

LPP

Local Pensions Partnership
Administration

Annual Internal Control Assurance Report 2021/22

for the year ending 31st March 2022

September 2022

lppapensions.co.uk

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EXECUTIVE SUMMARY

LPPA, part of the LPP Group, provides pension administration services to over 600,000 members across over 1,900 employers for its 18 LGPS and blue light clients.

We have over 200 experts working for LPPA in several locations across the UK who deliver high-quality pension administration services to Local Government, Police and Firefighters Pension Schemes.

EXECUTIVE SUMMARY

LPPA celebrated its 1st Anniversary, as a stand alone subsidiary of LPP Group on the 1st June 2021 and this Report outlines the specific control objectives to support the evolution of LPPA as we move forward into the future.

LPPA's aim is to make pensions simple at a time when our members need us the most. Our scale gives us insight, which puts us in a great place to do more and do it better, to be the provider of choice for public sector pensions administration.

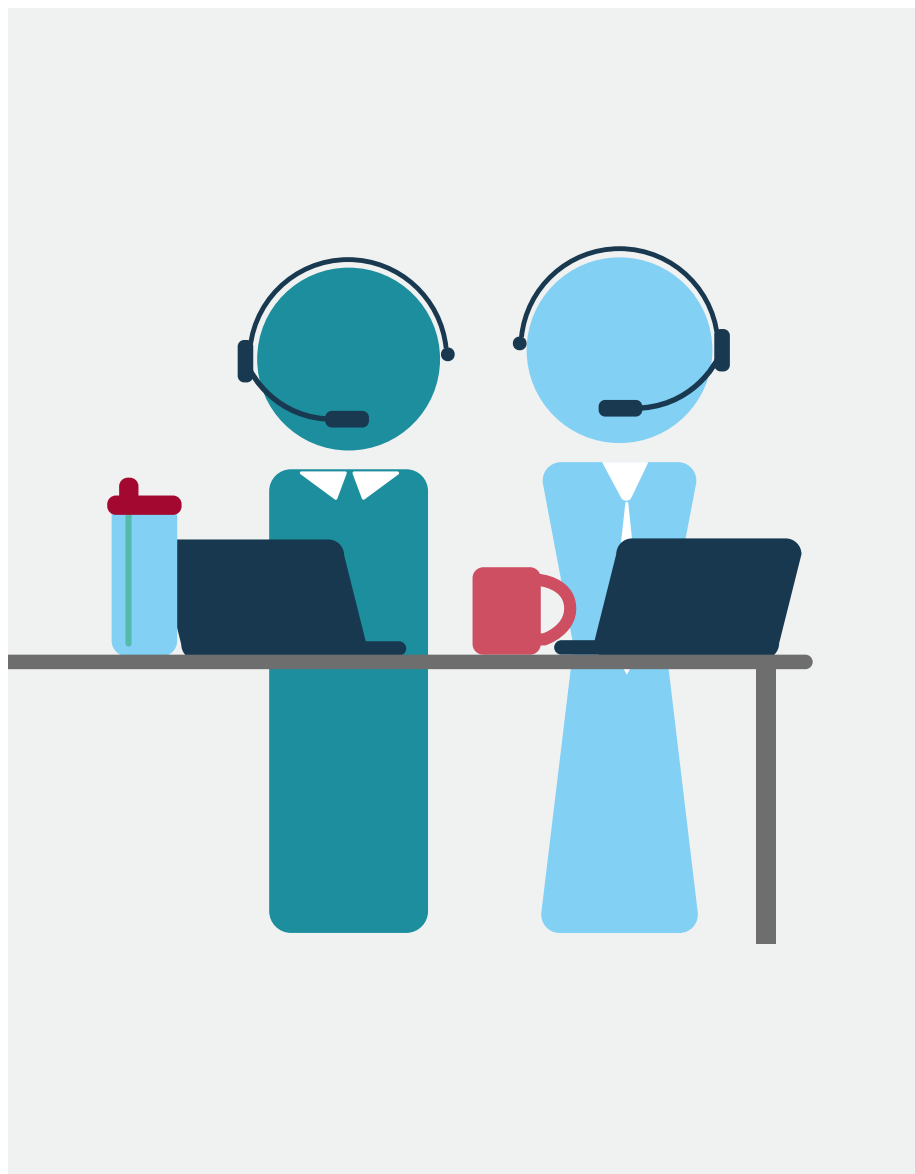
During 2021/22 LPPA has delivered the first phase of its flagship programme, Project PACE, to deliver one single core pensions administration system for LPPA by the end of 2022. Civica's Universal Pensions Management (UPM) replaces the multitude of disparate non-integrated systems currently in place. Key objectives include:

- Strengthen the LPPA control framework to support the path to AAF 01/20 by April 2024 with automated bank validation and laying the foundations for digital identity verification.
- To deliver a scalable, stable solution built on industry standard platforms that will meet Cyber Essentials, ISO27001 and GDPR/DPA 2018 requirements.
- To provide improved member and employer experience by introducing greater self-service functionality.

At the end of this reporting period, 31st March 2022, LPPA has successfully migrated 7 existing clients, and in addition, has onboarded a new LG client onto UPM.

Given the magnitude of change undertaken in 2021/22, it has been a very challenging but rewarding year.



