

WIRRAL COUNCIL

PENSIONS COMMITTEE

24 JUNE 2013

SUBJECT:	CORPORATE GOVERNANCE - GMI CONFERENCE AND UPDATE ON IFRS FRAMEWORK
WARD/S AFFECTED:	NONE
REPORT OF:	STRATEGIC DIRECTOR TRANSFORMATION AND RESOURCES
KEY DECISION? <i>(Defined in paragraph 13.3 of Article 13 'Decision Making' in the Council's Constitution.)</i>	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report seeks approval for the Chair of Pensions Committee to attend the GMI Ratings' 2013 Public Funds Forum – The Future of Corporate Reform in Newport, California.
- 1.2 As an appendix to this report, Members are also advised of the potentially significant findings of a Counsel's opinion commissioned by the Local Authority Pension Fund Forum in relation to the International Financial Reporting Standards (IFRS) framework.

The issues identified in the opinion raise fundamental concerns about accounting practices in recent years, which have had a particularly damaging effect on the banking sectors in the UK and Ireland. This in turn raises significant questions about the decisions taken by bank directors which, in LAPFF's view, were based on faulty numbers produced under the IFRS framework.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 Rigour in corporate governance is an essential element of the Fund's approach to Responsible Investment and the subject matter of the GMI Conference is pertinent to the role of the Chair on the LAPFF Executive.
- 2.2 GMI Ratings was formed in 2010 through the merger of three firms – The Corporate Library, GovernanceMetrics International and Audit Integrity. The predecessor firms had independently developed pioneering services to help institutional investors, insurers and corporate decision-makers quantify material risks typically overlooked in traditional approaches to risk modelling and mitigation.

Drawing on the shared vision and intellectual capital of its predecessor firms, GMI Ratings emerged as a clear leader in addressing systemic shortfalls in the

understanding of risks facing public companies. Today, GMI Ratings provides the most extensive coverage of environmental, social, governance and accounting-related risks affecting the performance of public companies worldwide.

- 2.3 The three-day educational conference is limited to approximately 200 public fund directors, managers, trustees and representatives, and is designed to give attendees the knowledge and tools to best fulfil fiduciary duties, protect portfolio assets and create long-term value.

3.0 RELEVANT RISKS

- 3.1 The Fund is required to demonstrate that Members of Pensions Committee have been adequately trained.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options have been considered

5.0 CONSULTATION

- 5.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising out of this report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 There are none arising from this report.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 7.1 One of the sponsors of the event, Robbins Geller Rudman & Dowd (a law firm retained by MPF on a non-remunerated basis) is offering complimentary registration and travel to its invitees.

8.0 LEGAL IMPLICATIONS

- 8.1 There are none arising from this report.

9.0 EQUALITIES IMPLICATIONS

- 9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

10.0 CARBON REDUCTION IMPLICATIONS

- 10.1 There are none arising from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 11.1 There are none arising from this report.

12.0 RECOMMENDATION/S

- 12.1 That Committee approves attendance at this prestigious event by the Chair of Pensions Committee.

13.0 REASON/S FOR RECOMMENDATION/S

13.1 The event covers topics that should be relevant and useful to Committee and is free to attend.

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APPENDICES

1. LAPFF press release in relation to the QC opinion
2. Counsel's opinion

REFERENCE MATERIAL

NONE

SUBJECT HISTORY (last 3 years)

Council Meeting	Date

