



Department
for Work &
Pensions

Triennial Review of Pensions Bodies

Stage 2: Principles of Corporate Governance

**Assessment by the Department for
Work and Pensions of the Pensions
Regulator, the Pensions Ombudsman,
the Pension Protection Fund
Ombudsman and the Pensions
Advisory Service**

January 2014

Compliance with the Principles of Good Corporate Governance

Introduction

Stage 2 reviews the corporate governance arrangements of the Pensions Regulator, the Pensions Ombudsman, the Pension Protection Fund Ombudsman and the Pensions Advisory Service. It includes requirements in relation to openness, transparency and accountability. It follows on from the stage 1 recommendation that these bodies should continue to carry out their current functions in their present forms.

Stage 2 has been undertaken in conjunction with the bodies under review and was carried out in accordance with the Cabinet Office Triennial Review Guidelines. These require, as a minimum, that the controls, processes and safeguards in place should be assessed against the principles and policies set out in the annexes below.

The aim is to identify any areas of non-compliance and explain why an alternative approach has been adopted. Reasons for non-compliance might include the need for structures and systems to remain proportionate, commercial considerations or concerns about cost and value for money.

Assessment

A template covering the key areas of good governance was completed for each body under review (combined for the PO/PPFO).

In light of the information gathered via this process, the Review concluded that there are strong governance arrangements in place in all the bodies across the key areas covered by the assessment. The individual assessments are set out in the following annexes.

- **Annex A** – The Pensions Regulator
- **Annex B** – The Pensions Advisory Service
- **Annex C** – The Pensions Ombudsman and the Pension Protection Fund Ombudsman

Recommendations

There are however some minor recommendations arising from the review process:

- The updating of the Framework documents for all the bodies should now be progressed and completed;
- TPAS Board should consider publishing Board agendas and minutes;
- TPAS Board should consider open Board meetings;
- The decision should be finalised on the future size of TPAS's Board;

- TPAS should publish a Register of Interests; and
- The Pensions Ombudsman should consider publishing senior staff expenses

The DWP Stewardship Team will be responsible for taking these recommendations forward.

Annex A: The Pensions Regulator

Statutory Accountability	Principle: The public body complies with all applicable statutes and regulations, and other relevant statements of best practice.	Evidence
Supporting provisions	The public body must comply with all statutory and administrative requirements on the use of public funds. This includes the principles and policies set out in the HMT publication “Managing Public Money” and Cabinet Office/HM Treasury spending controls.	<p>The Pensions Regulator (TPR) is an Executive NDPB. TPR complies with all statutory and administrative requirements on the use of public funds, including the principles and policies set out in “Managing Public Money” and Cabinet Office/HM Treasury spending controls. The TPR Chief Executive Officer (CEO) has specified delegated authority from DWP Ministers in relation to spending controls. Compliance is achieved through internal management and financial controls, guidance to staff and appropriate delegation levels. TPR complete a number of regular returns requested by DWP and Cabinet Office in support of compliance activity.</p> <p>Financial controls are reviewed and monitored by TPR’s Audit Committee. They are also discussed as appropriate at Quarterly Accountability Review meetings with DWP.</p>
	The public body must operate within the limits of its statutory authority and in accordance with any delegated authorities agreed with the sponsoring Department.	TPR operates within the limits of its statutory authority as specified in the Pensions Acts of 2004 and 2008 and within the terms of its Framework Document and delegated authorities agreed with DWP.

	<p>The public body should operate in line with the statutory requirements and spirit of the Freedom of Information Act 2000. It should have a comprehensive publication scheme. It should proactively release information that is of legitimate public interest where this is consistent with the provisions of the Act.</p>	<p>TPR operates within the statutory requirements and the spirit of the Freedom of Information Act. TPR maintains a publication scheme based on the Information Commissioner's Office (ICO) model. In the interest of transparency and accountability TPR also maintains a disclosure log publishing responses to requests made under the Freedom of Information Act and the Environmental Information Regulations. Additionally, TPR proactively publishes information on their website such as research and analysis findings, details of consultations and reports which explain the regulatory action that TPR have taken in certain cases.</p>
	<p>The public body must be compliant with data protection legislation.</p>	<p>TPR has detailed policies and procedures covering compliance with the Data Protection Act (DPA), Additionally, new starters are required to attend an induction session shortly after starting which explains their duties under the DPA, specifically with regard to recognising personal/sensitive personal data and subject access requests and their duty to ensure they do not disclose personal data inappropriately. TPR has an information management forum, which is responsible for monitoring and mitigating information management and security risk. TPR has a privacy policy which is published on the TPR website.</p>
	<p>The public body should be subject to the Public Records Acts 1958 and 1967.</p>	<p>TPR is subject to the Public Records Act 1958 and 1967. TPR's electronic document and records management system (which also assists TPR in complying with the DPA and Freedom of Information Act) controls the entire lifecycle of all documents placed in its care (maintaining an audit trail, allowing protection of sensitive documents to enable the owner to restrict access to specific people and protecting records from disposal outside of TPR's retention policy).</p>

Accountability for Public Money	Principle: The Accounting Officer of the public body is personally responsible and accountable to Parliament for the use of public money by the body and for the stewardship of assets.	Evidence
Supporting provisions	There should be a formally designated Accounting Officer for the public body. This is usually the most senior official (normally the Chief Executive).	TPR's CEO is designated as TPR's Accounting Officer by letter from the DWP Permanent Secretary.
	The role, responsibilities and accountability of the Accounting Officer should be clearly defined and understood. The Accounting Officer should have received appropriate training and induction. The public body should be compliant with the requirements set out in "Managing Public Money", relevant "Dear Accounting Officer" letters and other directions. In particular, the Accounting Officer of the NDPB has a responsibility to provide evidence-based assurances required by the Principal Accounting Officer (PAO). The PAO requires these to satisfy him or herself that the Accounting Officer responsibilities are being appropriately discharged. DWP reserves a right of access to carry out independent reviews of internal audit in TPR.	The prime responsibilities of the Accounting Officer and the importance of managing public money are set out in the following: <ul style="list-style-type: none"> • appointment letter from the Permanent Secretary to the Accounting Officer. The letter states that the Accounting Officer must provide overall financial leadership to the Pensions Regulator and effectively and efficiently manage public resources; • the CEO's Terms and Conditions of Appointment; • the Framework Document which sets out the responsibilities of the PAO as well as the TPR Accounting Officer. • TPR's internal audit function is conducted by an external provider outsourced under contract to DWP.

	<p>The public body should establish appropriate arrangements to ensure that public funds:</p> <ul style="list-style-type: none"> - are properly safeguarded; - used economically, efficiently and effectively; - used in accordance with the statutory or other authorities that govern their use; and - deliver value for money for the Exchequer as a whole. 	<p>The AO has responsibility for the propriety and regularity of the public finances allocated to TPR and for the efficient and effective use of those resources. The Framework Document includes a Financial Memorandum under which TPR is required to operate. Compliance is monitored by the Private Pensions Stewardship Team and the Finance Business Partner within DWP, by internal and external auditors and by TPR's Audit Committee.</p>
	<p>The public body's annual accounts should be laid before Parliament. The Comptroller and Auditor General should be the external auditor for the body.</p>	<p>TPR's Annual Report and Accounts are laid before Parliament by the Secretary of State. The Comptroller and Auditor General is the external auditor for TPR.</p>
Ministerial Accountability	Principle: The Minister is ultimately accountable to Parliament and the public for the overall performance of the public body.	Evidence
Supporting provisions	<p>The Minister and sponsoring department should exercise appropriate scrutiny and oversight of the public body.</p>	<p>DWP approves TPR's Corporate Plan including key performance indicators. The CEO attends quarterly accountability reviews of financial and operational performance with the Head of Pensions Protection and Stewardship Division (PPSD). The Head of PPPSD attends Audit Committee and Risk Committee meetings. There are also regular meetings between DWP officials and TPR's finance team.</p>
	<p>Appointments to the Board should be made in line with any statutory requirements and, where appropriate, with the Code of Practice issued by the Commissioner for Public Appointments.</p>	<p>The Pensions Act 2004 stipulates that the Secretary of State appoints Board members (not the Chief Executive). Where appropriate, appointment processes comply with the Code of Practice published by the Commissioner for Public Appointments.</p>

	The Minister will normally appoint the Chair and all non-executive Board members of the public body and be able to remove individuals whose performance or conduct is unsatisfactory.	See above. The Pensions Act 2004 stipulates that the Secretary of State appoints the Chair. Non-Executive Directors are appointed by the Secretary of State after consultation with the Chair. The Secretary of State is able to remove Board members whose performance or conduct is unsatisfactory.
	The Minister should be consulted on the appointment of the Chief Executive and will normally approve the terms and conditions of employment.	The Pensions Act 2004 stipulates that the Secretary of State approves the appointment of the Chief Executive and the terms and conditions of appointment.
	The Minister should meet the Chair and/or Chief Executive on a regular basis.	The Minister has quarterly meetings with the Chief Executive and Chair of TPR.

