



## Pensions Committee

**Date:** WEDNESDAY, 11 FEBRUARY 2026

**Time:** 1.45 pm

**Venue:** COMMITTEE ROOM – 2ND FLOOR WEST WING, GUILDHALL

**Members:** Deputy Timothy Butcher (Chairman) Alderman Gregory Jones KC  
David Sales (Deputy Chair) Alderman Simon Pryke  
Deputy Christopher Boden Stephen Hodgson  
Clare James

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**Ian Thomas CBE**  
**Town Clerk and Chief Executive**

# **AGENDA**

## **Part 1 - Public Agenda**

1. **APOLOGIES**

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

3. **MINUTES**

- a) To agree the public minutes and non-public summary of the Pensions Committee meeting on 3 December 2025.

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

- b) To note the public minutes and non-public summary of the Local Government Pensions Board meeting on 12 January 2026.

**For Information**  
(Pages 13 - 18)

4. **WORK PROGRAMME**

Report of the Chamberlain.

**For Information**  
(Pages 19 - 20)

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

Report of the Chamberlain.

*Note: Appendix B is Non-Public and can be found under Agenda Item 22.*

**For Information**  
(Pages 21 - 30)

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

Report of the Chamberlain.

**For Decision**  
(Pages 31 - 74)

7. **INVESTMENT CONSULTANT STRATEGIC OBJECTIVES - ANNUAL REVIEW**

Report of the Chamberlain.

**For Decision**  
(Pages 75 - 82)

8. **PENSION FUND AUDIT FINDINGS FOLLOW UP**

Report of the Chamberlain.

**For Information**  
(Pages 83 - 144)

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

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

11. **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**

12. **NON-PUBLIC MINUTES**

- a) To agree the non-public minutes of the Pensions Committee meeting on 3 December 2025.

**For Decision**  
(Pages 145 - 152)

- b) To note the non-public minutes of the Local Government Pensions Board meeting on 12 January 2026.

**For Information**  
(Pages 153 - 156)

13. **FIT FOR THE FUTURE UPDATE**

Report of the Chamberlain.

**For Information**  
(Pages 157 - 164)

14. **PERFORMANCE MONITORING: REPORT TO 30 NOVEMBER 2025**

Report of the Chamberlain.

**For Information**  
(Pages 165 - 182)

15. **LONDON COLLECTIVE INVESTMENT VEHICLE (LCIV) UPDATE**  
Report of the Chamberlain.  
**For Decision**  
(Pages 183 - 194)
16. **PENSION FUND CASHFLOW FORECAST 2025/26 TO 2028/29**  
Report of the Chamberlain.  
**For Decision**  
(Pages 195 - 208)
17. **LCIV GLOBAL EQUITY QUALITY FUND**  
Report of the Chamberlain.  
**For Decision**  
(Pages 209 - 228)
18. **INVESTMENT STRATEGY REVIEW**  
Report of the Chamberlain.  
**For Decision**  
(Pages 229 - 266)
19. **DRAFT PENSION FUND RESPONSIBLE INVESTMENT POLICY**  
Report of the Chamberlain.  
**For Information**  
(Pages 267 - 288)
20. **DRAFT TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT TO 31 MARCH 2025**  
Report of the Chamberlain.  
**For Information**  
(Pages 289 - 320)
21. **PRI 2025 ASSESSMENT RESULTS**  
Report of the Chamberlain.  
**For Information**  
(Pages 321 - 336)

22. **NON-PUBLIC APPENDIX**

*To be read in conjunction with item 5.*

**For Information**  
(Pages 337 - 338)

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

Report of the Town Clerk.

**For Information**  
(Pages 339 - 344)

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**

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## **PENSIONS COMMITTEE** **Wednesday, 3 December 2025**

Minutes of the meeting of the Pensions Committee held at Committee Room - 2nd Floor West Wing, Guildhall on Wednesday, 3 December 2025 at 2.00 pm

### **Present**

#### **Members:**

Deputy Timothy Butcher (Chairman)  
David Sales (Deputy Chair)  
Deputy Christopher Boden  
Clare James  
Alderman Simon Pryke

#### **Officers:**

Caroline Al-Beyerty	- Chamberlain's Department
Kate Limna	- Chamberlain's Department
Graham Newman	- Chamberlain's Department
Sarah Port	- Chamberlain's Department
Amanda Luk	- Chamberlain's Department
Molly Carvill	- Town Clerk's Department

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

Peter Lisley - Chairman of the Local Government Pensions Board (observed virtually)  
Steve Turner – Mercer  
Lucy Byrne – Barnett Waddingham  
Jamie MacKinnon – Barnett Waddingham

### **1. APOLOGIES**

There were no apologies. Alderman Gregory Jones observed the meeting virtually.

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

There were no declarations.

### **3. MINUTES**

#### **RESOLVED:** That:-

- The public minutes and non-public summary of the Pensions Committee meeting held on 22 September 2025 were approved as an accurate record.

#### **Matters arising:**

*The Chairman expressed his thanks and appreciation to Timothy McNally for his contributions and time on the Committee.*

4. **ANNUAL REVIEW OF THE COMMITTEE'S TERMS OF REFERENCE**

The Committee considered a report of the Town Clerk regarding the Committee's Terms of Reference.

Members noted that recent legislative changes would impact the voting rights of Independent Members on the Pensions Committee. It was agreed that the Terms of Reference should be updated to reflect these changes.

A Member suggested that, given the Pension Fund's strategic shift from asset management to asset allocation, minor adjustments to the wording of relevant sections may be appropriate to ensure accuracy and clarity.

**RESOLVED:** That:-

- Subject to changes added and amended by Officers, the terms of reference of the Pensions Committee be approved for submission to the Court of Common Council in April 2026,
- That any further changes required in the lead up to the Court's appointment of Committees were agreed to be delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman.

5. **WORK PROGRAMME**

The Committee considered a report of the Chamberlain setting out the forward-looking Pensions Committee work programme.

The Chairman observed that the proposed February meeting should include consideration of audit recommendations to ensure these are addressed prior to the 2025/26 external audit.

**RESOLVED:** That Members: -

- Confirmed Officers to revise the work plan with the inclusion of the review of the external auditor recommendations,
- Received the report and noted its content.

6. **PENSIONS SCHEME – ADMINISTRATOR'S UPDATE**

The Committee received a report of the Chamberlain with an update on the administration of the Scheme since the last Committee meeting.

A Member sought clarification on Appendix C, noting that certain performance indicators had not achieved 100% and queried whether this was due to complexities arising in individual cases or indicative of a process issue.

Officer's explained that the variances were primarily attributable to the complexity of specific cases, and whilst the target of 100% remained the objective, occasional delays were inevitable. It was noted that, given the relatively small number of cases in some categories, a single delay could disproportionately affect the statistics.

A Member acknowledged that performance indicators were not always expected to reach 100% but questioned the current reporting methodology. In particular, the Member noted that the reports did not highlight any significant outliers where



deadlines had been missed by a considerable margin and suggested that further consideration be given to how such information could be presented to Members in the future.

The Chairman commended Officers on the key performance indicators and accompanying statistics. He agreed and reiterated the importance of monitoring significantly overdue cases. The Chairman suggested that future reports include details of any exceptions where processing times exceeded 60 days.

A Member queried the common and conditional data scores reported in the latest scheme return. Officers confirmed that the Common Data score was 95% and the Scheme-Specific score was 92%, which the Independent Member regarded as excellent.

The Chairman further referred to the add-on facility for the pensions portal software. He advised that this matter had been raised at the Digital Services Committee on behalf of the Pensions Committee and expressed optimism regarding a positive outcome. The Chamberlain confirmed that the proposal was under consideration, with a contract variation currently being reviewed. This would progress through the governance process and be reported to the Digital Services Committee in due course.

**RESOLVED:** That Members: -

- Received the report and noted its content.

**7. LOCAL GOVERNMENT PENSION SCHEME – TRANSFERS-OUT OF THE SCHEME: PROCESSES AND PRECAUTIONS**

The Committee considered a report of the Chamberlain regarding the processes and precautions for transfers out of the Scheme.

It was noted that the document had previously been presented to the Committee in September, following which Members requested further detail be added around escalation processes. The revised version was presented with additions and amendments underlined.

A Member expressed concern about the issue and highlighted that the report did not include information on Member awareness. The Member requested that a summary of the scam attempts be provided, with the Chairman requesting this be brought to a future meeting. The Chairman also requested that section 3.4 of the document include the website links to MoneyHelper and Pension Wise.

**RESOLVED :** That Members: -

- Approved the City of London Pension Fund Transfers-out document.

**8. LOCAL GOVERNMENT PENSION SCHEME ‘FAIR ACCESS’ CONSULTATION**

The Committee received a report of the Chamberlain summarising the Government’s consultation on proposed scheme improvements to the Local Government Pension Scheme, including access and protections.

**RESOLVED:** That Members: -

- Received the report and noted its content.

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

There were no questions.

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

The Corporate Treasurer informed the Committee that an Officer, Amanda Luk, had been nominated as a Rising Star at the Local Government Chronicle Annual Investments Awards. Although she did not win, she received a high commendation, and the judging panel noted that she was already regarded as a star performer within the City of London Pension Fund.

Members of the Committee expressed their congratulations to Amanda on this achievement.

11. **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.

12. **MINUTES**

**RESOLVED: That:-**

- With the addition of a slight amendment, the non-public minutes of the Pensions Committee meeting on the 22 September 2025 were approved as an accurate record.

