



## Pensions Committee

**Date:** MONDAY, 22 SEPTEMBER 2025  
**Time:** 2.00 pm  
**Venue:** COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

**Members:** Deputy Timothy Butcher (Chairman)  
David Sales (Deputy Chair)  
Deputy Christopher Boden  
Clare James  
Alderman & Sheriff Gregory Jones KC  
Tim McNally  
Alderman Simon Pryke

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<https://www.youtube.com/@CityofLondonCorporation/streams>

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Whilst we endeavour to livestream all of our public meetings, this is not always possible due to technical difficulties. In these instances, if possible, a recording will be uploaded following the end of the meeting.

**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. MINUTES**

- a) **To agree the public minutes and non-public summary of the Pensions Committee meeting on 7 July 2025**

**For Decision**  
(Pages 7 - 12)

- b) **To note the public minutes and non-public summary of the Local Government Pensions Board meeting on 21 July 2025**

**For Information**  
(Pages 13 - 20)

### **4. WORK PROGRAMME**

Report of the Chamberlain.

**For Information**  
(Pages 21 - 22)

### **5. RISK REGISTER**

Report of the Chamberlain.

**For Decision**  
(Pages 23 - 58)

### **6. PENSION SCHEME - ADMINISTRATOR'S UPDATE**

Report of the Chamberlain.

Please note, Appendices B and C are non-public.

**For Information**  
(Pages 59 - 68)

**7. PENSIONS ADMINISTRATION - GUIDANCE ON TRANSFERS OUT**

Report of the Chamberlain.

**For Decision**  
(Pages 69 - 74)

**8. CITY FUND AND PENSION FUND STATEMENT OF ACCOUNTS UPDATE 2024/25**

Report of the Chamberlain.

**For Information**  
(Pages 75 - 78)

**9. CITY FUND AND PENSION FUND - STATEMENT OF ACCOUNTS, AUDIT FINDINGS AND EXTERNAL AUDITOR'S ANNUAL AUDIT REPORT 2024/25**

Report of the Chamberlain.

**For Decision**  
(Pages 79 - 146)

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

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

**12. 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**

**13. NON-PUBLIC MINUTES**

- a) **To agree the non-public minutes of the Pensions Committee meeting held on 7 July 2025**

**For Decision**  
(Pages 147 - 152)

- b) **To Note the Non-Public Minutes of the Local Government Pensions Board Meeting on 21 July 2025**

**For Information**  
(Pages 153 - 160)

- 14. CITY FUND AND CITY'S ESTATE AUDITOR PROCUREMENT PROCESS**  
Report of the Chamberlain.

**For Information**  
(Pages 161 - 166)

- 15. DRAFT PENSION FUND ANNUAL REPORT**  
Report of the Chamberlain.

**For Information**  
(Pages 167 - 274)

- 16. PERFORMANCE MONITORING**  
Report of the Chamberlain.

**For Discussion**

- a) **Performance Monitoring: Report to 30 June 2025**  
Report of the Chamberlain.

**For Discussion**  
(Pages 275 - 300)

- b) **Performance Monitoring: Quarterly Report to 30 June 2025**  
Report of Mercer.

**For Information**  
(Pages 301 - 326)

- 17. LONDON COLLECTIVE INVESTMENT VEHICLE (LCIV) UPDATE**  
Report of the Chamberlain.

**For Discussion**  
(Pages 327 - 342)

- 18. INVESTMENT STRATEGY REVIEW AND TRANSFERRING OF ASSETS TO LCIV**  
Report of the Chamberlain.

**For Discussion**  
(Pages 343 - 364)

- 19. REVIEW OF INFLATION LINKED BENCHMARKS**  
Report of the Chamberlain.

**For Decision**  
(Pages 365 - 372)

- 20. CASHFLOW FORECAST**  
Report of the Chamberlain.

**For Information**  
(Pages 373 - 378)

- 21. PENSIONS INVESTMENT LETTER**  
Report of the Chamberlain.

**For Information**  
(Pages 379 - 386)

- 22. DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY POWERS**  
Report of the Town Clerk.

**For Information**  
(Pages 387 - 388)

- 23. PENSION SCHEME - ADMINISTRATOR'S UPDATE NON-PUBLIC APPENDICES**

**For Information**  
(Pages 389 - 392)

- 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**

**For Decision**

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## **PENSIONS COMMITTEE** **Monday, 7 July 2025**

Minutes of the meeting of the Pensions Committee held at Committee Room - 2nd Floor West Wing, Guildhall on Monday, 7 July 2025 at 2.00 pm

### **Present**

#### **Members:**

Deputy Timothy Butcher (Chairman)  
Deputy Christopher Boden  
Clare James  
Tim McNally  
Alderman Simon Pryke

#### **Officers:**

Kate Limna	- Chamberlain's Department
Amanda Luk	- Chamberlain's Department
Graham Newman	- Chamberlain's Department
Sarah Port	- Chamberlain's Department
Ben Dunleavy	- Town Clerk's Department

#### **Also in attendance:**

Tony English	- Mercer
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### **1. APOLOGIES**

Apologies for absence were received from Deputy David Sales.  
Alderman and Sheriff Gregory Jones KC observed the meeting virtually.

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

There were no declarations.

### **3. ORDER OF THE COURT**

The Committee received the Order of the Court of Common Council dated 25 April 2025.

### **4. ELECTION OF CHAIR**

The Committee proceeded to elect a Chairman in accordance with Standing Order No. 28.

Deputy Timothy Butcher, as the only Member expressing their willingness to serve, was duly elected as Chairman for the ensuing year and took the Chair.

**RESOLVED:** That Deputy Timothy Butcher be elected as Chairman of the Pensions Committee for the ensuing year.

5. **ELECTION OF DEPUTY CHAIR**

The Committee proceeded to elect a Deputy Chairman in accordance with Standing Order No. 29.

David Sales, as the only Member expressing their willingness to serve, was duly elected as Deputy Chairman for the ensuing year.

**RESOLVED:** That David Sales be elected as Deputy Chairman of the Pensions Committee for the ensuing year.

6. **MINUTES**

6.1 **To receive the public note and non-public summary of the inquorate Pensions Committee meeting on 13 February 2025**

The Town Clerk informed the Committee that, as the meeting held on 13 February 2025 had been inquorate and had proceeded informally, the notes were submitted for information purposes.

Members received the note of the informal meeting.

6.2 **To note the draft public minutes and non-public summary of the Local Government Pensions Board meeting on 17 January 2025**

Members received the draft public minutes and non-public summary of the Local Government Pension Board meeting held on 17 January 2025.

7. **WORK PROGRAMME**

The Committee received a report of the Chamberlain concerning the Work Programme.

**RESOLVED:** That the report be received and its contents noted.

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

The Committee received a report of the Chamberlain providing an update on the administration of the City of London Local Government Pension Scheme.

A Member asked if there was another score for common and conditional data for the year. In reply, Officers advised that they had not been required to do an annual return but could bring a score back to the next Committee meeting.

**RESOLVED:** That the report be received and its contents noted.

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

The Committee received a report of the Chamberlain providing an update on the Pension Fund accounts.

**RESOLVED:** That the report be received and its contents noted.



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

The Committee considered a report of the Chamberlain concerning the City of London Pension Fund Breaches of Law Policy.

The Chamberlain reminded Members that, when presenting the Breaches of Law Register to the Committee in December 2024, they had also been advised that the associated policy would be brought back for approval. The policy had been updated to follow the Pensions Regulator's General Code of Practice.

Members noted that the updated policy applies to both the Local Government Pension Scheme (LGPS) and the Police Pension Scheme.

**RESOLVED:** That Members approve the Reporting breaches of the Law policy.

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

The Committee considered a report of the Chamberlain concerning the City of London Pension Fund's Communications Policy.

**RESOLVED:** That Members approve the City of London Pension Fund Communications Policy.

12. **ACCESS AND FAIRNESS CONSULTATION**

The Committee received a report of the Chamberlain concerning the Ministry for Housing, Communities and Levelling Up's consultation of the Local Government Pension Scheme.

Members noted that Officers were reviewing the consultation and considering whether to submit a response. The representative from Mercer said he could confirm whether Mercer would be responding outside of the meeting.

**RESOLVED:** That the report be received and its contents noted.

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

The Committee received a report of the Chamberlain concerning the Government's response to the "Fit for the Future" consultation.

The Pension Scheme Bill was progressing through Parliament, with a further consultation on detailed regulations expected in the Autumn.

Members requested further information on the impact of the Bill on the work of the Committee, if passed, and on the accountability mechanisms between the funds and the asset pool operator London CIV (LCIV). In reply, Officers said that the Committee would retain its administrative and accountability function. The draft Bill lacked some detail and Officers expected that the detail would be in the draft regulations and guidance which was expected in the Autumn, with the final regulations not anticipated to be released until 2026. The accountability mechanism had not really been addressed in the consultation or the response. LCIV would report to the Committee and Officers expected that LCIV would be asked to attend several of the Committee's meetings. The Chairman noted the importance of holding LCIV to account and expressed his concern that LCIV would be acting as 'poacher and gamekeeper'.

The Chairman requested that Officers produce a table with an implementation - plan for the Committee's next meeting.

In reply to a question from the Chairman on Mercer's involvement with the LCIV, the representative from Mercer said that they were an independent service which the City Corporation voluntarily contracted with.

Following a query from a Member, the Chamberlain confirmed that it was not possible for Pension Funds to change the Pool that they were invested in.

**RESOLVED:** That the report be received and its contents noted.

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

The Town Clerk shared the report of action taken under Delegation of authority or urgency powers. As the last meeting was inquorate, several of the decision items were subsequently approved under urgency by the Town Clerk, in consultation with the Chairman and Deputy Chairman.

**RESOLVED:** That the report be received and its contents noted.

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

There were no questions.

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

There was no other business.

17. **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.

18. **MINUTES**

18.1 **To receive the non-public note of the inquorate Pensions Committee meeting on 13 February 2025**

Members received the draft non-public minutes of the Pensions Committee held on 13 February 2025.

18.2 **To note the draft non-public minutes of the Local Government Pensions Board meeting on 17 January 2025**

Members received the draft non-public minutes of the Local Government Pension Board meeting held on 17 January 2025.

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

Members considered a report of the Chamberlain concerning the City Academies Trust.

## **20. PERFORMANCE MONITORING**

### **20.1 Pension Fund Quarterly Monitoring Report Q1 2025**

Members received a report of Mercer providing an update on the Pension Fund Quarterly Monitoring report for Q1 2025.

### **20.2 Investment Performance Monitoring to 31 March 2025**

The Committee considered a report of the Chamberlain regarding the Investment Performance Monitoring of the Pension fund as of 31 March 2025.

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

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

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

Members considered a report of the Chamberlain concerning the transfer of un-pooled assets.

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

The Committee considered a report of the Chamberlain concerning the Investment Management Agreement (IMA).

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

There were no non-public questions.

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

The Chamberlain provided further information regarding the Pension Regulator training.

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

The Committee received the confidential minutes of the Local Government Pensions Board meeting on 17 January 2025.

**The meeting ended at 3.26 pm**

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Chairman

**Contact Officer: Ben Dunleavy**  
**[ben.dunleavy@cityoflondon.gov.uk](mailto:ben.dunleavy@cityoflondon.gov.uk)**

**LOCAL GOVERNMENT PENSIONS BOARD**

**Monday, 21 July 2025**

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

**Present**

**Members:**

Peter Lisley  
Christina McLellan

Paul Wilkinson

**Officers:**

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

With Paul Wilkinson in the Chair until item 4.

**1. APOLOGIES**

Apologies were received from David Pearson and Mark Wheatley.

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

There were no declarations of interests.

**3. ORDER OF THE COURT**

The Board received an Order of the Court of Common Council dated 25 April 2025 appointing the Committee and agreeing its terms of reference for the ensuing year.

**4. ELECTION OF CHAIR**

The Board proceeded to elect a Chair in accordance with Standing Order No. 28.

**RESOLVED** – that Peter Lisley, being the only Board Member expressing their willingness to serve, was duly elected Chairman for the ensuing year.

**5. ELECTION OF DEPUTY CHAIR**

The Board proceeded to elect a Deputy Chair in accordance with Standing Order No. 29.

**RESOLVED** – that Mark Wheatley, being the only Member expressing their willingness to serve, was duly elected Deputy Chairman for the ensuing year.

6. **MINUTES**

**RESOLVED –**

- That the public minutes of the meeting on 19 January 2024 be approved as an accurate record of the meeting.
- That the public minutes of the Pensions Committee meeting on 19 March 2024 be received.

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 13 February and 7 July 2025.

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

8. **PENSIONS 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 17 January 2025.

During the discussion the following points were noted:

- Emails would be sent to pensioners this week to promote the new portal. Those without email would receive letters. The portal link was included in the correspondence but not yet on the pension website or in the newsletter.
- On the Pension Dashboard, onboarding began tomorrow with the first meeting with the integrated service provider.
- Members noted that the processing time for refunds/payments had been extended from 5 to 10 days to align with other KPIs, as agreed by the Pensions Committee.
- Members noted a slight KPI decline due to the workload from the McCloud remedy and a staff resource nevertheless all outputs remained within expected timelines.

**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.

Members noted that the McCloud Remedy remained a top-rated risk. This was due to the operational complexity rather than the financial impact. Officers explained that this was a shared risk with the Police Pensions Board due to a joint administration team.

Members also noted that the McCloud remedy had created a temporary administrative burden, especially for the police pension scheme. However, for

the Local Government Pension Scheme (LGPS), most work would be completed with this year's annual benefit statements, and it was expected that the workload to return to normal thereafter.

Officers explained that the Cybersecurity risk rating has been increased at the Pension Committee's request, and that a new risk entry on scams and fraud had been added following a code of practice review by Barnett Waddingham.

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

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

The Board received a report of the Chamberlain with 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 2024/25 audit for the City Fund, Pension Fund, and City's Estate was underway. City Fund accounts were published on 30 May, and the Pension Fund audit had started, with sign-off expected in September.

Officers explained that currently, the Pension Fund accounts must be signed off alongside City Fund accounts (as per regulations). This has caused delays due to auditor shortages. From 2026/27, audits would be separated—allowing the Pension Fund to be signed off independently, as is already the case in Scotland and Wales.

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

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

The Board 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.

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

**12. CITY OF LONDON PENSION FUND TRAINING POLICY**

The Board 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 a previous Pensions Committee to draft a Training Policy for Members of the City of London Pension Fund.

The training policy had been updated following Barnett Waddingham's compliance review of the General Code of Practice. Members would receive a self-assessment questionnaire to help identify future training needs, with responses expected within a couple of weeks of this meeting.

Members noted that the new regulations now required the Pensions Committee members to complete The Pensions Regulator (TPR) training, aligning them with Board requirements.

This change addressed a potential turnover in committee membership post-election and aimed to bring the Committee more in line the Board.

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

**13. LOCAL GOVERNMENT PENSION SCHEME – COMMUNICATION POLICY**

The Board received a report of the Chamberlain following 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 followed up on the recommendation made at that Committee to update the Communications Policy for the City of London Pension Fund.

During the discussion the following points were noted:

- The policy was updated following actuarial recommendations to clarify that annual benefit statements from Additional Voluntary Contribution (AVC) providers were issued by those providers, not the Pensions Office.
- No other changes were made to the communication strategy (e.g. website or newsletters).
- Members discussed improving the clarity and accessibility of information on the pensions website, particularly around the Pensions Board's role and terms of reference. While these were published and up to date, Officers welcomed feedback to improve their clarity and visibility.
- Members agreed to review the website and portal and share suggestions to enhance transparency and user understanding.

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

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

The Board received a report of the Chamberlain on the City of London Pension Fund Breaches of Law Policy, particularly following up on the recommendation made to formally review the '*Reporting Breaches of Law*' policy.

In response to a question on advice to members on how to act should they feel there was a breach, Members were reminded that if they observe a potential breach, they should first raise it with the Chamberlain or the Comptroller. Members also noted that not all breaches were reportable to TPR, but a breach log was maintained. An example was shared involving a minor delay in issuing police annual benefit statements, which was reported to TPR without further action.

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

**15. ACCESS AND FAIRNESS CONSULTATION**



The Board received a report of the Chamberlain which reported on a consultation from the Ministry for Housing, Communities and Levelling Up (MHCLG) on the Local Government Pension Scheme (LGPS) - '*Local Government Pension Scheme in England and Wales: Access and fairness*'.

Officers explained that the questions were technical and aimed at employers, so no response was planned from the administering authority.

In response to a query about gender pensions gap data, officers explained that while not currently held in a reportable format, the team believes the necessary data can be extracted if required.

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

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

The Board received a report of the Chamberlain containing the Government's response following the 'Local Government Pension Scheme (England and Wales): Fit for the Future Consultation'.

During the discussion the following points were noted:

- All pension fund assets must be transferred to the relevant pool (e.g. London CIV) by 31 March 2026. Currently, 70% of assets were already pooled, but some remain outside due to fee advantages or due to being owned across multiple Corporation funds.
- The Pension Committees would only set high-level asset allocations and would no longer choose fund managers or specify investment strategies (e.g. active vs passive, UK vs global equities).
- Funds now have to consider local investment, defined as within the pool's geographic area (i.e. London).
- Pools were reluctant to manage legacy assets (e.g. private equity) due to staffing constraints.
- Governance concerns were raised, including limited influence over London CIV and potential conflicts of interest if investment advice must come from the pool.
- There was no clear government guidance provided on climate strategy. The London CIV may offer multiple climate strategy options to accommodate varying targets, although this was not yet confirmed.
- In response to a question on the governance of the London CIV, Members noted that each authority was a shareholder in London CIV, typically represented by the Pensions Committee Chair.
- In response to a question on whether fiduciary duty remained, the Board noted that fiduciary responsibility remained with the Pensions Committee, including ensuring adequate funding and overseeing actuarial valuations.

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

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

There were no questions.

18. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**  
There was no other business.
19. **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.
20. **MINUTES**  
**RESOLVED –**
- That the non-public minutes of the meeting on 19 January 2024 be approved as an accurate record of the meeting.
  - That the non-public minutes of the Pensions Committee meeting on 19 March 2024 be received.
21. **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 13 February and 7 July 2025.
22. **INVESTMENT PERFORMANCE MONITORING TO 31 MARCH 2025**  
The Board received a report of the Chamberlain relating to the Investment Performance of the Pension Fund.
23. **LONDON COLLECTIVE INVESTMENT VEHICLE (LCIV) UPDATE**  
The Committee received a report of the Chamberlain providing an update on London CIV.
24. **TRANSITION OF ASSETS TO THE LONDON CIV**  
The Board received a report of the Chamberlain which looked at the transfer of the remaining un-pooled assets to the London CIV.
25. **NON-PUBLIC APPENDICES - ADMINISTRATORS UPDATE**  
Members noted the non-public appendices relating to item 8.
26. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**  
There were no non-public questions.
27. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**  
There was no other business.
28. **CONFIDENTIAL MINUTES**  
**RESOLVED** – That the confidential minutes of the Local Government Pensions Board meeting on 17 January 2025 be approved as an accurate record.