	<p>A range of appropriate controls and safeguards should be in place to ensure that the Minister is consulted on key issues and can be properly held to account. These will normally include:</p> <ul style="list-style-type: none"> - a requirement for the public body to consult the Minister on the corporate and/or operational business plan; - a requirement for the exercise of particular functions to be subject to guidance or approval from the Minister; - a general or specific power of Ministerial direction over the public body; - a requirement for the Minister to be consulted by the public body on key financial decisions. This should include proposals by the public body to: (i) acquire or dispose of land, property or other assets; (ii) form subsidiary companies or bodies corporate; and (iii) borrow money; and - a power to require the production of information from the public body which is needed to answer satisfactorily for the body's affairs 	<p>A range of appropriate controls and safeguards as set out opposite is in place to ensure that Ministers are consulted on key issues. These are itemised in the Framework document and adhered to. These include:</p> <p>The Secretary of State is accountable to Parliament for the activities and performance of the Pensions Regulator.</p> <p>The sponsor or his representatives will review, annually, on behalf of the Secretary of State, the overall strategies, priorities, performance targets, objectives and proposed budgets of the Pensions Regulator as set out in the Business Plan and Corporate Plan.</p> <p>Departmental approval must be secured for all lease arrangements. TPR must also have departmental approval at Ministerial level before entering into other transactions which are, in substance, borrowing.</p>
	<p>There should be a requirement to inform Parliament of the activities of the public body through publication of an annual report.</p>	<p>TPR publishes an annual report which is laid before Parliament by the Secretary of State.</p>

Role of the Sponsoring Department		Evidence
Supporting provisions	<p>The Departmental Board's regular agenda should include scrutiny of the performance of the public body. The Departmental Board should establish appropriate systems and processes to ensure that there are effective arrangements in place for governance, risk management and internal control in the public body.</p>	<p>There is a process in place to ensure regular feedback via the DWP sponsor team to the Board on ALB performance.</p>
	<p>There should be a Framework Document in place which sets out clearly the aims, objectives and functions of the public body and the respective roles and responsibilities of the Minister, the sponsoring department and the public body. This should follow relevant Cabinet Office and HM Treasury guidance. The Framework Document should be published. It should be accessible and understood by the sponsoring department, all Board members and by the senior management team in the public body. It should be regularly reviewed and updated.</p>	<p>TPR has a Framework Document with DWP which sets out aims, objectives and functions, roles and responsibilities. This requires updating to reflect all relevant current Cabinet Office and HM Treasury guidance. The document is published on TPR's website and is readily accessible. It will be reviewed following the outcome of the Triennial Review.</p>

	There should be a dedicated sponsor team within the parent department. The role of the sponsor team should be clearly defined.	There is a dedicated sponsor team within DWP which has a clearly defined role.
	There should be regular and ongoing dialogue between the sponsoring department and the public body. Senior officials from the sponsoring department may as appropriate attend Board and/or committee meetings. There might also be regular meetings between relevant professionals in the sponsoring department and the public body.	There is a regular ongoing dialogue between TPR and DWP which includes Quarterly Accountability Reviews and an end of year review with the Director of Private Pensions. The head of PPSD attends the TPR's Audit Committee. There are also regular meetings between TPR and DWP finance professionals, members of the sponsor team and policy advisers.
Role of the Board	<p>Principles: The public body is led by an effective Board which has collective responsibility for the overall performance and success of the body. The Board provides strategic leadership, direction, support and guidance. The Board – and its committees – have an appropriate balance of skills, experience, independence and knowledge.</p> <p>There is a clear division of roles and responsibilities between non-executive and executives. No one individual has unchallenged decision-making powers.</p>	Evidence

Supporting provisions	The Board of the public body should: <ul style="list-style-type: none"> - meet regularly; - retain effective control over the body; and - effectively monitor the senior management team 	TPR's Board meets around 8 times a year. The Board has a Code of Conduct and Terms of Reference which are available on the TPR website. It exercises the appropriate control over the body and the management team. This is reflected in the minutes of Board meetings which are shared with the Sponsor team. There are three sub committees – the Non-Executive Committee, the Audit Committee, which has risk matters within its remit, and the Remuneration Committee. These support and augment the Board's oversight of TPR operations.
	The size of the Board should be appropriate	The Pensions Act 2004 states that the TPR Board should consist of the Chair, the Chief Executive and at least 5 other persons. It currently consists of a Chair, six non-executive directors, an interim Chief Executive and two executive directors. The size of the Board is kept under review and is regarded as appropriate, given TPR's current range of responsibilities, which have expanded since its inception in 2005.
	Board members should be drawn from a wide range of diverse backgrounds	Recruitment processes reflect the Code of Practice published by the Commissioner for Public Appointments. Its members are drawn from a range of diverse backgrounds. Positive efforts are made during the recruitment process to further improve the Board's Diversity.
	The Board should establish a framework of strategic control (or scheme of delegated or reserved powers). This should specify which matters are specifically reserved for the collective decision of the Board. This framework must be understood by all Board members and by the senior management team. It should be regularly reviewed and refreshed.	The Board has a Code of Practice which is consistent with the guidance on Codes of Practice for Board Members of Public Bodies produced by the Cabinet Office and has produced a number of Standing Orders to regulate its own procedure and that of its Committees. The Board has a set of general, regulatory and financial delegations which it reviews annually.

	The Board should establish formal procedural and financial regulations to govern the conduct of its business.	The Board have formally agreed Terms of Reference and Standing Orders for the Non-Executive Committee, Audit Committee and Remuneration Committee. The Board have adopted policies covering: principles for claiming expenses, procedures for declarations of interest and guidance on propriety in decision-making.
	The Board should establish appropriate arrangements to ensure that it has access to all such relevant information, advice and resources as is necessary to enable it to carry out its role effectively.	The Board is supported by the Chief Executive, the Sub-Committees and the Senior Management Team which ensure it receives the relevant information and advice it needs to carry out its role. This includes regular examination of all aspects of TPR's business and this is reflected in Board papers. The Board relies on multiple sources of assurance including: <ul style="list-style-type: none"> • management information; • detailed policies and operating procedures in place with evidence of them being adhered to; • regular consideration of the strategic and operational risks; • advice from the Audit Committee; • a programme of internal audit; and • external audit by the National Audit Office.
	The Board should make a senior executive responsible for ensuring that appropriate advice is given to it on all financial matters.	The Chief Executive is appointed as Accounting Officer by DWP and is supported by a designated Director who attends Board meetings. They are responsible for ensuring appropriate advice is given to the Board on financial matters.
	The Board should make a senior executive responsible for ensuring that Board procedures are followed and that all applicable statutes and regulations and other relevant statements of best practice are complied with.	A senior official has delegated responsibility for compliance with the requirements set out opposite. Compliance is reported on in the Governance Statement published in the Annual Report and Accounts.

	The Board should establish a Remuneration Committee to make recommendations on the remuneration of top executives. Information on senior salaries should be published. The Board should ensure that the body's rules for recruitment and management of staff provide for appointment and advancement on merit.	TPR's Remuneration Committee determines pay (within the government's pay remit) and related matters, reviews performance appraisal frameworks and assists in the recruitment of senior staff, as well as monitoring equality and other staff-related policies. The Committee advises the Board in relation to the pay of top executives. Information on senior salaries is published in the Annual Report and Accounts each year. The Board ensures that the recruitment and management of staff provides for appointment and advancement on merit.
	The Chief Executive should be accountable to the Board for the ultimate performance of the public body and for the implementation of the Board's policies. He or she should be responsible for the day-to-day management of the public body and should have line responsibility for all aspects of executive management.	The Chief Executive, supported by his Senior Management Team, is responsible for day-to day management of the organisation and for delivering on the corporate and business plans approved by the Board and by DWP.
	There should be an annual evaluation of the performance of the Board and its committees – and of the Chair and individual Board members	The Chair has an annual performance review meeting with the Director General of Strategy, DWP. The Chair conducts annual appraisals with Non Executive Board members and the Chief Executive. The Board also evaluates its own performance. The most recent effectiveness review was completed in May 2013.
Role of the Chair	Principle: The Chair is responsible for leadership of the Board and for ensuring its overall effectiveness.	Evidence
Supporting provisions	The Board should be led by a non-executive Chair	The TPR Board is led by a non-executive Chair.

	<p>There should be a formal, rigorous and transparent process for the appointment of the Chair. This should be compliant with the Code of Practice issued by the Commissioner for Public Appointments. The Chair should have a clearly defined role in the appointment of non-executive Board members.</p>	<p>The processes by which the Secretary of State appoints the Chair are formalised, rigorous and transparent. They comply with the Code Of Practice issued by the Commissioner for Public Appointments, and are based on principles of merit, fairness and openness. The Chair sits on the DWP appointment panels for the appointment of non-executives but does not chair these panels.</p>
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	<p>The duties, role and responsibilities, terms of office and remuneration of the Chair should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance and with any statutory requirements. The responsibilities of the Chair will normally include:</p> <ul style="list-style-type: none"> -representing the public body in discussions with Ministers; - advising the sponsoring Department and Ministers about Board appointments and the performance of individual non-executive Board members; - ensuring that non-executive Board members have a proper knowledge and understanding of their corporate role and responsibilities. The Chair should ensure that new members undergo a proper induction process and is normally responsible for undertaking an annual assessment of non-executive Board members' performance; - ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the sponsoring department or Ministers; - ensuring that the Board carries out its business efficiently and effectively; - representing the views of the Board to the general public; and - developing an effective working relationship with the Chief Executive and other senior staff. 	<p>The Chair's contract sets out the terms and conditions of appointment (including remuneration) which are in line with Cabinet Office guidance and with statutory requirements. The Chair's responsibilities are set out in the Framework Document and TPR's Code of Conduct for Board members.</p> <p>The Chair is responsible for:</p> <ul style="list-style-type: none"> • taking the lead in relations with Ministers and in representing TPR in public; • ensuring that the Board in reaching decisions, takes account of guidance provided by the responsible Minister and by DWP; • ensuring that all members of the Board, when taking up office are fully briefed on the terms of their appointment and on their duties, rights and responsibilities; • ensuring an induction programme is organised for new Board members and encouraging them to attend; • providing an assessment of the performance of individual Board members; • encouraging high standards of propriety and promoting the efficient and effective use of staff and other resources; • providing effective leadership to the Board in the formulation and direction of strategies and programmes; • the selection and appointment of the Chief Executive and the provision of advice on other Board appointments to the Secretary of State; and • reviewing annually the performance of the Chief Executive and reporting the results of the review to TPR's Remuneration Committee.
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	The roles of Chair and Chief Executive should be held by different individuals.	The roles of Chair and Chief Executive are held by different individuals.
Role of Non-Executive Board Members	Principle: As part of their role, non-executive Board members provide independent and constructive challenge.	Evidence
Supporting provisions	There should be a majority of non-executive members on the Board.	The Board is currently made up of the Chair, six non-executive directors, the interim Chief Executive and two executive directors.
	There should be a formal, rigorous and transparent process for the appointment of non-executive members of the Board. This should be compliant with the Code of Practice issued by the Commissioner for Public Appointments	The processes by which the Secretary of State appoints Board members and the Chair are formalised, rigorous and transparent. They comply with the Code of Practice issued by the Commissioner for Public Appointments, and are based on the principles of merit, fairness and openness.

