

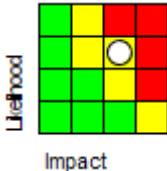
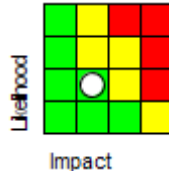
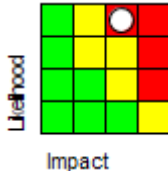
Pensions Committee - CHB Pensions - Detailed Report

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



Rows are sorted by Risk Score

Risk Level Description Service

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

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

Risk Approach	Reduce
Risk Owner	Kate Limna

Associated Actions

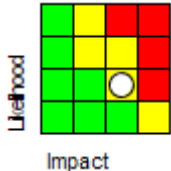
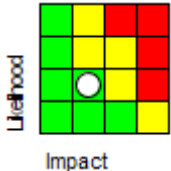
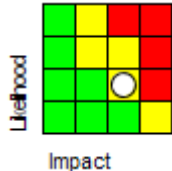
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 009a Initiating McCloud Remedy	MHCLG has confirmed the proposed remedy and the intention to introduce legislation to the statute books from 1 April 2023 but applied retrospectively to 31 March 2012 and 31 March 2014. The Pensions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

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

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

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

Associated Actions

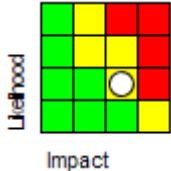
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 001a Investment Strategy review	The Investment strategy of the Pension Fund is reviewed at least every three years following the triennial valuation	The Pension Fund Investment Strategy was reviewed following the completion of the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

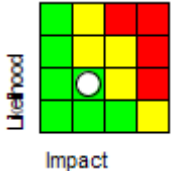
	with proper advice from the Investment Consultant.	Bonds, Renewable Infrastructure and broad private markets were agreed to ensure that the investment strategy remained appropriate in the context of the Fund's updated liabilities valuation and the current investment environment. Subsequently in September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

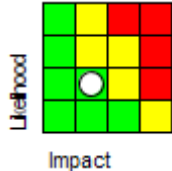
Risk Code	CHB Pensions 007
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Risk Title	<i>Cyber Security</i>
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Description	Cause: IT system failures due to ineffective procedures, or Inadequately trained staff. Event: Breach of Corporate IT systems and Cyber security due to inadequate preparation and not maintaining robust effective IT security systems and procedures. Effect: 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
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Current Risk		
Risk Score	Likelihood	Impact
8	Unlikely	Major
Amber	Trend	Increasing

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	17-Aug-2022

Latest Note	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. 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.	05-Sep-2025
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Risk Level	Service
Department	Chamberlain's

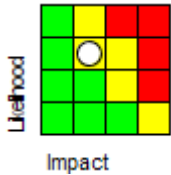
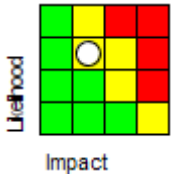
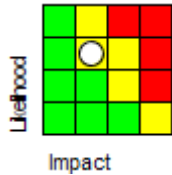
Risk Approach	Reduce
Risk Owner	Kate Limna

Associated Actions

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

Risk Code	CHB Pensions 010	Risk Title	<i>Targeted returns</i>
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Description	Cause: Fund managers (including the London CIV) fail to achieve the targeted investment returns because • unsuitable fund managers are appointed, • individual fund managers underperform against the benchmarks agreed by the Committee, • aggregate fund manager performance fails to achieve the long-term targets • Number of investors in a fund may diminish below a minimum level causing the fund to close. Event: Failure to be seen to manage the funds responsibly. Effect: Supervisory intervention over management of the Funds.
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Current Risk			Target Risk			Original Risk		
Risk Score	Likelihood	Impact	Risk Score	Likelihood	Impact	Risk Score	Likelihood	Impact
6	Possible	Serious	6	Possible	Serious	6	Possible	Serious
Amber	Trend	Constant	Amber	Target Date	31-Mar-2026	Amber	Creation Date	17-Aug-2022