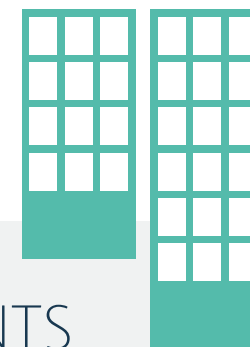


During the year 2021/22 we have maintained the strong, effective and collaborative working relationships we have with our clients. Our focus on member experience and working constructively with our clients and their employers enables us to drive continuous improvement in the services we offer.

1
OFFICE



18
CLIENTS



OVER **1,900**
EMPLOYERS



OVER **600,000**
MEMBERS



REPORT BY THE HEAD OF RISK & COMPLIANCE

This Report relates to the pension administration services provided by Local Pensions Partnership Administration Limited (LPPA).

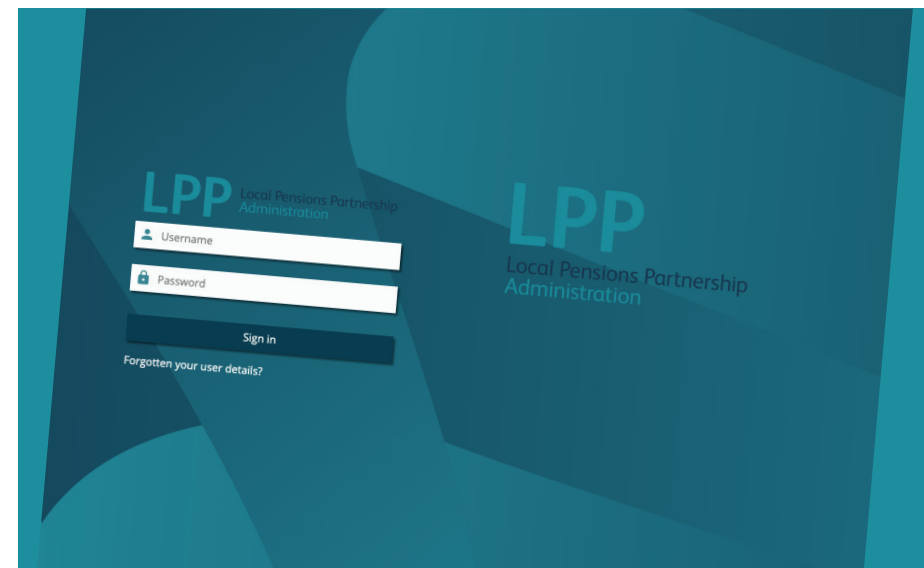


Janet Morville-Smith
Head of Risk & Compliance LPPA

2021/22 has been an exceptionally busy year for LPPA, from the first phased implementation of our new administration system UPM, to a myriad of regulatory consultations and new regulations.

I am proud of the way our people have embraced the changes and challenges that have been thrown at them. I am all too aware of the exceptional work, dedication and time everyone has put into Project PACE to overcome the challenges a new system invariably introduces. They have embraced new ways of working, not only with UPM but new regulatory requirements such as the stronger nudge and enhanced due diligence for transfers out to money purchase pension schemes. And, they have done all this whilst still managing business as usual. Our people are our biggest asset.

Project PACE has been LPPA's main focus during this reporting period and as such it has been important to ensure that assurance work has been supportive and complimentary to the project, without detracting from its purpose or taking up valuable resources that are needed on the project. For this reason, in October 2021 I took the decision to scale back the Quality & Compliance Monitoring activities and utilise my team to act as consultants to project PACE to ensure the processes within UPM took lessons learned from previous quality and monitoring activity and that controls within UPM are robust.



Digital Transformation

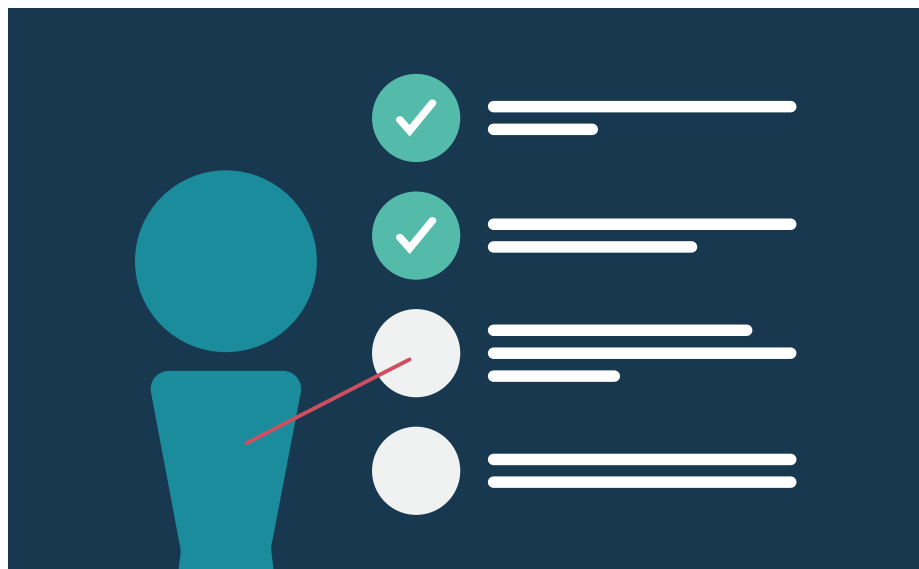


The team performed 8 compliance monitoring reviews which identified areas where process improvements are required. Reviews looked at both UPM and Altair/CMS to compare the effectiveness of both systems and drive improvements into UPM for the future.

