

IAPF Key Function Holders Survey

2023

Key findings

THIS SURVEY WAS COMPLETED IN 2023

34 KEY FUNCTION HOLDERS (KFH) PARTICIPATED IN THE SURVEY, ANSWERING 22 QUESTIONS

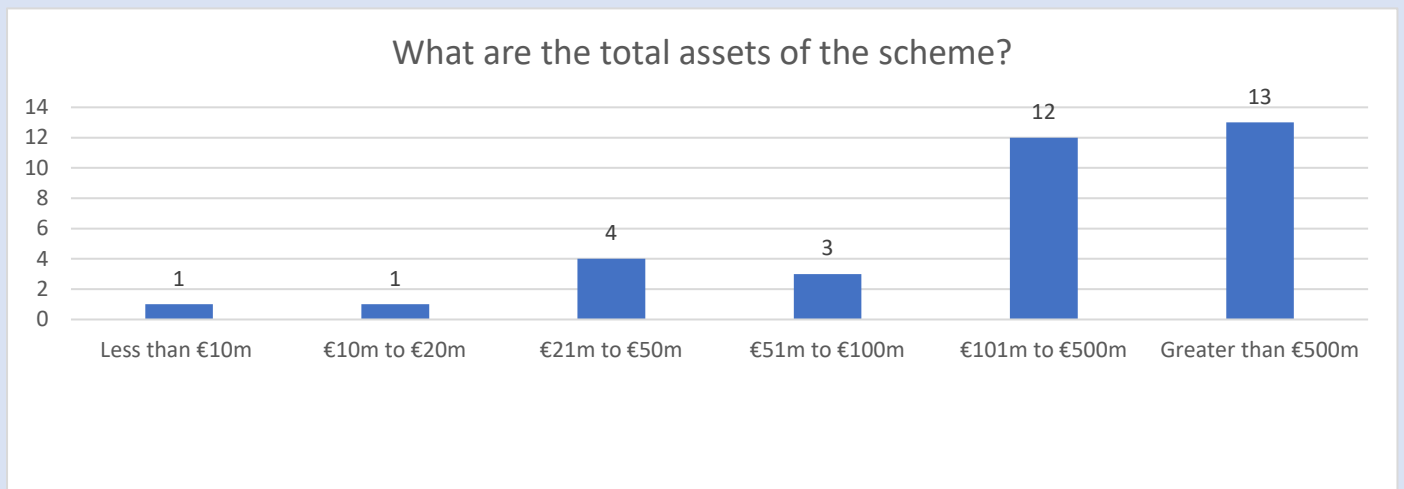
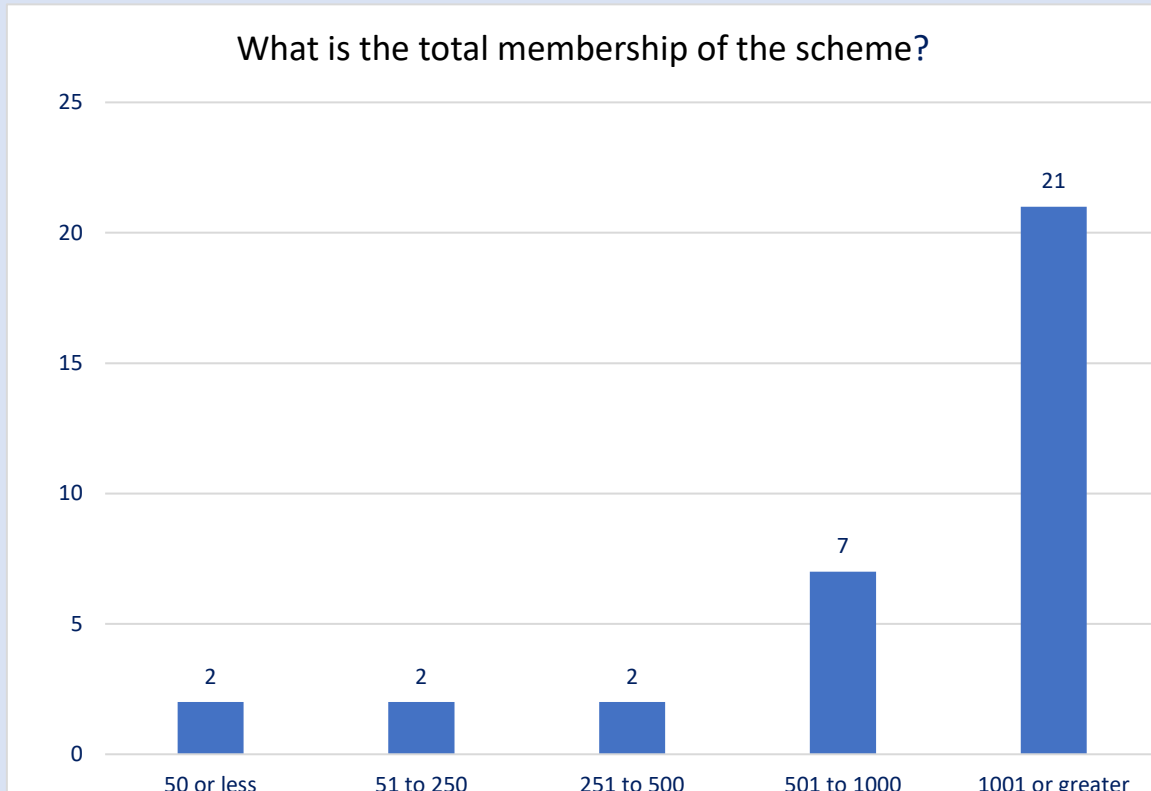
THE KEY FUNCTION HOLDERS ACTED FOR MASTER TRUSTS, DB, DC AND AVC SCHEMES

