

City of London Corporation Committee Report

Committee(s): Pensions Committee	Dated: 11 February 2026
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
Report author:	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
'Green' Low – Best Practice	<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>Management response 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>
'Green' Low – Best Practice	<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 received in a timely manner to inform year end disclosures</p> <p>Management response 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

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