

Pension Advisory Board

4 September 2019

Review of Pension Fund policy documents

Report by Director of Finance and Support Services

Summary

Following the review of the Terms of Reference of the Pension Advisory Board in 2018 it was agreed to update the regular agenda items including the review of policy documents.

Recommendations

- (1) That the Board note the register of policy documents
- (2) That the Board feedback on the policy presented at the meeting

Background

1. The Pension Regulator Code of Practice 14 requires that "Pension board members must be conversant with their scheme rules, which are primarily found in the scheme regulations, and documented administration policies currently in force for their pension scheme".
2. Under the recent review of the Boards Terms of Reference it was agreed that the regular agenda items would be increased to include, amongst others, a review of policy documents.
3. By reviewing policy documents on a regular basis the Board will be fulfilling their role in supporting the Scheme Manager by ensuring compliance with regulations. This would also assist members in ensuring they have the relevant knowledge and understanding.

Pension Fund policy documents

4. The Pension Fund is required by law to keep and maintain a number of policy documents. A list of all Pension Fund Policy Documents is included at Appendix A.
5. It is proposed that as policies are reviewed by Officers they will be presented to the Board for review against Regulations or Guidance.

Annual Report

6. The Pension Fund's 2018/29 Annual Report has been provided for the Board's review (Appendix D).

7. The draft Annual Report was considered by the Pension Panel at their meeting on 24 July. The Panel agreed the report and noted the Statements of Accounts and the comments by the External Auditors. The report has since been published online.
8. The Regulations require the County Council to prepare an Annual Report. An extract is included in Appendix B. The Regulations require that "In preparing and publishing the pension fund annual report, the authority must have regard to guidance given by the Secretary of State". In this context, CIPFA's has published guidance on Preparing the Annual Report 2019 (published April 2019), which is available on request.
9. The CIPFA guidance uses 'Must', 'Should' and 'May' in relation to compliance and states that where significant variation from the guidance is considered appropriate an explanation should be provided.

Criteria	Commentary
Must	Compliance is mandatory. Any non-compliance should be clearly identified in the annual report and an explanation provided. The Fund is compliant with 81% of these requirements.
Should	Compliance is anticipated but is discretionary. Where non-compliance may be significant or material for the readers the non-compliance should be identified and explained. The Fund is compliant with 67% of these requirements.
May	Compliance is recommended but is discretionary.

10. A full checklist is included within the CIPFA guidance. Appendix C indicates where the Pension Fund's latest Annual Report is not fully compliant with aspects of the guidance. As identified, there are a few areas where it has not been possible to meet the guidance in full due to factors including the timing of publication of the guidance, the transfer of administration to a new provider and the availability of information.

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Appendices

Appendix A – List of All Policy Documents

Appendix B – Regulation Extract relating to Annual Report

Appendix C – Exceptions to compliance with *Preparing the Annual Report 2019*

Appendix D – Annual Report

Background Papers

[Pension Panel Report Agenda Item 6 Annual Report and Accounts \(24 July 2019\)](#)