13. **TRIENNIAL VALUATION DRAFT RESULTS**

The Chairman welcomed representatives from Barnett Waddingham who presented the 2025 Triennial Valuation Draft Results to Members.

14. **INVESTMENT STRATEGY REVIEW AND TRAINING**

The Committee considered a report of the Chamberlain regarding the Investment Strategy Review and associated Member training from Mercer.

15. **DRAFT FUNDING STRATEGY STATEMENT (FSS)**

The Committee received a report of the Chamberlain concerning the Draft Funding Strategy Statement (FSS).

16. **PERFORMANCE MONITORING**

The Committee received a presentation from Mercer concerning the Pension Fund Quarterly Monitoring Report for Q3 2025 and a report of the Chamberlain relating to the Investment Performance of the Pension Fund as at 30 September 2025.

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

The Committee received a report of the Chamberlain providing an update on the London Collective Investment Vehicle (LCIV), the asset pool operator for London LGPS Funds in which the Pension Fund is invested.

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

The Committee considered a report of the Chamberlain regarding the transfer of un-pooled assets to the London Collective Investment Vehicle (LCIV).

**19. ADMITTANCE TO THE LONDON CIV – REQUEST FOR DELEGATED AUTHORITY**

The Committee considered a report of the Chamberlain requesting delegated authority for admittance to the London CIV.

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

The Committee considered a report of the Chamberlain requesting delegated authority to determine admitted body status.

**21. PENSIONS SCHEME ADMINISTRATOR'S UPDATE - NON-PUBLIC APPENDICES**

The Committee received two non-public appendices, which were considered in conjunction with Agenda Item 6.

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

There were no questions.

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

No other business was raised.

**The meeting ended at 4.17 pm**

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Chairman

**Contact Officer: Molly Carvill**  
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## **LOCAL GOVERNMENT PENSIONS BOARD**

**Monday, 12 January 2026**

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

### **Present**

#### **Members:**

Peter Lisley (Chairman)  
Mark Wheatley (Deputy Chairman)  
Paul Wilkinson  
David Pearson

#### **Officers:**

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

### **CHAIRMAN'S OPENING REMARKS**

*The Chairman on behalf of the Local Government Pensions Board congratulated Amanda Luk for being highly commended in the Rising Star category in the annual Investment Awards 2025.*

#### **1. APOLOGIES**

Apologies were received from Christina McLellan. The Deputy Chairman joined the meeting virtually.

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

The Chairman declared an interest in his capacity as Chairman of the City Academy Islington Trust.

#### **3. MINUTES RESOLVED:**

- That the public minutes and non-public summary of the Local Government Pensions Board meeting on the 21 July 2025 be approved as an accurate record.
- That the public minutes and non-public summary of the Pensions Committee meeting on 7 July and 22 September 2025 be noted.

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

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

**RESOLVED:** That the terms of reference of the Board be approved for submission to the Court in April 2026, and that any further changes required in the lead up to the Court's appointment of Committees be delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman.

5. **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 22 September and 3 December 2025.

The Chamberlain highlighted that:

- Tim McNally indicated his intention to resign from the Pensions Committee as soon as a suitable replacement was appointed.
- Following a review of the Pensions Committee Terms of Reference (ToR) it was noted they had delegated any changes to the Town Clerk in consultation with the Chair and Deputy Chair, as under the new pension regulations, independent Members would be unable to vote.
- The Risk Register administration guides on transfers were now available to Members.

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

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

The Board 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 21 July 2025.

The Chamberlain provided the following updates:

- The report appendices, Member training and Pensions Dashboard criteria to be expanded on in the non-public session of the meeting.
- P60s and payslips were being considered as additions to the online portal for members to access.

A Member raised an issue with a broken online link to the Pension Committee Training. The Chamberlain advised that they would follow up and update all Members.

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

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

The Committee received a report of the Chamberlain detailing the Risk Register for the Pensions Committee. The Risk Register is reviewed twice a year, and Officers had reviewed the risks and there had been no changes since this was last reported to the Pensions Committee in February 2025.

In response to the question on the McCloud Remedy risk, the Chamberlain advised as the majority of the work had been completed, the expectation was that the risk level would be reduced for the next Pensions Committee meeting.

**RESOLVED** – That the Board:

- Reviewed the existing risks and actions present on the Pensions Committee's Risk Register and confirmed that appropriate control measures were in place.
- Confirmed that there were no further risks relating to the services overseen by the Pensions Committee.

8. **LOCAL GOVERNMENT PENSION SCHEME – TRANSFERS-OUT OF THE SCHEME: PROCESSES AND PRECAUTIONS**

The Board received a report of the Chamberlain concerning the City of London Pension Fund Transfers-out document.

In response to a question on transfers-out, Officers advised that consideration would be given to providing information to scheme Members.

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

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

The Board received a report of the Chamberlain concerning the City Fund and Pension Fund draft statement of accounts and the external auditor's report and findings.

The Chamberlain noted two best practice recommendations were received from the Pension Fund auditors on pensions administration and the number of members who failed to respond to elected party declarations.

The following issues arose from consideration of the report:

- It was noted that the Pension Fund audit was due to commence the following day with results expected by the end of March 2026.

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

10. **LOCAL GOVERNMENT PENSION SCHEME 'FAIR ACCESS' CONSULTATION**

The Board received a report of the Chamberlain which summarised the key proposals and protections outlined in the UK Government's consultation entitled 'Local Government Pension Scheme in England and Wales: Scheme Improvements (Access and Protections)', commonly referred to as the LGPS Fair Access Consultation.

In response to questions, the Chamberlain advised:

- The minimum pension age to take effect from April 2028.
- LGPS access for elected Mayors and Councillors for April 2026.

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

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

The Board received a report of the Chamberlain which provided Members with copies of the communications issued to Scheme Members with documents that have been created / amended since the Board's last review on 17 January 2025.

The annual Benefits Statement (ABS) had been produced and was available via the member portal.

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

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

There were no questions.

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

There was no other business.

**14. EXCLUSION OF THE PUBLIC**

**RESOLVED** - That the public be excluded from the meeting for the following items that relate to business under the remit of the Court of Common Council acting in line with requirements of the Public Services Pensions Act 2013 relating to pensions scheme governance, to which Part VA and Schedule 12A of the Local Government Act 1972 public access to meetings provisions to not apply.

**15. MINUTES**

**RESOLVED:**

- That the non-public minutes of the Local Government Pensions Board meeting on 21 July 2025 be approved as an accurate record of the meeting.
- That the non-public minutes of the Pensions Committee meeting on 7 July 2025 and 22 September 2025 be noted.

**16. 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 22 September and 3 December 2025.

**17. DRAFT FUNDING STRATEGY STATEMENT (FSS)**

The Board considered a report of the Chamberlain regarding the draft Funding Strategy Statement (the 'FSS').  
The Chamberlain noted:

**18. INVESTMENT PERFORMANCE MONITORING TO 30 SEPTEMBER 2025**

The Board received a report of the Chamberlain relating to the Investment Performance of the City of London Pension Fund's as at 30 September 2025.



19. **INVESTMENT STRATEGY REVIEW AND TRAINING**

The Board received a report of the Chamberlain concerning the investment strategy and review.

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

The Board received a report of the Chamberlain concerning the transition of assets to the London CIV.

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

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

22. **ADMITTANCE TO THE LONDON CIV - REQUEST FOR DELEGATED AUTHORITY**

The Board received a report of the Chamberlain regarding the request for delegated authority concerning admittance to the London CIV.

23. **PENSION FUND CASHFLOW FORECAST 2025/26 TO 2028/29**

The Board received a report of the Chamberlain regarding the Pension Fund Cashflow Forecast for 2025/26 to 2028/29.

24. **PENSION SCHEME - ADMINISTRATOR'S UPDATE NON-PUBLIC APPENDIX**

Members noted the non-public appendices relating to item 6.

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

There were no questions.

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

The Deputy Chairman informed Members of his resignation.

**The meeting closed at 14:52.**

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Chairman

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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					
Q4 2025/26 (February)	<ul style="list-style-type: none"> <li>Cashflow forecast</li> </ul>	<ul style="list-style-type: none"> <li>Refined Investment Strategy Review</li> <li>Principles of Responsible Investment</li> <li>TCFD report 2025</li> <li>Draft Responsible Investment Policy</li> </ul>	<ul style="list-style-type: none"> <li>Risk Register</li> <li>Investment Consultant Strategic Objectives</li> <li>External Auditor Recommendations Review</li> <li>Fit for the Future Update</li> </ul>		
Q4 2025/26 (March)	<ul style="list-style-type: none"> <li>Budget Setting 2026/27</li> <li>Triennial Valuation Final Results</li> <li>Final Funding Strategy Statement</li> </ul>	<ul style="list-style-type: none"> <li>Final Investment Strategy Review</li> <li>Final Responsible Investment Policy</li> </ul>	<ul style="list-style-type: none"> <li>Inheritance Tax Changes</li> </ul>	<ul style="list-style-type: none"> <li>Data Protection Impact Assessment</li> </ul>	<ul style="list-style-type: none"> <li>Pensions Portal training</li> </ul>
2026/27					
Q1 2026/27 (July)	<ul style="list-style-type: none"> <li>Funding Update 2025/26</li> </ul>	<ul style="list-style-type: none"> <li>Investment Strategy Statement</li> </ul>	<ul style="list-style-type: none"> <li>City Fund and Pension Fund Accounts 2025/26</li> <li>Training Policy Review</li> <li>Conflicts of interest Policy</li> <li>Governance Policy</li> <li>Post Fit for the Future Update</li> </ul>		
Q2 2026/27 (September)	<ul style="list-style-type: none"> <li>Cashflow forecast</li> </ul>	<ul style="list-style-type: none"> <li>LCIV quarterly monitoring report</li> </ul>	<ul style="list-style-type: none"> <li>Risk Register</li> <li>Draft Annual Report 2025/26</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.

