

Pension Advisory Board

26 July 2021

Review of Pension Fund Policy Documents

Report by Director of Finance and Support Services

Summary

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

Recommendations

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

- 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.

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 97% 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 88% of these requirements.
May	Compliance is recommended but is discretionary.

- 3.3 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 mainly due to the applicability of the guidance.
- 3.4 The draft Annual Report for 2020/21 was considered by the Pension Panel at their meeting on 21 July. A copy of the report will also be shared with all employers.
- 3.5 The Statements of Accounts, which form an appendix within the report were not available at the time of the meeting. They will be considered for approval by the County Council Regulation, Audit and Accounts Committee in September.

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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 2019*

Appendix D - Annual Report

Appendix E - Annual Report Summary

Background papers

None