

THE INSTITUTE OF CHARTERED ACCOUNTANTS' STAFF PENSIONS FUND

DUTIES AND RESPONSIBILITIES OF TRUSTEE DIRECTORS

Trustees play an essential role in the proper running of pension schemes. Your duties are wide-ranging - from ensuring the timely receipt of contributions into the scheme to the investment of assets and payment of benefits. The scheme members look to you to make sure that their pension benefits are secure.

The Trustee of the Institute of Chartered Accountants Staff Pensions Fund (the Fund) is F.C.A. Limited. Its directors are known as Trustee Directors. The Trustee is responsible for the proper management of the Fund but it is supported by a number of professional staff to whom the day-to-day activities of the Fund are delegated. These comprise the Pensions Department which oversees the running of the Fund and administers the benefits, and a number of advisers (legal, actuarial and investment management) all of whom advise on the technical aspects of the management of the Fund.

The Trustee ensures that the Fund is run in accordance with the Trust Deed and Rules, relevant legislation and the requirements of the Pensions Regulator and that benefits are paid as they fall due.

What are the benefits to you of being a Trustee Director?

Becoming a Trustee Director opens a range of opportunities. You will:

- contribute to the oversight and operation of the Fund on behalf of your colleagues;
- learn about the financing and investment arrangements of the Fund;
- work with senior managers within ICAEW; and
- participate as a member of a Board, supported by the Secretary to the Trustee, Pensions Manager and professional advisers.

Business management

The business of F.C.A Limited is conducted through the Board itself. Currently, there are also committees for Governance; Funding and Investment; GMP Equalisation and Audit with others established as appropriate.

The Trustee Board meets four times a year, and each meeting lasts about four hours. Additional meetings are held as and when required. The committees meet as and when appropriate.

Full Board meetings are usually held at Chartered Accountants' Hall in London and committee meetings are currently being held virtually. It will normally be necessary to spend half to one day preparing for each meeting. Trustee Directors are expected to be able to attend all meetings. You may, from time to time, be asked to respond to correspondence between meetings.

Your role as a Trustee Director

You should ensure the effective governance of the Fund through the following measures:

Act in line with the trust deed and rules

- The trust deed and rules, together with pensions legislation, tell you what your powers are as a trustee, and the procedures you must follow. They are important documents and, therefore, you must be familiar with them and with the other documents governing your scheme.

Acting impartially

- You must consider the interests of all the classes of beneficiary covered by the trust deed and rules, and act impartially between them. You also must act fairly between

individual beneficiaries, weighing the interests of the particular individual against the need to protect the security of the beneficiaries as a whole.

Acting in the best interests of Fund beneficiaries

- Acting in the best interests of Fund beneficiaries (which will sometimes involve balancing the interests of different beneficiaries). A beneficiary is anyone who is entitled to, or who might receive, a benefit from the scheme, now or in the future.

Acting prudently, responsibly and honestly

- Acting in a way that a prudent person would in their own affairs. This means, for example, that when deciding whether to exercise a power you must consider the circumstances impartially, having taken account of all the relevant facts, and you must ask for professional advice if necessary. It does not mean that, as a Trustee Director, you cannot be a member of the Fund, but you must not profit from the Fund in other ways.

Managing the relationship with ICAEW to ensure constructive dialogue and communication and agreement on the strategic objectives of the Fund

- Maintaining an open, constructive relationship with ICAEW to agree adequate contributions and a robust, realistic recovery plan.
- Recognising the commercial constraints under which ICAEW operates.
- Recognising the balance required between the strong funding of the scheme and the continued financial strength of ICAEW.
- Ensuring that the budget and business plan of the Fund are appropriate and are agreed with ICAEW.

Ensuring the prudent investment of assets in a manner which takes account of the liabilities, the strength of the employer covenant, the relative risks attaching to the assets, and the expectations of members

- Ensuring the Trustee acts to maximise the likelihood of the Fund being fully funded.
- Ensuring the Fund is regularly valued using sound assumptions.
- Monitoring the funding level.
- Deciding on and operating an investment strategy that maximises the value of employer contributions at an appropriate risk level through asset allocation.

