

No.	Key Indicator	Examples of level for concern	Examples of good practice for high performing fund	Fund score	Evidence and comments	Links
1	Risk management	<p>No or only a partial and/or an unclear risk register with no or poorly specified or un-implemented mitigation actions over time leading to increased fund risk.</p> <p>No evidence of a risk register being</p> <p>a) prioritised</p> <p>b) annually reviewed by Pensions Committee</p> <p>c) annually reviewed by internal audit or external audit</p> <p>d) used to reduce high risks</p> <p>e) available for public scrutiny.</p> <p>Self score -1 point for each one</p>	<p>Comprehensive risk register covering the key risks (in accordance with current CIPFA guidelines) with prioritisation, robust mitigation actions, defined deadlines, with action tracking to completion.</p> <p>Evidence and e-links to demonstrate</p> <p>a) risks prioritised on a RAG red, amber, green or by a scoring methodology</p> <p>b) completed actions signed off by Pensions Committee after at least annual update,</p> <p>c) annual review by internal audit and external audit</p> <p>d) &lt;3 priority/"red" risks</p> <p>e) public disclosure of a summary version published on fund website or in fund annual report.</p> <p>Self score +1 point for each one</p>	<p>1</p> <p>0</p> <p>-1</p> <p>1</p> <p>0</p>	<p>Risk Register in place - implemented May 2015</p> <p>Reviewed quarterly by Committee, not yet been in place for a year.</p> <p>Not yet been reviewed by Internal Audit</p> <p>No red risks to date</p> <p>As per links above, register is available as part of public Committee papers on Council's website. Most recent version published for September Meeting. Not included in 2014/15 Annual Report.</p>	<p><a href="http://committees.westminster.gov.uk/documents/s13403/Pension%20Risk%20Register%20WCC%20draft%20150416.pdf">http://committees.westminster.gov.uk/documents/s13403/Pension%20Risk%20Register%20WCC%20draft%20150416.pdf</a></p> <p><a href="http://committees.westminster.gov.uk/documents/s15237/Fund%20Financial%20Management%20Apx%202.pdf">http://committees.westminster.gov.uk/documents/s15237/Fund%20Financial%20Management%20Apx%202.pdf</a></p>
2	Funding level and contributions  (see explanatory notes)	<p>a) Decreasing funding level (calculated on a standardised and consistent basis) and/or in bottom decile of LGPS, over the last three triennial valuations on a standardised like for like basis.</p> <p>b) No or minimal employer funding risk assessment and monitoring and not reported to Pensions Committee</p> <p>c) Total actual contributions and actual received in last 6 years less than that assumed and certified in last 2 triennial valuations.</p> <p>d) Net inward cash flow less than benefit outgoings so need for any unplanned or forced sale of assets.</p> <p>Self score -1 for each one</p>	<p>Evidence and e-links to demonstrate</p> <p>a) Funding level rising and getting closer to 100% funded (or above) over last three triennial valuations on a standardised like for like basis. Funding %</p> <p>91 to &gt;100 =score +5</p> <p>80-90 =+4</p> <p>70-79 =+3</p> <p>60-69 = +2</p> <p>&lt;59 = +1</p> <p>b) Employer funding risk assessment and monitoring reports to Pension Committee. Net inward cashflow forecasts meeting planned income or significantly exceeding benefot outgoings.</p> <p>c) Total actual contributions received in last 6 years equate to (or exceed) that assumed and certified in the last 2 triennial valuations.</p> <p>d) Net inward cash flow significantly exceeds benefit out-goings</p> <p>Self score a) as above and rest +1 for each one</p>	<p>3</p> <p>-1</p> <p>1</p> <p>-1</p>	<p>Funding level 78% on standardised basis at 2013. 74% as reported to Fund in TV, 74% in 2010 and 79% in 2007</p> <p>two lump sum deficit payments received totalling £97m over the period</p> <p>Cash flow monitored by officers and reported quarterly to Committee</p>	<p><a href="http://transact.westminster.gov.uk/Newdocstores/publications_store/Pensions/westminster-valuation-report-2013.pdf">http://transact.westminster.gov.uk/Newdocstores/publications_store/Pensions/westminster-valuation-report-2013.pdf</a></p> <p><a href="http://committees.westminster.gov.uk/documents/s15236/Fund%20Financial%20Management%20Apx%201.pdf">http://committees.westminster.gov.uk/documents/s15236/Fund%20Financial%20Management%20Apx%201.pdf</a></p>
