



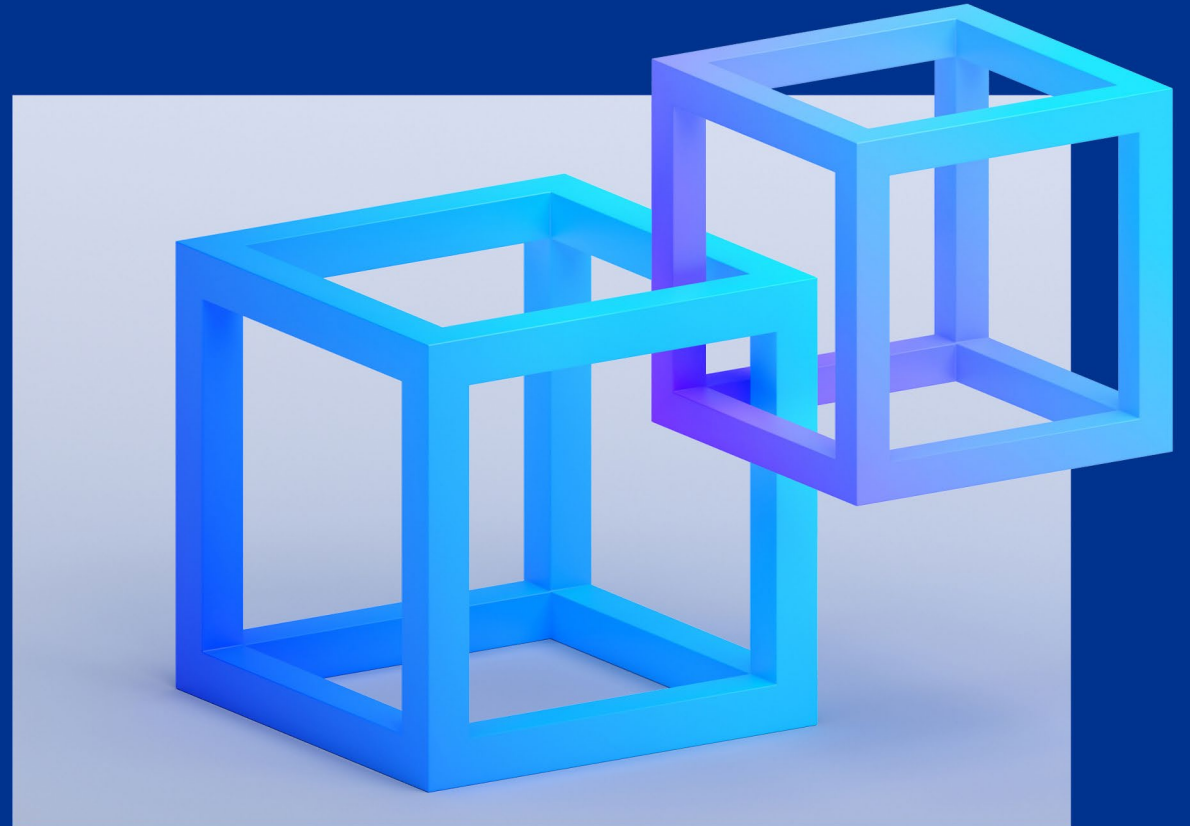
Haringey Pension Fund

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

Draft Year end report for the year ended 31 March 2026

—

15 October 2026



Introduction

To the Pension Committee and Board and Audit Committee

We are pleased to have the opportunity to meet with you on **15 October 2026** to discuss the results of our audit of the financial statements of Haringey Pension Fund (the 'Pension Fund'), as at and for the year ended 31 March 2026.

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, to be presented on **15 October 2026**. We will be pleased to 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: <https://kpmg.com/uk/en/misc/complaints.html>

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 4 of this report, which explains:

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

Yours sincerely,



Tim Cutler
15 October 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 (the 'Pension Fund'), prepared in accordance with CIPFA guidelines, as at and for the year ended 31 March 2026.

This Report has been prepared for the Pension Committee and Board of the Pension Fund, a sub-group of those charged with governance, 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 noted in the audit plan.

Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the Pension Fund's 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 remains ongoing at the time of preparing this report and matters communicated in this report may change. 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.

Restrictions on distribution

The report is provided on the basis that it is only for the information of the Pension Committee and Board of Haringey 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
Significant audit risks	Risk change	Our findings
Management override of controls	In line with prior year 	We found no reportable misstatements or indicators of fraud in our testing. A control deficiency is noted with regards to segregation of duties to post and review journals – please see 21 .
Estimates		Page 8 - 10
Valuation of level 1 & 2 pooled investment vehicles and segregated investments	In line with prior year 	We verified valuations to independent pricing sources provided by our in-house pricing team. For investment positions which our pricing team were unable to obtain an independent price, we performed retrospective review procedures. The estimates used to form the valuations were concluded to be neutral.
Valuation of level 3 pooled investment vehicles	In line with prior year 	We agreed the valuation of pooled fund investments to directly received confirmations and 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 concluded to be neutral.

