



Pensions Committee

Date: MONDAY, 7 JULY 2025

Time: 2.00 pm

Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members: Deputy Christopher Boden
Deputy Timothy Butcher
Clare James
Alderman & Sheriff Gregory
Jones KC

Tim McNally
Alderman Simon Pryke
David Sales

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Ian Thomas CBE
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **ORDER OF THE COURT**

To receive the Order of the Court of Common Council dated 25 April 2025, appointing the Committee and setting its Terms of Reference.

For Information
(Pages 7 - 8)

4. **ELECTION OF CHAIR**

To elect a Chair in accordance with Standing Order 28.

For Decision

5. **ELECTION OF DEPUTY CHAIR**

To elect a Chair in accordance with Standing Order 29.

For Decision

6. **MINUTES**

For Information

a) To receive the public note and non-public summary of the inquorate Pensions Committee meeting on 13 February 2025 (Pages 9 - 14)

b) To note the draft public minutes and non-public summary of the Local Government Pensions Board meeting on 17 January 2025 (Pages 15 - 20)

7. **WORK PROGRAMME**

Report of the Chamberlain.

For Information
(Pages 21 - 22)

8. **PENSIONS SCHEME - ADMINISTRATOR'S UPDATE**

Report of the Chamberlain.

For Discussion
(Pages 23 - 36)

9. **STATEMENT OF ACCOUNTS UPDATE FOR CITY FUND, PENSION FUND, AND CITY'S ESTATE**

Report of the Chamberlain.

For Information
(Pages 37 - 110)

10. **CITY OF LONDON PENSION FUND BREACHES OF LAW POLICY**

Report of the Chamberlain.

For Decision
(Pages 111 - 126)

11. **LOCAL GOVERNMENT PENSION SCHEME - COMMUNICATION POLICY**

Report of the Chamberlain.

For Decision
(Pages 127 - 132)

12. **ACCESS AND FAIRNESS CONSULTATION**

Report of the Chamberlain.

For Discussion
(Pages 133 - 138)

13. **GOVERNMENT RESPONSE - FIT FOR THE FUTURE CONSULTATION**

Report of the Chamberlain.

For Discussion
(Pages 139 - 144)

14. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY POWERS**

Report of the Town Clerk.

For Information
(Pages 145 - 148)

15. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

16. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

17. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

18. **MINUTES**

For Information

- a) To receive the non-public note of the inquorate Pensions Committee meeting on 13 February 2025 (Pages 149 - 152)
- b) To note the draft non-public minutes of the Local Government Pensions Board meeting on 17 January 2025 (Pages 153 - 158)

19. **ADMITTED BODY STATUS - REQUEST FOR DELEGATED AUTHORITY (CITY ACADEMIES TRUST)**

Report of the Chamberlain.

For Decision
(Pages 159 - 160)

20. **PERFORMANCE MONITORING**

a) **Pension Fund Quarterly Monitoring Report Q1 2025**

Report of Mercer.

For Information
(Pages 161 - 184)

b) **Investment Performance Monitoring to 31 March 2025**

Report of the Chamberlain.

For Decision
(Pages 185 - 222)

21. **LONDON COLLECTIVE INVESTMENT VEHICLE (LCIV) UPDATE**

Report of the Chamberlain.

For Discussion
(Pages 223 - 236)

22. **TRANSITION OF ASSETS TO THE LONDON CIV**

Report of the Chamberlain.

For Discussion
(Pages 237 - 244)

23. **LCIV: INVESTMENT MANAGEMENT AGREEMENT - REQUEST FOR DELEGATED AUTHORITY**

Report of the Chamberlain.

For Decision
(Pages 245 - 276)

24. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

25. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND THAT THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

Part 3 - Confidential Agenda

26. **DRAFT CONFIDENTIAL MINUTES - LOCAL GOVERNMENT PENSIONS BOARD**

To note the draft confidential minutes of the Local Government Pensions Board meeting on 17 January 2025.

For Information

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KING, Mayor	RESOLVED: That the Court of Common Council holden in the Guildhall of the City of London on Friday 25 th April 2025, doth hereby appoint the following Committee until the first meeting of the Court in April, 2026.
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PENSIONS COMMITTEE

1. **Constitution**

A non-Ward committee consisting of:

- Up to seven Members elected by the Court of Common Council, at least one of whom shall have fewer than five years' service on the Court at the time of their appointment
- Up to three independent members (i.e., non-Members of the Court of Common Council) co-opted to the Committee on the advice of the Chamberlain, with voting rights.

The Chairman and/or Deputy Chairman of the Local Government Pensions Board shall be permitted to attend the Committee in an observing capacity.

N.B. - No Member of the Pension Committee shall be a Member of the Local Government Pensions Board, or be the Chair or Deputy Chair of the Corporate Services Committee, the Finance Committee, or the Policy & Resources Committee simultaneously.

2. **Quorum**

The quorum consists of any three elected Members.

3. **Membership 2025/26**

- 4 (4) David James Sales
- 3 (3) Christopher Paul Boden, Deputy
- 3 (3) Timothy James McNally
- 4 (2) Timothy Richard Butcher, Deputy
- 2 (2) Gregory Jones KC, Alderman and Sheriff
- Vacancy
- Vacancy

Together with two Members to be appointed this day and the following independent Members referred to in paragraph 1 above:-

Independent Members

Clare James

4. **Terms of Reference**

To undertake statutory functions on behalf of the Local Government Pension Scheme (LGPS) and ensure compliance with the Local Government Pensions Scheme Regulations ("the Regulations"), relevant legislation, and best practice as advised by the Pensions Regulator.

To be responsible for: -

- a) formulating, publishing and periodically review strategies and policies around the Pension Fund, for example (but not limited to) investments, responsible investment, funding, and administration.
- b) selecting and appointing suitability qualified external service providers, such as investment managers and advisors as required.
- c) monitoring the Pension Fund's investment arrangements including asset allocation, the performance of investment managers and advisors, and asset pooling arrangements (noting that the Pension Fund is a shareholder of the London CIV pool).
- d) monitoring liabilities, making arrangements for the triennial actuarial valuation of the Pension Fund, and considering and approving the required employer contribution levels for each employer within the Fund.
- e) dealing with the admission and cessation of employers as and when necessary and to review the ability of admitted bodies to meet their obligations to the Pension Fund.
- f) ensuring the Corporation effectively discharges its obligations to scheme members and employers as an administering authority.
- g) considering and approving the Pension Fund's Annual Report as well as all other statutory statements required under the Regulations.
- h) working with, receiving and considering comments from the Local Government Pensions Board (a scrutiny and non-decision-making body established under the Regulations) in pursuit of good governance of the LGPS.
- i) ensuring that arrangements are in place for consultation with stakeholders as necessary.
- j) developing and maintaining the appropriate level of knowledge and understanding to carry out their duties effectively (including completion of the Pensions Regulator's Public Service toolkit).

NOTE: whilst it is the expectation and intention that corporate policies are applied in respect of the Pension Committee's activities, such matters must always be considered in light of the specific regulatory requirements that apply to the administration of the LGPS. Therefore, where relevant and insofar as such policies impact the Pension Fund, they will need to be reviewed by the Pension Committee.

PENSIONS COMMITTEE **Thursday, 13 February 2025**

Note of the inquorate meeting of the Pensions Committee held at Committee Room - 2nd Floor West Wing, Guildhall on Thursday, 13 February 2025 at 10.00 am

Present

Deputy Timothy Butcher
David Sales
Clare James
Alderman & Sheriff Gregory Jones KC

Officers:

Kate Limna	- Chamberlain's Department
Amanda Luk	- Chamberlain's Department
Sarah Port	- Chamberlain's Department
Graham Newman	- Chamberlain's Department
Raquel Pinto	- Town Clerk's Department

In Attendance:

Deputy Henry Pollard
Deputy Christopher Boden
Steve Turner – Mercer

The Town Clerk noted that a quorum had not been achieved within five minutes of the scheduled start of the Committee and as result, in accordance with Standing Order 36 (2), the formal meeting was dissolved. Members present agreed to informally consider the items on the agenda with a note of points. Any items requiring decision would be submitted to the next Committee meeting or dealt with using urgency procedures.

Alderman Gregory Jones arrived once the Committee had moved into the informal session.

1. APOLOGIES

Deputy Christopher Boden, Deputy Madush Gupta, Tim McNally and Deputy Henry Pollard.

It was noted however that both Deputy Christopher Boden and Deputy Henry Pollard had joined the meeting online.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

3. MINUTES

Members requested that the public minutes and non-public summary of the meeting held on 3 December 2024 be submitted to the Town Clerk to be approved under urgency procedures.

4. WORK PROGRAMME

Members received the Committee's work plan and noted that following the review of the Pension Fund against the Pensions Regulator's General Code of Practice, a number of policies in various different areas would need to be incorporated into the work programme in due course and a rolling programme of reviewing those policies would be undertaken. The Chairman requested for the Auditors recommendations to be brought back to the September meeting to ensure these were considered and to ensure compliance.

5. PENSIONS SCHEME - ADMINISTRATOR'S UPDATE

Members noted a report of the Chamberlain with a summary of general information around a range of topics in relation to the administration of the Scheme since the last Committee meeting.

6. RISK REGISTER FOR THE PENSIONS COMMITTEE

Members received a report of the Chamberlain which reviewed the Risk Register for the Pensions Committee. The Risk Register detailed the key risks that have been identified alongside a risk score which indicated the likelihood of a risk being realised together with the potential impact to the organisation and the appropriate mitigations.

During the discussion the following points were noted:

- At the September Pensions Committee, Members had asked Officers to review the cyber security risk, which led to an increase in the score of the risk on the register.
- Scams and mitigation processes had been reassessed and more detail was added following Barnett Waddingham's compliance review against the General Code of Practice.
- Members noted a specific McCloud risk on the risk register, this being an example of a generic risk of benefits not aligning with administration. A suggestion was made on the potential incorporation of a generic execution risk onto the risk register to reflect issues such as the Section 37 Virgin Media case.
- The McCloud risk covered all public sectors, including the police and non-funded schemes. Current retirees were considered, however there was a backdated backlog to address. Officers expected for the McCloud risk to eventually disappear from the risk register or be incorporated into another risk. It was noted that the McCloud risk should therefore remain isolated for now.
- Officers agreed to consider the issues around the Section 37 Virgin Media case and determine whether this should be considered a new risk in its own right or if it could be incorporated into an existing risk.
- A Member raised that there was no reflection in the risk register on the narrative of the triannual review and how this may affect the City Corporation's position. Officers would look to incorporate wording to reflect the actuary evaluation.

Members requested that the Town Clerk consider approving the risk register using urgency procedures.

7. INVESTMENT CONSULTANT STRATEGIC OBJECTIVES - ANNUAL REVIEW

Members received a report from the Chamberlain which updated the Pensions Committee on the performance of the Fund's Consultant, Mercer Ltd (Mercer) against the aims and objectives set and approved at the Financial Investment Board (FIB)

(prior to the establishment of the Pensions Committee) and which forms part of the Investment Consultant contract.

During the discussion the following points were raised:

- A Member highlighted the difficulty in subjectivity in these performance assessments, noting that Members may lack the experience and breadth of knowledge to compare their funds to others, and questioned the added value of relying on subjective assessments by Officers.
- The Chair noted the difficulty for Members to comment and emphasised that Members should set strategic direction rather than micro-manage.
- A Member suggested that having other external members with greater experience could add value. It was suggested that this be looked into after the Election period.

Members requested that the Town Clerk consider approving the Investment Consultant Review for 2024 and delegate authority to the Chamberlain to sign the Compliance Statement using urgency procedures.

8. PENSION FUND AUDIT FINDINGS FOLLOW UP

Members noted a report of the Chamberlain which updated the Pensions Committee on the Pension Fund Audit Findings for the year ended 31 March 2024 and the progress that has been made in relation to the 'best practice' recommendations.

Members noted that at the September Pensions Committee, the Committee received the draft audit findings for the year ended 31 of March 2024. The auditors identified two best practice recommendations, and Members requested a follow-up in six months to address these. One recommendation related to updating the pension software system processes and controls documentation, this had been brought to this Committee in a separate agenda item. The second recommendation concerned the journal authorisation process, which was a corporate-wide issue. This was currently in the test phase by the corporate finance team, with plans to roll it out in the upcoming financial year.

The Chairman expressed gratitude to the Officers on getting the audit report agreed on a timely basis as well as acknowledging the significant work involved. The auditors' points were largely minimal; however, these were added to the work program for review to ensure the recommendations were effectively carried out before next year's audit.

9. CITY OF LONDON PENSION FUND TRAINING POLICY

Members received a report of the Chamberlain following a previous report on Barnett Waddingham's General Code of Practice Compliance Review which checked the City of London Pension Fund's compliance with the Pension Regulators General Code of Practice. This report followed up on the recommendation made at the previous Pensions Committee to draft a Training Policy for Members of the City of London Pension Fund.

Members requested that the Town Clerk consider approving the City of London Pension Fund Training Policy using urgency procedures.

10. **LOCAL GOVERNMENT PENSION SCHEME - ADMINISTRATION STRATEGY**

Members received a report of the Chamberlain on the City of London's Local Government Pension Scheme Administration Strategy, following an initial report taken to the Pensions Committee on the 3 December 2024. This report presents Members with draft documents/policies to be reviewed and agreed.

Members requested that the Town Clerk consider approving The City of London's Local Government Pension Scheme Administration Strategy using urgency procedures.

11. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were none.

12. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

There was no urgent business.

13. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

14. **NON-PUBLIC MINUTES**

Members noted that the non-public minutes of the meeting held on 3 December 2024 and asked that these be submitted to the Town Clerk to be approved under urgency procedures.

15. **INVESTMENT PERFORMANCE MONITORING TO 30 NOVEMBER 2024**

Members received a report of the Chamberlain providing information on the investment performance of the Pension Fund and of the various investment managers as at 30 November 2024.

16. **LONDON COLLECTIVE INVESTMENT VEHICLE (LCIV) UPDATE**

Members received a report of the Chamberlain with an update on the London CIV (LCIV), the asset pool operator for London LGPS Funds and in which the Pension Fund is invested in.

17. **PENSION FUND CASHFLOW FORECAST 2024/25 TO 2027/28**

Members noted a report of the Chamberlain which detailed the cashflow for the Pension Fund for the four-year period 2024/25 to 2027/28, which forecasts that the Fund will remain cashflow positive across all years up to and including 2027/28.

18. **PRI 2024 ASSESSMENT RESULTS**

Members noted a report of the Chamberlain which introduced the Principles for Responsible Investment (PRI) Assessment Report for 2024.

19. **NON-PUBLIC REPORT OF ACTION TAKEN**

Members noted the report of the Town Clerk relating to action taken by the Town Clerk in consultation with the Chairman and Deputy Chairman, in accordance with Standing Order Nos. 41(a) and 41(b) since the last meeting.

20. **NON-PUBLIC APPENDICES**

Members noted the non-public appendix relating to item 5. An issue relating to Members access to the training material was raised, with the Chamberlain advising Members to get in touch with Officers to ensure this is resolved.

21. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

22. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND THAT THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

The Chairman wanted to extend his and the Pensions Committee's thanks to Deputy Henry Pollard who was stepping down from the Pensions Committee in the municipal year, with this being his last meeting. The Chairman noted Deputy Pollard's significant contribution to this Committee and expressed his thanks for all the hard work, experience and expertise in guiding investments on the Pension Fund.

The Chairman also wanted to place his and the Committee's thanks to Deputy Madush Gupta, who was also stepping down from the Pensions Committee. The Chairman wanted to place on record his and the Committee's thanks for Deputy Gupta's contributions to the debate on the Pension Fund.

The Chairman noted this was the last meeting of Pensions Committee for this municipal year, and wished to put on record his thanks to the Officers for undertaking what has been the difficult tasks of responding to the Governments' consultation and ensuring the administration of the Pension Fund was carried out in a timely manner.

Alderman & Sheriff Gregory Jones KC also wanted to thank the Chairman, Deputy Chairman and Members of the Committee on the outstanding work carried out as well as commending the level of expertise in what is an important subject.

Finally, the Chairman also extended his thanks to the Deputy Chairman for his continued help and support.

The meeting ended at 11:01

Chairman

Contact Officer: Raquel Pinto
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LOCAL GOVERNMENT PENSIONS BOARD

Friday, 17 January 2025

Minutes of the meeting of the Local Government Pensions Board held at the Guildhall EC2 at 1.45 pm

Present

Members:

Christina McLellan
Lisley (Deputy Chairman)

Paul Wilkinson
Mark Wheatley (Chairman)

Officers:

Kate Limna	- Chamberlain's Department
Graham Newman	- Chamberlain's Department
Raquel Pinto	- Town Clerk's Department
Amanda Luk	- Trainee Accountant - Chamberlain's Department
Sarah Port	- Chamberlain's Department

1. APOLOGIES

Apologies were received from Alderman Prem Goyal and David Pearson.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations of interests.

3. MINUTES RESOLVED:-

- That the public minutes and non-public summary of the Local Government Pensions Board meeting on 18 July 2024 be approved as an accurate record.
- That the public minutes and non-public summaries of the Pensions Committee Meetings on 18 June 2024 and 17 September 2024 be received and their contents noted.

4. ANNUAL REVIEW OF THE BOARD'S TERMS OF REFERENCE

The Board considered a report of the Town Clerk with the Board's Terms of Reference (ToR), for annual review.

RESOLVED: That:- the terms of reference of the Board be approved for submission to the Court in April 2025, and that any further changes required in the lead up to the Court's appointment of Committees be delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman.

5. **PENSION SCHEME - ADMINISTRATOR'S UPDATE**

The Committee received a report of the Chamberlain concerning a summary of general information around a range of topics in relation to the administration of the Scheme since the last Local Government Pensions Board meeting on the 18 July 2024.

The Chamberlain highlighted that:

- The online member portal was available to all deferred and pensioner members, but not yet advertised to them.
- The administration office currently has a vacancy for the systems role, whose responsibilities would include handling portal sign-up queries. This role was being advertised and would hopefully be filled soon. There was currently a reluctance to advertise the portal due to resourcing issues and anticipated high volume of queries, following the experience of rollout to active scheme members.
- It was noted that most queries from active scheme members were simple, mainly about logging into the system. However, there were concerns about the computer skills of some scheme members and the potential volume of queries this could result in.

RESOLVED: – that the report was received, and its content noted.

6. **LGPS COMMUNICATIONS ISSUED TO SCHEME MEMBERS**

The Board received a report of the Chamberlain which provided Members with copies of the communications issued to Scheme Members at the request of the Board at its meeting on the 18 July 2024.

During the discussion of this item the following points were noted:

- The Deputy Chairman noted that there were missing letters regarding death benefits, for example, the initial letter to survivors was included but not any of the follow-up letters. Officers would issue the missing letters to the Board after the meeting.
- The Deputy Chairman also noted that there was a broken hyperlink found in the letters, and stressed the importance of regular checks on hyperlinks to ensure these were working.
- The portal rollout to retired members and its potential use for communication was discussed.
- Members suggested that an update on the portal was provided in six months' time. Officers suggested that a report on the portal's status be brought to the Board's next meeting. This was unanimously agreed.
- Officers welcomed further feedback from Board Members offline.

RESOLVED – that the report was received, and its content noted.

7. **PENSIONS COMMITTEE UPDATE REPORT (PUBLIC)**

The Board received a report of the Chamberlain which summarised the reports and decisions made by the Pensions Committee on the public agenda at their meetings on 17 September and 3 December 2024.

The Chamberlain provided the following updates:

- The Pension Fund annual report for 2023/24 was published on time after the City Fund and Pension Fund accounts were signed by the external auditors.
- The Pensions Committee had a discussion on the Autumn Budget, Mansion House speech and the Fit for the Future consultation; however this took place in the non-public side of the meeting.
- The Fit for the Future consultation response had been submitted to MHCLG, and the response would be circulated to the Pensions Committee and Board Members next week.

RESOLVED – that the report was received, and its content noted.

8. **COL PENSION FUND: GAD SECTION 13 SUMMARY REPORT**

The Board received a report of the Chamberlain concerning the Government Actuary's Department (GAD) publication of their third Section 13 Report following the 2022 actuarial valuation of the Pension Fund in August 2024. The report provided a review of the Local Government Pension Scheme and was mandated under Section 13 of the Public Services Pensions Act 2013.

The Board noted the following points:

- GAD (Government Actuary's Department) collects and reviews actuarial valuations from all local government pension schemes after each triennial valuation.
- The City Corporation had received all green flags except for one white flag related to asset shock. This was measured differently due to the City's small council tax base, but this was not a concern.
- Recommendations were made for the Scheme Advisory Board (SAB), which links administering authorities and government, and they would issue updates as needed.