	<p>The duties, role and responsibilities, terms of office and remuneration of non-executive Board members should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance and with any statutory requirements. The corporate responsibilities of non-executive Board members (including the Chair) will normally include:</p> <ul style="list-style-type: none"> - establishing the strategic direction of the public body (within a policy and resources framework agreed with Ministers); - overseeing the development and implementation of strategies, plans and priorities; - overseeing the development and review of key performance targets, including financial targets; - ensuring that the public body complies with all statutory and administrative requirements on the use of public funds; - ensuring that the Board operates within the limits of its statutory authority and any delegated authority agreed with the sponsoring department; -ensuring that high standard of corporate governance are observed at all times. This should include ensuring that the public body operates in an open, accountable and responsive way; and - representing the Board at meetings and events as required. 	<p>Non-executive Board members' contracts set out their terms and conditions and remuneration arrangements. Non-executive Board member responsibilities include:</p> <ul style="list-style-type: none"> • taking forward the strategic aims and objectives of TPR within the policy and resources framework determined by the Secretary of State; • ensuring that any statutory or administrative requirements for the use of public funds are complied with and that the Board operates within the limits of its statutory authority and any delegated authority agreed with the Department; • ensure that management information and accounting systems are in place which are sufficiently robust to enable the Board to monitor effectively TPR's performance against its budgets and targets; • demonstrating high standards of corporate governance at all times; • representing the Board at meetings and events; and • complying at all times with the Code of Conduct for TPR Board members and the rules relating to the use of public funds and to conflicts of interest.
	<p>All non-executive Board members must be properly independent of management.</p>	<p>All non-executive Board members are properly independent of management. Each Member makes a declaration of pecuniary or non-pecuniary interests.</p>

	All non-executive Board members must allocate sufficient time to the Board to discharge their responsibilities effectively. Details of Board attendance should be published (with an accompanying narrative as appropriate).	Attendance of Board members is formally recorded at each Board meeting and is published with a narrative as appropriate in the Annual Report and Accounts. The Chair leads on ensuring non-executive Board members spend an appropriate amount of time on Board duties. The Remuneration Committee has a parallel role in relation to executive members.
	There should be a proper induction process for new Board members. This should be led by the Chair. There should be regular reviews by the Chair of individual members' training and development needs.	The Chair ensures that new Board members have an induction plan in place. Board members performance and any development/training needs are discussed at least annually.
Effective Financial Management	Principle: The public body has taken appropriate steps to ensure that effective systems of financial management and internal control are in place.	Evidence
Supporting provisions Annual Reporting	The body must publish on a timely basis an objective, balanced and understandable annual report. The report must comply with HM Treasury guidance.	An annual report is published which is objective, balanced, understandable and compliant with HM Treasury guidance.

Internal Controls	The public body must have taken steps to ensure that effective systems of risk management are established as part of the systems of internal control.	<p>The Board reviews the risk register and monitors the effectiveness of mitigations.</p> <ul style="list-style-type: none"> • The Audit Committee reviews TPR's top risks on a quarterly basis, challenging management responses, and monitoring the effectiveness of mitigations, and the trend of changing risks over time. It also commissions quarterly 'deep dives' of individual risks, which are presented by those accountable for their management. • The SMT validates on a quarterly basis TPR's risk register and the top cross-cutting risks which are escalated to the Audit committee. • The Risk Committee, which meets quarterly, is responsible for linking top down risks with those captured by the risk register process, weighting those risks in terms of threat and control, and proposing the top ranking cross-cutting risks to the SMT. Risks are escalated based on both ranking (quantitative impact) and on judgement. <p>Business risk committees have been established in each of our four main business areas (Defined Benefit pensions. Defined Contribution pensions, governance and administration; and automatic enrolment) to provide appropriate risk management capabilities.</p>
	The public body must have taken steps to ensure that an effective internal audit function is established as part of the systems of internal control. This should operate to Government Internal Audit Standards and in accordance with Cabinet Office guidance	TPR has established effective internal audit functions in accordance with Government Internal Audit Standards and in accordance with Cabinet Office guidance. The Internal Audit service is provided by DWP.

	There must be appropriate financial delegations in place. These should be understood by the sponsoring department, by Board members, by the senior management team and by relevant staff across the public body. Effective systems should be in place to ensure compliance with these delegations. These should be regularly reviewed.	DWP issue an annual delegation letter setting out TPR's agreed budget and headcount. The effect of Cabinet Office spending controls, and the delegations that apply to those controls, have been communicated to TPR's Accounting Officer. There are regular reports back to DWP and Cabinet Office on controlled areas of expenditure. The Board reviews the delegations annually following review by the senior management team and the Audit Committee. The Framework Document, which is subject to periodic review, includes a financial memorandum that provides information on financial delegations, which are understood by DWP and TPR.
	There must be effective anti-fraud and anti-corruption measures in place.	There are internal procedures in place for preventing, detecting and reporting fraudulent activities. The Audit Committee advises on anti-fraud policies, whistle-blowing processes, the effectiveness of arrangements to prevent and detect fraud and arrangements for special investigations
	There must be clear rules in place governing the claiming of expenses. These should be published. Effective systems should be in place to ensure compliance with these rules. The public body should proactively publish information on expenses claimed by Board members and senior staff.	TPR has rules in place regarding the claiming of expenses for staff and the Board and agreed sign-off arrangements to monitor compliance. Details of Board members' and the Chief Executive's expenses are published on the TPR website.
	The annual report should include a statement on the effectiveness of the body's systems of internal control.	The annual report includes a Governance Statement which has replaced the Statement of Internal Control.
Audit Committee	The Board should establish an audit (or audit and risk) committee with responsibility for the independent review of the systems of internal control and of the external audit process.	The TPR Board has established an Audit Committee responsible for the independent review of the systems of internal control and of the external audit process.

External Auditors	The body should have taken steps to ensure that an objective and professional relationship is maintained with the external auditors.	The Audit Committee has a closed discussion at the start of each of its meetings for the non executive Audit Committee members which includes the external auditors, the internal auditors and the DWP stewardship Deputy Director. The Audit Committee Chair has discussions with external NAO audit regularly, to discuss matters of shared interest. External audit also has free and confidential access to the Chair of the Audit Committee at any time, under the Committee's Terms of Reference.
Communications	Principle: The Public Body is open, transparent, accountable and responsive.	Evidence
Supporting provisions Communications with Stakeholders	The public body should have identified its key stakeholders. It should establish clear and effective channels of communication with these stakeholders.	TPR has identified its key stakeholders. It engages with them through a combination of regular and ad hoc (issues-based) bilateral meetings and workshops, as well as regular day-to-day contact at working level. It also engages its stakeholders through focus groups and consultations.
Communications with the Public	The public body should make an explicit commitment to openness in all its activities. It should engage and consult with the public on issues of real public interest or concern. This might be via new media. It should publish details of senior staff and Boards members together with appropriate contact details.	The TPR website includes a section containing corporate documents including information on the composition of the Board, organisation maps, staffing data, freedom of information, transparency data, business plans, annual reports and accounts, and expenditure and expenses. TPR uses Facebook and Twitter to reach a variety of audiences, as well as posting short video clips on key issues on its website. The website also enables the public to contribute their views to help improve its decision-making processes. TPR consults on many aspects of its work and makes its consultations easy to find on its website and respond to.

	The public body should consider holding open Board meetings or an annual open meeting.	TPR Board has concluded that given the nature of its regulatory work which is governed, for example, by the restricted information requirements of the Pensions Act 2004 - it is appropriate for its discussions and decision-making to be held without the public being present. However, TPR undertakes significant outreach activity involving direct contact with its stakeholders.
	The public body should proactively publish agendas and minutes of Board meetings.	TPR publishes a summary of Board meetings on its website.
	The public body should proactively publish performance data.	Performance data is published in TPR's Annual Report and Accounts and Corporate Plan. They are available on TPR's website.
	In accordance with transparency best practice, public bodies should consider publishing their spend data over £500. By regularly publishing such data and by opening their books for public scrutiny, public bodies can demonstrate their commitment to openness and transparency and to making themselves more accountable to the public.	TPR publishes all spend over £500 on its website and all GPC transactions over £500 are published on GOV.UK.
	The public body should establish effective correspondence handling and complaint procedures. These should make it simple for members of the public to contact the public body and to make complaints. Complaints should be taken seriously. Where appropriate, complaints should be subject to investigation by the Parliamentary Ombudsman. The public body should monitor and report on its performance in handling correspondence.	TPR operates a 2-stage internal formal complaint process where complaints are first dealt with by the Corporate Secretary and, if not resolved, by the Chair. These are published on TPR's website. The Parliamentary Ombudsman can also investigate complaints against TPR. TPR monitors and reports on its performance in handling correspondence in its Annual Report and Accounts.

Marketing and PR	The public body must comply with the Government's conventions on publicity and advertising. These conventions must be understood by Board members, senior managers and all staff in press, communication and marketing teams.	TPR has implemented in full the spending controls set by Government on various categories of spend including advertising, marketing and communications. Guidance for staff is published on TPR's Intranet including details of Government spending restrictions and internal governance arrangements.
	Appropriate rules and restrictions must be in place limiting the use of marketing and PR consultants.	TPR has rules and financial controls in place limiting the use of marketing and PR consultants.
	The public body should put robust and effective systems in place to ensure that the public body is not, and is not perceived to be, engaging in political lobbying. This includes restrictions on Board members and staff attending Party Conferences in a professional capacity.	TPR has clear rules and restrictions in place on political lobbying. These rules are set out in the Board Code of Conduct which is reviewed annually, and the Staff Code of Conduct.
Conduct and behaviour	Principle: The Board and staff of the public body work to the highest personal and professional standards. They promote the values of the public body and of good governance through their conduct and behaviour.	Evidence
Supporting provisions Conduct	A Code of Conduct must be in place setting out the standards of personal and professional behaviour expected of all Board members. This should follow the Cabinet Office Code. All members should be aware of the Code. The Code should form part of the terms and conditions of appointment.	TPR has a Code of Conduct for Board members, which is published on the TPR website. It follows the Cabinet Office Code and forms part of the terms and conditions of appointment.

