

Minutes of the Governance and Risk Working Party, Thursday 14 November 2019

Present:

Name	Initials	Organisation
Councillor Pat Cleary (Chair)	PC	WBC
Councillor Tony Jones	TJ	WBC
Councillor Geoffrey Watt	GW	WBC
Peter Wallach	PW	Director of MPF
Yvonne Caddock	YC	Head of Pensions Administration
Guy Hayton	GH	Senior Manager Operations & Information Governance
Donna Smith	DS	Head of Finance & Risk

Apologies were received from:

Name	Initials	Organisation
Councillor Brian Kenny	BK	WBC
Councillor George Davies	GD	WBC
Councillor Paulette Lappin	PL	Sefton Council
Councillor Chris Carubia	CC	WBC
Councillor Ian Byrne	IB	LCC
Roger Bannister	RB	Unison
Councillor Andrew Gardner	AG	WBC

In attendance: Emma Jones, Donna Ridland.

1. Approval of Minutes

Minutes of GRWP, dated Thursday 12 March 2019 were approved at Pension Committee 16 July 2019.

2. Declarations of Interest

Cllr. Geoffrey Watt declared an interest by virtue of having a relative who is a member of Merseyside Pension Fund. Cllr. Tony Jones declared a pecuniary interest by virtue of being a member of the Fund.

Noting/Action points

Noted.

3. Pensions Administration KPI report

YM reported on the Pension Administration KPI report which has been considered by Pension Board at its meeting on the 17 March, 17 July and 12 November 2019 and is a standing item on the Pension Board agenda.

YM gave a review of the report with all its salient points paying particular attention to work around data quality, annual allowance and the migration of documents, letters and workflows into an integrated pensions administration and payroll system.

YM advised that resources have been allocated to improve data quality in preparation for production of ABS and valuations. A lot of partnership working took place between the Fund and employers. These efforts paid off with the production of 97% of active benefit statements by 31 August and notification to TPR via the scheme return of a common data quality score of 99.1% and a scheme specific data score of 92.9%.

YM raised awareness that following production of last year's Pension Saving Statements a number of issues emerged which resulted in a comprehensive audit. Consequently, a measurable action plan was agreed identifying service improvements for the digital publication of PSS. The actions have been completed resulting in the timely issue of this year's statements.

YM confirmed that the migration from two core systems to an integrated pension admin system was completed over the reporting period. This involved the transfer of 8.5m documents and a substantial review of the operational workflow processes that drive the business. It was highlighted that administration processes are already realising efficiencies from moving to one integrated system.

YM noted that that the KPIs have suffered whilst resources have been allocated to data quality work and the system changes and concluded that KPI standards will improve as the new systems are embedded and the quality of data improves.

Councillor GW questioned the circumstances of a former breach report to TPR in relation to failure to issue an acceptable level of Annual Benefit Statements and sought assurances on actions taken to remedy the non-compliance. A discussion took place on how MPF compares to other Funds and how improvements have been accomplished to the satisfaction of TPR. YM informed members that she attended a

Benchmark meeting with other Metropolitan Pension Funds and the quality of MPF's statements compared well to those of its peers. The Fund has also answered the TPR's public service governance and administration survey, which informs and shapes regulatory approaches and priorities.

Noting/Action Points

The report was duly noted.

4. Internal audit annual report

DS reported on the internal audit annual report which is prepared by the Chief Internal Auditor. DS advised that the report sets out the background to the Internal Audit provision, an opinion on the adequacy and effectiveness of the Fund's internal control environment, a review of work undertaken in 2018/19 and the outcomes of the internal audit planning work for 2019/20. DS reported that internal audit service is able to provide significant assurance on the adequacy and effectiveness of the MPF internal control environment.

Councillor Tony Jones (TJ) asked about the wording of 5.2 'In the majority of systems audited there is a sound system of control in place...' does this mean that there is a minority in which the controls are not in place? DS explained that recommendations have been made as detailed within the report, Internal Audit perform follow up audits to assess whether recommendations have been implemented, once all recommendations are implemented, full assurance is then reported. DS referred to section 5.2 that also reports no significant weaknesses were identified. YM commented that the Fund has the opportunity to ensure the findings are accurate and agrees to the recommendations and provides a timeframe for implementation.

Noting/Action Points

The report was duly noted.

5. Contracts update

DS reported on the Fund's Procurement Rules Approval Documents (PRADs) on the Corporate Procurement Unit database that had been approved since the last meeting in accordance with Wirral Council's Contract Procedure Rules (CPRs). DS explained the different types of PRADs as set out in the CPRs and provided an overview of the approved PRADs for the Fund as detailed within the appendix to the report.

DS advised that a maintenance contract was included in the report in error as it is not a Fund PRAD. DS advised that the appendix included a breach notice and explained this was for using Royal Mail for postage, DS explained Royal Mail is a sole supplier that is used across Wirral Council, MPF has now completed a PRAD1 for Royal Mail.

Noting/Action Points

The report was duly noted.

6. Risk Register

PW reported on the Risk Register and explained that it is an essential component of the Fund's business planning, policies and procedures. The Risk Register is used to identify, assess, and manage risks through a review and updating process. The register is prepared in accordance with Wirral's Risk Management Policy and records the details of all risks that have been identified and how those risks will be managed. It is a standing item on the monthly Fund Operating Group agenda and is taken to Pension Board. It is reviewed formally by officers on a six-monthly basis and updated immediately if any risks are identified in the interim.

The report provided details of additions to the register, changes to risk ratings and risks that had been removed.

Noting/Action Points

The report was duly noted.

7. AOB

PC declared as there was Any Other Business the meeting is duly closed.

Noting/Action Points

Noted.

Date of Next Meeting

Tuesday 25 February 2019 at 2.30pm