

Report for: Pensions Committee and Board – 22 January 2026

Item number: 2

Title: 2024/25 Pension Fund Accounts – External Auditors Annual Report

Report authorised by: Taryn Eves, Corporate Director of Finance and Resources (Section 151 Officer)

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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. For the Pensions Committee and Board (PCB) to consider the statutory Annual Report from KPMG, which highlights their findings from the audit of the Pension Funds statutory accounts.

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended to:

- 3.1. Consider the contents of this report and any further oral updates given at the meeting by KPMG.
- 3.2. Note the Statement of Accounts 2024/25 will be presented to Audit Committee on the 29 January 2026
- 3.3. Note the contents, recommendations and management responses to the IAS 260.
- 3.4. Agree that the Committee delegates the sign off for the Pension Fund Accounts 2024/25, subject to any final changes required by the conclusion of the audit, to the Section 151 Officer in consultation with the Chair.

4. Reason for Decision

- 4.1. Approval of the Pension Funds accounts is a non-executive function fulfilled by the Pensions Committee and Board.

5. Other options considered

5.1. Not applicable.

6. Background information

- 6.1. The Council, as an administering authority under the Local Government Pension Scheme Regulations, is required to produce a separate set of accounts for the scheme's financial activities, assets and liabilities.
- 6.2. The contents and format of the accounts are determined by statutory requirements and mandatory professional standards as established by the Chartered Institute of Public Finance (CIPFA).
- 6.3. International Standard on Auditing (ISA) 260 requires the external auditor to communicate matters of governance interest arising from the audit of the financial statements to those charged with governance.

Findings

6.4. The below findings have been compiled by KPMG:

- **Management override of controls** - Testing is currently ongoing, and no reportable misstatements or indicators of fraud have been identified to date. A control deficiency has been noted regarding the segregation of duties related to posting and reviewing journals and is covered on page 22 of the ISA260.
- **Valuation of level 1 & 2 pooled investment vehicles and segregated investments** - Valuations were verified against independent pricing sources obtained by the KPMG in- house pricing team. For investment positions where an independent price could not be sourced, retrospective review procedures were performed as an alternative. The estimates used in determining the valuations were assessed and found to be neutral.
- **Valuation of level 3 pooled investment vehicles** - The valuation of pooled fund investments was attested to using confirmations received directly from the investment managers. The reliability of these confirmations was assessed through a retrospective review of available audited financial statements of the pooled investment vehicles. Except for the corrected misstatement identified on page 21 of the ISA260, the estimates used in determining the valuations were assessed and found to be neutral.

Recommendations

6.5 Two recommendations were issued, both classified as Priority 2. This category relates to matters that have a significant impact on internal controls but do not require immediate action. System objectives may still be achieved, or risks mitigated to an acceptable level; however, the underlying control weakness remains.

- **Disclosure of interest made by the Pension Committee members is inadequate** - It was identified that the Disclosure of Interest completed by the Pension Committee members does not comply with the requirements of the applicable financial reporting framework. Instead, it follows the pensions

regulations, and therefore does not capture all related parties of the Pension Fund. It is recommended that the disclosure of interests is made in line with the applicable financial reporting framework.

Journals below £40,000 are not required to be approved by another person - A park- and- post control is in place at Haringey Pension Fund to support segregation of duties, requiring that journals are prepared and approved by different individuals. During testing of the journals process, it was observed that this control does not apply to journals below £40,000. This creates a risk of misstatement in the financial statements, whether due to error or fraud, as journals below this threshold can be posted without approval. It is recommended that management apply the park- and- post control to all journals, rather than only those exceeding £40,000.

7. Contribution to Strategic Outcomes

7.1. Not applicable

8. Carbon and Climate Change

8.1. Not applicable

9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities) Finance and Procurement

9.1. Not applicable.

[Fiona Alderman Assistant Director for Legal and Governance]

9.2. Assistant Director for Legal and Governance (Monitoring Officer) has been consulted on the content of this report and there are no legal implications.

Equalities

9.3. The Local Government Pension Scheme is a defined benefit open scheme enabling all employees of the Council to participate. The report's content has no direct impact on equality issues.

10. Use of Appendices

10.1. Draft 2024/25 Pension Fund Accounts

10.2. HPF IAS 260

11. Local Government (Access to Information) Act 1985

11.1. Not applicable.