

PENSIONS COMMITTEE

20 MARCH 2024

GOVERNANCE UPDATE

Recommendation

- 1. The Chief Financial Officer recommends that the following documents be approved:**
 - **Good Governance Position Statement March 2024 (Appendix 1)**
 - **Draft Governance Policy Statement 2024 (Appendix 2)**
 - **Draft Policy on Representation 2023 (Appendix 3)**
 - **Policy on Conflicts of Interest 2022 (Appendix 4)**
 - **Draft Pension Administration Strategy 2024 (Appendix 5)**

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 01 Failure of governance arrangements to match up to recommended best practice;
 - b) WPF 04 Not having an established and meaningful Business Plan / Pension Administration Strategy;
 - c) WPF 15 Failure of the actuary to deliver the services contracted;
 - d) WPF 17 Failure of custodian to deliver the services contracted; and
 - e) WPF 26 Fraud by staff.
4. Progress in mitigating the five risks since the last quarterly Board / Committee cycle has included:
 1. Reviewing our Governance Policy Statement, Policy on Representation, Policy on Conflicts of Interest and Pension Administration Strategy, all of which the Committee is asked to approve the attached appendices;
 2. Reviewing and amending our current Business Plan/ Pension Administration Strategy in line with best practices; and
 3. Overseeing a gradual transition to our new actuarial provider, Hymans Robertson, following a full procurement process and subsequent contract award.
5. It is also worth noting that:

- As a result of the administration strategy review, we have received no suggestions for amendments, but we have been receiving updated discretions policies from employers.
- Our Good Governance Position Statement March 2024 is the latest statement of where we are as we await statutory guidance.
- In anticipation for TPRs General Code which is expected 27 March 2024. We are actively reviewing our current Governance Library for any gaps and prioritising those identified.
- We are currently drafting a Fund Cyber security policy as per guidance set out in the General Code and are working with both WCC and Heywoods to produce this document.
- We have successfully recruited to the Governance Officer position with effect from 01/04/2024.

6. Members should note that no changes to the Draft Worcestershire Pension Fund Policy on Representation 2023 (Appendix 3) and the Draft policy on Conflicts of Interest have been made. Minor amendments have been made to the current versions of the Good Governance Position Statement 2024 (Appendix 1), Draft Governance Policy Statement 2024 (Appendix 2) and the draft Worcestershire Pension Fund Pension Administration Strategy 2024 (Appendix 5) proposed.

Supporting information

- Appendix 1 - Good Governance Position Statement March 2024
- Appendix 2 - Draft Governance Policy Statement 2024
- Appendix 3 - Draft Policy on Representation 2023
- Appendix 4 - Policy on Conflicts of Interest 2022
- Appendix 5 - Draft Pension Administration Strategy 2024

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.