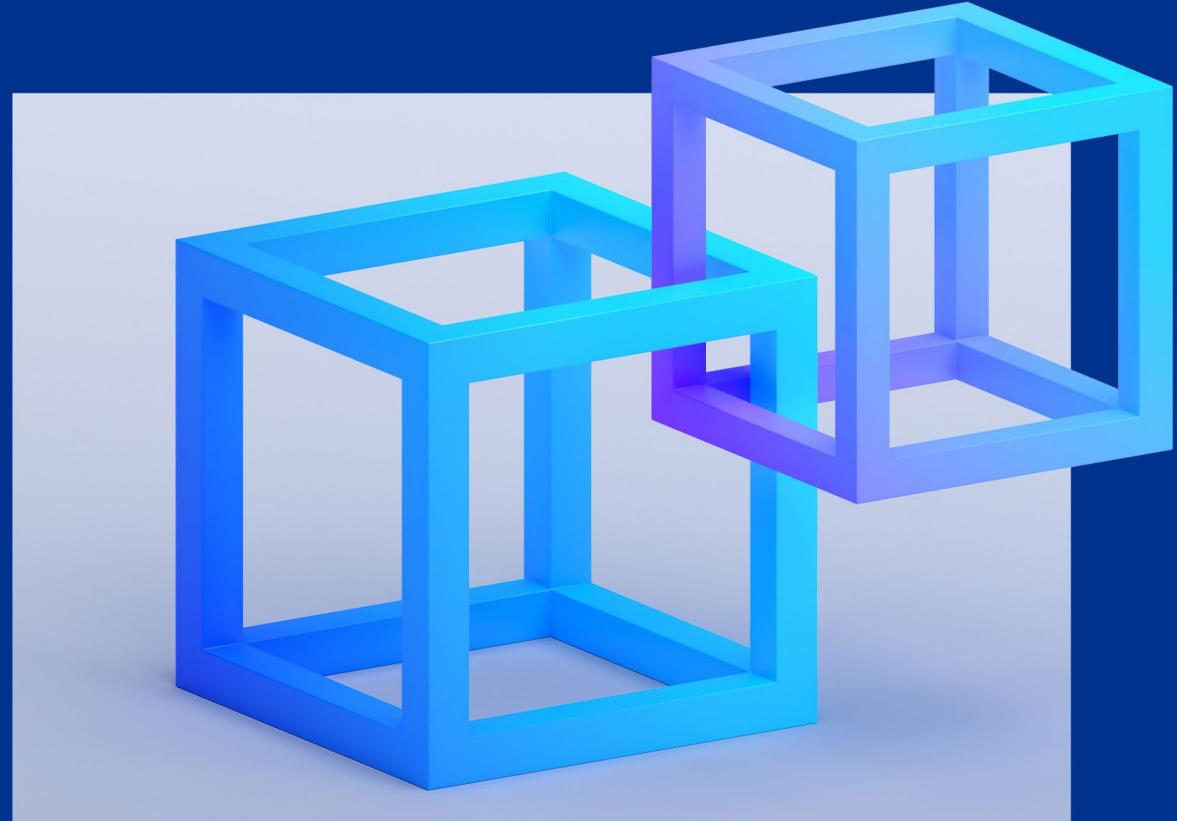


Haringey Pension Fund

Year End Report to the Audit Committee of the
Council and Pension Committee and Board

Draft

Year end report for the year ended 31 March 2025
14 January 2026



Introduction

To the Audit Committee of the Council and Pension Committee and Board

We are providing this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions.

This report should be read in conjunction with our audit plan and strategy report, presented on 24 July 2025 in the Pension Committee and Board meeting.

We will be pleased to further elaborate on the matters covered in this report when we meet.

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG, and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when:

- Audits are executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality management; and,
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We are committed to providing you with a high-quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, please contact the engagement partner as well as the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Tim Cutler. (tim.cutler@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access KPMG's complaints process here: [Complaints](#).

Subject to the approval of the statement of accounts, we expect to be in a position to sign our audit opinion on the approval of those statement of accounts and auditor's representation letter, provided that the outstanding matters noted on page 4 of this report are satisfactorily resolved.

There have been no significant changes to our audit plan and strategy.

We expect to issue an unmodified Auditor's Report

We draw your attention to the important notice on page 3 of this report, which explains:

- The purpose of this report
- Limitations on work performed
- Restrictions on distribution of this report

Yours sincerely,



Tim Cutler
14 January 2026

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Important notice

This report is presented under the terms of our audit under Public Sector Audit Appointments (PSAA) contract..

