

Extracts from:

the guide for

# local pension boards



# Local pension board – suggested annual work programme

Please note these are not intended as definitive lists, and individual boards will wish to customise to fit local circumstances.

### OPERATIONAL

---

- Administration update (including KPI monitoring).
- Pension fund statement of accounts.
- Pension fund annual report.
- Pension fund audit report.
- Local pension board annual report.
- Terms of reference and membership of the board.
- Monitoring of investment performance and funding ratios.
- Triennial and interim actuarial valuations and GAD reports.
- Appointment of advisors.
- Progress report on the arrangements for pooling.
- Risk register.
- Board's training plan.
- Review of the fund's business plan and forward plan.
- Board's work plan.
- Update on the work of the SAB.
- Changes to the scheme's regulations.

### STRATEGIC

---

- Investment strategy: oversight.
- Administration strategy.
- Risk management strategy.
- ESG strategy: oversight.
- Breaches of law policy.

- Review of the fund's governance.
- Administering authority's discretions policy.
- Member communication's strategy.
- Conflicts of interest policy.
- Annual review of the board's terms of reference.

# Twenty-one quick questions and a final thought

1. Have the board's terms of reference recently been reviewed in the light of experience?
2. Are the terms of service of board members staggered to avoid the cliff-face scenario to which a pensions committee is unavoidably exposed?
3. Is the process for appointing new board members practical and speedy, or too time-consuming? Are opportunities taken to identify potential future board members?
4. Is there a documented plan to bring new board members up to speed within an acceptable timescale? Is the training plan comprehensive and regularly reviewed?
5. Is there appropriate and regular contact between the chairs of the board and the committee?
6. Does the committee commission any work from the board, such as risk reviews, breaches log etc? If not, could this be considered?
7. Are the feedback mechanisms from board to committee in place, appropriate and effective?
8. Do investment issues have too high a profile on the agenda of the board?
9. Is there a timely process for identifying new risks?
10. Is TPR's Code of Practice 14 kept under regular review?
11. Has the pension fund failed to return any surveys issued by either TPR or the SAB? If so, are steps in place to ensure future surveys are completed? If not, non-completion itself could be flagging up issues to both bodies.
12. Does your fund have an outsourced or shared services arrangement for scheme administration? If so, have you seen and followed TPR's *Managing Service Providers* guidance?
13. If scheme administration is in-house, is there a reluctance to record, or perhaps more importantly, report any breaches caused either by the pensions team or by other departments of the administering authority, eg HR department?
14. Is there a similar reluctance to record and where appropriate report any breaches caused by other councils in the fund?
15. If you have reported any breaches, have you included plans and timescales for rectifying the situation and preventing its recurrence? Should future breaches require reporting, it's advisable simultaneously to include rectification plans.
16. Do you have a data improvement plan? Or currently planning to implement one? Are the desired outcomes, with appropriate resources, clearly identified (see TPR guidance)?

17. When cleansing data, is priority given to the records of those approaching retirement?
18. Is the information on your website regarding the board easily accessible, complete and up to date?
19. Has the board had oversight of the responsible investment policy of the fund? If not, is it in the work programme?
20. Does the fund have an administration strategy? If not, would it be helpful to introduce one?
21. Has the administering authority fully considered and concluded the issue of insurance cover for board members?

## AND FINALLY

---

The board has an important role in supporting the pensions administration function. It can often be the case that the main decision making committee or panel focuses on investment matters and has less time for the administration function. The quality of the pension members' experience is of critical importance and boards can raise the profile of the pension administration function by regularly devoting time to it on their agendas.