34% OF THE KFH ACTED FOR MORE THAN 20 SCHEMES BUT 70% RECEIVED SUPPORT FROM OTHERS IN THEIR FIRM IN CARRYING OUT THE ROLE

The Schemes

Scheme Details

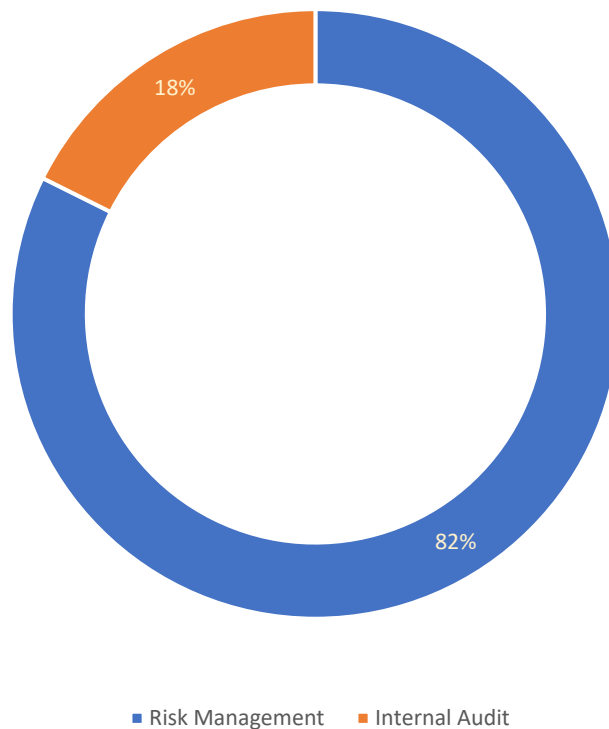
The participants in this Irish Association of Pension Funds (IAPF) Survey acted for schemes representing a combined membership of over 29,000 members and combined assets of over €13 billion. They included Master Trusts, DB, DC and AVC schemes.



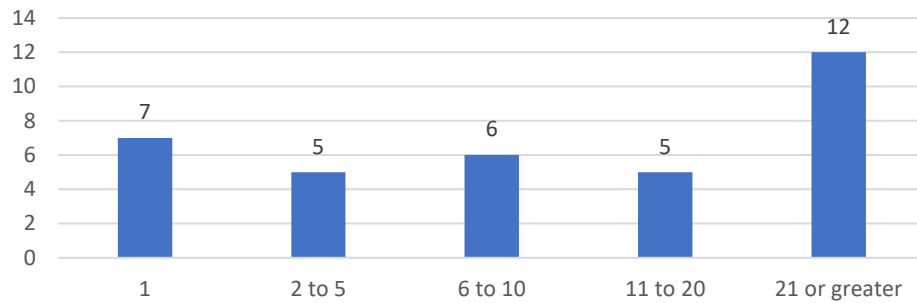
The Key Function Holders

The majority of respondents had appointments as Risk Management KFH. This would indicate that those appointments often took place before the Internal Audit KFH. The KFH were mostly from the actuarial profession and almost 50% were acting for more than 10 schemes with 34% of the KFH who responded to the survey act for more than 20 schemes but 70% of them receive support from others in their firm in carrying out the role.