3	Deficit recovery  (see explanatory notes)	<p>a) No or opaque deficit recovery plan.</p> <p>b) Lengthening implied deficit recovery period (for contributions)</p> <p>c) Implied deficit recovery periods &gt;25 years for last 3 valuations.</p> <p>Self score -1 point for each</p>	<p>Evidence and e-links to demonstrate :</p> <p>a)Transparent deficit recovery plan for tax raising and non-tax raising bodies.</p> <p>b) Implied deficit recovery reducing each triennial valuation.</p> <p>c) Implied deficit recovery period in line &lt;15 years for last 3 valuations</p> <p>Self score +1 point for each one</p>	<p>1</p> <p>1</p> <p>-1</p>	<p>See Funding Strategy Statement</p> <p>30 years at 2010 reduced to 25 years in 2013</p> <p>30 years at 2007</p>	<p><a href="http://transact.westminster.gov.uk/Newdocstores/publications_store/Finance/pension_funding_strategy.pdf">http://transact.westminster.gov.uk/Newdocstores/publications_store/Finance/pension_funding_strategy.pdf</a></p> <p><a href="http://transact.westminster.gov.uk/Newdocstores/publications_store/Pensions/westminster-valuation-report-2013.pdf">http://transact.westminster.gov.uk/Newdocstores/publications_store/Pensions/westminster-valuation-report-2013.pdf</a></p>
4	Investment returns  (see explanatory notes)	<p>a) Required future investment return (calculated on standardised and prudently consistent basis) not aligned to the investment strategy target return, so lower likelihood of the fund achieving its funding strategy.</p> <p>b) Actual investment returns consistently undershoot actuarially required returns</p> <p>Self score -1 point for each one</p>	<p>Evidence and e-links to demonstrate :</p> <p>a) Required future fund investment return (calc by actuary) are consistent with and aligned to investment strategy (asset mix expected target returns) so higher likelihood of the fund meeting its funding strategy.</p> <p>b) Actual investment returns consistently exceed actuarially required returns</p> <p>Self score +1 point for each one</p>	<p>1</p> <p>1</p>	<p>Rate of return expected from Investment Strategy in line with Actuarial assumptions - see Statement of Investment Principles</p> <p>Returns at 2013 Valaution of 7.9% exceeded expected figure of 7.5%. Three year annualsied returns to March 2015 of 13.3% in excess of actuarial required rate of return of 7.1%</p>	<p><a href="http://transact.westminster.gov.uk/docstores/publications_store/pensions/westminster_sip_2015.pdf">http://transact.westminster.gov.uk/docstores/publications_store/pensions/westminster_sip_2015.pdf</a></p> <p><a href="http://committees.westminster.gov.uk/documents/s13398/2015%20Q1%20Performance%20Rpt%20-%20Deloitte%20vf.pdf">http://committees.westminster.gov.uk/documents/s13398/2015%20Q1%20Performance%20Rpt%20-%20Deloitte%20vf.pdf</a></p>

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5	Pensions Committee and Pensions Board members competence	Appointees unclear of statutory role and unable to clearly articulate the funds funding and investment objectives. No evidence of a) different scheme employer types and no or minimal scheme member representation. b) No training needs analysis, or training strategy, or training log or use of CIPFA LGPS training framework. c) No training record disclosures d) Self assessment Self score core -1 point for each	Appointees understand their statutory role and are able to clearly articulate the funds funding and investment objectives Evidence and e-links to demonstrate a) representation from different scheme employer types (scheduled and admitted) and member types (actives, deferred and pensioners). b) annual training plan recorded against the CIPFA knowledge and understanding framework. c) annual training records disclosed in Annual Report d) annual self-assessment of training undertaken and identification of future needs. Self score +1 point for each one		0 Only one scheduled body on Board and two active/one pensioner representative. No other employer representation on Committee 0 Knowledge & Skills Policy agreed in September 2015 -1 None in place by 31 March 2015 -1 None in place by 31 March 2015	<a href="http://committees.westminster.gov.uk/documents/s15232/Governance%20Arrangements%20Apr%201.pdf">http://committees.westminster.gov.uk/documents/s15232/Governance%20Arrangements%20Apr%201.pdf</a>
