

Pensions Audit Sub-Committee

2pm, Monday, 4 December 2023

Lothian Pension Fund - Internal Audit Update – November 2023

Item number 6.2

1. Recommendations

The Pensions Audit Sub-Committee is requested to note:

- 1.1 Progress with delivery of the 2023/24 the Lothian Pension Fund internal audit plan with two audits now complete and a further two in progress
- 1.2 Progress with implementation of agreed management actions from previously completed internal audits.

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Lothian Pension Fund - Internal Audit Update – December 2023

2. Executive Summary

- 2.1 This report provides details of the progress of Internal Audit's (IA) assurance activity on behalf of Lothian Pension Fund (LPF) overseen by the City of Edinburgh Council's (the Council) IA function across the period from 26 August 2023 to 1 November 2023.
- 2.2 Good progress is being made with delivery of the 2023/24 IA annual plan with both the People Processes audit and Senior Managers and Certification Regime audits complete and two further audits underway.
- 2.3 A report detailing the outcomes of the Senior Managers and Certification Regime audit recently completed is included for the Committee's review and scrutiny.
- 2.4 As at 1 November, LPF had 24 open management actions with 5 actions passed the original implementation date. 6 actions have been closed since August 2023, and 8 new actions have been raised.

3. Background

3.1 2023/24 Internal Audit Annual Plan

The 2023/24 LPF IA plan was agreed by the Pensions Audit Sub-Committee in March and includes five audits.

Internal Audit Follow-Up Process

- 3.2 IA follow-up and report on progress with implementation of management actions arising from IA reports.

4. Main Report

- 4.1 The 2023/24 IA annual plan agreed by Committee in March 2023 includes the five reviews, with proposed timescales for completion of these audits as follows:

Audit	Timescale
People Processes	Complete
Senior Managers and Certification Regime	Complete
Business Continuity and Incident Response	Oct to Dec – In progress
Information Security Arrangements	Oct to Dec – In progress
Project Forth – Targeted review	To be confirmed

Outcomes of the Senior Managers and Certification Regime audit

- 4.2 The Senior Managers and Certification Regime (SMCR) audit is now complete and a report detailing the outcomes is included at Appendix 1 for review and scrutiny by Committee. The overall assurance rating for this audit is Reasonable Assurance, with 4 Medium rated findings, 1 Low rated finding, and 1 Advisory finding raised.
- 4.3 Our review concludes that the adequacy and operating effectiveness of the controls in place for SMCR are generally satisfactory and support the achievement of LPF objectives. Our findings are intended to enhance and strengthen LPF's people process control framework across the following areas:
- Governance arrangements
 - Overall and prescribed responsibilities
 - Senior Management Functions handover policy
 - Appointment and induction process
 - Oversight and governance
 - Fitness and Propriety assessment process and procedures.

Status of Open IA management actions

- 4.4 As at 1 November 2023, LPF had 24 agreed management actions (6 High, 14 Medium and 4 Low) which were raised across the following audits:
- Information Governance (14)
 - Third Party Supplier Management (5)
 - Risk Management (1)
 - Technology Model Development (1)
 - Senior Managers and Certification Regime (3).
- 4.5 Five management actions have passed their original implementation date; however, a revised date of 31 December 2023 has been provided by management for these five actions, reflecting ongoing actions. Details are included at items at Appendix 2.
- 4.6 The remaining 19 management actions are not yet due for completion and implementation is currently being progressed by LPF.

5. Financial impact

- 5.1 Failure to close management actions and address the associated risks in a timely manner may have financial impacts which are not yet measurable.

6. Stakeholder/Regulatory Impact

- 6.1 IA recommendations are raised when control gaps or deficiencies are identified during audits. If management actions are not implemented, LPF will be exposed to the risks associated with the key processes, including the potential risk of non-compliance with applicable regulations.

7. Background reading/external references

- 7.1 [Public Sector Internal Audit Standards](#)
- 7.2 [Lothian Pension Fund – 2023/24 Internal Audit Annual Plan](#) – March 2023

8. Appendices

- Appendix 1 Internal Audit Report – Senior Managers and Certification Regime
December 2023
- Appendix 2 LPF outstanding audit actions as at 6 November 2023.

