

LPFA Audit and Risk Committee

MINUTES

APPROVED

Date: Thursday 22 February 2024

Time: 10.30-13.30

Location: MS Teams

Present:	Richard Olszewski Debbie Rees Christina Thompson	Committee Member Committee Member Committee Member and Chair
In Attendance:	Audrey Allen-Chitwa Mark Anderson Robert Branagh Ashley Durkan Janet Morville-Smith Clare Scott Rachel Sollis Lana Watson	LPFA Interim Deputy S151 Officer LPFA Head of Compliance Risk and Pensions LPFA CEO LPFA Governance Manager LPFA Head of Risk & Compliance (Item 10 Only) LPFA S/H NED & Board Member LPPI Senior Compliance Officer (Item 10 Only) LPFA Funding and Investment Director
Apologies:	Mandy Sadler Michelle King Alistair Peck Ernst & Young	Committee Member LPFA Finance Director LPFA Head of Communications and Engagement Partners

1. ARC779 – Introductory Matters

Chair's welcome, apologies, and declarations

- 1.1 The Chair welcomed those present and confirmed that the meeting was quorate. No new declarations of interest had been made ahead of the meeting, and apologies were received from Michelle King, LPFA Finance Director and Ernst and Young External Auditors.

Minutes of the Meeting held on 23 November 2023

- 1.2 The Board **REVIEWED** and **APPROVED** the minutes of the last meeting held on 23 November 2023 subject to minor amendments.

Action Points

- 1.3 The Board **NOTED** all other actions from previous meetings, the updates on how those actions were being addressed and those marked for closure.

2. ARC780 – Internal Audit

- 2.1 The Deputy S151 Officer provided a high-level summary regarding the completion of two audits and the plans that had been enacted, including the engagement letter's extension. The tender process and its future considerations were also discussed.
- 2.2 The PwC Senior Manager thanked the Deputy S151 Officer and the Head of Compliance, Risk, and Pensions for their significant contributions to facilitating internal audit services. An update was then provided on the changes since the last Committee meeting, mentioning the issuance of the Succession Planning report and the Overpayments Audit report from the previous year's Audit Plan,

alongside the status of the current year's audit plan.

Completed Audit Reports:

2.3 **Succession Planning:** The result was satisfactory with exceptions. All recommendations have now been implemented.

2.4 **Administration Overpayments:** The result was satisfactory with exceptions. All recommendations have now been implemented.

Completed Internal Audit Fieldwork:

2.5 The internal audit fieldwork for the Liquidity review has been completed, with the report due to be issued on 19 February.

Audits Fieldwork in Progress:

- Investment Strategy and Objectives
- Third Party Risk/Administrator Oversight

2.7 The PwC Senior Manager provided a brief summary of outstanding actions, focusing on the two actions reported to the previous Audit Committee, and highlighted that plans were in place to remediate these this year.

2.8 The Overpayments report and Succession Planning report were discussed, with improvements and the implementation of all recommendations being noted. A Committee Member raised a question about confidentiality in personnel changes, especially in senior roles.

2.9 The Chair and Chief of Staff provided insights into the nature of succession planning as a preparatory measure for unforeseen circumstances, emphasizing the importance of training and skill development.

Internal Audit Plan for 2024-25:

2.10 Included in the discussions was the internal audit plan for 2024-25, as outlined in Appendix 2. The planned audits for 2024-25 are:

- Pension Administration and Benefit Calculations
- Investment implementation/ Investment manager oversight
- The Pension Regulator Review to encompass legislative compliance
- Cyber Security

2.11 The total budget for the year was £185k, which was £6k more than included in the MTFP. Adjustments were to be made in the version for final publication. Agreed audits were highlighted in green in the plan.

2.12 A discussion followed about the draft for the next 12 months' audit plan, raising concerns over the value and scope of specific audits. The committee agreed to revisit the scope and potential overlap with existing audits, particularly regarding the Investment Oversight Audit.