Latest Note	The performance of fund managers and their aggregate performance is reported against target to the Pensions Committee. The Pensions Committee will set a diversified investment strategy to mitigate volatility and as such it expects different parts of the strategy to outperform at different times. The Strategic Asset Allocation was revised in September 2023 <u>and will next be reviewed alongside the 2025 triennial valuation.</u> 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 61 <u>59</u>% pooled (including commitments).	05-Sep-2025
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Risk Level	Service
Department	Chamberlain's

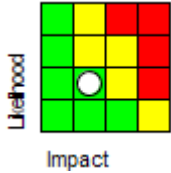
Risk Approach	Reduce
Risk Owner	Caroline Al-Beyerty

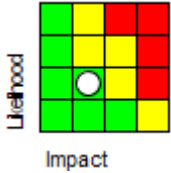
Associated Actions

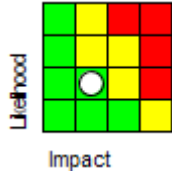
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 010a Investment manager Benchmarking	Investment managers' performance and their aggregate performance is measured against appropriate benchmarks and will be monitored by the Pensions Committee throughout the year. It is supplemented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

Risk Code	CHB Pensions 003	Risk Title	<i>Short term Cash flows</i>
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Description	Cause: Inadequate cash flow planning and monitoring. Event: Delayed settling of benefits/ assets disinvested at an opportune time Effects: 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	<i>05-Sep-2025</i>
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Risk Level	Service
Department	Chamberlain's

Risk Approach	Avoid
Risk Owner	Kate Limna

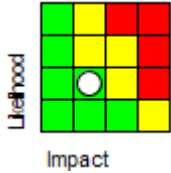
Associated Actions

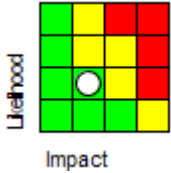
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 003a Asset Allocation	The Pension Fund asset allocation is established to ensure appropriate exposure to asset classes.	The Pension fund asset allocation remains within tolerance of control ranges established by Pensions Committee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

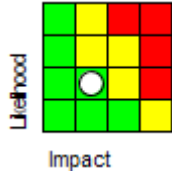
	new monies and Fund managers are required to provide sufficient notice of cash calls and redemption payments.	X number of working days in advance of a withdrawal (X is dependent on the fund manager).			
CHB Pensions 003c Cash flow forecasting	Cash flow forecasting to ensure adequate monitoring and planning.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

Risk Code	CHB Pensions 004	Risk Title	<i>Breach of GDPR / Data Protection regulations</i>
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Description	Cause: (i) Ineffective procedures. (ii) Inadequately trained staff. (iii) Data Accuracy. (iv) Lack of resources. Event: Scheme members' personal data is released to an unauthorised third party. Effect: (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	

Latest Note	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.	05-Sep-2025
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Risk Level	Service
Department	Chamberlain's

Risk Approach	Reduce
Risk Owner	Kate Limna

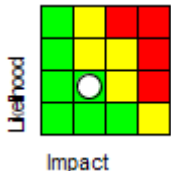
Associated Actions

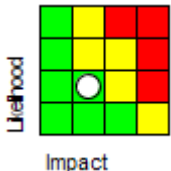
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 004a Corporate	Pensions administration staff to be aware of the corporate policy regarding	Corporate online training regarding data-security to be carried out by all staff and reviewed as required.	05-Sep-2025	Graham Newman	31-Mar-2026

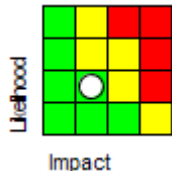
Policies on data security	data security and to follow the guidelines given.				
CHB Pensions 004b Electronic Data	Ensuring that any data sent electronically is sent securely / password protected with the password sent separately	All staff are trained in how to protect documents and send emails securely.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