Internal Audit Report

Lothian Pension Fund – Senior Managers and Certification Regime

3 November 2023

LPF2304

Overall Assessment	Reasonable Assurance
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This Internal Audit review is conducted by the City of Edinburgh Council for the Lothian Pension Fund under the auspices of the 2023/24 internal audit plan approved by the Pensions Audit Sub-Committee in March 2023. The review is designed to help the Lothian Pension Fund assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as a result is not designed or intended to comply with any other auditing standards.

Although there are specific recommendations included in this report to strengthen internal control, it is management’s responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the Lothian Pension Fund. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management and members as appropriate.

Executive Summary

Overall
Assessment

Reasonable
assurance

Overall opinion and summary of findings

There is a generally sound system of governance, risk management and control in place for managing compliance with the key elements of the Senior Managers and Certification Regime (SM&CR). The following areas for improvement have been identified which may put at risk the achievement of objectives:









- there is no central repository of the SM&CR requirements and expectations for individuals. This would provide easy reference for those individuals that are Certified Individuals or hold the prescribed Senior Management Functions (SMF)
- the FCA expects individuals' prescribed responsibilities to be documented and a comprehensive responsibilities map to be in place. Although organisational roles are documented, these do not align to FCA-prescribed responsibilities as per Senior Management Arrangements, Systems and Controls sourcebook (SYSC) 24.2
- LPFI does not maintain an SMF Handover Policy which is a requirement of the SM&CR rules. Notwithstanding, we note that this process has operated as required during the period

- the SM&CR requirements stipulate specific activities / processes that organisations should operate when appointing individuals. Although a "recruitment flowchart" has been documented for guidance, there is no reference to the SM&CR requirements applicable to LPFI. Notwithstanding, we note that this process has operated as required during the period
- there is no documented approach to monitoring and evidencing ongoing compliance with the SM&CR requirements to enable the Board to monitor and gain assurance it operates in line with its SM&CR framework and demonstrate compliance with essential requirements.

Management response

LPFI has developed a consolidated SMCR document, but it had not finalised or implemented ahead of the audit. LPFI acknowledge the findings in this audit, noting the recommendations are already integrated within our draft SMCR document. The timing of this review will also allow us to consider the review observations and make any further enhancements to our SMCR arrangements at this time.

Audit Assessment

Audit area	Control Design	Control Operation	Findings	Priority Rating
1. Senior Manager and Certified Individual Understanding			No findings noted	N/A
2. Identification of responsibilities and function			Finding 2 – Overall and Prescribed Responsibilities Finding 3 – SMF Handover Policy	Medium Priority
3. SM&CR Framework and policies			Finding 1 – SM&CR governance arrangements	Medium Priority
			Finding 4 – Appointment and induction process	Low Priority
			Finding 6 – Fitness and Propriety assessment process and procedures	Advisory
4. Conduct rules Implementation			Finding 5 – Oversight and governance	Medium Priority

Background and scope

The [Senior Managers and Certification Regime](#) (SM&CR) was developed jointly by the [Financial Conduct Authority](#) (FCA) and the [Prudential Regulation Authority](#) (PRA) and is aimed at ensuring robust accountability and decision making within the Financial Services industry. The SM&CR was initially applied to the banking sector (banks, building societies, credit unions, and large investment firms) before it was expanded to all FCA-regulated firms from December 2019. The SM&CR includes:

- **Senior Manager Regime** - approval regime of individuals performing Senior Management Functions (SMFs). The most senior decision makers, or senior managers, at the organisation must be assessed as fit and proper, have clearly-defined responsibilities and be subject to enhanced conduct requirements, including the duty to take reasonable steps in fulfilling their responsibilities. Appointments to SMF roles require regulatory approval
- **Certification Regime** - organisations solely responsible for assessing the fitness and propriety of employees who could pose a risk of significant harm to the organisation or its customers. Organisations need to determine on appointment and then certify annually that they remain fit and proper to undertake their role
- **Conduct Rules** - conduct standards applicable to most employees for organisations. There is a specific code of conduct for SMFs that requires a higher standard of conduct than the code of conduct for all staff.