2.13 During the discussion regarding the Audit Plan, the PwC Senior Manager highlighted the Investment Oversight work as a continuation of the Committee's efforts to ensure robust oversight and effective implementation of investment strategies.

2.14 A Committee Member raised concerns about the audit's scope, particularly questioning the value it could bring, given the £36,000 fee. They expressed doubt about what could be achieved at that level

and whether it would genuinely add value, considering the responsibility primarily lay with LPPI (London Pensions Partnership Investments). They suggested that a review by an investment specialist might be more beneficial if it aligned with the Investment Committee's interests but remained uncertain about the potential outcomes of an internal audit.

- 2.15 The PwC Senior Manager responded, emphasizing that the style of the review would closely align with the Committee Members' suggestions, focusing on the oversight mechanisms to ensure LPPI's alignment with the LPFA's (London Pensions Fund Authority) strategy. He reassured the Committee that the indicative budget of £36,000 would be transparent and subject to adjustment based on a detailed scope and planning session, which would involve further discussions with the Investment Committee to ensure the audit's relevance and value.
- 2.16 Another Committee Member supported the concerns highlighted, advising further discussions with the Investment Committee to gauge the potential value of the audit. They emphasised the importance of not duplicating efforts and ensuring the audit provided new insights.
- 2.17 The Funding and Investment Director agreed, pointing out the need to avoid overlap with the current Investment Strategy internal audit, especially those focusing on governance and oversight. The possibility of postponing the audit until after the completion of the current review was suggested to ensure clarity regarding its scope and necessity.
- 2.18 The Committee agreed to revisit the scope of the Investment Implementation audit, with the PwC Senior Manager proposing to scope out the review imminently and consult with the Investment Committee for their input on its value. **ACTION:** PwC/Funding and Investment Director
- 2.19 A Committee Member addressed the item regarding the audit plan's reference to the TPR code compliance, specifically questioning the intentions behind the inclusion of the Pension Regulator Review to encompass legislative compliance. They pointed out a discrepancy in the wording, noting that the plan initially referred to Code 14 but should now focus on the General Code, recently released by the Pensions Regulator.
- 2.20 The PwC Senior Manager acknowledged the timing difference, clarifying that the audit plan's reference was indeed intended to reflect the latest General Code requirements. They agreed with the Committee Member's suggestion to update the plan's wording to accurately represent the scope of the review, ensuring it focused on those parts of the General Code applicable to LGPS (Local Government Pension Scheme) schemes..
- 2.21 The Committee member also emphasised the need for accuracy in language, suggesting a revision of terms like "compliance" to more accurately reflect the nature of the regulator's expectations, which are not law but rather best practice guidelines.
- 2.22 The Committee agreed to update the wording in the Audit Plan concerning the TPR code review, ensuring clarity and accuracy in its objectives and scope. **ACTION:** PwC
- 2.23 The PwC Senior Manger presented the Internal Audit Charter for review and approval, highlighting roles and responsibilities.
- 2.24 The Committee **RESLOVED** to:
- a) **APPROVE** three out of the four proposed activities in the Internal Audit Plan for the upcoming year. These approved activities include Pension Administration and Benefit Calculations; The Pension Regulator Review (to encompass legislative compliance); and Cyber Security;
 - b) **AGREE** that the Investment Oversight audit required further review to determine its scope,

relevance, and potential value before approval can be granted. This item will be revisited after additional consultation and clarification, particularly focusing on its alignment with the LPFA's strategy and ensuring it does not duplicate recent oversight audits.

- c) **APPROVE** the Internal Audit Charter; and
- d) **NOTE** the updates provided.