Risk Code	CHB Pensions 006	Risk Title	<i>Employer Insolvency</i>
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Description	Cause: Processes not in place to capture or review covenant of individual employers. Event: Employer becomes insolvent or is abolished with insufficient funding to meet liabilities. Effect: Fund would pick up the liabilities potentially leading to increased contribution rates for other employers.
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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	17-Aug-2022

Latest Note	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. The actuary assesses the value of these risks to the Fund and sets the value for a bond, generally for a three-year period. 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.	05-Sep-2025
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Risk Level	Service
Department	Chamberlain's

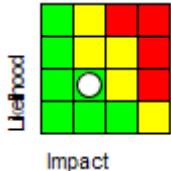
Risk Approach	Accept
Risk Owner	Kate Limna

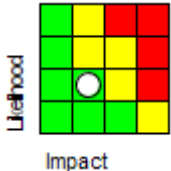
Associated Actions

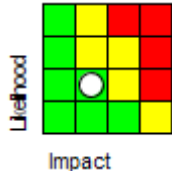
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 006a Bond indemnity/guarantee	Bond indemnity/guarantee required for admitted bodies and incorporated into admission agreements where appropriate.	Recent admissions to the scheme have provided a bond <u>except for TUPEs in relation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

Risk Code	CHB Pensions 008	Risk Title	<i>Pension Scheme Administration</i>
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Description	Cause: (i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/increased staff turnover. (v) Data Accuracy. (vi) Lack of resources. Event: The failure of administrators to accurately calculate and pay the correct level of benefits. Effect: (i) Inaccurate benefits paid or delayed. (ii) Increased costs. (iii) Financial penalties/ sanctions.
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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-2025

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

Latest Note	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. Other bodies such as the Pensions Regulator, HM Revenue & 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. 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.	05-Sep-2025
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Risk Level	Service
Department	Chamberlain's

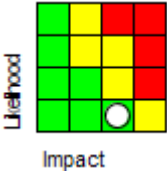
Risk Approach	Accept
Risk Owner	Kate Limna

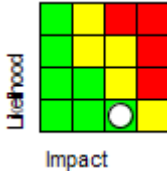
Associated Actions

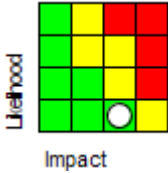
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 008a Recruitment job descriptions	Job descriptions used at recruitment to attract candidates with skills and experience related to LGPS administration. The appraisals process to monitor progress and assess training needs.	Ensuring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

Risk Code	CHB Pensions 011	Risk Title	<i>Service provider failure</i>
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Description	Cause: Corporate, financial, economic or cybersecurity threats result in service provision withdrawal or liquidation of partner organisations. Event: Failure of fund manager, investment consultant or other service provider without notice. Effect: 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

Latest Note	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.	05-Sep-2025
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Risk Level	Service
Department	Chamberlain's

Risk Approach	Avoid
Risk Owner	Kate Limna

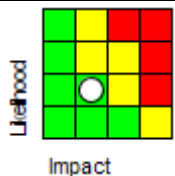
Associated Actions

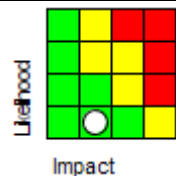
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 011a Detailed due Diligence	Detailed due diligence is carried out when new fund managers, investment consultant or other service provider are appointed.	New manager due diligence undertaken in consultation with investment consultant.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

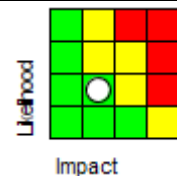
CHB Pensions 011b Internal control reports	Review of internal control reports on annual basis.	Corporate Treasury compile an archive of the most up to date relevant annual internal control reports issued by all issuing fund managers and custodian as part of statement of account compilation across Funds.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