6	Administering authority staff accountability, leadership, experience, and training	a) No or only part time Head of Fund and or only part time officers b) No or little induction or on-going training provision or experience recorded on the adoption of CIPFA LGPS knowledge and understanding framework. Self score -1 for each one	Evidence and e-links to demonstrate a) Experienced Head of Fund with full time dedicated officers with at least 3+ years' experience. b) staff undertake regular CIPFA LGPS TKU or other CPD training recorded across all LGPS skills (governance, benefits administration, funding, investments, and comms) Self score +1 point for each one		0 Shared Head of Fund across three tri-borough funds 0 Training undertaken through attendance at various seminars - no formal records due to lack of formal appraisal process	
7	Statutory governance standards and principles (as per DCLG guidance and TPR codes)	Several key areas of non-compliance with a) DCLG LGPS statutory guidance b) TPR guidance and codes and reasons why not explained. c) No, little or poor key decision taking records and no or poor self, or scheme employers, or scheme members assessment of overall fund effectiveness. Self score -1 for each one	Evidence and e-links to demonstrate a) Full compliance with DCLG LGPS statutory guidance b) Full compliance with TPR guidance and codes for public sector pension schemes c) Meet or exceed other LGPS best practice on recording all key decision taking and annual self, scheme employers, scheme member assessment of overall effectiveness. Self score +1 for each one		0 Representation only area of non-compliance. Link: 0 Partially compliant - Board papers show conflict of interest, training and code of conduct policies in place Link: 0 Committee Decisions clearly recorded - no assessments of effectiveness Link to Committee minutes:	<a href="http://committees.westminster.gov.uk/documents/s15233/Governance%20Arrangements%20Apr%202.pdf">http://committees.westminster.gov.uk/documents/s15233/Governance%20Arrangements%20Apr%202.pdf</a> <a href="https://www.westminster.gov.uk/council-pension-fund">https://www.westminster.gov.uk/council-pension-fund</a> <a href="http://committees.westminster.gov.uk/mgCommitteeDetails.aspx?ID=321">http://committees.westminster.gov.uk/mgCommitteeDetails.aspx?ID=321</a>
8	Quality and accessibility of information and statutory statements, strategies, policies (governance, FSS, SIP, comms, admin authority and employer discretions policies)	a) Statutory publications not all in place or published on fund website or updated in accordance with regulatory requirements and due timelines. b) Fund and employers discretions not published c) Do not seek to meet any recognised 'Plain English' or e-publishing standards Self score -1 for each one	Evidence and e-links to demonstrate a) Statutory publications all in place and published on fund website and updated in accordance with regulatory requirements and due timelines. b) Fund and employer discretions published c) Meet 'Plain English' and or other recognised e-publishing standards. Self score +1 for each one		1 Statutory publications published. Link to website: -1 Contained within the WCC pensions policies found on the internal WCC knowledge base -1 Do not seek to meet plain english standards	<a href="https://www.westminster.gov.uk/council-pension-fund">https://www.westminster.gov.uk/council-pension-fund</a> <a href="https://btg.service-now.com/LFSharedServices/pft_wcc.do">https://btg.service-now.com/LFSharedServices/pft_wcc.do</a>