**The meeting closed at 2.59 pm**

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Chairman

**Contact Officer: Ben Dunleavy**  
**[ben.dunleavy@cityoflondon.gov.uk](mailto:ben.dunleavy@cityoflondon.gov.uk)**

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PENSION COMMITTEE WORK PROGRAMME 2025/26

Timescale	Funding	Investment	Governance	Administration & Communication	Training Items #
Standing items		<ul style="list-style-type: none"><li>Investment Monitoring (inc. CAS update)</li><li>LCIV/Pooling Update</li></ul>	<ul style="list-style-type: none"><li>Work programme</li></ul>	<ul style="list-style-type: none"><li>Administration Update</li></ul>	
2025/26					
Q2 2025/26 (September)	<ul style="list-style-type: none"><li>Cashflow forecast</li></ul>	<ul style="list-style-type: none"><li>Investment Strategy review, Transferring assets to the LCIV and Consultation Outcomes</li><li>Mercer's review of inflation-linked benchmarks</li></ul>	<ul style="list-style-type: none"><li>Risk Register</li><li>Pension Fund Annual Report 2024/25</li><li>City Fund and Pension Fund Accounts update 2024/25</li><li>Draft Audit Findings 2024/25</li><li>External Auditor Appointment</li></ul>	<ul style="list-style-type: none"><li>Guidance on Transfers out</li></ul>	
Q3 2025/26 (December)	<ul style="list-style-type: none"><li>Triennial Valuation Initial Results</li><li>Draft Funding Strategy Statement and Employer Engagement Plan</li></ul>	<ul style="list-style-type: none"><li>Principles of Responsible Investment</li><li>TCFD report 2025</li><li>Responsible Investment Policy Review*</li><li>Initial Investment Strategy Review</li></ul>	<ul style="list-style-type: none"><li>Training Policy Review (inc. conflicts of interest)</li><li>Draft Government Regulations and Guidance</li></ul>		<ul style="list-style-type: none"><li>Pensions Portal training</li></ul>
Q4 2025/26 (February)	<ul style="list-style-type: none"><li>Cashflow forecast</li><li>Triennial Valuation Final Results</li><li>Funding Strategy Statement</li></ul>	<ul style="list-style-type: none"><li>Refined Investment Strategy Review</li></ul>	<ul style="list-style-type: none"><li>Risk Register</li><li>Investment Consultant Strategic Objectives</li></ul>	<ul style="list-style-type: none"><li>Updates to member communication letters (if required)</li></ul>	<ul style="list-style-type: none"><li>Responsible investment/climate action (in house)</li></ul>

# 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.

Notes

Future Triennial Review to be taken at same time as Investment Strategy review (2025).

Cashflow forecast and Risk Register are reviewed every 6 months.

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## City of London Corporation Committee Report

<b>Committee(s):</b> Pensions Committee Local Government Pensions Board	<b>Dated:</b> 22 September 2025 12 January 2026
<b>Subject:</b> Risk Register for the Pensions Committee	<b>Public report:</b> For Decision
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• provides statutory duties</li> <li>• provides business enabling functions</li> </ul>	
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	£N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b>	The Chamberlain
<b>Report author:</b>	Amanda Luk

### Summary

This report reviews the Risk Register for the Pensions Committee. The Risk Register details 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.

When reviewing the risks, the Pensions Committee should be aware that some similar/generic risks are also included in the (CoL) Police Pension Board or the Investment Committee (previously Financial Investment Board, prior to its dissolution) Risk Registers: risks CHB Pensions 009 McCloud Remedy, 007 Cyber security and 005 Fraud are on the CoL Police Pensions Board Risk Register and risk CHB Pensions 013 Responsible Investment Duties is on the Investment Committee Risk Register.

The narrative “risk update” and “latest note” on associated actions has been amended where necessary.

The Risk Register is included at Appendix 2 and Members of the Committee are asked to review the risks and actions and confirm that appropriate measures are in place.

### Recommendations

Members are asked to:

- review the existing risks and actions present on the Pensions Committee’s Risk Register, and confirm that appropriate control measures are in place; and
- confirm that there are no further risks relating to the services overseen by the Pensions Committee.

## Main Report













### Background

1. The Pensions Committee reviews the Risk Register every 6 months and last reviewed it at the meeting held on 13 February 2025. At that meeting Members reviewed the existing actions and confirmed that appropriate controls were in place and that there were no other risks relating to the services overseen by the Committee. Members did however ask for Officers 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. Following a review Officers have incorporated this into **CHB Pensions 012 Governance/Legislative Compliance** on the Pensions Committee risk register.

### Review of Risks

2. The method of assessing risk reflects the City of London's standard approach to risk assessment as set out in its Risk Management Strategy approved by the Audit and Risk Management Committee in May 2014. The City of London Corporation risk matrix, which explains how risks are assessed and scored, is attached at **Appendix 1** of this report. Risk scores range from one, being lowest risk, to the highest risk score of thirty-two. These scores are summarised into 3 broad groups, each with increasing risk, and categorised "green", "amber" or "red".
3. The Risk Register to be reviewed is set out in **Appendix 2**. Members should note that the layout of the risk register has been changed due to the introduction of new standardised reporting to ensure the consistency of information.

Table 1: Risk Summary

Risk code	Risk title	Current Risk Score	Current Risk Score Indicator
CHB Pensions 009	McCloud Remedy	12	
CHB Pensions 001	Insufficient assets - Pensions Fund	8	
CHB Pensions 007	Cyber Security	8	
CHB Pensions 010	Targeted returns – Pension Fund	6	
CHB Pensions 003	Short term Cash flow	4	
CHB Pensions 004	Breach of GDPR/Data Protection regulations	4	
CHB Pensions 006	Employer Insolvency	4	
CHB Pensions 008	Pension Scheme Administration	4	
CHB Pensions 011	Service provider failure	4	
CHB Pensions 012	Governance/Legislative Compliance	4	
CHB Pensions 013	Failure to discharge responsible investment duties	4	
CHB Pensions 005	Fraud	2	



Risk code	Risk title	Current Risk Score	Current Risk Score Indicator
CHB Pensions 002	Actuarial Valuation	1	

4. The Risk Register contains thirteen risks which are summarised in table 1 above. In the table, “Current Risk Score indicator” displays the current “RAG” rating for each risk. Each risk presented in the Risk Register is accompanied by one or more “action(s)” which reflect how the risk is managed and mitigated. A “due date” for required completion is set against each action. Due to the nature of the risks overseen by the Committee, in many cases it is impossible to entirely eliminate a risk, and therefore corresponding actions will always remain live. These ongoing actions are necessary in order to maintain the current risk score. Where this is the case the Risk Register includes an annual due date, which will be renewed each year.
5. Officers have reviewed the Risk Register to establish whether the risk environment has changed and whilst all scores have been maintained at their previous levels each has been reviewed and updated where necessary in the Register itself. Updates to the Risk Register are underlined throughout.
6. As requested by Members, Officers have reviewed the Section 37 Virgin Media Case and incorporated it in **CHB Pensions 012 Governance/Legislative Compliance** on the Pensions Committee risk register. The case is representative of potential new legislative requirements that need retrospective adjustments and the effect this could have on the Pension Fund. The latest note contains the background on the Virgin Media case and the most recent update regarding the Government's decision to amend the Pensions Scheme Bill which is currently being read in Parliament to allow retrospective validation of amendments which may have otherwise been invalid.

## Conclusion

7. The risks overseen by the Pensions Committee are primarily of low likelihood but represent substantial impact, particularly with regards to financial loss and reputational damage.
8. Officers have amended CHB Pensions 012 Governance/Legislative Compliance as per Members request at the last Committee to consider including the Section 37 Virgin Media Case.
9. The Pensions Committee is requested to review the risks and confirm that appropriate control measures are in place for these risks and that there are no other risks that should be added to the Risk Register.

## Appendices

- Appendix 1 – City of London Corporation Risk Matrix
- Appendix 2 – Pensions Committee Risk Register

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## City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom right (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

### (A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

### (B) Impact criteria

Impact title	Definitions
Minor (1)	<b>Service delivery/performance:</b> Minor impact on service, typically up to one day. <b>Financial:</b> financial loss up to 5% of budget. <b>Reputation:</b> Isolated service user/stakeholder complaints contained within business unit/division. <b>Legal/statutory:</b> Litigation claim or find less than £5000. <b>Safety/health:</b> Minor incident including injury to one or more individuals. <b>Objectives:</b> Failure to achieve team plan objectives.
Serious (2)	<b>Service delivery/performance:</b> Service disruption 2 to 5 days. <b>Financial:</b> Financial loss up to 10% of budget. <b>Reputation:</b> Adverse local media coverage/multiple service user/stakeholder complaints. <b>Legal/statutory:</b> Litigation claimable fine between £5000 and £50,000. <b>Safety/health:</b> Significant injury or illness causing short-term disability to one or more persons. <b>Objectives:</b> Failure to achieve one or more service plan objectives.
Major (4)	<b>Service delivery/performance:</b> Service disruption > 1 - 4 weeks. <b>Financial:</b> Financial loss up to 20% of budget. <b>Reputation:</b> Adverse national media coverage 1 to 3 days. <b>Legal/statutory:</b> Litigation claimable fine between £50,000 and £500,000. <b>Safety/health:</b> Major injury or illness/disease causing long-term disability to one or more people <b>Objectives:</b> Failure to achieve a strategic plan objective.
Extreme (8)	<b>Service delivery/performance:</b> Service disruption > 4 weeks. <b>Financial:</b> Financial loss up to 35% of budget. <b>Reputation:</b> National publicity more than three days. Possible resignation leading member or chief officer. <b>Legal/statutory:</b> Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. <b>Safety/health:</b> Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. <b>Objectives:</b> Failure to achieve a major corporate objective.

### (C) Risk scoring grid

Likelihood		Impact			
	X	Minor (1)	Serious (2)	Major (4)	Extreme (8)
	Likely (4)	<b>4 Green</b>	<b>8 Amber</b>	<b>16 Red</b>	<b>32 Red</b>
	Possible (3)	<b>3 Green</b>	<b>6 Amber</b>	<b>12 Amber</b>	<b>24 Red</b>
	Unlikely (2)	<b>2 Green</b>	<b>4 Green</b>	<b>8 Amber</b>	<b>16 Red</b>
	Rare (1)	<b>1 Green</b>	<b>2 Green</b>	<b>4 Green</b>	<b>8 Amber</b>

### (D) Risk score definitions

<b>RED</b>	Urgent action required to reduce rating
<b>AMBER</b>	Action required to maintain or reduce rating
<b>GREEN</b>	Action required to maintain rating

This is an extract from the City of London Corporate Risk Management Strategy, published in May 2014.

Contact the Corporate Risk Advisor for further information. Ext 1297

October 2015

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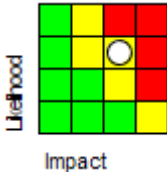

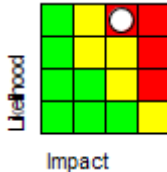
Pensions Committee - CHB Pensions - Detailed Report

Report Type: Risks Report  
Report Author: Amanda Luk  
Generated on: 05 September 2025



Rows are sorted by Risk Score

Risk Level Description Service

Risk Code	CHB Pensions 009		Risk Title	McCloud Remedy				
Description	<p><b>Cause:</b> Implementation of the proposed remedy following new pension legislation and scheme specific regulations for the removal of age discrimination from the LGPS due to the McCloud judgement.</p> <p><b>Event:</b> The impact of scheme amendments upon scheme members, Pensions Office and scheme employers due to implementation of the proposed remedy for McCloud.</p> <p><b>Effect:</b> The Pensions Office is unable to adequately comply with legislative and regulatory amendments arising from the proposed McCloud remedy.</p>							
Current Risk			Target Risk			Original Risk		
Risk Score	Likelihood	Impact	Risk Score	Likelihood	Impact	Risk Score	Likelihood	Impact
12	Possible	Major	4	Unlikely	Serious	16	Likely	Major
Amber	Trend	Constant	Green	Target Date	31-Dec-2025	Red	Creation Date	11-Aug-2022

Latest Note	In December 2018, the Court of Appeal ruled that the “underpin protection” included in the 2014 LGPS reforms directly discriminated against some younger pension scheme members – this is now referred to as the McCloud Judgement or McCloud.	05-Sep-2025
	The finalised LGPS (Amendment) (No.3) Regulations 2023 came into force from 1 October 2023 and amended the LGPS Regulations 2013 accordingly.	
	Since this date, all new retirements have been calculated with reference to the Remedy.	
	From August 2025 onwards, <u>The</u> Annual Benefit Statements (ABS) <u>issued in August 2025</u> should include information in respect of the McCloud Remedy for all affected members.	

Risk Level	Service
Department	Chamberlain’s

Risk Approach	Reduce
Risk Owner	Kate Limna

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 009a Initiating McCloud Remedy	MHCLG has confirmed the proposed remedy and the intention to introduce legislation to the statute books from 1 April 2023 but applied retrospectively to 31 March 2012 and 31 March 2014. The Pensions Office will need to understand what this means, develop processes and calculations to apply the regulations for the amended schemes and should be aware of all relevant correspondence issued by the MHCLG, LGA & HMRC and regularly attend seminars, forums, webinars and user groups.	Continue with membership of working groups including South East Counties Senior Officer Group (SEC SOG), Aquila Heywood Remedy Implementation Group, to ensure development of software and understanding of legislation.  Attend conferences, webinars, forums and seminars as appropriate and keep up to date with bulletins and guidance from the Home Office.	05-Sep-2025	Graham Newman	31-Dec-2025
CHB Pensions 009b Identification of eligible members	Identification of eligible scheme members who will qualify for the remedy. All data must be reviewed and if necessary amended. In some cases data may be missing and must be	Perform data review exercise in bulk and individually to identify scheme members who may qualify and/or identify missing data.	05-Sep-2025	Graham Newman	31-Dec-2025

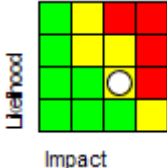
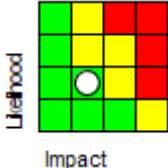

	requested from employers and previous pension providers.	Software provider has developed systems to identify qualifying scheme member on bulk reports.  Any missing information to be obtained and scheme member record update.			
CHB Pensions 009c System Development Calculation/Revaluation	System Development Calculation/Revaluation	The software has been updated to allow for calculations and recalculations of deferred benefits and those already in payment to identify where the Remedy will affect the benefits already calculated. The calculators are kept under constant review to ensure that they work as intended and regular updates are provided as they are developed by the software supplier.  Development has included bulk calculations and calculations for individuals, and include revised pension amounts, arrears payable/collectible (benefits and contributions) plus interest payable where applicable.	05-Sep-2025	Graham Newman	31-Dec-2025
CHB Pensions 009d Communication to Members	Working in conjunction with LGA to prepare communications and standard responses (FAQs) to be sent to affected scheme members.	It will be essential for communications to be regular, clear and ongoing. Updates in respect of the remedy and delivery of it, including scheme members who may be affected, must be provided as appropriate.  The Pensions Office website carries current information from various sources including MHCLG. Further communications will be added when they are released.  The 2023 Annual Benefit Statements (ABS) included a link to a leaflet that was created by the LGA in conjunction with the Scheme Advisory Board (SAB). This leaflet was also already available on the City's Pension Website.  <del>The 2025 ABS will now need to be</del> <u>was</u> amended <u>to include</u> McCloud data <del>will need to be included for each</del> <u>eligible</u> scheme member.	05-Sep-2025	Graham Newman	31-Dec-2025

		Scheme members who may be affected will need a final communication confirming if benefit values have been amended and if so by how much, including value of arrears and interest if applicable.			
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Risk Code	CHB Pensions 001	Risk Title	Insufficient Assets
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Description	<b>Cause:</b> The asset allocation of the Pension Fund portfolio is unable to fund long term liabilities due to market movements <b>Event:</b> There are insufficient assets to meet liabilities <b>Effect:</b> Reduced income or lower than anticipated growth. Participating employers are required to provide further funding through increased contributions to finance liabilities.
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Current Risk			Target Risk			Original Risk					
	Risk Score	Likelihood		Impact	Risk Score		Likelihood	Impact	Risk Score	Likelihood	Impact
	8	Unlikely		Major	4		Unlikely	Serious	8	Unlikely	Major
	Amber	Trend		Constant	Green		Target Date	31-Mar-2026	Amber	Creation Date	17-Aug-2022

Latest Note	The Pension Fund's absolute return target has been set at 5.2% annually from 1st April 2020 by the Financial Investment Board (which is consistent with the strategy for funding the Fund's liabilities). As at <del>30 November 2024</del> <u>30 June 2025</u> , the Fund is outperforming its absolute return target over all time horizons except <del>three</del> <u>one</u> years. The Fund has produced a positive return over all time frames. This is largely as a result of global equity markets which have returned positively amid a resilient and generally solid economy, despite markets reacting to evolving monetary policies; major election results; and on-going geo-political tensions.	05-Sep-2025
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Risk Level	Service	Risk Approach	Reduce
Department	Chamberlain's	Risk Owner	Kate Limna


Associated Actions


Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 001a Investment Strategy review	The Investment strategy of the Pension Fund is reviewed at least every three years following the triennial valuation	The Pension Fund Investment Strategy was reviewed following the completion of the 2022 triennial valuation of the Fund's liabilities, by the Pensions Committee in September 2023. New Investments into Corporate	05-Sep-2025	Caroline Al-Beyerty; Kate Limna	31-Mar-2026


	with proper advice from the Investment Consultant.	Bonds, Renewable Infrastructure and broad private markets were agreed to ensure that the investment strategy remained appropriate in the context of the Fund's updated liabilities valuation and the current investment environment. Subsequently in September 2024, the allocation to broad private markets was replaced by increasing the allocation to infrastructure which has a similar impact from a total Fund risk/return perspective <u>and an investment into infrastructure manager JP Morgan was made in January 2025. The next Investment Strategy Review will take place alongside the triennial valuation.</u>			
CHB Pensions 001b Investment Performance Measurement	The investment performance of the Pension Fund is measured against absolute return targets required to meet long term objectives. This will be reported to the Pensions Committee throughout the year and is supplemented by market insight from the Corporation's Investment Consultant who will assist any strategic decisions required in between the three-year formal strategy reviews.	The investment performance of the Pension Fund will be brought to each Pensions Committee for consideration.	05-Sep-2025	Kate Limna	31-Mar-2026

Risk Code	CHB Pensions 007	Risk Title	Cyber Security
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Description	<p><b>Cause:</b> IT system failures due to ineffective procedures, or Inadequately trained staff.</p> <p><b>Event:</b> Breach of Corporate IT systems and Cyber security due to inadequate preparation and not maintaining robust effective IT security systems and procedures.</p> <p><b>Effect:</b> Inaccurate benefits paid or delayed to scheme members. Financial penalties/ sanctions. Breach of Data Protection regulations. Loss/corruption of data. Harm to individuals. Reputational damage</p>
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Current Risk		
	Risk Score	
	8	
	Amber	