#### Notes

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	<b>Dated:</b> 11 February 2026
<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 3 December 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 most recent return was submitted on 3 December 2025 with the scores as follows:</p> <p>Common data: 95%</p> <p>Scheme specific data: 92%</p> <p>These percentages represent the number of scheme members with complete and accurate data.</p> <p>'Common data' relates to universal identifiers that all pension schemes should hold in respect of their members.</p> <p>'Scheme specific data' relates to the information and details required to administer a specific pension scheme.</p>
Complaints or disputes under the Scheme's Internal Disputes Resolution Process (IDRP)	None to report.
Public Service Pensions - Reporting Breaches of Pension Law	None to report
Any audit reports relating to the administration of the Scheme	The City of London Internal Audit team has started a review of the Pension Fund Administration function. The review began in January 2026, and the findings report is expected in March 2026.
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 and 2025 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 pensioner scheme members.</p> <p>This facility requires some add-on software to the existing pensions portal (which will incur a cost) as well as the ability to extract the necessary data from the payroll system and upload it into the pensions online portal.</p> <p>Discussions continue between the Pensions Office and the developers of the new payroll system to ensure that it will be able provide the required data in the necessary format.</p> <p>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>
Pensions Office Communications	<p>Copies of communications issued by the Pensions Office that had been updated since their last review were provided to the Local Government Pensions Board at their meeting of 12 January 2026.</p> <p>Members reviewed the correspondence and provided feedback.</p> <p>A copy of the meeting agenda pack that includes the communications provided can be found <a href="#">here</a></p>
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, the process of recalculating benefits already in payment under the terms of the Remedy is underway. Any appropriate adjustments are being made and arrears paid. This process will also apply for the pensions being paid to the survivors/dependants of an eligible member who passed away before the Remedy was implemented.</p> <p>The Pensions Office has implemented the Remedy in respect of active scheme members and all retirements that have occurred since the implementation date (i.e. 1 October 2023) have been processed on this basis.</p> <p>The 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>The Pensions Office has calculated the arrears and interest owed for all eligible pensioner members affected by the Remedy and currently in receipt of their City of London pension. Payments of these amounts were made in the December 2025 and January 2026 monthly pension payments.</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</p>



	<p>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 B</b>).</p> <p>Members are expected to re-do the tPR training modules every 3-5 years.</p>
Pensions Office Key Performance Indicators	<p><b>Appendix C</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). Aptia have confirmed that the data is currently being collated and that they expect to provide it to the Pensions Office shortly.</p> <p>Once the data has been received, the Pensions Office will be able establish whether any of the GMPs already in payment are greater or lower than they should be and make any necessary adjustments.</p>
Pensions Dashboards	<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>Following revisions to the original staging dates, the deadline for public sector pension schemes to connect to the national infrastructure was 31 October 2025. The City of London met this deadline.</p> <p>The service scheduled to be released to the general public by 31 October 2026. Schemes will be given at least 6 months notice before the public go-live date.</p> <p>One crucial aspect of the Dashboard is the matching criteria used by individual funds to match queries made by customers via the dashboard ecosystem with the data held on file by the pension provider.</p> <p>The City of London has implemented its chosen matching criteria and will monitor their effectiveness once the system goes 'live' to decide whether any changes need to be made.</p>

	Updates regarding the progress being made in respect of the Dashboards project will be brought to each Committee meeting.
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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 – Member Training (NON PUBLIC)

Appendix C – KPI Details

### **Graham Newman**

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**Local Government Pension Administration - Schedule of Events 2025/26**

<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	September 2025
5 October 2025	Issue of Annual Allowance (AA) Saving Statements deadline	1 October 2025
31 October 2025	Pensions Dashboard staging deadline	31 October 2025
November 2025	Tax return for Quarter 2 (to 30/09/2024)	12 November 2025
1 December 2025	Publication of 2024/25 Pension Fund Accounts and Annual Report	1 October 2025
3 December 2025	Scheme Return to the Pensions Regulator	1 December 2025
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.	
May 2026	Tax return for Quarter 4 (to 31/3/2026)	
31 May 2026	Pensioner P60s distributed	
30 June 2026	Publish draft City Fund Accounts 2025/26 (including the Pension Fund Accounts)	

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

Task	Target (Working Days)	Result 2024/25	Number of cases in 2024/25	Result 2023/24	Number of cases in 2023/24	Result 2022/23	Number of cases in 2022/23
Initial payment of retirement benefits	10 days*	96.32%	190	94.32%	264	97.35 %	279
Process refund and make payment	5 days	90.57%	53	95.79%	95	94.85 %	97
Statement notifying estimate of retirement benefits	20 days	96.69%	151	96.57%	175	97.04 %	103
Statement detailing transfer-in credit	20 days	98.46%	130	100.00%	24	100.00 %	31
Transfers-out payments	20 days	100%	56	100.00%	34	100.00 %	156
Answering general correspondence:	10 days	97.73%	573	94.99%	579	96.50 %	501
Payment of lump sum death grants:	14 days	100%	18	100.00%	13	92.59 %	27
Letters to dependants in respect of benefits due:	5 days	97.14%	70	94.74%	57	98.36 %	61

Task	Target (Working days)	Quarter 1 01/04/2025 – 30/06/2025	Number of cases in Quarter 1	Quarter 2 01/07/2025 – 30/09/2025	Number of cases in Quarter 2	Quarter 3 01/10/2025 – 31/12/2025	Number of cases in Quarter 3	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	95.45%	66	90.32%	62	93.57%	171
Process refunds and make payments	5 days	100.00%	8	75.00%	4	100.00%	3	93.33%	15
Statement notifying estimate of retirement benefits	20 days	95.83%	24	87.50%	8	78.57%	14	89.13%	46
Statement detailing transfer-in credit	20 days	100.00%	25	95.83%	24	100.00%	15	98.44%	64
Transfers-out payments	20 days	90.48%	21	88.89%	9	100.00%	3	90.91%	33
Answering general correspondence	10 days	97.26%	146	97.76%	134	100.00%	137	98.32%	417
Payment of lump sum death grants	14 days	100.00%	6	80.00%	5	100.00%	3	92.86%	14

Appendix C

Letters to dependant's in respect of benefits due	5 days	90.00%	10	100.00%	9	100.00%	9	97.37%	38
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\* 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.

## City of London Corporation Committee Report

<b>Committee(s):</b> Pensions Committee Local Government Pensions Board	<b>Dated:</b> 11 February 2026 13 July 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


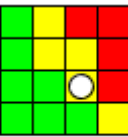





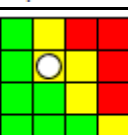

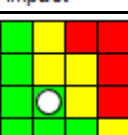
### Background

1. The Pensions Committee reviews the Risk Register every 6 months and last reviewed it at the meeting held on 22 September 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 a review on CHB-Pensions 001 Insufficient Assets as they believed the risk score was currently too high.

### Review of Risks

2. The method of assessing risk reflects the City of London's standard approach as defined in the Risk Management Strategy. 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**.

Table 1: Risk Summary

Risk code	Risk title	Current Risk Score	Current Risk Score Indicator	Current Risk Matrix
CHB Pensions 009	McCloud Remedy	8		<div style="display: flex; flex-direction: column; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: 0.8em;">Likelihood</div>  <div style="writing-mode: vertical-rl; font-size: 0.8em;">Impact</div> </div>
CHB Pensions 001	Insufficient assets	8		<div style="display: flex; flex-direction: column; align-items: center;"> <div style="writing-mode: vertical-rl; font-size: 0.8em;">Likelihood</div>  <div style="writing-mode: vertical-rl; font-size: 0.8em;">Impact</div> </div>
CHB Pensions 007	Cyber Security	8		<div style="display: flex; flex-direction: column; align-items: center;"> <div style="writing-mode: vertical-rl; font-size: 0.8em;">Likelihood</div>  <div style="writing-mode: vertical-rl; font-size: 0.8em;">Impact</div> </div>
CHB Pensions 010	Targeted returns	6		<div style="display: flex; flex-direction: column; align-items: center;"> <div style="writing-mode: vertical-rl; font-size: 0.8em;">Likelihood</div>  <div style="writing-mode: vertical-rl; font-size: 0.8em;">Impact</div> </div>
CHB Pensions 003	Short term Cash flow	4		<div style="display: flex; flex-direction: column; align-items: center;"> <div style="writing-mode: vertical-rl; font-size: 0.8em;">Likelihood</div>  <div style="writing-mode: vertical-rl; font-size: 0.8em;">Impact</div> </div>



Risk code	Risk title	Current Risk Score	Current Risk Score Indicator	Current Risk Matrix
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	✓	
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 one score has been lowered as detailed below in paragraphs 6. All other risk scores have been maintained at their previous levels; each risk has been reviewed and updated where necessary in the Register itself. Updates to the Risk Register are underlined throughout.
6. Officers have reviewed CHB Pensions 009 McCloud Remedy and believe that while the potential impact of the McCloud Remedy has not changed, the likelihood of failing to meet a statutory deadline has decreased as many of the original objectives have now been met. The impact of the risk remains at 4 (major), but the likelihood has been reduced from 3 (possible) to 2 (unlikely), meaning the overall rating is reduced to Amber 8 from Amber 12.
7. At the September 2025 Committee, Members requested a review of CHB Pensions 001 Insufficient assets, believing that the risk score of 8 was too high. Officers have reviewed the risk score and believe that at present the current risk score remains appropriate at Amber 8 (Likelihood (Major 4) and Impact (Unlikely 2)). This assessment reflects the Government's *Fit for the Future* agenda which will see the Pension Fund having reduced control over assets and the subsequent performance coupled with continued market volatility, and wider geopolitical risks.
8. Members should note that CHB Pensions 010 Targeted Returns and CHB Pensions 011 Service Provider failure will be updated for the next review of the risk register at the September Committee as the Pension Fund will no longer be appointing Fund Managers or an Investment Consultant following the Government's 'Fit for the Future' agenda.

