CORE
CONCEPT

# Pension Fund Governance and Management: Trustee Duties, Investment Policy and Funding

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## Introduction:

Pension fund governance decides whether retirement promises made today are still affordable and paid in full decades later. Weak board oversight of investment policy, funding decisions, service providers and member communication turns into deficits, disputes and loss of member trust. This Core Concept course gives governing body members and pension executives a structured method to govern defined benefit, defined contribution, hybrid and end-of-service funds against international principles. Participants work on real fund documents and leave with a Pension Fund Governance Review Pack covering governance structure, investment policy, funding and risk controls.

## Course Objectives:

- Distinguish defined benefit, defined contribution, hybrid and end-of-service arrangements and the governance risks each one places on the fund
- Design a governing body charter, delegation matrix and conflicts of interest register that assign clear accountability for pension fund decisions
- Review an investment policy statement and a strategic asset allocation proposal against the fund's objectives, risk tolerance and benefit profile
- Interpret actuarial valuation results and set a funding policy and recovery plan the governing body can defend
- Establish risk-based internal controls, service provider oversight and member reporting that meet the expectations of supervisors
- Produce a Pension Fund Governance Review Pack with a scorecard and improvement action plan for the governing body

## Target Audience:

- Governing body and trustee board members accountable for pension and retirement fund decisions
- Investment committee members who approve investment policy, asset allocation and manager appointments
- Pension fund executives who run fund operations and report to the governing body
- Benefits administration managers responsible for member records, payments and communication
- Risk, internal control and internal audit managers covering pension and end-of-service funds
- Finance and treasury managers of sponsoring employers who oversee pension funding and contributions

## Course Outline:

### Day 1: Pension and Retirement Scheme Landscape and Governance Context

- Defined Benefit, Defined Contribution and Hybrid Scheme Design Comparison Matrix
- End-of-Service Benefit Funds: Funded Arrangements Versus Book-Reserve Provisions
- Pension Fund Stakeholder Map: Members, Beneficiaries, Sponsors and Service Providers
- Pension Governance Failure Cases Across Public, Corporate and Multi-Employer Funds
- Current-State Pension Governance Self-Assessment Questionnaire

### Day 2: Governance Frameworks, Board Structures and Fiduciary Duties

- OECD Guidelines for Pension Fund Governance: Governance Structure and Governance Mechanisms
- OECD Core Principles of Private Pension Regulation Mapped to Fund-Level Policies
- Governing Body Charter, Terms of Reference and Delegation of Authority Matrix
- Trustee Fiduciary Duties of Loyalty and Prudence with a Conflicts of Interest Register
- Governing Body Suitability Criteria, Skills Matrix and Trustee Training Plan

### Day 3: Investment Policy, Funding and Benefits Oversight

- Investment Policy Statement Structure: Return Objectives, Risk Tolerance and Constraints
- Strategic Asset Allocation Decision Process and Liability-Aware Benchmarks
- Actuarial Valuation Report Review: Assumptions, Funding Level and Contribution Recommendations
- Funding Policy and Deficit Recovery Plan Approval Process
- Benefits Administration Service Levels and Member Communication Plan

### Day 4: Risk Management, Internal Controls and Supervision

- OECD Pension Fund Risk Management Framework: Investment, Funding, Longevity and Operational Risks
- Risk-Based Internal Control Framework and Annual Control Testing Plan
- Service Provider Oversight: Custodian, Asset Manager and Third-Party Administrator Reviews
- IOPS Principles of Private Pension Supervision: Risk-Based Supervision and Proportionality
- Supervisory Reporting, Member Disclosure and Complaints and Redress Procedures

### Day 5: Case Study Practice and the Pension Fund Governance Review Pack

- Defined Benefit Fund Case: Deficit Response and Investment Committee Decision Paper
- Defined Contribution Fund Case: Default Investment Option and Member Outcome Review
- Pension Governance Scorecard Build Against the OECD Governance Guidelines
- Governance Improvement Action Plan and Governing Body Reporting Calendar
- Pension Fund Governance Review Pack Presentation and Peer Challenge Panel

## Skills You Will Gain:

- Pension Scheme Design Analysis
- Fiduciary Decision-Making
- Investment Policy Review
- Strategic Asset Allocation Oversight
- Actuarial Valuation Interpretation
- Pension Risk Control Design
- Service Provider Oversight
- Supervisory Reporting Readiness

## Why Attend This Course:

- Return with a Pension Fund Governance Review Pack: a governance scorecard, investment policy review notes and an improvement action plan for your governing body
- Challenge actuarial, investment and administration advisers with sharper questions and a clear record of who decides what
- Spot conflicts of interest, weak delegation and control gaps before they become member complaints or supervisory findings
- Compare governance practice with trustees and pension executives from public, corporate and multi-employer funds

## Conclusion:

Pension fund governance is tested whenever a governing body approves an investment policy, responds to a valuation or appoints a service provider. This course moves from scheme types and stakeholders, through governance frameworks and fiduciary duties, to investment, funding and benefits oversight and then to risk controls and supervision. The final day applies that material to defined benefit and defined contribution fund cases and produces a Pension Fund Governance Review Pack that participants take to their next governing body meeting.