Target Risk		
	Risk Score	
	4	
	Green	

Original Risk		
	Risk Score	
	4	
	Green	

	Likelihood	Impact
	Unlikely	Major
Trend		Increasing

	Likelihood	Impact
	Unlikely	Serious
Target Date		31-Mar-2026

	Likelihood	Impact
	Unlikely	Serious
Creation Date		17-Aug-2022

Latest Note	<p>A malicious breach of Corporate IT systems may lead to a failure of the pensions administration system and/or a breach of Data Protection regulations. The Corporate IT system has a minimum-security baseline which has been agreed as part of the National Cyber Security Centre's (NCSC) Cyber Assurance Framework.</p> <p>A failure of the pensions administration system or a breach of the Data Protection Regulations may mean a failure or inability to calculate benefits accurately and on time which may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator or Information Commissioner's Office.</p>	05-Sep-2025
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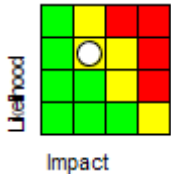
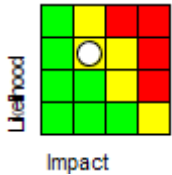
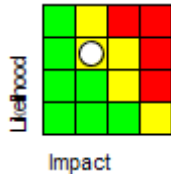
Risk Level	Service	Risk Approach	Reduce
Department	Chamberlain's	Risk Owner	Kate Limna

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 007a Corporate Policies	Pensions administration staff to be aware of the corporate policy regarding cyber security and to follow the guidelines integrating cyber security into risk management processes.	Corporate online training regarding cyber-security to be carried out by all staff integrating cyber security into risk management processes.	05-Sep-2025	Graham Newman	31-Mar-2026
CHB Pensions 007b Corporate and departmental specific software	Corporate and departmental specific software to be updated as required to ensure the latest and most secure version is being used.	To ensure the most up-to-date software is being used, staff should update their computers as and when prompted.	05-Sep-2025	Graham Newman	31-Mar-2026
CHB Pensions 007c Business Continuity	Ensuring that the pensions administration software is included in the departmental business continuity plans	Updating the business impact analysis details used in the departmental continuity plan as required.	05-Sep-2025	Graham Newman	31-Mar-2026
CHB Pensions 007d Data Protection legislation	Pensions administration staff to be aware of Data Protection legislation	Data Protection reviewed and all staff reminded of the legislation and its importance. Processes amended for home working, ensuring the protection of scheme member data.	05-Sep-2025	Graham Newman	31-Mar-2026

<b>Risk Code</b>	CHB Pensions 010	<b>Risk Title</b>	<i>Targeted returns</i>
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<b>Description</b>	<p><b>Cause:</b> Fund managers (including the London CIV) fail to achieve the targeted investment returns because</p> <ul style="list-style-type: none"> <li>• unsuitable fund managers are appointed,</li> <li>• individual fund managers underperform against the benchmarks agreed by the Committee,</li> <li>• aggregate fund manager performance fails to achieve the long-term targets</li> <li>• Number of investors in a fund may diminish below a minimum level causing the fund to close.</li> </ul> <p><b>Event:</b> Failure to be seen to manage the funds responsibly.</p> <p><b>Effect:</b> Supervisory intervention over management of the Funds.</p>
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<b>Current Risk</b>			<b>Target Risk</b>			<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
6	Possible	Serious	6	Possible	Serious	6	Possible	Serious
Amber	<b>Trend</b>	Constant	Amber	<b>Target Date</b>	31-Mar-2026	Amber	<b>Creation Date</b>	17-Aug-2022

<b>Latest Note</b>	<p>The performance of fund managers and their aggregate performance is reported against target to the Pensions Committee. The Pensions Committee will set a diversified investment strategy to mitigate volatility and as such it expects different parts of the strategy to outperform at different times. The Strategic Asset Allocation was revised in September 2023 <u>and will next be reviewed alongside the 2025 triennial valuation.</u></p> <p>The London CIV is a pooling vehicle for which the City of London Pension Fund is a shareholder. CoL PF assets under management are held in eight funds – Global Alpha Growth Fund (managed by Baillie Gifford), Alternative Credit Fund (managed by CQS), Buy and Maintain Fund – Short duration and Buy and Maintain Fund – Long duration (managed by Insight), Renewable Infrastructure Fund (multiple managers), Global Equity Value (managed by Wellington), Global Equity Quality (managed by Morgan Stanley) and the M&amp;G UK Residential Fund. The Pension Fund is currently 64.59% pooled (including commitments).</p>	<b>05-Sep-2025</b>
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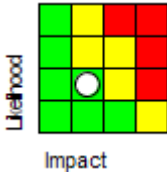
<b>Risk Level</b>	Service	<b>Risk Approach</b>	Reduce
<b>Department</b>	Chamberlain's	<b>Risk Owner</b>	Caroline Al-Beyerty

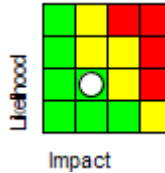
Associated Actions

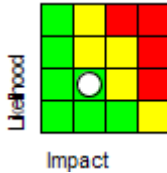
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 010a Investment manager Benchmarking	Investment managers' performance and their aggregate performance is measured against appropriate benchmarks and will be monitored by the Pensions Committee throughout the year. It is supplemented by market insight from the Corporation's investment consultants which provides peer group comparisons; checks on movement of key officers; and reviews on the incorporation of ESG considerations in implementing their investment strategies. Fund managers are invited to meet with Officers and Members to account for their performance as and when deemed necessary/as required.	The performance report for the Pension Fund to 30 November 2024 <u>30 June 2025</u> is reported to the Pensions Committee on 13 February <u>22 September</u> 2025.	05-Sep-2025	Kate Limna; Sarah Port	31-Mar-2026
CHB Pensions 010b London CIV	Under the Government pooling agenda, London CIV is the asset pool operator for London LGPS funds. The LCIV holds monthly updates for Shareholders advising on latest developments for examples, product development and ESG/Climate related actions.	<del>At the November 2024 monthly meeting, the LCIV had no change to the monitoring status of funds but were keeping a close watch on Fund Manager performance.</del>  At a meeting in late 2022, the investors in the Global Alpha Growth Fund (of which there were 5) were advised that should the number of investors fall below 3, an orderly exit from the fund may be considered. The current number of investors remains at 5.	05-Sep-2025	Kate Limna; Sarah Port	31-Mar-2026

<b>Risk Code</b>	CHB Pensions 003	<b>Risk Title</b>	<i>Short term Cash flows</i>
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<b>Description</b>	<b>Cause:</b> Inadequate cash flow planning and monitoring. <b>Event:</b> Delayed settling of benefits/ assets disinvested at an opportune time <b>Effects:</b> Illiquidity or insufficient liquid assets to meet short term obligations
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Current Risk		
	Risk Score	Likelihood
	4	Unlikely
	Green	Trend

Target Risk		
	Risk Score	Likelihood
	4	Unlikely
	Green	Target Date

Original Risk		
	Risk Score	Likelihood
	4	Unlikely
	Green	Creation Date

<b>Latest Note</b>	Insufficient liquidity to meet pension benefit payments, transfer payments and other costs, or to meet cash calls from fund managers	<i>05-Sep-2025</i>
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<b>Risk Level</b>	Service	<b>Risk Approach</b>	Avoid
<b>Department</b>	Chamberlain's	<b>Risk Owner</b>	Kate Limna

#### Associated Actions

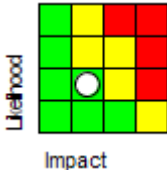
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 003a Asset Allocation	The Pension Fund asset allocation is established to ensure appropriate exposure to asset classes.	The Pension fund asset allocation remains within tolerance of control ranges established by Pensions Committee under the revised Strategic Asset allocation as agreed by Committee in September 2023.	05-Sep-2025	Kate Limna; Sarah Port	31-Mar-2026
CHB Pensions 003b Notice Periods	Alert fund managers in advance of transferring	Fund Managers are aware of the contractual notification period of 10 working days for any drawdowns and Officers alert fund managers Trading +	05-Sep-2025	Kate Limna; Sarah Port	31-Mar-2026


	new monies and Fund managers are required to provide sufficient notice of cash calls and redemption payments.	X number of working days in in advance of a withdrawal (X is dependent on the fund manager).			
CHB Pensions 003c Cash flow forecasting	Cash flow forecasting to ensure adequate monitoring and planning.	A Cash flow forecast has been created to ensure the Pension Fund is able to meet any obligations required of it. This is reported to Committee on a half yearly basis.	05-Sep-2025	Kate Limna; Sarah Port	31-Mar-2026

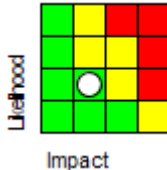


<b>Risk Code</b>	CHB Pensions 004	<b>Risk Title</b>	<i>Breach of GDPR / Data Protection regulations</i>
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<b>Description</b>	<b>Cause:</b> (i) Ineffective procedures. (ii) Inadequately trained staff. (iii) Data Accuracy. (iv) Lack of resources. <b>Event:</b> Scheme members' personal data is released to an unauthorised third party. <b>Effect:</b> (i) Breach of GDPR / Data Protection regulations. (ii) Financial penalties/ sanctions. (iii) Reputational damage
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Current Risk			
	Risk Score	Likelihood	Impact
	4	Unlikely	Serious
	Green	Trend	Constant

Target Risk			
	Risk Score	Likelihood	Impact
	4	Unlikely	Serious
	Green	Target Date	31-Mar-2026

Original Risk			
	Risk Score	Likelihood	Impact
	4	Unlikely	Serious
	Green	Creation Date	

<b>Latest Note</b>	Personal data may be accidentally issued to an incorrect third party or body – e.g. an old postal address may be held for a scheme member or an error is made whilst typing an email address.  A breach of the GDPR / DP regulations may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator or Information Commissioner's Office.	<b>05-Sep-2025</b>
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<b>Risk Level</b>	Service	<b>Risk Approach</b>	Reduce
<b>Department</b>	Chamberlain's	<b>Risk Owner</b>	Kate Limna

**Associated Actions**

<b>Ref No:</b>	<b>Description</b>	<b>Latest Note</b>	<b>Note Date</b>	<b>Owned By</b>	<b>Due Date</b>
CHB Pensions 004a Corporate	Pensions administration staff to be aware of the corporate policy regarding	Corporate online training regarding data-security to be carried out by all staff and reviewed as required.	05-Sep-2025	Graham Newman	31-Mar-2026

Policies on data security	data security and to follow the guidelines given.				
CHB Pensions 004b Electronic Data	Ensuring that any data sent electronically is sent securely / password protected with the password sent separately	All staff are trained in how to protect documents and send emails securely. However, it is important that this training is kept up to date as technology / processes evolve and are changed.	05-Sep-2025	Graham Newman	31-Mar-2026
CHB Pensions 004c Keeping member data up to date	Ensuring that member address details are kept up-to-date and that records are updated when the Pensions Office is made aware that the information held is no longer valid.	Notating the member records when the Pensions Office is made aware that the data held is no longer valid prevents their inclusion in any automated bulk mailshots.	05-Sep-2025	Graham Newman	31-Mar-2026
CHB Pensions 004d GDPR/Data Legislation	Pensions administration staff to be aware of GDPR / Data Protection legislation	GDPR / Data Protection reviewed and all staff reminded of the legislation and its importance. Processes amended for hybrid working, ensuring the protection of scheme member data.	05-Sep-2025	Graham Newman	31-Mar-2026

Risk Code	CHB Pensions 006	Risk Title	Employer Insolvency
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Description	<b>Cause:</b> Processes not in place to capture or review covenant of individual employers. <b>Event:</b> Employer becomes insolvent or is abolished with insufficient funding to meet liabilities. <b>Effect:</b> Fund would pick up the liabilities potentially leading to increased contribution rates for other employers.
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Current Risk		
	Risk Score	
	4	
	Green	

Target Risk		
	Risk Score	
	4	
	Green	

Original Risk		
	Risk Score	
	4	
	Green	

Likelihood	Impact
Low	Low
Med	Med
High	High
Very High	Very High

Likelihood	Impact
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Med	Med
High	High
Very High	Very High

Likelihood	Impact
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Very High	Very High

Likelihood	Impact
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Very High	Very High

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Very High	Very High

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Very High	Very High

Likelihood	Impact
Low	Low
Med	Med
High	High
Very High	Very High

Likelihood	Impact
Low	Low
Med	Med
High	High

Latest Note	<p>Since 2013 the LGPS regulations generally require all admission bodies to enter into an indemnity or bond to cover the possibility of an employer becoming insolvent or prematurely leaving the Fund. This would mean the Fund and the remaining employers would have to meet the outgoing employer's liabilities in the Fund.</p> <p>The actuary assesses the value of these risks to the Fund and sets the value for a bond, generally for a three-year period.</p> <p>It is generally a requirement of the City of London for all new admission agreements to have a bond and the responsibility of the admission body to arrange and regularly reassess the bond.</p>	05-Sep-2025
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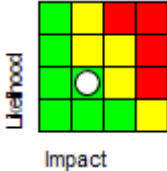
Risk Level	Service	Risk Approach	Accept
Department	Chamberlain's	Risk Owner	Kate Limna

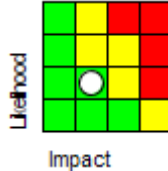
Associated Actions


Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 006a Bond indemnity/guarantee	Bond indemnity/guarantee required for admitted bodies and incorporated into admission agreements where appropriate.	Recent admissions to the scheme have provided a bond <u>except for TUPEs in relation to the City of London Academies Trust where admissions have been completed on a pass-through basis and the Department of Education guarantee is in place.</u>	05-Sep-2025	Graham Newman	31-Mar-2026

Risk Code	CHB Pensions 008	Risk Title	Pension Scheme Administration
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Description	<b>Cause:</b> (i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/increased staff turnover. (v) Data Accuracy. (vi) Lack of resources. <b>Event:</b> The failure of administrators to accurately calculate and pay the correct level of benefits. <b>Effect:</b> (i) Inaccurate benefits paid or delayed. (ii) Increased costs. (iii) Financial penalties/ sanctions.
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Current Risk		
	Risk Score	
	4	
	Green	

Target Risk		
	Risk Score	
	4	
	Green	

Original Risk		
	Risk Score	
	4	
	Green	

Likelihood	Impact
Unlikely	Serious
Trend	Constant

Likelihood	Impact
Unlikely	Serious
Target Date	31-Mar-2025

Likelihood	Impact
Unlikely	Serious
Creation Date	

Latest Note	<p>The Regulations of the Local Government Pension Scheme (LGPS) set out how LGPS pensions should be calculated; the procedures to be followed in certain circumstances (i.e. normal retirement and ill health retirement); the timeframes/deadlines to be adhered to; and the notifications to be provided to Scheme members.</p> <p>Other bodies such as the Pensions Regulator, HM Revenue &amp; Customs, the Office of National Statistics and the Financial Conduct Authority also impose rules that work alongside the Scheme Regulations or may even supersede them.</p> <p>Incorrect member data, lack of administrative knowledge and skills could lead to incorrect calculation of pension benefits and delays in payment. This may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator.</p>	05-Sep-2025
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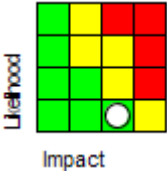
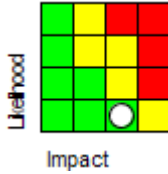
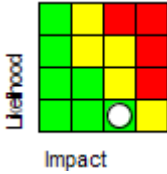
Risk Level	Service	Risk Approach	Accept
Department	Chamberlain's	Risk Owner	Kate Limna

**Associated Actions**

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 008a Recruitment job descriptions	Job descriptions used at recruitment to attract candidates with skills and experience related to LGPS administration. The appraisals process to monitor progress and assess training needs.	Ensuring that candidates with the necessary skills and abilities are employed by the City. Once in post, staff continue to receive relevant training and attend courses, seminars and conferences when appropriate.	05-Sep-2025	Graham Newman	31-Mar-2026
CHB Pensions 008b Pensions Administration software	Pensions administrator staff are trained to use the pensions administration software.	Ensuring that administrators are fully trained to use the pension administration software to enable them to provide accurate and efficient calculations. In addition, administrators should know the correct process to report to the software provider any errors encountered with the system in order that they can be investigated and resolved.	05-Sep-2025	Graham Newman	31-Mar-2026
CHB Pensions 008c Succession Plans	Practical disaster recovery/succession plans in place to ensure continuity in the event that key staff leave or are unable to work for a prolonged period of time.	Ensuring that skill sets are not restricted to one staff member alone.  Priority cases and work types are identified to ensure continuation in the event that staff or other resources become unavailable.  Disaster Recovery reviewed in light of hybrid working.	05-Sep-2025	Graham Newman	31-Mar-2026
CHB Pensions 008e Checking procedures	Accurate and appropriate checking procedures in place at all areas of administration.	All checking procedures reviewed and where necessary amended due to take account of hybrid working.	05-Sep-2025	Graham Newman	31-Mar-2026
CHB Pensions 008f Member data kept up to date	Scheme Member records are kept up to date, with any amendments being made as appropriate.	Ensuring that all administrative staff are aware of the amendments that must be made to a member record during the course of their scheme membership and that they are trained in how to make the necessary changes and updates.	05-Sep-2025	Graham Newman	31-Mar-2026

<b>Risk Code</b>	CHB Pensions 011	<b>Risk Title</b>	<i>Service provider failure</i>
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<b>Description</b>	<p><b>Cause:</b> Corporate, financial, economic or cybersecurity threats result in service provision withdrawal or liquidation of partner organisations.</p> <p><b>Event:</b> Failure of fund manager, investment consultant or other service provider without notice.</p> <p><b>Effect:</b> Pension Fund asset valuations at risk or a period of time without service provision.</p>
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<b>Current Risk</b>			<b>Target Risk</b>			<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
4	Rare	Major	4	Rare	Major	4	Rare	Major
Green	<b>Trend</b>	Constant	Green	<b>Target Date</b>	31-Mar-2026	Green	<b>Creation Date</b>	17-Aug-2022

<b>Latest Note</b>	Officers meet regularly with fund managers, investment consultants and other service providers. Officers write to all counterparties requesting latest internal control report from fund managers and custodian ahead of the closure of accounts.	<b>05-Sep-2025</b>
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<b>Risk Level</b>	Service	<b>Risk Approach</b>	Avoid
<b>Department</b>	Chamberlain's	<b>Risk Owner</b>	Kate Limna

