

Pension Fund Investment Sub-Committee

9 December 2024

Pension Fund Governance Report

Recommendation

That the Pension Fund Investment Sub-Committee notes and comments upon the contents of this report.

1. Executive Summary

- 1.1 This report summarises the main governance issues currently affecting the Warwickshire Pension Fund. The report looks at the Forward Plan, Risk Monitoring, updated policies and training.

2. Financial Implications

- 2.1 There are no financial implications arising directly from this report. Where changes to policies are recommended, any implications arising from those changes are covered in the body of the report.

3. Environmental Implications

- 3.1 Climate Risk remains identified as a key risk on the Fund's Risk Register.

4. Supporting Information

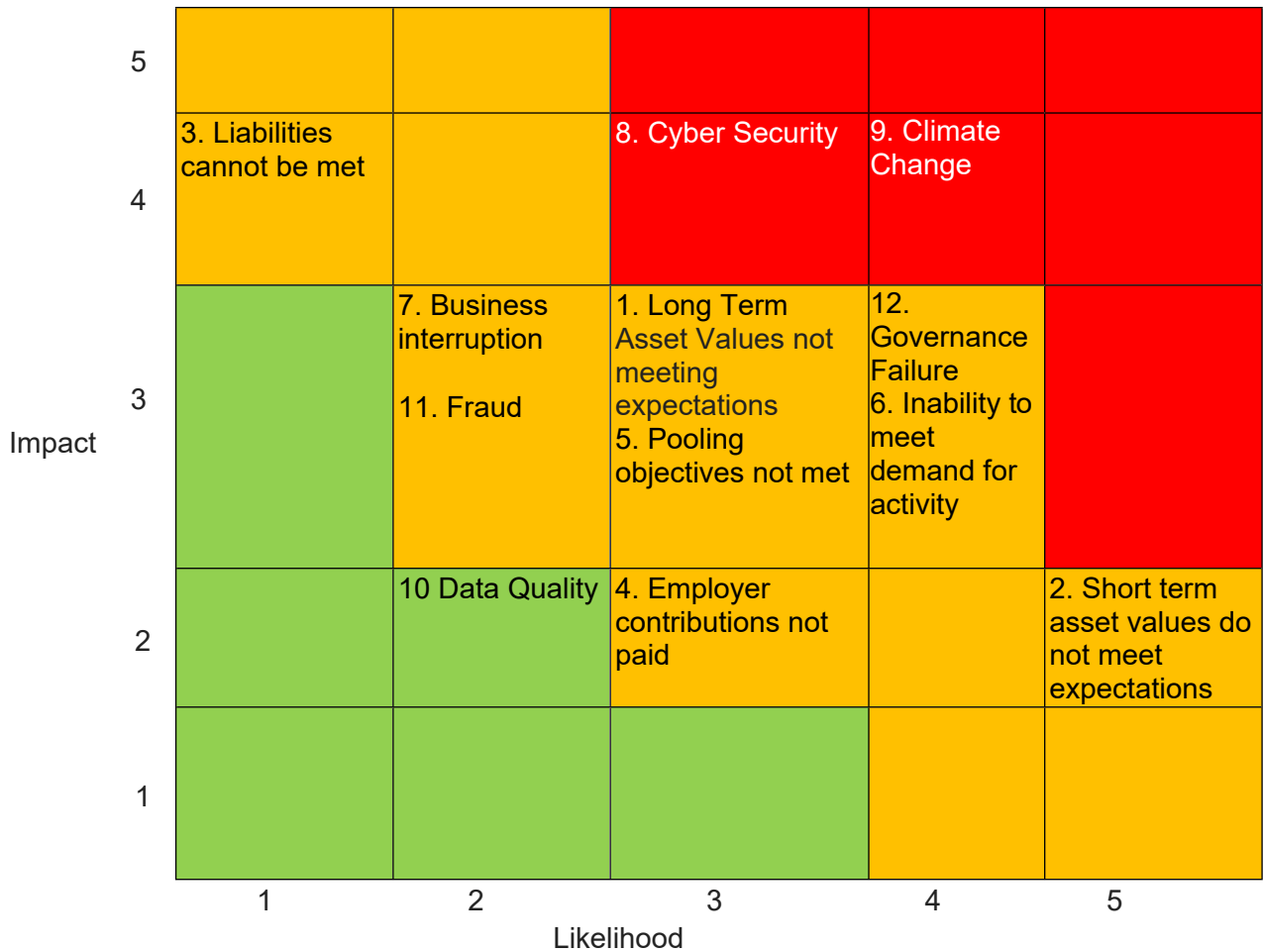
Forward Plan

- 4.1 An updated Forward Plan is appended for the Pension Fund Investment Sub-Committee's review and awareness. The Plan has been rolled forward to cover the year ahead.

Risk Monitoring

- 4.2 This section provides an update on the risks facing the Fund and the management actions necessary to address them.
- 4.3 The full Risk Register will continue to be provided once a year as requested by the Sub-Committee and will next be presented in June 2025.

4.4 Members of the Sub-Committee are asked to note the risks summarised in the chart below.



4.5 A review of the Fund’s Risk Register is conducted by officers on a quarterly basis. During that review, the inherent and residual score of each named risk is considered and amended where necessary. Mitigating actions undertaken in the previous quarter are recorded in the Risk Register. No risk scores have changed, but risk controls / mitigations have been updated where appropriate.

4.6 The risk control actions added since the previous review are:

- **Cyber Security Data (Risk 8)** - A formal project management approach has been taken for updating the Member Self Service system to Engage. Phishing testing has been undertaken with staff and additional Cyber Security training provided as required.
- **Governance Failure (Risk 12)** - A check against the Funds’ compliance with the Pensions Regulator Code of Practice has been completed. A new National Knowledge Assessment of the committees and Local Pension Board members has been completed. The results will set the Training agenda for the next 12 months.

