

JOHN RAISIN FINANCIAL SERVICES LIMITED**The Nottinghamshire Local Pension Board****Pension Board Training Proposal**
Pensions Accounting, Auditing & Reporting**A paper by the Advisor to the Pension Board**
November 2023**Purpose**

This paper makes proposals in respect of the provision of training by the Advisor to the Board in respect of Pensions Accounting, Auditing and Reporting. This will provide training in respect one of the eight “core” areas of Knowledge and Skills for Pension Board Members as identified in the CIPFA Knowledge and Skills Framework for Local Pension Boards (2015). Training on this aspect of the Framework was last provided prior to 2020 and therefore it is suggested that all Members of the Board attend this Training session.

Background

The September 2022 Pension Board meeting received a paper from the Advisor to the Board entitled “Pension Board Training Programme.”

There is a legislative requirement for Pension Board Members to have “*knowledge and understanding*” of pensions law and be “*conversant*” with Scheme Regulations and Fund documents as required by the Pensions Act 2004 as amended by the Public Service Pensions Act 2013. However for Pension Board Members to fulfil their role effectively they require knowledge and understanding across a broad range of issues. Consequently guidance relating to Pension Board Members knowledge and understanding has been issued by the Pensions Regulator (Code of Practice No14, 2015) and CIPFA (CIPFA Code of Practice on LGPS knowledge and skills, June 2021, and the CIPFA Local Pension Boards A Technical Knowledge and Skills Framework of July 2015).

The CIPFA Local Pension Boards A Technical Knowledge and Skills Framework of July 2015 is particularly important as it sets out eight “core” areas of Knowledge and Skills for Board Members. It is fundamental that training across all eight of the core areas in the CIPFA Knowledge and Skills Framework are made available to all Pension Board members. These eight core areas are:

- Pensions Legislation
- Pensions Governance
- Pensions Administration

- Pensions accounting & auditing standards
- Financial markets and products knowledge (including understanding of the importance of the investment strategy)
- Procurement and relationship management
- Investment performance & risk management
- Actuarial methods, standards, and practices

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In 2021 CIPFA issued a revised Knowledge and Skills Framework which applies to LGPS Committee Members and Officers but not specifically to Pension Board Members. However as the CIPFA Framework applicable to Pension Board Members dates (back) to 2015 the 2021 CIPFA Framework, as it applies to Pension Fund Committee Members, will be taken into account in preparing and presenting the Training proposed in this paper.

Proposed Training

An understanding of Pensions Accounting and Auditing is fundamental to a proper and rounded knowledge of the LGPS as a whole. It is also particularly relevant to the role of the Nottinghamshire Pension Board (and indeed every Pension Board across the LGPS) given the Board's role in the Governance of the Fund. The Training will also include coverage of the requirements relating to the Fund Annual Report as the Pension Fund Accounts are included in this document and it also includes much other important content and information.

Training in respect of Pensions Accounting and Auditing was last provided prior to 2020. Therefore it is proposed that a training session covering this aspect of the CIPFA Training Framework be provided by the Advisor to the Board prior to the meeting of the Board scheduled for March 2024. Given the period that has elapsed since Training on this area was last provide it is proposed that all Board members are both invited and encouraged to attend. Delivery time is estimated at two hours although a meeting time of two and a half hours is proposed.

John Raisin

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