

PENSION BOARD

15 SEPTEMBER 2023

GOVERNANCE UPDATE

Recommendation

- 1. The Chief Financial Officer recommends that the Board reviews the Worcestershire Pension Fund Governance Update and in particular the Fund's draft Data Improvement Plan as set out at Appendix 2.**

Background

2. The Fund has been updating its Business Plan and Risk Register, its key operational / planning / management documents, quarterly since March 2019.
3. Following the March 2023 review of the Fund's Risk Register, progress in developing mitigating action for five risks will henceforth be reported in our Governance Updates, so that members can assess whether further mitigating actions are appropriate:
 - a) WPF 26 Fraud by staff;
 - b) WPF 15 Failure of the actuary to deliver the services contracted;
 - c) WPF 01 Failure of governance arrangements to match up to recommended best practice;
 - d) WPF 17 Failure of custodian to deliver the services contracted; and
 - e) WPF 04 Not having an established and meaningful Business Plan / Pension Administration Strategy.
4. Progress in mitigating the five risks since the last quarterly Board / Committee cycle has included:
 - a) Drafting a Data Improvement Plan to add to our range of governance material as set out in Appendix 2;
 - b) Updating the progress made in preparation for SAB's Good Governance proposals being taken forward by DLUHC on the attached appendix re which it should be noted that there are a number of actions for the new Chief Financial Officer to address; and
 - c) Confirming that the Fund's existing structure delivers good governance. The Council's Scheme of Assignment of Responsibility for Functions suggests that there would need to be changes if the CFO were not the LGPS Senior Officer.
5. It is also worth noting that:
 - a) The Fund's new Governance Lead will be joining us on 5 September; and
 - b) Areas have been identified to make progress in to obtain PASA accreditation.

Supporting information

- Appendix 1 - Good Governance Position Statement August 2023
- Appendix 2 – Draft Data Improvement Plan August 2023

Contact Points

Chris Frohlich, Governance & Engagement Manager

Tel: 01905 844004

Email: cfrohlich@worcestershire.gov.uk

Sherief Loutfy

Head of Pension Investments, Treasury Management & Banking

Tel: 01905 843103

Email: SLoutfy@worcestershire.gov.uk

Rich Sultana

Head of Pensions Administration

Tel: 01905 643805

Email: rsultana@worcestershire.gov.uk

Background Papers

In the opinion of the proper Officer (in this case the Chief Financial Officer), there are no background papers relating to the subject matter of this report.