- **Data Quality (Risk 10)** – A data management plan has been implemented to identify essential data missing from the Fund’s pension records and detail an action plan to rectify any omissions.

Policies

- 4.7 Hymans Robertson will be reviewing the Fund’s Investment Strategy Statement which will be presented at the meeting on 10 March 2025.
- 4.8 The recommended actions from the recent Code of Practice compliance review with AON require updates to several Fund policy documents. Amendments to the Training Policy are recommended to include an induction plan for new members of the committees and Local Pension Board. The Training Policy was due to be presented at the December meeting but will now be shared in the March 2025 meeting.

Training

- 4.9 The closing date for members of the Staff and Pensions Committee, Investment Sub-Committee, and Local Pension Board to complete the National Knowledge Assessment was 31 October 2024. When the results are published, the training plan for the next 12 months will be updated.
- 4.10 All officers have access to the LGPS Online Learning Academy and are encouraged to complete the six available modules.
- 4.11 The Pension Fund Annual General Meeting was held on 15 November 2024 at the Racecourse in Warwick. Fund officers presented on the Pensions Review and on governance, administration, and investment updates. The Pensions Regulator spoke about the Pensions Dashboard requirements and Club Vita presented on their life expectancy modelling and how it informs the assumptions used by Hymans Robertson in their contribution rate calculations.
- 4.12 An initial report of the review of the Fund’s compliance with the new Pension Regulator Code of Practice is the subject of a separate report to the December Staff and Pensions Committee.
- 4.13 A report on pensions reform and the LGPS “Fit for the Future” consultation is the subject of a separate agenda item at this meeting.

5. Timescales associated with the decision and next steps

- 5.1 None

Appendices

1. Appendix 1 Forward Plan

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The report was circulated to the following members prior to publication:

Local Member(s): Not applicable

Other members: Councillors Christopher Kettle, Bill Gifford and Peter Butlin