RESOLVED – that the report was received, and its content noted.

9. **RISK REGISTER FOR THE PENSIONS COMMITTEE**

The Board received a report of the Chamberlain concerning the Risk Register for the Pensions Committee. The Risk Register is reviewed twice a year and Officers had reviewed the risks and there had been no changes since this was last reported to the Pensions Committee in March 2024.

During the discussion of this item the following points were noted:

- The risk register is reviewed twice a year by the Pensions Committee, with the latest review having taken place at their September 2024 meeting.
- At the Pensions Committee, a Member raised a question on the high-risk cybersecurity threats and the need to increase the risk level on the register. Questions were raised about the City's cybersecurity policy and incident response plan, including pension scheme data. The Corporation has strong defences but cannot eliminate the likelihood of a targeted attack. Therefore, it was agreed that Officers would look into this issue and report back to the Committee.

- The Pensions Committee was otherwise content with the risk register.

RESOLVED – that the report was received, and its content noted.

10. **GENERAL CODE OF PRACTICE COMPLIANCE REVIEW - BARNETT WADDINGHAM'S REVIEW**

The Board considered a report of the Chamberlain relating to a review undertaken by Barnett Waddingham (the Actuary) on the City of London Pension Fund's compliance with the Pension Regulator's (tPR) General Code of Practice released in January 2024.

The Chamberlain provided the following updates:

- Barnett Waddingham had reviewed how current policies aligned with tPR's General Code of Practice Compliance.
- Not all modules under the new tPR's General Code of Practice were relevant to the LGPS.
- The review identified three red flags and four amber flags, which would require new/updated policies.
- It was agreed that at the February 2025 Pensions Committee meeting a Training Policy, process for monitoring, reviewing, and protecting scheme data document, a revised Administration Strategy, and an updated Risk Register to include more detail on scams, would be presented to the Committee.
- Future policy reviews would cover IT systems processes, transfers in and out, and monitoring contributions.
- Governance was a key focus for Pension Funds and therefore policies would be kept up to date.
- Updates would be presented to the Pensions Committee and to the Board in due course.

RESOLVED – that the report was received, and its content noted.

11. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no questions.

12. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no other business.

13. **EXCLUSION OF THE PUBLIC**

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

14. **MINUTES**

RESOLVED –

- That the non-public minutes of the Local Government Pensions Board meeting on 18 July 2024 were approved as an accurate record.

- That the non-public minutes of the Pensions Committee Meetings on 18 June 2024 and 17 September 2024 were received.

There was one item raised under matters arising.

15. **PENSIONS COMMITTEE UPDATE REPORT (NON- PUBLIC)**

The Board received a report of the Chamberlain which summarised the reports and decisions made by the Pensions Committee on the non-public agenda at their meetings on 17 September and 3 December 2024.

16. **INVESTMENT PERFORMANCE MONITORING TO 30 SEPTEMBER 2024**

The Board received a report of the Chamberlain relating to the Investment Performance of the Pension Fund as at 30 September 2024.

17. **LONDON COLLECTIVE INVESTMENT VEHICLE (LCIV) UPDATE**

The Committee received a report of the Chamberlain providing an update on London CIV.

18. **BREACHES OF THE LAW POLICY - UPDATE**

The Board received a report of the Chamberlain which provided an update on the breaches of the law policy, which came at the request of the Local Government Pensions Board.

19. **LOCAL GOVERNMENT PENSION SCHEME - CASUAL WORKERS**

The Board received a joint report of the Executive Director of HR & Chief People Officer and the Chamberlain & Chief Financial Officer with the latest update on the progress of the Casual Workers Pension Remediation Process, identifying areas of potential exposure and overall impact and updates on the financial liability.

20. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no non-public questions.

21. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

Members noted two non-public appendices.

22. **CHAMBERLAIN'S UPDATE**

Members received a confidential update from the Chamberlain.

The meeting closed at 15.45

Chairman

Contact Officer: Raquel Pinto
raquel.pinto@cityoflondon.gov.uk

PENSION COMMITTEE WORK PROGRAMME 2025/26

Timescale	Funding	Investment	Governance	Administration & Communication	Training Items #
Standing items		<ul style="list-style-type: none"> Investment Monitoring (inc. CAS update) LCIV/Pooling Update 	<ul style="list-style-type: none"> Work programme 	<ul style="list-style-type: none"> Administration Update 	
2025/26					
Q1 2025/26 (July)	<ul style="list-style-type: none"> Funding Update 2024/25 (Part of Investment Monitoring) 	<ul style="list-style-type: none"> Transition to Pool Plan Investment Management Agreement: delegated authority 	<ul style="list-style-type: none"> City Fund and Pension Fund Accounts update 2024/25 Fit for Future Consultation Response Access and Fairness Consultation 	<ul style="list-style-type: none"> Guidance for Transfers out (tbc) Communications Policy Admitted Body status: delegated authority Dashboard update and pensions portal roll out update Breaches of Law Policy 	
Q2 2025/26 (September)	<ul style="list-style-type: none"> Cashflow forecast 	<ul style="list-style-type: none"> Responsible Investment Policy Review* 	<ul style="list-style-type: none"> Risk Register Pension Fund Annual Report 2024/25 	<ul style="list-style-type: none"> Updates to member communication letters (if required) 	<ul style="list-style-type: none"> Pooling (LCIV)
Q3 2025/26 (December)	<ul style="list-style-type: none"> Triennial Valuation Initial Results 	<ul style="list-style-type: none"> Principles of Responsible Investment TCFD report 2025 	<ul style="list-style-type: none"> Training Policy (inc. conflicts of interest) 		<ul style="list-style-type: none"> Responsible investment/climate action (in house)
Q4 2025/26 (tbc)	<ul style="list-style-type: none"> Cashflow forecast Triennial Valuation Final Results Funding Strategy Statement 	<ul style="list-style-type: none"> Investment Strategy Review 	<ul style="list-style-type: none"> Risk Register Investment Consultant Strategic Objectives 	<ul style="list-style-type: none"> Updates to member communication letters (if required) 	

In addition to training provided either in house or by third party organisations, all Members will be expected to register for tPR online training and complete the modules in respect of **public sector pension schemes** within 12 months of joining the Committee. Members are also required to complete the Barnett Waddingham 'Enlighten!' online training within 12 months.

*Responsible investment activities are undertaken in conjunction with Investment Committee.

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City of London Corporation Committee Report

Committee(s): Pensions Committee	Dated: 7 July 2025
Subject: Pensions Scheme – Administrator’s Update	Public report: For Discussion
This proposal: <ul style="list-style-type: none"> • provides statutory duties • provides business enabling functions 	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of:	The Chamberlain
Report author:	Graham Newman – Chamberlain’s Department

Summary

The administration of the City of London Local Government Pension Scheme (the Scheme) is undertaken by the Pensions Team within the Chamberlain’s Department.

The table below provides a summary of general information around a range of topics in relation to the administration of the Scheme since the last Committee meeting on 13 February 2025.

Recommendation

The Committee is asked to note the report and provide any feedback in relation to this information.

Item	Update
Annual schedule of events for the administration of the Pensions Scheme	Appendix A provides details of the events / dates that form the main diary of the Scheme administration.
Information of Scheme Record Keeping	As the Scheme’s administrating authority, the City is responsible for making sure the scheme has good records. The City is required to ensure it has accurate, complete and up-to-date records and should have controls and processes in place to maintain these standards.

	<p>Failure to maintain complete and accurate records can risk not meeting legal obligations as set by the Pensions Regulator which could lead to fines and/or enforcement action being taken.</p> <p>The City's scheme data is measured once a year and the data scores are submitted to the Pensions Regulator (tPR) in the annual scheme return.</p>
Complaints or disputes under the Scheme's Internal Disputes Resolution Process (IDRP)	<p>Since the last Committee meeting, there have been 2 Stage Two and 1 Stage One IDRP applications received.</p> <p>A breakdown of the IDRP applications is included at Appendix B on the non-public agenda.</p>
Public Service Pensions - Reporting Breaches of Pension Law	None to report
Any audit reports relating to the administration of the Scheme	None to report.
Any reports relating to the administration of the Pension Scheme which have been considered by other Committees	None to report.
Pension Administration System	<p>The Pensions Office has rolled-out the Online Member Portal which allows members to access their pension record, make amendments to selected personal data (i.e. name and death grant nominees) and to run their own retirement estimates.</p> <p>The portal was used for providing the 2024 annual benefit statements and provides a potential platform for future bulk mailings.</p> <p>The system has been rolled out to all active scheme members and is now also available to retired and deferred members so that access to the portal can continue as active members leave the organisation. However, the availability of the portal has not yet been advertised to those that had already retired or left the organisation.</p> <p>It was hoped that this service would have already been advertised to existing City Pensioners, but developments regarding the City's new payroll provider and the options that may be made available to pensioners have caused a pause in this process.</p>

	<p>One of the main facilities that was expected to be added to the portal was the ability to upload pensioner payslips and P60s and make these available to the scheme members. This facility would require an additional cost to be added to the Online Member Portal.</p> <p>However the new payroll system that is being created and is due to go live in December may be able to provide this facility as standard. The Pensions Office is awaiting further information before beginning the advertising campaign to pensioner members as we are aware that this facility will be of great interest.</p>
Pensions Office Communications	The City of London Pensions Fund Communications Policy statement is included as a separate item on the agenda.
Public Sector Pensions Legal Challenge	<p><u>Lord Chancellor and Secretary of State for Justice v McCloud and others</u></p> <p>With effect from April 2015 (April 2014 for the LGPS) all public sector pension schemes were subjected to reforms that changed the way benefits were accrued and the date from which they would become payable.</p> <p>However, the legality of these reforms was successfully challenged and they were found to be discriminatory on the grounds of age. This challenge came to be referred to as 'McCloud'.</p> <p>The government consulted on what method of 'Remedy' should be used to remove the discrimination and on 10 March 2022 the Public Service Pensions and Judicial Offices Act 2022 received Royal Assent.</p> <p>The main purpose of the Act was to set out the intention of the 'McCloud Remedy' and implement it in the public service pension schemes.</p> <p>Further consultation determined the form the Remedy would take in respect of the LGPS and the regulations were formally laid and then implemented with effect from 1 October 2023.</p> <p>For active scheme members retiring after the implementation date, their McCloud eligibility will be assessed by the Pensions Office and if appropriate their benefits will be based upon the terms of the Remedy. In addition, from September 2025 onwards, all Annual Benefit Statements issued to active and deferred members must include details in respect of the Remedy and how it affects their individual benefits.</p> <p>With regards to retired members, all retirements since the introduction of the career average scheme in April 2014 will</p>

	<p>need to be assessed for eligibility for the McCloud Remedy. For those deemed to be eligible, their benefits in payment will need to be recalculated under the terms of the Remedy and any appropriate adjustments made and arrears paid. This process will also apply for the pensions being paid to the survivors/dependants of an eligible member who passed away before the Remedy was implemented.</p> <p>The Pensions Office has implemented the Remedy in respect of active scheme members and all retirements that have occurred since the implementation date (i.e. 1 October 2023) have been processed on this basis.</p> <p>The Pensions Office, is currently working on the 2025 Annual Benefit Statements (ABS), which for eligible active and deferred scheme members must be provided by 31 August 2025 and reflect the estimated underpin protection as provided for by the McCloud Remedy.</p> <p>Updates regarding the implementation of the McCloud Remedy will continue to be brought to each Committee meeting.</p>
Pension Committee Training	<p>All Members of the Committee are expected to register for tPR online training and complete the modules in respect of <u>public sector pension schemes</u>.</p> <p>The link for the online training is: https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes/understanding-your-role/learn-about-managing-public-service-schemes</p> <p>Following a trial period by officers, Members of the Committee have agreed to complete the online LGPS training that has been created by our actuary Barnett Waddingham. The training module is called 'Enlighten' and is specifically directed at LGPS Committees, Boards and officers. There are currently four courses available; each consisting of several bitesize videos and followed by a quiz.</p> <p>Details in respect of training modules completed by each Member are included on the non-public agenda (Appendix C).</p> <p>Members are expected to re-do the tPR training modules every 3-5 years.</p>
Pensions Office Key Performance Indicators	<p>As requested at the Committee meeting of 29 November 2022, Appendix D provides statistics in relation to the performance of the Pension Scheme Administration.</p> <p>The working processes followed by the Pensions Team are regularly reviewed to ensure the statistics accurately reflect the work involved.</p>

<p>Pensions Dashboards</p>	<p>Introduced by the Department for Work and Pensions (DWP), Pensions Dashboards have been designed to provide an online platform that will allow individuals to access details of their accrued pension benefits from multiple sources in one place. The intention is to support better planning for retirement, and help individuals reconnect with any pension pots they may have lost over time.</p> <p>In respect of Public Sector Pension Schemes, the initial expectation was that schemes would be required to connect to the online dashboard infrastructure by 30 September 2024.</p> <p>However, a written Ministerial Statement made on 2 March 2023 stated that delays setting up the dashboard programme has meant that the original timetables have been re-considered.</p> <p>A revised staging timetable has been set out in guidance with all schemes in scope given a single connection deadline of 31 October 2026, by which time they are legally required to be connected to the pensions dashboard ecosystem and be ready to respond to requests for pensions information.</p> <p>However, the guidance also sets out a staging timetable which provides a recommended connection date based upon scheme size and type – the connection date for public sector pension schemes is 31 October 2025.</p> <p>The Pensions Regulator (TPR) updated its ‘Failing to comply with dashboards duties’ guidance in June 2023: (https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/dashboards-guidance/failing-to-comply-with-pensions-dashboards-duties). The purpose of the guidance is to outline what schemes will need to do to demonstrate that they have had regard to the staging timetable that will be set out in the connection guidance.</p> <p>TPR expectations of schemes to show they ‘have regards to the connection guidance’ includes:</p> <ul style="list-style-type: none"> • Connect to dashboards by the connection deadline of 31 October 2026 that is set out in legislation. Failure to do so could result in regulatory action by TPR. • A revised staging timetable is set out in guidance which indicates when schemes are scheduled to connect. All trustees and scheme managers must have regard to this guidance. Failure to do so will be a breach.
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	<ul style="list-style-type: none"> • Although the timelines in the guidance are not mandatory, schemes will be expected to demonstrate how they have had regard to the guidance. • A phased approach to staging enables a controlled and well-planned connection, reduces the risk of provider capacity constraints and means savers can realise the benefits of dashboards as early as possible. • Continuing to prepare for dashboards by engaging with those who will support them and their dashboard duties. <p>The Pensions Dashboards Programme (PDP) has updated their FAQs to reflect the new connection deadline announcement https://www.pensionsdashboardsprogramme.org.uk/faqs/</p> <p>The National LGPS Framework was set up to provide procurement facilities for all LGPS Funds to allow for an efficient route for sourcing external services by a compliant route.</p> <p>The Pensions Office is currently in discussions with an ISP with regards to appointing them to provide this service for both the Local Government and Police Pension Scheme as administered by the City of London.</p> <p>At the point of writing discussions were ongoing, but the City has a notional implementation date agreed with the provider of late June. Implementation is expected to take approximately 10 weeks and it is therefore expected that the service will be in place in September.</p> <p>While the City of London is expected to connect to the Pensions Dashboard staging date of 31 October 2025, the service will not be released to the general public until a later date. Schemes will be given at least 6 months notice before the public go-live date.</p> <p>Updates regarding the progress being made in respect of the Dashboards project will be brought to each Committee meeting.</p>
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Appendices:

Appendix A – Annual Schedule of Events (Administration

Appendix B – IDRP cases received by the Pensions Office (NON PUBLIC)

Appendix C – Member Training (NON PUBLIC)

Appendix D – KPI Details

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Local Government Pension Administration - Schedule of Events 2024/25

Date Due	Event	Completed
31 August 2024	Issue of Annual Benefit Statements deadline.	31 August 2024
30 September 2024	Employee Contribution Band review	30 September 2024
5 October 2024	Issue of Annual Allowance (AA) Saving Statements deadline	25 September 2024
22 November 2024	Scheme Return to the Pensions Regulator	22 November 2024
November 2024	Tax return for Quarter 2 (to 30/09/2024)	11 November 2024
1 December 2024	Publication of 2023/24 Pension Fund Accounts and Annual Report	28 November 2024
February 2025	Tax Return for Quarter 3 (to 31/12/2024)	30 January 2025
1 April 2025	Employee Contribution band review/implementation.	1 April 2025
6 April 2025	Revaluation of CARE benefits.	6 April 2025
1 Monday in April following Tax Year End	Pensions Increase (PI) – Annual Inflation increase.	7 April 2025
May 2025	Tax return for Quarter 4 (to 31/3/2025)	19 May 2025
31 May 2025	Pensioner P60s distributed	31 May 2025
30 June 2025	Publish draft City Fund Accounts 2024/25 (including the Pension Fund Accounts)	
June/July 2025	Year-end data to the pension fund's actuary	
August 2025	Tax return for Quarter 1 (to 30/06/2025)	
31 August 2025	Issue of Annual Benefit Statements deadline.	
31 August 2025	Deadline for providing McCloud Remedy information to the active and deferred membership.	
30 September 2025	Employee Contribution Band review	
5 October 2025	Issue of Annual Allowance (AA) Saving Statements deadline	
November 2025 (TBC)	Scheme Return to the Pensions Regulator	
November 2024	Tax return for Quarter 2 (to 30/09/2024)	
1 December 2025	Publication of 2024/25 Pension Fund Accounts and Annual Report	
February 2026	Tax Return for Quarter 3 (to 31/12/2025)	

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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City of London Local Government Pension Scheme - Administration Key Performance Indicators

Task	Target (Working Days)	Result 2023/24	Result 2022/23	Result 2021/22
Initial payment of retirement benefits	5 days*	94.32%	97.35 %	98.61 %
Process refund and make payment	5 days	95.79%	94.85 %	98.44 %
Statement notifying estimate of retirement benefits	20 days	96.57%	97.04 %	96.17 %
Statement detailing transfer-in credit	20 days	100.00%	100.00 %	100.00 %
Transfers-out payments	20 days	100.00%	100.00 %	100.00 %
Answering general correspondence:	10 days	94.99%	96.50 %	96.83 %
Payment of lump sum death grants:	14 days	100.00%	92.59 %	100.00 %
Letters to dependants in respect of benefits due:	5 days	94.74%	98.36 %	94.44 %

Task	Target (Working days)	Quarter 1 01/04/2024 – 30/06/2024	Quarter 2 01/07/2024 – 30/09/2024	Quarter 3 01/10/2024 – 31/12/2024	Quarter 4 01/01/2025 – 31/03/2025	Number of cases in Quarter 4	Total for the year 01/04/2024 – 31/03/2025	Total number of cases for the year
Initial payment of retirement benefits	10 days*	95.35%	93.48%	97.44%	98.39%	62	96.32%	190
Process refunds and make payments	5 days	90.91%	91.67%	93.33%	86.67%	15	90.57%	53
Statement notifying estimate of retirement benefits	20 days	94.92%	97.56%	100%	96.55%	29	96.69%	151
Statement detailing transfer-in credit	20 days	96.55%	97.92%	100%	100%	34	98.46%	130
Transfers-out payments	20 days	100%	100%	100%	n/a	0	100%	56
Answering general correspondence	10 days	96.06%	97.50%	100%	97.78%	180	97.73%	573
Payment of lump sum death grants	14 days	100%	100%	100%	100%	1	100%	18
Letters to dependant's in respect of benefits due	5 days	100%	100%	94.12%	96.00%	25	97.14%	70

* At the June 2024 Committee meeting, Members agreed to change the target for the initial payment of retirement benefits from 5 to 10 working days. Statistics shown for 2023/24 and earlier are based upon the 5 working days target. Statistics from April 2024 onwards have been collated based upon the revised timeframe.

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Committee(s): Audit and Risk Management Committee – For decision Finance Committee – For information Pensions Committee – For information Local Government Pensions Board – For information	Dated: 12 May 2025 04 June 2025 07 July 2025 21 July 2025
Subject: Statement of Accounts Update for City Fund, Pension Fund, and City's Estate	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain	For information
Report author: Iain Jenkins, Chief Accountant	

Summary

This report provides an update on the production of the 2024-25 Statement of Accounts and planning for the 2024-25 audit of the City Fund, Pension Fund, and City's Estate accounts.

The attached External Auditor's reports outline Grant Thornton's work plan for undertaking the audit of the City Fund and Pension Fund Accounts for 2024-25. In addition, the reports outline the work they will undertake to reach a Value for Money conclusion on the Authority's arrangements to secure economy, efficiency and effectiveness in the use of resources. The report also identifies specific risks and includes a statement of their fees.

Crowe's Audit Plan for the audit of the City's Estate group, and other charity accounts is also attached. This also identifies specific risks and includes a statement of their fees.

