

Pension schemes for States' employees - governance
2008



COMPTROLLER &
AUDITOR GENERAL

SECTION ONE ~ INTRODUCTION

1. This paper is the first report of a study of the two major pension schemes provided by the States for its employees: the Public Employees Contributory Retirement Scheme (PECRS) and the Teachers' Superannuation Fund (TSF). These reports are the outcome of a review of these two schemes which was announced in November 2006. The terms of reference for this review are reproduced as Appendix One to this paper.
2. The review was undertaken because the financial obligation to fund these two pension schemes is amongst the larger of the financial obligations contracted by the States of Jersey. It is a significant element of the remuneration package made available to the staff of the States and, in turn, this is the principal item of expenditure incurred by the States.
3. This first report examines the governance of the two pension schemes. A further report will examine the effectiveness of the States in managing its financial exposure to these two schemes and a final report will deal with the status of these two schemes.

Approach

4. It is not easy to define the term 'governance'. Perhaps as a result, there are many definitions. One of these is set out in a code for trust based voluntary sector bodies developed by the National Council for Voluntary Organisations (NCVO) and a number of other bodies. This defines governance as:

"The systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation"

5. These systems and processes are significant because they are the means by which an organisation assesses its obligations and the risks that must be managed in honouring its obligations. They are no less important for pension schemes than for other organisations: particularly because of the long term nature of their liabilities.
6. This review has focused on a number of aspects of the governance of these two pension schemes, following the approach of the Pensions Regulator (which is responsible within the United Kingdom for the regulation of employment-based pension schemes) in its Consultation Paper on Governance of Pension Schemes published in April 2007. In dealing with the question "what does the governance of pension schemes involve", that paper identified the following aspects of governance:
 - (1) The appropriate composition of the governing body.
 - (2) The knowledge and understanding of the members of the governing body.
 - (3) The relationships, including the management of conflicts of interest, of the governing body with:
 - (a) Employer;
 - (b) Advisers;
 - (c) Administrators;
 - (d) Scheme members; and
 - (e) Investment managers.
 - (4) The procedures of the governing body i.e., how the body's work is carried out; and
 - (5) The constitution of the governing body.

SECTION TWO ~ SUMMARY OF FINDINGS AND RECOMMENDATIONS

Principal findings

7. My principal findings are that:
- (1) the governance and management of PECRS have followed best practice for such schemes. As a result, the service and support provided to members of the scheme have been exemplary and the States' interests as employer have been reasonably protected.
 - (2) until 1 April 2007, the governance and administration of the TSF did not follow best practice. Since the implementation of reforms which took effect on that date, steps have been taken to ensure that, when the reforms have been fully implemented, the TSF follows best practice. Before implementation of the reforms, however, appropriate service and support were not provided to scheme members and the States' interests as employer were exposed to financial risk.
8. The implications of these shortcomings for the States' financial exposure to the financial cost of the TSF will be examined in a separate report.

PECRS - recommendations

9. I make only one recommendation in respect of PECRS and this concerns the adoption of a rotation policy in respect of membership of the Committee of Management which might¹, for example, provide that:
- (1) membership of the Committee of Management should be for a fixed term of (say) five years subject to the possibility that a member may be re-appointed for one further period of (say) five years.
 - (2) this policy should not apply to any members appointed on the grounds of external experience of the governance of pensions schemes, provided that the appointee can establish (on a regular basis) the possession of current and appropriate experience.
 - (3) introduction of a policy of rotation of membership should make appropriate arrangements to take account of the valuable service of existing members of the Committee of Management.

¹ The precise terms of the policy would require negotiations between the parties responsible for the nomination of members of the Committee of Management.

TSF – recommendations

10. A review of the governance and management of the TSF should be undertaken when the recently created Management Board has established itself.
11. My recommendation in respect of rotation of membership of the PECRS Committee of Management also applies to the Management Board of the TSF.