The content of this report is based solely on the procedures necessary for our audit.

Purpose of this report

This Report has been prepared in connection with our audit of the financial statements of Haringey Pension Fund, prepared in accordance with International Financial Reporting Standards ('IFRSs') as adapted Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, as at and for the year ended 31 March 2025.

This Report has been prepared for the Audit Committee of the Council and Pension Committee and Board of the Pension Fund in order to communicate matters that are significant to the responsibility of those charged with oversight of the financial reporting process as required by ISAs (UK), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report, or for the opinions we have formed in respect of this Report.

This report summarises the key issues identified during our audit but does not repeat matters we have previously communicated to you by written communication in our audit plan and strategy.

Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the Haringey Pension Fund financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors.

We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit

Our audit is in progress, and matters communicated in this report may change pending signature of our audit report. We will provide an oral update on the status. Page 4 'Our Audit Findings' outlines the outstanding matters in relation to the audit. Our conclusions will be discussed with you before our audit report is signed.

As in previous periods the audit report for the Pension Fund will not be issued until the audit of the London Borough of Haringey Council is complete. This is expected to be before the backstop date. We will issue a final version of our report at the time of completion of our audit.

Restrictions on distribution

The report is provided on the basis that it is only for the information of the Audit Committee of the Council and Pensions Committee and Board of the Pension Fund; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.



Our audit findings



Significant audit risks	Page 6 - 7	Number of Control deficiencies	Page 22
Significant audit risks	Our findings	Severity	Priority
Management override of controls			2
Our testing is currently in progress, and we found no reportable misstatements or indicators of fraud in our testing to date. A control deficiency is noted with regards to segregation of duties to post and review – please see page 22 .			
Key accounting estimates	Page 8 - 12	Outstanding matters	
Valuation of level 1 & 2 pooled investment vehicles and segregated investments	We verified valuations to independent pricing sources provided by our in-house pricing team. For any investment positions our pricing team were unable to obtain an independent price for, we performed retrospective review procedures as an alternative. The estimates used to form the valuations were found to be neutral.	Our audit is substantially complete except for the following outstanding matters	
Valuation of level 3 pooled investment vehicles	We attested the valuation of pooled fund investments to directly received confirmations. We assessed the reliability of these statements by performing a retrospective review of available audited financial statements of the pooled investment vehicles. Except for the corrected misstatement identified on page 21 , the estimates used to form the valuations were found to be neutral.	<ul style="list-style-type: none">Completion of our work over period end and post-closing journals;Consistency check of financial statementsManagement representation letter;Finalise audit report and sign; andAudit queries arising subject to RI reviews.	

Expenditure recognition

Practice Note 10 states that the risk of material misstatement due to fraudulent financial reporting may arise from the manipulation of expenditure recognition is required to be considered.

Expenditure in a pension scheme equates to payments to members and management expenses. There are no subjective issues concerning when expenses need to be recognised. Amounts involved cannot easily be manipulated through accounting policies, timing or other policies. There is little incentive for the Fund to manipulate the financial reporting of expenses. Therefore, in the absence of specific fraud risk factors, there is no risk of fraudulent financial reporting arising from the manipulation of expenditure recognition for the Pension Fund.

Significant risks and other audit risks

We discussed the significant risks which had the greatest impact on our audit with you when we were planning our audit

Our risk assessment draws upon our understanding of the applicable financial reporting framework, knowledge of the Pension Fund, the industry and the wider economic environment in which the Pension Fund operates.

We also use our regular meetings with senior management to update our understanding and take input from component audit teams and internal audit reports.