Recommendation(s)

The **Audit and Risk Management** Committee is asked to:

- **Note** the Indicative City Fund Audit Plan for 2024-25 as set out in Appendix 1
- **Note** the Indicative Pension Fund Audit Plan for 2024-25 as set out in Appendix 2
- **Approve** the responses from Management for both the City Fund and Pension Fund as per Appendix 3 and Appendix 4
- **Note** the Indicative City's Estate Audit Plan for 2024-25 as set out in Appendix 5

The **Finance Committee** is asked to:

- **Note** the responses from Management for the City Fund as per Appendix 3

The **Pensions Committee** and **Local Government Pensions Board** are asked to:

- **Note** the indicative Pension Fund Audit Plan for 2024-25 as set out in Appendix 2
- **Note** the responses from Management for the Pension Fund as per Appendix 4

Main Report

Background and current position – City Fund and Pension Fund

1. The Audit and Risk Management Committee oversees the City of London Corporation's systems of internal control and makes recommendations to the Finance Committee relating to the approval of the City Fund Annual Statement of Accounts – this includes the Pension Fund accounts.
2. The Authority will publish its draft accounts for the City Fund for the 2024-25 financial year prior to the statutory deadline of 30 June 2025, adhering to the previous deadline of 31st May.
3. Grant Thornton will be carrying out the external audit of the City Fund and Pension Fund accounts for 2024-25. The audit for City Fund is due to commence in June 2025, the Pension Fund audit will begin in July 2025 and both are scheduled to run through to September 2025. It is considered good practice and part of the assurance framework for the External Auditor to report to the Audit and Risk Management Committee at regular intervals.
4. Grant Thornton will report the findings arising from their work on the 2024-25 audit to this Committee at the 15th September meeting, following the conclusion of the audit. The statutory deadline for the City Fund Accounts (including the Pension Fund Accounts) to be approved is 30th September 2025.
5. As the Pension Fund accounts form part of the City Fund accounts as a whole, the Audit and Risk Management Committee retain ultimate responsibility for receiving and considering audit plans as well as receiving any reports arising from the audit. The Pension Fund Audit Plan for 2024-25 is included in Appendix 2; the audit plan and any reports arising from the audit will also be reported to the Pensions Committee and Local Government Pensions Board (for information).
6. As part of their audit planning procedures, the auditors have engaged in a series of inquiries with the management regarding various aspects such as fraud and compliance with laws and regulations. The responses to these inquiries are presented in Appendices 3 and 4 (for the City Fund and the Pension Fund respectively) for review by the Committee. Members are encouraged to take note of these responses and provide any additional comments for further consideration.

Background and current position – City's Estate group and other charities

7. Unlike the City Fund accounts, there is no statutory deadline for the publication and audit of the City's Estate Group accounts. However, there are requirements of the private placement loans which have been taken out which require signed off accounts to be provided by 23rd December following the end of each financial year.

Some individual entities, charities and trusts have their own specific deadlines for reporting and submission to the Charity Commission and Companies House.

8. The filing deadline for annual returns to the Charity Commission is ten months after financial year end for each entity. For the majority of the charities and trusts this deadline is 31st January 2026, with the exception of Almshouses (30th September 2025), the Charities Pool (30th November 2025) and the Girls School Bursary Fund (30th November 2025).
9. The deadline from the Office for Students for GSMD to submit their annual financial return is five months after financial year end (31st August 2025).
10. The filing deadline for Companies House (which would be applicable to the accounts for the Lord Mayor's Show, Barking Power Limited and Thames Power Limited) is nine months after financial year end. For Barking Power Limited and Thames Power Limited the filing deadline is 31st December 2025. For the Lord Mayor's Show the filing deadline is 28th February 2026, as those accounts are prepared based upon a year end of 31st May.
11. To meet these deadlines, Crowe have set out their timetable which would see their final report return to Audit and Risk Committee on 17th November 2025.
12. The planning report (Appendix 5) sets out the areas identified as significant audit risks, materiality levels as well as the staffing resources fees and timetable to be followed.

Corporate & Strategic Implications

13. Strategic implications – There are no specific links to the Corporate Plan. However, the accounts assist the City Corporation in maintaining a clear and transparent dialogue regarding its activities with residents and other stakeholders.
14. Financial implications – The fees for the audits are included within the appendices and can be met from the existing Finance Committee budget provision.
15. Legal implications – The recommendations of the report request the Audit and Risk Management Committee to note indicative Audit Plans for 2024-25, which outlines the auditors' planning and approach to the audit, including the audit timetable. The Committee is not requested to make any decision and there are no significant legal implications arising from the content of this report.

Conclusion

16. The attached External Auditor's report outlines Grant Thornton's work plan for undertaking the audit of the City Fund and Pension Fund Accounts for 2024-25, and Crowe's work plan for undertaking the audit of the City's Estate group accounts and charities accounts for 2024-25. The reports also identify specific risks and includes a statement of the auditors' fees which have been reviewed and queried by officers as appropriate.

17. In addition, the report also outlines the work that Grant Thornton will undertake to reach a Value for Money conclusion on the Corporation's arrangements to secure economy, efficiency and effectiveness in the use of resources.

Appendices

- Appendix 1 - City Corporation City Fund Audit Plan 2024-25 (not attached for Pensions Committee)
- Appendix 2 - City Corporation Pension Fund Audit Plan 2024-25
- Appendix 3 - City Corporation City Fund Informing the audit risk assessment 2024-25 (not attached for Pensions Committee)
- Appendix 4 - City Corporation Pension Fund Informing the audit risk assessment 2024-25
- Appendix 5 - City Corporation City's Estate Audit Plan 2024-25 (not attached for Pensions Committee)

Background Papers

None

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The Audit Plan for City of London Corporation Pension Fund

Year ending 31 March 2025

April 2025



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01 Key developments impacting our audit approach

Local Audit Reform

External factors

Proposals for an overhaul of the local audit system

On 18 December 2024, the Minister of State for Local Government and English Devolution, Jim McMahon OBE, wrote to local authority leaders and local audit firms to announce the launch of a strategy to overhaul the local audit system in England. The proposals were also laid in Parliament via a Written Ministerial Statement.

- The government's strategy paper sets out its intention to streamline and simplify the local audit system, bringing as many audit functions as possible into one place and also offering insights drawn from audits. A new Local Audit Office will be established, with responsibilities for:
- Coordinating the system – including leading the local audit system and championing auditors' statutory reporting powers;
- Contract management, procurement, commissioning and appointment of auditors to all eligible bodies;
- Setting the Code of Audit Practice;
- Oversight of the quality regulatory framework (inspection, enforcement and supervision) and professional bodies;
- Reporting, insights and guidance including the collation of reports made by auditors, national insights of local audit issues and guidance on the eligibility of auditors.

The Minister also advised that, building on the recommendations of Redmond, Kingman and others, the government will ensure the core underpinnings of the local audit system are fit for purpose. The strategy therefore includes a range of other measures, including:

- setting out the vision and key principles for the local audit system;
- committing to a review of the purpose and users of local accounts and audit and ensuring local accounts are fit for purpose, proportionate and relevant to account users;
- enhancing capacity and capability in the sector;
- strengthening relationships at all levels between local bodies and auditors to aid early warning system; and
- increased focus on the support auditors and local bodies need to rebuild assurance following the clearing of the local audit backlog.

Our Response

Grant Thornton welcomes the proposals, which we believe are much needed, and are essential to restore trust and credibility to the sector. For our part, we are proud to have signed 83% of our 2022/23 local government audit opinions without having to apply the local authority backstop. This compares with an average of less than 30% sign off for other firms in the market. We will be keen to work with the Ministry of Housing, Communities and Local Government (MHCLG), with existing sector leaders and with the Local Audit Office as it is established to support a smooth transition to the new arrangements.

Locally, we completed all prior year pension fund audits ahead of backstop deadlines with unqualified opinions for City of London Corporation Pension Fund.

Key developments impacting our audit approach

National Context	Local Context
<p>Administration and Governance</p> <p>The total membership of the LGPS was 6.7 million people. Of this number around one third are active employees who still contribute to the scheme. 71.1% (4.8 million) of all the members of the LGPS are covered by local authorities and other connected bodies, though local authorities and connected bodies represent only 16.5% of employers (with 3,478 employers). In total, there were 21,131 employers covered by the Local Government Pension Scheme at the end of March 2024.</p> <p>In respect of administration and governance some key matters impacting 2024/25:</p> <ul style="list-style-type: none">• The Pension Regulator’s (TPR) General Code of Practice came into effect on 28 March 2024. It replaces Code of Practice 14 for public service pension schemes and brings together ten previous codes into one. The Code provides an opportunity for funds to review current practices but also presents challenges during what is already a busy time for the LGPS.• The Pensions Dashboards Regulations 2022 set out in law the connection to the ecosystem and that maintenance of connection is a legal requirement, it also sets out that schemes must connect to the ecosystem by the ‘connection deadline’ 31 October 2026. To avoid placing undue strain on all parties facilitating connection, the Department for Work & Pensions (DWP) published guidance confirming that public service pension schemes should ‘connect by’ 31 October 2025.• The regulations implementing the McCloud remedy took effect from 1 October 2023. Statutory Guidance was published in June 2024 and pension funds have, for most members, the period up until a fund’s annual benefit statements for 2024/25 are issued to complete implementation i.e. by the end of August 2025. <p>In planning our audit, we have taken account of this national context in designing a local audit programme which is tailored to your risks and circumstances.</p>	<p>The total membership of the City of London Corporation Pension Fund (the ‘Fund’) was c. 15,500 people as at the end of March 2024. Of this number around one third are active employees who still contribute to the scheme. In total, there were 11 active employers covered by City of London Corporation Pension Fund at the end of March 2024.</p> <p>In respect of administration and governance some key matters impacting 2024/25 include:</p> <ul style="list-style-type: none">• The City’s Actuary, Barnett Waddingham (BW), have analysed the TPR’s General Code of Practice to identify if there are any gaps or improvements required in current arrangements. This was reported to the Pensions Committee (in February) and Local Government Pensions Board, and improvements identified are being addressed by the Fund• The Fund has continued to work through the processes for connecting to the Pensions Dashboard ecosystem and is on track to meet the October 2025 deadline. The rollout was acknowledged in the December 2024 Pensions Scheme – Administrator’s Update. Further updates are scheduled to be made at upcoming committee meetings• The Fund has continued to implement the McCloud remedy. No significant issues have been encountered. The Pensions Office has implemented the Remedy in respect of active scheme members and all retirements that have occurred since the implementation date (i.e. 1 October 2023) have been processed on this basis. The Pensions Office, in conjunction with each individual Scheme employer, is currently compiling the details of all retirements since April 2014 to assess eligibility and begin the process of re-calculating benefits where appropriate. Active and deferred scheme members must be provided with details by 31 August 2025 and it is expected that all retired scheme member will have been contacted by then

Key developments impacting our audit approach (continued)

National and International Context

Investments and Funding

Triennial valuations for local government pension funds as at 31 March 2022 (the 2022 valuation) were published in March 2023. These valuations, provide updated information regarding the funding position of local government pension funds and set employer contribution rates for the period 2023/24 – 2025/26. In August 2024 the Government Actuary’s Department (GAD) published its Section 13 report analysing the outcomes of the valuations. GAD noted that funding levels have improved since 2019, however not all funds were in a surplus after the 2022 valuation, with 26 out of 87 being in deficit. In addition, there continues to be considerable variation between funds, with the highest funding level at 154% and the lowest funding level at 67%. This is a wider range than previously reported in the 2019 valuation. The average primary contribution rate to cover future benefit accruals has increased from 18.6% to 19.8% following the 2022 valuations.

At the end of March 2024, the market value of LGPS funds was £391.5 billion, an increase of 9.0% compared to the end of March 2023. Total LGPS income in England and Wales in 2023-24 was £20.7 billion with expenditure of £17.1 billion.

The Fund will be entering the 2025 valuation (as at 31 March 2025) process this calendar year. The valuation will set employer contribution rates for 1 April 2026 through to 31 March 2029. The national and international economic context continue to present challenges for pension funds with a consequential impact on the investments held by pension funds but investment performance and setting stable, affordable contributions for employers will be key factors.

In July 2024 the government launched a Pensions Review of workplace defined contribution pensions schemes and the Local Government Pension Scheme in England and Wales (LGPS). The focus of the review for the LGPS is to look at how tackling fragmentation and inefficiency can unlock the investment potential of the scheme, including through further consolidation. This review, Fit for the Future, is being led by the Ministry of Housing, Communities and Local Government (MHCLG). Consultation on the Government’s proposals sought views in three key areas; reforming the LGPS asset pools, boosting LGPS investment in their localities and regions in the UK, and strengthening the governance of both LGPS administering authorities (AAs) and LGPS pools. The consultation closed in January 2025 and outcomes from it are now awaited although we understand that the London CIV has had its proposals for pooling its remaining assets by March next year approved.

In planning our audit, we have taken account of this national and international context in designing a local audit programme which is tailored to your risks and circumstances.

Local Context

The net assets of the City of London Corporation Pension Fund as at the end of March 2024 amounted to £1,495.8m (31 March 2023: £1,375.4m).

In respect of Investments and Funding some key matters impacting 2024/25 include:

- For City of London Corporation Pension Fund (the ‘Fund’), the 2022 triennial valuation was undertaken by Barnett Waddingham, and showed that the Fund had assets sufficient to cover 98% of the accrued liabilities as at 31 March 2022, which had increased from 90% at the 2019 valuation.
- Following each triennial valuation, the Government Actuary’s Department (GAD) publish a Section 13 report. This report provides a review or health check of the Local Government Pension Scheme and is mandated under Section 13 of the Public Services Pensions Act 2013. This report went to the September meeting of the Pensions Committee. The City of London Corporation Pension Fund has met all the criteria of the Section 13 valuation although one white flag was raised. The key aim of the review was to ensure that the contributions are set at a suitable level to target 100% funding, over an appropriate period, using suitable assumptions for the fund. There is no requirement to take any action as a result of the white flag, however the Fund may want to think about how it can minimise the risk of any flags being raised following completion of the 2025 valuation.
- We expect requests to be received from employer body auditors to undertake work on the accuracy and completeness of the information provided to the actuary as part of the 2025 valuation process.
- During 2024/25 the Fund continued to move assets into London CIV Pool. As at 2024/25 year end, there are 3 new Investments, 2 of which were through the London CIV (level 2) and one Infrastructure Manager (level 3).
- There is an increased incentive and opportunity for organisations in the public sector to manipulate their financial statements due to ongoing financial pressures. We are required to identify a significant risk in relation to management override of controls.

Key developments impacting our audit approach (continued)

Our commitments

- As a firm, we are absolutely committed to audit quality and financial reporting in local government and local government pension schemes. Our proposed work and fee, as set out further in this Audit Plan, has been agreed with the Chamberlain.
- To ensure close work with audited bodies and an efficient audit process, our preference as a firm is either for our UK based staff to work on site with you and your staff or to develop a hybrid approach of on-site and remote working. Please confirm in writing if this is acceptable to you, and that your staff will make themselves available to our audit team.
- We would like to offer a formal meeting with the Corporate Treasurer and with the Chamberlain/Corporate Treasurer quarterly as part of our commitment to keep you fully informed on the progress of the audit.
- At an appropriate point within the audit, we would also like to:
 - meet informally with the Chair of your Audit and Risk Management Committee, to brief them on the status and progress of the audit work to date, and
 - In line with best practice, offer to meet in private with the full Audit and Risk Management Committee.
- We will continue to provide you and your Audit and Risk Management Committee with sector updates providing our insight on issues from a range of sources and other sector commentators via our Audit and Risk Management Committee updates.
- We hold annual financial reporting workshops for our audited bodies to access the latest technical guidance and interpretation, discuss issues with our experts and create networking links with other clients to support consistent and accurate financial reporting across the sector.



02 Introduction and Headlines

Introduction and headlines



Purpose

- This document provides an overview of the planned scope and timing of the statutory audit of City of London Corporation Pension Fund (the ‘Fund’) for those charged with governance.

Respective responsibilities

- The National Audit Office (‘the NAO’) has issued the Code of Audit Practice (‘the Code’). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the Deed signed on 1 November 2022, which includes our engagement letter.

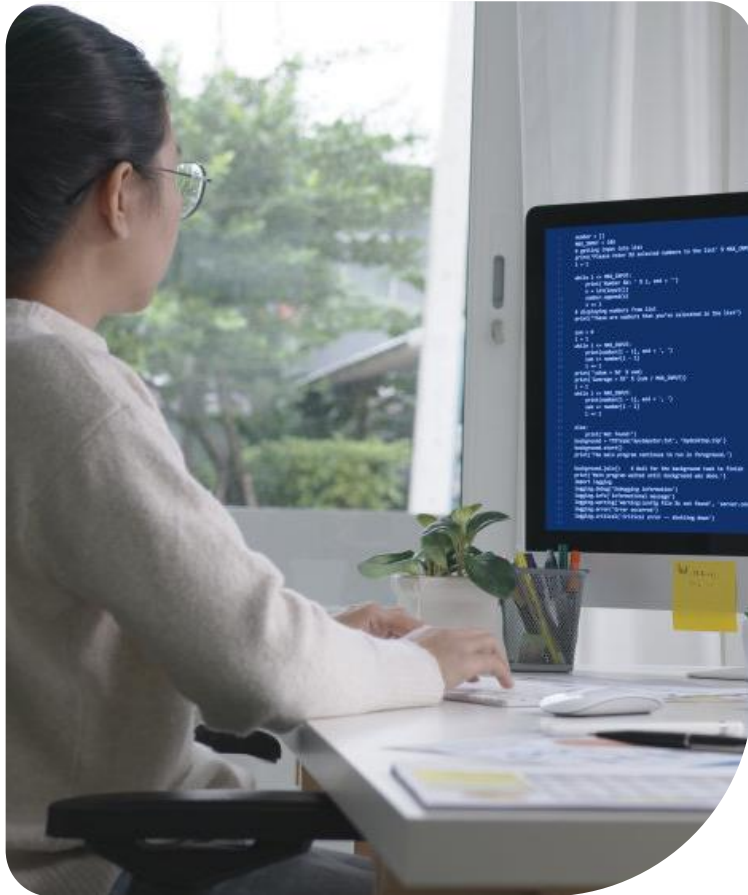
Scope of our Audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Fund’s financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Risk Management Committee); and we consider whether there are sufficient arrangements in place at the Fund.

The audit of the financial statements does not relieve management or the Audit and Risk Management Committee of their responsibilities. It is the responsibility of the Fund to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Fund is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Fund’s business and is risk based.

Introduction and headlines (continued)



Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of control
- Valuation of Level 3 investments

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £29m (PY £25m) for the Pension Fund, which equates to 2% of your gross investment assets as at 31 March 2024.

We have determined a lower specific planning materiality for the Fund Account of £7.2m (PY £6.4m), which equates to 10% of prior year gross expenditure on the fund account.

We are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. Clearly trivial has been set at £1.45m (PY £1.25m).

Audit logistics

Our interim visit took place in February and April 2025 and our final visit will take place in July–September. Our key deliverables are this Audit Plan, Auditor’s Report and our Audit Findings Report.

Our proposed fee for the audit is £95,000 (PY: £49,200) for the Fund, subject to the Fund delivering a good set of financial statements and working papers and no significant new financial reporting matters arising that require additional time and/or specialist input.

Our understanding is that the Custodian does not independently value the Pension Fund’s Investments, meaning we are not able to triangulate valuations included in the financial statements to investment manager and custodian confirmations for these investments. As a result, we carry out further audit procedures to gain assurance over the valuations of these investments.

The fund holds no Level 1 investments.

For Level 2 investments we will agree these to available market information where available and we will supplement this with other information (e.g. the financial statements for pooled property funds) where market information is not readily available.

See page 14 for further details regarding our approach to auditing the valuation of Level 3 Investments.


We have complied with the Financial Reporting Council’s Ethical Standard (revised 2024) and we, as a Firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

03 Identified risks

Significant risks identified


Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Risk relates to	Audit team’s assessment	Planned audit procedures
Management override of controls <div>Significant</div>	Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.	We have therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.	We will: <ul style="list-style-type: none">• Review of accounting estimates, judgements and decisions made by management• Testing of journals entries• Review of unusual significant transactions• Incorporate an element of unpredictability into our audit procedures



“In determining significant risks, the auditor may first identify those assessed risks of material misstatement that have been assessed higher on the spectrum of inherent risk to form the basis for considering which risks may be close to the upper end. Being close to the upper end of the spectrum of inherent risk will differ from entity to entity and will not necessarily be the same for an entity period on period. It may depend on the nature and circumstances of the entity for which the risk is being assessed. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgment, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another ISA (UK).” (ISA (UK) 315).