#### Associated Actions

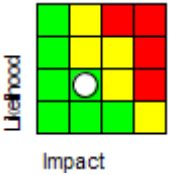
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 011a Detailed due Diligence	Detailed due diligence is carried out when new fund managers, investment consultant or other service provider are appointed.	New manager due diligence undertaken in consultation with investment consultant. The investment consultant contract was recently re-tendered via the National LGPS procurement framework. Following a rigorous and competitive exercise Mercer were appointed to the role in October 2021.	05-Sep-2025	Kate Limna; Sarah Port	31-Mar-2026

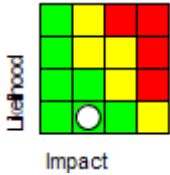
CHB Pensions 011b Internal control reports	Review of internal control reports on annual basis.	Corporate Treasury compile an archive of the most up to date relevant annual internal control reports issued by all issuing fund managers and custodian as part of statement of account compilation across Funds. All internal control reports from the pooled fund managers have been received where available. Officers are in the process of reviewing the findings of the reports to ensure they remain satisfied with the control environments operated by the Corporation's appointed asset managers.	05-Sep-2025	Kate Limna; Sarah Port	31-Mar-2026
CHB Pensions 011c Monitoring Markets	Monitor markets regularly through financial publications and seek advice of managers and investment consultant when appropriate.	Officers regularly monitor financial press and industry publications particularly in search of any news regarding entities that have an existing relationship across the Corporation's Funds.	05-Sep-2025	Kate Limna; Sarah Port	31-Mar-2026

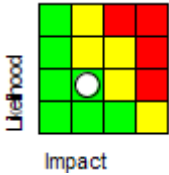


Risk Code	CHB Pensions 012	Risk Title	Governance/Legislative Compliance
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Description	<p><b>Cause:</b> Lack of understanding of the applicable statutory requirements such as investment regulations, prudential code etc. Inadequate oversight of the operations and developments at the regional pool operator, the London CIV. <u>New legislative requirements that require retrospective adjustments.</u></p> <p><b>Event:</b> Committee Members and officers do not have appropriate skills or knowledge to discharge their responsibilities including the calculation and payment off benefits. Regulatory breach. The Pension Fund’s pooled assets are managed inappropriately. <u>Benefits are not paid correctly and need to be recalculated.</u></p> <p><b>Effect:</b> Inappropriate decisions are made leading to a financial impact, or a breach of legislation or service not provided in line with best practice and legal requirements. Potential regulatory fines. The financial value of the Pension Fund’s assets is impaired. <u>There is a potential increase in scheme liabilities and a need for retrospective benefit corrections.</u></p>
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Current Risk		
Risk Score	Likelihood	Impact
4	Unlikely	Serious
Green	Trend	Constant

Target Risk		
Risk Score	Likelihood	Impact
2	Rare	Serious
Green	Target Date	31-Mar-2026

Original Risk		
Risk Score	Likelihood	Impact
4	Unlikely	Serious
Green	Creation Date	17-Aug-2022

Latest Note	<p>Officers <del>will</del> <u>have</u> produced a comprehensive training plan incorporating best practice to ensure committee Members have access to acquiring the appropriate levels of knowledge and understanding.</p> <p><u>The Virgin Media Ltd v NTL Pension Trustees II Ltd (and others) case affects defined benefit schemes that provided contracted-out benefits before 6 April 2016 based on meeting the reference scheme test. Where scheme rules were amended, potentially impacting benefits accrued from 6 April 1997 to 5 April 2016, schemes needed the actuary to confirm that the reference scheme test was still being met by providing written confirmation under Section 37 of the Pension Schemes Act 1993. In the Virgin Media case, the judge ruled that alterations to the scheme rules were void and ineffective due to the absence of this written actuarial confirmation. The case was taken to the Court of Appeal, and the original ruling was upheld in July 2024.</u></p> <p><u>The Government Actuary's Department is currently undertaking a review to confirm whether such changes occurred in Local Government Pension Schemes (LGPS). The most recent Local Government Association bulletin in November 2024 states that HM Treasury does not believe the Virgin Media case expressly addresses whether confirmation is required for public service pension</u></p>	05-Sep-2025
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	<p><u>schemes. Their view is that the relevant amendments in the LGPS would have been made by legislation and therefore would remain valid until revoked or repealed by subsequent legislation or declared void by a court.</u></p> <p><u>On 2 September 2025, the Government published amendments to the Pension Schemes Bill to allow the retrospective validation of amendments which may have otherwise been invalid, this followed the Court of Appeal's decision in the Virgin Media case.</u></p>	
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<b>Risk Level</b>	Service
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Avoid
<b>Risk Owner</b>	Kate Limna

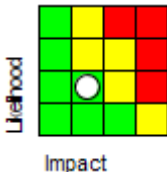
Associated Actions

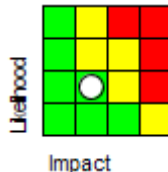
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 012a Training for Committee Members	Training provided to Committee Members on a range of investment topics and asset classes on a needs basis. Continued Professional Development (CPD) records maintained and updated annually.	<u>In line with the training policy, an annual</u> review will be undertaken of the skills set of the Members of the new Pensions Committee. All Members of the Committee will be expected to complete the Pension Regulator's Public Services Toolkit within 12 months of joining the Committee. Members of the Committee are also expected to complete the new Enlighten! Training provided by Barnett Waddingham (Actuary).	05-Sep-2025	Kate Limna; Sarah Port	31-Mar-2026
CHB Pensions 012b Recruitment job descriptions	Job descriptions used at recruitment to attract candidates with skills and experience related to investment finance. The Corporation maintains membership of CIPFA's Pension Network, the LAPFF, LPFA and <del>PLSA</del> <u>Pensions UK</u> – all providing access to training opportunities via courses, seminars and conferences.	Officers continue to attend training courses, seminars forums, webinars, user groups and conferences were deemed appropriate to enhance understanding of markets, financial instruments, regulatory and statutory reporting issues and administration.	05-Sep-2025	Caroline Al- Beyerty; Kate Limna	31-Mar-2026
CHB Pensions 012c Staff Training	Training plans in place for all staff as part of the performance appraisal arrangements, which are reviewed every six months.	Performance and development appraisals continue to be carried out in line with corporate policy.	05-Sep-2025	Caroline Al- Beyerty; Kate Limna	31-Mar-2026

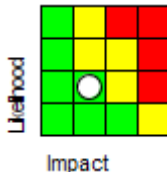
CHB Pensions 012d Professional advice	External professional advice sought where required.	The investment consultant attends each meeting of the Pensions Committee providing advice on investment matters.	05-Sep-2025	Kate Limna; Sarah Port	31-Mar-2026
CHB Pensions 012e Oversight of London CIV	The Committee maintains regular oversight of the London CIV.	The Chair of the Pension's Committee is the City's representative on the London CIV (with the Deputy chair acting as the alternate representative). The Chair is expected to attend 2 general meetings a year and also sits on the Shareholder Committee (4 meetings a year).	05-Sep-2025	Kate Limna; Sarah Port	31-Mar-2026
<u>CHB Pensions 012f Legislation monitoring</u>	<u>Regular monitoring of ongoing legal cases/legislation that impacts the Pension Fund.</u>	<u>Officers will continue to review the Local Government Association, Scheme Advisory websites and other relevant sources which detail the legal cases and legislation that effect the Pension Fund.</u>	<u>05-Sep-2025</u>	<u>Kate Limna; Sarah Port</u>	<u>31-Mar-2026</u>

Risk Code	CHB Pensions 013	Risk Title	Responsible investment duties
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Description	<p><b>Cause:</b> Insufficient attention is paid to the environmental, social and governance (ESG) dimensions of the Corporation's financial investments.</p> <p><b>Event:</b> The Corporations' financial investments include an underappreciated exposure to negative ESG risks and the means to effectively manage such risks is not understood.</p> <p><b>Effect:</b> The Corporation suffers reputational or financial damage.</p>
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Current Risk		
	Risk Score	
	Likelihood	Impact
	4	Unlikely
Green	Trend	Constant

Target Risk		
	Risk Score	
	Likelihood	Impact
	4	Unlikely
Green	Target Date	31-Mar-2026

Original Risk		
	Risk Score	
	Likelihood	Impact
	4	Unlikely
Green	Creation Date	17-Aug-2022

Latest Note	<p>The Pensions Committee inherited an advanced approach to responsible investment and asset stewardship. The Corporation (via the then Financial Investment Board) has formally recognised its asset stewardship role and the need to manage ESG risks through its Responsible Investment Policy which also outlines the Corporation's approach in this area. The City of London Corporation (as a whole) is a signatory to the Principles for Responsible Investment.</p> <p>The then Financial Investment Board undertook an in depth review of its climate risk exposure (including the use of scenario analysis) in 2021 resulting in a commitment to achieve net zero carbon emissions by 2040 together with the development of interim goals via a transition pathway.</p> <p>The Corporation's second scenario analysis <del>is being</del> <b>was</b> undertaken during 2024/25 to better understand the latest risks and opportunities associated with the City's Financial investments.</p>	05-Sep-2025
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Risk Level	Service	Risk Approach	Reduce
Department	Chamberlain's	Risk Owner	Kate Limna

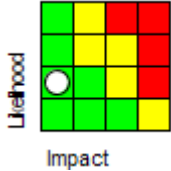
Associated Actions

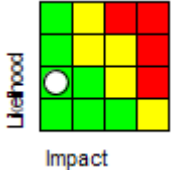
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 013a Reporting on responsible investment activities	Reporting on responsible investment activities to the Principles for Responsible Investment is completed on an annual basis. The Committee (along with other relevant Committees/Boards) will receive an annual Transparency Report from the PRI from which it can evaluate progress against responsible investment goals.	<p>The PRI 2024 <u>2025</u> reporting period opened May 2024 <u>2025</u> and the Corporation placed its submission by the <del>26 July 2024</del> <u>30 July 2025</u> deadline. <u>The PRI have not commented on when the results will be published.</u></p> <p>The full 2023/24 PRI results were released in November 2024, and the results <del>are being</del> <u>were</u> presented <del>under separate cover to this</del> <u>the</u> February <u>2025</u> Pensions Committee.</p> <p>The PRI have stated that the reporting period for <u>2025</u> <u>2026</u> is expected to be broadly aligned with that of the <del>2024</del> <u>2025</u> assessment (May to July).</p>	05-Sep-2025	Kate Limna; Sarah Port	31-Mar-2026
CHB Pensions 013b Management and monitoring of investment mandate	As part of the regular management and monitoring of investment mandates, the Pensions Committee and responsible officers challenge investment managers on ESG issues arising in the portfolio. The Investment Consultant will report to the Committee on its monitoring of ESG risks on a quarterly basis.	The Committee will receive regular updates on ESG standings amongst its appointed investment managers from the Investment Consultant on a quarterly basis. As part of the City's Climate Action Strategy, new climate risk expectations for existing and potential investment managers have been established and these form part of the regular ongoing monitoring of managers' performance.	05-Sep-2025	Kate Limna; Sarah Port	31-Mar-2026
CHB Pensions 013c UK Stewardship code	There is a general commitment by the City Corporation to meeting the standards of the new 2020 UK Stewardship Code and needs to ensure compliance is developed. The Committee (reviews asset stewardship across its investment mandates on an annual basis and uses the exercise to encourage better ESG outcomes amongst its existing managers (this will need to be done in conjunction with	All of the Pension Fund's UK-based pooled fund managers (i.e. excluding the alternative assets portfolio) are signatories to the Stewardship Code.	05-Sep-2025	Kate Limna; Sarah Port	31-Mar-2026

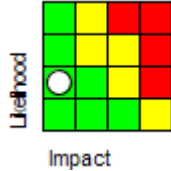
	other committees which now have investment oversight responsibilities).				
CHB Pensions 013d Climate Action Strategy delivery	The Committee (along with other relevant Boards/Committees) has been assigned several key actions which will enable the Corporation to deliver its Climate Action Strategy. Key to this is achieving a clear plan on how to achieve Paris-alignment by 2040.	<p>With the support of a specialist external consultancy firm, an in depth review of the climate risk exposure involving the use of scenario analysis, the development of a transition pathway consistent with a net zero by 2040 commitment, and the establishment of expectations for existing and potential mandates has been completed. <del>The transition pathway itself involves a series of specific actions with various deadlines which the Committee (along with other relevant Boards and Committees) will target over the coming years.</del> The Corporation's second scenario analysis <del>is being</del> <u>was</u> undertaken during 2024/25 to better understand the latest risks and opportunities associated with the City's Financial investments. <u>The current Corporation's pathway to net zero in 2040 and existing interim targets are currently under review, and work will continue over the near future to advance further the Pension Fund's responsible investment practices and will inform actions for the period beyond 2027.</u></p>	05-Sep-2025	Kate Limna; Sarah Port	31-Mar-2026

Risk Code	CHB Pensions 005	Risk Title	<i>Fraud</i>
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Description	<p><b>Cause:</b> (i) Not notified of death. (ii) Staff acting inappropriately (iii) Pension transfer scams</p> <p><b>Event:</b> (i) Fraudulent claim of pension benefits (ii) pension benefits transferred to an inappropriate / unauthorised body.</p> <p><b>Effect:</b> (i) Continued payment of pensions following death. (ii) Overpaid pensions. (iii) Financial loss for the Fund (iv) Financial loss for the scheme member (v) Financial penalties / sanctions (vi) Reputational damage</p>
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Current Risk		
Risk Score	Likelihood	Impact
2	Unlikely	Minor
Green	Trend	Constant

Target Risk		
Risk Score	Likelihood	Impact
2	Unlikely	Minor
Green	Target Date	31-Mar-2026

Original Risk		
Risk Score	Likelihood	Impact
2	Unlikely	Minor
Green	Creation Date	17-Aug-2022

Latest Note	<p>If the death of a LGPS beneficiary is not reported, their pension may continue to be paid when there is no longer an entitlement.</p> <p>This may be a deliberate failure to report the death or may be where there is no fraudulent intention, but in either case it will lead to benefit overpayment and a potential financial loss.</p> <p>Scammers design attractive offers to persuade members to transfer their pension pot to them or to release funds from it. It is then invested in unusual and high-risk investments or simply stolen outright.</p>	05-Sep-2025
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Risk Level	Service
Department	Chamberlain's

Risk Approach	Avoid
Risk Owner	Kate Limna

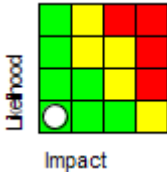
**Associated Actions**

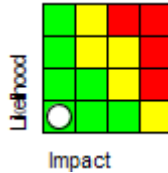
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 005a Robust fraud protection/detecti on processes	Robust fraud protection/detection processes	Use of Mortality Screening Service and Tell Us Once Service [Government initiative that allows us to be notified of a death when registered]. Participation in the National Fraud Initiative. Annually sending Life Certificates to Overseas Pensioners.	05-Sep-2025	Graham Newman	31-Mar-2026
CHB Pensions 005b Transfer Scam communications	Ensuring all members that are considering transferring their benefits out of the scheme are made aware of the potential for transfer scams.	All correspondence sent to scheme members considering a transfer-out of the scheme must contain warnings in respect of transfer scams. In addition, website links to appropriate bodies such as the Money Helpline and the Pensions Regulator are included as well as any advisory literature provided by these and similar bodies.	05-Sep-2025	Graham Newman	31-Mar-2026
CHB Pensions 005c Transfer	Ensuring all staff are aware of the guidance / instructions provided by the LGA and the Pensions Regulator in respect of transfers-out of the scheme.	All staff dealing with transfers should be proficient with the guidance / instructions that have been provided in respect of transfers-out of the scheme. This will help to spot a transfer scam and/or prevent a payment being made if there is any uncertainty about the receiving scheme.	05-Sep-2025	Graham Newman	31-Mar-2026
CHB Pensions 005d Identity Verification	Robust identity verification processes	Controls in place to verify and ensure the legitimacy of any signed discharge form. This must also include timeframes in respect of how long a letter of authority from a scheme member is valid.	05-Sep-2025	Graham Newman	31-Mar-2026
CHB Pensions 005e Due Diligence	Due Diligence	Once a legitimate and verified transfer-out discharge form has been received, staff dealing with the transfer should carry out necessary due diligence in respect of the potential receiving scheme to ensure that the transfer can be legally paid.	05-Sep-2025	Graham Newman	31-Mar-2026




<b>Risk Code</b>	CHB Pensions 002	<b>Risk Title</b>	<i>Actuarial valuation</i>
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<b>Description</b>	<p><b>Cause:</b> Inappropriate assumptions used by the Actuary/ Inaccurate data supplied to the Actuary for the triennial valuation.</p> <p><b>Event:</b> Unsuitable triennial actuarial valuation.</p> <p><b>Effects:</b> Employer contribution rates insufficient to maintain long term cost efficiency &amp; solvency.</p>
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Current Risk		
	Risk Score	Likelihood
	1	Rare
	Green	Trend

Target Risk		
	Risk Score	Likelihood
	1	Rare
	Green	Target Date

Original Risk		
	Risk Score	Likelihood
	1	Rare
	Green	Creation Date

<b>Latest Note</b>	<p>The latest full actuarial valuation of the Pension Fund, using member data and investment asset information as at 31 March 2022, has been completed. Using updated financial and demographic assumptions, the actuary has been able to generate an accurate picture of the Pension Fund's funding position (assets compared to liabilities) which has been used to establish appropriate employer contribution rates for use from 1 April 2023. The next actuarial valuation will <u>has commenced</u> this year as at 31 March 2025, <u>and the draft results will be presented to this Committee in December 2025.</u></p>	<b>05-Sep-2025</b>
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<b>Risk Level</b>	Service	<b>Risk Approach</b>	Accept
<b>Department</b>	Chamberlain's	<b>Risk Owner</b>	Kate Limna

**Associated Actions**

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 002a Regular	Regular meetings with the Actuary to ensure that assumptions are	At Pensions Committee on 11 July 2022, a working group was set up to discuss the preliminary triennial valuation results and the robustness of the financial and	05-Sep-2025	Kate Limna; Graham Newman	31-Mar-2026

meetings with the Actuary	appropriate involving Officers and Members of the Pensions Committee.	demographic assumptions used in the valuation process. This working group met on 14 November 2022 and the draft triennial valuation results were reported to the Pensions Committee on 29 November 2022. The final triennial valuation results were reported to Committee on 8 February 2023 and the Actuary signed the final valuation certificates on 31 March 2023. <u>At the Pensions Committee on 7 July 2025, a panel was set up to discuss the preliminary 2025 triennial valuation results and the robustness of the financial and demographic assumptions used in the valuation process. The panel will meet on the 22 September 2025.</u>			
CHB Pensions 002b Robust Year End procedures	Robust Year End procedures and updates	The Pension Fund Statement of Accounts for the year ending 31 March <u>2025</u> were published in draft format within the City Fund Accounts on the <del>31 May 2024</del> <u>30 June 2025</u> and <del>were signed off</del> <u>are currently being reviewed</u> by the External Auditors. The Pension Fund annual report <del>was</del> <u>will be</u> uploaded to the website in <del>November 2024</del> , ahead of the statutory deadline <u>of 1 December 2025</u> .	05-Sep-2025	Kate Limna; Graham Newman	31-Mar-2026
CHB Pensions 002c Checking for errors	Checking for errors or inconsistencies in valuation extract report before submission to the Actuary	Officers review data quality prior to submission to the actuary. Additionally, scheme member data is submitted separately from employer level cash flow data, which are held on two distinct management information systems. As a result, errors are more easily identified during the valuation process itself. For example, if the scheme member data demonstrates that a given number of scheme members belonging to a single employer retired during the valuation period then this should also be evident from the benefit payments reported in the cash flow data.	05-Sep-2025	Kate Limna; Graham Newman	31-Mar-2026

## City of London Corporation Committee Report

<b>Committee(s):</b> Pensions Committee	<b>Dated:</b> 22 September 2025
<b>Subject:</b> Pensions Scheme – Administrator’s Update	<b>Public report:</b> For Information
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• provides statutory duties</li> <li>• provides business enabling functions</li> </ul>	
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	n/a
<b>Report of:</b>	The Chamberlain
<b>Report author:</b>	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 7 July 2025. Members are asked to note the report and provide feedback.