3. ARC781 - External Audit and Accounts

- 3.1 The Accounts and Audit (Amendment) Regulations 2022 had extended the deadline for filing Local Authority Accounts from 31 July to 30 September for financial years beginning in 2022 to 2027, as detailed in the Accounts and Audit Regulation 2015. The Accounts and Audit (Amendment) Regulations 2024 required that all unpublished accounts from 2015 to 2022 be published by September 2024. The LPFA, having no historic unpublished audited accounts, aimed to publish the 2023-24 accounts by 30 September 2024. It was also noted that accounts, which could be unaudited, had to be made available for public inspection for the first 10 days of June and for a continuous period of 30 days.
- 3.2 The year-end audit timetable outlined key dates, including the planning audit's start on 4 March, the LPFA unaudited accounts becoming available for public inspection on 31 May (emailed to ARC on 29 May), the Final Audit commencing on 8 July, and the final accounts being circulated for the ARC meeting on 19 September. The objective was to gain Board final approval by 30 September, with any changes, particularly regarding investment values and the LPP Group accounts, being delegated to the Deputy S151 Officer and the CEO for approval.
- 3.3 Following discussions with new auditors Ernst and Young, LPPI, LPPA, and BNY Mellon, the external audit timetable was developed. LPPI agreed to provide the fund accounts by 25th September, with ongoing discussions to possibly bring this date forward. Efforts to streamline the year-end valuation process aimed to minimise the need for account amendments by incorporating updated valuations. Ernst and Young had indicated their willingness to accept estimated valuations on an agreed basis. Draft LPP accounting figures were set to be available in mid-May, allowing for the publication of consolidated Operational Accounts by 31 May 2024. These accounts, not required to be audited, were to be specified as unaudited. Ernst and Young confirmed they did not need to review these before publication. The approved LPP Group Accounts, necessary for consolidating the joint venture interest in LPP, were expected by 19th September.
- 3.4 The internal Lessons Learned document, attached as Appendix 2, included insights from Officers and other contributors from the previous year's Audit. This effort was aimed at refining the audit process by addressing identified challenges and ensuring a smoother progression in subsequent audits.
- 3.5 The Committee discussed Ernst and Young's engagement, the timing for the Annual Governance Statement, and the significance of the Lessons Learned document. Concerns were expressed about Ernst and Young's initial absence in planning but were alleviated by their commitment to the agreed dates. The Committee acknowledged the need for the Annual Governance Statement to be available earlier, committing to align its preparation with the draft accounts' publication. Committee members offered their support to ensure Ernst and Young's compliance with the audit timetable and emphasised the Lessons Learned document's role in improving audit efficiency.
ACTION: Governance Manger to ensure that the AGS is provided at the June Meeting.
- 3.6 The Chair concluded by appreciating the committee's contributions and highlighted the importance of adhering to the updated timelines and regulations, ensuring the audit process's transparency and compliance.

3.7 The Committee **RESOLVED** to:

- a) **APPROVE** the external audit timetable;
- b) **AGREE** that the preparation of the Annual Governance Statement would be provided in advanced; and
- c) **NOTE** the updates provided.