Taking responsibility for your own knowledge and understanding

In order to carry out your role effectively, there is a requirement under The Pensions Act 2004 ([sections 247-249](#)) for you to have knowledge and understanding of (among other things) the law relating to pensions and trusts, as well as the principles relating to the funding of pension schemes and the investment of scheme assets.

Documents you should be conversant with include the Trust Deed and Rules of the scheme, the Actuarial Valuation, the Recovery Plan, the Statement of Funding Principles; the Statement of Investment Principles; and any other policy documents relating to the administration of the scheme generally. 'Being conversant with' means having a working knowledge of documents so that you are able to use them effectively in the course of carrying out your duties as a Trustee Director of the Fund. In other words, you must have the appropriate level of knowledge and understanding to enable you to exercise your functions as a Trustee Director of the scheme properly.

You will be given support and training to meet this requirement. You can undertake the Trustee Toolkit which will help you to become familiar with the terminology and knowledge requirements for new trustees. The Trustee Toolkit is an on-line training programme, divided into modules, each of which can be undertaken at times to suit you. The Pensions Regulator has indicated that, dependent on the level of experience and knowledge you bring to the role of Trustee Director, it might take around 25 hours to complete the full course and obtain the

certificate. More information can be found on the Pensions Regulator's website at <https://www.thepensionsregulator.gov.uk/en/trustees> . We expect new Trustee Directors to have completed the toolkit within 6 months of joining the Board.

Addressing risk management issues

- Reviewing the actual and potential risks faced by the Fund, evaluating their impact and establishing measures to address and control those risks.
- Regularly monitoring the risks.

Managing the relationship with advisers

- Appointing advisers through a measured process which involves assessing their capabilities, their expertise, the strength of their support teams and their fit with the Trustee Board.
- Ensuring advisers are formally appointed and regularly assessed on performance.
- Consulting the advisers when appropriate and giving due regard to their views and advice while being prepared to challenge those views and advice.

Managing the relationship with third party providers

- Appointing third party providers through a measured process which involves assessing their capabilities, their expertise, the strength of their support teams and their fit with the Trustee Board and the membership.
- Ensuring third party providers are formally appointed and regularly assessed on performance.
- Measuring service levels but recognising that good service extends beyond turnaround times on work.
- Acting in an open and transparent way with all stakeholders, ensuring the right contributions are received and the right benefits are paid, working in an efficient and timely manner.

Ensuring the Fund complies with statutory requirements

- Ensuring compliance with statutory requirements as a minimum standard.
- Considering where good practice indicates action is needed beyond statutory requirements.

Actively participating in Trustee decisions

- Attending all Trustee meetings (and any committee meetings to which you are appointed) wherever possible.
- Reading through the agenda papers before the meetings and being prepared to ask questions and to contribute to the discussions and decisions.
- Positively agreeing or challenging all decisions reached by the Board (or committee).

Acting with integrity and for the benefit of members

- Acting with integrity at all times, having regard to the fiduciary duties of trustees and the duty of care to all members.
- Declaring and managing any conflict of interest in accordance with the Fund's Conflicts of Interest policy.

Taking responsibility for the good governance of the Fund

- Using the Trust Deed and Rules of the Fund as the first point of reference for decisions around the management and distribution of benefits.
- Ensuring the Fund complies with good governance practices.
- Agreeing the strategic objectives of the Fund.
- Monitoring the achievement of the Fund's objectives and changing the strategy, as appropriate.
- Ensuring the administration of the Fund is well managed.

- Satisfying yourself that the Fund's internal controls and administration arrangements are effective and relevant and aligned with the Pensions Regulator's Codes of Practice and relevant legislation.
- Satisfying yourself on the quality of the membership data held by the scheme.
- Delegating tasks to be carried out to other Board or committee members, the Secretary, administrators or others, as appropriate.
- Recognising when the knowledge and expertise of other Board members makes it more appropriate for them to take the lead in certain issues.
- Reflecting annually on the Board's performance and your own performance as a Trustee Director.

Ensuring regular communication with members, with a minimum requirement that this should be in line with statutory requirements.

- Ensuring communications with members meet the disclosure requirements (Occupational Pension Schemes (Disclosure of Information) Regulations 1996).
- Considering where disclosure above and beyond that required by legislation would be appropriate.

Last updated: October 2023