9	a) Adoption and report compliance with Investment Governance Principles (IGP) (was Myner's Principles) and voluntary adoption/signatory to FRC Stewardship Code and UNPRI	No or un-explained non-compliance and/or non-support of a) IGP b) UK Stewardship Code c) UN PRI Self score -1 for each	Evidence and e-links to demonstrate a) 100% compliance with IGP b) adoption and public reporting of compliance against the FRC UK Stewardship Code c) external managers or fund are PRI signatories Self score +1 for each		0 Compliant with all except assessment of own effectiveness 0 Stewardship Policy approved in September 2015 and included in 2014/15 Annual Report 0 All except one fund managers are signatories	<a href="http://transact.westminster.gov.uk/docstores/publications_store/pensions/westminster_sip_2015.pdf">http://transact.westminster.gov.uk/docstores/publications_store/pensions/westminster_sip_2015.pdf</a> <a href="https://www.westminster.gov.uk/council-pension-fund">https://www.westminster.gov.uk/council-pension-fund</a> <a href="http://www.unpri.org/signatories/signatories#investment_managers">http://www.unpri.org/signatories/signatories#investment_managers</a>
10	a) Historic investment returns (last 1, 3, 5, and 10 years) and b) total investment costs compared to other LGPS funds. (See explanatory notes)	a) overall fund investment returns (net of fees) for last 1, 3, 5 years bottom two quintiles Score -3 and -5 points b) Retain fund managers under-performing their mandates for 2 triennial valuation cycles. Score -1 point c) Fund does not benchmark its fund manager and total investment costs relative to other LGPS funds. Score -1 point	Evidence and e-links to a) overall fund investment return (net of fees) for last 1, 3, 5 years a) Top quintile score +5 points b) Next two quintiles score +3 and 0 points respectively b) >75% of fund mandates deliver over rolling 3 year performance periods. Score +1 point c) Fund benchmarks its fund manager and total investment costs Score +1		-3 only 1 year data available. Position 66 0 All managers with 3 year record ahead of targets but only covers 40% of assets. Other managers replaced in 2015 -1 Do not benchmark against other LGPS funds	<a href="http://committees.westminster.gov.uk/documents/s13398/2015%20Q1%20Performance%20Rpt%20-%20Deloitte%20v1.pdf">http://committees.westminster.gov.uk/documents/s13398/2015%20Q1%20Performance%20Rpt%20-%20Deloitte%20v1.pdf</a>
11	Annual report and audited financial statements	a) Do not fully meet some regulatory requirements or CIPFA LGPS guidance b) Not published in Admin Authority Accounts by 1 <sup>st</sup> October. c) Published on SAB website after 1 <sup>st</sup> November Self score -1 for each one	Evidence and e-links to demonstrate a) Meet all regulatory and CIPFA best practice guidance b) Publish in Administering Authority accounts by 1 <sup>st</sup> October c) Publish fund report and accounts of SAB website before 1 <sup>st</sup> November. Self score +1 for each one		1 Meet all regulatory requirements and CIPFA best practice -1 Pension Fund Accounts published in Administering Authority accounts within timescale 1 On website	<a href="http://transact.westminster.gov.uk/docstores/publications_store/accounts/6.51_wcc_pensions_fund_report_2014_interactive_v2.pdf">http://transact.westminster.gov.uk/docstores/publications_store/accounts/6.51_wcc_pensions_fund_report_2014_interactive_v2.pdf</a>
12	Scheme membership data	a) Common data does not meet TPR standards b) Conditional data do not meet the TPR standards. No plans in place to rectify this. Self score -1 for each	Evidence and e-links to demonstrate a) >99% common data meets TPR quality and due date standards b) >95% of conditional data meets TPR quality and due date standards. Plans in place to improve this. Self score +1 for each one		0 Awaiting for the data to be updated via the new payroll/pensions interface 0 Awaiting for the data to be updated via the new payroll/pensions interface	
