

Report title	Compliance and Assurance	
Originating service	Pension Services	
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Recommendations for noting:

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.
4. The Fund's Annual Report and Accounts which have been published on the Fund's website in accordance with the statutory deadline of 1 December 2022.

1.0 Purpose

- 1.1 To provide 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 risks are 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, we continue to anticipate the potential impact created by the current economic environment. While there are no early signs of changing member behaviour, we continue to see volatility in the investment market together with emerging pressures and uncertainty on employer finances. The Fund remains focused on long-term initiatives that it has control over, which will drive value and ensure it is well positioned to manage both services and payments to its members.
- 2.4 This trend follows through in the next risk theme. The Fund is still awaiting the publication of a number of regulatory guidance with the ongoing increasing complexity in the scheme, all of which are external drivers over which the Fund has little control. The ability of the Fund to keep pace with change and deliver Business as Usual has the potential to result in conflicting priorities where technical and specialist knowledge and capabilities are being used to support across a number of deliverables. These changes will lead to a review of internal controls, the development of which will continue beyond the implementation of planned development and change.
- 2.5 In line with all risks identified, the Fund continues to engage with external regulatory bodies and feed into consultations which shape outcomes for the Local Government Pension Scheme (LGPS) and wider pensions industry.

3.0 Key Performance Indicators

- 3.1 Attached at Appendix B are the Fund's KPIs as at quarter one.
- 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, have impacted the Fund's ability to meet KPIs in responding to those customer contacts.

4.0 Compliance Monitoring

4.1 Data Protection

4.1.1 This quarter the Fund are reporting seven data breaches, an increase of two from the previous quarter, as per previous quarters all breaches continue to be minor and involved minimal amounts of low-risk data.

4.1.2 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. Information management training has been scheduled for January 2023 for all Fund staff to remind employees of their responsibilities with regards to the handling and security of personal data.

4.2 Freedom of Information (FOI) Requests

4.2.1 The Fund received two FOI requests during the quarter, both relating to investment holdings. Both requests were responded to in accordance with the set deadlines.

4.3 Subject Access Requests (SARs)

4.3.1 The number of SAR requests received continued to increase steadily during the quarter, with five requests received in total. 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 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.

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 Annual Report and Accounts

5.1 In accordance with the statutory deadline of 1 December 2022, the Fund's Annual Report and Accounts have been placed on the Fund's website, a link to which is included within the background papers of this report.

5.2 As well as being published in the Fund's own Annual Report, the Fund's accounts are included in the Statement of Accounts of the City of Wolverhampton Council (CWC). The Fund's accounts will be certified by the external auditor, Grant Thornton, at the same time as CWC's accounts. As previously reported to the Committee and discussed at the meeting of CWC's Audit and Risk Committee on 28 November 2022, the sign-off of

CWC's annual accounts has been delayed pending the introduction of a Statutory Instrument in respect of infrastructure assets which is due to take effect on 25 December 2022. This is a national issue outside of the Fund's control, it should be noted that the audit of The Fund's accounts has been completed and the external auditor has indicated that an unmodified audit opinion will be issued, a note to this effect has been published on the Fund's website alongside the Annual Report pending receipt of the formal audit opinion upon the sign-off of CWC's accounts.

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 WMPF Annual Report and Accounts 2022
<http://www.wmpfonline.com/annualreports>.
- 10.2 Report to Pensions Committee: Annual Report and Accounts 2021/22
[Annual Report and Accounts 2021-22.pdf \(modern.gov.co.uk\)](#)

11.0 Schedule of Appendices

- 11.1 Appendix A: Risk Register
- 11.2 Appendix B: Key Performance Indicators