<b>Item</b>	<b>Update</b>
Annual schedule of events for the administration of the Pensions Scheme	<b>Appendix A</b> 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.  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>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> <p>The 2025 scheme return is expected to be made available for completion at some point in October 2025 and the Pensions Office will have 6 weeks from receipt to complete it.</p>
Complaints or disputes under the Scheme's Internal Disputes Resolution Process (IDRP)	<p>Since the last Committee meeting, there has been 1 Stage Two IDRP application 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 and retired scheme members and is now also available to deferred scheme members so that access to the portal can continue as active scheme members leave the organisation.</p> <p>One of the main facilities that will be expected to be added to the portal is the ability to upload pensioner payslips and P60s and make these available to the scheme members. This facility will require an additional cost to be added to the Online Member Portal.</p> <p>It had been suggested that the new payroll system that is being created and is due to go live in 2026 may be able to provide this facility, but it now appears that the costs</p>

	<p>associated with doing so outweigh the benefits and therefore this option is no longer being investigated.</p> <p>The Pensions Office is currently awaiting provision of the technical specifications from the software provider to ensure that the payroll system can provide the required data in the necessary format. Once this has been confirmed it will be possible to move to the next step in the process of obtaining the add-on software.</p>
Transfers-of Pension Benefits	The City of London Pensions Fund Transfer 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 is assessed by the Pensions Office and if appropriate their benefits are based upon the terms of the Remedy. In addition, from 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 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.</p>

	<p>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 2025 Annual Benefit Statements (ABS) for eligible scheme members were issued by the 31 August 2025 deadline and included 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 <b><u>public sector pension schemes</u></b>.</p> <p>The link for the online training is: <a href="https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes/understanding-your-role/learn-about-managing-public-service-schemes">https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes/understanding-your-role/learn-about-managing-public-service-schemes</a></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 (<b>Appendix C</b>).</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, <b>Appendix D</b> 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>
Guaranteed Minimum Pension (GMP) Reconciliation	<p>An update of the status of this project has been requested from the company commissioned to provide this piece of work (Aptia, previously Mercer), but at the date of writing no details had been received.</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: (<a href="https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/dashboards-guidance/failing-to-comply-with-pensions-dashboards-duties">https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/dashboards-guidance/failing-to-comply-with-pensions-dashboards-duties</a>). 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"> <li>• 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.</li> <li>• 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.</li> </ul>
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	<ul style="list-style-type: none"> <li>• Although the timelines in the guidance are not mandatory, schemes will be expected to demonstrate how they have had regard to the guidance.</li> <li>• 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.</li> <li>• Continuing to prepare for dashboards by engaging with those who will support them and their dashboard duties.</li> </ul> <p>The Pensions Dashboards Programme (PDP) has updated their FAQs to reflect the new connection deadline announcement  <a href="https://www.pensionsdashboardsprogramme.org.uk/faqs/">https://www.pensionsdashboardsprogramme.org.uk/faqs/</a></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 has appointed an Integrated Service Provider (ISP) to allow connection to the national digital architecture and testing of the system is currently underway.</p> <p>The testing will continue throughout September to ensure it is ready by the staging date of 31 October 2025.</p> <p>The service will not be immediately released to the general public until a later date, with schemes being 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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### **Recommendation**

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

### **Appendices:**

Appendix A – Annual Schedule of Events (Administration

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

Appendix C – Member Training (NON PUBLIC)

Appendix D – KPI Details

### **Graham Newman**

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**Local Government Pension Administration - Schedule of Events 2024/25**

<b>Date Due</b>	<b>Event</b>	<b>Completed</b>
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	14 July 2025
August 2025	Tax return for Quarter 1 (to 30/06/2025)	6 August 2025
31 August 2025	Issue of Annual Benefit Statements deadline.	31 August 2025
31 August 2025	Deadline for providing McCloud Remedy information to the active and deferred membership.	31 August 2025
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 2025	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)	
1 April 2026	Employee Contribution band review/implementation.	
6 April 2026	Revaluation of CARE benefits.	
1 Monday in April following Tax Year End	Pensions Increase (PI) – Annual Inflation increase.	

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

Task	Target (Working Days)	Result 2024/25	Result 2023/24	Result 2022/23	Result 2021/22
Initial payment of retirement benefits	10 days*	96.32%	94.32%	97.35 %	98.61 %
Process refund and make payment	5 days	90.57%	95.79%	94.85 %	98.44 %
Statement notifying estimate of retirement benefits	20 days	96.69%	96.57%	97.04 %	96.17 %
Statement detailing transfer-in credit	20 days	98.46%	100.00%	100.00 %	100.00 %
Transfers-out payments	20 days	100%	100.00%	100.00 %	100.00 %
Answering general correspondence:	10 days	97.73%	94.99%	96.50 %	96.83 %
Payment of lump sum death grants:	14 days	100%	100.00%	92.59 %	100.00 %
Letters to dependants in respect of benefits due:	5 days	97.14%	94.74%	98.36 %	94.44 %

Task	Target (Working days)	Quarter 1 01/04/2025 – 30/06/2025	Number of cases in Quarter 1	Running total for the year 01/04/2025 – 31/03/2026	Running total number of cases for the year 01/04/2025 – 31/03/2026
Initial payment of retirement benefits	10 days*	95.35%	43	95.35%	43
Process refunds and make payments	5 days	100.00%	8	100.00%	8
Statement notifying estimate of retirement benefits	20 days	95.83%	24	95.83%	24
Statement detailing transfer-in credit	20 days	100.00%	25	100.00%	25
Transfers-out payments	20 days	90.48%	21	90.48%	21
Answering general correspondence	10 days	97.26%	146	97.26%	146
Payment of lump sum death grants	14 days	100.00%	6	100.00%	6
Letters to dependant's in respect of benefits due	5 days	90.00%	10	90.00%	10

\* 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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## City of London Corporation Committee Report

<b>Committee(s):</b> Pensions Committee – For Decision Local Government Pensions Board – For Information	<b>Dated:</b> 22 September 2025 12 January 2026
<b>Subject:</b> Local Government Pension Scheme – Transfers-out of the scheme: processes and precautions	<b>Public report:</b> For Decision
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• provides statutory duties</li> <li>• provides business enabling functions</li> </ul>	
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	n/a
<b>Report of:</b>	The Chamberlain
<b>Report author:</b>	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 produce a document that sets out the precautions taken by the Pensions Administration team with regards to transfers-out of the pension scheme and avoiding potential scams.

### Recommendation

Members are asked to approve the City of London Pension Fund Transfers-out document.

### 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 with the Pension Regulators (tPR) General Code of Practice (the Code). As per the recommendations for the report, Officers agreed to bring to a future Committee meeting a document that

sets out the processes and precautions taken by the Pensions Office when dealing with transfers-out of the pension scheme and the potential scams that could arise.

2. It should be noted that this is a working document, and all sections can and will be expanded or amended, as required.

### **Conclusion**

3. Following Barnett Waddingham's review of the City of London Pension Fund's compliance with the Pension Regulators General Code of Practice, Officers have produced a document regarding the precautions taken by the Pensions Office in respect of transfers out of the pension scheme, as per the recommendations. Members are asked to review the document and provide any feedback in relation to this.

### **Appendices:**

Appendix A: City of London Pension Fund Transfers-out document.

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## **The City of London Pension Fund**

### **Transfers-out of the scheme: processes and precautions**

September 2025

## **Actions and precautions when transferring benefits out of the pension scheme**

### 1. Introduction

The Local Government Pension Scheme (LGPS) is a defined benefit public sector pension scheme governed by the LGPS Regulations 2013. Transfers out of the scheme are permitted under specific conditions and require careful administration to ensure compliance, scheme member protection, and scheme integrity.

The Pensions Office plays a critical role in safeguarding scheme members' pension rights during transfers. By adhering to regulatory requirements, conducting thorough due diligence, and prioritising scheme member protection, administrators ensure the integrity of the scheme and the financial security of its scheme members

### 2. Eligibility and Conditions for Transfer

The Pensions Office must confirm that the scheme member meets the statutory conditions for transfer:

- The scheme member must be deferred (no longer contributing to the LGPS).
- Transfers must be made to an HMRC-registered pension scheme or a Qualifying Recognised Overseas Pension Scheme (QROPS).
- Transfers are only allowed if the scheme member is at least one year away from their Normal Pension Age.
- Scheme members cannot transfer their benefits if they are already receiving LGPS pension benefits or have retired due to ill health and received Tier 3 benefits.

### 3. Required Actions by the Pensions Office

#### 3.1. Provide Transfer Quotations

- Calculate and issue a transfer value quotation, guaranteed for three months from the calculation date.
- Include a written option form and relevant documentation for the receiving scheme

#### 3.2. Due Diligence and Scam Prevention

- Conduct due diligence checks on the receiving scheme.
- Assess for signs of pension scams, including how the scheme member was contacted and advised.
- If risks are identified, the Pensions Office must pause or refuse the transfer



### 3.3. Financial Advice Requirement

- If the transfer value exceeds £30,000, the Pensions Office must ensure the scheme member has received independent financial advice from an FCA- authorised adviser

Maintain records of the advice confirmation before proceeding.3.4. Scheme member Communication

- Clearly explain the implications of transferring from a defined benefit to a defined contribution scheme, including loss of guaranteed benefits and survivor pensions
- Encourage scheme members to consult **MoneyHelper** or **Pension Wise** for guidance.

## 4. Precautions and Safeguards

### 4.1. Scam Protection Measures

- Follow the Pensions Regulator's guidance on scam prevention <https://www.thepensionsregulator.gov.uk/en/pension-scams> .
- Invite scheme members to attend a P meeting to discuss the concerns if risks are suspected

### 4.2. Regulatory Compliance

- Ensure all actions comply with LGPS Regulations 2013, particularly Part 2 (Administration) <https://www.legislation.gov.uk/ukxi/2013/2356/part/2> and Part 2 Chapter 7 (Transfers) <https://www.legislation.gov.uk/ukxi/2013/2356/part/2/chapter/7>
- Maintain accurate records of all communications, calculations, and decisions.

### 4.3. Club Transfers (generally transfers between public sector pension schemes)

- If transferring to another public service pension scheme, apply Club transfer rules for equivalent benefit treatment.
- Ensure the transfer is initiated within 12 months of joining the new scheme and there is no break exceeding five years

## 5. Additional Considerations

- AVCs (Additional Voluntary Contributions) may be transferred separately, subject to specific conditions
- Transfers related to the McCloud remedy must be handled with care, as protections vary across the different pension schemes to which the Remedy may apply.

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# Agenda Item 8

<b>Committee(s):</b> Audit and Risk Management Committee – For information Finance Committee – For information Pensions Committee – For Information	<b>Dated:</b> 14 July 2025 16 Sept 2025 22 Sept 2025
<b>Subject:</b> City Fund and Pension Fund Statement of Accounts Update 2024/25	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> The Chamberlain	<b>For information</b>
<b>Report author:</b> Iain Jenkins, Chief Accountant	

## Summary

This report provides an update on the publication and audit of the 2024/25 Draft Statement of Accounts for the City Fund and Pension Fund.

## Recommendation(s)

The **Audit and Risk Management** Committee, the **Finance Committee**, and the **Pensions Committee** are asked to:

- **Note** the progress made on the 2024/25 Statement of Accounts
- **Note** the progress made on the external audit of the 2024/25 Statement of accounts

## Main Report

### Background

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 draft, unaudited 2024/25 Statement of Accounts for the City Fund, which includes the accounts for the Pension Fund, were published on the City of London Corporation's website on 30<sup>th</sup> June 2025. The document can be accessed here ([link](#)), and is also presented as Appendix 1 to this report. Publishing these accounts by 30 June 2025 met the statutory requirements set out in the Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendment) Regulations 2022.
3. Following the publication of the City Fund Statement of Accounts a period of public inspection commenced, as required by the Local Audit and Accountability Act 2014. The inspection period commenced on Tuesday 1<sup>st</sup> July and runs for 30 working days, concluding on 11<sup>th</sup> August 2025. During the inspection period, members of the public may inspect the accounts, and may also question the auditor or raise objections. Further details of the inspection period are set out in the public notice which is available to view on the City Corporation's website at the following [link](#).

4. Grant Thornton (GT) are undertaking the external audit of the City Fund and Pension Fund accounts for 2024/25. The audit work commenced on 16<sup>th</sup> June 2025 and is 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.
5. Grant Thornton will report the findings arising from their work on the 2024-25 audit to this Committee following the conclusion of the audit.
6. The statutory deadline for the conclusion of the audit is 30 September 2025, by which time the final audited accounts are required to be published on the City of London Corporation website. It should be noted that “backstop” dates have been introduced for outstanding local government audits, owing to a large number of outstanding audits across the country in the sector. The backstop date for 2024/25 accounts is 27 Feb 2026, so in the event that the audit was not concluded by this date then a disclaimer opinion would apply. The audit plan and timetable have been agreed with Grant Thornton on the basis of the audit being completed prior to the 30<sup>th</sup> September deadline, with resources put in place to enable this deadline to be met. Therefore as the City of London Corporation has cleared all of its prior year audits and is up to date with its accounts it is anticipated that the audit opinion will be in place by 30<sup>th</sup> September, so the backstop will not be required.
7. 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 any reports arising from the audit. Any reports arising from the audit will also be reported to the Pension Fund Committee.

### **Current position**

8. The draft 2024/25 Statement of Accounts for the City Fund are presented at Appendix 1 to this report. The Committee should note the following key points.
9. The Accounts are prepared using the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (referred to as The Code) which is published annually by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Code is based upon International Financial Reporting Standards (IFRS), adapted for public sector use. The only material change to the Code for 2024/25 has been in respect of the accounting treatment for lease, due to the adoption of IFRS16 by the Code. This change requires all leased assets to be recognised on the balance sheet (with the exception for small value assets or short-term leases of less than twelve months). Under previous accounting standards a distinction was made between finance leases and operating leases, and assets acquired under operating leases were not recognised on balance sheet. The change to accounting standards removes the distinction between finance and operating leases. This change has no impact on the General Fund or usable reserves.
10. The City Corporation’s Accounting Policies are also unchanged, except for updates to the accounting policy for leases, to reflect the changes to the Code. A summary of the Accounting Policies is included within the document at page 139 onwards. The accounting policy on leases is set out in section 1.18 on pages 150-152 of the accounts.
11. The provisional outturn position for the City Fund for 2024/25 is a surplus of £33.2m, as set out in the table on page 12 of the Accounts. For 2023/24 the outturn position was a surplus of £45.7m. As at 31 March 2025 there were unallocated revenue funds of

£387.3m. £20m of this will be retained within the General Fund balance, and the remainder will be held within earmarked reserves.

12. The overall movement on the City Fund balance sheet is an increase in net assets of £400.2m. This movement is comprised of the following items:

- Property, Plant and Equipment – Increase of £167.4m. Mainly due to additions of £153m of Assets Under Construction, this includes £88m for the Fleet Street development and £39m of HRA expenditure on social housing.
- Investment Property – Increase of £15.5m due to gains from fair value adjustments.
- Long Term Investments – Increase of £17.7m due to new investments entered into during 2024-25 to take advantage of favourable rates.
- Short Term Investment – Increase of £12.6m due to increase in cash available for investment.
- Short Term Creditors – Increase of £51.1m, predominantly due to an increase of £24m in collection fund creditors, due to timing differences on the collection fund
- Grants and Contributions received in advance – Decrease of £37.7m due to a decrease in the balance of S106 and S278 contributions on the balance sheet.
- Pensions Liability – Reduction in the pensions liability of £203.8m, based upon the actuary's latest assessment of the pension scheme.
- Other movements of -£3.4m

## **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 the funding and costs of its activities with residents and other stakeholders.

## **Conclusion**

14. The City Fund and Pension Fund Accounts for 2024-25 were published in line with statutory deadlines on 30<sup>th</sup> June 2025. The public inspection period commenced on 1<sup>st</sup> July 2025 and runs for 30 working days. The audit of the accounts commenced on 16<sup>th</sup> June 2025. It is anticipated that Grant Thornton will provide their audit opinion by the end of September 2025, subject to the conclusion of the audit. Further updates will be provided to the Committee at future meetings.

## **Appendices**

- Appendix 1 - [City Corporation City Fund draft Statement of Accounts 2024/25](#)

## **Background Papers**

Audit and Risk Management Committee – 12 May 2025 – Statement of Accounts update

## **Iain Jenkins**

Chief Accountant

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<b>Committee(s):</b> Audit and Risk Management Committee – For decision Finance Committee – For decision Pensions Committee – For decision Local Government Pensions Board – For Information	<b>Dated:</b> 15/09/2025 16/09/2025 22/09/2025 12/01/2026
<b>Subject:</b> City Fund and Pension Fund – Statement of Accounts, Audit Findings and external auditor's Annual Audit Report 2024-25	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> The Chamberlain	<b>For Decision (Audit and Risk, Pensions and Finance)</b>
<b>Report author:</b> Daniel Peattie, Assistant Director – Strategic Finance Iain Jenkins - Chief Accountant	

## Summary

The draft Statement of Accounts for the City Fund and Pension Fund were presented to Audit and Risk Management Committee on 14 July 2025. This report provides an update on the audit of the Accounts, any changes and the Auditor's findings.

The audited 2024-25 City Fund Statement of Accounts are presented in Appendix 1 for approval. This set of accounts reflects the changes agreed with the auditors as part of their work.

The Audit Findings Reports from Grant Thornton are presented at Appendix 2 (in respect of the City Fund audit) and Appendix 3 (in respect of the Pension Fund audit). These documents summarise the results of the audit and include the auditor's recommendation and details of any audit adjustments which have been made to the accounts. A copy of the draft Management Representation letter for the Pension Fund is presented at Appendix 4. The draft Management Representation letter for the City Fund is included within the Audit Findings Report at Appendix 2.