## Conclusion

9. 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.
10. Officers have reduced the risk score of CHB Pensions 009 McCloud Remedy to reflect the current position that the likelihood of failing to meet a statutory deadline has decreased and have maintained the risk score of CHB Pensions 001 Insufficient assets due to the current pooling and market environment.
11. 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 score matrix

		Impact			
		Minor 1	Serious 2	Major 4	Extreme 8
Likelihood	Likely 4	4	8	16	32
	Possible 3	3	6	12	24
	Unlikely 2	2	4	8	16
	Rare 1	1	2	4	8

RAG rating	Score Range	Description
Green (manageable)	1 - 4	Action required to maintain risk
Amber (significant)	6 - 12	Actions required to maintain or reduce risk
Red (severe)	16 - 24	Urgent actions required to reduce risk

- These scales are guidance only and are not exhaustive or absolute.
- **Do not average out the scores** - this misrepresents the real effect of risk.
- **Risks may not have relevance to all categories**
- Risk assessments to be **reasonable and proportionate**
- The final risk score is determined multiplying the likelihood score by the impact score

Impact		Type/ category of risk		
		Service delivery/ performance	Financial	Legal/ statutory
Impact	Minor 1	Minor impact on services, typically up to 1 day	financial loss up to 5% of relevant budget.	Litigation claim or fine less than £5000 [in total value].
	Serious 2	Service disruption total of 2 to 5 days	financial loss up to 10% of relevant budget.	Litigation claimable fine between £5000 and £50,000.
	Major 4	Service disruption total of 1 – 4 weeks	financial loss up to 20% of relevant budget.	Litigation claimable fine between £50,000 and £500,000.
	Extreme 8	Service disruption greater than 4 weeks	financial loss up to 35% of budget.	Multiple civil or criminal suits. Litigation claim or fine in excess of £500,000 [in total].

Likelihood		Category	
		Probability*	Frequency*
Likelihood	Likely 4	More than 75%	More likely to occur than not
	Possible 3	40-75%	Fairly likely to occur
	Unlikely 2	10-40%	Unlikely to occur
	Rare 1	Less than 10%	Has happened rarely/ never before
		*Percentage chance of risk happening at all over any time span	*Frequency of the risk happening again given history of the risk occurring

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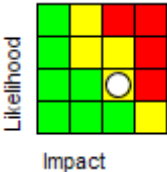
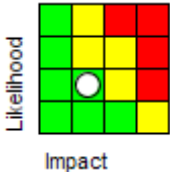
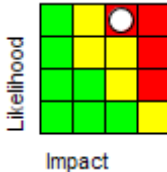
# Pensions Committee - CHB Pensions - Detailed Report

Report Type: Risks Report  
Report Author: Amanda Luk  
Generated on: 16 January 2026



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
<del>12</del> <b>8</b>	Possible <u>Unlikely</u>	Major	<b>4</b>	Unlikely	Serious	<b>16</b>	Likely	Major
Amber	<b>Trend</b>	Constant	Green	<b>Target Date</b>	31-Aug-2026	Red	<b>Creation Date</b>	11-Aug-2022

<b>Latest Note</b>	<p>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.</p> <p>The finalised LGPS (Amendment) (No.3) Regulations 2023 came into force from 1 October 2023 and amended the LGPS Regulations 2013 accordingly.</p> <p>Since this date, all new retirements have been calculated with reference to the Remedy.</p> <p>The Annual Benefit Statements (ABS) issued in August 2025 included information in respect of the McCloud Remedy for all affected members.</p>	<b>16-Jan-2026</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

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	Continue with membership of working groups including South East Counties Senior Officer Group (SECSOG), Aquila Heywood Remedy Implementation Group, to ensure	16-Jan-2026	Graham Newman	31-Mar-2026

	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.	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 <u>LGA</u> .			
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 requested from employers and previous pension providers.	Perform data review exercise in bulk and individually to identify scheme members who may qualify and/or identify missing data.  Software provider has developed systems to identify qualifying scheme member on bulk reports.  Any missing information to be obtained and scheme member records <u>s</u> updated <u>d</u> .	16-Jan-2026	Graham Newman	31-Mar-2026
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	16-Jan-2026	Graham Newman	31-Mar-2026

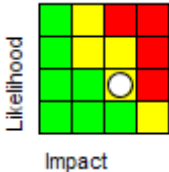
		<p>are provided as they are developed by the software supplier.</p> <p>Development has included bulk calculations and calculations for individuals, and include revised pension amounts, arrears payable/collectible (benefits and contributions) plus interest payable where applicable.</p>			
CHB Pensions 009d Communication to Members	Working in conjunction with LGA to prepare communications and standard responses (FAQs) to be sent to affected scheme members.	<p>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.</p> <p>The Pensions Office website carries current information from various sources including MHCLG. Further communications will be added when they are released.</p> <p>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.</p> <p>The 2025 ABS was amended to include McCloud data for each eligible scheme member.</p>	16-Jan-2026	Graham Newman	31-Mar-2026

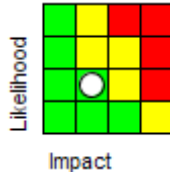


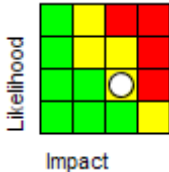
		<p><u>Communications are now being issued to retired Sscheme members who may be have been affected will need a final communication by the implementation of the remedy. The letters confirm</u> confirming if benefit values have been amended and if so by how much, including value of arrears and interest if applicable.</p>			
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<b>Risk Code</b>	CHB Pensions 001	<b>Risk Title</b>	<i>Insufficient Assets</i>
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<b>Description</b>	<p><b>Cause:</b> The asset allocation of the Pension Fund portfolio is unable to fund long term liabilities due to market movements</p> <p><b>Event:</b> There are insufficient assets to meet liabilities</p> <p><b>Effect:</b> Reduced income or lower than anticipated growth. Participating employers are required to provide further funding through increased contributions to finance liabilities.</p>
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Current Risk		
	Risk Score	Likelihood
	8	Unlikely
Amber	Trend	Constant

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

Original Risk		
	Risk Score	Likelihood
	8	Unlikely
Amber	Creation Date	17-Aug-2022

<b>Latest Note</b>	<p>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 30 November 2025, the Fund is outperforming its absolute return target over all time horizons <del>except one years</del>. 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; <u>a prolonged US Government shutdown and lingering tariff concerns</u>; <del>major election results</del>; and on-going geo-political tensions.</p>	<b>16-Jan-2026</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

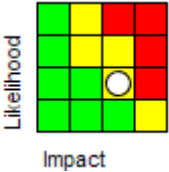
Associated Actions

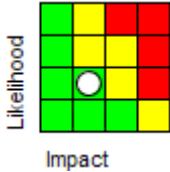
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 001a Investment Strategy review	The Investment strategy of the Pension Fund is reviewed at least every three years following the triennial valuation with proper advice from the Investment Consultant.	The Pension Fund Investment 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 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 and an investment into infrastructure manager JP Morgan was made in January 2025. The next Investment Strategy Review <del>will take place alongside the triennial valuation.</del> <u>is currently taking place and is due to be finalised at the March Pensions Committee.</u>	16-Jan-2026	Caroline Al-Beyerty; Kate Limna	31-Mar-2026
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	The investment performance of the Pension Fund will be brought to each Pensions Committee for consideration.	16-Jan-2026	Kate Limna	31-Mar-2026

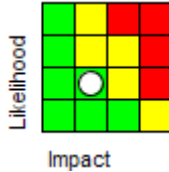
	to the Pensions Committee throughout the year and is supplemented by market insight from the Corporation's Investment Consultant who will assist any strategic decisions required in between the three-year formal strategy reviews.				
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<b>Risk Code</b>	CHB Pensions 007	<b>Risk Title</b>	<i>Cyber Security</i>
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<b>Description</b>	<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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<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>8</b>	Unlikely	Major
Amber	<b>Trend</b>	Constant

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>4</b>	Unlikely	Serious
Green	<b>Target Date</b>	31-Mar-2026

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>4</b>	Unlikely	Serious
Green	<b>Creation Date</b>	17-Aug-2022

<b>Latest Note</b>	<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>	<b>16-Jan-2026</b>
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<b>Risk Level</b>	Service
<b>Department</b>	Chamberlain's