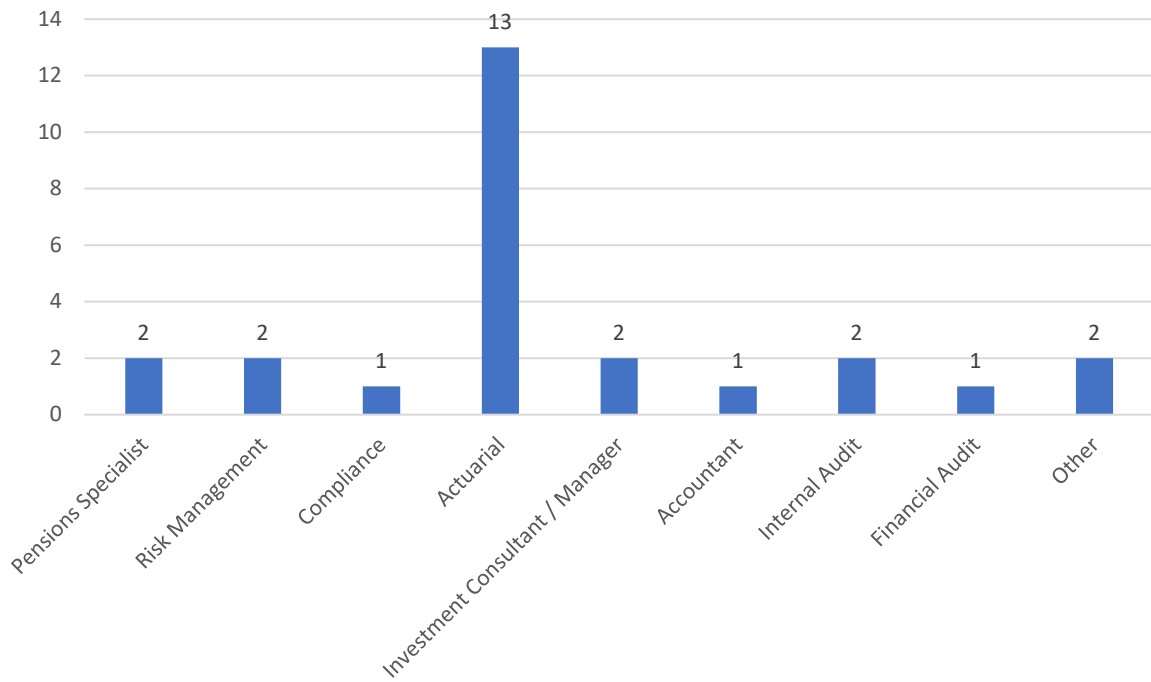
What is your Key Function Holder role?



How many schemes do you act for in the role of Key Function Holder?



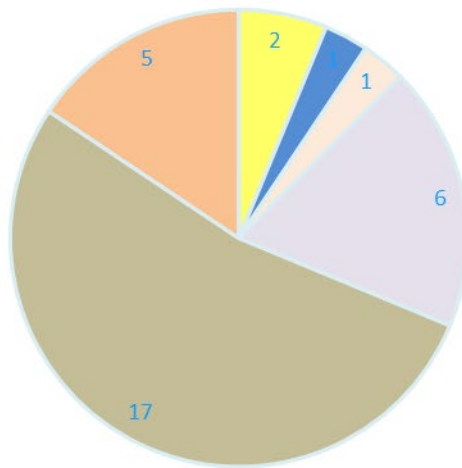
What professional background are you from?



On a scale of 1-10 how would you rate your pensions knowledge?