The SM&CR is applicable to LPFI Limited (LPFI), a wholly-owned subsidiary of Lothian Pension Fund established to support collaboration with other pension funds. LPFI holds the necessary FCA permissions to deliver investment services to partner pension funds and other professional investors. Since 2016, LPFI has provided investment advisory and arranging services to clients, which includes strategic investment advice.

In addition to investment advisory services, LPFI provides portfolio management services to other local government pension schemes.

Scope

The objective of this review was to assess the governance framework in place to provide assurance of compliance with the key elements of the SM&CR.

Risks

The review also provided assurance in relation to the following LPF risk:

- Regulatory breach - LPF do not meet regulatory obligations leading to enforcement action or fines and reputational damage.

Limitations of Scope

- the scope of the review was limited to LPFI, its compliance with the requirements of the SM&CR regulations and the audit objective outlined above
- this review assessed the framework that supports LPFI in meeting its obligations in respect of the SM&CR regulations as set out in the audit areas within the [audit assessment](#). This review did not test or assure how an individual SMF manages their allocated function/responsibilities (for example, investment management, whistleblowing, risk management framework, or remuneration)
- re-performance of fitness and proprietary assessments of Senior Managers did not form part of this review
- the review covered the roles and responsibilities in operation at the time of review and did not include any future changes to SM&CR arrangements.

Reporting Date

Testing was undertaken between 18 and 28 September 2023.

Our audit work concluded on 28 September 2023, and our findings and opinion are based on the conclusion of our work as at that date.

Findings and Management Action Plan

Finding 1 – Senior Managers and Certification Regime governance arrangements

Finding Rating	Medium Priority
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There is a good interpretation of the general Senior Managers and Certification Regime (SM&CR) rules on page 6-7 of the LPFI Compliance Manual, albeit this is high-level and does not provide detailed policy / guidance that we would typically expect to see. Specifically, the document does not include such detail on:

- processes for adhering to reasonable steps
- the importance of a handover document (including how to complete the handover process)
- how handover documents align with Board responsibilities and terms of reference to ensure compliance with the SM&CR regulatory requirements.

In the other documents provided for internal audit review, the LPF People and Communications Governance Manual refers to SM&CR regulations throughout the document; however, there is limited information on the organisation's governance arrangements related to the SM&CR requirements. For example, for "Section 7 - Key Controls of Governance", there is no mention of SM&CR, such as SM&CR fit and proper reviews, onboarding and handover, certification process and confirmation.

Risk

Regulatory breach - current LPFI SM&CR arrangements may not meet regulatory expectations, and application of SM&CR requirements could be applied inconsistently leading to non-compliance with the FCA rules and regulations and a potential regulatory breach.

Recommendations and Management Action Plan: Senior Managers and Certification Regime governance arrangements

Ref.	Recommendation	Agreed Management Action	Owner	Lead Officers	Timeframe
1.1	a) LPFI should produce a specific document to outline its compliance with the SM&CR regulation. The document could include the below points to capture the SM&CR related governance arrangements:	LPFI will finalise our draft SMCR document and ensure suggested points are covered. This document also contains a Handover Policy and Responsibilities Map.	Chief Executive Officer, LPF	Chief Risk Officer, LPF Risk and Compliance Manager, LPF	31/01/2024

	<ul style="list-style-type: none"> • a governance operating model, including committee structure across the three lines of defence (if 3LoD is applicable) • committee terms of reference, agendas, management information, and action plans (this is captured in part in the Annual LPF Group Governance Update document) • how the governance framework is aligned with the business objectives • SM&CR training modules for new SMFs and Certified Individuals • ongoing certification requirements. <p>b) The People and Communications Governance Manual should also be amended to include what the Consumer Duty (CD) Champion expects as evidence of compliance with CD expectations as per FCA guidelines. SM&CR places the accountability and responsibility of the CD on one person.</p>	<p>LPFI only provides services to professional clients who are out of scope of Consumer Duty. LPFI will include a statement in our internal documentation noting we are currently out of scope of this regulation and should our business model change that we will revisit this regulation and update documentation, governance and processes as required.</p>	<p>Chief Executive Officer, LPF</p>	<p>Chief Risk Officer, LPF Risk and Compliance Manager, LPF</p>	<p>31/01/2024</p>
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Finding 2 – Overall and prescribed responsibilities

Finding
Rating

Medium
Priority

The Financial Conduct Authority (FCA) rules contain specific prescribed responsibilities that should be allocated to individuals. The Annual LPF Group Governance Update outlines the governance arrangements for the organisation including responsibilities of different committees. Page 5 of this document outlines what each executive manager is responsible for; however, there is no indication of actual SMC&R prescribed or overall responsibilities. These are not matched to the FCA prescribed responsibilities as per SYSC 24.2.