The external auditor's Annual Audit Report summarises all of the work that Grant Thornton have undertaken in relation to the City Fund during 2024-25. This is presented at Appendix 5. The Annual Audit Report includes their commentary on the City Fund's Value for Money (VfM) arrangements.

## Recommendation(s)

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

- **Recommend** approval of the 2024-25 Statement of Accounts to Finance Committee.
- **Delegate** authority to the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Audit and Risk Management Committee, approval of any material changes to the financial statements required before the signing of the audit opinion by Grant Thornton, which is expected by 30<sup>th</sup> September 2025.
- **Consider** the Audit Findings Report for the City Fund and Pension Fund 2024-25 as set out in Appendix 2 and Appendix 3.
- **Approve** the management representation letter for the City Fund as set out on pages 52-55 of Appendix 2, and the management representation letter for the Pension Fund as set out in Appendix 4.
- **Consider** the Auditor's Annual Audit Report 2024-25 as set out in Appendix 5

The **Pensions Committee** is asked to:

- **Consider** the Audit Findings Report for the Pension Fund 2024-25 as set out in Appendix 3, and the Pension Fund management representation letter 2024-25 as at Appendix 4.

The **Finance Committee** is asked to:

- **Recommend** approval of the 2024-25 Statement of Accounts to Finance Committee.
- **Delegate** authority to the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Finance Committee, approval of any material changes to the financial statements required before the signing of the audit opinion by Grant Thornton, which is expected by 30<sup>th</sup> September 2025.
- **Consider** the Audit Findings Report for the City Fund and Pension Fund 2024-25 as set out in Appendix 2 and Appendix 3.

The **Local Government Pensions Board** is asked to:

- **Note** the Audit Findings Report for the Pension Fund 2024-25 as set out in Appendix 3

## **Main Report**

### **Background and current position**

1. The update provided to the Audit and Risk Management Committee on 14<sup>th</sup> July 2025 presented the draft 2024-25 City Fund Statement of Accounts to the Committee. That report set out the key elements within the City Fund accounts. The key points to note since that date are set out in paragraphs 2 to 13 below

#### Public Inspection period



2. The draft, unaudited 2024-25 Statement of Accounts for the City Fund, which includes the accounts for the Pension Fund, were published on the City of London Corporation's website on 30 June 2025. Publishing these accounts by 30 June 2025 met the statutory requirements set out in the Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendment) Regulations 2022.
3. Following the publication of the City Fund Statement of Accounts a period of public inspection was undertaken, as required by the Local Audit and Accountability Act 2014. The inspection period commenced on Tuesday 1st June and ran for 30 working days, concluding on 11th August 2025. During the inspection period, members of the public had the opportunity to inspect the accounts, and also to question the auditor or raise objections. No inspection requests, questions or objections were received during the public inspection period.

#### Audit of the 2024-25 Accounts

4. The audit of the 2024-25 Statement of Accounts commenced in June 2025 and has been undertaken by Grant Thornton.
5. The updated version of the 2024-25 Statement of Accounts for the City Fund and Pension Fund is provided in Appendix 1.
6. This revised version incorporates the following changes and adjustments to the City Fund accounts which have been identified during the audit and results in a total increase in Total Comprehensive (Income) and Expenditure of £90.4m due to:

Description	Effect on Comprehensive Income & Expenditure Statement	Effect on Balance Sheet
<b>Pensions Liability</b> – Application of asset ceiling under IFRIC 14, resulting in remeasurement of pensions liability	Dr Remeasurement of Pension Liability £90.4m	Cr Pension Liability -£90.4m
<b>Rents received in advance</b> – Correction between long term and short-term balances	Nil	Dr Long Term rents received in advance £1.3m  Cr Short Term rents received in advance -£1.3m
<b>Assets under construction (AUC)</b> – The AUC balance in the draft accounts was classified as Property Plant & Equipment AUC, but some of it related to Investment Properties and Intangible assets. This is now reclassified on the balance sheet	Nil	Dr Intangible Assets £6.2m  Dr Investment Props £13m  Cr PPE -£19.2m
<b>Total</b>	Dr £90.4m	Cr £90.4m

7. Further details on these audit adjustments can be seen on page 46 of the audit findings report at Appendix 2. These adjustments have nil effect on the General Fund balance.

8. Grant Thornton's Audit Findings Report is presented at Appendix 2 in respect of the City Fund audit and at Appendix 3 in respect of the Pension Fund audit.
9. The Audit Findings Report from prior year audits contained thirteen recommendations. Eight of these have now been implemented, and five remain open. Actions to address these remaining recommendations are in place for 2025-26 and these are set out on pages 43-45 of Appendix 2. Two additional recommendations have been made this year and these are shown on pages 41-42 of the Audit Findings Report.
10. Additional measures to prevent such adjustments in the future are being implemented through a training programme, with assistance from Grant Thornton.

#### Auditor's Annual Report and Value for Money (VfM) opinion

11. The auditors are required to report their commentary on the City Fund's arrangements under specified criteria in relation to VfM –
  - a. Financial sustainability
  - b. Governance
  - c. Improving economy, efficiency and effectiveness (the 3 Es)
12. The full report is included as Appendix 5. Within it there was one key recommendation raised by Grant Thornton in respect of the Housing Revenue Account (HRA) and pressures on the remaining Reserves. See page 20 of the report (Appendix 5). The management actions to address this are then set out on page 34 of Appendix 5.
13. The 2023-24 VFM report included 25 improvement recommendations. Of those, sixteen have been addressed and are now closed, four have been superseded by the new recommendations for 2024-25 and five remain open. Of those that remain open, one was not due to take effect in 2024-25 and one is noted as in progress. Further detail is in Appendix 5 pages 39 to 51.

#### **Corporate & Strategic Implications**

14. The Corporate and Strategic implications are set out below:
  - 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
  - Financial implications – Recommendations to improve Value for Money scrutiny are responded to within Appendix 5. Additionally, progress is being shared with the Efficiency and Performance Working Party, which is a member officer working group reporting into the Finance Committee.
  - Resource implications – None
  - Legal implications – None

- Risk implications – Recommendations relating to risk management are responded to within Appendix 5.
- Equalities implications – None
- Climate implications – None
- Security implications – None

## **Conclusion**

15. At present, there are no material queries remaining unadjusted regarding the 2024-25 accounts. Having provided their Audit Findings Report the external auditor is conducting final reviews of the Statement of Accounts, and an unqualified audit opinion is expected to be issued by GT by the end of September 2025.
16. Whilst none are expected, should any material adjustments to the statement of accounts be required before that position is reached, it is recommended that authority to approve such amendments should be delegated to the Chamberlain in consultation with the Chairmen and Deputy Chairmen of the Audit and Risk Management and Finance Committees in order to ensure compliance with the statutory requirement to sign and publish accounts by the 30<sup>th</sup> September.

## **Appendices**

- Appendix 1 – Revised City Fund Accounts 2024-25 (Audit & Risk and Finance Committees only)
- Appendix 2 – City Fund Audit Findings Report 2024-25 (Audit & Risk and Finance Committees only)
- Appendix 3 – Pension Fund Audit Findings Report 2024-25
- Appendix 4 – Pension Fund Letter of Representation 2024-25
- Appendix 5 – City Fund Auditor's Annual Report 2024-25 (Audit & Risk Committee and Finance only)

## **Background Papers**

Audit and Risk Management Committee – 14 July 2025 – City Fund and Pension Fund Statement of Accounts update

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# **Audit Findings (ISA 260) Report for City of London Corporation Pension Fund**

Year ended 31 March 2025

Date of issue: 10 September 2025



City of London Corporation Pension Fund  
Pensions Office  
Chamberlain's Department  
Guildhall  
London EC2P 2EJ

**Grant Thornton UK LLP**

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Dear Alderman Prem Goyal OBE,

**Audit Findings for City of London Corporation Pension Fund for the 31 March 2025**

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents will be discussed with management and the Audit and Risk Management Committee.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (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 for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

**Chartered Accountants**

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We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to manage risk, quality and internal control particularly through our Quality Management Approach. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at [transparency-report-2024-.pdf](#).

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

*Grant Patterson*

Grant Patterson

Director  
For Grant Thornton UK LLP

**Chartered Accountants**

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# Headlines and status of the audit

# Headlines

## Financial statements

### Introduction

These are the key findings and other matters arising from the statutory audit of City of London Corporation Pension Fund (the ‘Pension Fund’) and the preparation of the Pension Fund’s financial statements for the year ended 31 March 2025 for the attention of those charged with governance.

### ISA Requirements

Under the National Audit Office (NAO) Code of Audit Practice (the ‘Code’), we are required to report whether, in our opinion:

- the Pension Fund’s financial statements give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2025 and of the amount and disposition at that date of the fund’s assets and liabilities; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

### Audit Work

Our audit work was completed during July – August 2025. Our findings are summarised on page 18.

We have identified no adjustments to the financial statements that have resulted in changes to the Pension Fund’s reported financial position. Audit adjustments are detailed on pages 41 to 42.

We have also raised recommendations for management as a result of our audit work. These are set out in our action plan on page 43. Our follow up of recommendations from the prior year’s audit are detailed on pages 44 and 45.

*Continued overleaf*

# Headlines

## Financial statements

### Audit Work - continued

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion or material changes to the financial statements, subject to the following outstanding matters:

- Benefits payable - receipt of BACS payment evidence for Lump Sums from the strategic finance team;
- senior engagement team review;
- receipt of management representation letter; and
- review of the final set of financial statements.

We have concluded that the other information to be published with the financial statements is consistent with our knowledge of your organisation and the financial statements we have audited.

Our anticipated opinion on the financial statements will be unmodified.

Drafts of our anticipated opinion and the management representation letter are reflected in a separate report for consideration by the Audit and Risk Management Committee.

Whilst our work on the Pension Fund financial statements is complete, we will be unable to issue our final audit opinion on the Pension Fund financial statements until the audit of the Administering Authority is complete. We are pleased to report that we anticipate this being in September 2025, well ahead of the statutory deadline of 27 February 2026.

We are also required to give a separate opinion for the Pension Fund Annual Report on whether the financial statements included therein are consistent with the audited financial statements.

The statutory deadline requires that the Pension Fund Annual Report is published by 1 December 2025. We have received a draft of the Annual Report from the Pension Fund and are completing our work upon it. We are therefore not yet in a position to give this separate 'consistency' opinion at this time. We anticipate being able to issue our 'consistency' opinion in the forthcoming weeks and ahead of the 1 December Annual Report deadline.

We do note that whilst an opinion on the administering authority's financial statements can be issued by their auditor the formal certificate confirming completion of the audit of the administering authority cannot be given until their work on Whole of Government Accounts and our work on the Annual Report has been completed.

# Headlines

## Local & National Context - Administration and Governance

The total membership of the City of London Corporation Pension Fund (the 'Fund') was c. 16,000 people as at the end of March 2025. Of this number around one third are active employees who still contribute to the scheme. In total, there were 10 active employers covered by City of London Corporation Pension Fund at the end of March 2025.

The Fund has continued to work through the processes for connecting to the Pensions Dashboard ecosystem and is on track to connect to the Pensions Dashboard by the public sector staging date of 31 October 2025. The service itself 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.

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.

At the time of writing, 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 these will reflect the estimated underpin protection as provided for by the McCloud Remedy.

We have received requests from employer body auditors to undertake work on the accuracy and completeness of the information provided to the actuary as part of the 2024/25 IAS 19 valuation process. This work has been completed and appropriate assurances provided.

## Local & National Context - Investments and Funding

The net assets of the City of London Corporation Pension Fund as at the end of March 2025 amounted to £1,525.3m (31 March 2024: £1,495.8m).

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. The 2025 triennial valuation is now well progressed with cleansed information being provided to the actuary in August. Preliminary results are expected in the autumn and the anticipation is that funding levels across the sector will improve.

At the end of May 2025 the Government published its response to the 'Fit for the Future' consultation. Its key proposals include:

- **reforming asset pooling** - transferring all assets to the management of the pool alongside taking principal investment advice from the pool and delegating implementation of the investment strategy to the pool,
- **boosting investment in local areas and regions** - setting out the approach to local investment in the Investment Strategy Statement and working with relevant Strategic Authorities to identify suitable local investment opportunities, and
- **strengthening the governance of LGPS Administering Authorities and LGPS pools** - undertaking an independent governance review once in every three-year period, have an independent advisor without voting rights, rather than an independent member of a committee and prepare strategies on governance, knowledge and training and administration.

The minimum standards for pooling and the independent governance review will be introduced in the Pension Schemes Bill which is about to enter the Committee stage in Parliament. Subsequent regulations and statutory guidance will provide further detail on implementation of all the new requirements.

The Fund is in the London CIV pool and already well advanced with pooling. During 2024/25 the Fund continued to move assets into the 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). Pooled funds with the London CIV now represent £845.3m of the funds £1,502.1m net investment assets, i.e. 56% of the funds net investment assets. We will track progress against the other proposals once regulations and guidance are finalised.

# Financial statements

# Financial statements

## Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the NAO Code of Audit Practice (the 'Code'). Its contents will be discussed with management and the Audit and Risk Management Committee.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, 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 for the preparation of the financial statements.

For City of London Corporation Pension Fund, the Audit and Risk Management Committee fulfil the role of those charged with governance. We note that there is a separate Pension Committee which considers the draft financial statements and is part of the overall member oversight process.

## Audit approach

Our audit approach was based on a thorough understanding of the Pension Fund's business and is risk based, and in particular included:

- an evaluation of the Pension Fund's internal controls environment, including its IT systems and controls; and
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks.

# Financial statements (continued)

## Conclusion

We have substantially completed our audit of your financial statements and subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion following the Audit and Risk Management Committee meeting on 15<sup>th</sup> September 2025 and following final approval of the accounts by the Finance Committee on 16<sup>th</sup> September 2025 , subject to the following outstanding matters:

- Benefits payable- receipt of BACS payment evidence for Lump Sums from the strategic finance team;
- senior engagement team review;
- receipt of management representation letter; and
- review of the final set of financial statements.

## Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff.

# Materiality



# Our approach to materiality

As communicated in our Audit Plan dated April 2025, we determined headline materiality at the planning stage as £29m based upon 2% of Gross Investment Assets as at 31 March 2024. At year-end, we have reconsidered planning materiality based on the 2024/25 figures in the draft financial statements. We have retained the planning materiality due to the actual value of gross investment assets changing insignificantly from the planning stage and no new risk indicators being identified.

A recap of our approach to determining materiality is set out below.

## Basis for our determination of materiality

- We have determined materiality at £29m based on professional judgement in the context of our knowledge of the Fund, including consideration of factors such as stakeholder expectations, industry developments, financial stability and reporting requirements for the financial statements.
- We have used 2% of gross investment assets as at 31 March 2024 as the benchmark for our materiality.
- The benchmark percentage applied has increased from 1.9% in the prior period audit, to 2%, based on the following factors:
  - The Fund's portfolio being 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.

## Performance materiality

- We have determined performance materiality at £20.3m, this is based on 70% of headline materiality. We have not had to revise performance materiality from the planned level.

## Specific materiality for the Fund Account

- We have determined a lower separate materiality for the fund account at £7.23m, this is based on 10% of gross expenditure (in the Fund Account) as at March 2024. The lower specific materiality for the fund account was applied to the audit of all fund account transactions, except for investment transactions, for which headline materiality was applied. Similarly to our headline materiality we did reconsider this based upon the draft financial statements. Whilst expenditure has increased our view is that this is linked to possible one-off events which it would not be appropriate to take into consideration when reviewing our materiality. We have therefore not revised our Fund Account materiality from the planned level.

## Reporting threshold

- We will report to you all misstatements identified in excess of £1.45m, in addition to any matters considered to be qualitatively material.

# Our approach to materiality (continued)

A summary of our approach to determining materiality is set out below.

Description	Amount (£)	Qualitative factors considered
Materiality for the financial statements	29,000,000	<p>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.</p> <p>Headline Materiality for planning equates to 2% of your gross investment assets as at 31 March 2024.</p>
Performance materiality	20,300,000	Performance Materiality is based on a percentage (70%) of the overall materiality.
Specific materiality for the fund account	7,230,000	<p>The contribution and benefit structures of the Fund are not complex as there are only 20 employers in the scheme, of which the City of London Corporation itself represents 92% of active members and of beneficiaries receiving a pension.</p> <p>Materiality for the Fund Account for planning equates to 10% of gross expenditure (in the fund account) as at 31 March 2024.</p>
Trivial matters - reporting threshold	1,450,000	Performance Materiality is based on a percentage (70%) of the overall materiality.

# Overview of audit risks

# Overview of audit risks

Significant risks are defined by ISAs (UK) as an identified risk of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum due to the degree to which risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement if that misstatement occurs.

Significant classes of transactions, account balances, and disclosures, are associated with risks of material misstatement but are not always significant risks (SCOT+).

Material only are material financial statement line items not associated with risks of material misstatement.

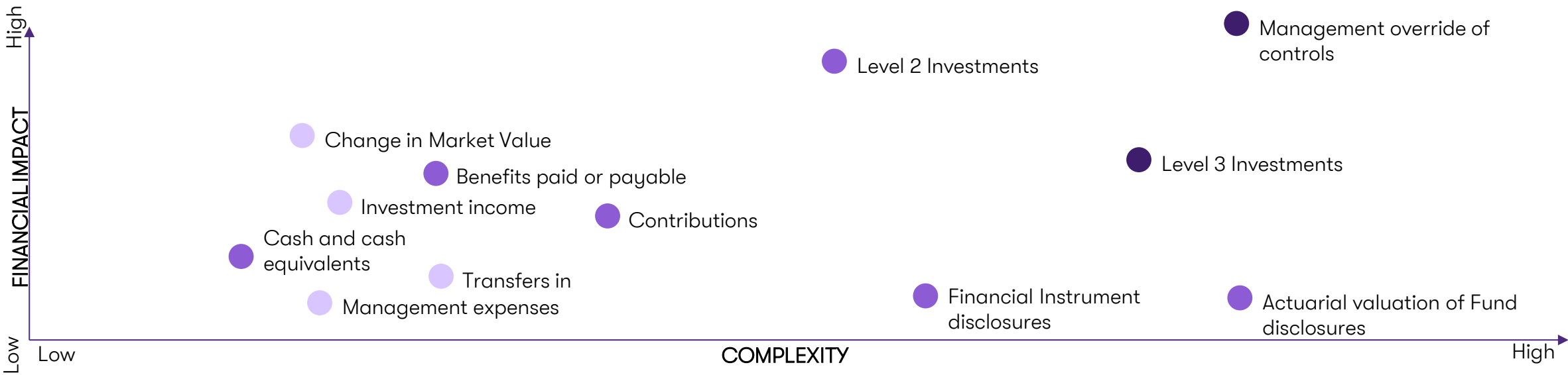
Other audit risks are accounts that are not associated with any SCOT + or with a material only financial statement line item or disclosure.