4. ARC782 – Finance & Treasury Management Report

- 4.1 The Deputy S151 Officer moved on to discuss the finance management report, providing an overview of the results for the first nine months and noting that global equities had performed well during this period. A notable variance in contributions income was highlighted, attributed to pensionable pay being approximately 12% higher than the actuary had predicted. This increase resulted in a rise in contributions income, warranting a closer examination of employer contributions, which had not increased to the same extent. The S151 Officer mentioned plans to conduct a further review of the contribution's income.
- 4.2 A Committee Member raised a point about the presentation of financial figures, noting that negative numbers were shown in red, even when the negativity of the figure was a positive outcome. They suggested that normally both positive and negative figures should be in black, with red reserved for disappointing results. The S151 Officer clarified that red was used to indicate adverse variances, either where costs exceeded the budget or income fell short. A review would be conducted to ensure consistency in this practice. **ACTION:** Deputy S151 Officer
- 4.3 Deputy S151 Officer then discussed the Treasury report, which related to the management of a £30 million buffer within the finance team. Details were provided on the balance adjustments made over the Christmas period due to transfers from residual liabilities to the Pension Fund in relation to underfunded liabilities. It was noted that the returns were marginally below the overnight Sonia rate, but the primary goal was not to target high returns but to manage liquidity effectively. The finance team conducted daily cash flow analyses and maintained a long-term cash flow to explore options for optimising returns while ensuring liquidity.
- 4.4 The report detailed LPFA's financial performance up to 31 December 2023, comparing it against the budget set out in the Medium-Term Financial Plan (MTFP). It was split into three sections: Pension Fund results, assets and liabilities including liquidity, and Residual Liabilities accounts. The net increase in the Fund value as of 31 December 2023 was £217.67 million, £88.93 million above the budget, mainly due to higher-than-expected net profits on the disposal of assets and changes in market values. The investment income was also significantly above budget. Pension Fund cash at the end of December was £139.20 million, with a detailed breakdown of the cash buffer components provided. The net outflow from Residual Liabilities for the nine-month period was significantly below budget due to changes in the funding regime.
- 4.5 The Committee engaged in discussions on these financial matters, with a focus on understanding the variances in contributions income and the implications of the higher pensionable pay. The conversation also touched upon the presentation of financial data and the management of the Treasury's liquidity buffer. The Deputy S151 Officer's explanations clarified the situation and outlined the steps being taken to review and adjust financial management practices in light of the findings.
- 4.6 The Committee **NOTED** the updates provided.

5. AC783 - Pension Fund Annual Report

The Deputy S151 Officer, collaborating closely with Head of Communications and Engagement, highlighted that the planning process for the annual accounts was underway. They aimed to synchronise their efforts to ensure all necessary planning was in place. The Head of Communications and Engagement was tasked with planning and coordinating with LPPI for the investment report, and LPPA for administration tasks. This planning commenced concurrently with the external audit process, with regular meetings scheduled to monitor progress on both fronts.

- 5.1 The Chair raised concerns that the report might not be ready for the June meeting, emphasising the need for a more detailed review of the report's front half. The Chair noted that improvements to this section had been delayed in previous years and stressed the importance of addressing these issues now.
- 5.2 In response to the Chair's feedback, it was acknowledged that the front half of the annual report required more focused attention, particularly in reviewing the narrative sections and providing more evidence. The suggestion was made to revisit this part of the report more thoroughly, with a commitment to pass on this feedback to the Head of Communications and Engagement for further action.
ACTION: Deputy S151 Officer
- 5.3 A discussion on the governance support for the annual report indicated a concerted effort to bring forward the production of the front half of the accounts, with a goal to have a draft, as far as possible, ready by the June meeting.
ACTION: Governance Manager/M&C
- 5.4 The Committee was briefed on the statutory deadline for the publication of the Annual Reports and Accounts being 30 November 2024. The aim was to publish the report by 17 November 2024, demonstrating the fund's well-managed status. Approval milestones for the annual report were outlined, highlighting that some content might not be ready for review by the ARC and IC in June. Alternative review schedules were considered, including potential review opportunities at the July Board meeting or the September Away Day, with email circulation of content as a fallback option.
- 5.5 The detailed schedule for the annual report's approval process was presented, noting the key dates and groups involved. It was mentioned that LPPI's investment figures were unlikely to be ready for the June IC meeting, prompting a request for commentary on these sections. The Audit and Risk Committee was scheduled to review the annual report's front half, including any amendments from the Investment Committee, by 19 September. The final stages involved a CIPFA check, Board sign-off, and delegated authority to the CEO and S151 for any final amendments, ensuring publication by 17 November.
- 5.6 The Committee **NOTED** the updates provided.

6. AC785 - LPFA Risk Management

AC785a Consolidated Risk Review

- 6.1 The Head of Compliance, Risk, and Pensions introduced the draft Code laid before Parliament, emphasising the importance of aligning LPFA's practices with the forthcoming enforcement guidelines. The team began by examining the Code's obligations to identify any gaps against LPFA's current controls and risks. This review, nearing completion, suggested LPFA was in relatively good shape, though areas for tightening and new requirements were identified. A significant focus was on preparing for the transition to a new system, aiming to replace the traditional risk register with an obligations register directly aligned with the Code for continuous compliance monitoring.

