?</p>	<p>The Pensions Regulator’s guidance on Internal Controls recommends that schemes should have a risk register, which is reviewed regularly. A register should:</p> <ul style="list-style-type: none"> <li>■ Describe each risk</li> <li>■ Assess the likelihood of it occurring and its possible impact</li> <li>■ Detail the procedures in place to control the risk, in particular, making clear who is responsible for managing individual risks</li> <li>■ Identify areas where risk control could be improved, with a timetable, and a person who is responsible</li> </ul> <p>For further information see Law Debenture <i>Essentials</i> guide “<i>Pension Scheme Risk Assessment</i>” available at <a href="http://www.lawdeb.co.uk/pensions/essential/">http://www.lawdeb.co.uk/pensions/essential/</a></p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>29</b> How confident are we that the risks are managed appropriately?</p>	<p>What checks are made on the processes being used to manage risks? In particular, if there is an internal audit process in place, is checking of the effectiveness of the risk control process built into the internal audit programme?</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>30</b> Do we meet with the scheme’s external auditors (and internal auditors if there is an internal audit process in place) at least once a year?</p>	<p>A face to face meeting can enable issues to be raised and discussed which may not be addressed in a written report from the auditors. Trustees should always see a copy of the auditors’ “management letter” (and where an internal audit process is in place the internal auditors’ reports) and be involved in the process of responding to any issues raised. The next audit plan should also be discussed: what are the priority issues and areas? Should the audit process be developed?</p>	<p>Yes/No</p>
<p>Comments:</p>		
<p><b>31</b> To what extent is it clear what powers and responsibilities have been delegated to the sub-committees, and on what terms?</p>	<p>It is usual for each sub-committee to have terms of reference. These should cover the composition, quorum, procedure and authority of each sub-committee.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>32</b> Is the balance between those issues considered by the Board and those considered by sub-committees right?</p>	<p>In some cases decision making may be delegated to a sub-committee, in others the sub-committee has a monitoring and overseeing role.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		<p><b>SCORING SYSTEM</b>  1 = poor    2 = satisfactory  3 = good    4 = very good  M = more information required</p>

1 2 3 4 M

**33** How well do we monitor the performance of our delegates (i.e. administrators, investment managers and custodians)?

Service agreements should be in place which cover all important areas, and which set agreed performance targets. Actual performance should be measured and reported against these targets regularly.

The Pensions Management Institute has published a model form of administration agreement which includes detailed service standards. This agreement is designed to provide a balanced position between the trustees and administrator - it is an important protection for trustees in the event of difficulties, misunderstandings or failings by the administrator. It is best to ask the administrator to commit to using the PMI agreement before making an appointment. The agreement is available at <http://www.pensions-pmi.org.uk/Publications/model.asp>

The document can also be used as the basis for an agreement with the employer, where the scheme is administered "in-house".

Investment managers should report on their performance relative to their benchmark and any out-performance target, and should focus on what they have been doing with the fund. The reporting process should make clear what their performance is, net of fees. Their reports should also explain the reasons for any out/under-performance, and should include information on the risks being run. Trustees should also ask for disclosure of costs and expenses in line with level 2 of the Investment Management Association disclosure code.

Custodians should report (at least annually) on the efficiency of their trading and settlement, the regularity and completeness of their reconciliation and on the foreign exchange and interest rate terms given. A report on any stock lending should also be produced annually.

Further details on assessing the performance of service providers and custodians can be found in the Law Debenture *Essentials* guides "Getting the best from your advisers and service providers" and "Custodians" available at <http://www.lawdeb.co.uk/pensions/essential/>

Comments:

**34** Are independent reports on the internal controls of third party suppliers (e.g. administrator, fund manager, custodian) reviewed and commented on by the auditor at least annually, where relevant?

This review may be carried out by the audit sub-committee or other relevant sub-committee.