In the graph overleaf, we have presented the, significant risks, SCOT, material only and other risks relevant to the audit.



# Overview of audit risks

There have been no changes to the audit risk assessment communicated in our audit plan.



## Glossary

Significant risk	●
SCOT+	●
Material only	●
Other audit risks – none identified	●

# Overview of audit risks

Risk title	Risk level	Change in risk since Audit Plan	Fraud risk	Level of judgement or estimation uncertainty	Status of work
Management override of controls	Significant	↔	✓	Low	●
Valuation of Level 3 Investments	Significant	↔	✗	High	●
Valuation of Level 2 Investments	SCOT+	↔	✗	Medium	●
Actuarial Present Value of Promised Retirement Benefits disclosure – IAS 26	SCOT+	↔	✗	Medium	●
Cash and cash equivalents	SCOT+	↔	✗	Low	●
Benefits payable	SCOT+	↔	✗	Low	●
Contributions receivable	SCOT+	↔	✗	Low	●
Financial instrument disclosures	SCOT+	↔	✗	Low	●

## Glossary

- ↑

Assessed risk increased since audit plan
- ↔

Assessed risk consistent with audit plan
- ↓

Assessed risk decrease since audit plan
- Not likely to result in material adjustment or change to disclosures within the financial statements
- Potential to result in material adjustment or significant change to disclosures within the financial statements
- Likely to result in material adjustment or significant changes to disclosures within the financial statements

# Significant risks

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. This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risk identified	Audit procedures performed	Key observations
<div>Management override of controls</div> <p>In accordance with ISA (UK) 240, we have identified a risk of fraud in respect of management override of controls.</p>	<p>As part of our audit procedures, we have:</p> <ol style="list-style-type: none"><li>1. Reviewed accounting estimates, judgements and decisions made by management</li><li>2. Tested journals entries</li><li>3. Reviewed unusual significant transactions</li><li>4. Incorporated an element of unpredictability into our audit procedures</li></ol>	<p>We have noted one finding in relation to management override of controls.</p> <p>As documented in our follow up of prior period audit recommendations, the Fund have made improvements during 2024/25 to its control environment for journals over £100k. For those under £100k, the fund is currently willing to tolerate the risk in respect of detection and correction. We have looked at these and the total of journals processed under £100k is £1.6m and therefore we are satisfied with the low risk of material misstatement. However, we continue to recommend that management implement changes to the control environment to ensure timely detection and correction of potential errors in these entries.</p> <p>During our testing of journal entries, we identified a highly trivial miscoding error between Cash and Current Assets – Receivables. Had there of been a review of journal entries below £100k, this may have been identified by the fund. However, we are satisfied that this is not indicative of management override of controls.</p> <p>We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology.</p> <p>Having assessed management judgements and estimates individually and in aggregate we are satisfied that there is no material misstatement arising from management bias across the financial statements.</p>

Significant

# Significant risks (continued)

Risk identified	Audit procedures performed	Key observations
<p><b>Valuation of level 3 investments</b></p> <p>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.</p> <div>Significant</div> <p>Relevant assertion(s)</p> <p>Valuation, Existence</p> <p>Applicable assertion(s)</p> <p>Rights &amp; Obligations, Presentation</p> <p>Planned level of control reliance</p> <p>None</p>	<p>As part of our audit procedures, we have:</p> <ol style="list-style-type: none"> <li>1. Evaluated management's processes for valuing Level 3 investments;</li> <li>2. Obtained and reviewed the audited financial statements of the investment accounts. Where these were at a different reporting date to the Fund's financial statements the valuations were compared using the accounting for cashflows;</li> <li>3. Obtained and reviewed the corresponding investment manager report as at the investment accounts and the Fund accounts reporting dates where appropriate;</li> <li>4. Reviewed purchase and sale transactions of the investment near the reporting date where appropriate;</li> <li>5. Reviewed the guidelines under which the investment has been valued at the date of the investment accounts and the Fund accounts;</li> <li>6. Reviewed management's classification of the assets;</li> <li>7. Obtained and reviewed investment manager service auditor report on design and operating effectiveness of internal controls where appropriate.</li> </ol>	<p>We have noted no material adjustments or findings in relation to the valuation of level 3 investments.</p> <p>We are satisfied that judgements made by management are appropriate and the valuations have been determined using consistent methodology.</p>



# Significant Classes of Transactions

Significant classes of transactions, account balances, and disclosures (SCOT+s), are associated with risks of material misstatement but are not linked to a significant risk. This section provides commentary on the SCOT+ risks communicated in the Audit Plan.

Risk identified	Audit procedures performed	Key observations
<p><b>Valuation of level 2 investments</b></p> <p>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 (£1,201m as at 31 March 2025). As a result, the valuation of the Fund’s Level 2 investments have been identified as a significant class of transactions.</p> <div><p>Significant Class of transactions (SCOT+)</p></div> <p>Relevant assertion(s) Existence, Valuation</p> <p>Applicable assertion(s) Rights &amp; Obligations, Presentation</p> <p>Planned level of control reliance None</p>	<p>As part of our audit procedures, we have:</p> <ol style="list-style-type: none"><li>1. Agreed the valuation to the confirmation received from the investment manager;</li><li>2. Agreed the valuation back to quoted prices at year-end where available;</li><li>3. Compared the valuation to purchase and sale transactions near the reporting date (where appropriate);</li><li>4. Reviewed the guidelines under which the investment has been valued (where appropriate);</li><li>5. Obtained and reviewed a service auditor’s report on internal controls for the investment manager (where appropriate);</li><li>6. Reviewed management’s classification in the fair value hierarchy for a sample of level 2 investments;</li><li>7. No additional detailed testing was performed beyond the planned procedures as we have obtained sufficient assurance.</li></ol>	<p>We have noted no material adjustments or findings in relation to level 2 investments.</p> <p>We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology.</p>

# Significant Classes of Transactions (continued)

Risk identified	Audit procedures performed	Key observations
<p><b>Actuarial present value of promised retirement benefits disclosure – IAS 26</b></p> <p>The disclosure of the Fund’s Actuarial Present Value of Promised Retirement Benefits is an accounting estimate and is sensitive to changes in key assumptions. As an actuarial valuation has not been prepared at the date of the financial statements IAS 26 requires the most recent valuation (which should be based on IAS 19, not the pension fund’s funding assumptions) to be used as a base and the date of the valuation disclosed (net assets of £160m as at 31 March 2025). The Pension Fund engage the services of a qualified actuary to develop an IAS 26 compliant estimate of the disclosure. As a result, it has been identified as a significant class of transactions.</p> <div> <div>Significant Class of transactions (SCOT+)</div> <div> <div>Relevant assertion(s)</div> <div>Valuation</div> <div>Applicable assertion(s)</div> <div>Presentation</div> <div>Planned level of control reliance</div> <div>None</div> </div> </div>	<p>As part of our audit procedures, we have:</p> <ol style="list-style-type: none"> <li>Updated 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;</li> <li>Evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary’s work;</li> <li>Assessed the competence, capabilities and objectivity of the actuary who carried out the Fund’s valuation;</li> <li>Assessed the accuracy and completeness of the information provided by the Fund to the actuary to estimate the liability;</li> <li>Tested the consistency of disclosures with the actuarial report from the actuary; and</li> <li>Undertaken 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.</li> </ol>	<p>We have noted no material adjustments or findings in relation to the actuarial present value of promised retirement benefits disclosure (IAS 26).</p> <p>We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology.</p>

# Significant Classes of Transactions (continued)

Risk identified	Audit procedures performed	Key observations
<p><b>Cash and cash equivalents</b></p> <p>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.</p> <div>Significant Class of transactions (SCOT+)</div> <p>Relevant assertion(s)</p> <p>Existence, Completeness</p> <p>Applicable assertion(s)</p> <p>Rights &amp; Obligations, Presentation</p> <p>Planned level of control reliance</p> <p>None</p>	<p>As part of our audit procedures, we have:</p> <ol style="list-style-type: none"><li>1. Obtained direct confirmations for all bank accounts;</li><li>2. Obtained monthly bank reconciliations as at the year-end and for one month post year-end; and</li><li>3. Reconciling items we deemed to be immaterial and as such did not require confirmation of clearance through the bank account after the year-end</li></ol>	<p>We have noted no material adjustments or findings in relation to the cash and cash equivalents balance.</p>

# Significant Classes of Transactions (continued)

Risk identified	Audit procedures performed	Key observations
<div>Benefits payable</div> <div>Pension benefits payable represents a significant percentage of the Fund’s expenditure.</div> <div>Significant Class of transactions (SCOT+)</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>As part of our audit procedures, we have:</div> <div><div>1. Evaluated the Fund's accounting policy for recognition of pension benefits expenditure for appropriateness;</div><div>2. Gained an understanding of the Fund's system for accounting for pension benefits expenditure and evaluate the design of the associated controls;</div><div>3. Tested a sample of lump sums and associated individual pensions in payment by reference to member files; and</div><div>4. Tested 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>	<div>At the time of writing, we have not noted any material adjustments or findings in relation to the benefits payable balance.</div> <div>However, the conclusion of our audit findings is pending the receipt of BACS payment evidence for Lump Sums from the strategic finance team.</div>

# Significant Classes of Transactions (continued)

Risk identified	Audit procedures performed	Key observations
<p><b>Contributions receivable</b></p> <p>Contributions from employers and employees represents a significant percentage of the Fund's revenue. As a result, it has been identified as a significant class of transactions.</p> <div>Significant Class of transactions (SCOT+)</div> <p>Relevant assertion(s) Completeness Applicable assertion(s) Accuracy, Occurrence, Presentation Planned level of control reliance None</p>	<p>As part of our audit procedures, we have:</p> <ol style="list-style-type: none"><li>1. Evaluated the Fund's accounting policy for recognition of contributions for appropriateness;</li><li>2. Gained an understanding of the Fund's system for accounting for contribution income and evaluate the design effectiveness of the associated controls;</li><li>3. Tested a sample of contributions to source data to gain assurance over their accuracy and occurrence; and</li><li>4. Tested 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.</li></ol>	<p>We have noted no material adjustments or findings in relation to the contributions receivable balance.</p>

# Significant Classes of Transactions (continued)

Risk identified	Audit procedures performed	Key observations
<div>Financial instrument disclosures</div> <p>Financial instrument and associated risk disclosures provide crucial information to allow users to understand and evaluate:</p> <ul style="list-style-type: none"><li>• The significance of financial instruments to the entity’s financial position and performance.</li><li>• The nature and extent of risks from financial instruments during, and at the close of, the reporting period.</li><li>• How the Fund manages these risks.</li></ul> <div>Significant Class of transactions (SCOT+)</div> <p>Relevant assertion(s) Accuracy</p> <p>Applicable assertion(s) Completeness, Presentation</p> <p>Planned level of control reliance None</p>	<p>As part of our audit procedures, we have:</p> <ol style="list-style-type: none"><li>1. Updated our understanding of the processes and controls put in place by management to prepare the financial instrument disclosures;</li><li>2. Documented and evaluate the Fund’s accounting policies for appropriateness and consistency;</li><li>3. Evaluated the instructions issued by management to their management expert/information provider for these disclosures;</li><li>4. Tested the consistency of disclosures with the actuarial report from the actuary; and</li><li>5. For all material financial instrument disclosures we have confirmed they are disclosed in accordance with IFRS 7, measured in accordance with IFRS 9 and classified in accordance with CIPFA guidance on IFRS 9 Financial Instruments</li></ol>	<p>We have noted no material adjustments or findings in relation to the financial instrument disclosures.</p>

# Rebuttal of presumed risks

Risk	Risk relates to	Audit team's assessment	Final 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"> <li>• there is little incentive to manipulate revenue recognition;</li> <li>• opportunities to manipulate revenue recognition are very limited; and</li> <li>• the culture and ethical frameworks of public sector bodies, including the Fund, mean that all forms of fraud are seen as unacceptable.</li> </ul> <p>Therefore, we do not consider this to be a significant risk for the Pension Fund.</p>	At planning we did not consider this to be a significant risk for the Fund and that standard audit procedures would be carried out. We have continued to review this rebuttal throughout the audit to ensure this judgement remains appropriate and are satisfied that it does.
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"> <li>• there is little incentive to manipulate expenditure recognition;</li> <li>• opportunities to manipulate expenditure recognition are very limited; and</li> <li>• the culture and ethical frameworks of public sector bodies, including the Fund, mean that all forms of fraud are seen as unacceptable.</li> </ul> <p>Therefore, we do not consider this to be a significant risk for the Pension Fund.</p>	At planning we did not consider this to be a significant risk for the Fund and that standard audit procedures would be carried out. We have continued to review this rebuttal throughout the audit to ensure this judgement remains appropriate and are satisfied that it does.

# Other findings



# Other findings – key judgements and estimates

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors.

## Summary of management's approach

### Level 3 investments - £301.1m

The Pension Fund has investments in Infrastructure funds, Pooled property funds and Private equity funds that total £301.1m on the net assets statement at year-end.

Management receive quarterly performance reports which are reviewed and subsequently presented to the Pensions Committee, providing scrutiny of estimates. Investment managers will periodically provide update reports for committee meetings – providing an opportunity for officers and members to challenge unusual movements or assumptions.

These investments are not traded on an open exchange/market and the valuation of the investment is highly subjective due to a lack of observable inputs. To determine the value, management rely on the valuations provided by the investment managers.

The value of the investment has increased by £79.3m in 2024/25, largely due to an in-year investment of £75.0m into an open-ended Infrastructure Fund in January 2025 as part of the strategic asset allocation. To fund the new investment, the Pension Fund fully disinvested from Lindsell Train and made a drawdown from equity manager C Worldwide (both of which were Level 2 assets) and used Cash in the Bank Account.

## Audit comments

In response to management's approach, we have:

1. Reviewed the audited financial statements of the investment accounts. Where there were different reporting dates, cashflows have been considered in the comparison
2. Ensured consistency of the investment management report with the financial statements
3. Compared the valuation to purchase and sale transactions of the investment near the reporting date (where appropriate)

*continued overleaf*

# Other findings – key judgements and estimates (continued)

## Audit comments (continued)

4. Reviewed the guidelines under which the investment has been valued at the date of the investment accounts and fund accounts

5. Obtained and reviewed investment manager service auditor reports on design and operating effectiveness of internal controls where appropriate

6. Evaluated the reasonableness of any increase/decrease in valuation of the estimate, using relevant indices where appropriate

In undertaking this approach, we have also considered the completeness and accuracy of the underlying information used to determine the estimate, in addition to the impact of any changes to valuation method from the prior period (if applicable).

We have also confirmed that the sensitivities disclosed in the notes to the accounts are reasonable and in line with the CIPFA Code, and the estimate is adequately disclosed in the financial statements.

## Assessment

● [Green] We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

### Assessment Key

- [Red] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Amber] We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider cautious
- [Green] We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

# Other findings – key judgements and estimates (continued)

## Summary of management's approach

### Level 2 investments - £1,201m

The Pension Fund has investments in the LCIV Pool that total £1,201m on the net assets statement at year-end.

Management receive quarterly performance reports which are reviewed and subsequently presented to the Pensions Committee, providing scrutiny of estimates. Investment managers will periodically provide update reports for committee meetings – providing an opportunity for officers and members to challenge unusual movements or assumptions.

These investments involve inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. The investments are not traded on an open exchange/market and the valuation of the investment is subjective. In order to determine the value, investment managers make use of evaluated price feeds.

The value of the investment has decreased by £61m in 2024/25, largely due to in-year disinvestment from Lindsell Train and a drawdown from equity manager C Worldwide, in order to help invest £75.0m into an open-ended Infrastructure Fund (Level 3 asset) in January 2025 as part of the asset allocation. Note the level 3 asset was also funded by Cash in the Bank Account.

## Audit comments

In response to management's approach, we have:

1. Ensured consistency of the investment management report with the financial statements;
2. Agreed the valuation back to quoted and/or publicly published prices at year-end where available;
3. Compared the valuation to purchase and sale transactions of the investment near the reporting date (where appropriate); and
4. Reviewed the guidelines under which the investment has been valued at the date of the investment accounts and fund accounts

*continued overleaf*

# Other findings – key judgements and estimates (continued)

Audit comments (continued)

5. Obtained and reviewed investment manager service auditor reports on design and operating effectiveness of internal controls where appropriate

6. Evaluated managements classification within the fair value hierarchy

In undertaking this approach, we have also considered the completeness and accuracy of the underlying information used to determine the estimate, in addition to the impact of any changes to valuation method from the prior period (if applicable).

We have also confirmed that the sensitivities disclosed in the notes to the accounts are reasonable and in line with the CIPFA Code, and the estimate is adequately disclosed in the financial statements.

