

Pensions Knowledge and Skills Framework for Elected Representatives and Non-executives

Pensions legislative and governance context	Pensions accounting and auditing standards	Financial services procurement and relationship management	Investment performance and risk management	Financial markets and products knowledge	Actuarial methods, standards and practices
General pensions framework A general awareness of the pensions legislative framework in the UK. Scheme-specific legislation An overall understanding of the legislation specific to the scheme and the main features relating to benefits, administration and investment. An awareness of the Local Government Pension Scheme (Benefits, Memberships and Contributions) Regulations 2007 and Local Government Pension Scheme (Administration) Regulations 2008 and their main features. An appreciation of LGPS discretions and how the formulation of the discretionary policies impacts on the pension fund, employers and local taxpayers.	Awareness of the Accounts and Audit Regulations and legislative requirements relating to the role of the committee and individual members in considering and signing off the accounts and annual report. Awareness of the role of both internal and external audit in the governance and assurance process.	Understanding public procurement Understanding of the background to current public procurement policy and procedures, and of the values and scope of public procurement and the roles of key decision makers and organisations. A general understanding of the main public procurement requirements of UK and EU legislation. Supplier risk management Awareness of the nature and scope of risks for the pension fund and of the importance of considering risk factors when selecting third parties.	Total fund Understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long-term risks. Performance of advisors Awareness of the Myners principles of performance management and the approach adopted by the committee. Performance of the committee Awareness of the Myners principles and the need to set targets for the committee and to report against them. Performance of support services Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime.	Investment strategy Awareness of the risk and return characteristics of the main asset classes (equities, bonds, property). Understanding of the role of these asset classes in long-term pension fund investing. Financial markets Understanding of the primary importance of the investment strategy decision. A broad understanding of the workings of the financial markets and of the investment vehicles available to the pension fund and the nature of the associated risks. An awareness of the limits placed by regulation on the investment activities of local government pension funds.	Valuations Knowledge of the valuation process, including developing the funding strategy in conjunction with the fund actuary, and inter-valuation monitoring. Awareness of the importance of monitoring early and ill health retirement strain costs. A broad understanding of the implications of including new employers into the fund and of the cessation of existing employers. Outsourcing A general awareness of the relevant considerations in relation to outsourcings and bulk transfers.

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A regularly updated appreciation of the latest changes to the scheme rules. Knowledge of the role of the administering authority in relation to the LGPS. Pensions regulators and advisors An understanding of how the roles and powers of the Pensions Regulator, the Pensions Advisory Service and the Pensions Ombudsman relate to the workings of the scheme. General constitutional framework Broad understanding of the role of pension fund committees in relation to the fund, administering authority, employing authorities, scheme members and taxpayers. Awareness of the role and statutory responsibilities of the treasurer and monitoring officer.					

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Pension scheme governance An awareness of the LGPS main features. Knowledge of the Myners principles and associated CIPFA and SOLACE guidance. A detailed knowledge of the duties and responsibilities of committee members. Knowledge of the stakeholders of the pension fund and the nature of their interests. Knowledge of consultation, communication and involvement options relevant to the stakeholders.					