	The public body has adopted a Code of Conduct for staff. This is based on the Cabinet Office model Code. All staff should be aware of the provisions of the Code. The Code should form part of the terms and conditions of employment.	TPR has incorporated the Cabinet Office Model Code for Staff of Executive NDPBs into the TPR staff Code of Conduct. All staff are made aware of the provisions of the Code and it forms part of their terms and conditions of employment.
	There are clear rules and procedures in place for managing conflicts of interest. There is a publicly available Register of Interests for Board members and senior staff. This is regularly updated.	The Code of Conduct for Board members includes clear rules and procedures for managing conflicts of interest. Appendix C of the Code of Conduct is a Register of Interests of Board Members. The Register of Interests is updated annually.
	There are clear rules and guidelines in place on political activity for Board members and staff. There are effective systems in place to ensure compliance with any restrictions.	The Code of Conduct includes clear rules and guidelines on political activity for Board members and senior staff. Board members are reminded annually of the requirements as part of the Board's annual review of its Code of Conduct. Reminders about political activity from central government are also issued to Board members before the party conference season and before elections.
	There are rules in place for Board members and senior staff on the acceptance of appointments or employment after resignation or retirement. These are effectively enforced.	These rules are set out in the terms and conditions of employment and Code of Conduct. These are effectively enforced.
Leadership	Board members and senior staff should show leadership by conducting themselves in accordance with the highest standards of personal and professional behaviour and in line with the principles set out in respective Codes of Conduct.	Board members and senior staff are required to show leadership by conducting themselves in accordance with the Code of Conduct for Board members which includes <i>'The Seven Principles Of Public Life'</i> .

Annex B – The Pensions Advisory Service

Statutory Accountability	Principle: The public body complies with all applicable statutes and regulations, and other relevant statements of best practice.	Evidence
Supporting provisions	The public body must comply with all statutory and administrative requirements on the use of public funds. This includes the principles and policies set out in the HMT publication “Managing Public Money” ²⁰ and Cabinet Office/HM Treasury spending controls.	TPAS is an Executive NDPB. It complies with all statutory and administrative requirements on the use of public funds, including the principles and policies set out in ‘Managing Public Money’ and Cabinet Office/HM Treasury spending controls (the TPAS CEO has specified delegated authority from DWP Ministers in relation to spending controls). This is achieved through internal management and financial controls, guidance to staff and appropriate delegation levels. Compliance is monitored and reported in TPAS’ Annual Report & Accounts and completion of a raft of regular returns requested by DWP and Cabinet Office and is discussed as appropriate at Quarterly Accountability review meetings.
	The public body must operate within the limits of its statutory authority and in accordance with any delegated authorities agreed with the sponsoring department.	TPAS does not have a statutory basis. TPAS is a company limited by guarantee TPAS operates within the delegated authorities set out in the Framework Document; Accounting Officer (AO) delegation letter and the CEO’s delegated spending control levels agreed with DWP.

	The public body should operate in line with the statutory requirements and spirit of the Freedom of Information Act 2000. It should have a comprehensive Publication Scheme. It should proactively release information that is of legitimate public interest where this is consistent with the provisions of the Act.	TPAS operates in line with the statutory requirements and spirit of the Freedom of Information Act. It has a comprehensive Publication Scheme and proactively releases information of legitimate public interest consistent with the provisions of the Act on its website.
	The public body must be compliant with Data Protection legislation.	TPAS is compliant with Data Protection legislation. It has an internal information policy for staff and volunteers and a statement on its Privacy Policy on its website.
	The public body should be subject to the Public Records Acts 1958 and 1967.	TPAS is subject to the Public Records Act 1958 and 1967.
Accountability for Public Money	Principle: The Accounting Officer of the public body is personally responsible and accountable to Parliament for the use of public money by the body and for the stewardship of assets.	Evidence
Supporting provisions	There should be a formally designated Accounting Officer for the public body. This is usually the most senior official (normally the Chief Executive).	The TPAS Chief Executive is designated as the Accounting Officer by letter from the Permanent Secretary, DWP.

	<p>The role, responsibilities and accountability of the Accounting Officer should be clearly defined and understood. The Accounting Officer should have received appropriate training and induction. The public body should be compliant with the requirements set out in “Managing Public Money”, relevant Dear Accounting Officer letters and other directions. In particular, the Accounting Officer of the NDPB has a responsibility to provide evidence-based assurances required by the Principal Accounting Officer (PAO). The PAO requires these to satisfy him or herself that the Accounting Office responsibilities are being appropriately discharged. This includes, without reservation, appropriate access of the PAO’s internal audit service into the NDPB.</p>	<p>The role, responsibilities and accountability of the Accounting Officer (AO) are clearly defined and understood. TPAS designs an induction programme for a new AO to ensure the AO has received appropriate training. The responsibilities of the AO are set out in: the Letter of Designation issued by the Permanent Secretary, DWP; the CEO’s Terms & Conditions of Appointment and the Framework document. The Framework document sets out the responsibilities of the Principal Accounting Officer as well as the TPAS AO. This includes the PAO’s right of access into TPAS. The internal audit function is currently provided by an external contractor. TPAS is now part of DWP’s audit ‘family’ with clear line of sight to the DWP’s Head of Audit.</p>
	<p>The public body should establish appropriate arrangements to ensure that public funds:</p> <ul style="list-style-type: none"> - are properly safeguarded; - used economically, efficiently and effectively; - used in accordance with the statutory or other authorities that govern their use; and - deliver value for money for the Exchequer as a whole. 	<p>The Accounting Officer has responsibility for the propriety and regularity of the public finances allocated to TPAS and for the efficient and effective use of those resources. The Framework document includes a Financial Memorandum which sets out the financial framework TPAS is required to operate under. Compliance measures include the Stewardship Team’s monitoring of objectives and performance (including financial) targets as set out in the Corporate Plan and inspection by internal audit, the NAO and specific items discussed at the Audit Committee. The AO is supported by the management team in ensuring that corporate governance arrangements and internal controls are effective.</p>

	The public body's annual accounts should be laid before Parliament. The Comptroller and Auditor General should be the external auditor for the body.	The annual accounts are laid before Parliament by Secretary of State, DWP. The Comptroller and Auditor General is the external auditor.
Ministerial Accountability	Principle The Minister is ultimately accountable to Parliament and the public for the overall performance of the public body.	Evidence
Supporting provisions	The Minister and sponsoring department should exercise appropriate scrutiny and oversight of the public body.	Appropriate scrutiny and oversight of TPAS is secured through approval of the TPAS Corporate Plan including key performance indicators; annual budget sign off; quarterly reporting on financial and other performance at formal review meetings with the Stewardship team and through regular contact with DWP officials. A DWP observer attends Audit Committee meetings.
	Appointments to the Board should be made in line with any statutory requirements and, where appropriate, with the Code of Practice issued by the Commissioner for Public Appointments.	There are no statutory requirements relating to TPAS Board appointments. However, the Framework document provides for Secretary of State to appoint the Chair and approve other Board appointments. As a matter of good practice, the Board appointment process broadly follows the Code of Practice.
	The Minister will normally appoint the Chair and all non-executive Board members of the public body and be able to remove individuals whose performance or conduct is unsatisfactory.	See above. The Chair may be removed by the Secretary of State and Board members by the Chair where performance or conduct is unsatisfactory. TPAS is a company limited by guarantee. The removal of Board members (directors) before their term of office expires is governed by the Companies Act 2006, and TPAS's own Memorandum and Articles of Association.

	The Minister should be consulted on the appointment of the Chief Executive and will normally approve the terms and conditions of employment.	The Framework document provides for Secretary of State to approve the appointment of the CEO. TPAS have also sought his approval of the CEO's terms and conditions of appointment.
	The Minister should meet the Chair and/or Chief Executive on a regular basis.	The Minister for Pensions has visited TPAS and is regularly updated on their work and matters of interest by department officials. Future meetings are scheduled with the CEO.
	<p>A range of appropriate controls and safeguards should be in place to ensure that the Minister is consulted on key issues and can be properly held to account. These will normally include:</p> <ul style="list-style-type: none"> - a requirement for the public body to consult the Minister on the corporate and/or operational business plan; - a requirement for the exercise of particular functions to be subject to guidance or approval from the Minister; - a general or specific power of Ministerial direction over the public body; - a requirement for the Minister to be consulted by the public body on key financial decisions. This should include proposals by the public body to: (i) acquire or dispose of land, property or other assets; (ii) form subsidiary companies or bodies corporate; and (iii) borrow money; and - a power to require the production of information from the public body which is needed to answer satisfactorily for the body's affairs 	A range of appropriate controls and safeguards as set out opposite is in place to ensure that Ministers are consulted on key issues. These are set out in the Framework document and adhered to.

	There should be a requirement to inform Parliament of the activities of the public body through publication of an annual report.	TPAS publishes an annual report which is laid before Parliament by Secretary of State, DWP. As TPAS has no statutory basis, this requirement is set out in the Framework document.
Role of the Sponsoring Department		Evidence
Supporting provisions	The Departmental Board's regular agenda should include scrutiny of the performance of the public body. The Departmental Board should establish appropriate systems and processes to ensure that there are effective arrangements in place for governance, risk management and internal control in the public body.	There is a process in place to ensure regular feedback via the DWP sponsor team to the Board on its ALBs' performance.

	<p>There should be a Framework Document in place which sets out clearly the aims, objectives and functions of the public body and the respective roles and responsibilities of the Minister, the sponsoring department and the public body. This should follow relevant Cabinet Office and HM Treasury guidance. The Framework Document should be published. It should be accessible and understood by the sponsoring department, all Board members and by the senior management team in the public body. It should be regularly reviewed and updated.</p>	<p>There is a DWP/TPAS Framework Document which sets out aims, objectives and functions, roles and responsibilities. This requires updating to reflect all relevant current Cabinet Office and HM Treasury guidance.. It is published on TPAS's website and is readily accessible. It is in the process of being reviewed and will be finalised following the outcome of the Triennial Review.</p>
	<p>There should be a dedicated sponsor team within the parent department. The role of the sponsor team should be clearly defined.</p>	<p>There is a dedicated sponsor team within DWP which has a clearly defined role.</p>
	<p>There should be regular and ongoing dialogue between the sponsoring department and the public body. Senior officials from the sponsoring department may as appropriate attend Board and/or committee meetings. There might also be regular meetings between relevant professionals in the sponsoring department and the public body.</p>	<p>There is regular and ongoing dialogue between DWP and TPAS which includes Quarterly Accountability Reviews and end of year review with the Director of Private Pensions. A DWP observer attends the Audit Committee. DWP senior officials are invited to attend Board meetings as appropriate. TPAS is in contact with key professionals in DWP as required.</p>

Role of the Board	Principles: The public body is led by an effective Board which has collective responsibility for the overall performance and success of the body. The Board provides strategic leadership, direction, support and guidance. The Board – and its committees – have an appropriate balance of skills, experience, independence and knowledge. There is a clear division of roles and responsibilities between non-executive and executives. No one individual has unchallenged decision-making powers.	Evidence
Supporting provisions	The Board of the public body should: <ul style="list-style-type: none"> - meet regularly; - retain effective control over the body; and - effectively monitor the senior management team 	The Board meets six times a year. The Board has a Code of Conduct and Terms of Reference which are available on the TPAS website. It exercises the appropriate control over the body and the management team. This is reflected in the minutes of the Board meetings which are shared with the Stewardship team. There are two Board sub-committees - Audit & Risk and Remuneration & Appointments.
	The size of the Board should be appropriate.	The company Articles do not provide for a maximum number of Board members. However the TPAS Board (with DWP agreement) has determined that there should be: <ul style="list-style-type: none"> • Up to 8 non-executive directors including the Chairman. • One executive director, the Chief Executive. The future size of the Board is currently under review.
	Board members should be drawn from a wide range of diverse backgrounds	The Board members are recruited in a way which reflects the OCPA Code of Practice by fair and open competition. Its members are drawn from a range of diverse backgrounds.