- 6.2 The introduction of a new system aims to transform the current manual risk framework into a dynamic, fully automated, and monitored system. This system will enhance real-time assurance requests and risk conversations across business functions, integrating governance framework considerations internally. The goal is to enable the governance, risk, and compliance team to actively monitor LPFA's operations and provide detailed reporting to the Committee and Board.
- 6.3 With the transition to the new system, two providers have been identified through a selection process, both offering viable solutions in slightly different manners. A financial assessment of these companies is being conducted to determine their robustness, contributing to the decision-making process for the final selection. The aim is to commence final due diligence on contracts by March, ensuring readiness to implement the new framework by the beginning of the second quarter.
- 6.4 A Committee Member acknowledged the significant work involved and the potential benefits of successfully implementing the new system. Questions were raised regarding the inherent risks of IT programs, specifically questioning the extent to which the new vendors would be offering pre-existing solutions versus custom-built systems. The Head of Compliance, Risk, and Pensions reassured that the selected vendors offer out-of-the-box solutions with minimal need for customisation, thereby reducing implementation risks.
- 6.5 The adoption of a new governance, risk, and compliance platform is poised to significantly enhance LPFA's ability to manage and report on risks, aligning closely with the TPR General Code of Practice. This system will not only facilitate a more efficient and accurate risk management process but also accommodate future expansion needs without the necessity of extensive reconfiguration.
- 6.6 The Committee **NOTED** the presented updates and anticipated receiving a further update at the next meeting, highlighting the progress towards implementing the new risk management framework and adapting to the TPR General Code of Practice.
- ACTION:** The Head of Compliance, Risk, and Pensions
AC785b LPFA Risk Management Update
- 6.7 The Head of Compliance, Risk, and Pensions updated the Committee on the Risk Register, noting new risks highlighted by internal audits. The discussion covered business succession planning now moving to the embedding stage and the incorporation of the Code's requirements into LPFA's processes. The transition from one system to another was emphasised, with a focus on ensuring comprehensive reporting on these changes.
- 6.8 An amendment to the Risk Register was introduced, focusing on member journey metrics. The conversation extended to the need for a set of metrics or scorecards that reflect the member journey beyond SLA metrics. Work was underway with LPPA to develop employer metrics, with similar efforts to incorporate COP-14 requirements into the new system for a holistic view of performance, including late payments and challenges faced by employers.
- 6.9 The Committee discussed the topic of Additional Voluntary Contributions (AVCs), seeking clarity on the review process and its frequency. It was clarified that while the LPFA provides the framework for AVCs, the actual contract is between the member (employee) and the AVC provider. However, the choice of provider, design of the arrangement and investment choices are the responsibility of the LPFA. Discussions underscored the LPFA's obligation to oversee the accurate recording and administration of AVC contributions, highlighting the importance of ensuring proper governance and procedural adherence in the management of AVCs. The Funding and Investment Director confirmed that we are reviewing the current AVC arrangement and will report back to ARC in due course.
- 6.10 A Committee Member raised concerns about the inherent ratings within the risk register, specifically mentioning business continuity and benefit calculations, suggesting a review to ensure accurate

reflection of impact and likelihood. Technical limitations of the CAMMs system were acknowledged as part of the rationale for transitioning to a more effective system.

- 6.11 The Committee discussed the potential impact of external influences, such as government changes, on LPFA's operations and strategic direction. The discussion highlighted the need for a broader risk remit to consider transitional risks and external factors that could affect regulation, delivery, and opportunities.
- 6.12 The Head of Compliance, Risk, and Pensions reassured the Committee that these broader external influences and transitional risks were being incorporated into the new risk management framework. This approach aimed to ensure LPFA remains adaptable and responsive to external changes that may impact its operations and strategic objectives.
- 6.13 The Committee **NOTED** the updates provided.

