

Report title	Compliance and Assurance	
Originating service	Pension Services	
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Report to be/has been considered by	Rachel Brothwood Email	Executive Director of Pensions Rachel.Brothwood@wolverhampton.gov.uk

Recommendations for action:

The Pensions Committee is asked to note:

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

1.0 Purpose

- 1.1 To provide the Committee 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 this quarter, which is showing movement in the focus of risks for the organisation.
- 2.2 The Risk Register captures the potential for impact in the Fund's service delivery as a forward-looking review, together with horizon scanning for changes which may impact or require change to the Fund's processes and delivery model. As such the register is refreshed each quarter. This quarter, there are changes to the areas of focus and the directional arrows therefore reflect the trend on the risk assessment (as opposed to quarter-by-quarter comparison).
- 2.3 This quarter the Fund is reporting a new risk on Operational Resilience, highlighting the need to grow and develop our people along with a number of business change initiatives and system developments. In conjunction with that, the Fund is alive to the need to test and challenge our suppliers on their resilience to ensure they are able to keep up with the pace of change across our organisation and wider Local Government Pension Scheme (LGPS) as a whole.
- 2.4 We continue to work with our employers to understand the current economic constraints on their operational budgets at this time and have removed the risk reported last quarter regarding member behaviours, noting the action and support offered by the Fund is now adopted and formalised within our standard package of support.
- 2.5 Due to the timing of this quarter's reporting, we have added the cyclical risk of potential change in our Governing Body Memberships, noting the annual cycle of elections due to take place.

3.0 Key Performance Indicators

- 3.1 Attached at Appendix B are the Fund's KPIs as at Q3 2022/23.
- 3.2 Further details with regards to the Fund's Operational KPIs is covered in the Pension Administration Report. The team continues 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, continue to impact the Fund's ability to meet KPIs in responding to those customer contacts. This is an area where recruitment and training continues and also an area we expect to see increased capacity following development and roll out of the pension administration system.

4.0 Compliance Monitoring

4.1 Data Protection

4.1.1 This quarter the Fund are reporting three data breaches, a decrease of four from the previous quarter. 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. In addition, the team also continue to monitor completion of the City of Wolverhampton Council's (CWC) mandatory data protection training, issuing reminders to staff to ensure refresher training is completed in accordance with deadlines set.

4.2 Freedom of Information (FOI) Requests

4.2.1 The Fund received four FOI requests during the quarter, three were dealt with in accordance with the deadlines set by CWC, with one being granted an extension to allow information to be validated. As previously reported, requests are administered by CWC who are ultimately responsible for responding to requests. CWC set internal deadlines for response to ensure compliance with statutory timescales. All requests were responded to within the statutory deadline.

4.2.2 It is noted that the complexity of FOI requests received continues to increase. Whilst most requests relate to investment holdings, information on Fund membership data and staffing and equality training has also been requested this quarter.

4.3 Subject Access Requests (SARs)

4.3.1 The number of SAR requests received continued to increase steadily during the quarter, with eight requests received in total. 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 LGPS. Authority from the member is always sought prior to providing information to third parties. It is noted that current national campaigns regarding pension scams is creating heightened awareness and is potentially driving the increase in information requests. All requests were responded to in accordance with the set deadlines.

4.3.2 The Fund has previously reported on the work we are doing in line with the Pension Regulator's Pension Scam Awareness campaign and ensures all members are kept informed of any personal information requests regarding their data.

5.0 Governing Body Training

5.1 Governing Body training events undertaken during the reporting period included the following topics, with analysis undertaken to ensure the program complies with knowledge areas identified in the Chartered Institute of Public Finance and Accountancy's (CIPFA) Governing Body Knowledge and Skills Framework;

- An update on emerging risks and the 2022 Actuarial Valuation, including an update on the Fund's Funding Strategy Statement (FSS) review
- An update on the review of the Fund's Investment Strategy Statement (ISS)
- An update on Responsible Investment, including information regarding the LGPS Climate Change and Risk Consultation
- An investment Markets Update
- Information on the management of the Fund's property portfolio
- Pension Awareness - An update from the Fund's Member Services team
- Updates and media roundups issued by the Governance team.

5.2 Training has been delivered both internally and by a number of 3rd parties including the Fund's Actuary, Investment Consultants, Investment Managers and the Fund's Legal Advisors.

5.3 Training hours continue to be recorded by the Governance team and reported in the Fund's KPIs, and the online learning library for Governing Body members continues to be updated regularly and provides a variety of training material (including from recent events).

6.0 Financial Implications

6.1 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.

6.2 Failure by the Fund to meet statutory requirements of effective governance and administration could result in fines imposed by the Pensions Regulator (tPR).

7.0 Legal Implications

7.1 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.

8.0 Equalities Implications

8.1 There are no direct equalities implications.

9.0 Other Potential Implications

9.1 There are no other potential implications.

10.0 Schedule of Background Papers

10.1 [Pledge to combat pension scams | The Pensions Regulator](#)

10.2 WMPF Annual Report and Accounts 2022
<http://www.wmpfonline.com/annualreports>.

11.0 Schedule of Appendices

11.1 Appendix A: Risk Register

11.2 Appendix B: Key Performance Indicators