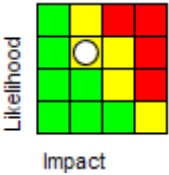
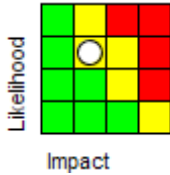
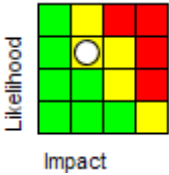
<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Kate Limna

**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 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.	16-Jan-2026	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.	16-Jan-2026	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.	16-Jan-2026	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.	16-Jan-2026	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 and <del>will next be reviewed alongside the 2025 triennial valuation.</del> <u>is currently being reviewed by the Pensions Committee.</u></p>	16-Jan-2026
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	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&G UK Residential Fund. The Pension Fund is currently <del>59%</del> <u>58%</u> pooled (including commitments).	
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Risk Level	Service
Department	Chamberlain’s

Risk Approach	Reduce
Risk Owner	Caroline Al-Beyerty

Associated Actions

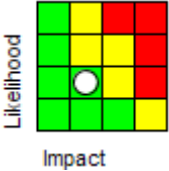
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 010a Investment manager Benchmarking	Investment managers' performance and their aggregate performance is measured against appropriate benchmarks and will be monitored by the Pensions Committee throughout the year. It is supplemented 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	The performance report for the Pension Fund to 30 <del>June 2025</del> <u>November 2025</u> is reported to the Pensions Committee on <del>22 September 2025.</del> <u>11 February 2026.</u>	16-Jan-2026	Kate Limna; Sarah Port	31-Mar-2026

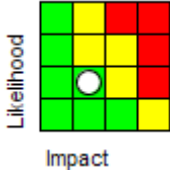


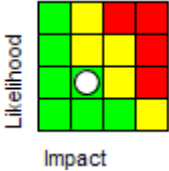
	<p>implementing their investment strategies.</p> <p>Fund managers are invited to meet with Officers and Members to account for their performance as and when deemed necessary/as required.</p>				
<p>CHB Pensions 010b London CIV</p>	<p>Under the Government pooling agenda, London CIV is the asset pool operator for London LGPS funds.</p> <p>The LCIV <u>send</u> holds monthly updates <u>newsletters</u> for Shareholders advising on latest developments for examples, product development and ESG/Climate related actions.</p>	<p><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.</del></p> <p><u>Officers have been made aware of an LCIV sub-fund in which the Pension Fund is invested that is now subject to suspension and an orderly exit is in progress.</u></p>	<p>16-Jan-2026</p>	<p>Kate Limna; Sarah Port</p>	<p>31-Mar-2026</p>

Risk Code	CHB Pensions 003	Risk Title	Short term Cash flows
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Description	<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	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	

Latest Note	Insufficient liquidity to meet pension benefit payments, transfer payments and other costs, or to meet cash calls from fund managers.	16-Jan-2026
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Risk Level	Service
Department	Chamberlain's

Risk Approach	Avoid
Risk Owner	Kate Limna

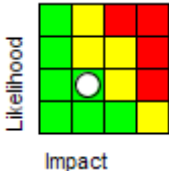
Associated Actions

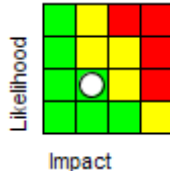
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
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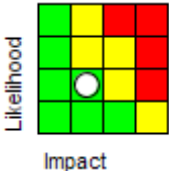
CHB Pensions 003a Asset Allocation	The Pension Fund asset allocation is established to ensure appropriate exposure to asset classes.	The Pension fund asset allocation remains within tolerance of control ranges established by Pensions Committee under the revised Strategic Asset allocation as agreed by Committee in September 2023. <u>The Pensions Committee are currently reviewing the Strategic Asset Allocation where revised control ranges will be agreed.</u>	16-Jan-2026	Kate Limna; Sarah Port	31-Mar-2026
CHB Pensions 003b Notice Periods	Alert fund managers in advance of transferring new monies and Fund managers are required to provide sufficient notice of cash calls and redemption payments.	Fund Managers are aware of the contractual notification period of 10 working days for any drawdowns and Officers alert fund managers Trading + X number of working days in advance of a withdrawal (X is dependent on the fund manager).	16-Jan-2026	Kate Limna; Sarah Port	31-Mar-2026
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.	16-Jan-2026	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.	16-Jan-2026
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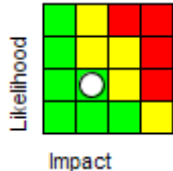
<b>Risk Level</b>	Service	<b>Risk Approach</b>	Reduce
<b>Department</b>	Chamberlain's	<b>Risk Owner</b>	Kate Limna

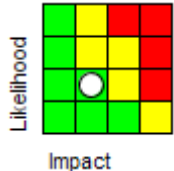
**Associated Actions**

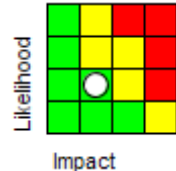
<b>Ref No:</b>	<b>Description</b>	<b>Latest Note</b>	<b>Note Date</b>	<b>Owned By</b>	<b>Due Date</b>
CHB Pensions 004a Corporate Policies on data security	Pensions administration staff to be aware of the corporate policy regarding data security and to follow the guidelines given.	Corporate online training regarding data-security to be carried out by all staff and reviewed as required.	16-Jan-2026	Graham Newman	31-Mar-2026
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.	16-Jan-2026	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.	16-Jan-2026	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.	16-Jan-2026	Graham Newman	31-Mar-2026

<b>Risk Code</b>	CHB Pensions 006	<b>Risk Title</b>	<i>Employer Insolvency</i>
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<b>Description</b>	<p><b>Cause:</b> Processes not in place to capture or review covenant of individual employers.</p> <p><b>Event:</b> Employer becomes insolvent or is abolished with insufficient funding to meet liabilities.</p> <p><b>Effect:</b> Fund would pick up the liabilities potentially leading to increased contribution rates for other employers.</p>
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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>	<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>	<b>16-Jan-2026</b>
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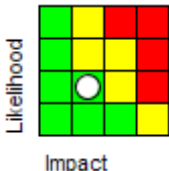
<b>Risk Level</b>	Service	<b>Risk Approach</b>	Accept
<b>Department</b>	Chamberlain's	<b>Risk Owner</b>	Kate Limna

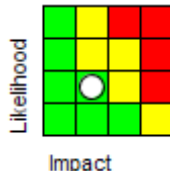
Associated Actions

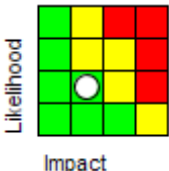
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 006a Bond indemnity/gua rantee	Bond indemnity/guarantee required for admitted bodies and incorporated into admission agreements where appropriate.	Recent admissions to the scheme have provided a bond except for TUPEs in relation 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.	16-Jan-2026	Graham Newman	31-Mar-2026

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

Target Risk		
	Risk Score	Likelihood
	4	Unlikely
Green	Target Date	31-Mar-2025

Original Risk		
	Risk Score	Likelihood
	4	Unlikely
Green	Creation Date	

<b>Latest Note</b>	<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>	<b>16-Jan-2026</b>
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<b>Risk Level</b>	Service
<b>Department</b>	Chamberlain's

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

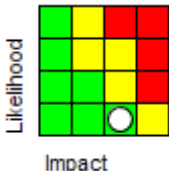
**Associated Actions**

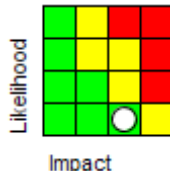
<b>Ref No:</b>	<b>Description</b>	<b>Latest Note</b>	<b>Note Date</b>	<b>Owned By</b>	<b>Due Date</b>
CHB Pensions 008a Recruitment job descriptions	Job descriptions used at recruitment to attract candidates with skills and experience related to LGPS administration. The appraisals process to monitor 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.	16-Jan-2026	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.	16-Jan-2026	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.	16-Jan-2026	Graham Newman	31-Mar-2026

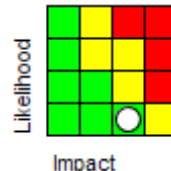
		Disaster Recovery reviewed in light of hybrid working.			
CHB Pensions 008e Checking procedures	Accurate and appropriate checking procedures in place at all areas of administration.	All checking procedures reviewed and where necessary amended due to take account of hybrid working.	16-Jan-2026	Graham 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.	16-Jan-2026	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>	<b>Cause:</b> Corporate, financial, economic or cybersecurity threats result in service provision withdrawal or liquidation of partner organisations. <b>Event:</b> Failure of fund manager, investment consultant or other service provider without notice. <b>Effect:</b> Pension Fund asset valuations at risk or a period of time without service provision.
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Current Risk			
	Risk Score	Likelihood	Impact
	4	Rare	Major
Green	Trend	Constant	

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

Original Risk			
	Risk Score	Likelihood	Impact
	4	Rare	Major
Green	Creation Date	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.	16-Jan-2026
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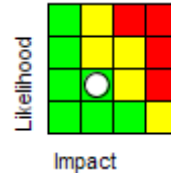
<b>Risk Level</b>	Service	<b>Risk Approach</b>	Avoid
<b>Department</b>	Chamberlain's	<b>Risk Owner</b>	Kate Limna

