

PENSIONS COMMITTEE

28 JUNE 2023

GOVERNANCE UPDATE

Recommendation

- 1. The Chief Financial Officer recommends that the Worcestershire Pension Fund Governance Update be noted.**

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) Updating the progress made in preparation for Scheme Advisory Board's (SAB's) Good Governance proposals being taken forward by the Department for Levelling Up, Housing and Communities (DLUHC) (See Appendix 1). It should be noted that there are a number of actions for the new Chief Financial Officer to address once in post; and
 - b) Benchmarking our Governance Compliance Statement (see Appendix 2).
5. It is also worth noting that:
 - a) Heywood's annual (2022) cyber risk review has passed muster; and
 - b) Following a discussion with the Council's Internal Audit team, several of the current workflow processes and internal systems controls will be reviewed. The project is currently being scoped by focusing on the workflows which deliver the KPI information. Further updates on progress will be shared at subsequent Board and Committee meetings.

Supporting information

- Appendix 1 - Good Governance Position Statement May 2023
- Appendix 2 – Benchmarking our Governance Compliance Statement

Contact Points

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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.