In making the review of unusual significant transactions “the auditor shall treat identified significant related party transactions outside the entity’s normal course of business as giving rise to significant risks.” (ISA (UK) 550).



Management should expect engagement teams to challenge them in areas that are complex, significant or highly judgmental which may be the case for accounting estimates, going concern, related parties and similar areas. Management should also expect to provide engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management’s assumptions and request evidence to support those assumptions.

Significant risks identified (continued)

Significant risk	Risk relates to	Audit team’s assessment	Planned audit procedures
The revenue cycle includes fraudulent transactions	Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue	<p>We have identified and completed a risk assessment of all revenue streams for the Fund. We have rebutted the presumed risk that revenue may be misstated due to the improper recognition of revenue for all revenue streams, because:</p> <ul style="list-style-type: none">• there is little incentive to manipulate revenue recognition;• opportunities to manipulate revenue recognition are very limited; and• the culture and ethical frameworks of public sector bodies, including the Fund, mean that all forms of fraud are seen as unacceptable. <p>Therefore, we do not consider this to be a significant risk for the Pension Fund.</p>	We do not consider this to be a significant risk for the Fund and standard audit procedures will be carried out. We will keep this rebuttal under review throughout the audit to ensure this judgement remains appropriate.
The expenditure cycle includes fraudulent transactions	Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.	<p>We have identified and completed a risk assessment of all expenditure streams for the Fund. We have considered the risk that expenditure may be misstated due to the improper recognition of expenditure for all expenditure streams and concluded that there is not a significant risk, because:</p> <ul style="list-style-type: none">• there is little incentive to manipulate expenditure recognition;• opportunities to manipulate expenditure recognition are very limited; and• the culture and ethical frameworks of public sector bodies, including the Fund, mean that all forms of fraud are seen as unacceptable. <p>Therefore, we do not consider this to be a significant risk for the Pension Fund.</p>	We do not consider this to be a significant risk for the Fund and standard audit procedures will be carried out. We will keep this consideration under review throughout the audit to ensure this judgement remains appropriate.

Significant risks identified (continued)

Significant risk	Risk relates to	Audit team's assessment	Planned audit procedures
<div>Valuation of Level 3 Investments</div> <div>Significant</div> <div>Relevant Assertion(s)</div> <div>Valuation, Existence</div> <div>Applicable Assertion(s)</div> <div>Rights & Obligations, Presentation</div> <div>Planned level of control reliance</div> <div>None</div>	The valuations of level 3 investments are based on unobservable inputs and hence there is a risk of material misstatement due to error and/or fraud.	By their nature Level 3 investment valuations lack observable inputs. These valuations therefore represent a significant accounting estimate by management in the financial statements due to the size of the balance (£221.8m as at 31 March 2024) and the sensitivity of the estimate to changes in key assumptions. We have therefore identified the valuation of Level 3 investments as a significant risk.	<div>We will:</div> <ul style="list-style-type: none">• Evaluate management's processes for valuing Level 3 investments;• Obtain and review the audited financial statements of the investment accounts, where these are at a different reporting date to the Fund's financial statements the valuations will be compared accounting for cashflows;• Obtain and review the corresponding investment manager report as at the investment accounts and the Fund accounts reporting dates where appropriate;• Review purchase and sale transactions of the investment near the reporting date where appropriate;• Review the guidelines under which the investment has been valued at the date of the investment accounts and the Fund accounts;• Review management's classification of the assets;• Obtain and review investment manager service auditor report on design and operating effectiveness of internal controls where appropriate.

Other risks identified

Other risks are, in the auditor’s judgement, those where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for an ‘other risk’ is lower than that for a significant risk, and they are not considered to be areas that are highly judgemental, or unusual in relation to the day-to-day activities of the business.

Risk	Description	Planned audit procedures
<div>Valuation of Level 2 Investments</div> <div>Significant class of transactions</div> <div>Relevant Assertion(s)</div> <div>Existence, Valuation</div> <div>Applicable Assertion(s)</div> <div>Rights & Obligations, Presentation</div> <div>Planned level of control reliance</div> <div>None</div>	<div>Level 2 investments do not carry the same level of inherent risks associated with level 3 investments, however there is still an element of judgement involved in their valuation as their very nature is such that they cannot be valued directly. These assets represent a class of transaction in the financial statements due to the size of the balance (£1,262m as at 31 March 2024) As a result, the valuation of the Fund’s Level 2 investments have been identified as ‘other risk’ of material misstatement.</div>	<div>We will:</div> <div><ul style="list-style-type: none">• Agree the valuation to the confirmation received from the investment manager;• Agree the valuation back to quoted prices at year-end where available;• Compare the valuation to purchase and sale transactions near the reporting date (where appropriate);• Review the guidelines under which the investment has been valued (where appropriate);• Obtain and review a service auditor’s report on internal controls for the investment manager;• Review management’s classification in the fair value hierarchy for a sample of level 2 investments;• Carry out more detailed testing where the planned procedures do not provide sufficient assurance.</div>
<div>Actuarial Present Value of Promised Retirement Benefits disclosure – IAS 26</div> <div>Significant class of transactions</div> <div>Valuation</div> <div>Applicable Assertion(s)</div> <div>Presentation</div> <div>Planned level of control reliance</div> <div>None</div>	<div>The disclosure of the Fund’s Actuarial Present Value of Promised Retirement Benefits is an accounting estimate (net liability of £40.8m as at 31 March 2024) and is sensitive to changes in key assumptions. The Pension Fund engage the services of a qualified actuary to develop an IAS 26 compliant estimate of the disclosure. As a result, the disclosure of the Fund’s Actuarial Present Value of Promised Retirement Benefits have been identified as ‘other risk’ of material misstatement.</div>	<div>We will:</div> <div><ul style="list-style-type: none">• Update our understanding of the processes and controls put in place by management to ensure that the Fund’s Actuarial Present Value of Promised Retirement Benefits is not materially misstated;• Evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary’s work;• Assess the competence, capabilities and objectivity of the actuary who carried out the Fund’s valuation;• Assess the accuracy and completeness of the information provided by the Fund to the actuary to estimate the liability;• Test the consistency of disclosures with the actuarial report from the actuary; and• Undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor’s expert) and performing any additional procedures suggested within the report.</div>

Other risks identified (continued)

Other risks are, in the auditor’s judgement, those where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for an ‘other risk’ is lower than that for a significant risk, and they are not considered to be areas that are highly judgemental, or unusual in relation to the day-to-day activities of the business.

Risk	Description	Planned audit procedures
<div>Cash and cash equivalents</div> <div>Significant class of transactions</div> <div>Relevant Assertion(s)</div> <div>Completeness, Existence</div> <div>Applicable Assertion(s)</div> <div>Rights & Obligations, Presentation</div> <div>Planned level of control reliance</div> <div>None</div>	<div>The receipt and payment of cash represents a significant class of transactions occurring throughout the year, culminating in the year-end balance for cash and cash equivalents reported on the Net Asset Statement.</div>	<div>We will:</div> <div><ul style="list-style-type: none">Obtain direct confirmations for all bank accountsObtain monthly bank reconciliations as at the year-end and for one month post year-end, andWhere material, reconciling items will be tested to confirm clearance through the bank account after the year-end</div>
<div>Benefits payable</div> <div>Significant class of transactions</div> <div>Relevant Assertion(s)</div> <div>Accuracy</div> <div>Applicable Assertion(s)</div> <div>Completeness, Occurrence, Presentation</div> <div>Planned level of control reliance</div> <div>None</div>	<div>Pension benefits payable represents a significant percentage of the Fund’s expenditure.</div>	<div>We will:</div> <div><ul style="list-style-type: none">evaluate the Fund's accounting policy for recognition of pension benefits expenditure for appropriateness;gain an understanding of the Fund's system for accounting for pension benefits expenditure and evaluate the design of the associated controls;test a sample of lump sums and associated individual pensions in payment by reference to member files; andtest relevant member data to gain assurance over management information to support a predictive analytical review with reference to changes in pensioner numbers and increases applied in year to ensure that any unusual trends are satisfactorily explained.</div>
<div>Contributions receivable</div> <div>Significant class of transactions</div> <div>Relevant Assertion(s)</div> <div>Completeness</div> <div>Applicable Assertion(s)</div> <div>Accuracy, Occurrence, Presentation</div> <div>Planned level of control reliance</div> <div>None</div>	<div>Contributions from employers and employees represents a significant percentage of the Fund’s revenue.</div>	<div>We will:</div> <div><ul style="list-style-type: none">evaluate the Fund's accounting policy for recognition of contributions for appropriateness;gain an understanding of the Fund's system for accounting for contribution income and evaluate the design effectiveness of the associated controls;test a sample of contributions to source data to gain assurance over their accuracy and occurrence; andtest relevant member data to gain assurance over management information to support a predictive analytical review with reference to changes in member body payrolls and the number of contributing employees to ensure that any unusual trends are satisfactorily explained.</div>

Other risks identified (continued)

Other risks are, in the auditor’s judgement, those where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for an ‘other risk’ is lower than that for a significant risk, and they are not considered to be areas that are highly judgemental, or unusual in relation to the day-to-day activities of the business.

Risk	Description	Planned audit procedures
Financial instrument disclosures	Financial instrument and associated risk disclosures provide assisting users in understanding and evaluating:	We will:
Significant class of transactions		
Relevant Assertion(s)		
Accuracy		
Applicable Assertion(s)		
Completeness, Presentation		
Planned level of control reliance		
None		

Other matters

Other work

The Pension Fund is administered by City of London Corporation (the 'Corporation'), and the Pension Fund's accounts form part of the Corporation's financial statements.

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read any other information published alongside the Corporation's financial statements to check that it is consistent with the Pension Fund financial statements on which we give an opinion and is consistent with our knowledge of the Authority.
- We consider our other duties under legislation and the Code, as and when required, including:
 - Giving electors the opportunity to raise questions about your 2024/25 financial statements, consider and decide upon any objections received in relation to the 2024/25 financial statements;
 - Issue of a report in the public interest or written recommendations to the Fund under section 24 of the Act, copied to the Secretary of State.
 - Application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act; or
 - Issuing an advisory notice under Section 29 of the Act.
- We carry out work to satisfy ourselves on the consistency of the pension fund financial statements included in the pension fund annual report with the audited Fund accounts.

Other material balances and transactions


Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

04 Our approach to materiality

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter	Description	Planned audit procedures
01	Determination We have determined planning materiality (financial statement materiality for the planning stage of the audit) based on professional judgement in the context of our knowledge of the Fund, including consideration of factors such as shareholder expectations, industry developments, financial stability and reporting requirements for the financial statements	<ul style="list-style-type: none">• We determine planning materiality in order to:<ul style="list-style-type: none">– establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements– assist in establishing the scope of our audit engagement and audit tests– determine sample sizes and– assist in evaluating the effect of known and likely misstatements in the financial statements.
02	Other factors An item does not necessarily have to be large to be considered to have a material effect on the financial statements	<ul style="list-style-type: none">• An item may be considered to be material by nature when it relates to instances where greater precision is required.• Additionally, there may be items which we feel would benefit from a lower specific materiality for those account balances (e.g. the Fund Account). Details of lower specific materialities applied can be found on the next page.
03	Reassessment of materiality Our assessment of materiality is kept under review throughout the audit process	<ul style="list-style-type: none">• We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality
04	Matters we will report to the Audit and Risk Management Committee Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit and Risk Management Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) ‘Communication with those charged with governance’, we are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. ISA 260 (UK) defines ‘clearly trivial’ as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.	<ul style="list-style-type: none">• We report to the Audit and Risk Management Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.• In the context of the Fund, we propose that an individual difference is clearly trivial if it is less than £1.45m (PY £1.25m). If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Risk Management Committee to assist it in fulfilling its governance responsibilities.



Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK) 320)

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

	Amount (£)	Qualitative factors considered
Headline materiality for the Fund’s financial statements	29,000,000	<ul style="list-style-type: none">• The Fund’s portfolio is primarily level 2 assets, for which market data is available for audit purposes. Prior period experience noted limited findings with no adjusted or unadjusted misstatements raised in relation to the net assets statement.• Headline Materiality for planning equates to 2% of your gross investment assets as at 31 March 2024.
Specific Materiality for Fund Account The lower specific materiality for the fund account will be applied to the audit of all fund account transactions, except for investment transactions, for which headline materiality will be applied.	7,230,000	<ul style="list-style-type: none">• The contribution and benefit structures of the Fund are not complex as there are only 20 employers in the scheme, of which the corporation itself represents 92% of active members and of beneficiaries receiving a pension.• Materiality for the Fund Account for planning equates to 10% of gross expenditure (in the fund account) as at 31 March 2024.



05 Progress against prior year audit recommendations

Progress against prior year audit recommendations

We identified the following issues in our 2023/24 audit of the Fund’s financial statements, which resulted in three recommendations being reported in our 2023/24 Audit Findings Report. We are pleased to report that management have implemented one our recommendations and that the remaining two recommendations are in progress.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
In progress	<p>Journals authorisation</p> <p>The predecessor auditor identified that there is no evidence retained in management’s review of the journals. For all journals where individual lines are over £100k, this is flagged retrospectively by the system provider and shared with the approver automatically via email for their approval.</p> <p>As of 2023/24, we were still unable able to obtain documentation to confirm the implementation of this control where the approver has confirmed their authorisation of the journal lines. We recommend that this control is documented by the approver for a clear audit trail.</p> <p>This audit finding for the pension fund is consistent with the City of London Corporation.</p>	<p>The Strategic Finance Team have developed a SharePoint journal log with an approval workflow. The log requires the preparer of the journal to add information in relation to the journal and attach working papers as evidence for the values. This process is currently in its test phase and the aim is for this to be rolled out to all journal preparers/ approvers for the 2025/26 financial year.</p>
Addressed	<p>Lack of formal documentation in Altair user access provisioning processes</p> <p>During the audit, we noted that the Altair user access request required notification to and approval by the Pension Manager. However, the process was not documented.</p> <p>Risk</p> <p>Documentation provides accountability by establishing a clear trail of who requested access, who approved it, and when it was granted. Without this documentation, accountability and transparency in access management processes are compromised.</p> <p>User access may not be appropriately aligned to job role requirements which may lead to inappropriate access within the application or underlying data.</p>	<p>The Administration Policy has been expanded to establish & implement formal policies & procedures to document any changes made to the Pensions Software (Altair) system. This updated policy went to the Pensions Committee as an agenda item in February 2025.</p>
In progress	<p>Journal authorisation timeliness</p> <p>During the audit, we noted that there is no defined timeline for sending follow-up emails for approvals or for receiving formal approval of journal entries.</p> <p>Risk</p> <p>Timeliness of journals authorisation enables the appropriate detection and correction of errors to be addressed in a timely manner.</p>	<p>As part of the SharePoint journal log referenced above, a check will be undertaken to ensure all authorisations have been actioned in a timely manner.</p>

06 IT audit strategy

IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT related to those business process controls judged relevant to our audit and assess the relevant IT general controls (ITGCs) in place to mitigate them. Our audit will include completing an assessment of the design and implementation of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure.

The following IT applications are in scope for IT controls assessment based on the planned financial statement audit approach, we will perform the indicated level of assessment:

IT application	Audit area	Planned level IT audit assessment
General Ledger-Oracle E-Business Suite	Financial reporting	ITGC assessment (design and implementation) prepared by our IT Audit team in conjunction with the City of London Corporation's (administering authority) general ledger. Noting that the Oracle E-Business Suite system is hosted by the City of London Corporation's and used by the City of London Corporation Pension Fund.
Pension Administration System - Altair	Member Data	ITGC assessment (design and implementation) prepared by our IT Audit team



07 Logistics

Logistics

The audit timeline



Our team and communications

Grant Thornton core team

Grant Patterson
Engagement Lead/
Key Audit Partner



- Key contact for senior management and Audit and Risk Management Committee
- Overall quality assurance

Jasmine Kemp
Audit Manager



- Audit planning
- Resource management
- Performance management reporting

Ronojit Dasgupta
Audit Senior / In-charge



- On-site audit team management
- Day-to-day point of contact
- Audit fieldwork

	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	<ul style="list-style-type: none">• Client Surveys	<ul style="list-style-type: none">• The Audit Plan• Audit Progress and Sector Update Reports• The Audit Findings• Auditor’s Annual Report	<ul style="list-style-type: none">• Audit planning meetings• Audit clearance meetings• Communication of issues log	<ul style="list-style-type: none">• Technical updates
Informal communications	<ul style="list-style-type: none">• Open channel for discussion		<ul style="list-style-type: none">• Communication of audit issues as they arise	<ul style="list-style-type: none">• Notification of up-coming issues

As part of our overall service delivery we may utilise colleagues who are based overseas, primarily in India and the Philippines. Those colleagues work on a fully integrated basis with our team members based in the UK and receive the same training and professional development programmes as our UK based team. They work as part of the engagement team, reporting directly to the Audit Senior and Manager and will interact with you in the same way as our UK based team albeit on a remote basis. Our overseas team members use a remote working platform which is based in the UK. The remote working platform (or Virtual Desktop Interface) does not allow the user to move files from the remote platform to their local desktop meaning all audit related data is retained within the UK.

08 Fees and related matters

Our fee estimate

Our estimate of the audit fees we will charge is set out in the table below, along with the fees billed in the prior year

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC’s [Ethical Standard \(revised 2024\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

Description	Audit Fee for 2023/24 (£)	Proposed fee for 2024/25 (£)
City of London Corporation Pension Fund Audit	39,500	95,000
IAS 19 letters**	2,200	1,100
Other*	7,500	0
Total (Exc. VAT)	49,200	96,100

*Note that fees for other audit work required as part of the engagement are now subsumed within the main audit fee for 2024/25

**In prior year audit our IAS19 assurance requests were from Museum of London (MoL) and the City Bridge Fund and City Cash auditor (Crowe) requested access to our files through to review the work on co-mingled asset valuations.

Whilst the City of London Corporation Pension Fund audit is outside of the PSAA contract, it is performed under the NAO's Code of Audit Practice. The NAO's Auditor Guidance Notes (AGNs) set out guidance to which local auditors must have regard under Section 20(6) of the Act. The guidance in AGNs supports auditors in meeting their requirements under the Act and the Code of Audit Practice published by the NAO on behalf of the C&AG.

Para 32 of AGN 07 notes “ the provision of IAS 19 assurances to auditors of relevant authorities under the Act and in accordance with the protocol should be considered work undertaken under the Code of Audit Practice. Arrangements for provision of assurances to auditors of other admitted bodies should be considered by auditors in accordance with their firm’s policies on such matters.”

In the prior year, our audit fee included £7,500 to support assurances and file sharing for the for the City Bridge Foundation and City’s Estate audit which would therefore be considered audit work under the Code.

As the MoL is not a body audited under the Code and as the IAS 19 work would not be required to support the audit of the Fund itself, it will continue be treated as an audit related non-audit service (£1,100). The £1,100 does not exceed the audit fee.

Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

Our fee estimate:

We have set out below our specific assumptions made in arriving at our estimated audit fees, we have assumed that the Fund will:

- prepare a good quality set of accounts, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made while preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

Wider public sector audit market

In preparing our fee estimate, we have evaluated the Funds proposed audit fee againstt benchmarks such as PSAA fees in the wider market and we have evaluated the actual hours required to undertake the audit in 2023/24.

09 Independence considerations

Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers). In this context, we disclose that there are no matters that we are required to report.

We are required to report to you details of any breaches of the requirements of the FRC Ethical Standard, and of any safeguards applied and actions we have taken to address any threats to independence. In this context, we disclose that there are no matters that we are required to report.

We confirm that we have implemented policies and procedures to meet the requirement of the Financial Reporting Council's Ethical Standard

As part of our assessment of our independence at planning we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Fund and/or Administering Authority that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Fund and/or Administering Authority or investments in the Fund and/or Administering Authority held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Fund/Administering Authority as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	Grant Thornton UK LLP have been appointed as the London CIV 's new auditor. The London CIV are a LGPS asset pool for which the City of London Corporation Pension Fund are one of the 32 Shareholders. We are satisfied that this does not impact upon our independence. Grant Thornton UK LLP will be moving London Offices in 2025/26. The new office will be within the City Of London Corporation boundaries and business rates will be payable. As these are a statutory tax, we are satisfied that there is no impact upon our independence.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Fund's and/or Administering Authority's board, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence at planning as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Following this consideration, we can confirm that we are independent at planning and are able to express an objective opinion on the financial statements. In making the above judgement, we have also been mindful of the quantum of non-audit fees compared to audit fees disclosed in the financial statements and estimated for the current year.

Fees and non-audit services

The following tables below sets out the non-audit services charged for 2024/25, as well as the threats to our independence and safeguards have been applied to mitigate these threats.