During this reporting period Deloitte provided the internal audit function for LPPA and performed 2 audits. In addition, multiple client audits were performed by our clients' external Auditors.

From the evidence provided by my team, Deloitte, client auditors and my own involvement within the business, I can provide full assurance to all clients who have used the pension administration services that those services are being delivered by LPPA in compliance with the Pension Regulator's Code of Practice 14 and local government and public sector pensions legislation. In addition, I can confirm that those services are being delivered in compliance with the UK data protection and information security requirements.

This report will not omit or distort information relevant to the scope of the services being described in the Control Objectives, whilst acknowledging that it has been prepared to meet the common needs of a broad range of clients and may not therefore include every aspect of the services that each individual client may consider important in its own particular environment.



LPPA STRUCTURE

Organisational Structure

LPPA is a subsidiary of Local Pensions Partnership Limited. LPPA's head office is in Preston, Lancashire.

LPPA

LPPA provides pension administration services for Local Government Pension Schemes, Fire Fighter Pension Schemes and a Police Pension Scheme. We look after the needs of over 600,000 pension scheme members, across 18 pension schemes.

As a leading third party pensions administrator, we are responsible for the pension administration services, including calculation and payment of pension benefits, data quality and member and employer engagement.

Internal Controls

The system of internal controls is based upon an ongoing process designed to identify the risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically.

A key element of this structure includes formally agreed, clear definitions of the responsibilities and authority delegated to individual managers across all major activities, supported by LPPA's Senior Leadership Team, LPPA's Audit, Risk & Compliance Committee and the LPPA Board.

The LPPA Risk Management Framework includes the Risk Register, which maps and monitors the risks that threaten achievement of the Control Objectives and regularly reviews and tests the Controls to ensure they remain effective in managing those risks.

Governance Structure

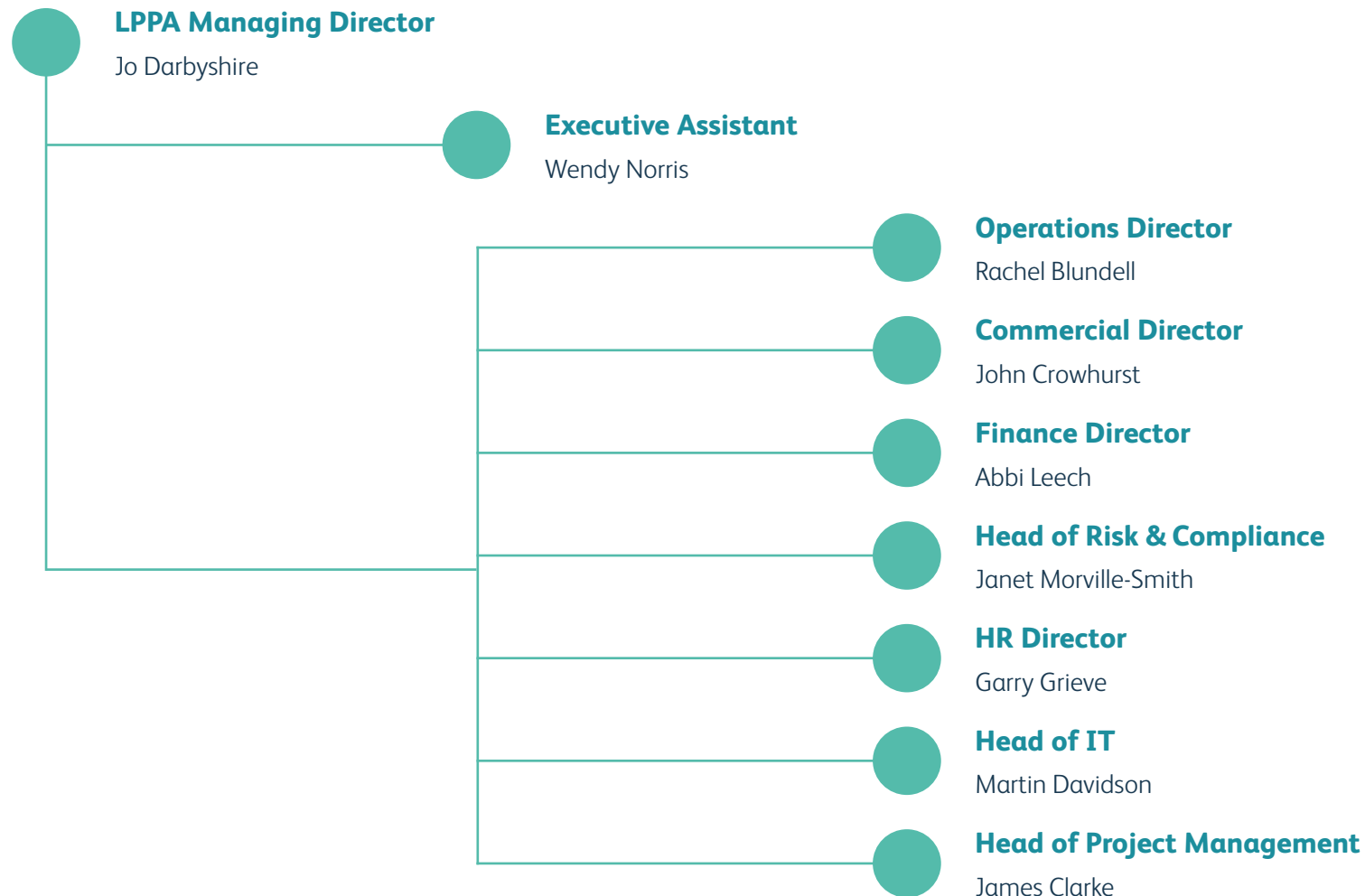
The LPPA Board is chaired by Sir Peter Rogers and includes 2 Non-Executive Directors and representatives of LPP's shareholders.