The LPFI Structure Charts outline the senior management and their teams and highlights if they are SMFs or Certified Individuals. There are no prescribed or overall responsibilities allocated to SMFs in this document (although these are contained in the Statement of Responsibilities for individual SMFs).

The FCA rules require a comprehensive and up-to-date document (the management responsibilities map) that describes its management and governance arrangements. The information typically found in a Management Responsibilities Map is captured elsewhere, notably the Annual LPF Group Governance Update. This does not provide a holistic view that demonstrates how responsibilities have been allocated.

Risk

Regulatory breach - current LPFI SM&CR arrangements may not meet regulatory expectations, application of SM&CR requirements could be applied inconsistently leading to non-compliance with the FCA rules and regulations and a potential regulatory breach of SYSC 24.2 (Allocation of prescribed senior management responsibilities), and SYSC 25.2 (Documented responsibilities map), that describes its management and governance arrangement and the responsibilities shared or divided between individuals.

Recommendations and Management Action Plan: Overall and prescribed responsibilities

Ref.	Recommendation	Agreed Management Action	Owner	Lead Officers	Timeframe
2.1	a) Prescribed responsibilities: The Group Governance Update should clearly state governance arrangements for SM&CR compliance. LPFI should produce a list of SMFs and Certified persons responsibilities in the standalone SM&CR governance document as per recommendation one.	a.1) LPF's Governance Overview will be updated to state governance arrangements for SMCR compliance	Chief Executive Officer, LPF	Company Secretary, LPF	31/03/2024
	b) Responsibilities Map: LPFI should create a standalone document that would provide clarity on the SM&CR arrangements in place for ease of reference for SMFs and Certified individuals.	a.2) SMF and Certified person responsibilities are addressed within the SMCR document and will be addressed as part of action 1.1 b) A Responsibilities Map has already been drafted as part of the LPFI SMCR document. This action will be addressed as part of action 1.1.	N/A	N/A	N/A

Finding 3 – Senior Management Functions handover policy

Finding
Rating

Medium
Priority

LPFI does not have a Senior Management Functions (SMF) Handover policy. Review of the handover document that was prepared for the incoming Chair concluded that it is generally fit for purpose and can be used as a template for future SMF handovers. However, the SM&CR rules require a documented handover policy.

We also assessed the handover document prepared for the outgoing Chair, to identify any gaps in expectations. We have outlined the below points:

- the priority items as per SYSC 25.9.7G (3) do not have a 'complete by' date. Page 5 states no timescales for priority matters, and without timescales it is difficult to monitor progress
- limited details of responsibilities being handed over to the new SMFs
- limited details on the systems and controls in place per the requirements of SYSC 25.9.5.

Risk

Regulatory breach - LPFI may not comply with SYSC 25.9.4R (Handover procedures and documents). There is a risk that the current LPFI SM&CR arrangements do not meet regulatory expectations. As such, application of SM&CR requirements could be applied inconsistently leading to non-compliance with the FCA rules and regulations and a potential regulatory breach.

Recommendations and Management Action Plan: Senior Management Functions handover policy

Ref.	Recommendation	Agreed Management Action	Owner	Lead Officers	Timeframe
3.1	<p>A handover policy should be produced and included as part of the SM&CR standalone document. As per FCA guidance, organisations must have a policy which explains how they comply with SYSC 25.9.4R rules about handover material.</p> <p>FCA guidance also states that the information and material in the handover policy should be practical and helpful and not just a record - LPFI should review if this is the case in this instance. The policy should include the Handover systems, controls it uses, and how the handover process is completed and recorded.</p>	A Handover Policy has already been drafted as part of the LPFI SMCR document. This action will be addressed as part of action 1.1	N/A	N/A	N/A

Finding 4 – Appointment and induction process

Finding
Rating

Low Priority

The Senior Managers and Certification Regime (SM&CR) requirements stipulate specific activities / processes that organisations should operate when appointing individuals. Although a “recruitment flowchart” has been documented for guidance, there is no reference to the SM&CR requirements applicable to LPFI.