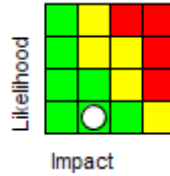
**Associated Actions**

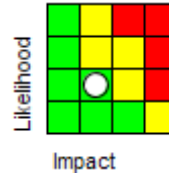
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 011a Detailed due Diligence	Detailed due diligence is carried out when new fund managers, investment consultant or other service provider are appointed.	New manager due diligence undertaken in consultation with investment consultant. The investment consultant contract was re-tendered via the National LGPS procurement framework. Following a rigorous and competitive exercise Mercer were appointed to the role in October 2021.	16-Jan-2026	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 <del>are in the process of reviewing the</del> <u>review the</u> findings of the reports to ensure they remain satisfied with the control environments operated by the Corporation's appointed asset managers.	16-Jan-2026	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.	16-Jan-2026	Kate Limna; Sarah Port	31-Mar-2026

<b>Risk Code</b>	CHB Pensions 012	<b>Risk Title</b>	<i><b>Governance/Legislative Compliance</b></i>
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<b>Description</b>	<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. New legislative requirements that require retrospective adjustments.</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. Benefits are not paid correctly and need to be recalculated.</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. There is a potential increase in scheme liabilities and a need for retrospective benefit corrections.</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

<b>Latest Note</b>	<p>Officers have produced a comprehensive training plan incorporating best practice to ensure committee Members have access to acquiring the appropriate levels of knowledge and understanding. <u><a href="#">This training plan will be updated following the release of the draft 'Guidance on Fund Governance'</a></u></p> <p>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</p>	<b>16-Jan-2026</b>
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	<p>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.</p> <p>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 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.</p> <p>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.</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	In line with the training policy, an annual 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	16-Jan-2026	Kate Limna; Sarah Port	31-Mar-2026

	maintained and updated annually.	joining the Committee. Members of the Committee are also expected to complete the new Enlighten! Training provided by Barnett Waddingham (Actuary).			
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 Pensions UK – 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.	16-Jan-2026	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.	16-Jan-2026	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.	16-Jan-2026	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	16-Jan-2026	Kate Limna; Sarah Port	31-Mar-2026

		on the Shareholder Committee (4 meetings a year).			
CHB Pensions 012f Legislation monitoring	Regular monitoring of ongoing legal cases/legislation that impacts the Pension Fund.	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.	16-Jan-2026	Kate Limna; Sarah Port	31-Mar-2026



<b>Risk Code</b>	CHB Pensions 013	<b>Risk Title</b>	<i>Responsible investment duties</i>
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<b>Description</b>	<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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<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
4	Unlikely	Serious
Green	<b>Trend</b>	Constant

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
4	Unlikely	Serious
Green	<b>Target Date</b>	31-Mar-2026

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
4	Unlikely	Serious
Green	<b>Creation Date</b>	17-Aug-2022

<b>Latest Note</b>	<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. <u>Following the Governments 'Fit for the Future' agenda, and the move towards pooling the Pensions Committee are reviewing the Draft Responsible Investment Policy for the Pension Fund at this Committee.</u></p> <p>The City of London Corporation (as a whole) is a signatory to the Principles for Responsible Investment.</p>	16-Jan-2026
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	<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 was undertaken during 2024/25 to better understand the latest risks and opportunities associated with the City's Financial investments.</p>	
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<b>Risk Level</b>	Service
<b>Department</b>	Chamberlain's

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

Associated Actions

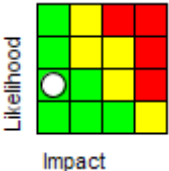
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 013a Reporting on responsible investment activities	Reporting on responsible investment activities to the Principles for Responsible Investment is completed on an annual basis. The Committee (along with other relevant Committees/Boards) will receive an annual Transparency Report from the PRI from which it can evaluate progress against responsible investment goals.	<p>The PRI 2025 reporting period opened May 2025 and the Corporation placed its submission by the 30 July 2025 deadline. <del>The PRI have not commented on when the results will be published.</del> <u>The results for this are being presented to this Committee meeting.</u></p> <p><del>The full 2023/24 PRI results were released in November 2024, and the results are being presented to the February 2025 Pensions Committee.</del></p> <p>The PRI have stated that the reporting period for 2026 <u>will open in May for a period of 12 weeks under a revised 2026 Framework.</u> <del>is</del></p>	16-Jan-2026	Kate Limna; Sarah Port	31-Mar-2026

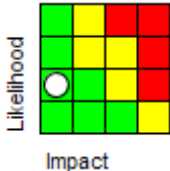
		<del>expected to be broadly aligned with that of the 2025 assessment (May to July).</del>			
CHB Pensions 013b Management and monitoring of investment mandate	As part of the regular management and monitoring of investment mandates, the Pensions Committee and responsible officers challenge investment 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.	16-Jan-2026	Kate Limna; Sarah Port	31-Mar-2026
CHB Pensions 013c UK Stewardship code	<del>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 other committees which now have investment oversight responsibilities).</del>	<del>All of the Pension Fund's UK-based pooled fund managers (i.e. excluding the alternative assets portfolio) are signatories to the Stewardship Code.</del>	16-Jan-2026	Kate Limna; Sarah Port	31-Mar-2026

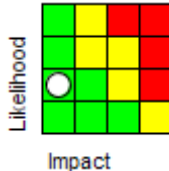
CHB Pensions 013d Climate Action Strategy delivery	The Committee (along with other relevant Boards/Committees) has been assigned several key actions which will enable the Corporation to deliver its Climate Action Strategy. Key to this is achieving a clear plan on how to achieve Paris-alignment by 2040.	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. The Corporation's second scenario analysis was undertaken during 2024/25 to better understand the latest risks and opportunities associated with the City's Financial investments. 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.	16-Jan-2026	Kate Limna; Sarah Port	31-Mar-2026
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<b>Risk Code</b>	CHB Pensions 005	<b>Risk Title</b>	<i>Fraud</i>
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<b>Description</b>	<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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<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>2</b>	Unlikely	Minor
Green	<b>Trend</b>	Constant

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>2</b>	Unlikely	Minor
Green	<b>Target Date</b>	31-Mar-2026

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>2</b>	Unlikely	Minor
Green	<b>Creation Date</b>	17-Aug-2022

<b>Latest Note</b>	<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>	<b>16-Jan-2026</b>
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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

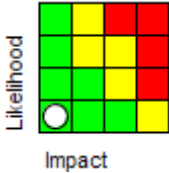
**Associated Actions**

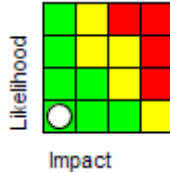
<b>Ref No:</b>	<b>Description</b>	<b>Latest Note</b>	<b>Note Date</b>	<b>Owned By</b>	<b>Due Date</b>
CHB Pensions 005a Robust fraud protection/detection processes	Robust fraud protection/detection processes	Use of Mortality Screening Service and Tell Us Once Service [Government initiative that allows us to be notified of a death when registered]. Participation in the National Fraud Initiative. Annually sending Life Certificates to Overseas Pensioners.	16-Jan-2026	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.	16-Jan-2026	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.	16-Jan-2026	Graham Newman	31-Mar-2026

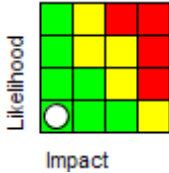
CHB Pensions 005d Identity Verification	Robust identity verification processes	Controls in place to verify and ensure the legitimacy of any signed discharge form. This must also include timeframes in respect of how long a letter of authority from a scheme member is valid.	16-Jan-2026	Graham Newman	31-Mar-2026
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.	16-Jan-2026	Graham Newman	31-Mar-2026

Risk Code	CHB Pensions 002	Risk Title	Actuarial valuation
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Description	<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

Latest Note	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 has commenced <del>this year</del> as at 31 March 2025, and the draft results <del>were</del> will be presented to this Committee in December 2025 <u>with the final results due to be presented in March 2026.</u>	16-Jan-2026
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Risk Level	Service	Risk Approach	Accept
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Department	Chamberlain's	Risk Owner	Kate Limna
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**Associated Actions**

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 002a Regular meetings with the Actuary	Regular meetings with the Actuary to ensure that assumptions are appropriate involving Officers and Members of the Pensions Committee.	<del>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 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.</del> 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 <del>will meet</del> <u>met</u> on the 22 September 2025 <u>and the draft triennial results were reported to Committee on 3 December 2025.</u>	16-Jan-2026	Kate Limna; Graham Newman	31-Mar-2026
CHB Pensions 002b Robust Year End procedures	Robust Year End procedures and updates	The <u>Audited</u> Pension Fund Statement of Accounts for the year ending 31 March 2025 were published in <del>draft format</del> within the City Fund Accounts on the <del>30 June</del> <u>30 September</u>	16-Jan-2026	Kate Limna; Graham Newman	31-Mar-2026

		2025 and are currently being reviewed by the External Auditors. The Pension Fund annual report <u>was uploaded</u> will be uploaded to the website <u>on the 1 October 2025</u> , ahead of the statutory deadline of 1 December 2025.			
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.	16-Jan-2026	Kate Limna; Graham Newman	31-Mar-2026

## City of London Corporation Committee Report

<b>Committee(s):</b> Pensions Committee	<b>Dated:</b> 11 February 2026
<b>Subject:</b> Investment Consultant Strategic Objectives - Annual Review	<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 updates the Pensions Committee on the performance of the Fund's Consultant, Mercer Ltd (Mercer) against the aims and objectives set and approved at the Financial Investment Board (FIB) (prior to the establishment of the Pensions Committee) and which forms part of the Investment Consultant contract.