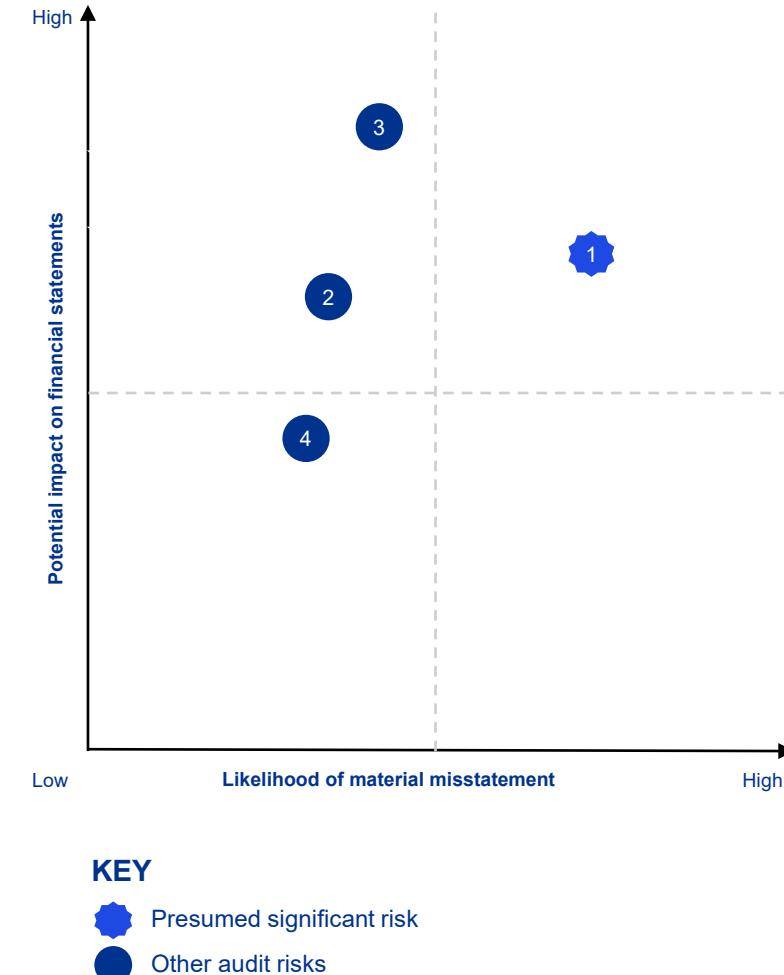
In the Audit Plan we stated, that due to the levels of economic uncertainty there is an increased likelihood of significant risks emerging throughout the audit cycle that are not identified (or in existence) at the time we planned our audit. We further stated that we would amend our audit approach accordingly and communicate this to the Pension Committee and Board. We note we have not identified such matters.

Significant risks

- 1 Management override of controls

Other audit risks

- 2 Level 1, 2 and 3 investments are not complete, do not exist or are not accurately recorded
- 3 Valuation of Level 1, 2 and Level 3 investments is misstated
- 4 The actuarial position of the Pension Fund is not appropriately presented in the financial statements



Audit risks and our audit approach



1

Management override of controls^(a)



Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- As part of our planning risk assessment procedures we identified the Pension Fund do not have enforced segregation of duty controls over the posting of journals, therefore we will not be placing reliance on controls when designing procedures to provide assurance over this risk.



Planned response

Our audit methodology incorporates the risk of management override of controls as a default significant risk.

- As part of our audit procedures we gained an understanding of the financial reporting process.
- In line with our methodology, we evaluated the design and implementation of controls over journal entries and post-closing adjustments.
- Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assessed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Assessed the business rationale and the appropriateness of the accounting for significant transactions that are outside the normal course of business or are otherwise unusual.
- Evaluated the selection and application of accounting policies.
- Analysed all journals posted during the year using data and analytics and focus our testing on those with a higher risk.
- With regards to the financial reporting and journals process, we performed the following over journal entries and other adjustments:
 - Evaluated the completeness of the population of journal entries.
 - We determined high risk criteria and selected journals based on this criteria for testing.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Audit risks and our audit approach (cont.)



1

Management override of controls^(a) (cont.)



Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- As part of our planning risk assessment procedures we identified that the Pension Fund does not have enforced segregation of duty controls over the posting of journals, we will therefore not seek to take a controls-based approach when designing procedures to provide assurance over this risk



Our findings

- We evaluated completeness of journal entries and did not note any issues.
- We performed screening of journals using the KPMG screening model to screen the journals and identify the journals falling under the High risk criteria.
- We evaluated the selection and application of accounting policies and did not note any issues.
- Our testing of journals is currently ongoing and to date we have not found reportable misstatements or indicators of fraud as a result of our high-risk journal testing. However, we have raised a control deficiency in respect of segregation of duties related to posting of journals, please see page 22.
- We evaluated accounting estimates and did not identify any indicators of management bias - see page 10 onwards for further discussion on the estimate around the valuation of investments.
- We did not identify any suspected or alleged incidents of management override and identified no matters that were of such significance to require reporting to the Pension Committee.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Audit risks and our audit approach (cont.)