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

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

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

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

Risk Approach	Avoid
Risk Owner	Kate Limna

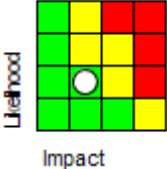
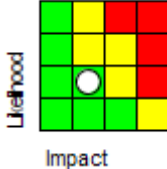
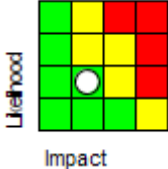
Associated Actions

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

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

Risk Code	CHB Pensions 013	Risk Title	<i>Responsible investment duties</i>
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Description	Cause: Insufficient attention is paid to the environmental, social and governance (ESG) dimensions of the Corporation's financial investments. Event: The Corporations' financial investments include an underappreciated exposure to negative ESG risks and the means to effectively manage such risks is not understood. Effect: The Corporation suffers reputational or financial damage.
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Current Risk			Target Risk			Original Risk		
Risk Score	Likelihood	Impact	Risk Score	Likelihood	Impact	Risk Score	Likelihood	Impact
4	Unlikely	Serious	4	Unlikely	Serious	4	Unlikely	Serious
Green	Trend	Constant	Green	Target Date	31-Mar-2026	Green	Creation Date	17-Aug-2022

Latest Note	The Pensions Committee inherited an advanced approach to responsible investment and asset stewardship. The Corporation (via the then Financial Investment Board) has formally recognised its asset stewardship role and the need to manage ESG risks through its Responsible Investment Policy which also outlines the Corporation's approach in this area. The City of London Corporation (as a whole) is a signatory to the Principles for Responsible Investment. 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. The Corporation’s second scenario analysis is being was undertaken during 2024/25 to better understand the latest risks and opportunities associated with the City’s Financial investments.	05-Sep-2025
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Risk Level	Service	Risk Approach	Reduce
Department	Chamberlain’s	Risk Owner	Kate Limna

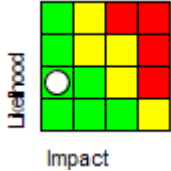
Associated Actions

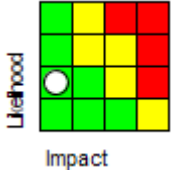
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CHB Pensions 013a Reporting on responsible investment activities	Reporting on responsible investment activities to the Principles for Responsible Investment is completed on an annual basis. The Committee (along with other relevant Committees/Boards)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

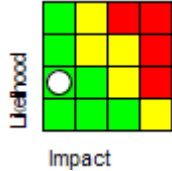
	other committees which now have investment oversight responsibilities).				
CHB Pensions 013d Climate Action Strategy delivery	The Committee (along with other relevant Boards/Committees) has been assigned several key actions which will enable the Corporation to deliver its Climate Action Strategy. Key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

Risk Code	CHB Pensions 005	Risk Title	<i>Fraud</i>
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Description	Cause: (i) Not notified of death. (ii) Staff acting inappropriately (iii) Pension transfer scams Event: (i) Fraudulent claim of pension benefits (ii) pension benefits transferred to an inappropriate / unauthorised body. Effect: (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
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Current Risk		
Risk Score	Likelihood	Impact
2	Unlikely	Minor
Green	Trend	Constant

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

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

Latest Note	If the death of a LGPS beneficiary is not reported, their pension may continue to be paid when there is no longer an entitlement. 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. 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.	<i>05-Sep-2025</i>
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Risk Level	Service
Department	Chamberlain's

Risk Approach	Avoid
Risk Owner	Kate Limna

Associated Actions

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

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

Target Risk		
Risk Score	Likelihood	Impact
1	Rare	Minor
Green	Target Date	31-Mar-2026

Original Risk		
Risk Score	Likelihood	Impact
1	Rare	Minor
Green	Creation Date	17-Aug-2022

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 will <u>has commenced</u> this year as at 31 March 2025, <u>and the draft results will be presented to this Committee in December 2025.</u>	05-Sep-2025
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Risk Level	Service
Department	Chamberlain's

Risk Approach	Accept
Risk Owner	Kate Limna

Associated Actions

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

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