The States – recommendations

12. I recommend that, by whatever means appropriate, the States should consider the adequacy of its existing arrangements to monitor compliance with statutory obligations that reports should be made to the States with a view to making such additional arrangements as appear expedient to ensure compliance with such reporting requirements.

SECTION THREE ~ BACKGROUND

PECRS

Creation

13. PECRS is governed by regulations made under the Public Employees (Retirement)(Jersey)Law 1967 (the 1967 Law). The 1967 Law and the subsequent regulations provided a Contributory Pension Scheme in place of earlier non-contributory schemes following negotiations in the Civil Service Joint Council and the Manual Workers' Joint Council. Other classes of employees became involved, and at the request of the then Establishment Committee a co-ordinating group was set up in 1976 of members nominated by all the public service organisations concerned. This represented the interests of all public employees during negotiations with the 1986 Establishment Committee leading to revised PECRS regulations approved by the States in August 1989 (the 1989 regulations).
14. The revised regulations:
 - (1) introduced a revised (and somewhat reduced) schedule of benefits for members joining on or after 1 January 1988 of PECRS;
 - (2) preserved the benefits and the rights to accrue further benefits of those members who were already Scheme members before 1 January 1988;
 - (3) limited the obligation of the States to finance the pensions rights of new members of PECRS (i.e. members joining on or after 1 January 1988) whilst preserving the obligation of the States to meet pre-1987 obligations; and
 - (4) provided for the appointment of a Committee of Management.
15. Since the creation of PECRS, its coverage has been extended by the assimilation of one smaller scheme. The result is that, apart from the TSF which will be described below, the PECRS is now the single pension scheme for all of the States' employees.

Status

16. Under the 1989 reforms, PECRS was not made fully independent of the States and its funds remained funds of the States.² Accordingly, the Committee of Management was not created as an entity independent of the States.
17. These arrangements give rise to issues about the status and in particular the independence of PECRS which will be considered in a separate report.

Committee of Management

18. A Committee of Management was indeed appointed in March 1990 by which time what had previously been the co-ordinating group had become the Public Employees' Pension Scheme Joint Negotiating Group (JNG). The JNG deals with all pension matters put forward by its constituent unions and staff associations or any individual scheme members. It also deals with issues referred to it by the Committee of Management or the States Employment Board, negotiating with representatives of the latter and forwarding items for consideration by the former.
19. Members of the JNG are appointed by the constituent bodies in accordance with their own rules and include those then elected by the JNG as employee nominees for membership of the Committee of Management. These nominees together with employer nominees put forward by the Council of Ministers and Treasury and Resources Department are appointed by the States under the Regulations to form the Committee of Management. Both the JNG and the Council of Ministers are totally unfettered in making nominations.

Administration

20. Since its inception in 1967, the PECRS has been administered by the States Treasury. The Scheme changes in 1989 maintained this by specific regulation. The workload of the States Treasury increased as years passed as did that of pensions administration, notably in the early months of each year, and even more so every third year when scheme valuation details have to be extracted, checked and co-ordinated for the Scheme's Actuary.
21. The outcome was a shift towards staffing specifically for pensions work and in 2004 the formation of a dedicated Pensions Unit (DPU) within the Treasury, a development supported by the Committee of Management which arranged audit reviews of the DPU from the States Internal Audit Division and Watson Wyatt, independent consultants on pensions administration. The results of both audits reflected well upon the high quality of work carried out by the DPU.

² The position is complicated as it could be argued that the Committee of Management is independent in some respects but not in others. For example, the States passes the Scheme's rules as they are contained in legislation and the States appoint members of the Committee of Management. The Scheme's funds are held by the Treasurer on behalf of the Committee of Management in accordance with the provisions of the Regulations.