### Recommendation

Members are asked to approve the Investment Consultant Review for 2025 and delegate authority to the Chamberlain to sign the Compliance Statement.

### Main Report

#### Background

1. In November 2019, FIB (prior to the establishment of the Pensions Committee) received a report on the implications of the Competition and Market Authority's (CMA) *Investment Consultancy and Fiduciary Management Market Investigation Order 2019 (the "Order")*. The Order came into force on 10 December 2019. Whilst the Local Government Pension Scheme (LGPS) was largely out of scope for much of the Order, following clarification from the Government and the Scheme Advisory Board (SAB), it was established that one obligation – "Part 7" did apply. This required administrative authorities of the LGPS, such as the City of London Corporation, to set strategic objectives for its Investment Consultants.
2. Members agreed eight strategic objectives noting that these applied to the investment consultancy services delivered in respect of the City of London Pension Fund. The objectives agreed by FIB are set out in Appendix 1.

3. In 2022, the CMA order requirements were brought into legislation by the Department of Work and Pensions (DWP) under Part 6, Chapter 3 of *The Occupational Pension Schemes (Scheme Administration) regulations 1996 (the scheme administration regulations)* and the regulation of the obligations transferred from the CMA to the Pensions Regulator (tPR).

### **Performance**

4. In line with best practice, the performance of the investment consultant against the objectives should be reviewed on an annual basis and, if appropriate, revise the objectives to ensure they remain suitable at least every three years or where there has been a material change in the investment approach.
5. Appendix 2 details the objectives and aims for the investment consultant, Mercer, against which the consultant's performance has been assessed and reviewed for the year to 31 December 2025. Each objective has been assigned a rating.
6. The review of Mercer's performance over the last year was undertaken by Officers in conjunction with Mercer on 21 January 2026. Mercer have performed well over the past year and all aims and objectives where work has been completed has been rated green (in accordance with a RAG rating). Officers are very pleased with the work produced by the consultant.

### **Compliance Statement**

7. The CMA order previously included a requirement for LGPS funds to submit an annual compliance statement confirming compliance with "Part 7". Under the scheme administration regulations, this is no longer a requirement, however compliance should be documented as a matter of good practice. A draft compliance statement is set out in Appendix 3.

### **Future Reviews**

8. Members should note that under the Government's 'Fit for the Future' agenda, the Pension Fund will no longer be able to appoint an Investment Consultant and instead must take advice from the Pool. The draft regulations and guidance do not mention the Compliance statement and Officers are unsure if the requirements under the scheme administration regulations will still apply and therefore await further guidance from the Government.

### **Conclusion**

9. Officers, in conjunction with Mercer, completed the review of Mercer's performance against the aims and objectives set and approved at the Financial Investment Board (FIB) (prior to the establishment of the Pensions Committee) and which forms part of the Investment Consultant contract to the year ending 31 December 2025. Mercer have performed well over the past year, and Officers are pleased with the work produced by the consultant.

### **Appendices**

**Appendix 1** - Strategic Objectives for Investment Consultancy Services: City of London Corporation Pension Fund

**Appendix 2** - Investment Consultant Performance Review

**Appendix 3** - Draft Compliance Statement

## **Background Papers**

**FIB: 29 November 2019:** Investment Consultant Strategic Objectives (LGPS only)

**Amanda Luk**

Senior Accountant – Pensions

Chamberlains Department

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**Strategic Objectives for Investment Consultancy Services: City of London Corporation Pension Fund (the “Fund”)**

**Overall objective**

The overall objective of the Fund is to:

- achieve and maintain a funding level at or close to 100% of the Fund’s estimated liabilities;
- and in conjunction with the funding strategy, to minimise the cost and variability of cost to employers. (The “Overall Objective”).

The Pensions Committee has concluded that, subject to being consistent with the agreed investment consultancy services to be provided by the Investment Consultant (IC) Provider, the following objectives for the IC Provider will, if well executed, contribute towards achieving the Fund’s Overall Objective:

**1. Alignment of services with Overall Objective**

The IC Provider should take into account the Overall Objective above and, in doing so, will give due consideration to relevant circumstances of the Fund. Those relevant circumstances include, but are not limited to, the employers’ contributions policy, perceived strength of covenant, mortality and longevity experience, developments in the funding level of the Fund from whatever cause, the tolerance for investment risk of the Fund and the employers, economic and market conditions and outlook, and ancillary objectives and requirements.

**2. Consideration of responsible investment requirements**

The IC Provider will give due consideration to the responsibilities of the Fund to consider environmental, social and governance (ESG) factors (including climate change) and stewardship risks.

**3. Investment strategy objective**

The IC Provider should guide the Fund in determining appropriate investment objectives, appropriate levels of investment risk, and an appropriate and diversified investment strategy. In addition, the IC Provider should advise the Fund on new investment opportunities and emerging risks and periodically propose amendments to the investment strategy where appropriate. Investment Strategy advice should contribute to the Overall Objective by way of either improved performance and/or of management of investment risk over the long term.

**4. Investment manager selection objective**

Under the Government’s pooling agenda it is expected that the IC Provider will have less input into manager selection advice going forward but, where appropriate, the

IC Provider should make recommendations on the appointment and retention of appropriate investment managers and on portfolio construction with those managers' strategies and funds, consistent with the overall investment objectives and the chosen investment strategy. The IC Provider should recommend investment managers that the IC Provider believes have a high degree of confidence in achieving the objective set for the investment manager after fees over a market cycle. Manager selection therefore, should contribute to implementing the investment strategy of the Fund by way of either managing risk and/or achieving the long-term return expected.

## **5. Implementation objective**

Where appropriate, the IC Provider should assist with achieving timely and cost-effective implementation of the Fund's investment decisions.

## **6. Investment Strategy Statement**

The IC Provider should provide guidance on any matters in respect of which the Fund is required by law to seek advice in relation to the preparation or revision of the Fund's Investment Strategy Statement.

## **7. Monitoring objective**

The IC Provider should assist with measuring the success of the Fund's chosen investment strategy and investment manager structure against the Overall Objective.

## **8. Manager Fees**

The IC will review the fees paid by the Fund and through size and market knowledge negotiate more competitive manager fees

**Investment Consultant Performance Review to year ended 31 December 2025**

Rating	Key
Red	R
Amber	A
Green	G

Objective Number	Objective	Officer Commentary	Rating
1	Alignment of services with Overall Objective	<p>Mercer remained cognisant of the overall objective when drafting the initial paper for the 2025 investment strategy review and for the ad-hoc papers around divestment from an Investment Manager and the review of inflation linked benchmarks.</p> <p>As with all of Mercer's advice over the year, they have strived to be clear, concise and succinct with the advice provided and considered the overall objective in the strategic advice they provided.</p>	G
2	Consideration of responsible investment requirements	On a quarterly basis, Mercer provide a monitoring report which provides a review and update on the investment manager's ESG ratings. Mercer highlight where there are any changes to the ESG rating of the managers and the rationale for these.	G
3	Investment Strategy	When conducting the investment strategy review Mercer considered the expected return and levels of risk on the investment strategy and any proposed strategies. Mercer proactively raised the poor performance of one of the Pension Fund's Investment Managers and proposed alternatives that they believed to exhibit similar risk and return characteristics.	G
4	Investment manager selection	2025 was a year of a material acceleration in the pooling agenda and building on the prior years work to increase pooled assets, Mercer continued to provide clear advice and provision of clear options on LCIV alternatives which helped the Fund to pool more assets.	G
5	Implementation	Mercer weren't required to assist with the implementation of any new mandates over the year.	N/A
6	Investment Strategy Statement (ISS)	Mercer reviewed the ISS over the year and Officers were happy with the input Mercer made to the document, noting that the updates were relatively minor this year.	G
7	Monitoring	Mercer reviews the Fund's investment portfolio on a quarterly basis, completing both a high-level review of the Fund's assets and performance, as well as any developments of the underlying investment managers. This ensures that the Fund's investment managers are	G



		<p>performing in line with objectives and highlights and areas for further review.</p> <p>Mercer have tried to bring a clear point of view to the quarterly reports and have been clear where manager performance has not performed in line with expectations.</p> <p>Mercer have also broadened the scope of their quarterly reporting to include monitoring of the infrastructure managers.</p>	
8	Manager Fees	<p>A value for money paper has not been produced since 2021. Mercer could complete a value for money paper but given the pooling requirements it may under the London CIV's remit to consider the ongoing attractiveness of fees for the LCIV funds.</p>	G

**Draft Compliance Statement**

I {insert name}, confirm on behalf of the City of London Pension Fund that during the year to 31 December 2025, the City of London Pension Fund has complied with Part 6, Chapter 3 of The Occupational Pension Schemes (Scheme Administration) regulations 1996 (the scheme administration regulations).

This Compliance Statement has been prepared in accordance with the good practice as per The Occupational Pension Schemes (Scheme Administration) regulations 1996 (the scheme administration regulations).

For the period to which this Compliance Statement relates, the City of London Pension Fund have complied in all material respects with the requirements of Part 6, Chapter 3 of the scheme administration regulations and reasonably expect to do so.

For and on behalf of the City of London Pension Fund.

Signature.....

Name:.....

Title:.....

Date:.....