	<p>The Board should establish a framework of strategic control (or scheme of delegated or reserved powers). This should specify which matters are specifically reserved for the collective decision of the Board. This framework must be understood by all Board members and by the senior management team. It should be regularly reviewed and refreshed.</p>	<p>The Board Terms of Reference set out the powers the Board can delegate and those that are retained. The corporate responsibilities of the Chair and members are also set out in the Board's Code of Conduct. Financial delegations are also set out. These documents are regularly reviewed and refreshed as required. These documents form a core part of the induction process for Board members and the senior management team.</p>
	<p>The Board should establish formal procedural and financial regulations to govern the conduct of its business.</p>	<p>The Board has an agreed Code of Conduct which sets out the corporate responsibilities of the members which apply to both executive and non-executive directors. This includes remuneration, frequency and attendance of meetings, relationship with the DWP, role & responsibilities of the Chairman and Directors, political activity, conflicts of interest and the role of the Chief Executive. TPAS also has Articles of Association which set out what the Company does, its constitution and how it should deliver.</p>

	<p>The Board should establish appropriate arrangements to ensure that it has access to all such relevant information, advice and resources as is necessary to enable it to carry out its role effectively.</p>	<p>The Board is supported by the Chief Executive and the Senior Management Team and formal committees which enable it to receive the relevant information and advice it needs to carry out its role. This includes regular examination of all aspects of TPAS's business and this is reflected in the Board papers. The Board will ask for DWP attendance at Board meetings where it feels this would be beneficial. The Board relies on multiple sources of assurance including:</p> <ul style="list-style-type: none"> • Management information • Detailed policies and operating procedures in place and being adhered to; • Regular consideration of the strategic and operational risks ; • Advice from the Audit & Risk Committee; • A programme of Internal Audit; • External Audit by the National Audit Office.
	<p>The Board should make a senior executive responsible for ensuring that appropriate advice is given to it on all financial matters.</p>	<p>The Chief Executive is appointed as Accounting Officer by DWP and is supported by the Head of Corporate Services. They provide appropriate financial advice to the Board.</p>
	<p>The Board should make a senior executive responsible for ensuring that Board procedures are followed and that all applicable statutes and regulations and other relevant statements of best practice are complied with.</p>	<p>The CEO is responsible for corporate governance and is supported by the Senior Management Team. Compliance is reported in the Governance Statement published in the Annual Report and Accounts.</p>

	The Board should establish a Remuneration Committee to make recommendations on the remuneration of top executives. Information on senior salaries should be published. The Board should ensure that the body's rules for recruitment and management of staff provide for appointment and advancement on merit.	TPAS Remuneration and Appointments Committee determines pay and related matters, reviews performance appraisal frameworks and assists in the recruitment of senior staff, as well as monitoring equality and other staff-related policies. Information on senior salaries is published in the Annual Report and Accounts.
	The Chief Executive should be accountable to the Board for the ultimate performance of the public body and for the implementation of the Board's policies. He or she should be responsible for the day-to-day management of the public body and should have line responsibility for all aspects of executive management.	The Chief Executive is responsible for day-to-day management of the organisation and for delivering on the corporate and business plans approved by the Board. There are four service delivery teams, led by Heads of Service, who report to the Chief Executive. The Board receives regular reports on performance and Heads of Service are invited to attend Board and Audit Committee meetings to discuss their areas of work as required.
	There should be an annual evaluation of the performance of the Board and its committees – and of the Chair and individual Board members	The Chair has an annual performance review meeting with DWP's Private Pensions Director. The Chair conducts annual appraisals with all Board members, including the Chief Executive. The Board also evaluates its own performance annually – the most recent effectiveness review was completed in Feb/March 2013.
Role of the Chair	Principle: The Chair is responsible for leadership of the Board and for ensuring its overall effectiveness.	Evidence
Supporting provisions	The Board should be led by a non-executive Chair	The Board is led by a non-executive Chair.

	<p>There should be a formal, rigorous and transparent process for the appointment of the Chair. This should be compliant with the Code of Practice issued by the Commissioner for Public Appointments. The Chair should have a clearly defined role in the appointment of non-executive Board members.</p>	<p>As TPAS has no statutory basis, there is no legal requirement for them to seek Secretary of State approval for the Chair's appointment. However, when the Board and management structure was reviewed in 2009, it was agreed that it would be good practice for Secretary of State to appoint the Chair. The appointment process mirrors that set out in the Code of Practice. The Chair is responsible for ensuring that the recruitment of executive and non-executive Board members is fair and open.</p>
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	<p>The duties, role and responsibilities, terms of office and remuneration of the Chair should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance and with any statutory requirements. The responsibilities of the Chair will normally include:</p> <ul style="list-style-type: none"> -representing the public body in discussions with Ministers; - advising the sponsoring Department and Ministers about Board appointments and the performance of individual non-executive Board members; - ensuring that non-executive Board members have a proper knowledge and understanding of their corporate role and responsibilities. The Chair should ensure that new members undergo a proper induction process and is normally responsible for undertaking an annual assessment of non-executive Board members' performance; - ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the sponsoring department or Ministers; - ensuring that the Board carries out its business efficiently and effectively; - representing the views of the Board to the general public; and - developing an effective working relationship with the Chief Executive and other senior staff. 	<p>The Chair's contract sets out the terms and conditions of appointment (including remuneration) which are in line with Cabinet Office guidance. There are no statutory requirements relating to the Chair role. The Chair's key responsibilities include:</p> <ul style="list-style-type: none"> • to preside at meetings of the Board to ensure they run efficiently and effectively; • to lead the Board in formulating strategy ; • to encourage an effective and full contribution from all Board members; • to make arrangements for the regular review of the effectiveness of both the Board and the individual Board members; • to work closely with the Board, in particular the Chief Executive, to ensure that TPAS is well managed; and • to act as an ambassador for TPAS to maintain and enhance its good reputation and build constructive and effective relationships with the Department for Work and Pensions or its successors ("DWP"), its Ministers and other key organisations. <p>The Chair's duties are also set out in the Board's Code of Conduct.</p>
	<p>The roles of Chair and Chief Executive should be held by different individuals.</p>	<p>The roles of Chair and Chief Executive are held by different individuals.</p>

Role of Non-Executive Board Members	Principle: As part of their role, non-executive Board members provide independent and constructive challenge.	Evidence
Supporting provisions	There should be a majority of non-executive members on the Board.	There are currently six non-executive Board members (Chair and five non-executive directors) and one executive member, the Chief Executive.
	There should be a formal, rigorous and transparent process for the appointment of non-executive members of the Board. This should be compliant with the Code of Practice issued by the Commissioner for Public Appointments	As with the Chair, there is no statutory basis for these appointments. It was also agreed as part of the 2009 review, that Secretary of State would approve the appointments of non-executive members. The Chair is responsible for ensuring that the recruitment of non-executive Board members is fair and open and is consistent with the Code of Practice issued by the Commissioner for Public Appointments.

	<p>The duties, role and responsibilities, terms of office and remuneration of non-executive Board members should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance and with any statutory requirements. The corporate responsibilities of non-executive Board members (including the Chair) will normally include:</p> <ul style="list-style-type: none"> - establishing the strategic direction of the public body (within a policy and resources framework agreed with Ministers); - overseeing the development and implementation of strategies, plans and priorities; - overseeing the development and review of key performance targets, including financial targets; - ensuring that the public body complies with all statutory and administrative requirements on the use of public funds; - ensuring that the Board operates within the limits of its statutory authority and any delegated authority agreed with the sponsoring department; -ensuring that high standard of corporate governance are observed at all times. This should include ensuring that the public body operates in an open, accountable and responsive way; and -representing the Board at meetings and events as required. 	<p>Board members' contracts set out their terms and conditions and remuneration arrangements. These include:</p> <ul style="list-style-type: none"> • contributing to and reviewing the strategic direction of the TPAS Board; • scrutinising the performance of the Chief Executive in ensuring that TPAS's functions are exercised efficiently and effectively; • monitoring the extent to which the Board is meeting its objectives and targets; • monitoring the Board's reporting of its activities in the annual report; • evaluating whether the Board's internal financial controls secure the proper conduct in its financial affairs; • acting as a mentor to senior executives of TPAS, particularly in your area of specialist expertise; • where appropriate, represent TPAS externally, and to help it build relationships with key private and public sector players; <p>Their responsibilities are further outlined in the Board Code of Conduct. They are in line with the appropriate guidance.</p>
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	All non-executive Board members must be properly independent of management.	The non-executive Board members are properly independent of management and this is demonstrated by complying at all times with the TPAS operating principles and code of conduct. Evidence of this is reflected in TPAS' Board minutes
	All non-executive Board members must allocate sufficient time to the Board to discharge their responsibilities effectively. Details of Board attendance should be published (with an accompanying narrative as appropriate).	The minimum time commitment of Board members is agreed with DWP. Attendance at Board meetings is formally recorded and the information is published in the Annual Report and Accounts. The Remuneration Committee is responsible for reviewing Board members' time commitment and that it remains appropriate.
	There should be a proper induction process for new Board members. This should be led by the Chair. There should be regular reviews by the Chair of individual members' training and development needs.	The Chair ensures that new Board members have an induction plan in place. Board members performance and any development/training needs are discussed at least annually with individual members.
Effective Financial Management	Principle: The public body has taken appropriate steps to ensure that effective systems of financial management and internal control are in place.	Evidence
Supporting provisions Annual Reporting	The body must publish on a timely basis an objective, balanced and understandable annual report. The report must comply with HM Treasury guidance.	An Annual Report is published which is objective, balanced and understandable and complies with HM Treasury guidance. This is signed off by the Comptroller and Auditor General.
Internal Controls	The public body must have taken steps to ensure that effective systems of risk management are established as part of the systems of internal control.	There is a hierarchy of risk management which ensures that risks are discussed at the right level in the organisation. A strategic risk register is reviewed quarterly by TPAS Audit Committee and risks are reviewed and discussed by the full Board.