TSF

Creation of the TSF

22. Until 1979, teachers in the Island were members of a public sector pension scheme provided in United Kingdom for teachers. The Teachers' Superannuation (Jersey) Law 1979 (the 1979 Law), created a separate Teachers Superannuation Fund (TSF) of which teachers in the Island became members. At this point, a transfer payment was made to the TSF from the mainland scheme in respect of accrued pensions rights.
23. The TSF originally was overseen by the Education Committee. Administration services were provided by staff from the Department for Education and management of the investments of the Fund was supervised by the Treasury and Resources Department.
24. The revised arrangements for the management of PECRS implemented by the 1989 regulations had, at the time, no equivalent in the arrangements for management of TSF. In consequence, the benefits provided by the TSF, the States' unlimited financial responsibility for those benefits and the arrangement by which the Education Committee supervised the Scheme remained unreformed.

Developments in the late 1990's

25. During the 1990's some concern grew about the financial condition of the TSF. The contributions made by the States to the TSF in respect of teachers currently employed were calculated actuarially to meet the expense of the pensions to be paid to members on retirement. They were not however intended to cover the cost of increases of pensions when in payment (i.e. inflation-proofing). These increases were paid to pensioners as a charge against the Education Committee's annual budget. The effect was that there was no fund to meet the future costs of such increases which were expected to increase materially as a proportion of current employment costs.
26. There was also concern about the governance and management arrangements for TTS which were significantly different from the governance arrangements for PECRS.
27. For a number of years, concentration focused on the possibility that TSF and PECRS could be merged into a single fund (matching the assimilation by PECRS of other sectional pension arrangements). The work on a possible merger eventually came to nothing. The Committee of Management of PECRS was obliged to ensure that the merger would not lead to a dilution of the benefits of the PECRS membership. The deficiency within TSF was larger as a percentage of assets than that of PECRS. As a result, the existing security of PECRS benefits would have been diluted if a transfer had taken place with no additional funding. As no formal proposal to transfer TSF into PECRS was made, no formal negotiations on the funding requirement took place. However, the Committee of Management did indicate that a significant lump sum would have been required on transfer with additional funds to be made available within a relatively short period after the transfer. I understand that these requirements made the transfer of TSF into PECRS an unacceptable option for the States as Employer.
28. In the aftermath of that decision, it was decided that TSF should remain independent of PECRS and that reforms should be introduced which, inter alia would ensure that its governance arrangements (and financing arrangements) were similar to those surrounding PECRS.

29. These reforms required amendment of the 1979 Law which was eventually accomplished in the Teachers' Superannuation (Amendment No 2) (Jersey) Law 2007. That Law was closely followed by a series of Orders by which detailed changes to the TSF and its arrangements were made. Under these Orders a Management Board was created in the second quarter of 2007 and has since begun work.

State of PECRS and TSF

30. A brief summary of the financial state of these two schemes as at the dates of the last actuarial valuations is set out in Appendix Two.

SECTION FOUR ~ REVIEW OF GOVERNANCE

Introduction

31. As explained in the first section of this report, I analysed the governance arrangements of PECRS and TSF by reference to the issues raised by the Pensions Regulator. The result of that analysis is set out in Appendix Three.
32. For the purpose of this report, I have not reviewed the detailed administration arrangements of PECRS and TSF.
33. As I have already explained, when the DPU was created within the Treasury & Resources Department, the Committee of Management of PECRS arranged for the administration arrangements to be reviewed by both the States' internal auditors and external specialists. Those reviews led to complementary reports. There seemed little to be gained by my repeating this work.
34. The new Management Board of TSF is currently undertaking similar reviews of TSF's administration as a part of its programme of assessing the scheme for which it is taking responsibility. There also seemed little to be gained by my undertaking similar work in parallel.