The below non-audit services are consistent with the Fund’s policy on the allotment of non-audit work to your auditor

None of the below services were provided on a contingent fee basis.

For the purposes of our audit, we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to City of London Corporation Pension Fund. The table summarises all non-audit services which were identified. We have adequate safeguards in place to mitigate the perceived self-interest threat from these fee, as detailed below.

Grant Thornton UK LLP also acts as the statutory auditor of the administering authority. The fees for the audit and non-audit services charged for this entity are reported in its Audit Plan. We consider that such services and fees do not impair our independence.

Assurance Service Fees

Service	£	Threats Identified	Safeguards applied
Audit Related Assurance			
IAS19 Assurance letters for Admitted Bodies outside of the NAO Code of Audit Practice	1,100 per letter	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the total fee for this work is £1,100 in comparison to the total proposed fee for the audit of £108,250 and in particular relative to Grant Thornton UK LLP’s turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Total	1,100		

This covers all services provided by us and our network to the Fund, its directors and senior management and its affiliates, and other services provided to other known connected parties that may reasonably be thought to bear on our integrity, objectivity or independence.

10 Communication of audit matters with those charged with governance

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	●	
Planned use of internal audit	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Views about the qualitative aspects of the Fund’s accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

11 Delivering audit quality

Delivering audit quality

Our quality strategy

We deliver the highest standards of audit quality by focusing our investment on:

Creating the right environment

Our audit practice is built around the markets it faces. Your audit team are focused on the Public Sector audit market and work with clients like you day in, day out. Their specialism brings experience, efficiency and quality.

Building our talent, technology and infrastructure

We've invested in digital tools and methodologies that bring insight and efficiency and invested in senior talent that works directly with clients to deploy bespoke digital audit solutions.

Working with premium clients

We work with great public sector clients that, like you, value audit, value the challenge a robust audit provides, and demonstrate the strongest levels of corporate governance. We're aligned with our clients on what right looks like.

Our objective is to be the best audit firm in the UK for the quality of our work and our client service, because we believe the two are intrinsically linked.

How our strategy differentiates our service

Our investment in a specialist team, and leading tools and methodologies to deliver their work, has set us apart from our competitors in the quality of what we do.

The FRC highlighted the following as areas of particularly good practice in its recent inspections of our work:

- use of specialists, including at planning phases, to enhance our fraud risk assessment
- effective deployment of data analytical tools, particularly in the audit of journals

The right people at the right time

We are clear that a focus on quality, effectiveness and efficiency is the foundation of great client service. By doing the right audit work, at the right time, with the right people, we maximise the value of your time and ours, while maintaining our second-to-none quality record.

Bringing you the right people means that we bring our specialists to the table early, resolving the key judgements before they impact the timeline of your financial reporting. The audit partner always retains the final call on the critical decisions; we use our experts when forming our opinions, but we don't hide behind them.

Digital differentiation

We're a digital-first audit practice, and our investment in data analytics solutions has given our clients better assurance by focusing our work on transactions that carry the most risk. With digital specialists working directly with your teams, we make the most of the data that powers your business when forming our audit strategy.

Oversight and control

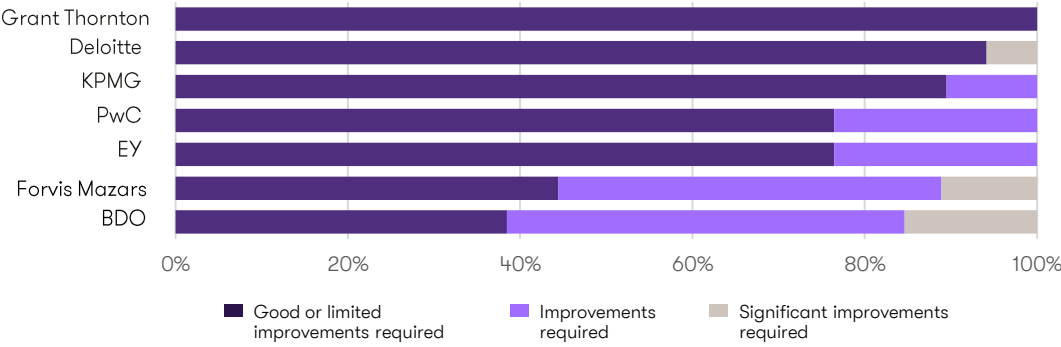
Wherever your audit work is happening, we make sure that its quality meets your exacting requirements, and we emphasise communication to identify and resolve potential challenges early, wherever and however they arise. By getting matters on the table before they become "issues", we give our clients the time and space to deal with them effectively.

Quality underpins everything at Grant Thornton, as our FRC inspection results in the chart below attest to. We're growing our practice sustainably, and that means focusing where we know we can excel without compromising our strong track record or our ability to deliver great audits. It's why we will only commit to auditing clients where we're certain we have the time and resource, but, most importantly, capabilities and specialist expertise to deliver. You're in safe hands with the team; they bring the right blend of experience, energy and enthusiasm to work with you and are fully supported by myself and the rest of our firm.

Wendy Russell
Partner, UK Head of Audit



FRC's Audit Quality Inspection and Supervision Inspection
(% of files awarded in each grading, in the most recent report for each firm)



12 Appendices

Escalation Policy



The Backstop

The Department for Levelling Up, Housing and Communities have introduced an audit backstop date on a rolling basis to encourage timelier completion of local government audits.

As your statutory auditor, we understand the importance of appropriately resourcing audits with qualified staff to ensure high quality standards that meet regulatory expectations and national deadlines. It is the Authority's responsibility to produce true and fair accounts in accordance with the CIPFA Code by the statutory deadline and respond to audit information requests and queries in a timely manner.

Escalation Process

To help ensure that accounts audits can be completed on time in the future, we have introduced an escalation policy. This policy outlines the steps we will take to address any delays in draft accounts or responding to queries and information requests. If there are any delays, the following steps should be followed:

Step 1 - Initial Communication with Finance Director (within one working day of statutory deadline for draft accounts or agreed deadline for working papers)

- We will have a conversation with the Finance Director(s) to identify reasons for the delay and review the Authority's plans to address it. We will set clear expectations for improvement.

Step 2 - Further Reminder (within two weeks of deadline)

- If the initial conversation does not lead to improvement, we will send a reminder explaining outstanding queries and information requests, the deadline for responding, and the consequences of not responding by the deadline.

Step 3 - Escalation to Chief Executive (within one month of deadline)

- If the delay persists, we will escalate the issue to the Chief Executive, including a detailed summary of the situation, steps taken to address the delay, and agreed deadline for responding..

Step 4 - Escalation to the Audit and Risk Management Committee (at next available Audit and Risk Management Committee meeting or in writing to Audit and Risk Management Committee Chair within 6 weeks of deadline)

- If senior management is unable to resolve the delay, we will escalate the issue to the Audit and Risk Management Committee, including a detailed summary of the situation, steps taken to address the delay, and recommendations for next steps.

Step 5 - Consider use of wider powers (within two months of deadline)

- If the delay persists despite all efforts, we will consider using wider powers, e.g. issuing a statutory recommendation. This decision will be made only after all other options have been exhausted. We will consult with an internal risk panel to ensure appropriateness.

Aim

By following these steps, we aim to ensure that delays in responding to queries and information requests are addressed in a timely and effective manner, and that we are able to provide timely assurance to key stakeholders including the public on the Authority's financial statements.

IFRS reporters New or revised accounting standards that are in effect

First time adoption of IFRS 16

Lease liability in a sale and leaseback

- IFRS 16 was implemented by LG bodies from 1 April 2024, with early adoption possible from 1 April 2022. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.
- This year will be the first year IFRS 16 is adopted fully within Local Government. It is not expected to have a significant impact on pension fund accounts and auditors.

IAS 1 amendments

Non-current liabilities with covenants

- These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Amendment to IAS 7 and IFRS 7

Supplier finance arrangements

- These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

IFRS reporters Future financial reporting changes

IFRS reporters future financial reporting changes

These changes will apply to local government once adopted by the Code of practice on local authority accounting (the Code).

Amendments to IAS 21 – Lack of exchangeability

IAS 21 has been amended by the IASB to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments are expected to be adopted by the Code from **1 April 2025**.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, adds guidance on the SPPI criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the Code **in future years**.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 provides reduced disclosure requirements for eligible subsidiaries. A subsidiary is eligible if it does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is a voluntary standard for eligible subsidiaries and is expected to be adopted by the Code **in future years**.

IFRS 18 Presentation and Disclosure in the Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. All entities reporting under IFRS Accounting Standards will be impacted.

The new standard will impact the structure and presentation of the statement of profit or loss as well as introduce specific disclosure requirements. Some of the key changes are:

- Introducing new defined categories for the presentation of income and expenses in the income statement
- Introducing specified totals and subtotals, for example the mandatory inclusion of 'Operating profit or loss' subtotal.
- Disclosure of management defined performance measures
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IFRS 18 is expected to be adopted by the CIPFA Code **in future years**.

The Grant Thornton Digital Audit – Inflo

A suite of tools utilised throughout the audit process

01 Collaborate

Information requests are uploaded by the engagement team and directed to the right member of your team, giving a clear place for files and comments to be uploaded and viewed by all parties.

What you'll see

- Individual requests for all information required during the audit
- Details regarding who is responsible, what the deadline is, and a description of what is required
- Graphs and charts to give a clear overview of the status of requests on the engagement

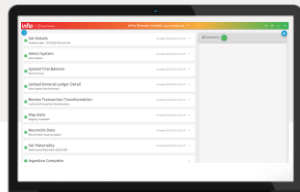


02 Ingest

The general ledger and trial balance are uploaded from the finance system directly into Inflo. This enables samples, analytical procedures, and advance data analytics techniques to be performed on the information directly from your accounting records.

What you'll see

- A step by step guide regarding what information to upload
- Tailored instructions to ensure the steps follow your finance system

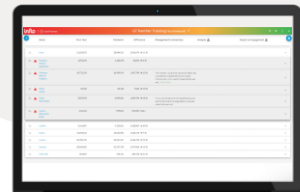


03 Detect

Journals interrogation software which puts every transaction in the general ledger through a series of automated tests. From this, transactions are selected which display several potential unusual or higher risk characteristics.

What you'll see

- Journals samples selected based on the specific characteristics of your business
- A focussed approach to journals testing, seeking to only test and analyse transactions where there is the potential for risk or misstatement





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Informing the audit risk assessment for City of London Corporation Pension Fund 2024/25





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Purpose

The purpose of this report is to contribute towards the effective two-way communication between City of London Corporation Pension Fund's external auditors and City of London Corporation Pension Fund's Audit Committee, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where we are required to make inquiries of the Audit Committee under auditing standards.

Background

Under International Standards on Auditing (UK), (ISA(UK)) auditors have specific responsibilities to communicate with the Audit Committee. ISA(UK) emphasise the importance of two-way communication between the auditor and the Audit Committee and also specify matters that should be communicated.

This two-way communication assists both the auditor and the Audit Committee in understanding matters relating to the audit and developing a constructive working relationship. It also enables the auditor to obtain information relevant to the audit from the Audit Committee and supports the Audit Committee in fulfilling its responsibilities in relation to the financial reporting process.

Communication

As part of their risk assessment procedures, the auditors are required to obtain an understanding of management processes and the City of London Corporation Pension Fund's oversight of the following areas:

- General Enquiries of Management
- Fraud,
- Laws and Regulations,
- Related Parties,
- Going Concern, and
- Accounting Estimates.

Purpose

This report includes a series of questions on each of these areas asked by the auditors which we the City of London Corporation Pension Fund's management have responded to. The Audit and Risk Committee should consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.

General Enquiries of Management

Question	Management response
1. What do you regard as the key events or issues that will have a significant impact on the financial statements for 2024/25?	There have been no key events or issues that have a significant impact on these statements.
2. Have you considered the appropriateness of the accounting policies adopted by City of London Corporation Pension Fund? Have there been any events or transactions that may cause you to change or adopt new accounting policies? If so, what are they?	Accounting policies are reviewed as part of the preparation of the accounts. No changes have been made in 2024/25.
3. Is there any use of financial instruments, including derivatives? If so, please explain	The Pension Fund monies are invested with fund managers within different asset classes such as equity, multi asset, corporate bonds, private equity and infrastructure.
4. Are you aware of any significant transaction outside the normal course of business? If so, what are they?	No



General Enquiries of Management

Question	Management response
5. Are you aware of any changes in circumstances that would lead to impairment of non-current assets? If so, what are they?	No
6. Are you aware of any guarantee contracts? If so, please provide further details	No
7. Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements? If so, please provide further details	No
8. Other than in house solicitors, can you provide details of those solicitors utilised by City of London Corporation Pension Fund during the year. Please indicate where they are working on open litigation or contingencies from prior years?	No external solicitors are used by the Pension Fund.



General Enquiries of Management

Question	Management response
9. Have any of the City of London Corporation Pension Fund’s service providers reported any items of fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements? If so, please provide further details	No
10. Can you provide details of other advisors consulted during the year and the issue on which they were consulted?	The Pension Fund has Mercer as its Investment Consultant. Mercer provide general advice around the investments of the fund, state of the market etc. Barnett Waddingham are the Pension Fund Actuary.
11. Have you considered and identified assets for which expected credit loss provisions may be required under IFRS 9, such as debtors (including loans) and investments? If so, please provide further details	Assessment of expected credit losses are made on all non-statutory account debtors as per the requirements. Provision are made based on backward and forward looking factors.



Fraud

Matters in relation to fraud

ISA (UK) 240 covers auditor responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both the Audit and Risk Committee and management. Management, with the oversight of the Audit and Risk Committee, needs to ensure a strong emphasis on fraud prevention and deterrence and encourage a culture of honest and ethical behaviour. As part of its oversight, the Audit and Risk Committee should consider the potential for override of controls and inappropriate influence over the financial reporting process.

The City of London Corporation Pension Fund's external auditor, are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. They are required to maintain professional scepticism throughout the audit, consider the potential for management override of controls.

As part of the auditor's audit risk assessment procedures, they are required to consider risks of fraud. This includes considering the arrangements management has put in place with regard to fraud risks including:

- assessment that the financial statements could be materially misstated due to fraud,
- process for identifying and responding to risks of fraud, including any identified specific risks,
- communication with the Audit and Risk Committee regarding its processes for identifying and responding to risks of fraud, and
- communication to employees regarding business practices and ethical behaviour.

The auditors need to understand how the Audit and Risk Committee oversees the above processes. They are also required to make inquiries of both management and the Audit and Risk Committee as to their knowledge of any actual, suspected or alleged fraud. These areas have been set out in the fraud risk assessment questions together with the City of London Corporation Pension Fund's management responses.

Fraud risk assessment

Question	Management response
<p>1. Has City of London Corporation Pension Fund assessed the risk of material misstatement in the financial statements due to fraud?</p> <p>How has the process of identifying and responding to the risk of fraud been undertaken and what are the results of this process?</p> <p>How do the City of London Corporation Pension Fund's risk management processes link to financial reporting?</p>	<p>Reliance is placed on the controls in place to prevent fraud e.g. systems/processes/financial monitoring/procurement practice etc and any concerns would be flagged to the Chamberlain and Audit and Risk committee, which would be factored into the financial statements preparation.</p> <p>Any actual or suspected fraud cases are recorded on the INCASE 365 system.</p>
<p>2. What have you determined to be the classes of accounts, transactions and disclosures most at risk to fraud?</p>	<p>See response to Question 5 below.</p>
<p>3. Are you aware of any instances of actual, suspected or alleged fraud, errors or other irregularities either within City of London Corporation Pension Fund as a whole, or within specific departments since 1 April 2023? If so, please provide details</p>	<p>See response to Question 5 below.</p>

Fraud risk assessment

Question	Management response
4. As a management team, how do you communicate risk issues (including fraud) to those charged with governance?	<p>Biannual counter fraud and investigation reports delivered to the Audit & Risk Management Committee.</p> <p>Corporate risk report as standard item at each meeting of the Audit & Risk Management Committee.</p>
<p>5. Have you identified any specific fraud risks? If so, please provide details</p> <p>Do you have any concerns there are areas that are at risk of fraud?</p> <p>Are there particular locations within City of London Corporation Pension Fund where fraud is more likely to occur?</p>	<p>Yes – those areas where there is an inherent risk of fraud, despite having a sound control framework, the risks of human fraud or error can still exist</p> <ul style="list-style-type: none"> Continued payment of pensions following death Over payment of pensions Scammers targeting scheme members to persuade them to transfer their benefits to other arrangements that may be unusual or high risk or allow the scammers to steal the funds outright. <p>No</p>
6. What processes do City of London Corporation Pension Fund have in place to identify and respond to risks of fraud?	<p>Fraud risks are considered as part of each internal audit assignment, with appropriate testing undertaken to assess the scale of the fraud risks in that service.</p> <p>Internal Audit's counter fraud team consider fraud risks as part of corporate fraud investigation activity and these are reported as appropriate to management, with recommendations made as appropriate to improve the control framework.</p>

Fraud risk assessment

Question	Management response
<p>7. How do you assess the overall control environment for City of London Corporation Pension Fund, including:</p> <ul style="list-style-type: none"> the existence of internal controls, including segregation of duties; and the process for reviewing the effectiveness the system of internal control? <p>If internal controls are not in place or not effective where are the risk areas and what mitigating actions have been taken?</p> <p>What other controls are in place to help prevent, deter or detect fraud?</p> <p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)? If so, please provide details</p>	<p>Delivery of a programme of Internal Audit work, this incorporates assurance work reviewing controls within key financial systems as well as a risk based programme of activity (the approach to the latter still focusses on the adequacy of the Internal Control environment). Segregation of duties is built into many of our existing processes, often driven/enforced by the design and implementation of our IT systems.</p> <p>The review of the effectiveness of the system of internal control is based upon review and analysis of completed Internal Audit work and other relevant information that the Head of Internal Audit becomes aware of, this is a judgement/opinion based assessment so does not follow a specific process.</p> <p>Refer to Head of Internal Audit Annual Opinion report to Audit and Risk Management Committee to identify risk areas from absent/weak internal controls. Mitigating actions are usually to implement /improve the controls identified as weak.</p> <p>There is always the potential for override or inappropriate influence, some of the City Corporation's financial arrangements are complicated and not necessarily transparent, that said, Internal Audit work has not identified any specific instances.</p>
<p>8. Are there any areas where there is potential for misreporting? If so, please provide details</p>	<p>Not to my knowledge.</p>

Fraud risk assessment

Question	Management response
<p>9. How does City of London Corporation Pension Fund communicate and encourage ethical behaviours and business processes of it's staff and contractors?</p> <p>How do you encourage staff to report their concerns about fraud?</p> <p>What concerns are staff expected to report about fraud? Have any significant issues been reported? If so, please provide details</p>	<p>Both the Corporate Anti-Fraud & Corruption Strategy and the Whistleblowing Policy provide confidential routes for staff to report any fraud concerns to the Internal Audit & Counter Fraud division for consideration of further investigation.</p> <p>A mandatory fraud awareness eLearning package is in place to raise staff awareness of fraud risks and acts as a reminder to staff about what risks they need to report. This eLearning is repeated periodically for staff employed in high fraud risk areas, such as housing, benefits, accounts payable etc.</p> <p>Staff are encouraged to report any concerns they may have, these are triaged by the Internal Audit & Counter Fraud division upon receipt with appropriate action taken.</p>
<p>10. From a fraud and corruption perspective, what are considered to be high-risk posts?</p> <p>How are the risks relating to these posts identified, assessed and managed?</p>	<p>Posts where there is an inherent risk of fraud through misappropriation of funds or the Pension Fund's assets. These include, pensions administration, cashiers and investments.</p> <p>Staff in high risk posts are required to submit a declaration of interest return on an annual basis to their Chief Officer, any third party interests are considered on the basis of the risks posed and appropriate safeguards put in place.</p> <p>The mandatory fraud awareness eLearning training is repeated periodically for staff employed in high fraud risk posts.</p>
<p>11. Are you aware of any related party relationships or transactions that could give rise to instances of fraud? If so, please provide details</p> <p>How do you mitigate the risks associated with fraud related to related party relationships and transactions?</p>	<p>No</p> <p>Self declaration of conflicts of interests/ third party interests expected to be reported by officers and Members.</p> <p>The City utilises the NFI AppCheck as part of its recruitment checks to see if staff have a third party interest (recorded within NFI data) that may impact their duties at CoL. Scope exists to use AppCheck periodically for high risk posts, but not known if this is being done holistically at present.</p> <p>Testing through the NFI biennial exercise – employees to Companies House data matching, The CoL is signed up to the NFI fraud hub, meaning more regular data matching of staff data to Companies House data.</p>

Fraud risk assessment

Question	Management response
<p>12. What arrangements are in place to report fraud issues and risks to the Audit Committee?</p> <p>How does the Audit Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control?</p> <p>What has been the outcome of these arrangements so far this year?</p>	<p>The Audit & Risk Management Committee (ARMC) receive an annual counter fraud & investigation report to its July 2025 committee and a half yearly report to its November committee.</p> <p>Regular updates on follow up work and have the power to hold officers to account, through calling management to committee to explain why recs not implemented.</p> <p>Overall arrangement for reporting and responding to recs has been positive and not required further intervention by ARMC.</p>
<p>13. Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?</p>	<p>No.</p>
<p>14. Have any reports been made under the Bribery Act? If so, please provide details</p>	<p>No.</p>

Law and regulations

Matters in relation to laws and regulations

ISA (UK) 250 requires the auditors to consider the impact of laws and regulations in an audit of the financial statements.

