

Wolverhampton City Council

OPEN INFORMATION ITEM

Committee / Panel

PENSIONS

Date **26 JUNE 2013**

Originating Service Group(s)

PENSION SERVICES

Contact Officer(s)/

MARK TAYLOR

GEIK DREVER

Telephone Number(s)

6609

2020

Title/Subject Matter

COMPLIANCE MONITORING

1.0 **RECOMMENDATION**

1.1 To receive and note the report.

2.0 **PURPOSE OF THE REPORT**

2.1 As a matter of best practice, it has been agreed that a report on the findings of the quarterly Compliance Monitoring Programme together with any other compliance issues will be submitted to Members on a regular basis.

3.0 **BACKGROUND**

- 3.1 There is in operation a Compliance Monitoring Programme for the Fund, which aims to ensure the investment management practices of the Fund, its external managers and those with whom it transacts business, follow best practice and operate to acceptable standards. The Member Administration Services Programme aims to provide assurance that member benefits have been calculated and communicated correctly and that where service standards are in place, they are being achieved.
- 3.2 Members of staff having direct and indirect operational involvement with Investments and Member Services undertake the comprehensive Compliance Monitoring Programme.

4.0 **CURRENT MONITORING PROGRAMME**

- 4.1 The Compliance Manual has been distributed to all Officers having direct and indirect operational involvement with the investments of the Fund. Confidentiality statements are completed on an annual basis and declarations of personal dealing are required half yearly.
- 4.2 A full Fund compliance induction was completed with Mark Taylor, Assistant Director of Finance and the Fund's Section 151 Officer.
- 4.3 No compliance monitoring visits were undertaken during the period.
- 4.4 A sample of approximately 5% of total purchase and sale transactions during the period have been reviewed for timely and best execution by way of comparison of internal and counterparty records and market information. A selection of expenses charged to the Fund during the period has also been reviewed for accuracy and appropriateness and in the case of external managers, adherence to individual management agreements.
- 4.5 A sample of up to 5% of member transactions, including payment of pension benefits and associated transactions to the Fund's accounts, have been reviewed during the period for timely and accurate calculation and payment, along with appropriateness.
- 4.6 The Compliance Monitoring Programme for the period 1st January to 31st March 2013 is complete and no issues have arisen. All trades, invoices, payments and receipts sampled met with requirements and were recorded in line with regulatory standards. An examination of document samples was undertaken during this period which also met with requirements.

5.0 **FUTURE REVIEWS**

- 5.1 A comprehensive review of the compliance monitoring programme will be undertaken using a risk based approach, including a review of the risk register.

6.0 **MATTERS ARISING**

- 6.1 On-going monitoring of national, international and industry press coverage is conducted as part of the Compliance Monitoring Programme to identify any developments which may have a financial impact on the Fund.
- 6.2 No developments were identified within the period which may have financial implications for the Fund.

7.0 **FINANCIAL IMPLICATIONS**

7.1 The report contains no direct financial implications for the Authority.

8.0 **LEGAL IMPLICATIONS**

8.1 The report contains no direct legal implications for the Authority.

9.0 **ENVIRONMENTAL IMPLICATIONS**

9.1 The report contains no direct implications for the Authority's Environmental Policies.

10.0 **EQUALITIES IMPLICATIONS**

10.1 This report has no implications for the Council's equalities policies.