

Report for: Pensions Committee and Board – 15 October 2026

Item number:

Title: Pension Fund External Audit update – year to 31 March 2026

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

Lead Officer: Jamie Abbott, Head of Pensions and Treasury management
Jamie.Abbott@haringey.gov.uk

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 audit plan (Appendix 1) 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 2026, for the Pensions Committee and Board's consideration.
- 1.2. 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 requested to:

- 3.1. Note and provide any comments on the audit plan that has been prepared by KPMG, which is included as Appendix 1 to this report.
- 3.2. Note the contents and recommendations from the IAS 260, attached as Appendix 2 to this report.
- 3.3. Agree that the Committee delegates the sign off for the Pension Fund Accounts 2025/26, 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. 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

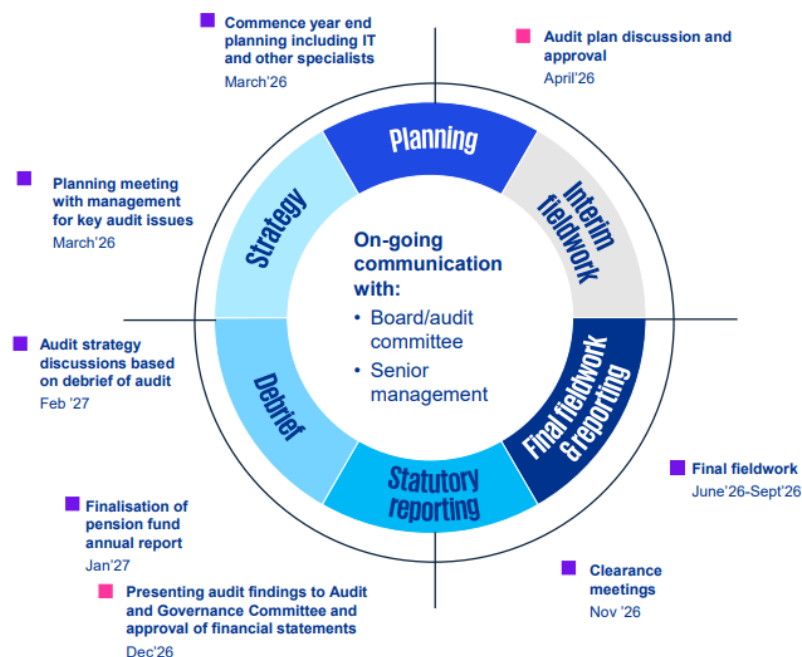
- 5.1. Not applicable.

6. Background information

- 6.1. The draft version of the pension fund annual report will be presented for approval at the October Pensions Committee and Board meeting, ahead of the 1 December statutory deadline.
- 6.2. KPMG LLP has been appointed as the Council's auditors by the Public Sector Audit Appointments Ltd, marking their third year as Haringey Pension Fund's auditors.

Audit Plan

- 6.3. The draft audit plan outlines KPMG's approach to auditing the annual accounts for the financial year ending 31 March 2026. 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 December 2026.
- 6.4. Officers have been engaging with the KPMG audit team since March 2026 and are well-positioned to provide the auditors with all the necessary information in a timely manner during the audit period.
- 6.5. The proposed audit timetable is in the graph below:



- 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.

IAS 260 Report

- 6.7. The IAS (International Accounting Standards) 260 report communicates the key findings arising from the audit of the Pension Fund Accounts and provides assurance on the significant matters considered during the audit process.
- 6.8. The report sets out the auditor's findings on the Pension Fund's financial statements, including key audit areas, which are:
- Management override of controls
 - Level 1, 2 and 3 investments are not complete, do not exist or are not accurately recorded
 - Valuation of Level 1, 2 and other Level 3 investments is misstated
 - Contributions into the Pension Fund are not completely identified and recorded, do not exist or are not in compliance with the Regulations and the Fund's Rates and Adjustments Schedule
- 6.9. There has been one "Other control deficiency" Identified during the audit, which relates to segregation of duties when posting manual Journals. This is a system issue and a compensating control is in place, however, KPMG are unable to rely on this control.
- 6.10. There has been an identified and corrected misstatement. This relates to Level 3 investments, which comprise unquoted and illiquid assets where valuations are based on information provided by the underlying fund managers. Due to the timing of the funds' valuation processes, updated valuations were not available at the Fund's year-end closedown.

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 2024/25 audit are £88,000. This fee, an 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.

Procurement

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

Head of Legal and Governance [Fiona Alderman, Director of Legal and Governance]

- 9.3. The 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

- 9.4. 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 2026

10.2. Appendix 2: HPF IAS 260

11. Local Government (Access to Information) Act 1985

11.1. Not applicable.