	The public body must have taken steps to ensure that an effective internal audit function is established as part of the systems of internal control. This should operate to Government Internal Audit Standards and in accordance with Cabinet Office guidance.	TPAS has an effective internal audit function which reports to the Audit Committee and operates to Government Internal Audit Standards. It provides an independent opinion on the adequacy and effectiveness of the organisation's risk management, control and governance processes. It provides an annual report which is a culmination of a continuous reporting process. TPAS is now part of DWP's audit 'family' so there is a clear line of sight to DWP's Head of Audit.
	There must be appropriate financial delegations in place. These should be understood by the sponsoring department, by Board members, by the senior management team and by relevant staff across the public body. Effective systems should be in place to ensure compliance with these delegations. These should be regularly reviewed.	DWP issue an annual delegation letter setting out TPAS's budget and headcount. TPAS has an internal Financial Schedule of Delegations which is periodically reviewed by the Audit Committee. In addition DWP has issued delegated authority to the CEO in relation to some of the Cabinet Office spending controls. These are regularly discussed at Accountability Review meetings and on an ad hoc basis as required. There are regular reports back to DWP & Cabinet Office on the controlled areas of expenditure.
	There must be effective anti-fraud and anti-corruption measures in place.	TPAS has a Fraud Policy and Fraud Response Plan in place. These procedures have been the subject of an internal audit. This is also covered in the Staff Code of Conduct.
	There must be clear rules in place governing the claiming of expenses. These should be published. Effective systems should be in place to ensure compliance with these rules. The public body should proactively publish information on expenses claimed by Board members and senior staff.	TPAS has rules in place regarding the claiming of expenses for staff and the Board and agreed sign off arrangements to monitor compliance. Details of Board members' and the Chief Executive's expenses are published on the TPAS website.
	The annual report should include a statement on the effectiveness of the body's systems of internal control.	TPAS Annual Report includes a Governance Statement which replaces the Statement of Internal Control.

Audit Committee	The Board should establish an audit (or audit and risk) committee with responsibility for the independent review of the systems of internal control and of the external audit process.	The Audit and Risk Management Committee is appointed by the Chair and consists of three non-executive members and reviews the completeness, reliability and integrity of the assurance framework, governance arrangements and advises the Accounting Officer and the Board. The Chief Executive and representatives of the DWP, internal auditors and National Audit Office (NAO) attend all meetings of the Committee.
External Auditors	The body should have taken steps to ensure that an objective and professional relationship is maintained with the external auditors.	TPAS works closely with the external auditors who are invited to attend the Audit Committee meetings. There is an objective and professional relationship between them and this is reflected in the NAO's Audit Completion report and the Audit Committee's Annual Report to the Board.
Communications	Principle: The Public Body is open, transparent, accountable and responsive.	Evidence
Supporting provisions Communications with Stakeholders	The public body should have identified its key stakeholders. It should establish clear and effective channels of communication with these stakeholders.	TPAS has identified its key stakeholders. The business plan and the Annual report make it clear that this is a key issue for them and that they are working closely with a range of organisations to ensure that effective communication channels are in place.
Communications with the Public	The public body should make an explicit commitment to openness in all its activities. It should engage and consult with the public on issues of real public interest or concern. This might be via new media. It should publish details of senior staff and Boards members together with appropriate contact details.	The TPAS website includes contact information including a dedicated e-mail address, mail and telephone details. The website includes a section containing corporate documents including information on the Board members, organisation maps, staffing data, Freedom of Information, transparency data, business plans, annual reports and accounts, expenditure and expenses. The website provides up to date information on all matters relating to pensions. TPAS uses Facebook and Twitter to reach a variety of audiences, as well as posting short video clips on key issues on its website.
	The public body should consider holding open Board meetings or an annual open meeting.	TPAS does not hold open Board meetings.

	The public body should proactively publish agendas and minutes of Board meetings.	TPAS does not publish agendas and minutes of Board meetings. These are however made available to the sponsor body.
	The public body should proactively publish performance data.	Performance information is published in the Annual Report, TPAS's Annual Review and their annual/corporate plan. All are available on TPAS's website.
	In accordance with transparency best practice, public bodies should consider publishing their spend data over £500. By regularly publishing such data and by opening their books for public scrutiny, public bodies can demonstrate their commitment to openness and transparency and to making themselves more accountable to the public.	TPAS publishes all spend over £500 on its website and all GPC transactions over £500 are published on GOV.UK. Annual accounts are published. See above on communications with the public.
	The public body should establish effective correspondence handling and complaint procedures. These should make it simple for members of the public to contact the public body and to make complaints. Complaints should be taken seriously. Where appropriate, complaints should be subject to investigation by the Parliamentary Ombudsman. The public body should monitor and report on its performance in handling correspondence.	TPAS has a three stage complaints process which is clearly set out on their website. This is simple and accessible for members of the public. As TPAS does not have a statutory basis, it is not appropriate for complaints about TPAS to be investigated by the Parliamentary Ombudsman. TPAS has robust procedures in place for monitoring performance in handling correspondence, publishes targets in its business plan and reports on performance in its Annual Review and Annual Report and Accounts.
Marketing and PR	The public body must comply with the Government's conventions on publicity and advertising. These conventions must be understood by Board members, senior managers and all staff in press, communication and marketing teams.	TPAS complies with the conventions on publicity and marketing and has effective controls in place on these categories of spend. This is reflected in the financial expenditure returns for DWP and the Cabinet Office.

	Appropriate rules and restrictions must be in place limiting the use of marketing and PR consultants.	TPAS has rules and financial controls in place limiting the use of marketing and PR consultants
	The public body should put robust and effective systems in place to ensure that the public body is not, and is not perceived to be, engaging in political lobbying. This includes restrictions on Board members and staff attending Party Conferences in a professional capacity	TPAS is aware of the restrictions around political lobbying. Rules and restrictions are in place to ensure that TPAS does not engage in political lobbying.
Conduct and behaviour	Principle: The Board and staff of the public body work to the highest personal and professional standards. They promote the values of the public body and of good governance through their conduct and behaviour.	Evidence
Supporting provisions Conduct	A Code of Conduct must be in place setting out the standards of personal and professional behaviour expected of all Board members. This should follow the Cabinet Office Code. All members should be aware of the Code. The Code should form part of the terms and conditions of appointment.	TPAS has a Code of Conduct for Board members, which is published on the TPAS website. It follows the Cabinet Office Code. All members are given a copy of the Code on appointment and it forms part of their terms and conditions.
	The public body has adopted a Code of Conduct for staff. This is based on the Cabinet Office model Code. All staff should be aware of the provisions of the Code. The Code should form part of the terms and conditions of employment.	TPAS has a staff Code of Conduct (and also one for its volunteers). All staff are made aware of the provisions of the Code and it forms part of their terms and conditions of employment.

	There are clear rules and procedures in place for managing conflicts of interest. There is a publicly available Register of Interests for Board members and senior staff. This is regularly updated.	This is covered in the Codes of Conduct. There is a register of interests for Board members and senior staff and this is kept updated. The register is not currently published but their biographies are and their interests are largely covered by these.
	There are clear rules and guidelines in place on political activity for Board members and staff. There are effective systems in place to ensure compliance with any restrictions.	This is covered in the Codes of Conduct. This is reinforced in staff meetings and when new staff are inducted.
	There are rules in place for Board members and senior staff on the acceptance of appointments or employment after resignation or retirement. These are effectively enforced.	These rules are set out in the terms and conditions of appointment and Code of Conduct. These are effectively enforced (including by DWP in respect of the Chair).
Leadership	Board members and senior staff should show leadership by conducting themselves in accordance with the highest standards of personal and professional behaviour and in line with the principles set out in respective Codes of Conduct.	For Board members this is covered in the Code of Conduct which includes the Seven Principles of Public Life and also covered by the Codes for staff at all levels and volunteers.

Annex C – The Pensions Ombudsman and the Pension Protection Fund Ombudsman

Statutory Accountability	Principle: The public body complies with all applicable statutes and regulations, and other relevant statements of best practice.	Evidence
Supporting provisions	The public body must comply with all statutory and administrative requirements on the use of public funds. This includes the principles and policies set out in the HMT publication “Managing Public Money” and Cabinet Office/HM Treasury spending controls.	The PO and the PPFO are tribunal NDPBs. The bodies comply with all statutory and administrative requirements on the use of public funds, including the principles and policies set out in ‘Managing Public Money’ and Cabinet Office/HM Treasury spending controls (The Ombudsman has specific delegated authority from DWP Ministers in relation to spending controls). This is achieved through internal management and financial controls, guidance to staff and appropriate delegation levels. Compliance is monitored and reported in the joint PO’s & PPFO’s Annual Report & Accounts and completion of a raft of regular returns requested by DWP and Cabinet Office. Discussed as appropriate at Quarterly Review meetings and with DWP Finance Business Partner.
	The public body must operate within the limits of its statutory authority and in accordance with any delegated authorities agreed with the sponsoring department.	PO/PPFO operates within the limits of their statutory authority. The bodies operate within the delegated authorities set out in the Framework Document; Accounting Officer (AO) delegation letter and the Ombudsman’s delegated spending control levels agreed with DWP.

	The public body should operate in line with the statutory requirements and spirit of the Freedom of Information Act 2000. It should have a comprehensive Publication Scheme. It should proactively release information that is of legitimate public interest where this is consistent with the provisions of the Act.	The bodies operate in line with the statutory requirements and spirit of the Freedom of Information Act. There is a comprehensive Publication Scheme set out on the website and the bodies proactively release information of legitimate public interest consistent with the provisions of the Act.
	The public body must be compliant with Data Protection legislation.	They are compliant with Data Protection legislation. There is a Privacy Statement on the website and DPA guidance included on leaflets and other communications. The Staff Guide includes a section on data protection. This is available to all staff on the intranet. All staff are also required to complete a Protecting Information Course annually. The introduction of a new IT system in 2013 means that they are now operating in an accredited IL3 environment.
	The public body should be subject to the Public Records Acts 1958 and 1967.	They are subject to the Public Records Act 1958 and 1967.
Accountability for Public Money	Principle: The Accounting Officer of the public body is personally responsible and accountable to Parliament for the use of public money by the body and for the stewardship of assets.	Evidence
Supporting provisions	There should be a formally designated Accounting Officer for the public body. This is usually the most senior official (normally the Chief Executive).	The Pensions Ombudsman has been designated as the AO for both bodies by letter from the Permanent Secretary, DWP. There is no Chief Executive.