7. **AC786 Employer Management Services**

- 7.1 The Committee was briefed on the past cessations of active employers within the LPFA Fund. The Guinness Partnership, Alleyn's School, Archbishop Tenison's Church of England GMS, St Francesca Cabrini Catholic Primary School, and the Learning and Work Institute have all ceased participation within the specified dates. Each employer has submitted the necessary leaver forms, and LPPA is processing these in preparation for carrying out cessation valuations. Notably, the London Borough of Southwark will assume responsibility for the assets and liabilities of St Francesca Cabrini Catholic Primary School. Some of these cessations are expected to result in the LPFA Fund issuing exit credits, though none are anticipated to be large enough to cause significant liquidity issues for the Fund.
- 7.2 SSAFA has formally notified the LPFA of its intention to exit the scheme by 31 March 2024, marking an anticipated future cessation of an active employer.
- 7.3 The Committee reviewed the termination of payment plans for Peabody and Sutton Community Leisure. Both employers, having exited the Fund, requested cessation valuation reports in light of market condition changes since the 31 March 2022 valuation. Peabody's cessation valuation indicated a surplus, leading to the decision to terminate the payment plan on a nil settlement, with a Termination Agreement executed by both parties. Sutton Community Leisure's cessation valuation similarly led to a nil settlement termination, with a Termination Agreement being finalised.
- 7.4 New admissions into the LPFA Fund were noted, with Nourish Contract Catering Ltd and Joskos Solutions both completing admission agreements. These entities are providing outsourced services to Orchard Hill College Academy Trust, marking an expansion in the Fund's employer base.
- 7.5 Dulwich College's security arrangement with the LPFA was discussed, detailing a first charge agreement over part of the Employer's investment portfolio managed by BlackRock. With plans to partially disinvest, the College has agreed to provide additional security through a charge over another portfolio managed by Ruffer LLP, ensuring continued category A status for the Employer.
- 7.6 Potential transfers into the LPFA, including Oasis Multi-Academy Trust and Orchard Hill College Academy Trust, were outlined. The Department for Levelling Up, Housing and Communities is considering the application to move Oasis' LGPS funds into LPFA, with a new long-stop date being proposed due to delays. The consolidation of three LGPS Funds into LPFA for Orchard Hill is set for 1 April 2024, with ongoing engagement to ensure the smooth transition of all involved Funds.
- 7.7 Employer Covenant Monitoring was discussed, detailing the annual covenant assessments carried out

for certain employers within the Fund. Following the 2022 valuation, 27 annual covenant assessments were completed, resulting in a change to the covenant grade for Roehampton University due to an improved financial position. This adjustment in covenant grade led to revised contribution rates for the Employer, effective from 1 April 2024.