The LPPA Senior Leadership Team is led by Jo Darbyshire, LPPA Managing Director, and includes Senior Executives with the appropriate skills, knowledge and expertise to achieve the strategic objectives of LPPA.

Jo Darbyshire
LPPA Managing Director



LPPA Senior Leadership Team



CONTROL ENVIRONMENT

The senior leadership team of LPPA are committed to deploying a strong control environment for pension administration services through the following measures.

Risk Management Framework

LPPA operates within a risk management framework. This framework uses a “three lines of defence” model with the administration business supported by a dedicated risk function who provide oversight and co-ordinated reporting to the Senior Leadership Team and the LPPA Board. The Risk Management Framework is responsible for ensuring that business level risks are managed effectively and that mandated policies and controls are in place and operating effectively. This covers the following areas relating to administration:

- ✓ Risk management and reporting
- ✓ Internal and external audits
- ✓ Internal control framework
- ✓ Fraud prevention
- ✓ Business continuity
- ✓ Complaints and errors
- ✓ Data Protection and Information Security



LPPA maintains a comprehensive Risk Register which covers:

- ✓ Strategic risks
- ✓ Operational risks
- ✓ Financial risks
- ✓ Commercial risks
- ✓ Risk & Compliance risks
- ✓ IT risks
- ✓ Change risks
- ✓ HR risks

These risks are reviewed on a regular basis by Risk & Compliance with the relevant business areas. We work with clients to identify and understand the key risks which apply to their schemes and how they interact with our own Risk Register so that we can identify and implement measures to effectively mitigate these risks.

Quality Assurance & Compliance Monitoring

We recognise our responsibilities to ensure that the activities of LPPA and our people are carried out properly and with the utmost propriety, and that our managers conduct their activity properly and in accordance with statutory and regulatory requirements.

To ensure administration activities are carried out competently, LPPA has a dedicated Risk & Compliance function. Integral to this function is maintaining an awareness of the external environment to ensure regulatory and legislative changes which impact us are adequately dealt with in our operations. In support of this objective, we issue a number of corporate procedural and policy documents to our staff, including: Code of Conduct; Confidentiality; Gifts and Hospitality Policy; Anti-Money Laundering Procedures; Data Protection Procedures, Vulnerable Member Policy.

The Quality Assurance & Compliance Monitoring team has implemented a programme of regular quality assurance and compliance monitoring reviews to ensure that our policies, processes and procedures are operating effectively, and they report the results of these to the Senior Leadership Team and the Audit, Risk & Compliance Committee.

Internal Audit

LPPA engaged Deloitte to perform internal audit for FY2021/22.

Compliance & Technical

Our compliance and technical teams work together to assess the impact of legislative and/or regulatory change which may impact our clients and administration processes. Changes are communicated to staff via technical updates and face-to-face discussions and/or training sessions. LPPA's intranet

site is accessible to all administrators and provides a central reference point for technical materials, policies, procedural guidance, standard letter templates and checklists.

Where Government and/or industry bodies publish consultations on proposed legislative change, the compliance and technical teams will carry out an impact assessment and draft responses to the consultation. Where appropriate, the draft responses are shared with our clients and a round-table session is facilitated to discuss the subject matter and share thoughts so that the final response submitted by LPPA is representative of all the relevant stakeholders.

Information Security

Information Security is fundamental to the risk management strategy of the organisation and we take the protection of our information assets and those of our clients very seriously. The Head of IT is responsible for managing IT / information security and has a team of specialists to assist with the management of information security risks across LPPA. LPPA's Data Protection Officer is responsible for monitoring data confidentiality and ensuring compliance with the UK Data Protection Act 2018 and UK GDPR.

The Security Working Group (SWG) is responsible for monitoring Information Security performance on behalf of key stakeholders, and for ensuring that all IT systems and data handling are secured in line with current legislation, industry best practices and ISO 27001 standards.

This is supported by a comprehensive suite of Information Security Management System policies (ISMS), which provide staff with formal guidance on how we protect our information, along with an Annual Information Security and Data Protection Awareness training programme.

CONTROL ENVIRONMENT

A range of technical controls are in place to protect our information assets, including next generation firewalls, Security Information and Event Management Software (SIEM), an Intrusion Protection System (IPS) and anti-virus software. These are supported by additional independent Penetration Tests that are carried out by CHECK/CREST approved suppliers. Information Security policies require that users must employ a complex password to access the systems and that they are forced to change their passwords at least every 90 days.