PECRS

35. Although PECRS was not created as an entity (e.g. a trust) independent of the States, the Committee of Management has conducted itself to the greatest degree possible as if it were a trustee body with responsibility for an independent trust. In this, the Committee of Management was encouraged by advice from its legal advisers that the position of members of the Committee of Management was in effect that of members of a trustee body³. In consequence, the Committee of Management has a duty to act solely in the interests of the membership of PECRS.
36. As such, the Committee of Management appears to have followed the best practice evident in the United Kingdom for the management of pension schemes. Indeed, in some respects, the Committee of Management appears to have gone further. For example, the service provided to members of PECRS by the DPU with the support of the Committee of Management is admirable. Members are well informed both of the management of the scheme, its current financial position, and their entitlement to benefits. In addition, there is an advice service that provides information and advice to members in response to requests.
37. As a result of this review, (apart from questions concerning the status of PECRS which will be considered in a separate report) there is a single issue that merits attention.

³ I understand that HM Attorney General concurs with this advice.

38. The current membership of the Committee of Management includes a number of members who have remained in post for a considerable number of years. Whilst I warmly acknowledge the way in which the Committee has managed PECRS and thus have no criticism of the Committee's past performance, I believe that it is unwise for PECRS not to have a clear policy with regard to the rotation of members of the Committee of Management. Quite apart from any other matter, it is important that the members of the Committee of Management are known to and trusted by members of the scheme and there is a risk that members of long standing may become somewhat distant from members. Under present arrangements, members of the Committee of Management are nominated to serve for three years (which may subsequently be renewed) and both the JNG and the Employer have every opportunity to ensure that members of the Committee of Management are trusted and not distanced from the interests of Scheme members.
39. The Chairman of the Committee of Management is appointed by the States on the nomination of the Treasury & Resources Minister. In making a nomination, the Minister must have the support of a majority of member and employer representatives on the Committee of Management. The Committee of Management has decided the term of appointment of the Chairman and can only remove the Chairman by a majority vote from each side. In practice, the Chairman has been appointed for a series of three year periods after each of which the appointment has been referred back to the States. It is implicit in these arrangements that the Chairman should have appropriate experience of pension scheme governance.
40. The result is that the Chairman effectively stays in office for as long as he continues to have the confidence and support of both member and employer representatives on the Committee of Management. These arrangements appear entirely appropriate.
41. Accordingly, I recommend that a policy for rotating membership of the Committee of Management should be adopted which might for example provide that:
- (1) membership of the Committee of Management should be for a fixed term of (say) five years subject to the possibility that a member may be re-appointed for one further period of (say) five years.
 - (2) this policy should not apply to any member appointed on the grounds of external experience of the governance of pensions schemes, provided that the appointee can establish (on a regular basis) the possession of current and appropriate experience.
 - (3) introduction of a policy of rotation of membership should make appropriate arrangements to take account of the valuable service of existing members of the Committee of Management.

TSF

42. It is evident that between 1979 and 2007, the governance of the TSF was seriously deficient with the consequence that:
- (1) the governance of the TSF was in the hands of the Education Committee which was demonstrably not in a position to discharge its responsibilities to either the States or the members of the TSF.
 - (2) the services made available to members of the TSF did not match best practice (and did not parallel the services made available by PECRS to its members).
 - (2) the reports of the actuarial valuations of the TSF were not published by way of reports to the States as required by the 1979 Law.
43. The Education Committee which had responsibility for oversight of the TSF for most of the period since the 1979 Law was passed, consisted of members of the States who could not reasonably have been expected to have the experience of pensions schemes necessary to understand the full financial implications of the decisions that they were invited to make for either members of the Scheme or the States. This may have led to the persistence for many years of an arrangement by which annual increases of pensions in payment were funded from the Department for Education's annual budget. It may also have led to the failure to consider whether restrictions to the States' obligation to fund PECRS (introduced by the 1989 Law) should not also be introduced with regard to the TSF.
44. For the years following 1989, it is possible to compare the performance of the Education Committee in overseeing the TSF with that of the PECRS in overseeing that scheme. Since both of these schemes concern different groups of the States' staff, it is difficult to understand why services of the type made available to staff by PECRS should not also have been made available to members of the TSF⁴. Similarly, it is difficult to understand why the attitude taken towards the limitation of the States' exposure to the costs of PECRS should not have been matched by a similar attitude taken towards exposure to financing the benefits offered by the TSF. This latter subject will be the subject of a detailed separate report.
45. The TSF reforms in the form of the 2007 Law and the creation of a new Board of Management offer the prospect of correcting the position. In my view, it would be appropriate for a further review of the governance and management of the TSF to be undertaken in two or three years when the new Management Board has established itself.
46. I believe that my recommendation in respect of the rotation of membership of the Committee of Management of PECRS should also be applied to the new Board of Management of the TSF.