Management, with the oversight of the Audit and Risk Committee, is responsible for ensuring that City of London Corporation Pension Fund's operations are conducted in accordance with laws and regulations, including those that determine amounts in the financial statements.

The auditors are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, auditors' the appropriate legal and regulatory framework. As part of the auditors risk assessment procedures they are required to make inquiries of management and the Audit and Risk Committee as to whether the body is in compliance with laws and regulations. Where they become aware of non-compliance or suspected non-compliance they are required to gain an understanding of the non-compliance and the possible effect on the financial statements.

The auditors risk assessment questions have been set out below together with managements responses.

Impact of laws and regulations

Question	Management response
<p>1. How does management gain assurance that all relevant laws and regulations have been complied with?</p> <p>What arrangements does City of London Corporation Pension Fund have in place to prevent and detect non-compliance with laws and regulations?</p> <p>Are you aware of any changes to the City of London Corporation Pension Fund's regulatory environment that may have a significant impact on the City of London Corporation Pension Fund's financial statements?</p>	<p>Through Management and Committee reporting arrangements.</p> <p>Keep relevant laws and regulations under review – focus on changes in liaison with Comptroller and City Solicitor's department. The Comptroller and City Solicitor, is responsible for providing all legal services required by the City of London. This includes providing legal advice to the Pension Fund.</p> <p>No, the 'McCloud Remedy' regulations were implemented with effect from 1 October 2023, however these have had no noticeable effect on the 2024/25 accounts.</p>
2. How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with?	See corporate risk management procedure.
3. Have there been any instances of non-compliance or suspected non-compliance with laws and regulation since 1 April 2024 with an on-going impact on the 2024/25 financial statements? If so, please provide details	No.
4. Are there any actual or potential litigation or claims that would affect the financial statements? If so, please provide details	No.



Impact of laws and regulations

Question	Management response
5. What arrangements does City of London Corporation Pension Fund have in place to identify, evaluate and account for litigation or claims?	Management and insurance arrangements - see annual governance statement.
6. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance? If so, please provide details	No, not that we are aware.

Related Parties

Matters in relation to Related Parties

City of London Corporation Pension Fund are required to disclose transactions with bodies/individuals that would be classed as related parties. These may include:

- bodies that directly, or indirectly through one or more intermediaries, control, or are controlled by City of London Corporation Pension Fund;
- associates;
- joint ventures;
- a body that has an interest in the authority that gives it significant influence over the Authority;
- key management personnel, and close members of the family of key management personnel, and
- post-employment benefit plans (pension fund) for the benefit of employees of the Authority, or of any body that is a related party of the Authority.

A disclosure is required if a transaction (or series of transactions) is material on either side, i.e. if a transaction is immaterial from the Authority's perspective but material from a related party viewpoint then the Authority must disclose it.

ISA (UK) 550 requires the auditors to review managements procedures for identifying related party transactions and obtain an understanding of the controls that we have established to identify such transactions. The auditors will also carry out testing to ensure the related party transaction disclosures we make in the financial statements are complete and accurate.

Related Parties

Question	Management response
<p>1. Have there been any changes in the related parties including those disclosed in City of London Corporation Pension Fund's 2024/25 financial statements?</p> <p>If so please summarise:</p> <ul style="list-style-type: none"> the nature of the relationship between these related parties and City of London Corporation Pension Fund Whether City of London Corporation Pension Fund has entered into or plans to enter into any transactions with these related parties the type and purpose of these transactions 	<p>Members have agreed to disclose all related party transactions of £10k to ensure transparency so our disclosures go above the strict accounting requirement. The disclosure in the accounts makes clear the movements from the previous year.</p>
<p>2. What controls does City of London Corporation Pension Fund have in place to identify, account for and disclose related party transactions and relationships?</p>	<p>Members are required to complete these disclosures as part of their role. Related parties linked to roles obtained through the Corporation are included by default.</p>
<p>3. What controls are in place to authorise and approve significant transactions and arrangements with related parties?</p>	<p>The Corporation does not operate single member decision making so all decisions are routed through the committee system. All procurement activity follows procurement rules which would usually result in a tender or approved framework being utilised with a transparent selection process.</p>
<p>4. What controls are in place to authorise and approve significant transactions outside of the normal course of business?</p>	<p>Whilst delegation limits are in place for Officers to action transactions most if not all significant transactions would be routed through a committee process. An audit trail of approvals will be required in order for payments to be processed.</p>

Going Concern

Matters in relation to Going Concern

The audit approach for going concern is based on the requirements of ISA (UK) 570, as interpreted by Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020). It also takes into account the National Audit Office's Supplementary Guidance Note (SGN) 01: Going Concern – Auditors' responsibilities for local public bodies.

Practice Note 10 confirms that in many (but not all) public sector bodies, the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the body's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist.

For this reason, a straightforward and standardised approach to compliance with ISA (UK) 570 will often be appropriate for public sector bodies. This will be a proportionate approach to going concern based on the body's circumstances and the applicable financial reporting framework. In line with Practice Note 10, the auditor's assessment of going concern should take account of the statutory nature of the body and the fact that the financial reporting framework for public sector bodies presume going concern in the event of anticipated continuation of provision of the services provided by the body. Therefore, the public sector auditor applies a 'continued provision of service approach', unless there is clear evidence to the contrary. This would also apply even where those services are planned to transfer to another body, as in such circumstances, the underlying services will continue.

For many public sector bodies, the financial sustainability of the body and the services it provides are more likely to be of significant public interest than the application of the going concern basis of accounting. Financial sustainability is a key component of value for money work and it is through such work that it will be considered.

Going Concern

Question	Management response
1. What processes and controls does management have in place to identify events and / or conditions which may indicate that the statutory services being provided by the City of London Corporation Pension Fund will no longer continue?	The Pension Fund undergoes a triennial valuation to set the employer contribution rates for the following three years. Each year an IAS 19 and IAS26 is produced as are FRS102 (for some of the admitted bodies).
2. Are management aware of any factors which may mean for the City of London Corporation Pension Fund that either statutory services will no longer be provided or that funding for statutory services will be discontinued? If so, what are they?	No.
3. With regard to the statutory services currently provided by City of London Corporation Pension Fund, does City of London Corporation Pension Fund expect to continue to deliver them for the foreseeable future, or will they be delivered by related public authorities if there are any plans for the City of London Corporation Pension Fund to cease to exist?	The City of London Pension Fund is a local government pension scheme and is governed by regulations. There are no plans for it to “cease to exist”. The administration of the Pension Fund will continue to be provided in house.
4. Are management satisfied that the financial reporting framework permits City of London Corporation Pension Fund to prepare its financial statements on a going concern basis? Are management satisfied that preparing financial statements on a going concern basis will provide a faithful representation of the items in the financial statements?	Yes. Yes.

Accounting estimates

Matters in relation to accounting estimates

ISA (UK) 540 (Revised December 2018) requires auditors to understand and assess a body's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- How the body's risk management process identifies and addresses risks relating to accounting estimates;
- The body's information system as it relates to accounting estimates;
- The body's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty or require significant judgement.

Specifically do Audit and Risk Committee members:

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- Evaluate how management made the accounting estimates?

We, management would ask the Audit and Risk Committee to satisfy itself that the arrangements for accounting estimates are adequate.

Accounting Estimates – General Enquiries of Management

Question	Management response
1. What are the classes of transactions, events and conditions, that are significant to the financial statements that give rise to the need for, or changes in, accounting estimate and related disclosures?	These are disclosed in the accounts.
2. How does the City of London Corporation Pension Fund risk management process identify and address risks relating to accounting estimates?	This is disclosed in the accounts under Critical Judgements in apply accounting policies and Assumptions about other major sources of estimation uncertainty.
3. How does management identify the methods, assumptions or source data, and the need for changes in them, in relation to key accounting estimates?	This is mainly driven by technical reporting requirements (IAS19, IAS26 and FRS 102) which are undertaken by the actuary (Barnett Waddingham).
4. How do management review the outcomes of previous accounting estimates?	Many of these areas are constantly evolving and therefore these estimates only reflect a point in time. Previous years values form the starting point against current year estimates will be measured. See also Question 3 above.
5. Were any changes made to the estimation processes in 2024/25 and, if so, what was the reason for these?	No.

Accounting Estimates – General Enquiries of Management

Question	Management response
6. How does management identify the need for and apply specialised skills or knowledge related to accounting estimates?	These are largely focused on the key areas of estimation which are material to the accounts requiring specialist training in making assessment (e.g. property and actuarial valuations) or where access to specialist knowledge provides support and advice when linking into the estimations process (e.g. NNDR provisions) Actuarial valuations must be undertaken by an actuary – for the City of London Pension Fund, the actuary is Barnett Waddingham.
7. How does the City of London Corporation Pension Fund determine what control activities are needed for significant accounting estimates, including the controls at any service providers or management experts?	The pension valuations are largely formulaic, but we do ensure that significant movements between years are understood. At the triennial valuation, the draft valuation is subject to review and challenge by officers and a small group of Members.
8. How does management monitor the operation of control activities related to accounting estimates, including the key controls at any service providers or management experts?	See Question 7 above.
9. What is the nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates, including: <ul style="list-style-type: none"> - Management's process for making significant accounting estimates - The methods and models used - The resultant accounting estimates included in the financial statements. 	See Question 7 above. Actuary Actuary Accounting policies

Accounting Estimates – General Enquiries of Management

Question	Management response
10. Are management aware of any transactions, events, conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement (other than those in Appendix A)? If so, what are they?	No.
11. Why are management satisfied that their arrangements for the accounting estimates, as detailed in Appendix A, are reasonable?	These are established processes which are supported by external advice adhering to professional standards.
12. How is the audit and risk committee provided with assurance that the arrangements for accounting estimates are adequate ?	The Audit & Risk Committee are aware of any prior audit issues raised with accounting and are informed of changes made to address these issues. Briefing sessions are held on the accounts prior to sign off which can enable Members (within and outside of the committee) to challenge the approach to any aspect of the accounts. Member appoint senior staff within Chamberlain's with appropriate skills and qualifications to provide the relevant assurance around the statement of accounts. The Audit & Risk committee also maintains 2 independent members with appropriate skills and experience to provide challenge to all element of the Audit & Risk Committee remit including the approval of the statement of accounts.

Appendix A – Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Actuarial PV of Retirement Benefits	Estimation of the net liability to pay pensions depend on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.	Underlying data is provided by CoL, estimates are reviewed and challenged once provided by Actuary.	Yes, Barnett Waddingham	There is a degree of uncertainty involved due to the long-term nature of pension liability.	No
Level 2 investments	The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS13. For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).	Underlying data provided by Fund Manager and Custodian. CoL challenge any variances between Custodian and Fund Managers values.	Fund Manager/Custodian	Degree of uncertainty is low as market values are provided by Fund Manager/Custodian, potential differences arise from different foreign exchange rates used (i.e. rounding of decimal places) and whether values have been taken as at MID pricing or BID pricing.	No
Level 3 investments	As above for Infrastructure (IFM) and Property. For Private Equity and Infrastructure (DIF), this is determined by using latest available data and calculated using the latest available market values (31 December, in most cases) and adjusted for cash flow and foreign exchange movements occurring during the period.	Underlying data provided by Fund Manager. The adjustments used for cashflows are reconciled on a quarterly basis.	Fund Manager/Custodian	There is a degree of uncertainty involved due to the adjustment for cash flow and foreign exchange movement.	No
Contribution Accruals	Normal contributions, both from members and employers, are accounted for in the payroll month to which they relate at rates as specified in the rates and adjustments certificate.	N/A, no estimates used	No	Contributions are as per sent by employers/members per rates and adjustment certificates	No

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City of London Corporation Committee Report

Committee(s): Pensions Committee - For Decision Local Government Pensions Board – For Information	Dated: 7 July 2025 21 July 2025
Subject: City of London Pension Fund Breaches of Law Policy	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • provides statutory duties • provides business enabling functions 	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of:	The Chamberlain
Report author:	Amanda Luk

Summary

In July 2024, Members of the Local Government Pensions Board raised the issue of reporting breaches of law to the Pensions Regulator (tPR) and identifying themes. Members “*suggested that bringing together cases might help in identifying themes and monitoring breaches, as the possibility of a systemic issue was raised and the need for better monitoring was discussed. It was therefore agreed that a summary of breaches was reported to the next meeting and to the Pensions Committee.*” The Pensions Committee received this report in December 2024, and the Local Government Pensions Board in January 2025.

This report follows up on the recommendation made to formally review the ‘*Reporting Breaches of Law*’ policy.

Recommendation

Members are asked to approve the Reporting Breaches of the Law policy.

Main Report

Background

1. At Pensions Committee on 3 December 2024, Members received a report summarising the breaches of law. This report subsequently went to the Local Government Pensions Board on 17 January 2025. As per the recommendations for the report, Officers agreed to bring the ‘*Reporting Breaches of Law*’ policy (the Policy) for review.

2. The Policy applies to both the Local Government Pension Scheme and the Police Pensions Scheme and was approved by the Local Government Pensions Board and the Police Pensions Board in April 2018 (prior to the formation of the Pensions Committee). The Policy should be reviewed every three years, it was last reviewed by Officers in 2022 to update contact details however was not brought back to Committee.
3. The Policy which can be found at Appendix A, sets out the protocol and procedure for recording and reporting breaches of the law connected to the Public Service Pension Schemes for whom it is Scheme Manager. It describes who has a legal requirement to report breaches, to whom and how they should report and provides processes to follow to assess and consider suspected breaches to ensure that they are reported appropriately. It takes account of tPR's guidance and information issued in the Code of Practice 14 (now replaced by tPR's General Code of Practice) and their Public Service Toolkit. Where updates to the policy have been made due to the new General Code of Practice, these have been highlighted in yellow.

Conclusion

4. The '*Reporting Breaches of Law*' policy sets out the protocol and procedure for recording and reporting breaches of the law connected to the Public Service Pension Schemes for whom it is Scheme Manager. The policy should be reviewed every three years to ensure that it is kept up to date and will next be reviewed in 2028.

Appendices

Appendix A – Reporting Breaches of Law Policy

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Public Service Pensions

Reporting Breaches of Law - City of London Policy & Procedure

Introduction

This document sets out the policy and procedure within the City of London for recording and reporting breaches of the law connected to the Public Service Pension Schemes for whom it is Scheme Manager.

It describes who has a legal requirement to report breaches, to whom and how they should report and provides processes to follow to assess and consider suspected breaches to ensure that they are reported appropriately.

This policy and procedure was approved by the Local Government Pensions Board and the Police Pensions Board on 17 April 2018. It will be kept under review and reissued should personnel, the law, statutory or other guidance or best practice change. As a minimum, it will be formally reviewed every three years.

This document is published on the City of London website at www.cityoflondon.gov.uk and the City of London Pensions Website at www.cityoflondonpensions.org. It takes account of guidance and information issued by the Pension Regulator (tPR) in [the General Code of Practice](#) and their Public Service Toolkit and includes text from them. Where text has been used, the tPR's copyright applies. The content does not override the requirements of prevailing legislation and statutory guidance, which should be followed at all times.

Any questions about the policy or procedure should be raised with the Corporate Treasurer in the first instance. The contact details are provided on the attached sheet.

All those with a legal duty to report breaches of the law should ensure that they are familiar with this Policy and its operation.

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1. The Legal Responsibility to Report Breaches of the Law and to whom it Applies

Legislation requires that where certain people have reasonable cause to believe that:

- a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with
- the failure to comply is likely to be of material significance to the Regulator in the exercise of any of its functions

they must report breaches of the law to the Pensions Regulator (tPR).

The people who are subject to the reporting requirement ('reporters') for public service pension schemes are:

- scheme managers
 - For the Local Government Pension Scheme this is the Corporation of London
 - For the Police Pension Scheme this is the Commissioner of Police for the City of London for the members of City of London Police Force and the Common Council for the Commissioner of Police for the City of London
- members of pension boards
 - For the Local Government Pension Scheme this is the members of the Local Government Pensions Board. Details of the members can be found here:
<http://democracy.cityoflondon.gov.uk/mgCommitteeDetails.aspx?ID=1187>
 - For the Police Pension Scheme this is the members of the Police Pensions Board. Details of the members can be found here:
<http://democracy.cityoflondon.gov.uk/mgCommitteeDetails.aspx?ID=1206>
- any person who is otherwise involved in the administration of a public service pension scheme
 - For example, the committees, other boards, and officers dealing with the pension schemes
- participating employers whether a breach relates to, or affects, members who are its employees or those of other employers in the scheme
- professional advisers including auditors, actuaries, legal advisers and fund managers, whether required or not to be appointed by the scheme
- any person who is otherwise involved in advising the managers of the scheme in relation to the scheme

Reporters should not rely on waiting for others to report. They should follow the processes and procedures set out in this document.

Reports must be made in writing as soon as reasonably practicable. Failure to comply, without reasonable excuse, with the law on reporting breaches of the law is a civil offence and can attract a fine. tPR can also issue improvement notices.

Applicable laws and Code of Practice

Relevant law includes the Pensions Acts 2004 (section 70) and 1995, and the Public Service Pensions Act 2013.

In addition, tPR's **General Code of Practice** sets out the legal requirements and explains the expectations of tPR.

The Code of Practice is not a statement of law. However, when determining whether the legal requirements have been met, a court or tribunal must take any relevant provisions of a code of practice into account. Following the Code will help to ensure compliance with requirements and expectations.

2. To whom Breaches of the Law are Reported

Material breaches of the law must be reported to tPR, i.e. the Pensions Regulator or 'the Regulator'.

All breaches, and suspected breaches under consideration must be reported immediately to the Comptroller and City Solicitor, the Chamberlain, or the Corporate Treasurer, who will take a decision as to whether the breach or suspected breach is so serious that it requires immediate reporting to tPR.

The contacts sheet attached gives details of the Corporate Treasurer, the Chamberlain and the Comptroller and City Solicitor, and also includes details of the persons who will act in their absence.

Unless the breach is so serious that it should be reported to tPR immediately, this document provides a process for investigating concerns that the law may have been breached and for facilitating objective consideration of breaches to enable reporters to decide within a reasonable timeframe whether they must report the breach. As noted above, reporters should not rely on waiting for others to report.

The Corporate Treasurer is the person who is responsible for the day to day running of the policy and maintaining the Register. They will alert the Chamberlain that a potential or actual breach is being investigated. They will also keep Members of the appropriate Pensions Board informed.

The Chamberlain is the person who is responsible for this Policy and for making the decision on whether to report a breach to tPR in consultation with the Comptroller and City Solicitor acting as Monitoring Officer.

All actual breaches will be recorded in the Breaches of the Law Register (the Register), along with the decision made as to whether or not to report to tPR and the relevant considerations taken. **All breaches will be reported to the next Pensions Committee/ Local Government Pensions Board for Local Government Pension Scheme breaches and the Police Pensions Board for Police Pension Scheme Breaches.**

Further details are provided below on these aspects.

3. Procedure for Assessing and Considering Suspected Breaches

This section sets out the procedure and processes for assessing and considering suspected breaches of the law and determining whether they should be reported to tPR.

To ensure breaches are reported in a timely manner, each action should be completed within five working days of receipt or notification, including responding to questions raised. Dates of actions and decisions should be recorded on the Register. A final decision to report the breach to the tPR should be taken and the report made by no later than 21 days (3 weeks) after the initial identification of the breach; EXCEPT:

- Where a breach is identified that is so serious that it must always be reported, each stage should be dealt with immediately and the Chamberlain and Comptroller and City Solicitor notified.
- If there is an immediate risk to the scheme, such as if there is an indication of dishonesty, only necessary immediate checks should be made and those that may alert the people implicated, avoided. Reporters should use the quickest possible means to alert tPR.

All breaches must be recorded on the Register along with the details and considerations taken as detailed below whether or not they are reported to tPR.