To ensure our service remains highly available and to enhance our business continuity capability, we operate a hosted tier 3 data centre environment with all critical systems and data backed up daily to tape and disk and stored securely off site, ensuring that there are multiple copies of the data available in the event of disruption

All computer systems are only accessible by authorised individuals. All users are assigned a set of unique credentials with access rights that will only allow them access to the information they need to carry out their job function. Access rights for users must be authorised by line managers and specialised technical privileges must be authorised by IT. Access to client databases is further segregated via security groups. Quarterly access reviews of user and privileged access are carried out with the relevant manager / system owner required to review and confirm they are correct.



CONTROL OBJECTIVES

PENSION ADMINISTRATION

1. Accepting clients

- Accounts are set up and administered in accordance with client agreements and applicable regulations.
- Complete and authorised client agreements are operative prior to initiating administration activity.
- Pension schemes taken on are properly established in the system in accordance with the scheme rules and individual elections.

2. Authorising and processing transactions

- Benefits payable and transfer values are calculated in accordance with scheme rules and relevant legislation and are paid on a timely basis.

3. Maintaining financial and other records

- Member records consist of up-to-date and accurate information and are updated and reconciled regularly.
- Contributions and benefit payments are completely and accurately recorded in the proper period.
- Scheme documents (deeds, policies, contracts, booklets) are complete, up to date and securely held.

4. Safeguarding Assets

- Member and scheme data is appropriately stored to ensure security and protection from unauthorised use.
- Funds are safeguarded and payments are suitably authorised and controlled.

5. Monitoring compliance

- Services provided to pension schemes are in line with service level agreements.
- Transaction errors are rectified promptly and Members treated fairly.

6. Reporting to clients

- Periodic reports to participants and scheme sponsors are accurate and complete and provided within required timescales.
- Annual reports and accounts are prepared in accordance with applicable law and regulations.
- Regulatory reports are made if necessary.

INFORMATION TECHNOLOGY

7. Restricting access to systems and data

- Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.
- Logical access to computer systems, programs, master data, transaction data and parameters, including access by administrators to applications, databases, systems and networks, is restricted to authorised individuals via information security tools and techniques.
- Segregation of duties is defined, implemented and enforced by logical security controls in accordance with job roles.

8. Providing integrity and resilience to the information processing environment, commensurate with the value of the information held, information processing performed and external threats

- IT processing is authorised and scheduled appropriately and exceptions are identified and resolved in a timely manner.
- Data transmissions between the service organisation and its counterparties are complete, accurate, timely and secure.
- Appropriate measures are implemented to counter the threat from malicious electronic attack (for example firewalls and anti-virus software).
- The physical IT equipment is maintained in a controlled environment.

9. Maintaining and developing systems hardware and software

- Development and implementation of new systems, applications and software, and changes to existing systems, applications and software, are authorised, tested, approved and implemented.
- Data migration or modification is authorised, tested and, once performed, reconciled back to the source data.

10. Recovering from processing interruptions

- Data and systems are backed up regularly, retained off-site and regularly tested for recoverability.
- IT hardware and software issues are monitored and resolved in a timely manner.
- Business and information systems recovery plans are documented, approved, tested and maintained.

11. Monitoring compliance

- Outsourced activities are properly managed and monitored.

