

# Annex D – Example of Competency Self-assessment Matrix

## Local Pension Boards: A Technical Knowledge and Skills Framework: Learning needs analysis and training requirements

Learning needs analysis		Training requirements and plan	
Do I possess...?	Rate my skills	Training requirements	Training plan (sources and timing)
	1 – no knowledge 5 – highly skilled		
<b>1 – Pensions legislation</b>			
A general understanding of the pensions legislative framework in the UK.	1 2 3 4 5		
An overall understanding of the legislation and statutory guidance specific to the scheme and the main features relating to benefits, administration and investment.	1 2 3 4 5		
An appreciation of LGPS discretions and how the formulation of the discretionary policies impacts on the pension fund, employers and local taxpayers.	1 2 3 4 5		
A regularly updated appreciation of the latest changes to the scheme rules.	1 2 3 4 5		
<b>2 – Pensions governance</b>			
Knowledge of the role of the administering authority in relation to the LGPS.	1 2 3 4 5		
An understanding of how the roles and powers of the DCLG, the Pensions Regulator, the Pensions Advisory Service and the Pensions Ombudsman relate to the workings of the scheme.	1 2 3 4 5		

Learning needs analysis		Training requirements and plan	
Do I possess...?	Rate my skills	Training requirements	Training plan (sources and timing)
	1 – no knowledge 5 – highly skilled		
Knowledge of the role of the Scheme Advisory Board and how it interacts with other bodies in the governance structure.	1 2 3 4 5		
A broad understanding of the role of pension fund committees in relation to the fund, the administering authority, employing authorities, scheme members and taxpayers.	1 2 3 4 5		
An awareness of the role and statutory responsibilities of the treasurer and monitoring officer.	1 2 3 4 5		
Knowledge of the Myners principles and associated CIPFA and SOLACE guidance.	1 2 3 4 5		
A detailed knowledge of the duties and responsibilities of pension board members.	1 2 3 4 5		
Knowledge of the stakeholders of the pension fund and the nature of their interests.	1 2 3 4 5		
Knowledge of consultation, communication and involvement options relevant to the stakeholders.	1 2 3 4 5		
Knowledge of how pension fund management risk is monitored and managed.	1 2 3 4 5		
An understanding of how conflicts of interest are identified and managed.	1 2 3 4 5		
An understanding of how breaches in law are reported.	1 2 3 4 5		

Learning needs analysis	Training requirements and plan	
Do I possess...?	Rate my skills	Training requirements and plan
<p>1 – no knowledge</p> <p>5 – highly skilled</p>		
<p><b>3 – Pensions administration</b></p>		
<p>An understanding of best practice in pensions administration eg performance and cost measures.</p>	<p>1 2 3 4 5</p>	
<p>Understanding of the required and adopted scheme policies and procedures relating to:</p> <ul style="list-style-type: none"> <li>■ member data maintenance and record-keeping processes</li> <li>■ internal dispute resolution</li> <li>■ contributions collection</li> <li>■ scheme communication and materials.</li> </ul>	<p>1 2 3 4 5</p>	
<p>Knowledge of how discretionary powers operate.</p>	<p>1 2 3 4 5</p>	
<p>Knowledge of the pensions administration strategy and delivery (including, where applicable, the use of third party suppliers, their selection, performance management and assurance processes).</p>	<p>1 2 3 4 5</p>	
<p>An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to benefits administration.</p>	<p>1 2 3 4 5</p>	

Learning needs analysis	Training requirements and plan		
Do I possess...?	Rate my skills	Training requirements	Training plan (sources and timing)
	1 – no knowledge 5 – highly skilled		
An understanding of what AVC arrangements exist and the principles relating to the operation of those arrangements, the choice of investments to be offered to members, the provider's investment and fund performance report and the payment schedule for such arrangements.	1 2 3 4 5		
<b>4 – Pensions accounting and auditing standards</b>			
An understanding of the Accounts and Audit Regulations and legislative requirements relating to internal controls and proper accounting practice.	1 2 3 4 5		
An understanding of the role of both internal and external audit in the governance and assurance process.	1 2 3 4 5		
An understanding of the role played by third party assurance providers.	1 2 3 4 5		
<b>5 – Pensions services procurement and relationship management</b>			
An 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.	1 2 3 4 5		

Learning needs analysis	Training requirements and plan
Do I possess...?	Training requirements and plan (sources and timing)
Rate my skills	Training requirements
<p>1 – no knowledge 5 – highly skilled</p>	
<p>A general understanding of the main public procurement requirements of UK and EU legislation.</p>	<p>1 2 3 4 5</p>
<p>An understanding of the nature and scope of risks for the pension fund and of the importance of considering risk factors when selecting third parties.</p>	<p>1 2 3 4 5</p>
<p>An understanding of how the pension fund monitors and manages the performance of their outsourced providers.</p>	<p>1 2 3 4 5</p>
6 – Investment performance and risk management	
<p>An understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long-term risks.</p>	<p>1 2 3 4 5</p>
<p>An awareness of the Myners principles of performance management and the approach adopted by the administering authority.</p>	<p>1 2 3 4 5</p>
<p>Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime.</p>	<p>1 2 3 4 5</p>

Learning needs analysis	Training requirements and plan	
Do I possess...?	Training requirements	Training plan (sources and timing)
Rate my skills		
1 – no knowledge		
5 – highly skilled		
<b>7 – Financial markets and products knowledge</b>		
An understanding of the risk and return characteristics of the main asset classes (equities, bonds, property etc).	1 2 3 4 5	
An understanding of the role of these asset classes in long-term pension fund investing.	1 2 3 4 5	
An understanding of the primary importance of the fund's statement of investment principles and the investment strategy decision.	1 2 3 4 5	
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.	1 2 3 4 5	
An understanding of the limits placed by regulation on the investment activities of local government pension funds.	1 2 3 4 5	
An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to investments.	1 2 3 4 5	

Learning needs analysis	Training requirements and plan	
Do I possess...?	Rate my skills	Training requirements Training plan (sources and timing)
<b>8 – Actuarial methods, standards and practices</b>	1 – no knowledge 5 – highly skilled	
A general understanding of the role of the fund actuary.	1 2 3 4 5	
Knowledge of the valuation process, including developing the funding strategy in conjunction with the fund actuary, and inter-valuation monitoring.	1 2 3 4 5	
An awareness of the importance of monitoring early and ill health retirement strain costs.	1 2 3 4 5	
A broad understanding of the implications of including new employers into the fund and of the cessation of existing employers.	1 2 3 4 5	
A general understanding of the relevant considerations in relation to outsourcings and bulk transfers.	1 2 3 4 5	
A general understanding of the importance of the employer covenant and the relative strengths of the covenant across the fund employers.	1 2 3 4 5	