Review of documentation relating to the appointment of the Chief Investment Officer and Non-Executive Director recruitment carried out by LPFI found that, while we can see that activities performed were aligned to expectations, the detailed policy and the flowchart does not sufficiently capture the process that is followed in practice.

Risk

Regulatory breach - current LPFI induction process may not adequately define and address SM&CR requirements, and application of SM&CR requirements could be applied inconsistently leading to non-compliance with the FCA rules and regulations and a potential regulatory breach.

Recommendations and Management Action Plan: Appointment and induction process

Ref.	Recommendation	Agreed Management Action	Owner	Lead Officers	Timeframe
4.1	<p>LPFI should document its processes in line with regulatory expectations for appointment and induction to ensure steps are not missed. These should include:</p> <ul style="list-style-type: none">the fit and proper assessment for the initial appointment and the required regular assessments, criminal records check and regulatory referencesthe 12-week rulesindividual responsibility dutiescertification regimeindividual conduct rulesSMF and Certified roles and requirements for the Statement of Responsibilities.	<p>The processes noted are included in the LPFI SMCR document already drafted. This action will be addressed as part of action 1.1.</p>	N/A	N/A	N/A

Finding 5 – Oversight and governance

Finding
Rating

Medium
Priority

Organisations should have in place effective oversight and reporting arrangements that enable the Board to:

- monitor and ensure it operates in line with its SM&CR framework
- demonstrate compliance with SM&CR requirements.

In addition, prescribed responsibilities for the Chief Risk Officer include:

- responsibility for the organisation's performance of its obligations under the SM&CR including implementation and oversight
- responsibility for the organisation's performance of its obligations under the certification regime.

Key mechanisms to support and evidence the above can include:

- records of key decisions
- compliance monitoring and testing
- governance meetings
- audit trails.

Although internal audit was able to see some evidence of the above via meeting agendas, committee reports and approved SM&CR documentation provided, LPFI does not have in place a formal documented policy / approach for ongoing evidencing and monitoring.

Risk

Regulatory breach - absence of an agreed and documented approach to ongoing evidencing and monitoring of how the SM&CR framework is applied and monitored increases the risk of:

- issues in performance of LPFI's obligations under the SM&CR going undetected
- LPFI being unable to articulate how it evidences compliance
- LPFI being unable to demonstrate how its approved persons maintain compliance (e.g., via records of key decisions and sufficient audit trails within each function of LPFI)
- the Chief Risk Officer being unable to meet the prescribed responsibilities allocated to them.

Recommendations and Management Action Plan: Oversight and governance

Ref.	Recommendation	Agreed Management Action	Owner	Lead Officers	Timeframe
5.1	LPFI should agree and document its approach to monitoring and evidencing its ongoing compliance with the SM&CR requirements. This should form part of the overall governance arrangements, including the documented policies, procedures, processes, and systems. The specific areas will provide evidence of the oversight and monitoring of the SM&CR framework:	LPFI's oversight and reporting arrangements for SMCR will be formally agreed and articulated to provide appropriate oversight and assurance to the LPFI Board and senior management regarding SMCR arrangements.	Chief Executive Officer, LPF	Company Secretary, LPF	30/04/2024





	<ul style="list-style-type: none"> • records of key decisions - documented significant decisions made by senior managers caught by SM&CR, especially those decisions that have regulatory implications • compliance monitoring and testing - documented results of compliance monitoring activities, including any identified issues and the actions taken to address them • governance meetings - minutes of relevant governance meetings where SM&CR related matters are discussed, including processes for minute taking, and collecting evidence of challenge • audit trails - establish and maintain audit trails for key processes to demonstrate accountability and traceability (showing how approved persons and their teams make/act on key decisions). 				
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Finding 6 – Fitness and Propriety assessment process and procedures

Finding Rating	Advisory
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In our view, the Fitness and Propriety certification example document covers the FCA expectations and is generally fit for purpose. There is, however, an opportunity to improve this by providing additional detail and expanding on information provided regarding the candidate's experience and its relation to the role. This would provide for a more comprehensive document aligned to good practice.