2

Level 1, 2 and 3 investments are not complete, do not exist or are not accurately recorded



Other
audit risk

- Level 1, 2 and 3 investments are not complete, do not exist or are not accurately recorded.
- Investments are held to pay benefits of the Pension Fund. They are held with a number of investment managers across multiple asset classes. The investments are material to the financial statements (99.9% of the Statement of Net Assets) and therefore there is a risk of material misstatement.
- There is a risk of material misstatement relating to completeness, existence and accuracy as there has been a number of investment transitions in the year between investment managers, due to rebalancing of the portfolio based on the Pension Committee's decision to align the portfolio with the Investment Strategy Statement.



Planned
response

- As part of our audit procedures, we gained an understanding of the processes over the completeness, existence and accuracy of Level 1, 2 and 3 investments. This includes gaining an understanding of the control environment at all the investment managers and Northern Trust (custodian) by reviewing their internal controls reports to identify any control deficiencies that would impact our audit approach (where applicable).
- We obtained direct confirmations from your custodian and all your investment managers to vouch the holdings and valuation of assets at the year end.
- We vouched purchases and sales to investment manager and/or custodian reports.
- We recalculated change in market value and compare this to the overall investment return stated in the Pension Committee's report for consistency with the amounts reported in the financial statements. We will investigate any material deviations.

Audit risks and our audit approach (cont.)



2

Level 1, 2 and 3 investments are not complete, do not exist or are not accurately recorded (cont.)



Other audit risk

- Level 1, 2 and 3 investments are not complete, do not exist or are not accurately recorded.
- Investments are held to pay benefits of the Pension Fund. They are held with a number of investment managers across multiple asset classes. The investments are material to the financial statements (99.9% of the Statement of Net Assets) and therefore there is a risk of material misstatement.
- There is a risk of material misstatement relating to completeness, existence and accuracy as there has been a number of investment transitions in the year between investment managers, due to rebalancing of the portfolio based on the Pension Committee's decision to align the portfolio with the Investment Strategy Statement.



Our findings

- Where available, we obtained the internal controls report of investment managers and Northern Trust and reviewed these reports to identify any control deficiencies that would impact our audit approach. No issues were identified that impact our planned audit response.
- We obtained direct confirmation from the investment managers and the custodian to vouch the holdings and valuation of assets at year-end. Except for the corrected misstatement identified on **Page 21** we note that the valuations as recorded by management are appropriate.
- We did not find any misstatement in the purchases and sales figures.
- We recalculated change in market value and compare this to the overall investment return stated in the Pension Fund Committee's report for consistency with the amounts reported in the financial statements. We found the return to be consistent.

Audit risks and our audit approach (cont.)



3

Valuation of Level 1, 2 and other Level 3 investments is misstated



Other
audit risk

- The fair value of level 1, 2 and 3 investments is not measured appropriately.
- Investments are held to pay benefits of the Pension Fund. They are held with a number of investment managers across multiple asset classes. The investments are material to the financial statements (99.9% of the Statement of Net Assets) and therefore there is a risk of material misstatement.
- There is a risk of material misstatement relating to fair values of level 1 and 2 segregated and pooled investments which amounted to £1.570bn as at 31 March 2025 (PY: £1.556bn), due to the estimation uncertainty resulting from the pricing of these investments.
- There is a risk of material misstatement relating to fair values of level 3 pooled investments which amounted to £316.75 m as at 31 March 2025 (PY: £317.57m), due to the estimation uncertainty resulting from unobservable inputs to these investments.



Planned
response

Our approach in relation to valuation for different types of investments is as follows:

- **Segregated financial instruments** Our in-house investment valuation team, iRADAR, was engaged to independently revalue segregated securities and over the counter (OTC) derivative prices and identify stale price issues of directly held financial instruments within the investment portfolio as well as any exposures to hard to value assets.
- **Level 1 & 2 Pooled Investment Vehicles:** We recalculated the value of the Level 1 and 2 pooled investments by using our in-house valuation specialist.
- **Level 3 Pooled Investment Vehicles:** For each Level 3 pooled investment vehicle investment manager, we obtained the unaudited Net Asset Value ('NAV') Statement at (or closest to) the measurement date and vouched the valuation to the NAV Statement.

