

LCP Radar – Annual Compliance Statement and Own Risk Assessment

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12 November 2021 - The Pensions Authority has provided information on the Annual Compliance Statement and the timing of own risk assessments.

Annual Compliance Statement

The Annual Compliance Statement Form (ACS) has been made available by the Pensions Authority to trustees of pension schemes. **This must be signed by two trustees by 31 January 2022, but does not have to be submitted to the Authority.** Future ACS will have to be submitted to the Authority. The ACS requires trustees to provide information and certify its accuracy:

- Basic scheme details: Scheme name, number and submission date
- Governance matters: is there a clear organisational structure in place, has ESG been considered, are administration, accounting & reporting procedures in place? Confirm the number of trustees and whether a remuneration policy* is in place.
- Risk Management: is a written risk management policy in place, has a Risk Manager been appointed?
- Internal Audit: is a written internal audit policy in place, has an Internal Audit Function Holder been appointed?

*** Under the legislation, a Remuneration Policy must be in place by 31 December 2021.**

Own-risk assessment (ORA)

The Pensions Act requires trustees to carry out and document an ORA at least once every three years, or sooner, if there is a significant change to the risk profile of the scheme.

The latest date by which a scheme's initial ORA can be completed is 22 April 2024. However, the Authority has advised trustees to prepare their initial ORA at an earlier date in order to gain a comprehensive picture of their scheme's risk profile and what consequent actions may be required to mitigate identified risks.

The Authority has also said that trustees of defined benefit schemes should align the preparation of the ORA with the scheme's triennial actuarial valuation and that trustees (of all schemes) should consider, in conjunction with the risk management key function holder, potential significant changes to the risk profile of the scheme that may trigger the preparation of a new ORA.

More details can be accessed at

https://www.pensionsauthority.ie/en/news_press/news_press_archive/information_on_own-risk_assessment_timing_and_2021_annual_compliance_statement.html

How can LCP help?

If you would like to find out more about how LCP can help trustees and sponsors of pension arrangements, or if you have any questions on this update, please contact [Roma Burke](mailto:roma.burke@lcpireland.com) at roma.burke@lcpireland.com or the LCP partner who normally advises you.

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Note of Work

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