13	Pension queries, pension payments, and Annual Benefit Statements	a) No or poor website with no scheme member or employer access. b) ABS do not meet regulatory requirements or due timelines for issuance. Self score -1 for each	Evidence and e-links to demonstrate a) Good website with interactive scheme member and employer access. b) ABS meet or exceed regulatory standards and due timelines for issuance. Self score +1 for each		1 Website in place 1 ABS meet standards	<a href="http://www.wccpensionfund.co.uk/">http://www.wccpensionfund.co.uk/</a>
14	Cost efficient administration and overall VFM fund management	a) In bottom quartile with high total admin cost pa per member (based CIPFA or other benchmark tool). b) Not in any national or regional frameworks for any externally procured services or collective investments. Self score -1 for each	Evidence and e-links to demonstrate a) In top quartile with low total admin cost pa per fund member (based CIPFA or other benchmark tool calculated on a consistent and transparent basis). b) Lead and/or actively participates in collaborative working and collective LGPS procurement, shared services or CIVs Self score +1 for each		0 Needs to be remeasured in 15/16 1 Council is a CIV shareholder. Actuarial national LGPS framework used in 2015, custody in 2014.	
15	Handling of formal complaints and IDRP's	a) Any Pensions Ombudsman determinations (and any appeals) fines were against the actions of the fund (ie not employer). Score -1	Evidence and e-links to demonstrate a) No Stage 2 IDRP's and no Pensions Ombudsman findings against the fund actions in last 3 years. Score +1		1 Clear IDRP process in place and strong evidence of application	<a href="http://www.wccpensionfund.co.uk/">http://www.wccpensionfund.co.uk/</a>
16	Fraud prevention	No or minimal systems/programme or plan or mechanisms in place to a) Prevent fraud b) Detect fraud c) detect pension over-payments due to unreported deaths Self score -1 for each one	Evidence and e-links to demonstrate a) Fraud prevention programme in place. b) Use external monthly, quarterly/annual mortality screening services, and c) participate in bi-annual National Fraud Initiative. Self score +1 for each one		0 Currently obtaining costings and reviewing options 0 Currently obtaining costings and reviewing options 1 Participation confirmed	
17	Internal and external audit	a) No annual internal audit or qualified internal and external audit opinions b) Urgent management action recommended on high/serious risks. c) Only moderate or low level of assurance and a number of high priority action recommended Self score -1 for each	Evidence and e-links to demonstrate a) Unqualified annual internal reports with no or only low priority management actions b) Unqualified and annual external audit with no or only low priority management recommendations. c) Full or substantial assurance against all key audit areas with no high risk recommendations. Self score +1 for each		0 One medium priority action in last internal audit report -1 Unqualified external audit report with no recommendations. Page 40 of Annual Report 1 Unqualified external audit report with no recommendations.	<a href="http://transact.westminster.gov.uk/docstores/publications_store/accounts/6.51_wcc_pensions_fund_report_2014_interactive_v2.pdf">http://transact.westminster.gov.uk/docstores/publications_store/accounts/6.51_wcc_pensions_fund_report_2014_interactive_v2.pdf</a>
18	Quality assurance	No evidence of a) quality management system b) external reviewed publications c) externally approved website accessibility d) any awards. Self score -1 for each one	Evidence and e-links to demonstrate a) Fund has formal quality management external certification b) Crystal Mark for plain English for publications/forms c) externally approved website accessibility d) pensions & investment recognition award(s) Self score +1 for each one		0 Surrey County Council have internal QA system in place -1 No crystal mark for plain english -1 No external approval for website -1 No awards received	