Yes/No

Comments:

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<p><b>35</b> How well do we monitor the performance of our advisers (i.e. actuary, auditor, investment adviser and legal adviser)?</p>	<p>Service agreements covering the conduct of the relationship should be in place.</p> <p>One approach is for the trustees to evaluate each adviser regularly (on an annual or three yearly basis), perhaps using a scale of 1 to 4, covering:</p> <ul style="list-style-type: none"> <li>■ Delivery</li> <li>■ Quality</li> <li>■ How the relationship is managed</li> <li>■ Value for money</li> </ul> <p>Further details on assessing the performance of advisers can be found in the Law Debenture <i>Essentials</i> guide “<i>Getting the best from your advisers and service providers</i>” available at <a href="http://www.lawdeb.co.uk/pensions/essential/">http://www.lawdeb.co.uk/pensions/essential/</a></p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>36</b> Do we review the appointment of our service providers on the basis of an agreed timetable?</p>	<p>It is not always necessary to carry out a full re-tender process and “beauty parade” on a routine basis, but trustees should ask whether a formal review and re-tender is appropriate on a regular, planned basis e.g. every three or five years.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>37</b> Do we know to whom any powers and responsibilities have been delegated, and on what terms?</p>	<p>It is useful to draw up a table showing what powers have been delegated and on what terms. This should explain any relevant provision of the Trust Deed and Rules.</p> <p>Where decisions are delegated by trustees (for example in relation to death benefits or ill health cases), it is good practice for a report to be provided regularly to the trustees at trustee meetings summarising the decisions made so that the trustees can exercise a degree of supervision.</p> <p>Where sub-committees are formed, trustees should consider for each committee generally, and each task specifically delegated, whether the sub-committee is authorised to take decisions (and if so within which parameters), or merely to prepare options and a briefing for the full trustee body. The terms of reference of any sub-committee should be set out in writing and reviewed regularly.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		

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<p><b>38</b> How well do we assess the performance of the Secretary to the Trustees and Pensions Manager?</p>	<p>Many schemes have an employed Secretary and/or Pensions Manager who reports directly to the trustees. Trustees should be aware of their job descriptions and have the opportunity to contribute to their performance appraisals. Further details on assessing the performance of the Secretary to the Trustees/Pensions Manager can be found in our <i>Essentials</i> guide on the subject available at <a href="http://www.lawdeb.co.uk/pensions/essential/">http://www.lawdeb.co.uk/pensions/essential/</a></p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>39</b> How well do we set and monitor an overall scheme budget and cash flow forecast?</p>	<p>The budget should include all costs, including investment management costs even where these are not readily apparent. Trustees should also be aware of the overall cash flow requirements of the scheme where practicable.</p> <p>Costs should be judged against “value added” and trustees should ask whether benefits justify costs. Amongst other things, advisers should be encouraged to carry out work at a level (i.e. cost) which is consistent with the nature of the task.</p> <p>Cost disciplines should be considered for advisers: for example, estimates should be obtained where appropriate for discrete items of work (such as revising a trust deed or carrying out a valuation). Some advisers may be willing to quote on a fixed fee basis for some tasks. Invoices should be itemised showing the time spent and the relevant charging rate(s).</p> <p>This discipline should apply irrespective of whether the scheme or the employer is paying the costs. The preparation and monitoring of the budget should be an item on the trustees’ “business plan”.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>40</b> How well do we monitor our own performance?</p>	<p>A practical self-assessment should be carried out every year, with the aim of identifying ways to improve the effectiveness of trustees individually and collectively – perhaps using this document.</p> <p>Alternatively the Chair might take time to speak to each trustee individually once a year.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>41</b> To what extent am I satisfied that there is a process to ensure that the scheme documents are complete and up-to-date?</p>	<p>It is normally the role of the Secretary to ensure that original signed versions of the Scheme’s key documents are in place and are kept up-to-date and in fireproof storage.</p> <p>The Secretary may also keep an “electronic bible” of these documents.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		<p><b>SCORING SYSTEM</b>  1 = poor    2 = satisfactory  3 = good    4 = very good  M = more information required</p>

## Accountability

**42** How well do we keep our members informed about the “big-picture” issues?

Trustees should consider reporting on their work to the members, covering the important issues managed or dealt with over the year, and the important issues for the next year. The report might also cover trustees’ attendance at meetings and training and development during the course of the year.