	<p>The role, responsibilities and accountability of the Accounting Officer should be clearly defined and understood. The Accounting Officer should have received appropriate training and induction. The public body should be compliant with the requirements set out in “Managing Public Money”, relevant Dear Accounting Officer letters and other directions. In particular, the Accounting Officer of the NDPB has a responsibility to provide evidence-based assurances required by the Principal Accounting Officer (PAO). The PAO requires these to satisfy him or herself that the Accounting Office responsibilities are being appropriately discharged. This includes, without reservation, appropriate access of the PAO’s internal audit service into the NDPB.</p>	<p>The role, responsibilities and accountability of the AO are clearly defined and understood. The AO has received appropriate training. The responsibilities of the AO are set out in the Letter of Designation issued by the Permanent Secretary; in the PO’s Terms & Conditions of Appointment and in the Framework document agreed with DWP. The Framework document sets out the responsibilities of the PAO as well as the AO. This includes the PAO’s right of access into the bodies. The internal audit service is provided by DWP and the bodies are part of DWP’s audit ‘family’, so there is clear line of sight to DWP’s Head of Audit. The bodies are compliant with the relevant guidance.</p>
	<p>The public body should establish appropriate arrangements to ensure that public funds:</p> <ul style="list-style-type: none"> - are properly safeguarded; - used economically, efficiently and effectively; - used in accordance with the statutory or other authorities that govern their use; and - deliver value for money for the Exchequer as a whole. 	<p>The AO has responsibility for the propriety and regularity of the public finances allocated to the bodies and for the efficient and effective use of those resources. The Framework document includes a Financial Memorandum which sets out the financial framework they are required to operate under. Compliance measures include detailed internal monthly expenditure reports and forecasts reviewed by the bodies’ Management Team; the Stewardship Team’s monitoring of objectives and performance (including financial) targets as set out in the Corporate Plan and inspection by internal audit, the NAO and specific items raised by and discussed with the Audit Committee. The AO is supported by his management team in ensuring that corporate governance arrangements and internal controls are effective.</p>

	The public body's annual accounts should be laid before Parliament. The Comptroller and Auditor General should be the external auditor for the body.	The annual accounts are laid before Parliament by Secretary of State, DWP. The Comptroller and Auditor General is the external auditor.
Ministerial Accountability	Principle The Minister is ultimately accountable to Parliament and the public for the overall performance of the public body.	Evidence
Supporting provisions	The Minister and sponsoring department should exercise appropriate scrutiny and oversight of the public body.	Appropriate scrutiny and oversight of the bodies is secured through approval of the Annual/Corporate Plans including key performance indicators; annual budget sign off; quarterly reporting on financial and other performance at formal review meetings with the Stewardship team and through regular contact with DWP officials. A DWP observer attends Audit Committee meetings.
	Appointments to the Board should be made in line with any statutory requirements and, where appropriate, with the Code of Practice issued by the Commissioner for Public Appointments.	The PO/PPFO does not have a Board. The appointment of the PO/PPFO and his deputy is made by the Secretary of State in line with the statutory requirements and, as this post is regulated by the Office of the Commissioner for Public Appointments, the process is compliant with the Code. Appointment of the Ombudsman is also subject to pre-appointment scrutiny by the Work and Pensions Select Committee.
	The Minister will normally appoint the Chair and all non-executive Board members of the public body and be able to remove individuals whose performance or conduct is unsatisfactory.	There is no Board.

	The Minister should be consulted on the appointment of the Chief Executive and will normally approve the terms and conditions of employment.	There is no Chief Executive but the Secretary of State appoints the PO/PPFO and approves the terms and conditions of the appointment which are drawn up by DWP.
	The Minister should meet the Chair and/or Chief Executive on a regular basis.	The Minister for Pensions has visited the PO/PPFO's office and is updated on their work and matters of interest by DWP officials. Future meetings are scheduled with the Pensions Ombudsman.
	<p>A range of appropriate controls and safeguards should be in place to ensure that the Minister is consulted on key issues and can be properly held to account. These will normally include:</p> <ul style="list-style-type: none"> - a requirement for the public body to consult the Minister on the corporate and/or operational business plan; - a requirement for the exercise of particular functions to be subject to guidance or approval from the Minister; - a general or specific power of Ministerial direction over the public body; - a requirement for the Minister to be consulted by the public body on key financial decisions. This should include proposals by the public body to: (i) acquire or dispose of land, property or other assets; (ii) form subsidiary companies or bodies corporate; and (iii) borrow money; and - a power to require the production of information from the public body which is needed to answer satisfactorily for the body's affairs 	A range of appropriate controls and safeguards as set out opposite is in place to ensure that Ministers are consulted on key issues. These are set out in the Framework document and adhered to.

	There should be a requirement to inform Parliament of the activities of the public body through publication of an annual report.	There is a statutory requirement to produce an annual report. This is laid before Parliament by Secretary of State, is placed in the libraries in Parliament and is available on the PO's website.
Role of the Sponsoring Department		Evidence
Supporting provisions	The Departmental Board's regular agenda should include scrutiny of the performance of the public body. The Departmental Board should establish appropriate systems and processes to ensure that there are effective arrangements in place for governance, risk management and internal control in the public body.	There is a process in place to ensure regular feedback via the DWP sponsor team to the DWP Board on its ALBs' performance.

	<p>There should be a Framework Document in place which sets out clearly the aims, objectives and functions of the public body and the respective roles and responsibilities of the Minister, the sponsoring department and the public body. This should follow relevant Cabinet Office and HM Treasury guidance. The Framework Document should be published. It should be accessible and understood by the sponsoring department, all Board members and by the senior management team in the public body. It should be regularly reviewed and updated.</p>	<p>There is a Framework Document in place which sets out the bodies' aims, objectives and functions, and the roles and responsibilities of Secretary of State, DWP, the PAO and the AO and the two bodies. This requires updating to reflect all relevant current Cabinet Office and HM Treasury guidance. It is published on the PO's website and is accessible to and understood by the relevant parties. It is in the process of being reviewed and will be finalised following the outcome of the Triennial Review.</p>
	<p>There should be a dedicated sponsor team within the parent department. The role of the sponsor team should be clearly defined.</p>	<p>There is a dedicated sponsor team within DWP which has a clearly defined role.</p>
	<p>There should be regular and ongoing dialogue between the sponsoring department and the public body. Senior officials from the sponsoring department may as appropriate attend Board and/or committee meetings. There might also be regular meetings between relevant professionals in the sponsoring department and the public body.</p>	<p>There is regular and ongoing dialogue between DWP and the bodies which includes Quarterly Accountability Reviews, ad hoc contact, regular meetings with DWP Finance and an annual review between the Ombudsman and Director of Private Pensions. A DWP observer attends the PO's Audit Committee. The bodies have access to key professionals in DWP as required.</p>

Role of the Board	Principles: The public body is led by an effective Board which has collective responsibility for the overall performance and success of the body. The Board provides strategic leadership, direction, support and guidance. The Board – and its committees – have an appropriate balance of skills, experience, independence and knowledge. There is a clear division of roles and responsibilities between non-executive and executives. No one individual has unchallenged decision-making powers.	Not applicable. These are Tribunal bodies and they do not have a Board.
Supporting provisions	The Board of the public body should: <ul style="list-style-type: none"> - meet regularly; - retain effective control over the body; and - effectively monitor the senior management team 	
	The size of the Board should be appropriate.	
	Board members should be drawn from a wide range of diverse backgrounds	
	The Board should establish a framework of strategic control (or scheme of delegated or reserved powers). This should specify which matters are specifically reserved for the collective decision of the Board. This framework must be understood by all Board members and by the senior management team. It should be regularly reviewed and refreshed.	

	The Board should establish formal procedural and financial regulations to govern the conduct of its business.	
	The Board should establish appropriate arrangements to ensure that it has access to all such relevant information, advice and resources as is necessary to enable it to carry out its role effectively.	
	The Board should make a senior executive responsible for ensuring that appropriate advice is given to it on all financial matters.	
	The Board should make a senior executive responsible for ensuring that Board procedures are followed and that all applicable statutes and regulations and other relevant statements of best practice are complied with.	
	The Board should establish a Remuneration Committee to make recommendations on the remuneration of top executives. Information on senior salaries should be published. The Board should ensure that the body's rules for recruitment and management of staff provide for appointment and advancement on merit.	

	The Chief Executive should be accountable to the Board for the ultimate performance of the public body and for the implementation of the Board's policies. He or she should be responsible for the day-to-day management of the public body and should have line responsibility for all aspects of executive management.	
	There should be an annual evaluation of the performance of the Board and its committees – and of the Chair and individual Board members	
Role of the Chair	Principle: The Chair is responsible for leadership of the Board and for ensuring its overall effectiveness.	Not applicable. These are Tribunal bodies and there is no requirement for a Chair.
Supporting provisions	The Board should be led by a non-executive Chair	
	There should be a formal, rigorous and transparent process for the appointment of the Chair. This should be compliant with the Code of Practice issued by the Commissioner for Public Appointments ²⁷ . The Chair should have a clearly defined role in the appointment of non-executive Board members.	