⁴ I acknowledge that negotiations concerning the provisions of the TSF would have involved different parties from negotiations concerning the PECRS. This may have led to different arrangements being made by the two schemes.

The States

47. I have noted above that between 1979 and 2005, the TSF failed to comply with a requirement in the 1979 Law that regular actuarial valuations of the TSF should be reported to the States. As far as I am aware, this failure was not noted by the States.
48. On enquiry, I have established that the States have made no arrangement to monitor whether statutory requirements for reports to be made are indeed honoured. Indeed, as far as I am aware, the States have not maintained a register of all such reporting obligations.
49. I have not been able to assess the administrative burden that creation of such a register would involve. Moreover, it cannot be said that appropriate action would have been taken even if the TSF's actuarial valuation reports had been submitted to the States. All that can be said is if the reports had been made, the issues surrounding financing of the TSF might have been more broadly understood. However, it cannot be satisfactory that the consequences of honouring a statutory reporting obligation can be avoided by the simple device of not submitting a report.
50. This raises questions about the adequacy of the States' oversight of such matters.
51. I recommend that: by whatever means appropriate, the States should consider the adequacy of its existing arrangements to monitor compliance with statutory obligations that reports should be made to the States with a view to making such additional arrangements as appear expedient to ensure compliance with such reporting requirements.

APPENDIX ONE ~ TERMS OF REFERENCE

1. This review is commissioned in accordance with the powers of the Comptroller & Auditor General as set out in the Public Finance (Jersey) Law 2005 to take place in the light of:
 - (1) interest in the costs incurred by the States in making appropriate pension provision for States employees, and
 - (2) concern about the future management of the States' liabilities in this respect.

2. The purpose of the review is to examine:
 - (1) the development, constitution and governance arrangements of the two principal pension schemes concerned (i.e. Public Employees Contributory Retirement Schemes and the Teachers' Superannuation Fund);
 - (2) the current financial condition of the two schemes;
 - (3) the States' future liability in respect of the two schemes; and
 - (4) any other detailed matters that appear relevant to items (1) to (3) above and the issues to which paragraph 1 above refers.

3. The outcome of the review will be a report prepared and published in accordance with the provisions of the Public Finance Jersey Law 2005.

APPENDIX TWO ~ SUMMARY OF THE STATE OF PECRS AND TSF

This table sets out a brief summary of the position of each of the States' two principal pension schemes as at the date of the most recent actuarial valuations. As the valuations were prepared by different actuaries, working under separate instructions, the assumptions on which the two valuations were based and in some respects the valuation methods applied differ from each other.

	PECRS	TSF
Date at which the last actuarial valuation report was prepared	31 December 2004	31 December 2001
Responsible actuaries	Hewitt	Government Actuary's Department
Active members	6,200	1,044
Average age of active members	44.53 years	
Deferred pensioners	946	690
Pensioners	2,713	501
Actuarial valuation of the liabilities of the scheme – in respect of past service	£929,400,000	£212,500,000 (including the cost of increases of pensions in payment)
Actuarial value of assets	£889,600,000 (including the value of the States pre-1987 debt contributions)	£154,900,000
Actuarial deficit in respect of past service	£39,800,000 (after taking account of the actuarial value of the States pre-1987 debt contributions)	£57,600,000
Actuarial valuation of the liabilities of the scheme – in respect of future service	£354,500,000	£82,500,000 (including the cost of increases of pensions in payment)
Actuarial value of future contributions	£376,900,000	£75,200,000
Actuarial deficit/(excess) in respect of future service	£(22,400,000)	£7,300,000 (including the actuarial cost of increases of pensions in payment)
Overall actuarial deficit	£17,400,000	£64,900,000

