

Wolverhampton City Council**OPEN INFORMATION ITEM**

Committee / Panel

PENSIONS COMMITTEEDate **20 JUNE 2012**

Originating Service Group(s)

PENSION SERVICES

Contact Officer(s)/

PAT MAIN GEIK DREVER

Telephone Number(s)

4410 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, 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 Pension Fund retains Deloitte compliance consultancy to review current procedures and advise on compliance matters.
- 3.2 In addition, Deloitte reviewed the Pension Fund's Monitoring Programme in October 2011; the resulting updates to be reflected in the Compliance Programme and Manual.
- 3.3 Members of staff in the Investment Division 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 and declarations of personal dealing are required and completed on an annual basis.
- 4.2 During the period, compliance monitoring visits were undertaken to CBRE Global Investors, Baring Asset Management, FourWinds, BlackRock and UBS, at which the manager's compliance and risk management procedures were reviewed. No issues arose as a result of these monitoring visits.
- 4.3 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 have also been reviewed for accuracy and appropriateness and in the case of external managers, adherence to individual management agreements.
- 4.4 The Compliance Monitoring Programme for the period 1st January to 31st March 2012 is complete and no issues have arisen. All trades and invoices sampled met with requirements and were recorded in line with regulatory requirements. An examination of record keeping was undertaken during this period which also met with requirements.