

PENSION FUND SUB-COMMITTEE – TERMS OF REFERENCE

1. The power to discharge all functions and responsibilities relating to the Council's role as administering authority for the Orkney Islands Council Pension Fund (the Pension Fund) in terms of the Local Government (Scotland) Act 1994, the Superannuation Act 1972 and the Public Service Pensions Act 2013.
2. These functions include:-
 - 2.1. To oversee the administration of the Local Government Pension Scheme in accordance with the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008.
 - 2.2. To manage the investments of the Pension Fund in accordance with the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 2010.
 - 2.3. To prepare, publish and maintain:-
 - (a) a Funding Strategy Statement;
 - (b) a Statement of Investment Principles;
 - (c) a Governance Compliance Statement; and
 - (d) a Pension Administration Strategy.
 - 2.4. To make suitable arrangements for the actuarial valuation of the assets and liabilities of the Pension Fund.
 - 2.5. To consider and agree an investment strategy and management structure for the Pension Fund and:-
 - (a) to develop a responsible investment strategy;
 - (b) to appoint and terminate investment managers, advisers and consultants following due procurement process;
 - (c) to establish performance benchmarks and targets; and
 - (d) to monitor performance.
 - 2.6. To make suitable arrangements for the safekeeping and servicing of the Pension Fund's investment assets.
 - 2.7. To agree an accounting policy for the Pension Fund consistent with International Financial Reporting Standards (IFRS) and relevant authoritative guidance, and to prepare and publish a Pension Fund Annual Report, including an abstract of accounts.

- 2.8. To be responsible for governance arrangements including regulatory compliance and implementation of audit recommendations in respect of the Pension Fund.
- 2.9. To oversee and support the work of the Pension Fund Office.
- 2.10. To contribute to the development of the Local Government Pension Scheme and pension policies, and to ensure that regulatory and other changes are implemented timeously.