APPENDIX THREE ~ REVIEW OF GOVERNANCE

Issue	PECRS	TSF
<p>COMPOSITION OF THE GOVERNING BODY - does its composition provide adequate representation for interest groups?</p> <p>- is there appropriate rotation of members?</p>	<p>Members of the Committee of Management are appointed by the States on the nomination of the Treasury & Resources Minister. By agreed custom and practice, appropriate representation is arranged for all interested parties.</p> <p>In this respect, PECRS has followed best practice.</p> <p>There does not appear to have been consideration of the need for an agreed policy on rotation of membership of the Committee of Management.</p>	<p>Until implementation of the 2005/2006 reforms, there was no discrete governing body for the TSF. The body with responsibility for managing the TSF was the Education Committee (before the introduction of Ministerial Government) and the Education Minister thereafter. This was inappropriate for three reasons.</p> <p>Firstly, it did not take appropriate account of all the parties which should have been represented in the body managing the TSF. In fact, the only body in which employee representatives were involved was a group that met annually to consider investment performance.</p> <p>Secondly, the arrangement was unsatisfactory because it created a conflict between the Committee's (and subsequently the Minister's) interest as employer of the members of the TSF and the interest of the TSF itself. The 2005/2006 reforms dealt with this unacceptable conflict by creating a new Management Board on lines similar to those of the PECRS Committee of Management.</p> <p>Thirdly, the arrangement confused the extent of the States' financial obligation to the TSF because the States had complete responsibility for the management of the TSF.</p> <p>In this respect, TSF has not followed best practice.</p> <p>Whilst the Education Committee was in effect the governing body, the question of rotation did not arise.</p>

<p>IS THERE AN APPROPRIATE RELATIONSHIP WITH THE STATES AS EMPLOYER?</p>	<p>The Committee of Management operates independently of the States as employer notwithstanding the fact that members are appointed by States on the nomination of the Treasury & Resources Minister. Further the Scheme is advised by advisers who are independent of the employer.</p> <p>However, the Scheme is not formally independent of the States as employer: its funds remain funds of the States, and its rules are set by the States as formal legislation. In other words, the constitution of the Scheme does not follow best practice as, for example, an independent entity perhaps as a Trust. These matters are to be the subject of a separate report.</p> <p>Within the limits of its constitutional position, the Committee of Management has attempted to adopt best practice in this respect.</p> <p>However, the constitutional position does not follow best practice. This matter will be the subject of a separate report as an outcome of this review.</p>	<p>Until implementation of the 2005/2006 reforms, there was not a separate body governing the TSF. The relationship with the States as employer was thus confused (as has been explained above).</p> <p>The position has been partly resolved by the creation of a new Management Board. However the constitutional position of the Management Board is similar to that of PECRS' Committee of Management and is thus subject to similar objections. This also will be the subject of a separate report.</p>
<p>IS THERE AN APPROPRIATE RELATIONSHIP WITH ADMINISTRATORS?</p>	<p>Administration is the responsibility of a Dedicated Pensions Unit in the Treasury & Resources Department: which is paid for by the Scheme. The Regulations require that the Treasurer of the States should undertake the administration of the Scheme. The Committee of Management does not have the power to place the administration of the Scheme in other hands.</p>	<p>Administration has been the responsibility of a member of the Education Department's staff.</p>
<p>ARE THE GOVERNING BODY'S PROCEDURES APPROPRIATE?</p> <p>- are meetings regular?</p> <p>- are meetings properly recorded?</p>	<p>The Committee of Management appears to have followed best practice.</p>	<p>It is to be presumed that the new Management Board will adopt best practice.</p>