This can best be communicated in the form of a summary or “popular” report, or in newsletters. Trustees should be cautious before relying exclusively on electronic communication, and the accessibility of such information to all members (including deferred and pensioner members) should be considered.

1 2 3 4 M

Comments:

**43** Are all our communications with our members clear, helpful and written in plain English? Do we communicate regularly?

Trustees represent members’ interests. It is important that they communicate with members in a transparent way, and that members know whom to approach if they have concerns. Trustees should consider whether standard letters and other documents issued by third parties (e.g. administrators) on their behalf are satisfactory.

1 2 3 4 M

Comments:

## Relationship with the Employer

**44** To what extent does the employer recognise the separate role and responsibilities of the trustees and the employer?

Does the employer assure all trustees that it expects them to act in accordance with their duties as trustees, even if this results in conflicting positions, and difficult discussions with the employer?

1 2 3 4 M

Comments:

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<p><b>45</b> Do we have an established way to determine and monitor the covenant of the employer?</p>	<p>Trustees are required to form an objective assessment of the employer's covenant as well as its willingness to continue to fund the scheme's benefits.</p> <p>Many trustees employ a firm of covenant advisers to assist them with liaising with the employer/sponsor and the provision and interpretation of information. Sometimes this will entail trustees signing a confidentiality agreement with the employer/sponsor.</p> <p>Often the Finance Director or a senior finance employee will report in person to the trustees on a regular and structured basis, perhaps annually or half-yearly.</p> <p>The Society of Pension Consultants guide, <i>A Practical Starting Point for Monitoring the Employer's Covenant</i>, which was drafted by Law Debenture, can be a useful initial reference document and is available at <a href="http://www.spc.uk.com/">http://www.spc.uk.com/</a></p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>46</b> Has the employer identified point(s) of contact for pensions issues, so that we know with whom issues should be raised?</p>	<p>Is there a protocol setting out what information (financial information about the employer, for example) will be provided and when?</p>	<p>Yes/No</p>
<p>Comments:</p>		
<p><b>47</b> Is a company executive responsible for pensions issues available to join us for relevant parts of our trustee meetings?</p>	<p>Where an appropriate company executive is not present as a trustee, it is valuable for a company representative to attend for at least part of trustee meetings to discuss issues and exchange information.</p>	<p>Yes/No</p>
<p>Comments:</p>		
<p><b>48</b> Does the employer have a clear internal decision making process for pensions policy?</p>	<p>This should be communicated to and understood by the trustees.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>49</b> To what extent are the trustees aware of the employer's pensions policy, so far as it is relevant to them?</p>	<p>Trustees should seek to understand the employer's policy, so far as it affects their role and duties.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		

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**50** To what extent does the employer commit to ensuring that all trustees have sufficient time and training to carry out their role?

Trustees should be reassured on this matter, and encouraged to undergo appropriate training. See questions 4, 5, 6 and 7.

It can be of assistance if performance of trustee duties is part of an employee's job description and annual appraisal.

1 2 3 4 M

Comments:

**51** How alert is the employer to the areas of potential conflict of interest?

Employers should accept that areas of actual or potential conflict of interest will arise, and should encourage trustees to raise issues without fear of disadvantage.

Employers should also be prepared to use different advisers where appropriate. If handled sensibly this need not incur excessive additional cost.

