

## **Pension Advisory Board**

**28 July 2023**

### **Review of Pension Fund Policy Documents**

#### **Report by Director of Finance and Support Services**

---

#### **Summary**

It has been agreed that the Pension Advisory Board will review relevant policy documents as part of its ongoing agenda.

#### **Recommendations**

- (1) That Board note the register of Policy Documents
  - (2) That the Board provides feedback on the policy documents presented at the meeting in respect of their compliance with regulations and guidance.
- 

#### **Proposal**

##### **1 Background and context**

- 1.1 The Pension Regulators 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.
- 1.2 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 of the Scheme.

##### **2 Pension Fund Policy Documents**

- 2.1 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. It is proposed that as policies are reviewed by officers they will be presented to the Board for review against Regulations or Guidance.

##### **3 Annual Report**

- 3.1 The Regulations require the County Council to prepare an Annual Report. The relevant regulation 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.

- 3.2 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.
- 3.3 A full checklist is included within the CIPFA guidance. Appendix C indicates where the Pension Fund's Annual Report for 2022/23 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 mainly due to the applicability of the guidance.

<b>Criteria</b>	<b>Commentary</b>
<b>Must</b>	Compliance is mandatory. Any non-compliance should be clearly identified in the annual report and an explanation provided.  The Fund is compliant with 97% of these requirements.
<b>Should</b>	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 88% of these requirements.
<b>May</b>	Compliance is recommended but is discretionary.

- 3.4 The draft Annual Report for 2022/23 was considered by the Pension Committee at their meeting on 26 July. A copy of the report will also be shared with all employers.
- 3.5 The Statements of Accounts was published within the statutory timeframe and are available on the County Council website. They will be considered for approval by the County Council Regulation, Audit and Accounts Committee 1<sup>st</sup> December.
- 3.6 Feedback is also invited on the Annual Report Summary which is included as appendix E.

Taryn Eves

**Director of Finance and Support Services**

**Contact Officer:** Rachel Wood, Pension Strategist, 033 022 23387

### **Appendices**

Appendix A - Register of Policy Documents

Appendix B - Regulation extract relating to Annual Report

Appendix C - Exceptions to compliance with Preparing the Annual Report 2022/23

Appendix D - Draft Annual Report 2022/23

Appendix E - Draft Annual Report Summary 2022/23