## City of London Corporation Committee Report

<b>Committee(s):</b> Pensions Committee	<b>Dated:</b> 11 February 2026
<b>Subject:</b> Pension Fund Audit Findings Follow Up	<b>Public report:</b> For Discussion/ 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>	Amanda Luk

### Summary

This report provides the Pensions Committee with an update on the Pension Fund Audit Findings for the year ended 31 March 2025 and the progress that has been made in relation to the 'best practice' recommendations.

### Recommendation

Members are asked to note this report.

### Main Report

1. At Pensions Committee on 22 September 2025, Members received a report on the draft audit findings for the year ended 31 March 2025. The report and appendix can be found [here](#). At the following meeting in December 2025, Members agreed that the February 2026 meeting should '*include consideration of the audit recommendations to ensure these are addressed prior to the 2025/26 external audit.*' This report provides an update on those recommendations.
2. The Pension Fund Accounts and Annual Report were signed by the external auditors (Grant Thornton UK LLP) on 29 October 2025. The final version of the Audit Findings report is attached as an Appendix, and Members should note that no new recommendations were made in the final report.
3. During the course of the audit, Grant Thornton identified two 'green' assessments which are best practice recommendations. Table 1 shows the issue and risk identified, the external auditors' recommendations, and the Pension Fund's Management response.

**Table 1: External Audit Best Practice Recommendations**

Assessment	Issue and Risk	Recommendations
<p>'Green'</p> <p>Low – Best Practice</p>	<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> 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>
<p>'Green'</p> <p>Low – Best Practice</p>	<p>As also reported by the corporation auditor, we have noted that declaration of interest forms are not captured for all members on an annual basis. This poses a risk that the pension fund may be unable to capture related party transactions that could materially affect the pension fund's related parties' disclosure.</p> <p>In response to this risk, the audit team reviewed directorship information available on Companies House. No undisclosed related parties have been noted from this exercise.</p>	<p>Members should ensure that declarations of interest are complete and accurate. Management should ensure that all declarations of interests are receipted in a timely manner to inform year end disclosures</p> <p><b>Management response</b> Chamberlains have engaged with the Digital Information and Technology Service (DITS) to build a new digitalised declaration form which will simplify and speed up the related parties data collection process in order to increase completion rates.</p>

4. Following the above audit recommendations, progress around both areas has been made by Officers. The internal audit of Pensions Administration commenced on 7 January 2026, with the first meeting held between the internal audit team and the Pensions Manager on the 13 January. The findings are expected to be released at the end of March and the final report will be taken to the Audit and Risk Management Committee and then brought to this Committee for information.
5. In relation to the recommendation on related parties declarations, the new digitalised declaration form is currently under development by the Digital Information and Technology Services team (DITS) and the Strategic Finance Team are aiming for this to be implemented in time for the current financial year's declarations. Members should note this recommendation was on both the City Fund and Pension Fund audit findings reports and the Strategic Finance Team organise and collect the data for the related parties declarations process.

## **Conclusion**

6. The Pension Fund Accounts were signed by the External Auditors, Grant Thornton UK LLP, on 29 October 2025. Two recommendations, in line with best practice, were made in relation to internal audit and related parties. Officers are progressing both areas to ensure that the Pension Fund is operating in line with best practice.

## **Appendices**

Appendix – Audit Findings for the City of London Corporation Pension Fund

### **Amanda Luk**

Senior Accountant – Pensions

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

Year ended 31 March 2025

Date of issue: 29 September 2025



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

**Grant Thornton UK LLP**

8 Finsbury Circus  
London EC2M 7EA

[www.grantthornton.co.uk](http://www.grantthornton.co.uk)

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:

- 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:

- 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 (5%) 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.

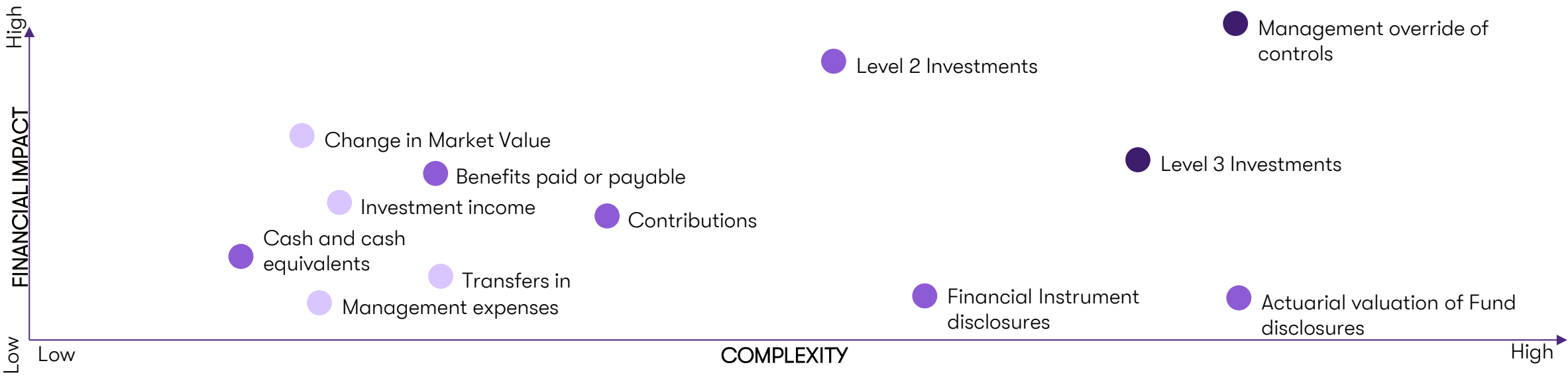
Other audit risks are accounts that are not associated with any SCOT + or with a material only financial statement line item or disclosure.

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> <div>Significant Class of transactions (SCOT+)</div> <div> <div>Relevant assertion(s)</div> <div>Existence, Valuation</div> <div>Applicable assertion(s)</div> <div>Rights &amp; Obligations, 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>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>1. 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>2. 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>3. Assessed the competence, capabilities and objectivity of the actuary who carried out the Fund’s valuation;</li> <li>4. Assessed the accuracy and completeness of the information provided by the Fund to the actuary to estimate the liability;</li> <li>5. Tested the consistency of disclosures with the actuarial report from the actuary; and</li> <li>6. 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) Existence, Completeness</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. 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>We have noted no material adjustments or findings in relation to the benefits payable balance.</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
<p><b>Financial instrument disclosures</b></p> <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>	<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>
<p>Significant Class of transactions (SCOT+)</p> <p>Relevant assertion(s)</p> <p>Accuracy</p> <p>Applicable assertion(s)</p> <p>Completeness, Presentation</p> <p>Planned level of control reliance</p> <p>None</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. Our assessment of the general ledger was 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.

This tables below and overleaf include an overall IT General Control (ITGC) rating per IT application and details of the ratings assigned to individual control areas. Our indicative audit plan issued in May 2025 stated we would carry out a design and implementation assessment Oracle E-Business Suite and Altair. On obtaining a more detailed understanding of the systems, we concluded that our assessment would focus on design effectiveness only.

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	
General Ledger - Oracle E-Business Suite	ITGC assessment (design, implementation and operating effectiveness).	<div><div></div></div> [Amber]	<div><div></div></div> [Amber]	<div><div></div></div> [Green]	<div><div></div></div> [Green]	Management override of controls  Our IT audit work identified that: <ul style="list-style-type: none"><li>2 users were granted access to diagnostic tools within the production environment, breaching segregation of duties and access control protocols.</li><li>one user's deactivation of User Access post-termination was delayed</li></ul> The audit team confirmed that the users had not posted to the pension fund ledger – therefore no further procedures were required to be performed in respect of this finding.

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 (continued)

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	
Pension Administration System – Altair	ITGC assessment (design and implementation effectiveness only)	<div><div></div><div>[Amber]</div></div>	<div><div></div><div>[Amber]</div></div>	<div><div></div><div>[Green]</div></div>	<div><div></div><div>[Green]</div></div>	<div>Contributions receivable, Benefits payable and the actuarial valuation</div> <div> <p>Our IT audit work identified:</p> <ul style="list-style-type: none"> <li>that access was granted to a user on Altair without documented evidence that the user’s line manager submitted a formal request specifying the seniority level/role to be assigned.</li> </ul> <p>The IT audit team subsequently carried out a review of access rights within Altair, and this confirmed that the seniority level/role assigned was appropriate for the individual – therefore no further procedures were required to be performed in respect of this finding. This recommendation was also raised in the prior period and is therefore detailed in our follow up of prior period recommendations on pages 45 to 46.</p> </div>

For further detail of the IT audit scope and findings please see separate ‘IT Audit Findings’ report.

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



# 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 the prior period: 2023/24 - £182.2m in Note 15 should have been £394.9m 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 two recommendations 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. 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>
2 ● [Green]	<p>As also reported by the corporation auditor, we have noted that declaration of interest forms are not captured for all members on an annual basis. This poses a risk that the pension fund may be unable to capture related party transactions that could materially affect the pension fund's related parties' disclosure.</p> <p>In response to this risk, the audit team reviewed directorship information available on Companies House. No undisclosed related parties have been noted from this exercise.</p>	<p>Members should ensure that declarations of interest are complete and accurate.</p> <p>Management should ensure that all declarations of interests are receipted in a timely manner to inform year end disclosures</p> <p><b>Management response</b></p> <p>Chamberlains have engaged with the Digital Information and Technology Service (DITS) to build a new digitalised declaration form which will simplify and speed up the related party's data collection process in order to increase completion rates.</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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