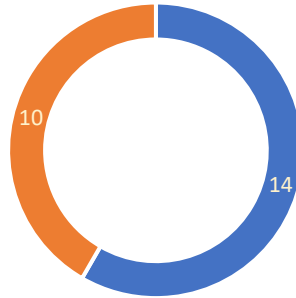
- 91% of respondents rated their knowledge as 7 out of 10 or higher
- 69% of respondents rated their knowledge at a score of either 9 or 10 out of 10
- **2 respondents rated their knowledge at a score of 1 out of 10**

On a scale of 1-10 how would you rate your pensions knowledge? (10 being highest)



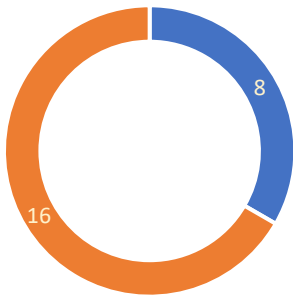
1 4 7 8 9 10

Is your sole role for the firm you work for that of KFH or is your role of KFH only part of your day-to-day responsibilities?



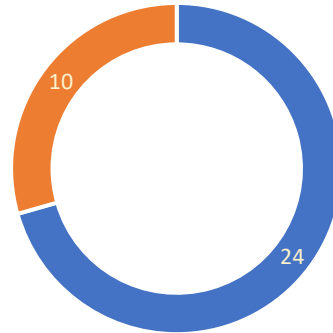
■ Only part of my role ■ Sole role

Do you, or your firm, carry out any other functions for the scheme in addition to your role as KFH?



■ No ■ Yes

Will you get support from others in your firm in completing your work as a KFH?

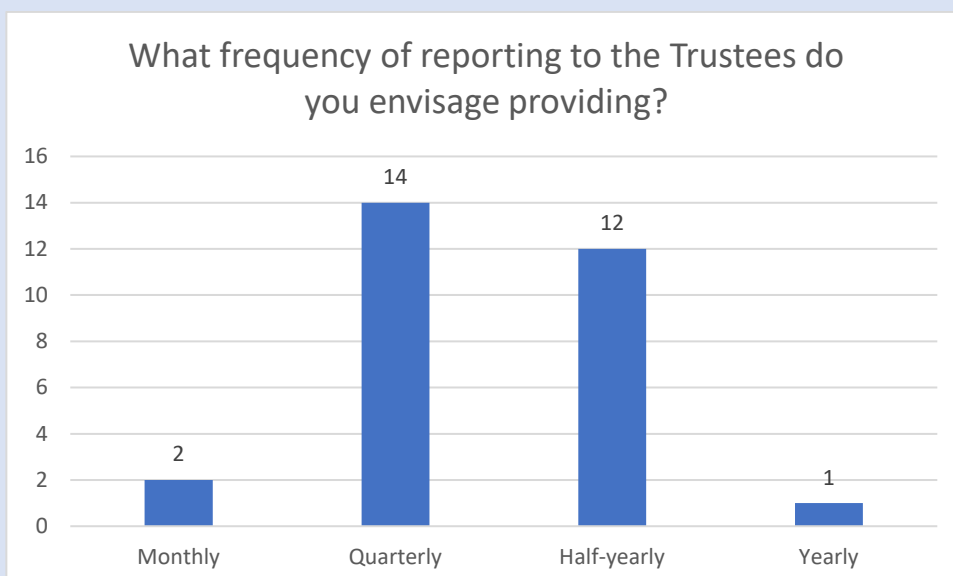
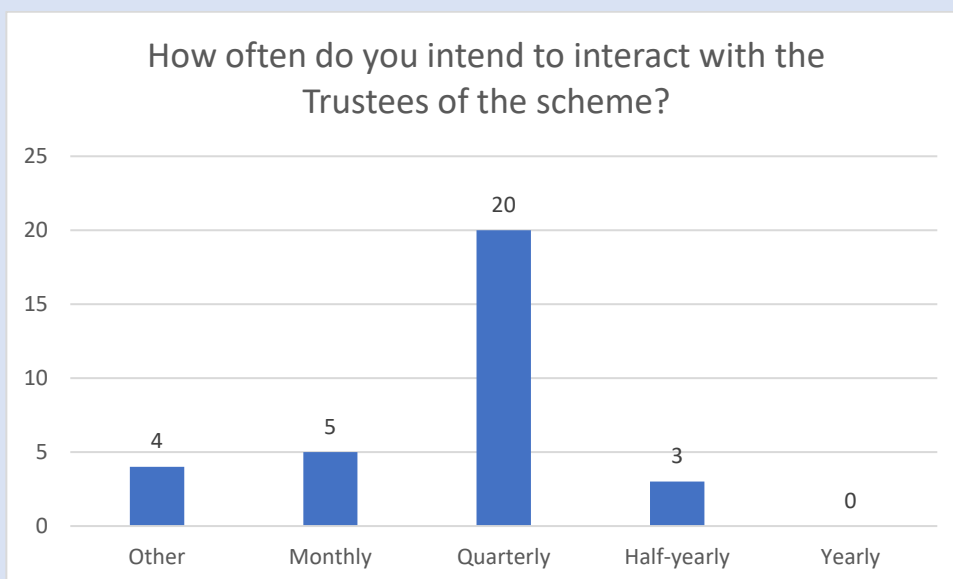