1 2 3 4 M

Comments:

**SCORING SYSTEM**

1 = poor 2 = satisfactory

3 = good 4 = very good

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# Questions for the Chair of Trustees or Chairs of a sub-committee to consider

## General

<p><b>1</b> How familiar am I with the provisions in the Trust Deed and Rules (or Articles of Association in the case of a trustee company) about the role of the chair?</p>	<p>Relevant provisions include who appoints the chair and how, and whether the chair has a second or casting vote.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>2</b> Do I have a job description?</p>	<p>This should be circulated to fellow trustees, to help ensure an awareness of the chair's role and responsibility for strategic direction.</p>	<p>Yes/No</p>
<p>Comments:</p>		
<p><b>3</b> To what extent do I have sufficient support and resources to enable me to discharge my duties effectively?</p>		<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>4</b> How efficiently do I meet with or have adequate discussion with the Secretary/Pensions Manager to plan the agenda well in advance of each meeting?</p>	<p>Will all outstanding items from previous meetings be covered?</p> <p>Is the chair prepared for any "surprises" during meetings e.g. unexpected AOB items or complaints?</p> <p>Are any contentious issues going to arise, and would informal discussions beforehand help?</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>5</b> If there will be any absences at the meeting, how well do I canvass absentees' views beforehand?</p>	<p>Meeting papers will need to be circulated sufficiently in advance of the meeting to enable any discussions to take place.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		

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<p><b>6</b> At the end of a discussion, do I sum up for the benefit of participants and the minutes what has been agreed, and what still needs to be done to carry an issue forward?</p>		<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>7</b> Do I review draft minutes and action points from meetings prior to their circulation?</p>		<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>8</b> Do I give clear directions to those attending meetings about key questions and issues which they should address?</p>	<p>For example, investment managers might be asked to focus on their performance relative to their mandate, the risks that they are running, and any organisational change rather than ranging generally over economic prospects.</p> <p>Advisers should be required to communicate in plain English, and the Chair should be vigilant to ensure that trustees are likely to be able to understand written and verbal advice.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>9</b> Do we apply best practice in governance as it is used elsewhere in the organisation?</p>	<p>Sometimes trustees can benefit from considering best practice as it is applied to running other boards and activities related to the employer. Practice developed elsewhere will not necessarily be appropriate, but should be considered, such as an annual review of the effectiveness of the trustee board and a discussion on performance with each individual trustee.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>10</b> Where necessary, do I remind participants of the role and interests of the trustees on the one hand and of the employer on the other?</p>	<p>Trustees should be reminded of the conflict of interest protocol and the register of interests (if applicable) should be available for review at each meeting.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		

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<p><b>11</b> Do I satisfy myself that all appropriate professional advice is being taken, and that trustees are debating advice received?</p>		<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>12</b> Do I discuss the “business plan” for the trustees, and do I review progress on a regular basis with the Secretary and with other trustees?</p>		<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>13</b> Am I usually available (by email and telephone) to discuss questions raised by trustees and others involved with the scheme between meetings?</p>		<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>14</b> How well do I carry out appropriate ambassadorial functions relating to the scheme?</p>	<p>For example meetings with pensioners and other member groups.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>15</b> Do I represent the trustees as and when necessary in discussions with the sponsoring employer?</p>	<p>A key part of the role is to establish a relationship with the employer.</p>	<p>1 2 3 4 M</p>
<p>Comments:</p>		
<p><b>16</b> Do I encourage the training and development of other trustees?</p>	<p>For example by:</p> <ul style="list-style-type: none"> <li>■ Setting a good example by completing training courses and the Regulator’s e-learning.</li> <li>■ Speaking to each trustee individually once a year to discuss progress and contribution.</li> </ul>	<p>1 2 3 4 M</p>
<p>Comments:</p>		

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**17** Do I consider my own training needs and satisfy myself that other trustees are both encouraged and given opportunities to undertake appropriate training?

1 2 3 4 M

Comments:

**18** Is the composition of the trustee board satisfactory?

While the Chair may not have the power to select trustees, he/she should feel able to raise concerns about the composition of the board.

1 2 3 4 M

Comments:

**19** To what extent do I consider and discuss my succession with appropriate parties?

1 2 3 4 M

Comments:

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