3.1 Establishing the facts

Having 'reasonable cause' to believe that a breach has occurred means more than merely having a suspicion that cannot be substantiated.

Reporters should ensure that where a breach is suspected, they carry out checks to establish whether or not a breach has in fact occurred. This will involve establishing the facts and also whether there is another explanation.

For example, a member of a funded pension scheme may allege that there has been a misappropriation of scheme assets where they have seen in the annual accounts that the scheme's assets have fallen. However, the real reason for the apparent loss in value of scheme assets may be due to the behaviour of the stock market over the period. This would mean that there is not reasonable cause to believe that a breach has occurred.

Where the reporter does not know the facts or events around the suspected breach, it will usually be appropriate to check with those in a position to know such as the Director of Finance, or the Pensions Manager to check what has happened.

However, as noted earlier, it would not be appropriate to check in cases of theft, suspected fraud or other serious offences where discussions might alert those implicated or impede the actions of the police or a regulatory authority. Under these circumstances the reporter should alert tPR without delay.

In establishing whether there is reasonable cause to believe that a breach has occurred, it is not necessary for the reporter to gather all the evidence which tPR may require before taking legal action. A delay in reporting may exacerbate or increase the risk of the breach.

Should you have difficulty establishing the facts, please report this to the Corporate Treasurer – *see note on page one*] who will provide further guidance.

3.2 Clarification of the law

In determining if a breach has occurred, if the reporter is unclear about the relevant legal provision, they should clarify their understanding of the law to the extent necessary to form a view.

If assistance is required in order to do so, once you have established the facts, you may contact the director of finance, or the pensions manager, or the Corporation of London's legal team for further advice.

Should you encounter any difficulties establishing the law, please report this to the Corporate Treasurer who will provide further guidance.

3.3 Considering the material significance

Having clarified the facts and the law and established that a breach has occurred, the next step is to consider whether it is of material significance and should therefore be reported to tPR.

In order to do so, reporters should consider the cause of the breach, the effect of the breach, the reaction to it and its wider implications. These aspects should be considered together and take account of expert or professional advice, where appropriate.

Consideration of previously recorded breaches on the Register, whether reported to tPR or not, can assist with this process. A copy should be obtained from the Corporate Treasurer.

Dialogue may also take place with the Scheme Manager or Pension Board. Reporters may approach the Scheme Manager or members of the Pension Board at any time to discuss matters. In addition, the Register is presented to each meeting of the Pension Board for consideration and discussion with the Scheme Manager's officers.

The General Code of Practice provides guidance on each of the four aspects and this is included below.

A. Cause of the breach

The breach is likely to be of material significance to tPR where it was caused by:

- Dishonesty, negligence, or reckless behaviour
- poor governance, ineffective controls resulting in deficient administration, or slow or inappropriate decision-making practices
- incomplete or inaccurate advice, or
- a deliberate act or failure to act.

When deciding whether a breach is of material significance, those responsible should consider other reported and unreported breaches of which they are aware. However, historical information should be considered with care, particularly if changes have been made to address previously identified problems.

Where changes are made, City of London officers should inform the Corporate Treasurer who should record the changes on the Register to assist with future determinations.

tPR notes that a breach will not normally be materially significant if it has arisen from an isolated incident, for example resulting from teething problems with a new system or procedure, or from an unusual or unpredictable

combination of circumstances, but that in such a situation, it is also important to consider other aspects of the breach, such as the effect it has had and to be aware that persistent isolated breaches could be indicative of wider scheme issues.

Action should be taken to put the breach right whether it is of material significance or not.

Reporters should summarise the cause of the breach.

B. Effect of the breach

Reporters need to consider the effects of any breach, but with tPR's role in relation to public service pension schemes and its statutory objectives in mind, the General Code of Practice notes that the following matters in particular should be considered likely to be of material significance to tPR:

- significant proportion of members, or a significant proportion of members of a particular category of membership, are affected by the breach.
- The breach has a significant effect on the benefits being paid, to be paid, or being notified to members.
- The breach, or series of unrelated breaches, have a pattern of recurrence in relation to participating employers, certain members, or groups of members.
- Governing bodies that do not have the appropriate degree of knowledge and understanding, preventing them from fulfilling their roles and resulting in the scheme not being properly governed and administered and/or breaching other legal requirements.
- Unmanaged conflicts of interest within the governing body, making it prejudiced in the way it carries out the role, ineffective governance and scheme administration, and/or breaches of legal requirements.
- Systems of governance (where applicable) and/or internal controls are not established or operated. This leads to schemes not being run in line with their governing documents and other legal requirements.
- Risks are not properly identified and managed and/or the right money is not being paid to or by the scheme at the right time.
- Accurate information about benefits and scheme administration is not being provided to scheme members and others meaning members are unable to effectively plan or make decisions about their retirement.
- Records are not being maintained. This results in member benefits being calculated incorrectly and/or not being paid to the right person at the right time.
- Governing bodies or anyone associated with the scheme misappropriate scheme assets or are likely to do so.
- Trustees of defined benefit schemes not complying with requirements of the Pension Protection Fund during an assessment period.

Reporters need to take care to consider the effects of the breach, including any other breaches occurring as a result of the initial breach and the effects of those resulting breaches.

Reporters should summarise the effect of the breach.

C. Reaction to the breach

Where prompt and effective action is taken to investigate and correct the breach and its causes and, where appropriate, to notify any affected members, tPR will not normally consider this to be materially significant.

A breach is likely to be of concern and material significance to tPR where a breach has been identified and those involved:

- does not receive prompt and effective action to remedy the breach and identify and tackle its cause to minimise risk of recurrence
- is not being given the right priority by the governing body or relevant service providers
- has not been communicated to affected scheme members where it would have been appropriate to do so
- forms part of a series of breaches indicating poor governance
- it was caused by dishonesty, even when action has been taken to resolve the matter quickly and effectively

All reporters should keep records of the actions taken and submit these to the Corporate Treasurer who will record these on the Register.

Reporters should summarise the reaction to the breach.

D. Wider implications of the breach

Reporters should consider the wider implications of a breach when they assess which breaches are likely to be materially significant to tPR.

For example, a breach is likely to be of material significance where the fact that the breach has occurred makes it appear more likely that other breaches will emerge in the future. This may be due to the Scheme Manager or Pension Board members having a lack of appropriate knowledge and understanding to fulfil their responsibilities or where other pension schemes may be affected. For instance, public service pension schemes administered by the same organisation may be detrimentally affected where a system failure has caused the breach to occur.

For this reason, and to enable prompt actions to be taken to prevent or reduce the risk of further breaches, the City of London's policy is to maintain one Breaches of the Law Register covering all the schemes and Scheme Managers detailed on page 3, recording in which scheme the breach occurred.

Reporters should summarise the wider implications of the breach.

3.4 Deciding whether to report to the Pensions Regulator

The reporter should assess their view on whether the breach is of material significance and should be reported to tPR. Once assessed, they should submit their summaries of the breach and their categorisations and reasons for them, to the Corporate Treasurer who will update the Register and submit it all to the Deputy Chamberlain and to the Comptroller and City Solicitor as Monitoring Officer. The Deputy Chamberlain will make the decision whether to report the breach to tPR after liaising with the Comptroller and City Solicitor. They will review the

categorisation and may discuss it or raise questions with the reporter in the first instance, and they will, in turn request the Corporate Treasurer to update the Register with their decision and reason for it.

tPR's traffic light framework should be used to assist in these assessments and decisions.

The Pension Regulator's Traffic Light Framework

tPR provide a traffic light framework which should be used to assist with deciding whether a breach of the law is likely to be of material significance to them and should therefore be reported.

Example breaches of the law and assessment of the cause, effect, reaction and wider implications against the traffic lights are available on tPR's website at www.thepensionsregulator.gov.uk/en/document-library/scheme-management-detailed-guidance/communications-and-reporting-detailed-guidance/complying-with-the-duty-to-report-breaches-of-the-law.

The reporter should consider their summaries of the cause of the breach, the effect of the breach, the reaction to it and its wider implications against the traffic lights and assess a colour category for each.

They should then determine an overall colour category considering all four together and include details of why they have assigned a category such as their considerations and actions in regard to each of the four areas and overall. These should be submitted to the Corporate Treasurer as noted above.

The copy of the current Register should be reviewed in considering the assessments.

The tPR's framework for overall consideration of the breach is summarised below together with an example.

Red breaches

Where the cause, effect, reaction and wider implications of a breach, when considered together, are likely to be of material significance, the breach is 'red'.

These must be reported to tPR.

Example:

Several members' benefits have been calculated incorrectly. The errors have not been recognised and no action has been taken to identify and tackle the cause or to correct the errors.

Amber breaches

Where the cause, effect, reaction and wider implications of a breach, when considered together, may be of material significance, the breach is 'amber'. They might consist of several failures of administration that, although not significant in themselves, have a cumulative significance because steps have not been taken to put things right.

Reporters will need to exercise their own judgement to determine whether the breach is likely to be of material significance and should be reported.

Example:

Several members' benefits have been calculated incorrectly. The errors have been corrected, with no financial detriment to the members. However, the breach was

caused by a system error which may have wider implications for other public service schemes using the same system.

Green breaches

Where the cause, effect, reaction and wider implications of a breach, when considered together, are not likely to be of material significance, the breach is 'green'.

These should be recorded but do not need to be reported.

Example:

A member's benefits have been calculated incorrectly. This was an isolated incident, which has been promptly identified and corrected, with no financial detriment to the member. Procedures have been put in place to mitigate against this happening again.

In addition, [pages 168 to 171](#) of the Regulator's [General Code of Practice](#) provides further information about reporting contribution payment failures which are likely to be of material significance to the Regulator. The Code can be found here: www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/general-code-of-practice.ashx

3.5 Determining difficult cases

Where there is a difficult case to determine, reporters should contact the Chamberlain who will discuss the case with them, and if necessary refer the case on to the Corporation of London's legal team, the Pension Board, Members of the Committee, tPR or other officers or advisors for further assistance, before making their determination.

4. Reporting to the Pensions Regulator

A final decision to report the breach to the tPR should be taken and the report made by no later than 21 days (3 weeks) after the initial identification of the breach. However, where a case is so urgent that it must immediately be reported to tPR or where it is decided after following the procedure above that a breach should be reported, it should be reported without delay.

The Members of the relevant Pensions Board will be notified of the circumstances of the breach before the report is made to tPR when practicable, or will be notified simultaneously where the breach is so serious that it must be reported immediately. A Special Meeting of the Board may be called subsequently to consider the breach.

Breaches will normally be reported by the Chamberlain.

[Reports should be made in using tPR's online web form, email, or by post.](#)

The report should include:

- [full name of the scheme](#)
- [description of the breach or breaches, including any relevant dates](#)
- [name of the employer \(in the case of an occupational scheme\) or scheme manager \(in the case of public service and personal pension schemes\)](#)
- [name, position, and contact details of the reporter](#)
- [role of the reporter in the scheme](#)

- reason the reporter believes the breach is of material significance to us
- address of the scheme
- type of scheme – whether occupational (defined benefit, defined contribution, or hybrid), personal or public service
- name and contact details of the governing body (if different to the scheme address)
- pension scheme registration (PSR) number if known
- address of the employer

Urgent reports should be clearly marked urgent and attention drawn to matters considered by the reporter to be particularly serious. If is appropriate, the reporter should call tPR before submitting the written report.

As noted earlier, if there is an immediate risk to the scheme, such as if there is an indication of dishonesty, only necessary immediate checks should be made and those that may alert the people implicated, avoided. Reporters should use the quickest possible means to alert tPR.

The reporter should ensure that they receive an acknowledgment from tPR and that this is retained with the other papers and recorded on the Register. Acknowledgements should be received within five working days.

tPR may request further information.

4.1 Whistleblowing protection and confidentiality

The General Code of Practice notes that:

- the Pensions Act 2004 makes clear that the statutory duty to report overrides any other duties a reporter may have such as confidentiality and that any such duty is not breached by making a report and that tPR understands the potential impact of a report on relationships, for example, between an employee and their employer.
- the statutory duty to report does not, however, override 'legal privilege'. This means that oral and written communications between a professional legal adviser and their client, or a person representing that client, while obtaining legal advice, do not have to be disclosed. Where appropriate a legal adviser will be able to provide further information on this.
- the Employment Rights Act 1996 (ERA) provides protection for employees making a whistleblowing disclosure to tPR. Consequently, where individuals employed by firms or another organisation having a statutory duty to report disagree with a decision not to report to tPR, they may have protection under the ERA if they make an individual report in good faith. tPR expects such individual reports to be rare and confined to the most serious cases.
- We will take all reasonable steps to protect a reporter's identity and maintain confidentiality, when a report is made in confidence. We will not disclose any information except where lawfully allowed to do so.
- In all cases, reporters should act conscientiously and honestly, and to take account of expert or professional advice where appropriate.

5. Recording Breaches of the Law

All breaches of the law must be recorded in the Breaches of the Law Register (the Register) whether or not reported to tPR.

This is to ensure that patterns are identified, to help determine systemic issues and material significance, to identify where procedural change or further education may be required, and to help determine whether future breaches should be reported to tPR.

It also provides a record of action and considerations taken should a breach be reported to tPR by another reporter and investigated by tPR.

5.1 Breaches of the law register

The Breaches of the Law Register is maintained by the Corporate Treasurer. All reporters and others involved in dealing with any breach of the law should submit the information and details as described above in order for them to do so.

The Register covers the Police and LGPS Pension Schemes to enable issues common to all to be identified and appropriate action taken to prevent and reduce the risk of further breaches occurring.

Each action and decision taken should have a date recorded against it to enable monitoring that timescales are being adhered to, and breaches promptly dealt with and reported in a timely manner.

Where changes are subsequently made to address previously identified problems, Officers should submit details to the Corporate Treasurer who will update the Register to record the changes made to assist with future determinations of material significance.

Similarly, the progress of and actions taken to put right a breach should be included on the Register.

A sample Register is provided in Appendix 1. This should be reviewed while in use and additional columns added where helpful.

5.2 Reporting to the Pension Board and reviewing the Register

The Breaches of the Law Register should be presented to each meeting of each Pension Board for review and consideration. This may result in dialogue with the Chamberlain and/or the Scheme Manager over whether items should be considered as materially significant and reported to tPR, or if other actions should be taken to improve compliance or enhance efficiency.

The Pension Board will consider the Register and how they can assist the Scheme Manager, making recommendations as appropriate.

Appendix 1 – Sample Breaches of the Law Register

Where not specifically noted, dates for all actions and decisions should be recorded in each field.

The reference can be used to match background papers and contact details of those involved.

Fields can be expanded on electronic version. Print on A3 paper

				EG Late Conts/ABS			Fill fields with traffic light colour when determined Include summaries and reasons								
Ref	Date reported	Scheme	Employer / Third Party	Type of Breach	Details of breach	Date of breach & ref no. if occurred before	Cause	Effect	Reaction Include actions planned/ taken to correct	Wider implications	Overall category & reporting recommendation	Final category & reporting decision	Reported by /date	tPR ack received	Date breach corrected
											Yes/No	Yes/No			
											Yes/No	Yes/No			
											Yes/No	Yes/No			
											Yes/No	Yes/No			
											Yes/No	Yes/No			
											Yes/No	Yes/No			
											Yes/No	Yes/No			
											Yes/No	Yes/No			
											Yes/No	Yes/No			
											Yes/No	Yes/No			

Public Service Pensions

Reporting Breaches of Law - City of London Policy & Procedure

Contact details

Officer	Email and Telephone
Corporate Treasurer	Kate.Limna@cityoflondon.gov.uk 020 7332 3592
In the absence of the Corporate Treasurer, The Pensions Manager	Graham.Newman@cityoflondon.gov.uk 020 4558 2261

The Chamberlain	Caroline.Al-Beyerty@cityoflondon.gov.uk 020 7332 1300
In the absence of the Chamberlain, the Financial Services Director	Sonia.Virdee@cityoflondon.gov.uk 07511 047554

The Comptroller and City Solicitor	Michael.Cogher@cityoflondon.gov.uk 020 73323699
In the absence of the Comptroller, an Assistant City Solicitor as nominated.	Contact via the Comptroller's PA Alexandra.Reid@cityoflondon.gov.uk 020 7332 3699

City of London Corporation Committee Report

Committee(s): Pensions Committee – For Decision	Dated: 7 July 2025
Local Government Pensions Board – For Information	21 July 2025
Subject: Local Government Pension Scheme – Communication Policy	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • provides statutory duties • provides business enabling functions 	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of:	The Chamberlain
Report author:	Graham Newman – Chamberlain's Department

Summary

In December 2024, the Pensions Committee received a report on Barnett Waddingham's General Code of Practice Compliance Review which checked the City of London Pension Fund's compliance with the Pension Regulators General Code of Practice. This report follows up on the recommendation made at that Committee to update the Communications Policy for the City of London Pension Fund.

Recommendation

Members are asked to approve the City of London Pension Fund Communications Policy.

Main Report

Background

1. At Pensions Committee on 3 December 2024, Members received a report on Barnett Waddingham's General Code of Practice Compliance Review which checked the City of London Pension Fund's compliance the Pension Regulators (tPR) General Code of Practice (the Code). As per the recommendations for the report, Officers agreed to bring to the Committee meeting an updated version of the City of London Pension Fund's Communications Policy.

2. The code contains a module on “Communications and disclosure: Information to members” for which the Pension Fund received ‘Green’ ratings which means “The Fund complies with the Code and no further action is required at this time”. Table 1 below summarises the compliance check for this module.

Table 1: General Code of Practice Compliance Recommendations

Status of Fund against code	Module	tPR's expectations	Suggested/ Required Actions	CoL Comment
Green	Annual pension benefit statements (DC)	Governing bodies of certain schemes must provide annual benefit statements to members	The Fund may wish to update the Communications Policy to highlight that benefit statements are provided by the AVC providers to make this clear to the Fund members	Officers will amend the Communications Policy to include reference to benefit statements in relation to AVCs being provided by AVC providers.

3. In order to comply with best practice, Officers have updated the Communications Policy (attached at Appendix A) with the recommendations made by Barnett Waddingham.
4. It should be noted that the Communications Policy is a working document, and all sections can and will be expanded or amended, as required.

Conclusion

5. Following Barnett Waddingham's review of the City of London Pension Fund's compliance with the Pension Regulators General Code of Practice, Officers have updated the Communications Policy as per the recommendations. Members are asked to review the policy document and provide any feedback in relation to this.

Appendices:

Appendix A: City of London Pension Fund Communications Policy.

Graham Newman

Pensions Manager | Chamberlain's Department

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E: graham.newman@cityoflondon.gov.uk



The City of London Pension Fund

Communications Policy

July 2025

Introduction

Effective communication between the City of London as the Administering Authority and its stakeholders is essential to the delivery of the pensions service. This document sets out the aims and the target audiences of the policy and the method of delivery (application) of the policy. The Pensions Committee and Local Government Pensions Board reviews all communications with scheme members on an on-going basis.

Aims

Accuracy & Timeliness	Information needs to be compliant with legislation and supplied at an appropriate time.
Effective Information	Messages need to be clear and understood by target audience.
Accessible	Communication should be available to all and should meet the needs of a wide range of recipients.

Audiences

- Scheme Members and Potential Members.
- Pensioners and Deferred Members.
- City of London Departmental Personnel and Administration.
- Other Employers Within the Fund
- Corporate Services Committee
- Local Government Pensions Board
- Staff

Application

Scheme Members and Potential Members

Scheme Guides	Available to all eligible employees via website, direct mail or email.
Forms and leaflets	Available on our website and appropriate forms supplied to all new employees and leavers via personnel/administration officers.
Newsletters	Produced as appropriate and in particular as scheme changes occur.
Annual Benefit Statements	Pension Statements supplied to those scheme members who are active at year end (31 st March) as soon as possible after year end. <u>Statements in relation to scheme member Additional Voluntary Contributions (AVCs) will be issued by the relevant AVC provider.</u>

Presentations	One-off seminars, regular pension “top-up” sessions, insight lunches and pre-retirement courses.
Induction	Supply support to the Employers Induction courses as appropriate.
Intranet & Internet	Provide news on scheme changes, develop and maintain internet with links to relevant sites. Publicise website updates and newsletters via the Intranet.

Pensioners and Deferred Pensioners

Pensioners should be supplied with monthly payslips as appropriate, Newsletters and annual pensions increase letters. Deferred Pensions will be provided with an annual benefit statement. Both will be supplied with information on scheme changes as they affect the appropriate category of ex-scheme member.

City of London Personnel and Payroll

Guides on technical, legislative and general day-to-day administration requirements and responsibilities issued as and when required and as scheme changes affect procedures, including links to centrally produced guides.

Presentations – Personnel Group meeting updates and individual departmental sessions as appropriate.

