

**Report for:** Pensions Committee and Board – 25 July 2024

**Item number:**

**Title:** Pension Fund External Audit Plan – year to 31 March 2024

**Report authorised by:** Josephine Lyseight, Assistant Director of Finance (Deputy Section 151 Officer)

**Lead Officer:** Tim Mpofu, Head of Pensions and Treasury  
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**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** Not applicable

## **1. Describe the issue under consideration**

1.1. This report presents the draft audit plan prepared by the Pension Fund's external auditors, KPMG, for the audit of the Pension Fund's Annual Accounts for the year ended 31 March 2024, for the Pensions Committee and Board's consideration.

## **2. Cabinet Member Introduction**

2.1. Not applicable

## **3. Recommendations**

The Pensions Committee and Board is requested to:

3.1. To note and provide any comments on the draft audit plan that has been prepared by KPMG, which is included as Appendix 1 to this paper.

## **4. Reason for Decision**

4.1. As the Administering Authority for the Haringey Pension Fund, Haringey Council is required by law to approve the Pension Fund Accounts and Annual Report each year.

4.2. The Council, in its Constitution, has delegated the responsibility of exercising all the Council's functions as the Pension Fund's Administering Authority to the Pensions Committee and Board.

## **5. Alternative options considered**

5.1. Not applicable.

## **6. Background information**

- 6.1. In accordance with the Local Government Pension Scheme (LGPS) Regulations 2013, LGPS funds are required to produce an annual report each year. This report must be published by 1 December, following the end of the financial year.
- 6.2. The Council has published a draft Statement of Accounts, which includes the Haringey Pension Fund's annual accounts. These documents are available on the Council's website. The final draft version of the annual report will be presented for approval at the September Pensions Committee and Board meeting, ahead of the 1 December statutory deadline.
- 6.3. KPMG LLP has been appointed as the Council's auditors by the Public Sector Audit Appointments Ltd, marking their first year as Haringey Pension Fund's auditors. As such, the auditors have undertaken greater activities to understand the Council during the planning stage.

### **Audit Plan**

- 6.4. The draft audit plan outlines KPMG's approach to auditing the annual accounts for the financial year ending 31 March 2024. The plan highlights key areas of focus, including the planned scope and materiality of the audit, identification of significant and other audit risks, and other significant audit-related matters. Additionally, the plan includes the agreed audit cycle and timetable, aiming to have a signed audit report by May 2025 in accordance with the backstop date.
- 6.5. Officers have been engaging with the KPMG audit team since December 2023 and are well-positioned to provide the auditors with all the necessary information in a timely manner during the audit period.
- 6.6. KPMG's audit team will attend the meeting to discuss the draft audit plan, which has been included as Appendix 1 to this paper, in detail.

### **7. Contribution to Strategic Outcomes**

- 7.1. Not applicable

### **8. Carbon and Climate Change**

- 8.1. Not applicable

### **9. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)**

#### Finance

- 9.1. Public sector audit fees are set centrally by the Public Sector Audit Appointments Ltd. The proposed fees for the 2023/24 audit are £76,900. This fee, a significant increase from previous years, is based on several assumptions such as the timely completion of audit evidence files and provision of supporting schedules. Any deviations from these assumptions which include changes to deadlines or reporting requirements may result in increased fees.
- 9.2. Furthermore, the fees do not include the new requirements of ISA315 revised (risk of material misstatement) or ISA 240 (auditor's responsibilities relating to fraud). Additional fees in these areas will follow the fee variation process outlined by the PSAA. The auditor estimates that the additional fees are likely to range from 5%

to 10% of the scale fee and are dependent on the level of the IT control environment.

#### Procurement

- 9.3. There are no immediate procurement implications arising from this report.

#### Head of Legal and Governance [Patrick Uzice, Principal Lawyer]

- 9.4. The Assistant Director of Legal and Governance (Monitoring Officer) has been consulted on the content of this report. Part of the Council's duty as administering authority for the Haringey Pension Fund is to ensure that the annual accounts are properly audited, and the audit plan sets out how and when the audit will be carried out.

#### Equality

- 9.5. There are no equalities issues arising from this report

### **10. Use of Appendices**

- 10.1. Appendix 1: Audit plan and strategy for the year ended 31 March 2024 [prepared by KPMG]

### **11. Local Government (Access to Information) Act 1985**

- 11.1. Not applicable.