<p>IS THERE AN APPROPRIATE RELATIONSHIP WITH ADVISERS?</p>	<p>Legal advisers to the Scheme are appointed by the Committee of Management after competitive tendering.</p> <p>Investment advisers to the Scheme are appointed after competitive tendering.</p> <p>Investment managers to the Scheme are appointed after competitive tendering on the basis of advice from the advisers. The performance of the investment managers is monitored on the basis of regular reports from the investment advisers.</p> <p>(It should be noted however that PECRS' investment policy has been subject to formal approval by the Treasury & Resources Minister: a further example of the constraints upon PECRS' independence.)</p> <p>Actuaries to the Scheme are appointed after competitive tendering</p> <p>Auditors are appointed after competitive tendering.</p> <p>Thus:</p> <ul style="list-style-type: none"> - the Scheme has adopted appropriate processes to appoint adviser. - the appointments have been made by the Scheme, so that the risk of any conflict of interests has been limited. - the Scheme appears to have adopted best practice in these respects. 	<p>Before implementation of the 2005/2006 reforms, appointment of investment advisers was undertaken by the Treasury & Resources Department and appropriate processes appear to have been followed.</p> <p>Since transfer of members from the UK mainland scheme in 1979, the Government Actuaries Department in Whitehall has continued to act; but appointed in effect by the Education Department/Committee on behalf of the Scheme and not by the Scheme itself.</p> <p>For some years, the accounts of the Scheme had not been audited, so that auditors were not appointed. Auditors have now been appointed by the new Management Board following an appropriate process.</p> <p>Thus:</p> <ul style="list-style-type: none"> - the Scheme has not appointed its own advisers. Such advisers as were appointed were appointed by the Education Committee of the Education Department with a consequent risk that there was a conflict between the interests of the Department and those of the Scheme and members. - in these respects, best practice has not been adopted. <p>It is to be expected that the new Management Board will adopt best practice in this regard.</p>
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<p>IS THERE AN APPROPRIATE RELATIONSHIP WITH SCHEME MEMBERS?</p>	<p>Members receive:</p> <ul style="list-style-type: none"> - annual benefits statements. - free access to the annual report of the Committee of Management, including the annual audited accounts. - a regular comprehensive newsletter summarising and drawing attention to all salient aspects of the above. <p>Members may also:</p> <ul style="list-style-type: none"> - seek information and advice from the Dedicated Pensions Unit within the Treasury & Resources Department. <p>In these respects, PECRS appears to have adopted best practice with regard to the provision of regular information to scheme members.</p>	<p>None of the forms of communication organised for members of PECRS are matched by arrangements for the TSF.</p> <p>Thus, past practice has not been consistent with best practice on the mainland.</p> <p>It is to be presumed that the new Management Board will adopt practices similar to those of PECRS.</p>
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<p>IS THERE AN APPROPRIATE RELATIONSHIP WITH THE STATES ASSEMBLY?</p>	<p>Annual reports are submitted to the States.</p> <p>Annual audited accounts are submitted to the States in the context of annual reports.</p> <p>Actuarial valuation reports are submitted to the States regularly.</p> <p>Reports on the action taken with regard to actuarial valuations are consistently reported to the States.</p> <p>In these respects, the PECRS appears to have acted in accordance with its obligations under the Law and with best practice.</p>	<p>Annual reports have not been prepared in the past.</p> <p>Annual audited accounts have not been prepared. The new Management Board has now commissioned such accounts.</p> <p>In contravention of the 1979 Law, actuarial valuations were not submitted to the States until the last valuation report was submitted in the context of the reform proposals in 2005/2006.</p> <p>No reports were submitted to the States.</p> <p>In these respects, the TSF has not acted in accordance either with its obligations under the Law or with best practice.</p> <p>It should be acknowledged that reports of actuarial valuations were made to the Education Committee. However, the 1979 Law required that reports should have been made to the States.</p>
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