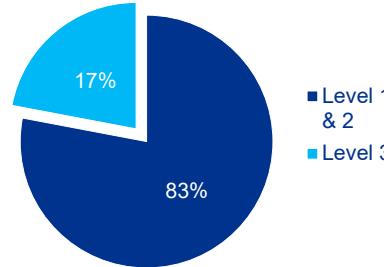
We further assessed the reliability of the NAV statements produced by fund managers on a sample basis by :

- Obtaining and inspecting the latest audited financial statements for the underlying funds where available;
- Inspecting the audit report to confirm that it is unqualified and that the audit has been carried out by a reputable audit firm; and
- Comparing the unaudited pricing information at the year end to the audited financial statements valuation. Where the audited financial statements are not as at the Pension Fund year end date, we will agree them to unaudited pricing information at that date and reconcile significant movements to the Pension Fund year end date agreeing movements to transaction statements.

Audit risks and our audit approach (cont.)



Level 1 & 2 Investments



Type of security	Market value 2025 (£m)	Percentage of portfolio 2025 (%)	Market value 2024 (£m)	Percentage of portfolio 2024 (%)
Pooled Investment Vehicles	1570.31	83.2%	1556.17	83.1%
Total	1570.31	83.2%	1556.17	83.1%



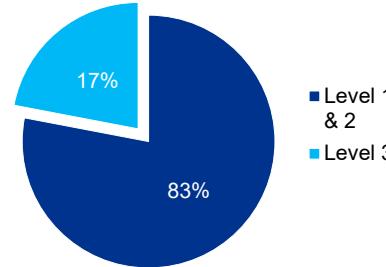
Our findings

Type of security	Our findings	Key:
Pooled Investment Vehicles, Segregated investment, Derivatives & investment cash	<p>Our in-house investment valuation team, iRADAR, has tested the fair values of segregated financial instruments, and level 1 & 2 Pooled Investment Vehicles & derivatives, and do not note any deviation outside our acceptable range. We found the valuation of these investments appropriate.</p> <p>We have not noted any changes in method and underlying assumptions used to prepare accounting estimates related to valuation of level 1 and level 2 investments.</p> <p>We have not noted any possible bias relating to judgements and decisions in making accounting estimates related to valuation of level 1 and level 2 investments.</p> 	<p>Cautious Neutral Optimistic</p> <p>Current year</p>

Audit risks and our audit approach (cont.)



Level 3 Investments



Type of security	Market value 2025 (£m)	Percentage of portfolio 2025 (%)	Market value 2024 (£m)	Percentage of portfolio 2024 (%)
Pooled Investment Vehicles	316.75	16.7%	317.57	16.9%
Total	316.75	16.7%	317.57	16.9%



Our findings

Type of security	Our findings	Key:
Pooled Investment Vehicles	<ul style="list-style-type: none">For level 3 Pooled Investment Vehicles, we have vouched the valuations considered by management to the unaudited NAV statement. Except for the corrected misstatement identified on page 21, we found valuation of these investment based on unaudited NAV as appropriate.We have assessed the reliability of the unaudited NAV statements provided by the investment manager by obtaining latest audited financial statements of fund and comparing with the unaudited NAV statement that aligns with the latest audited financial statements of fund. Our testing is currently on going and no issues have been noted.We have not noted any changes in method and underlying assumptions used to prepare accounting estimates related to valuation of level 3 investments.We have not noted any possible bias relating to judgements and decisions in making accounting estimates related to valuation of level 3 investments.	<div style="display: flex; align-items: center;">CautiousNeutralOptimistic</div> 

Key:
 Current year

Audit risks and our audit approach (cont.)



4

The actuarial position of the Pension Fund is not appropriately presented in the financial statements



Other
audit risk

- The actuarial position of the Pension Fund is not appropriately presented in the financial statements.
- The actuarial position is not recognised on the Statement of Net Assets but is disclosed in the Notes.
- The value of the liability is an estimate involving the selection of appropriate actuarial assumptions, most notably the discount rate applied to the Pension Fund's liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective.



Planned
response

We performed the following procedures:

- Understand the processes in place to set the assumptions used in the valuation;
- Evaluated the competency, objectivity of the actuary to confirm their qualifications and the basis for their calculations;
- Performed inquiries of the Pension Fund's actuary to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;
- Tested the data provided used within the calculation of the Pension Fund valuation; and
- Evaluated, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data.

Audit risks and our audit approach (cont.)



4

The actuarial position of the Pension Fund is not appropriately presented in the financial statements (cont.)