DATA PROTECTION / GDPR

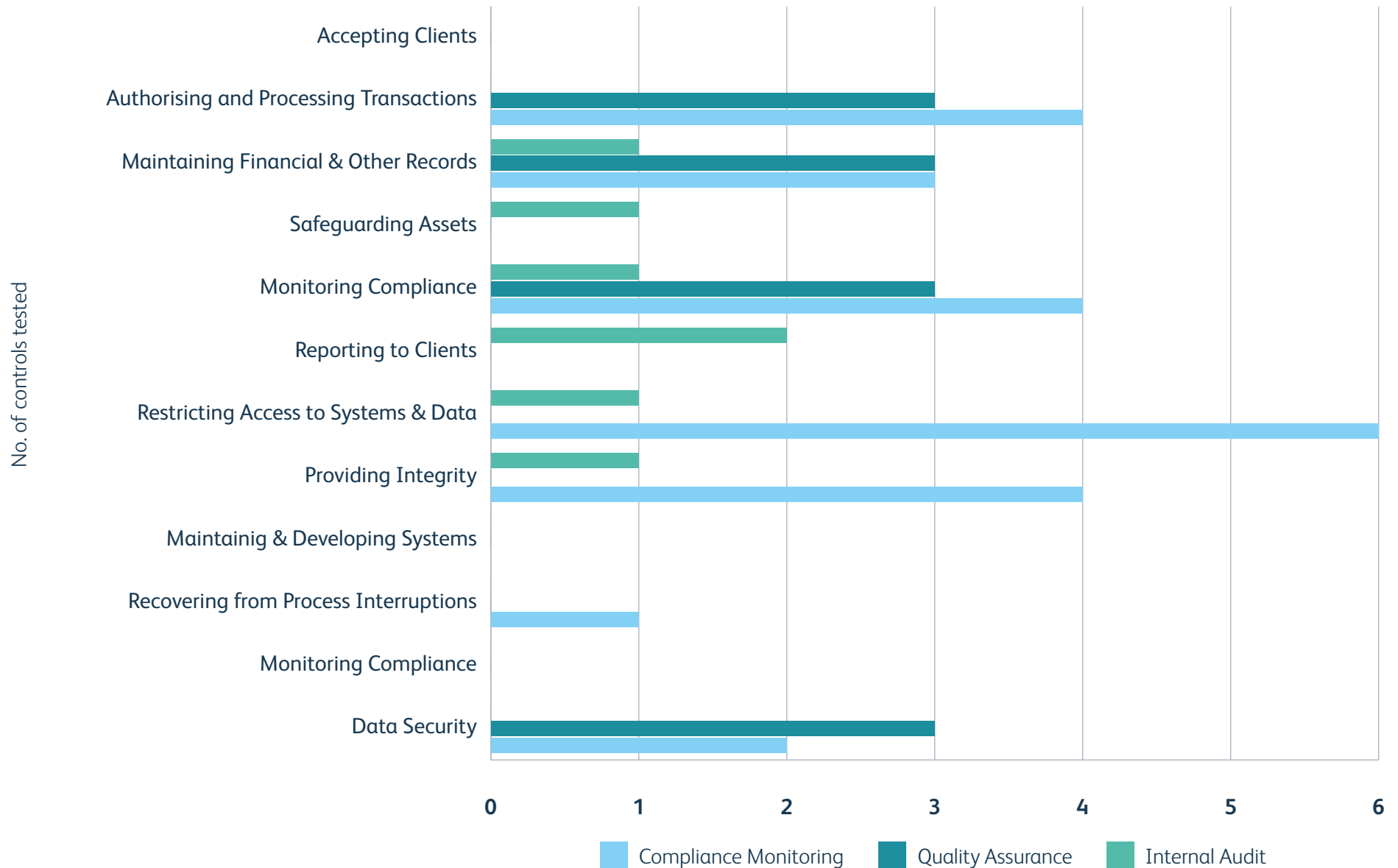
12. Data Security

- Processing, storing and transmission of personal data is defined, implemented and enforced by security controls in accordance with job roles.

CONTROL TESTING

**The control objectives that have been tested during
2021/22 via the following methods.**

CONTROL TESTING



OVERVIEW OF INTERNAL AUDIT ACTIVITY 2021/22

The internal audit activity to assess the control objectives for the financial year ended 31 March 2022 in regard to the pension administration business was undertaken by Deloitte.

OVERVIEW OF INTERNAL AUDIT ACTIVITY 2021/22

Deloitte were engaged to focus on assessing the design adequacy, implementation and operating effectiveness of key controls mitigating certain risks within the pension administration business.

The focus of the Audits in FY21/22 have been around the effectiveness of the new finance system and the effectiveness of the Compliance function within the pension administration business.

Audits Conducted by Deloitte:

Control Objective 3 – Maintaining Financial and Other Records Control Objective 4 – Safeguarding Assets Control Objective 6 – Reporting to Clients Control Objective 7 – Restricting Access to Systems and Data Control Objective 8 – Providing integrity and resilience to the information processing environment, commensurate with the value of the information held, information processing performed and external threat		
Review	Controls	Exceptions (if any)
Finance System Implementation	<p>Member records consist of up-to-date and accurate information and are updated and reconciled regularly.</p> <p>Contributions and benefit payments are completely and accurately recorded in the proper period.</p> <p>Scheme documents (deeds, policies, contracts, booklets) are complete, up to date and securely held.</p> <p>Member and scheme data is appropriately stored to ensure security and protection from unauthorised use.</p> <p>Funds are safeguarded and payments are suitably authorised and controlled.</p>	<p>Improvements were identified in the Purchase Order and CHAPs processes, which LPPA were already aware of, and these improvements have been implemented with immediate effect.</p>

OVERVIEW OF INTERNAL AUDIT ACTIVITY 2021/22

<i>Review continued...</i>	<i>Controls continued...</i>	<i>Exceptions (if any) continued...</i>
	<p>Periodic reports to participants and scheme sponsors are accurate and complete and provided within required timescales.</p> <p>Annual reports and accounts are prepared in accordance with applicable law and regulations.</p> <p>Regulatory reports are made if necessary.</p> <p>Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.</p> <p>Logical access to computer systems, programs, master data, transaction data and parameters, including access by administrators to applications, databases, systems and networks, is restricted to authorised individuals via information security tools and techniques.</p> <p>Segregation of duties is defined, implemented and enforced by logical security controls in accordance with job roles.</p> <p>IT processing is authorised and scheduled appropriately and exceptions are identified and resolved in a timely manner.</p> <p>Data transmissions between the service organisation and its counter-parties are complete, accurate, timely and secure.</p> <p>Appropriate measures are implemented to counter the threat from malicious electronic attack (for example firewalls and anti-virus software).</p> <p>The physical IT equipment is maintained in a controlled environment.</p>	

OVERVIEW OF INTERNAL AUDIT ACTIVITY 2021/22

Control Objective 5 – Monitoring Compliance Control Objective 6 – Reporting to Clients		
Review	Controls	Exceptions (if any)
Compliance Effectiveness Review	<p>Services provided to pension schemes are in line with service level agreements.</p> <p>Transaction errors are rectified promptly and Members treated fairly.</p> <p>Periodic reports to participants and scheme sponsors are accurate and complete and provided within required timescales.</p> <p>Annual reports and accounts are prepared in accordance with applicable law and regulations.</p> <p>Regulatory reports are made if necessary.</p>	<p>Improvements were identified in the housekeeping of documentation relevant to monitoring activity and in the horizon scanning process. These improvements have been implemented.</p>

OVERVIEW OF LPPA RISK & COMPLIANCE ACTIVITY 2021/22

This section contains details of the quality assurance and compliance monitoring activity for the financial year ended 31 March 2022 in regard to the pension administration business.