Appendix 1 – Control Assessment and Assurance Definitions

Control Assessment Rating		Control Design Adequacy	Control Operation Effectiveness
Well managed		Well-structured design efficiently achieves fit-for purpose control objectives	Controls consistently applied and operating at optimum level of effectiveness.
Generally Satisfactory		Sound design achieves control objectives	Controls consistently applied
Some Improvement Opportunity		Design is generally sound, with some opportunity to introduce control improvements	Conformance generally sound, with some opportunity to enhance level of conformance
Major Improvement Opportunity		Design is not optimum and may put control objectives at risk	Non-conformance may put control objectives at risk
Control Not Tested	N/A	Not applicable for control design assessments	Control not tested, either due to ineffective design or due to design only audit

Overall Assurance Ratings	
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding Priority Ratings	
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.

Appendix 2: LPF Overdue actions as at 6 November 2023

Code	Audit	% Progress	Observation Title	Rating	Recommendation	Management Action	Status	Due Date	Revised Date	Status Update
LPF2003	LPF – Technology Model Development	<div><div>80%</div></div> 5 Actions 4 closed 1 in progress 1 overdue	LPF2003 Issue 3: Post-Implementation Activities	Medium Priority	LPF2003 Rec 3.1.2: Post-Implementation Activities	LPF have produced user manuals and documentation for key/business critical systems and will review the requirements and suitability of the currently available generic documentation for the others during 2022.	In Progress	31/12/2022	31/12/2023	All critical systems have documentation. Remaining systems to be reviewed to ascertain which still require operational procedures.
LPF2103	LPF Risk Management	<div><div>67%</div></div> 3 Actions 2 closed 1 in progress 1 overdue	LPF2103 Issue 2: Maintenance of risk registers	Low Priority	LPF2103 Rec 2.1 Recommendation: Maintenance of risk registers	Likewise, we will look to re-review the sub-group registers (and tie-in with main group register) with these points in mind We will consider within Risk Management Group (RMG) and report back through the usual channels with any updates arising.	In Progress	31/03/2023	31/12/2023	LPF's corporate risk register has been reviewed and updated to ensure as clearer articulation and evaluation of risks, supported by a revised risk assessment methodology. A risk taxonomy and definitions have been agreed to ensure consistency with reporting, and changes to the risk management framework have been communicated to all staff.
LPF2203	LPF - Third Party Supplier Management	<div><div>64%</div></div> 14 Actions 9 closed 5 in progress 3 overdue	LPF2203 - Issue 1: Supplier management processes for Critical Suppliers	High Priority	LPF2203 - Rec 1.1 Business Case Documentation for critical suppliers	LPF will review records for existing critical suppliers and ensure that business case documentation is stored in correct supplier files. Supplier management policy will be updated to specify where supplier records, such as business case, should be stored.	In Progress	30/09/2023	31/12/2023	Although some of the actions associated to this issue have been satisfactorily completed, there are some other actions that are directly relevant to the overall supplier management framework, which is not due to complete until 31/12/23. Consequently it is appropriate to extend the due date for this issue to 31/12/23 to tie into completion of the review of the supplier management framework.
				High Priority	LPF2203 - Recs 1.2 and 1.3 Training for Tier 1 supplier owners / due diligence	1.2 LPF will carry out targeted training for Tier 1 supplier owners on monitoring and consider appropriate oversight via RMG reporting. 1.3As part of action 1.2, targeted training will cover annual due diligence. Supplier framework document review will consider due diligence templates or checklists with set items, tailored to specific tiers.	In Progress	30/09/2023	31/12/2023	
			LPF2203 - Issue 5 Ongoing monitoring and oversight	Medium Priority	LPF2203 Rec 5.1 Enhancements to and review of supplier database	LPF will enhance existing supplier database to include additional data fields, including dates of IT assessment and DPIA, and links to full records. A review of the database will be established, with results provided to senior management as part of RMG oversight.	In Progress	30/09/2023	31/12/2023	