■ Yes ■ No

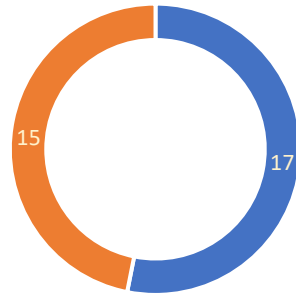
The Key Function Holder Role

The final section focuses on how the role would be carried out. Most KFH intended to interact with the scheme quarterly and report either quarterly or half yearly. It was almost a 50/50 split as to whether the KFH planned to attend every trustee meeting and the majority expected to have a role in the scheme's decision-making.

Most schemes had prepared and adopted a risk register and the first Own Risk Assessments were scheduled for Q4 of 2023 or Q1 of 2024.

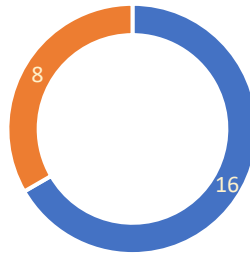


Do you see yourself attending every trustee meeting in your role as KFH?



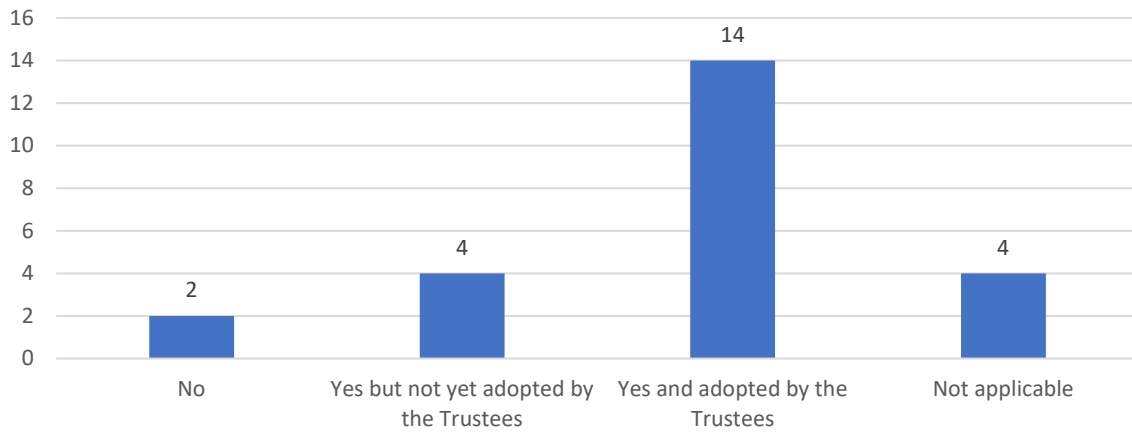
■ Yes ■ No

Do you see yourself having a role in relation to the decision making under the scheme?

