

**Minutes of the Governance and Risk Working Party, 10.00, Thursday 23 September 2021**

Microsoft Teams meeting.

***Present:***

<b>Name</b>	<b>Initials</b>	<b>Organisation</b>
Councillor Pat Cleary (Chair)	PC	WBC
Councillor Jeff Green	JG	WBC
Councillor Adrian Jones	AJ	WBC
Councillor Les Rowlands	LR	WBC
Councillor Jo Bird	JB	WBC
Peter Wallach	PW	Director of MPF
Yvonne Murphy	YM	Head of Pensions Administration
Donna Smith	DS	Head of Finance & Risk
Guy Hayton	GH	Operations Manager
Paula Heaton	PH	Employer Compliance & membership Manager
Mark Niblock	MN	Chief Internal Auditor

**Apologies were received from:**

<b>Name</b>	<b>Initials</b>	<b>Organisation</b>
Councillor Helen Collinson	HC	WBC
Councillor Paulette Lappin	PL	Sefton Council
Councillor Brian Kenny	BK	WBC
Councillor Chris Carubia	CC	WBC
Councillor Martin Bond	MB	St Helen's Council

***In attendance: Emma Jones.***

### **1. Approval of Minutes**

Minutes of GRWP dated Wednesday 14 April 2021 were noted.

### **2. Declarations of Interest**

Councillor Jo Bird: pecuniary interest by virtue of her partner being a member of Merseyside Pension Fund.

Councillor Les Rowlands: pecuniary interest by virtue of his wife being a member of Merseyside Pension Fund.

### **Noting/Action points**

Noted.

### **3. Internal audit annual report**

The Chief Internal Auditor presented the Internal Audit's Annual Report. MN reported that to ensure compliance with the best professional practice the Internal Audit Service is required to prepare and present an Annual Report. This summarises the work that is undertaken by the Internal Audit Service and determines an overall opinion of the effectiveness of the assurances being provided by the control environment and the operation of the Fund.

The opinion identified in the report reflects work conducted by the Internal Service Audit during 2000/21 and is delivered in compliance with a Service Level Agreement with the Fund and where that work is targeted. There is a Risk Plan in operation which sits behind this.

MN briefed Members on the work the Internal Audit have undertaken with regard to Pooling arrangements working corroboratively with the internal audit teams from Manchester and West Yorkshire to develop work programmes.

The risk of the Fund managing more of its own assets 'in house' was discussed and whether capacity can be increased. MN advised that he works very closely with the Fund to look at any future developments and the audit work undertaken in these specific risk areas remains relevant and appropriate. PW drew attention to the Investments-related audit work that is planned for the next three years confirming that it is an area of particular focus.

Guidance documents and best practice notes were discussed which are specific to the LGPS.

### **Noting/Action Points**

PC asked for the GRWP Pack to be sent to members in a more timely manner in the future.

#### **4. Pensions Administration KPI report**

YM reported on the key performance indicators on the operations of the administration team during the period 1 April 2021 to 30 June 2021. YM advised that the report gives an overview of active, deferred and pensioner membership and work in conjunction with constituent employers. There are three distinct service areas, and the functions of each team are measured against performance standards documented within the Pension Administration Strategy.

The potential effects of staff working from home on KPI statistics and the arrangements for Covid-secure office working was discussed.

#### **Noting/Action Points**

The report was duly noted.

#### **5. NLGPS Custodian update**

PW presented a report which provided key performance indicators and key milestones and deliverables for the quarter to 31 March 2021 in relation to Northern Trust in their capacity as the common custodian to the Northern LGPS pool.

#### **Noting/Action Points**

The report was duly noted.

#### **6. MPF Contract exceptions report**

Consideration was given to a report of the Head of Finance & Risk. DS advised that the purpose of the report was to inform members of the fund's contracts which have been awarded and registered on the Corporate Procurement Unit's Register as being subject to Waiving the Rules (Rule 12) and breaches to the Contract Procedure Rules (CPRs). It is also to report any breaches of CPR's which have been logged from September 2020 to date. DS provided an overview of the report and the salient points contained therein.

A query was raised regarding a cladding issues affecting one of the fund's properties. PW briefed Members on the situation and undertook to follow up on progress in resolving the matter.

#### **Noting/Action Points**

PW will follow up on progress regarding the cladding issue and report back to Members.

The report was duly noted.

#### **7. Risk Register review**

PW reported the purpose of this report is to provide the Working Party with a copy of the Fund's Risk Register and for members to consider the changes to the risk register and note the report and to assure members that a review of risks is undertaken regularly.

### **Noting/Action Points**

JG asked whether this item could be reported earlier on in the agenda so the Risk Register is given due attention. It was agreed that this would be considered.

It was agreed that the effectiveness of mitigations and their effect over the long term should be assessed..

### **8. AOB**

The Chair thanked Members for their attendance and the Officers for the work involved to compile the reports.

### **Noting/Action Points**

**Date of Next Meeting - TBC**