Other
audit risk

- The actuarial position of the Pension Fund is not appropriately presented in the financial statements
- The actuarial position is not recognised on the Statement of Net Assets but is disclosed in the Notes
- The value of the liability is an estimate involving the selection of appropriate actuarial assumptions, most notably the discount rate applied to the Pension Fund's liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective.



Our
findings

- We evaluated the competency, objectivity of the actuary to confirm their qualifications and the basis for their calculations and found these to be appropriate.
- We performed inquiries of the Pension Fund's actuary to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets.
- We tested the data provided used within the calculation of the Pension Fund valuation and noted no issues.
- Evaluated, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data. The methodology for valuation as well as setting individual assumptions is noted to be compliant with IAS 26.

Other matters



Narrative report

We have received Narrative Report and are in the process of checking it for the compliance with the requirements of the Annual Report and financial statements with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 ('the Code'). Based on the work performed:

- To date, we have not identified any inconsistencies between the content of the Narrative Report and the financial statements.
- To date, we have not identified any material inconsistencies between the knowledge acquired during our audit and the statements of the Council. As Audit Committee and Pension Committee and Board members you confirm that you consider that the Narrative Report and financial statements taken as a whole are fair, balanced and understandable and provides the information necessary for regulators and other stakeholders to assess the Council's performance, model and strategy.

The scale fees for the FY 24/25 agreed with the PSAA takes into account the impact of ISA315 (Revised).

We have not completed any non-audit work at the Haringey Pension Fund.

Whole of Government Accounts

As required by the National Audit Office (NAO) we carry out specified procedures on the Whole of Government Accounts (WGA) consolidation pack.

At the time of writing this report we have just received the group instructions from the NAO. We are considering the required work and will complete alongside our audit of the financial statements.

Independence and Objectivity

ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors, which we completed at planning and no further work or matters have arisen since then.

Audit Fees

Our PSAA prescribed 2024/25 audit scale fee for the audit was £ 87,612 plus VAT (£76,891) in 2023/24).



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Appendix

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Required communications



Type	Response
Our draft management representation letter	<input checked="" type="checkbox"/> We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2025.
Adjusted audit differences	<input checked="" type="checkbox"/> There were adjusted audit differences as noted on Page 21 .
Unadjusted audit differences	<input checked="" type="checkbox"/> There were no unadjusted audit differences.
Related parties	<input checked="" type="checkbox"/> There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Committee	<input checked="" type="checkbox"/> There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies	<input checked="" type="checkbox"/> We communicated to management all deficiencies in internal control over financial reporting during the audit and these are included in this report as well – please see page 22 .
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts	<input checked="" type="checkbox"/> No actual or suspected fraud involving management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements identified during the audit.
Issue a report in the public interest	<input checked="" type="checkbox"/> We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters.

Type	Response
Significant difficulties	<input checked="" type="checkbox"/> No significant difficulties were encountered during the audit.
Modifications to auditor's report	<input checked="" type="checkbox"/> None
Disagreements with management or scope limitations	<input checked="" type="checkbox"/> The engagement team had no disagreements with management, and no scope limitations were imposed by management during the audit.
Other information	<input checked="" type="checkbox"/> No material inconsistencies were identified related to other information in the statement of accounts.
Breaches of independence	<input checked="" type="checkbox"/> No matters to report. The engagement team and others in the firm, as appropriate, the firm and, when applicable, KPMG member firms have complied with relevant ethical requirements regarding independence.
Accounting practices	<input checked="" type="checkbox"/> Over the course of our audit, we have evaluated the appropriateness of the Pension Fund's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Significant matters discussed or subject to correspondence with management	<input checked="" type="checkbox"/> The significant matters arising from the audit were discussed, or subject to correspondence, with management.

Confirmation of Independence



We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Director and audit staff is not impaired.

To the Pension Committee and Board members

Assessment of our objectivity and independence as auditor of Haringey Pension Fund

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners/directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values.
- Communications.
- Internal accountability.
- Risk management.
- Independent reviews.

The conclusion of the audit engagement partner as to our compliance with the FRC Ethical Standard in relation to this audit engagement and that the safeguards we have applied are appropriate and adequate is subject to review by an engagement quality control reviewer, who is a partner not otherwise involved in your affairs.

We are satisfied that our general procedures support our independence and objectivity.

Independence and objectivity considerations relating to the provision of non-audit services

Summary of non-audit services

No non-audit services have been provided to the Pension Fund during the year ended 31 March 2025 and we have not committed to providing any such services.