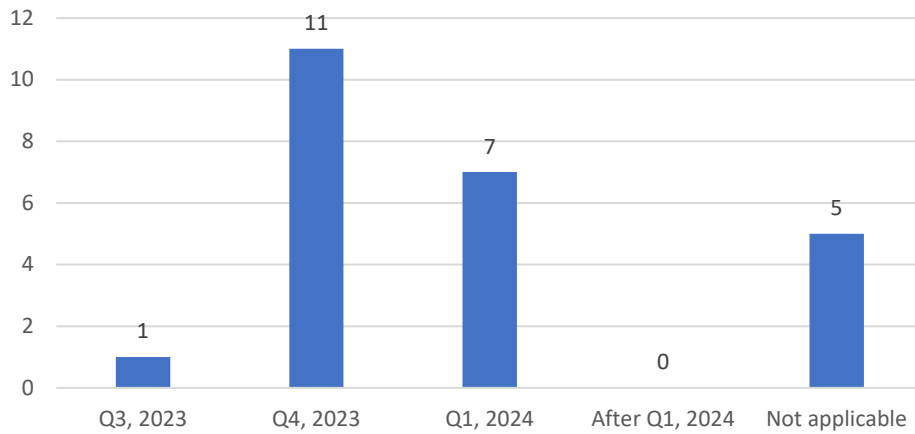


■ Yes ■ No

Have you prepared the Risk register yet, and has this been adopted by the Trustees?



When do you intend to complete the first Own Risk Assessment for the scheme?



The survey asked what the KFH saw as the key requirements of the role. All the individual responses are listed but generally most saw them as supporting the trustees and implementing a risk management framework.

Objectivity and independence

Educating and assisting the trustees

Support the trustees in making informed decisions

Providing risk commentary/analysis for trustee decisions

Engagement with the trustees and scheme service providers

Effective process of communication and reporting to the trustees

Implementation and embedding of the risk management framework

Advise the trustees on matters relating to the risks facing the scheme

Ensuring an appropriate and proportionate risk management system is in place

Having an understanding of the trustees objectives and risk appetite/preferences as well as an understanding of the members views on risks

Ensuring risk management is embedded in the day to day running of the scheme

Knowledge of the Irish pensions landscape and experience in pensions

Keeping up to date with the changing environment, emerging risks

All legal, regulatory and compliance requirements are adhered to

Management of the Risk Register and Heat Map for the trustees

Ability to retain extensive scheme knowledge

Training and development on risk topics

Having an input into decision making

Providing challenge

When asked how they would ensure the scheme sponsors get value for money for the role, many referred to the value of improving controls and risk management.

Consistent oversight

Strengthening the controls in place

Identify improvements to mitigate the impact of risks

By embedding risk management in decision making

Strong awareness of fees and leverage off information already provided by advisors

Involve existing service providers in risk management to eliminate duplication of risk

Use of simple dashboard and risk reporting tools to help facilitate efficient delivery and assessment of key risks

Through our effective risk management of the scheme the sponsor should see benefit and therefore value for money

We will use our unique pensions, accounting/auditing and compliance skills to provide a top-level service

Our audits will be focussed in line with the plan agreed with the trustees and add value

Bringing an independent view and the experience of working across multiple schemes

Regular engagement with the scheme sponsor and trustees

Efficiency, and identification and mitigation of risks

Drive an effective agenda that adds value

Ensuring actions are progressed

Internal expertise

There were a variety of responses to the question on how KFH are going to benchmark their performance.

Business retention and growth

Support trustees in making risk informed decisions

Help trustees be better informed of the risks the scheme is facing

Trustee and sponsoring employer feedback, evaluating performance

Monitor changing risk environment

Delivering the services promised

Mitigation of risks

There were fewer answers to the structure KFH were adopting in relation to the internal audits for the scheme, which most likely reflects that this role was less developed at the time of the survey.

Risk based audit planning

Using structures adopted by other pension markets

Identify where the reliance is on controls and identify where the audit function can contribute to the monitoring of the controls the trustees have in place

Using the risk register to build a risk assurance map

Follow the firms Quality Assurance model & leverage subject matter experts to deliver the plan

Layers of review

Survey Methodology

The survey was conducted by circulating a questionnaire to IAPF members.

Due to rounding, numbers and percentages presented throughout the survey may not add up precisely to the totals provided and therefore may not precisely reflect the absolute figures.

If there are any further questions that you think would be useful for us to ask, please contact us and let us know. We can then consider those for future surveys.

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Suite 2, Slane House

25 Lower Mount St

Dublin D02 V029

Web: www.iapf.ie

Phone: 01 6612427

Email: info@iapf.ie

