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<b>Originating service</b>	Pension Services	
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**Recommendations for noting:**

The Pensions Board is asked to note:

1. The latest Strategic Risk Register and areas being closely monitored in the current environment.
2. The compliance monitoring activity undertaken during the quarter.
3. The Fund's Key Performance Indicators (KPI) and action taken to support service delivery.
4. The statutory delivery of the Annual Benefit Statements.

## **1.0 Purpose**

- 1.1 To provide Board with an update on the work of the Fund to deliver a well governed scheme.

## **2.0 Risk Register**

- 2.1 Attached at Appendix A is the Strategic Risk Register for the forthcoming quarter, which presents a static risk environment at this time. We continue to await the publication of statutory regulation over the coming months, noting a series of consultations due and the potential for further delay in the current environment. Recruitment and resourcing continue to be a challenge for the Fund in the current employment market with competition for roles being high. The Fund is not unique in this challenge and continues to review resourcing requirements in line with service and key project delivery.
- 2.2 Investment markets remain volatile with the forthcoming quarter being key to the Fund's assessment of funding profile as we deliver the 2022 Valuation and review our Investment and Funding Strategy, noting the ongoing impacts on employer funding and budgets.

## **3.0 Key Performance Indicators**

- 3.1 Attached at Appendix B are the Fund's Key Performance Indicators (KPI) as at quarter one.
- 3.2 Further details with regards to the Fund's Operational KPI is covered in the Pension Administration Report. The team continue to flex resource to meet demands.
- 3.3 Engagement with the Fund from our customer base continues to be high, this is demonstrated by the high volume of communications (calls and emails) received into the Fund's contact centre, which alongside capacity constraints, have impacted the number of complaints received and the Fund's ability to respond to those complaints.

## **4.0 Annual Benefit Statements**

- 4.1 The Fund has completed the Statutory Delivery of Annual Benefit Statements for both Deferred and Active members achieving 99.6% of deferred member statements and 90.7% of active statements.
- 4.2 All statements were published on member pension portals in advance of the statutory deadline of 31 August. For those members the Fund was unable to produce a statement, a NILABS letter has been produced confirming the reasons for non-production. The Fund is in the process of analysing the reasons for non-production and continues to work with employers to cleanse data and resolve queries. As issues are resolved statements may be produced on an individual basis.

## **5.0 Compliance Monitoring**

### **5.1 Data Protection**

5.1.1 This quarter the Fund are reporting five data breaches, all breaches were minor and involved minimal amounts of low-risk data. The Governance Team continue to monitor breaches and identify actions to improve controls. The Fund hasn't identified any systemic issues in the management of its data and continues to work with service areas to implement ongoing enhancements in systems and individual knowledge.

### **5.2 Freedom of Information (FOI) Requests**

5.2.1 The Fund received one FOI request during the quarter, relating to investment holdings. The request was responded to in accordance with the set deadlines.

### **5.3 Subject Access Requests (SARs)**

5.3.1 The Fund have received three SAR requests during this quarter, as reported previously the majority of these requests continue to be from third parties seeking information in connection with a member's decision to transfer their pension out of the Local Government Pension Scheme (LGPS). Authority from the member is always sought prior to providing information to third parties. All requests were responded to in accordance with the set deadlines.

## **6.0 Regulatory Updates 86.1 Good Governance Review**

6.1 As previously reported, in February 2021 the Scheme Advisory Board (SAB) submitted a series of recommendations to the Department for Levelling Up Housing and Communities ((DLUHC) formerly MCHLG) as part of its Good Governance review, the aim of which was to improve Governance standards across all LGPS Funds.

6.2 The Scheme Advisory Board's Good Governance Project outlined within its Phase 3 recommendations that each Fund should be required to produce and publish a conflicts of interest policy which includes details of how actual, potential and perceived conflicts are addressed within the governance of the Fund.

6.3 For the Fund, the management of conflicts extend beyond actual conflicts and include potential and perceived conflicts, all of which are managed in a way appropriate to the level of risk presented. The Fund have adopted a conflicts management policy in response to the recommendation made within the Good Governance review.

6.4 Attached at Appendix C is the Fund's Conflict Management Policy.

## **7.0 Financial Implications**

- 7.1 Effective monitoring of the management arrangements, facilitated by timely disclosure of information, is required to ensure the Fund is well placed to ensure the delivery of its administration, funding and investment strategy. Poor management of the Fund's data, financial information and assets can result in additional costs and detract from investment returns.
- 7.2 Failure by the Fund to meet statutory requirements of effective governance and administration could result in fines imposed by the Pensions Regulator (tPR).

## **8.0 Legal Implications**

- 8.1 Failure by the Fund to comply with legislation and/or statutory guidance can result in enforcement action and fines from both tPR and the Courts via judicial review.

## **9.0 Equalities Implications**

- 9.1 There are no direct equalities implications.

## **10.0 Other Potential Implications**

- 10.1 There are no other potential implications.

## **11.0 Schedule of Background Papers**

- 11.1 Scheme Advisory Board Good Governance Project  
[LGPS Scheme Advisory Board - Good Governance \(lgpsboard.org\)](http://lgpsboard.org)
- 11.2 West Midlands Pension Fund Governing Body Code of Conduct and Conflicts of Interest Policy  
[West Midlands Pension Fund - Code of Conduct \(wmpfonline.com\)](http://wmpfonline.com)

## **12.0 Schedule of Appendices**

- 12.1 Appendix A: Risk Register
- 12.2 Appendix B: Key Performance Indicators
- 12.3 Appendix C: Conflicts Management Policy