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Purpose

All public sector organisations charged with the financial management of pension schemes will be aware of the growing complexity of pension schemes. Pension scheme financial management in the public sector demands appropriate resourcing and skills, including a knowledge of financial markets and products, financial services procurement, pensions accounting and auditing, actuarial practices, investment performance and risk management, and the implications of legal and regulatory requirements.

Every public sector organisation should secure adequate resources and appropriate training, having assessed the professional competence of both those involved in pension scheme financial management and those with a policy, management and/or oversight role.

Public sector organisations should also ensure that those charged with pension scheme governance, including audit committees and relevant scrutiny groups, have access to the skills and knowledge they require to carry out this role effectively.

CIPFA has produced this Code of Practice to put these requirements into a formal structure for public sector pension schemes.

SCOPE IN RELATION TO THE LOCAL GOVERNMENT PENSION SCHEME

In the case of the Local Government Pension Scheme (LGPS), where the decision-making and governance structures may vary according to organisational structure and local preference, this Code of Practice applies to all individuals that take on a decision-making scrutiny or oversight role. This includes (where relevant to the governance structures employed in the management of the LGPS):

- officers of the administering authority
- elected members of the administering authority
- employer representatives
- member-nominated representatives
- pensioner representatives
- co-opted members
- independent advisors
- internal auditors and audit committee members
- any other individuals involved in a decision-making, scrutiny or oversight role.

The requirements will also apply to the members of local pensions boards as set out in section 5 of the Public Service Pensions Bill, as and when such boards are established.