

City of London Corporation Committee Report

Committee(s): Pensions Committee	Dated: 13 February 2025
Subject: Pension Fund Audit Findings Follow Up	Public report: For Discussion/ Information
This proposal: <ul style="list-style-type: none">• provides statutory duties• provides business enabling functions	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	The Chamberlain
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Summary

This report provides the Pensions Committee with an update on the Pension Fund Audit Findings for the year ended 31 March 2024 and the progress that has been made in relation to the 'best practice' recommendations.

Recommendation

Members are asked to note this report.

Main Report

1. At Pensions Committee on 17 September 2024, Members received a report on the draft audit findings for the year ended 31 March 2024. The report and appendix can be found [here](#). At the meeting, Members agreed to '*review the recommendations in the audit findings report in 6 months' time*'. This report provides an update on those recommendations.
2. The Pension Fund accounts were signed by the external auditors (Grant Thornton UK LLP) on 17 October 2024 and the Pension Fund Annual Report was signed on 11 November 2024. 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 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>Low – Best Practice</p>	<p>Lack of formal documentation in Altair user access provisioning processes During the audit, we noted that the Altair user access request required notification to and approval by the Pension Manager. However, the process was not documented.</p> <p>Risk 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. 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>Management response As recommended by the auditors, the Pensions Office will look to establish & implement formal policies & procedures to document any changes made to the system.</p>
<p>Low – Best Practice</p>	<p>Journal authorisation timeliness During the audit, we noted that there is no defined timeline for sending follow-up emails for approvals or for receiving formal approval of journal entries.</p> <p>Risk Timeliness of journals authorisation enables the appropriate detection and correction of errors to be addressed in a timely manner.</p>	<p>We recommend that a check on authorisations being undertaken is established.</p> <p>Management response Work is underway by the Corporate Finance team to create a centralised log of all journals which will incorporate the approval workflow. This will demonstrate that all journals with individual lines > £100k will require review and approval, and a check will be undertaken to ensure all authorisations have been actioned in a timely manner.”</p>

4. Following the above audit recommendations, progress around both areas has been made by officers. The Administration Policy has been expanded to establish & implement formal policies & procedures to document any changes made to the Pensions Software (Altair) system. This updated policy is being brought to this Committee as a separate Agenda item.
5. In relation to the recommendation on journal authorisation for all journals where individual lines are over £100k, the Strategic Finance Team have developed a Sharepoint journal log with an approval workflow. The log requires the preparer of the journal to add information in relation to the journal and attach working papers as evidence for the values. This process is currently in its test phase and the aim is for this to be rolled out to all journal preparers/ approvers for the 2025/26 financial year.

Conclusion

6. The Pension Fund Accounts were signed by the External Auditors, Grant Thornton UK LLP, on 17 October 2024. Two recommendations, in line with best practice, were made in relation to formal documentation regarding the Pensions system 'Altair' and journal authorisation. Officers are currently implementing documents and processes 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

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