We have considered the fees charged by us to the Pension Fund and its affiliates for professional services provided by us during the reporting period.

Confirmation of Independence



Fee ratio

The ratio of non-audit fees to audit fees for the year is anticipated to be 0:0:1. We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

	2024/25	2023/24
	£'000	£'000
Statutory audit	88	77
Other Assurance Services	0	0
ISA 315R**	0	6
Building back assurance	0	6
Internal consultation on audit opinion	TBC	6
Audit delays*	TBC	4
Total Fees	TBC	99

**There will be additional fee overruns in relation to chasing the fund managers, and audit of journals, we will agree these with management before completing the audit.*

***In the current year, the ISA 315 (revised) fees have been incorporated in the Scale fee for statutory audit.*

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Audit Committee of the Council and Pension Committee and Board.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements, and the objectivity of the director and audit staff is not impaired.

This report is intended solely for the information of the Audit Committee of the Council and Pensions Committee and Board and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP

Uncorrected audit misstatements



In line with ISA (UK) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate. As communicated previously with the Audit and Pension Committee, details of all adjustments greater than £ 935k are to be communicated.

We have nothing to report in this regard.

Corrected audit misstatements



Under UK auditing standards (ISA (UK) 260) we are required to provide the Pension Committee and board with a summary of corrected audit differences (including disclosures) identified during the course of our audit.

Corrected audit differences (£'000s)				
No.	Detail	Fund Account Dr/(Cr)	Net Asset Statement Dr/(Cr)	Comments
1	Dr Investments Cr Change in Market Value	£ 7,010,628	£ 7,010,628	This will adjust the investments to update the values to the valuation confirmed by the fund managers.
	Total	£ 7,010,628	£ 7,010,628	

Control Deficiencies

The recommendations raised as a result of our work in the current year are as follows:



Priority rating for recommendations					
1	Priority one: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	2	Priority two: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately, but the weakness remains in the system.	3	Priority three: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
1	2	<p>Disclosure of interest made by the Pension Committee members is inadequate. We identified that the Disclosure of interest filed by the Pension Committee members is not as per the requirements of the applicable financial reporting framework. Instead, it is as per the pensions regulations therefore, it fails to identify all the related parties of the Pension Fund.</p>	<p>Management acknowledges and agrees with the findings. While the current disclosure of interest policy complies with pension regulations, we concur that adopting a more prudent approach to align these disclosures with the financial reporting framework is prudent.</p> <p>The Jamie Abbott - Head of Pensions will be responsible for updating the disclosure policies by September 2026.</p> <p>Responsible Officer: Head of Pensions – Jamie Abbott Due Date: September 2026</p>
2	2	<p>Journals below £40,000 are not required to be approved by another person. There is a park and post control in place at Haringey Pension Fund which is for segregation of duties. The control requires that journals are made and approved by different individuals. However, during our testing of the journals process we observed that this control is not required for journals below £40,000. This poses a risk of misstatement in the financial statements whether due to error or fraud as the journals below £40,000 can be posted unapproved. We recommend management make the park and post control applicable for all journals and not just those above £40,000 as well.</p>	<p>Management acknowledges and agrees with the findings. While values below £40,000 are themselves not material, a collective of erroneous values can accumulate if not adequately checked.</p> <p>In co-operation with the main Council the Pension Fund will implement a park and post approach for all journals, regardless of value.</p> <p>The Jamie Abbott Head of Pensions will be responsible, working in co-operation with the main Council, to implement a park and post approach for all journal values commencing April 2026.</p> <p>Responsible Officer: Head of Pensions – Jamie Abbott Due Date: April 2026</p>

KPMG's Audit quality framework



Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To ensure that every engagement lead and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework. Responsibility for quality starts at the top through our governance structures as the UK Board is supported by the Audit Oversight Committee, and accountability is reinforced through the complete chain of command in all our teams.

■ Commitment to continuous improvement

- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

■ Performance of effective & efficient audits

- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching, including the second line of defence model
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Insightful, open and honest two way communications

■ Commitment to technical excellence & quality service delivery

- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights



■ Association with the right entities

- Select clients within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

■ Clear standards & robust audit tools

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- KPMG Clara incorporating monitoring capabilities at engagement level
- Independence policies

■ Recruitment, development & assignment of appropriately qualified personnel

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members employed KPMG specialists and specific team members



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