Other Employers within the fund

Guides on technical, legislative and general day-to-day administration requirements and responsibilities issued as and when required and as scheme changes affect procedures, including links to centrally produced guides.

Presentations for appropriate personnel staff, committees & groups of employees.

Pensions Committee and Local Government Pensions Board

Reports	Update Pensions Committee and Local Government Pensions Board on scheme changes and developments and provide reports in a clear and accurate manner in order that appropriate responses and actions follow.
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Presentations	Provide Pensions Committee and Local Government Pensions Board with updates where appropriate.
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Staff

Provide updates and information on scheme and legislative changes.

Team Meetings Maintain staff's awareness and knowledge via
– monthly meetings and one-off sessions as appropriate.

General Communication

Letters, emails and phone calls answered clearly, accurately and timely.

If you wish to contact the City of London Pensions Office:

Write: Pensions Manager, City of London, Guildhall, London EC2P 2EJ

Telephone: 07864 959 555

Email: Pensions@cityoflondon.gov.uk

Website: <https://www.cityoflondonpensions.org/>

This Policy Statement Will Be Kept Under Review.

City of London Corporation Committee Report

Committee(s): Pensions Committee Local Government Pensions Board	Dated: 07 July 2025 21 July 2025
Subject: Access and Fairness Consultation	Public report: For Discussion
This proposal: <ul style="list-style-type: none"> • provides statutory duties • provides business enabling functions 	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	No
Report of:	The Chamberlain
Report author:	Amanda Luk

Summary

On 15 May 2025 the Ministry for Housing, Communities and Levelling Up (MHCLG) issued a consultation on the Local Government Pension Scheme (LGPS) entitled '*Local Government Pension Scheme in England and Wales: Access and fairness*'. The Consultation is seeking views on proposals intended to improve fairness in, and access to, the LGPS. The consultation also includes questions on the potential impact on administration and the Government's duty under the Public Sector Equality Duty. The consultation is open for 12 weeks from 14 May to 7 August 2025. Officers are currently reviewing the Consultation.

Alongside the consultation, MHCLG have published a draft statutory instrument, the '*Local Government Pension Scheme (Miscellaneous Amendments) Regulations 2025*'.

The Government believes that through the outcomes of this Consultation they will fundamentally improve fairness in, and access to, the LGPS. They will be addressing "key issues that have been neglected for too long and treating them with the urgency they deserve." The consultation focuses on equality, fairness, integrity, efficiency, accuracy and rewarding hard work reflecting the Government's commitment to making work pay and improving workers' rights.

Some of these changes are definitive answers to long-standing problems, for example ensuring equality of survivor benefit entitlement, whereas some are new introductions such as the proposals on the gender pension gap. The Government believes these

are all key and essential steps in the right direction. The proposals position the LGPS as leading the way across the public sector pensions landscape.

The consultation is seeking views on proposals which include:

- addressing survivor pensions and deaths grants
- addressing the Gender Pension Gap in the LGPS
- collecting data on how many members opt out of the scheme and why
- changes to forfeiture, aiming to tackle long-standing issues with forfeiture in the LGPS
- several technical changes to how the McCloud remedy operates
- a number of other miscellaneous changes, including changes to five-year refunds, pre-2014 Additional Voluntary Contributions and small pot payments.

There are a total of 52 questions and these are set out in Appendix A, the full consultation document can be found [here](#).

Recommendation:

Members are asked to note the report.

Appendix

Appendix A – Consultation Questions: Local Government Pension Scheme in England and Wales: Access and Fairness

Amanda Luk

Senior Accountant – Pensions

Chamberlains Department

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**Consultation Questions: Local Government Pension Scheme in England and Wales:
Access and Fairness**

Chapter 1: Survivor Benefits

No	Question
1	Do you agree with the government's proposed amendment of survivor benefits rules?
2	Do you have any comments on the intended approach to equalising survivor benefits?
3	Do you have any comments on the administrative impact, particularly in identifying cases where calculations of past benefits would need to be revisited?
4	Do you have any further comments on the proposed changes?
5	Do you agree with the government's proposals to formalise the removal of the nomination requirement?
6	Do you have any comments on the government's proposals to formalise the removal of the nomination requirement?
7	Do you have any comments on the proposed approach to backdating?
8	Do you agree with the proposed amendments to death grants?
9	Do you have any comments on the government's proposals to remove the age 75 cut-off from the LGPS Regulations?
10	Do you have any comments on the proposed approach to backdating?
11	Do you have any comments on the administrative impact, particularly in identifying historic cases where death grants that were not paid would now be paid?
12	Do you agree with the proposal to remove the two-year limit?
13	Do you have any comments on the government's proposal to remove the two-year limit?

Chapter 2: Gender pension gap

Qu	Question
14	Do you agree that the LGPS Regulations should be updated so that any unpaid leave under 31 days is pensionable, as a way to address the gender pension gap?
15	Do you agree the government should use the actual lost pay option when calculating contributions, or do you think APP should be the chosen option? Please explain the reasons for your view.
16	Do you agree with the proposal to align the cost of buying back unpaid leave over 30 days with standard member contribution rates?
17	Do you agree with the proposal to change the time-limit for buying back unpaid leave pension absences from 30 days to 1 year?
18	Do you agree with removing the three-year limit on employer contributions in Regulation 15(6)?
19	Do you agree with updating the definition of child-related leave to include all periods of additional maternity, adoption and shared parental leave without pay?
20	Do you agree that gender pension gap reporting should be mandatory in the LGPS?
21	Do you agree that the 2025 valuation (and associated fund annual reports) is preferable?

22	Do you agree with the threshold of 100 employees for defining which employers must report on their gender pension gap?
23	Do you agree with the gender pension gap definition being 'the percentage difference in the pension income for men and women over a typical working life'?
24	Do you agree with the gender pension savings gap being 'the percentage difference in the pension savings accrued over one year for men and women'?

Chapter 3: Opt-outs

Qu	Question
25	Do you agree that the annual report is the best method of reporting data on those who choose to opt-out of the scheme?
26	Do you foresee any issues with administering authorities' ability to gather data on opt-outs?
27	When updating the annual report guidance to reflect opt-out data collection, what information would be most useful to include?
28	Do you agree with the proposal to collect additional data about those opting out of the scheme?
29	Are you an employer, part of an administering authority or member of a pensions board?
30	Do you have any comments on the collection of additional information?

Chapter 4: Forfeiture

Qu	Question
31	Do you agree that the government should amend regulations 91 and 93 of the 2013 Regulations to remove the requirement that the member must have left employment because of the offence in order for an LGPS employer to be able to make an application for a forfeiture certificate or to recover against a monetary obligation?
32	Do you agree that the three month time limit for an LGPS employer to make an application for a forfeiture certificate should be removed?
33	Do you agree that Regulation 92 of the 2013 Regulations should be revoked?
34	Do you agree that in order to give full effect to the proposed amendments, equivalent modifications should apply to earlier schemes?
35	Do you agree that there should be forfeiture guidance to assist employers in making applications?

Chapter 5: McCloud remedy

Qu	Question
36	Do you agree with the government's proposal for pension debits and credits?
37	Do you agree with the government's proposal to cover deaths on 30 September 2023?
38	Do you agree with the government's proposal to clarify if interest applies on Club transfers?
39	Do you agree with the government's proposal to include part 4 tax losses in the 2023 regulations?
40	Do you agree with the government's proposal for transfers from other public service schemes for members over 65 years old?

Chapter 6: Other regulation changes

Qu	Question
41	Do you agree with the proposal to omit Regulation 50 and the equivalents to it (to the extent that they have been preserved) in the 1997 and 2008 Regulations?
42	Do you agree with the proposal to omit Regulation 50 and the equivalents to it (to the extent that they have been preserved) in the 1997 and 2008 Regulations?
43	Do you agree with the proposal to amend the definition of Benefit Crystallisation Events in the 2013 Regulations?
44	Do you agree with the proposed approach to Pension Commencement Excess Lump Sums?
45	Do you agree with the proposed approach to issue updated actuarial guidance on the treatment of PCELSs?
46	Do you agree with the proposed amendments to the Regulations?
47	Do you have any comments on the proposals in this chapter?

Chapter 7: Administrative impact of proposals

Qu	Question
48	Do you have any comments about the impact the combined proposals in this document will have on administration?
49	Are there any areas where you believe the proposals are significantly more complex and would benefit from a later implementation date?
50	Do you have any comments on the proposed approach to cost?

Chapter 8: Public Sector Equality Duty

Qu	Question
51	Do you consider that there are any particular groups with protected characteristics who would either benefit or be disadvantaged by any of the proposals? If so, please provide relevant data or evidence.
52	Do you agree to being contacted regarding your response if further engagement is needed?

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City of London Corporation Committee Report

Committee(s): Pensions Committee Local Government Pensions Board	Dated: 07 July 2025 21 July 2025
Subject: Government Response - Fit for the Future Consultation	Public report: For Discussion
This proposal: <ul style="list-style-type: none"> • provides statutory duties • provides business enabling functions 	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	No
Report of:	The Chamberlain
Report author:	Amanda Luk

Summary

The Government released the '*Local Government Pension Scheme (England and Wales): Fit for the Future Consultation*' on the 14 November 2024. The consultation sought views on proposals relating to investments of the Local Government Pension Scheme (LGPS) and covered the areas of minimum standards for asset pooling, local and regional investment and governance. The consultation was open for 9 weeks from 14 November 2024 to 16 January 2025 and Officers responded during this period. The Government published their response on 29 May 2025 and this report sets out the proposals to meet the three areas (Pooling, Local Investment and Governance) which were consulted on.

Recommendations

Members are asked to note this report.

Main Report

Background

1. In July 2024, the government launched a landmark Pensions Review of workplace defined contribution pensions schemes and the LGPS. The Pensions Review's objectives for the LGPS were to consider how tackling fragmentation and inefficiency could unlock the investment potential of the scheme, including through asset consolidation and enhanced governance, while strengthening the focus on local investment.

2. On 14 November 2024 the government launched its consultation on proposals to reform the LGPS and put it on a clearer, firmer trajectory to scale and consolidation.

LGPS Consultation: Fit for the Future

3. At the Pensions Committee held on 3 December 2024, a paper was circulated summarising the consultation and its proposals. Members can find the paper [here](#).
4. As a reminder the Consultation sought views on the following three areas:
 - i. Reforming the LGPS asset pools by mandating certain ‘minimum standards’ deemed necessary for an optimal and consistent model in line with international best practice.
 - ii. Boosting LGPS investment in their localities and regions in the UK.
 - iii. Strengthening the governance of both LGPS Administering Authorities (AAs) and LGPS pools, building on the recommendations of the Scheme Advisory Board (SAB) in their 2021 Good Governance Review.
5. There was a total of 30 questions and the full consultation document can be found [here](#).
6. The response to the consultation was submitted on the 16 January 2025 following liaison with the London CIV and other administering authorities (AAs). The formal response was circulated to Members of the Pensions Committee and Local Government Pensions Board on 20 January 2025.

Consultation Response

7. The Government published their response on 29 May 2025. In total, the Government received 220 responses including from all 86 AAs and 8 pools, as well as scheme members, trade unions, advisors, industry representatives, and campaign groups. The full response can be found [here](#).
8. Following the consultation, the Government will be implementing the proposals as set out below.

Area 1: Pooling

- i. Requirement on AAs to delegate the implementation of their investment strategy to their pool. The investment strategy set by AAs may include a high-level strategic asset allocation (SAA) that is no more detailed than the template which government intends to publish in guidance (Appendix 1).
- ii. Requirement on AAs to take their principal investment advice from the pool.
- iii. Requirement for pools to be established as investment management companies authorised and regulated by the FCA, with the expertise and capacity to implement investment strategies.
- iv. Requirement for AAs to transfer all assets to the management of their pool.

Area 2: Local Investment

- i. Requirement on AAs to set out their approach to local investment, including a target range for investment, in their Investment Strategy Statement, and

to have regard to local growth plans and local economic priorities in setting their investment strategy.¹

- ii. Requirement on AAs to work with relevant Strategic Authorities (Combined Authorities, Mayoral Combined Authorities, Combined County Authorities, and the Greater London Authority) or Corporate Joint Committees to identify suitable local investment opportunities.
- iii. Requirement for the pools to develop the capability to carry out due diligence on local investment opportunities, take the final decision on whether to invest and manage those investments.
- iv. Requirement on AAs to include in their Annual Report a report on the extent and impact of their local investments.

Area 3: Fund Governance

- i. Requirement to appoint a Senior LGPS Officer with overall delegated responsibility for the management and administration of the Scheme.
 - ii. Requirement to prepare and publish an Administration Strategy.
 - iii. Changes to the way in which strategies on governance and training, funding, administration and investments are published.
 - iv. Requirement for pension committee Members, the Senior Officer, and Officers to have the appropriate level of knowledge and understanding for their roles, with requirements for pension committee members and local pension board members aligned.
 - v. Requirement for AAs to set out within their government and Training Strategy how they will ensure that any committee, sub-committee, or officer will meet the new knowledge requirements within a reasonable period from appointment.
 - vi. Requirement for AAs to participate in an independent governance review and, if applicable, produce an improvement plan to address any issues identified.
9. Following the consideration of the consultation responses, the Government has also decided the following.

Area 1: Pooling

- i. The Government will require that all LGPS investments, listed and unlisted, are transferred to the management of the pool. This means that the pool has full oversight of the assets and will make all investment decisions. It will be the responsibility of the pool to determine how the investment strategies of its partner AAs are implemented.

Area 2: Local Investment

- i. Pools will be required to report annually on total local investments made on behalf of their AAs and their impact.

¹ The Government have clarified in their response to the Consultation that 'local investment' should be defined as broadly local or regional to the AA or pool.

Area 3: Fund Governance

- i. Require an independent governance review to take place once in every three-year period rather than every two years. This will align the reviews with the valuation cycle.
- ii. Require AAs to have an independent advisor without voting rights, rather than an independent Member of the committee.
- iii. Require AAs to prepare strategies on governance, knowledge and training, and administration, and publish these either as separate strategies or as a single document. The knowledge and training strategy will be required to include a conflicts of interest policy.

Pension Scheme Bill

10. On the 5 June 2025, the Government introduced the Pension Scheme Bill. The Bill covers a number of different areas including the implementation of some of the above requirements for the LGPS. Members can find the Bill as it was first introduced [here](#). Officers anticipate the Bill to receive royal assent ahead of the 31 March 2026 deadline for the transition of all LGPS assets to the ‘management’ of the Pool. The Bill defines ‘Management’ as *“buying, selling or holding assets; setting asset allocation; establishing and managing pooled investment vehicles; selecting investments; acting as a responsible investor (including by acting as a shareholder in an investee company); deciding whether to develop or use internal investment management capability or external investment managers; managing cash flow.”*

Conclusion

11. As part of the Government’s landmark Pensions Review of workplace defined contribution pensions schemes and the LGPS, the Government will be putting into legislation reforms for the LGPS to “put it on a clearer, firmer trajectory to scale and consolidation”.

Appendices

- Appendix 1 – MHCLG template Strategic Asset Allocation and AA/ Pools roles and responsibilities

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MHCLG template Strategic Asset Allocation and AA/ Pools roles and responsibilities

Roles and responsibilities of the Administering Authority vs the Pool

Figure 1: The division of responsibilities between administering authority and pool

	Task	Impact on overall investment outcome of the fund	AA Role	Pool role	Definitions
Strategy	Investment objectives	High  Low	Decide	Advise	Return objectives, risk tolerances, investment preferences, constraints and limitations, and the approaches to local investment and responsible investment.
	Strategic asset allocation		Decide (optional)	Advise/ Decide	Long-term, stable allocation based on overall investment objectives and risk tolerance
Implementation	Tactical asset allocation		Monitor	Decide	Adjustments to the asset mix, such as in respect of geographic allocation, consistent with the asset allocation strategy.
	Investment manager selection		Monitor	Decide	Appointment of external (or in-house) managers of specific investment mandates
	Stock selection		Monitor	Decide	Choosing individual investment opportunities based on detailed analysis of the opportunity
	Investment stewardship		Monitor	Decide	Engagement with the invested companies in line with Investment Objectives.
	Cashflow management		Monitor	Decide	Management of the disinvestment (or investment of contributions) in collaboration with administrators and Fund Actuary

Template Strategic Asset Allocation

Figure 3: Template SAA to be published in guidance

Asset class	Strategic asset allocation (%)	Tolerance range (±%)
Listed equity		
Private equity		
Private credit		
Property / Real estate		
Infrastructure		
Other alternatives		
Credit (i)		
UK Government bonds		
Investment cash		

(i) Including credit instruments of investment grade quality, including (but not limited to) corporate bonds and non-UK government bonds.

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City of London Corporation Committee Report

Committee(s): Pensions Committee	Dated: 07/07/2025
Subject: Decisions taken under delegated authority or urgency powers	Public report: For Information
This proposal: <ul style="list-style-type: none"> • provides business enabling functions 	
Does this proposal require extra revenue and/or capital spending?	N/A - See Background Report
If so, how much?	
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	
Report of:	Town Clerk
Report author:	Raquel Pinto, Town Clerk's Department

Summary

This report advises Members of action taken by the Town Clerk in consultation with the Chairman and Deputy Chairman, in accordance with Standing Order No. 41(a) and 41(b) since the last meeting.

Recommendation(s)

That Members note the action taken since the last meeting of the Committee.

Main Report

1. Inquorate meeting of the Pensions Committee on the 13 February 2025 – reports for approval under Standing Order 41(A)

BACKGROUND:

1. The Pensions Committee were due to meet on the 13 February 2025 to consider several items on the agenda. Of the 22 items on the agenda, six were for decision.
2. A quorum was not achieved within five minutes of the scheduled start of the Committee and as result, in accordance with Standing Order 36 (2), the formal meeting was dissolved. Members present agreed to informally consider the items on the agenda.

3. The Members that were present agreed that for any items requiring a decision, that these be submitted to the Town Clerk for approval under Standing Order 41) A).
4. A draft note of the inquorate meeting was provided to the Town Clerk which showed Member support for the decision items to be approved by the Town Clerk in consultation with the Chairman and Deputy Chairman of the Pensions Committee.
5. The reports which required approval are summarised on the table below:

Item	Summary	Recommendation
3. Minutes	Public minutes of the meeting held on the 3 rd of December.	To agree the public minutes and non-public summary of the Pensions Committee meeting on the 3 December 2024.
6. Risk Register	This report reviews the Risk Register for the Pensions Committee. The Risk Register detailed the key risks that have been identified alongside a risk score which indicates the likelihood of a risk being realised together with the potential impact to the organisation and the appropriate mitigations	To approve the risk register.
7. Investment Consultant Strategic Objectives - Annual Review	This report updates the Pensions Committee on the performance of the Fund's Consultant, Mercer Ltd (Mercer) against the aims and objectives set and approved at the Financial Investment Board (FIB) (prior to the establishment of the Pensions Committee) and which forms part of the Investment Consultant contract.	To approve the Investment Consultant Review for 2024 and authorise the Chamberlain to sign the Compliance Statement.

9. City of London Pension Fund Training Policy	This is a subsequent report following an earlier report on Barnett Waddingham's General Code of Practice Compliance Review which checked the City of London Pension Fund's compliance with the Pension Regulators General Code of Practice. This report followed up on the recommendation made at that Committee to draft a Training Policy for the City of London Pension Fund.	To approve the City of London Pension Fund Training Policy.
10. Local Government Pension Scheme – Administration Strategy	This is a report on the City of London's Local Government Pension Scheme Administration strategy, following an initial report taken to the Pensions Committee on the 3 December 2024. This report presents Members with draft documents/policies to be reviewed and agreed.	To approve the City of London's Local Government Pension Scheme Administration Strategy using urgency procedures.
14. Non-Public Minutes	Non-public minutes of the meeting held on the 3 rd of December.	To agree the non-public minutes of the Pensions Committee meeting on the 3 December 2024.

6. Approval was therefore sought and granted by the Town Clerk in consultation with the Chair and Deputy Chairman of Pensions Committee to:
- Agree the public minutes and non-public summary of the Pensions Committee meeting on the 3 December 2024.
 - Approve the risk register.
 - Approve the Investment Consultant Review for 2024 and authorise the Chamberlain to sign the Compliance Statement
 - Approve the City of London Pension Fund Training Policy

- e) Approve the City of London's Local Government Pension Scheme Administration
- f) Agree the non-public minutes of the Pensions Committee meeting on the 3 December 2024.

Conclusion

- 7. In accordance with Standing Order 41 (a), Members are asked to note the recent decisions taken by the Town Clerk in consultation with the Chairman and Deputy Chairman.

Appendices

- None

Background Papers

Copies of background papers concerning these decisions are available on request.

Contact:

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