	<p>The duties, role and responsibilities, terms of office and remuneration of the Chair should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance²⁸ and with any statutory requirements. The responsibilities of the Chair will normally include:</p> <ul style="list-style-type: none"> -representing the public body in discussions with Ministers; - advising the sponsoring Department and Ministers about Board appointments and the performance of individual non-executive Board members; - ensuring that non-executive Board members have a proper knowledge and understanding of their corporate role and responsibilities. The Chair should ensure that new members undergo a proper induction process and is normally responsible for undertaking an annual assessment of non-executive Board members' performance; - ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the sponsoring department or Ministers; - ensuring that the Board carries out its business efficiently and effectively; - representing the views of the Board to the general public; and - developing an effective working relationship with the Chief Executive and other senior staff. 	
	<p>The roles of Chair and Chief Executive should be held by different individuals.</p>	

Role of Non-Executive Board Members	Principle: As part of their role, non-executive Board members provide independent and constructive challenge.	Not applicable. These are tribunal bodies and do not have a Board.
Supporting provisions	There should be a majority of non-executive members on the Board.	
	There should be a formal, rigorous and transparent process for the appointment of non-executive members of the Board. This should be compliant with the Code of Practice issued by the Commissioner for Public Appointments	

	<p>The duties, role and responsibilities, terms of office and remuneration of non-executive Board members should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance³⁰ and with any statutory requirements. The corporate responsibilities of non-executive Board members (including the Chair) will normally include:</p> <ul style="list-style-type: none"> - establishing the strategic direction of the public body (within a policy and resources framework agreed with Ministers); - overseeing the development and implementation of strategies, plans and priorities; - overseeing the development and review of key performance targets, including financial targets; - ensuring that the public body complies with all statutory and administrative requirements on the use of public funds; - ensuring that the Board operates within the limits of its statutory authority and any delegated authority agreed with the sponsoring department; -ensuring that high standard of corporate governance are observed at all times. This should include ensuring that the public body operates in an open, accountable and responsive way; and - representing the Board at meetings and events as required. 	
	<p>All non-executive Board members must be properly independent of management³¹.</p>	

	All non-executive Board members must allocate sufficient time to the Board to discharge their responsibilities effectively. Details of Board attendance should be published (with an accompanying narrative as appropriate).	
	There should be a proper induction process for new Board members. This should be led by the Chair. There should be regular reviews by the Chair of individual members' training and development needs.	
Effective Financial Management	Principle: The public body has taken appropriate steps to ensure that effective systems of financial management and internal control are in place.	Evidence
Supporting provisions Annual Reporting	The body must publish on a timely basis an objective, balanced and understandable annual report. The report must comply with HM Treasury guidance.	An Annual Report is published which is objective, balanced and understandable and complies with HM Treasury guidance. This is signed off by the Comptroller and the Auditor General. The quality and clarity of the PO/PPFO's annual report has been identified as an exemplar of good practice.
Internal Controls	The public body must have taken steps to ensure that effective systems of risk management are established as part of the systems of internal control.	The strategic risk register is reviewed regularly by the organisation and quarterly by the Audit Committee. A Strategic Management Forum actively manages strategic risks and operational risks are dealt with by the management team.

	<p>The public body must have taken steps to ensure that an effective internal audit function is established as part of the systems of internal control. This should operate to Government Internal Audit Standards and in accordance with Cabinet Office guidance.</p>	<p>PO has an effective internal audit function which reports to the Audit Committee and operates to the Government Internal Audit Standards and in line with Cabinet Office guidance. It provides an independent opinion on the adequacy and effectiveness of the organisation's risk management, control and governance processes. It provides an annual report which is a culmination of a continuous reporting process. The Internal Audit function is provided by DWP. The bodies are now part of DWP's audit 'family' so there is a clear line of sight to DWP's Head of Audit.</p>
	<p>There must be appropriate financial delegations in place. These should be understood by the sponsoring department, by Board members, by the senior management team and by relevant staff across the public body. Effective systems should be in place to ensure compliance with these delegations. These should be regularly reviewed.</p>	<p>DWP issue an annual delegation letter setting out the bodies' budget and headcount. There is an internal Financial Schedule of Delegations which is periodically reviewed by the Audit Committee. In addition DWP has issued delegated authority to the Ombudsman in relation to some of the Cabinet Office spending controls. These are regularly discussed at Accountability Review meetings and on an ad hoc basis as required. There are regular reports back to DWP & Cabinet Office on the controlled areas of expenditure.</p>
	<p>There must be effective anti-fraud and anti-corruption measures in place.</p>	<p>Whistle blowing and Fraud strategies are in place. Information on anti-fraud and anti-corruption is available to staff in the staff guide which is available on the intranet. Financial processes are documented and controls on segregation of duties are operating effectively.</p>
	<p>There must be clear rules in place governing the claiming of expenses. These should be published. Effective systems should be in place to ensure compliance with these rules. The public body should proactively publish information on expenses claimed by Board members and senior staff.</p>	<p>There is a clear expenses policy in place. This is included in the staff guide which is published on the intranet. Expenses of senior staff are not routinely published but all expenditure over £500 is included in the transparency report which is published.</p>

	The annual report should include a statement on the effectiveness of the body's systems of internal control.	The PO's Annual Report includes a Governance Statement which sets out the internal control arrangements. It includes information on the governance framework; the role of the Audit Committee and the management team; and an analysis of risk management processes.
Audit Committee	The Board should establish an audit (or audit and risk) committee with responsibility for the independent review of the systems of internal control and of the external audit process.	There is an Audit and Risk Committee in place which consists of two independent members. Other invited attendees include the AO, Casework Director, Business Manager, auditors (internal and external) and a DWP observer. The Committee's role is to advise the Accounting Officer on the strategic processes for risk, control and governance.
External Auditors	The body should have taken steps to ensure that an objective and professional relationship is maintained with the external auditors.	The bodies work closely with the external auditors who attend the Audit Committee meetings. There is an objective and professional relationship between them and this is reflected in the NAO's Audit Completion report and the Audit Committee's Annual Report to the Board. The NAO produce an Audit Strategy before every annual audit which sets out the standards for the year.
Communications	Principle: The Public Body is open, transparent, accountable and responsive.	Evidence
Supporting provisions Communications with Stakeholders	The public body should have identified its key stakeholders. It should establish clear and effective channels of communication with these stakeholders.	They have set up a liaison group with key pensions industry stakeholders. They also hold regular meetings with TPR, TPAS, DWP and the Financial Ombudsman Service (with whom they have an agreed SLA). They also have specific relationship managers in place for the biggest pension schemes they deal with.

Communications with the Public	The public body should make an explicit commitment to openness in all its activities. It should engage and consult with the public on issues of real public interest or concern. This might be via new media. It should publish details of senior staff and Boards members together with appropriate contact details.	The website and leaflets explain to the public what the Ombudsmen do and how to contact them. A full range of transparency and financial data is available on the website. A selection of formal decisions made by the Ombudsmen is also published as reference information on specific issues. Information about the holders of Ombudsman and Deputy Ombudsman roles is published.
	The public body should consider holding open Board meetings or an annual open meeting.	There is no Board.
	The public body should proactively publish agendas and minutes of Board meetings.	There is no Board.
	The public body should proactively publish performance data.	Performance information is published in both the Annual Report and the corporate plan.
	In accordance with transparency best practice, public bodies should consider publishing their spend data over £500. By regularly publishing such data and by opening their books for public scrutiny, public bodies can demonstrate their commitment to openness and transparency and to making themselves more accountable to the public.	All spend over £500 is published on the website and all GPC transactions over £500 are published on GOV.UK

	The public body should establish effective correspondence handling and complaint procedures. These should make it simple for members of the public to contact the public body and to make complaints. Complaints should be taken seriously. Where appropriate, complaints should be subject to investigation by the Parliamentary Ombudsman. The public body should monitor and report on its performance in handling correspondence.	Effective correspondence handling procedures are in place. The public can contact the bodies directly via a dedicated e-mail address, by mail and by phone. This information is available on the website and on leaflets. There is a complaints procedure in place (including referral to the Parliamentary Ombudsman). Performance is analysed in the Annual Report and reviewed internally and quarterly with DWP.
Marketing and PR	The public body must comply with the Government's conventions on publicity and advertising. These conventions must be understood by Board members, senior managers and all staff in press, communication and marketing teams.	The bodies comply with the conventions on publicity and marketing and has spending controls in place on all categories of spend. They are understood internally. These are small bodies and do not have specialist press, communication and marketing teams.
	Appropriate rules and restrictions must be in place limiting the use of marketing and PR consultants.	The bodies have rules in place limiting the use of marketing and PR consultants and complies with the spending controls in place.
	The public body should put robust and effective systems in place to ensure that the public body is not, and is not perceived to be, engaging in political lobbying. This includes restrictions on Board members and staff attending Party Conferences in a professional capacity	Rules and restrictions are in place to ensure that PO does not engage in political lobbying. This is covered in the staff guide.
Conduct and behaviour	Principle: The Board and staff of the public body work to the highest personal and professional standards. They promote the values of the public body and of good governance through their conduct and behaviour.	Evidence

Supporting provisions Conduct	A Code of Conduct must be in place setting out the standards of personal and professional behaviour expected of all Board members. This should follow the Cabinet Office Code. All members should be aware of the Code. The Code should form part of the terms and conditions of appointment.	There is no Board. The Terms and Conditions of Appointment signed by the PO and DPO set out expected standards of behaviour and are in line with the Cabinet Office Code – they include the Seven principles of Public Life.
	The public body has adopted a Code of Conduct for staff. This is based on the Cabinet Office model Code. All staff should be aware of the provisions of the Code. The Code should form part of the terms and conditions of employment.	There is a Staff Guide which is based on the Cabinet Office model. Staff are aware of the Guide and it forms part of their terms and conditions of appointment.
	There are clear rules and procedures in place for managing conflicts of interest. There is a publicly available Register of Interests for Board members and senior staff. This is regularly updated.	The terms and Conditions of Appointment of the Ombudsman and the Deputy Ombudsman set out the requirement for managing any conflicts of interest. This is set out for staff in the Staff Guide. There is a register of interests and this is kept updated and published on the PO's website.
	There are clear rules and guidelines in place on political activity for Board members and staff. There are effective systems in place to ensure compliance with any restrictions.	The Terms and Conditions of Appointment of the Ombudsman and the Deputy Ombudsman set out guidelines relating to political activity. For staff, this is included in the Staff Guide.
	There are rules in place for Board members and senior staff on the acceptance of appointments or employment after resignation or retirement. These are effectively enforced.	There are no Board members. This is set out in the Staff Guide.

Leadership	Board members and senior staff should show leadership by conducting themselves in accordance with the highest standards of personal and professional behaviour and in line with the principles set out in respective Codes of Conduct.	The Ombudsman's and Deputy Ombudsman's Terms and Conditions of Appointment include the requirement to abide by the Seven Principles of Public Life. Staff are required to behave in line with the standards of behaviour set out in the Staff Guide.
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