

Guidance for trustees

Sample board evaluation questions

February 2018

The Pensions
Regulator

How effective is your trustee board?

There are many ways to evaluate how effective your board is, and a number of services and free resources available from third parties. The example questions below are not intended to be an exhaustive list, but as well as helping you assess how effectively your board is structured and how it operates, there are questions which will help you consider your skills and decision-making.

Each board member should assess their skills, behaviours, knowledge and understanding based on those they've identified in the skills matrix. Then they can identify strengths and weaknesses and any skills gaps. These self-assessments, along with feedback from the chair, other board members and advisers, will provide valuable information for your board evaluation.

Sample questions

| Board effectiveness | Strongly agree | Agree | Unsure | Disagree | Strongly disagree |
|--|----------------|-------|--------|----------|-------------------|
| All board members have a clear understanding of their role and accountabilities and the roles of other key participants in the scheme | | | | | |
| We have an effective structure in place to regularly monitor delegated activities | | | | | |
| Our trustee board has the relevant skills to manage the scheme and is committed to continual development | | | | | |
| We have clear strategic objectives which inform all that we do | | | | | |
| We regularly review our business strategy and monitor progress against objectives | | | | | |
| We have enough time and resource to effectively manage the scheme | | | | | |
| We meet as frequently as we need to in order to manage the business of the scheme | | | | | |
| Board papers are timely, relevant and focused on priorities | | | | | |
| Meeting minutes are accurate and record decisions made and actions agreed | | | | | |
| We are fully briefed on the agenda of meetings and prepared to discuss each item | | | | | |
| Our trustee board maintains an appropriate open, transparent and constructive relationship with scheme employers | | | | | |
| We have effective processes for the employer to provide information to the scheme | | | | | |
| We have an effective selection process for appointing advisers and service providers | | | | | |
| We understand the value added by our advisers and services providers and are clear on the standards against which we measure their performance | | | | | |

| Board effectiveness <small>ctd</small> | Strongly agree | Agree | Unsure | Disagree | Strongly disagree |
|---|----------------|-------|--------|----------|-------------------|
| We have a documented process for periodically reviewing our advisers and service providers | | | | | |
| We regularly assess and openly discuss the performance of advisers and service providers against clear objectives and service level agreements | | | | | |
| We are clear on our risk appetite (and the employers risk appetite/capacity for DB schemes) and take full account of risk in our decision-making | | | | | |
| We maintain and regularly review a risk register to formally log risks, evaluation of likelihood and impact, and steps taken to manage or mitigate them | | | | | |
| We regularly review our schemes exposure to new and existing risks | | | | | |
| We maintain a documented process for managing conflicts of interest including a register of interests | | | | | |
| Our advisers and service providers have a documented process for managing conflicts of interest which we have reviewed | | | | | |
| All conflicts of our advisers and service providers are declared | | | | | |
| All conflicts of the board are declared and managed in line with our policy | | | | | |
| We maintain an effective process for assessing the fitness and propriety of new trustees | | | | | |
| We have a diverse membership on our board which includes different backgrounds, experience, skills and demographics | | | | | |

| Behaviours | Always | Often | Sometimes | Rarely | Don't know |
|---|--------|-------|-----------|--------|------------|
| Our board has effective leadership | | | | | |
| Discussions are facilitated to allow all to contribute in order to seek opinion and develop ideas | | | | | |
| We actively listen without ulterior motive or judgement and respond appropriately | | | | | |
| We work collaboratively to develop good working relationships | | | | | |
| We communicate clearly and openly to ensure understanding | | | | | |
| We take responsibility for our actions | | | | | |
| We have an effective process for managing conflict resolution | | | | | |
| We are able to have difficult conversations and challenge each other constructively | | | | | |
| We are not afraid to ask the obvious or simple questions to ensure collective understanding | | | | | |
| Our decisions are not unduly influenced by someone's experience or expertise | | | | | |
| Any decisions to take no action are informed and consciously made | | | | | |
| We are aware of our own strengths and weaknesses and undertake continual learning and development | | | | | |
| We are motivated and devote time and effort to our duties and responsibilities as trustees | | | | | |
| We understand and are each committed to the objectives of the scheme | | | | | |
| We act with transparency and integrity, declaring and managing any personal conflicts of interest | | | | | |

| Trustee knowledge and understanding | Strongly agree | Agree | Unsure | Disagree | Strongly disagree |
|---|----------------|-------|--------|----------|-------------------|
| We maintain and regularly review our process for training new trustees within 6 months | | | | | |
| We have access to appropriate learning and development resources to ensure our knowledge and understanding is maintained | | | | | |
| We have access to training which is linked to the scheme's business plan to enable informed decision-making | | | | | |
| All trustees have completed the Trustee toolkit or equivalent training | | | | | |
| We regularly assess our knowledge and understanding to inform our individual learning and development plans | | | | | |
| We maintain and regularly review a board skills matrix to ensure we have or have access to the appropriate skills to meet the objectives in our business plan | | | | | |
| Skills gaps are identified and appropriately managed through training, access to advisers and/or co-opting resources | | | | | |

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Free online learning for trustees

www.pensionseducationportal.com

Free online learning for those running public service schemes

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