Reviews Conducted by LPPA’s Quality Assurance & Compliance Monitoring Team:

For the FY21/22 LPPA’s Quality Assurance & Compliance Monitoring Team have performed 3 quality assurance reviews per month for 7 months and 8 compliance monitoring reviews. The Quality Assurance & Compliance Monitoring Plan was suspended in October 2021 in order to support the deliver of Project PACE.

The remit of the Quality Assurance & Compliance Monitoring team is to ensure that LPPA administers pensions on behalf of it’s Clients to the highest standards and in compliance with all rules and regulations that apply to a pension administration business, which includes the pensions legislation, the Pensions Regulator’s Code of Practice 14 and Data Security to name but a few. The assessment of this tests the processes and procedures to ensure the appropriate controls are in place to mitigate risks to both LPPA and to the Client, as well as ensuring the LPPA values are being met which together drive a good customer experience.

The definition of Quality Assurance and Compliance Monitoring is:

Quality Assurance	Compliance Monitoring
<p>Purpose: To drive business/process improvements Objective: An internal Management Tool</p>	
<p>Quality Assurance provides an early warning of any procedural/ skills/training gaps</p>	<p>Compliance Monitoring focuses on a process or business area to identify any inefficiencies or drive continuous improvement</p>



Quality Assurance

Control Objective 2 – Authorising and Processing Transactions Control Objective 3 – Maintaining Financial and Other Records Control Objective 5 – Monitoring Compliance Control Objective 12 – Data Security		
Review	Controls	Exceptions (if any)
Helpdesk Calls Helpdesk Emails Check The Checker	Member records consist of up-to-date and accurate information and are updated and reconciled regularly. Contributions and benefit payments are completely and accurately recorded in the proper period. Investment transactions, balances and related income are completely and accurately recorded in the proper period. Services provided to pension schemes are in line with service level agreements. Transaction errors are rectified promptly and clients treated fairly. Processing, storing and transmission of personal data is defined, implemented and enforced by security controls in accordance with job roles.	Process improvements and knowledge gaps identified which are being addressed through monthly team training sessions

Compliance Monitoring

Control Objective 2 – Authorising and Processing Transactions • **Control Objective 3** – Maintaining Financial and Other Records
Control Objective 5 – Monitoring Compliance • **Control Objective 7** – Restricting Access to Systems and Data
Control Objective 8 – Providing integrity and resilience to the information processing environment, commensurate with the value of the information held, information processing performed and external threat
Control Objective 12 – Data Security

Review	Controls	Exceptions (if any)
<p>Non LPPA Payroll Client Process</p>	<p>Member records consist of up-to-date and accurate information and are updated and reconciled regularly.</p> <p>Benefit payments are completely and accurately recorded in the proper period.</p> <p>Funds are safeguarded and payments are suitably authorised and controlled.</p> <p>Services provided to pension schemes are in line with service level agreements.</p> <p>Transaction errors are rectified promptly and clients treated fairly.</p> <p>Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.</p> <p>Segregation of incompatible duties is defined, implemented and enforced by logical security controls in accordance with job roles.</p> <p>Data transmissions between the service organisation and its counter-parties are complete, accurate, timely and secure.</p> <p>Processing, storing and transmission of personal data is defined, implemented and enforced by security controls in accordance with job roles.</p>	<p>Standardisation of processes was identified.</p>

OVERVIEW OF LPPA RISK & COMPLIANCE ACTIVITY 2021/22

Control Objective 3 – Maintaining Financial and Other Records • **Control Objective 5** – Monitoring Compliance
Control Objective 7 – Restricting Access to Systems and Data
Control Objective 8 – Providing integrity and resilience to the information processing environment, commensurate with the value of the information held, information processing performed and external threat
Control Objective 12 – Data Security

Review	Controls	Exceptions (if any)
<p>Early Leavers Process</p>	<p>Member records consist of up-to-date and accurate information and are updated and reconciled regularly.</p> <p>Benefit payments are completely and accurately recorded in the proper period.</p> <p>Funds are safeguarded and payments are suitably authorised and controlled.</p> <p>Services provided to pension schemes are in line with service level agreements.</p> <p>Transaction errors are rectified promptly and clients treated fairly.</p> <p>Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.</p> <p>Segregation of incompatible duties is defined, implemented and enforced by logical security controls in accordance with job roles.</p> <p>Data transmissions between the service organisation and its counterparties are complete, accurate, timely and secure.</p> <p>Processing, storing and transmission of personal data is defined, implemented and enforced by security controls in accordance with job roles.</p>	<p>Knowledge gaps were identified and training implemented.</p>

OVERVIEW OF LPPA RISK & COMPLIANCE ACTIVITY 2021/22

Control Objective 2 – Authorising and Processing Transactions • **Control Objective 3** – Maintaining Financial and Other Records
Control Objective 5 – Monitoring Compliance • **Control Objective 7** – Restricting Access to Systems and Data
Control Objective 8 – Providing integrity and resilience to the information processing environment, commensurate with the value of the information held, information processing performed and external threat
Control Objective 12 – Data Security