7.8 The Committee **NOTED** the updates provided.

8. AC787 Compliance and Governance Matters

- 8.1 The Committee was briefed on the LPP SLA Compliance Statement for Q3 2023/24, noting one exception where service level agreements (SLAs) fell below the 95% threshold for estimates and deaths cases. Despite the overall SLA compliance for all case types exceeding 95%, specific areas such as estimates at 93.4% and deaths at 92.9% highlighted the need for attention. Additionally, a data breach incident in November 2023 was discussed, where a member received their own plus 61 other members' pay advice, which was reported to the ICO.
- 8.2 The LPFA Employer Risk Contribution Monitoring was addressed, noting no breaches of material significance to the TPR during the October-December 2023 quarter. With the new General Code set to come into force on 27 March 2024, efforts were underway to align LPFA's governance framework with the new code's requirements, including a detailed year-to-date analysis of employer contribution payments.
- 8.3 The Committee reviewed the LPP Bi-Annual Cyber Security Statement, emphasising the importance of cybersecurity measures and ongoing vigilance.
- 8.4 The Gifts, Hospitality, and Expenses register was acknowledged, with no declarations outside approved guidance.
- 8.5 An update on the LPFA Policy Framework was provided, detailing the review of 39 policies to ensure alignment with current regulatory and organisational needs. The identification of gaps led to the drafting of seven new policies in areas including Human Rights and Anti-Money Laundering. Additionally, 11 existing policies are due for annual review, with a comprehensive review taking place during Q4 of the 2023-24 period.
- 8.6 The review of the LPFA Audit & Risk Committee Terms of Reference (ToR) was discussed, with the conclusion that no material changes were required except for updating the opening paragraph to reflect current operational practices.
- 8.7 The process of breach reporting from LPPA was highlighted, demonstrating LPFA's proactive approach to managing and reviewing breach reports. Regular discussions between LPFA Officers and LPPA ensure that incidents are appropriately prioritised and addressed to prevent future occurrences.
- 8.8 Assurance statements on the LPFA Contracts register and Register of Seals confirmed that no major contracts required ARC's attention for Q3 2023/24. Notable contracts entered into with delegated authority were listed, providing transparency and oversight of LPFA's contractual agreements.
- 8.9 The Committee **NOTED** the updates provided.

9. AC788 LPP Group Annual Risk and Compliance Assurance Reporting

- 9.1 The LPPA Head of Risk and Compliance presented an update on LPPA's compliance and risk management activities, while the Senior Compliance Officer at LPPI provided an overview for LPPI. These updates underscored both entities' commitment to upholding high compliance and risk management standards for the benefit of the London Pensions Fund Authority (LPFA) and its

oversight responsibilities.

- 9.2 For LPPA, the Head of Risk and Compliance highlighted the organisation's continued adherence to key certifications such as ISO27001, Cyber Essentials, and Cyber Essentials Plus. The presentation covered LPPA's active participation in regulatory consultations, particularly in response to the McCloud remedy implementation across various pension schemes. LPPA has maintained an unqualified grading in its Type 1 AAF 01/20 Report, assuring effective control measures across the business. The successful delivery of Project PACE, despite the complexities and challenges, was noted as a testament to LPPA's commitment to continuous improvement in member experience and client services.
- 9.3 The Senior Compliance Officer at LPPI then detailed LPPI's compliance efforts, focusing on the Compliance Monitoring Programme (CMP). This programme assesses over 250 potential regulatory compliance risks, identifying priorities for monitoring based on a comprehensive risk assessment. The CMP encompasses various monitoring activities, including deep-dives into specific risk areas, to ensure LPPI's compliance with its regulatory obligations. Additionally, LPPI's internal audit updates for the years 2022/23 and 2023/24 were discussed, with all findings addressed and closed, demonstrating the effectiveness of LPPI's internal controls and compliance measures.
- 9.4 Both presentations emphasised the entities' proactive approaches to risk and compliance management, including the development of compliance policies, engagement in horizon-scanning for regulatory changes, and assurance activities such as AAF Standards compliance. The commitment to providing detailed and timely management information to relevant boards and committees was also noted.
- 9.5 Future annual assurance reporting was suggested to include AAF reporting from both LPPA and LPPI, highlighting any qualifications or exceptions. This suggestion is part of a broader review of LPP oversight and compliance reporting, with the Committee expected to receive a recommendation on future reporting at its next meeting.
- 9.6 The Committee **NOTED** the updates provided.

10. AC789 Forward Agenda

- 10.1 It was determined that the forward plan would be updated to incorporate various elements based on feedback and recent meetings, including those with the Chair and external audit partners. A notable addition to the forward plan is the incorporation of training elements, specifically a "lunch and learn" session focused on accounts set for June. **ACTION:** Governance Manager
- 10.2 The Committee **REVIEWED** and **NOTED** the forward plan of business and the updates provided.
- 10.3 The Board **NOTED** that its next meeting was scheduled to take place on 20 June 2024
- 10.4 There being no further business, the Chair declared the meeting closed.