Assessment

● [Green]

We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

Assessment Key

- [Red]

We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Amber]









We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider optimistic
- [Grey]

We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider cautious
- [Green]




We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

# Other findings – Information Technology

This section provides an overview of results from our assessment of the Information Technology (IT) environment and controls therein which included identifying risks from IT related business process controls relevant to the financial audit. This table below includes an overall IT General Control (ITGC) rating per IT application and details of the ratings assigned to individual control areas. For further detail of the IT audit scope and findings please see separate 'IT Audit Findings' report.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
<b>General Ledger - Oracle E-Business Suite</b>	ITGC assessment (design, implementation and operating effectiveness). Prepared 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 and used by the City of London Corporation Pension Fund.	 [Amber]	 [Green]	 [Green]	 [Amber]*  *See overleaf for non-significant deficiency	Management override of controls
<b>Pension Administration System - Altair</b>	ITGC assessment (design and implementation effectiveness only)	 [Green]	 [Green]	 [Green]	 [Green]	Contributions receivable, Benefits payable and the actuarial valuation

## Assessment:

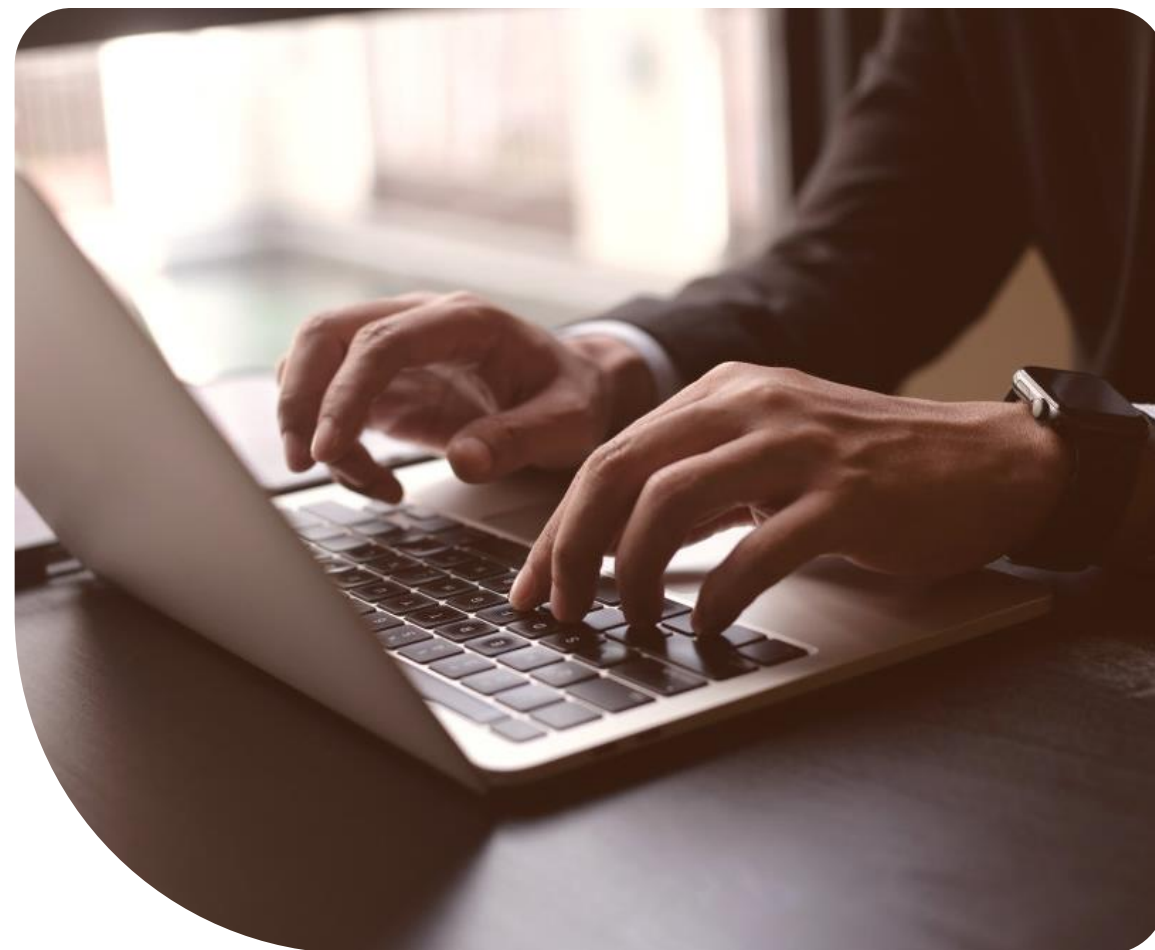
-  [Red] Significant deficiencies identified in IT controls relevant to the audit of financial statements
-  [Amber] Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
-  [Green] IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope

# Other findings – Information Technology

Additional procedures carried out to address risks arising from our findings

The Oracle E-Business Suite application's technology infrastructure was noted to have a non-significant deficiency related to there being a lack of formal documentation for batch job changes. This is detailed further in our separate 'IT Audit Findings' report which has been shared with management. There was no direct impact on the planned financial audit approach of the Fund. We have also provided suggestions for improving password controls.

This recommendation was also raised in the prior period and is therefore detailed in our follow up of prior period recommendations on pages 44 to 45.



# **Communication requirements and other responsibilities**

# Other communication requirements

	Issue	Commentary
1	Matters in relation to fraud	<ul style="list-style-type: none"> <li>We have previously discussed the risk of fraud with the Audit and Risk Management Committee. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures</li> </ul>
2	Matters in relation to related parties	<ul style="list-style-type: none"> <li>We are not aware of any related parties or related party transactions which have not been disclosed</li> </ul>
3	Matters in relation to laws and regulations	<ul style="list-style-type: none"> <li>The unintended exclusion of some casual workers from the LGPS by the City of London Corporation may have led to non-compliance with employment and pension regulations. The matter was reported by the Fund Employer (i.e. the City of London Corporation) to the Pensions Regulator as a breach in pensions regulations. The Regulator advised that “where an employer has identified an error or failed to carry out their enrolment duties, they must rectify the error as it did not occur”. A remediation process is in place. On this basis we were satisfied that no further action was required from us as the Fund's auditors and that no additional risks were identified.</li> <li>You have not made us aware of any other incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work</li> </ul>
4	Written representations	<ul style="list-style-type: none"> <li>A letter of representation has been requested from the Pension Fund. This will be shared with management and the Audit &amp; Risk Management Committee informed at its meeting that there were no specific representations requested beyond those normally sought, which is an report item at this committee.</li> <li>This will be signed alongside the final draft of the financial statements in advance of the conclusion of the audit.</li> </ul>
5	Confirmation requests from third parties	<ul style="list-style-type: none"> <li>We requested from management permission to send confirmation requests to their custodian and investment managers. This permission was granted and the requests were sent. All requests were returned with positive confirmation and no alternative procedures were required.</li> <li>We requested management to send letters to those internal legal counsel who worked with the Pension Fund during the year. All responses have been received with no issues noted.</li> </ul>
6	Disclosures	<ul style="list-style-type: none"> <li>Our review found no material omissions in the financial statements</li> <li>Significant disclosures in the 2024/25 statutory financial statements include the Fair Value Hierarchy, Actuarial Present Value of Promised Retirement Benefits, Uncertainty and risk disclosures</li> </ul>



# Other communication requirements (continued)

## Going Concern

### Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management’s use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity’s ability to continue as a going concern” (ISA (UK) 570).

### Commentary

In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2024). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.

Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:

- 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 entity’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, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities
- for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting.

Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10.

*continued overleaf*

# Other communication requirements (continued)

## Going Concern

### Commentary (continued)

The financial reporting framework adopted by the Pension Fund meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:

- the nature of the Pension Fund and the environment in which it operates
- the Pension Fund's financial reporting framework
- the Pension Fund's system of internal control for identifying events or conditions relevant to going concern
- management's going concern assessment.

On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:

- a material uncertainty related to going concern has not been identified
- management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

# Other responsibilities

Issue	Commentary
Other information	<p>The Pension Fund is administered by the City of London Corporation (the ‘Corporation’), and the Pension Fund’s accounts form part of the Corporation’s financial statements. We are required to 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. No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect – refer to separate agenda item.</p>
Matters on which we report by exception	<p>We are required to give a separate consistency opinion for the Pension Fund Annual Report on whether the financial statements included therein are consistent with the audited financial statements.</p> <p>The statutory deadline requires that the Pension Fund Annual Report is published by 1 December 2025. We have received a draft of the Annual Report from the Pension Fund and are completing our work upon it. We are therefore not yet in a position to give this separate ‘consistency’ opinion at this time. We anticipate being able to issue our ‘consistency’ opinion in the forthcoming weeks and ahead of the 1 December Annual Report deadline.</p> <p>We do note that whilst an opinion on the administering authority’s financial statements can be issued by their auditor the formal certificate confirming completion of the audit of the administering authority cannot be given until their work on Whole of Government Accounts and our work on the Annual Report has been completed.</p> <p>We are required to report if we have applied any of our statutory powers or duties as outlined in the NAO Code. We have nothing to report on these matters.</p>

# Audit adjustments

# Adjusted misstatements

This is a summary of adjusted misstatements identified during the audit. We are required to report all non-trivial misstatements to those charged with governance. We have noted no adjusted misstatements which impact upon the balances reported in Net Assets Statements and Fund Account.

Disclosure misstatement	Auditor recommendations
<p><b>Note 17 - Funded Obligation of the Overall Pension Fund</b></p> <p>The discount rate reported in Barnett Waddingham’s IAS 26 report is 5.85%, whereas the draft 2024/25 Statement of Accounts (SOA) reflected a rate of 5.9%.</p>	<p>We recommend that management update the final version of the SOA to align with the IAS 26 report.</p> <p><b>Management response</b></p> <p>This update has been processed in the final version of the SOA</p>
<p><b>Note 23 - Contingent liabilities and contractual commitments</b></p> <p>In a case involving Virgin Media and NTL in June 2023, the High Court ruled that a lack of evidence of actuarial confirmation would render relevant amendments to affected contracted-out Defined Benefit pension schemes’ rules invalid and void. The Court of Appeal upheld the ruling in July, with potential far-reaching implications for many Defined Benefit schemes – including Local Government Pension Schemes.</p>	<p>We requested management reflect upon this matter as a potential contingent liability and update the Note 19 disclosure to reflect their judgement.</p> <p><b>Management response</b></p> <p>Management have deemed this to be a contingent liability and have agreed to update the disclosure in Note 19</p>
<p><b>Note 23 - Contingent liabilities and contractual commitments</b></p> <p>As part of our review of contractual commitments we noted a clerical error of £2.145m, which would result in the corrected balance being £61.8m.</p>	<p>We recommend that management update the final version of the SOA to reflect this.</p> <p><b>Management response</b></p> <p>This update has been processed in the final version of the SOA</p>
<p><b>Note 15 - Risk and risk management - Interest rate risk</b></p> <p>As part of our review of the financial statements we noted that the bond value differed to the amounts disclosed in Note 12 for both the current and prior period:</p> <p>2023/24 - £182.2m in Note 15 should have been £212.7m per Note 12</p> <p>2024/25 - £388.9m in Note 15 should have been £203.3m per Note 12</p>	<p>We recommend that management update the final version of the SOA to reflect this.</p> <p><b>Management response</b></p> <p>This update has been processed in the final version of the SOA</p>

# Unadjusted misstatements

We are required to report all non-trivial misstatements to those charged with governance.

We have noted no unadjusted misstatements which impact upon the balances reported in Net Assets Statements and Fund Account.

## Impact of unadjusted misstatements in prior year

There were no unadjusted misstatements identified in 2023/24 which required reporting as they would not result in changes to the reported figures in the key financial statements and the reported net assets of the Fund for the year ending 31 March 2024.

# Action plan

We have identified one recommendation for the Pension Fund as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2025/26 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

	Assessment	Issue and risk	Recommendations
1	● [Green]	<p>The most recent period in which the internal audit scope included areas attributable to the Pension Fund was 2019/20. The City of London Corporation has been investing in recent years to increase the capacity and resilience of internal audit, and as a result the service is now fully resourced.</p> <p>Whilst there is not a formal requirement for internal audit to undertake work on pensions arrangements at Administering Authorities, and practice is not consistent across the sector, we believe that it is best practice to include the Pension Fund within the scope of internal audit on a regular basis. The Fund may also wish to consider this in the wider light of Government’s expectations on governance arrangements following the ‘Fit for Future’ consultation.</p>	<p>Management and officers should consider adding the pension fund to the upcoming scope of internal audit.</p> <p><b>Management response</b></p> <p>Internal audit have built this into their programme of work for 2025/26, including a review planned for the LGPS Administration. The headline objective for this work will be to provide assurance that the governance , risk and control arrangements over administration of the Local Government Pension Scheme are adequate and effective.</p>

Assessment key:

- [Red] High – Significant effect on financial statements
- [Amber] Medium – Limited effect on financial statements
- [Green] Low – Best practice

# Follow up of prior year recommendations

This is a summary of where we identified recommendations for the Pension Fund because of issues identified during the prior year audit, and an update on actions taken by management as a result.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
1 →	<p><b>Lack of formal documentation in Altair user access provisioning processes</b></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><b>Risk</b></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 Authority should establish formal policies and procedures for all user access requests and retain relevant documentation. This includes details of the required user access rights, approver authorization, and the effective date for any access changes or removals. These policies and procedures should be communicated to all staff to ensure that activities are consistently performed, logged, and monitored.</p>	<p>At the time of receiving the recommendation in the prior year, the ‘Systems Administrator’ post (which is responsible for this area of work) was still vacant and applicants to the role were being sought. The post was filled in late March 2025 and since this date the Pensions Office have been working to formally document the processes used to set up new users within the Altair system.</p>

Assessment:

- ✓ Action completed
- Work in progress / Partially addressed
- ✗ Not yet addressed



# Follow up of prior year recommendations

This is a summary of where we identified recommendations for the Pension Fund because of issues identified during the prior year audit, and an update on actions taken by management as a result.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
2 →	<p><b>Journal authorisation timeliness</b></p> <p>During the 2023/24 audit, we noted that there was no defined timeline for sending follow-up emails for approvals or for receiving formal approval of journal entries.</p> <p><b>Risk</b></p> <p>Timeliness of journals authorisation enables the appropriate detection and correction of errors to be addressed in a timely manner.</p> <p>We recommended that a check on authorisations being undertaken is established.</p>	<p>The Pension Fund have implemented a monthly control process to monitor journal approvals during 2024/25.</p> <p>Each month, journals requiring approval by a designated approver are extracted from Oracle, and are then categorized into two groups:</p> <ul style="list-style-type: none"><li>• Transactions below £100,000</li><li>• Transactions above £100,000</li></ul> <p>For transactions exceeding £100,000: a formal email is sent to the respective designated approver, with appropriate processes to escalate delays in review.</p> <p>For transactions below £100,000: No changes have been made to the control environment to address the risk of detection and correction of error in these entries within a timely manner.</p> <p>We recommend that a check on authorisations being undertaken is established for transactions below £100,000.</p>

**Assessment:**

- ✓ Action completed
- Work in progress / Partially addressed
- ✗ Not yet addressed

# **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 [and network firms]). In this context, we disclose the following to you:

Matter	Conclusion
Our firm provides audit services to the London Collective Investment Vehicle (LCIV)	We have concluded that these services would not have an impact on our independence, on the basis that these entities are legally and operationally independent from this pension scheme. In addition, these services are being provided by a team which is separate and independent from our audit team. The result of their work would not have any impact in the financial statements that are subject to our audit. We have considered that an objective reasonable and informed third party would concur with this conclusion.

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 confirm that there are no such matters.

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

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in February 2025 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

# Independence considerations (continued)

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

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Fund 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 or investments in the Fund 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 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 (see page 47). Grant Thornton UK LLP moved London Offices in July 2025. The new office is 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 committees, 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 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 and network firms 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 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 overleaf set out the total fees for non-audit services that we have been engaged to provide or charged from the beginning of the financial year to date, as well as the threats to our independence and safeguards have been applied to mitigate these threats.

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

None of the 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 overleaf summarises all non-audit services which were identified. We have adequate safeguards in place to mitigate the perceived self-interest threat from these fee.

Our firm also provides audit and non-audit services to the City of London Corporation. The fees in relation to these services and the related ethical considerations are reported in the Audit Findings Report issued to Those Charged With Governance (TCWG) for that entity. Consequently, such fees are disclosed in the Corporation's financial statements rather than the Pension Fund's.

# Fees and non-audit services

Audit fees	£
Audit of Pension Fund	95,000
Total	95,000

Audit related non-audit services	£	Threats identified	Safeguards applied
IAS 19 Assurance letters for Admitted Bodies outside of the NAO Code of Audit Practice	1,100	<p>Self-Interest – Work is awarded as part of the audit contract; additional fees are not significant compared to the audit of the financial statements and is fixed based on the number of admitted bodies.</p> <p>Advocacy - Work is subject to internal review by qualified accountants. Template letters and methodology are created centrally to support the teams in wording communications objectively.</p>	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 £95,000 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.
Other audit related Non-audit service	0		
Total	1,100		

The above fees are exclusive of VAT.

The audit fees agree to the financial statements.

We confirm that the non-audit fees pertain to IAS19 assurances for admitted bodies of the pension fund. As these costs are passed onto those admitted bodies, the fund are effectively acting as an agent and therefore there will be no fees in PF account.

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





# Appendices

# A. 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	●	
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		●



# A. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
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		
Expected modifications to the auditor's report, or emphasis of matter		

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 Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

### 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.

### Distribution of this Audit Findings Report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, as a minimum a requirement exists for our findings to be distributed to all the company directors and those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report, to those charged with governance.

## B. Internal controls

We confirm that we have not identified a deficiency or a significant deficiency in our evaluation of relevant controls for 2024/25.

Relevant controls are those that auditors believe may prevent, detect or correct a material misstatement.

We are satisfied that our audit findings in relation to IT, Journals below £100k and frequency of internal audit, do not constitute deficiencies to relevant controls, in line with the above definition.



“The purpose of an audit is for the auditor to express an opinion on the financial statements. Our audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters being reported are limited to those deficiencies that the auditor has identified during the audit and that the auditor has concluded are of sufficient importance to merit being reported to those charged with governance.” (ISA (UK) 265)

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

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.

# D. Logistics





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**[\*\*Prepare on client letterhead\*\*]**

Grant Thornton UK LLP  
17th Floor  
103 Colmore Row  
Birmingham  
B3 3AG

**[Date] – {TO BE DATED SAME DATE AS DATE OF AUDIT OPINION}**

Dear Grant Thornton UK LLP

**City of London Corporation Pension Fund  
Financial Statements for the year ended 31 March 2025**

This representation letter is provided in connection with the audit of the financial statements of City of London Corporation Pension Fund ("the Fund") for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the Fund financial statements give a true and fair view in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**Financial Statements**

- i. We have fulfilled our responsibilities for the preparation of the Fund's financial statements in accordance with the Accounts and Audit Regulations 2015, International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Fund and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Fund has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include valuation of Level 2 and Level 3 investments. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition,

measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.

- vi. Except as disclosed in the financial statements:
  - a. there are no unrecorded liabilities, actual or contingent;
  - b. none of the assets of the Fund has been assigned, pledged or mortgaged; and
  - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- vii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- viii. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- ix. We have considered the misclassification and disclosures changes schedule included in your Audit Findings Report. The financial statements have been amended for these misclassifications and disclosure changes and are free of material misstatements, including omissions.
- x. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xi. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xii. The prior period adjustments disclosed in note 15 to the financial statements are accurate and complete. There are no other prior period errors to bring to your attention.
- xiii. We have updated our going concern assessment. We continue to believe that the Fund's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that that:
  - a. the nature of the Fund means that, notwithstanding any intention to liquidate the Fund or cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements;
  - b. the financial reporting framework permits the Fund to prepare its financial statements on the basis of the presumption set out under a) above; and
  - c. the Fund's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Fund's ability to continue as a going concern need to be made in the financial statements.

### Information Provided

- xiv. We have provided you with:
  - a. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - b. additional information that you have requested from us for the purpose of your audit; and
  - c. access to persons within the Fund from whom you determined it necessary to obtain audit evidence.



- xv. We have communicated to you all deficiencies in internal control of which management is aware.
- xvi. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xvii. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xviii. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Fund, and involves:
  - a. management;
  - b. employees who have significant roles in internal control; or
  - c. others where the fraud could have a material effect on the financial statements.
- xix. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xx. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxi. We have drawn to your attention all correspondence and notes of meetings with regulators.
- xxii. We are not aware of any reports having been made to The Pensions Regulator by any of our advisors.
- xxiii. We have disclosed to you the identity of the Fund's related parties and all the related party relationships and transactions of which we are aware.
- xxiv. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

### Approval

The approval of this letter of representation was minuted by the Fund's Audit and Risk Management Committee at its meeting on **[\*\*date\*\*]**.

Yours faithfully

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

**Signed on behalf of the Fund**

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