Review	Controls	Exceptions (if any)
<p>Retirement AVC Process</p>	<p>Member records consist of up-to-date and accurate information and are updated and reconciled regularly.</p> <p>Benefit payments are completely and accurately recorded in the proper period.</p> <p>Services provided to pension schemes are in line with service level agreements.</p> <p>Transaction errors are rectified promptly and clients treated fairly.</p> <p>Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.</p> <p>Segregation of incompatible duties is defined, implemented and enforced by logical security controls in accordance with job roles.</p> <p>Data transmissions between the service organisation and its counter-parties are complete, accurate, timely and secure.</p> <p>Processing, storing and transmission of personal data is defined, implemented and enforced by security controls in accordance with job roles.</p>	<p>Knowledge gaps were identified and refresher training provided. Improvements were also identified in regard to housekeeping for document storage which has been implemented.</p>

OVERVIEW OF LPPA RISK & COMPLIANCE ACTIVITY 2021/22

Control Objective 7 – Restricting Access to Systems and Data		
Review	Controls	Exceptions (if any)
HR Induction	<p>Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.</p> <p>Segregation of incompatible duties is defined, implemented and enforced by logical security controls in accordance with job roles.</p>	No Exceptions
Control Objective 3 – Maintaining Financial and Other Records • Control Objective 5 – Monitoring Compliance Control Objective 12 – Data Security		
Review	Controls	Exceptions (if any)
Transfer Due Diligence	<p>Member records consist of up-to-date and accurate information and are updated and reconciled regularly.</p> <p>Services provided to pension schemes are in line with service level agreements.</p> <p>Transaction errors are rectified promptly and clients treated fairly.</p> <p>Processing, storing and transmission of personal data is defined, implemented and enforced by security controls in accordance with job roles.</p>	Procedures required updating in line with new regulations, to be consistent with the process in practice. Procedures now updated.

**Control Objective 7 – Restricting Access to System Data • Control Objective 8 – Providing Integrity
Control Objective 10 – Recovery from Process Interruptions**

Review	Controls	Exceptions (if any)
ICT Security	<p>Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.</p> <p>Logical access to computer systems, programs, master data, transaction data and parameters, including access by administrators to applications, databases, systems and networks, is restricted to authorised individuals via information security tools and techniques.</p> <p>Segregation of duties is defined, implemented and enforced by logical security controls in accordance with job roles.</p> <p>IT processing is authorised and scheduled appropriately and exceptions are identified and resolved in a timely manner.</p> <p>Data transmissions between the service organisation and its counterparties are complete, accurate, timely and secure.</p> <p>Appropriate measures are implemented to counter the threat from malicious electronic attack (for example firewalls and anti-virus software).</p> <p>The physical IT equipment is maintained in a controlled environment.</p> <p>Data and systems are backed up regularly, retained offsite and regularly tested for recoverability.</p> <p>IT hardware and software issues are monitored and resolved in a timely manner.</p> <p>Business and information systems recovery plans are documented, approved, tested and maintained.</p>	No Exceptions

OVERVIEW OF LPPA RISK & COMPLIANCE ACTIVITY 2021/22

Control Objective 2 – Authorising and Processing Transactions • Control Objective 5 – Monitoring Compliance Control Objective 7 – Restricting Access to Systems and Data		
Review	Controls	Exceptions (if any)
Operational Training	<p>Benefits payable and transfer values are calculated in accordance with scheme rules and relevant legislation and are paid on a timely basis.</p> <p>Member records consist of up-to-date and accurate information and are updated and reconciled regularly.</p> <p>Benefit payments are completely and accurately recorded in the proper period.</p> <p>Transaction errors are rectified promptly and clients treated fairly.</p> <p>Physical access to computer networks, equipment, storage media and program documentation is restricted to authorised individuals.</p>	<p>Enhancements to LPPAs Learning & Development Program were identified.</p>

OVERVIEW OF LPPA RISK & COMPLIANCE ACTIVITY 2021/22

**Control Objective 2 – Authorising and Processing Transactions • Control Objective 3 – Maintaining Financial and Other Records
Control Objective 5 – Monitoring Compliance**

Review	Controls	Exceptions (if any)
<p>Quality & Coaching Team Process</p>	<p>Benefits payable and transfer values are calculated in accordance with scheme rules and relevant legislation and are paid on a timely basis.</p> <p>Member records consist of up-to-date and accurate information and are updated and reconciled regularly.</p> <p>Benefit payments are completely and accurately recorded in the proper period.</p> <p>Member records consist of up-to-date and accurate information and are updated and reconciled regularly.</p> <p>Services provided to pension schemes are in line with service level agreements.</p> <p>Transaction errors are rectified promptly and clients treated fairly.</p>	<p>A requirement to further cross skill members of the team and a key person dependency was identified which LPPA were already aware of, and these improvements have been implemented.</p>

ACCREDITATIONS

ACCREDITATIONS

LPPA will continue to maintain the following accreditations in support of its control assurance framework.

Title	Expiry
ISO 27001	LPPA re-certification achieved in September 2021
Cyber Essentials	Group re-certification achieved in July 2021
PASA Membership	LPPA joined in September 2021

An Internal Control Assurance Report will be issued annually covering the previous financial year until LPPA has completed its journey to AAF 01/20, expected to be in 2024.

LPP

Local Pensions Partnership
Administration

lppapensions.co.uk

This Internal Control Assurance Report
will be issued annually covering the
previous financial year.