Number of Control deficiencies	Page 21
Significant control deficiencies	0
Other control deficiencies	1
Prior year control deficiencies remediated	0

Outstanding matters

Our audit is substantially complete except for the following outstanding matters

- Receipt of Annual report
- Screening and testing of journals;
- Management representation letter;
- Signed financial statements
- Finalise audit report and sign; and
- Audit queries arising subject to RI reviews.

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 historic knowledge of the business, the industry and the wider economic environment in which Haringey Pension Fund operates.

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

See the following slides for the cross-referenced risks identified on this slide.

Significant risks

1. Management override of controls ^a

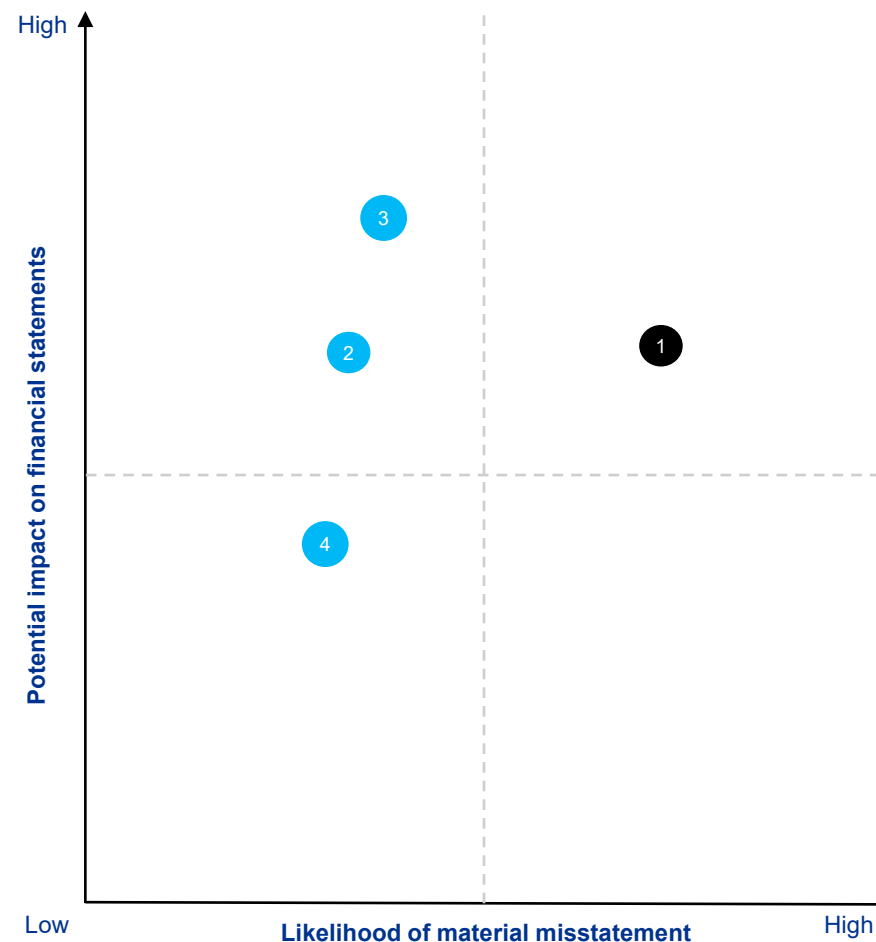
Other audit risks

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 other Level 3 investments is misstated
4. 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

Key:

● Significant financial statement audit risks

● Other audit risk



^a A significant risk that auditing standards require us to assess on all audit engagements. Not always included in the graph except where we have also identified an entity-specific risk of management override of controls

Audit risks and our audit approach



1 Management override of controls^(a)

Fraud risk related to unpredictable way management override of controls may occur



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.
- We have not identified any specific additional risks of management override relating to this audit.



Our response

Our audit methodology incorporates the risk of management override as a default significant risk. We have:

- Assessed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluated the selection and application of accounting policies.
- In line with our methodology, 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 the business rationale and the appropriateness of the accounting for significant transactions that are outside the component's normal course of business or are otherwise unusual.
- In line with our audit plan, tested the operating effectiveness of controls over journal entries and post closing adjustments.
- Made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.
- Identified journal entries and other adjustments with characteristics that indicate that they may be inappropriate or unauthorised and therefore may have been used to manipulate the financial statements (which we refer to as 'high-risk journals and other adjustments'), using KPMG Clara Journal Entry Analysis and perform procedures to test the appropriateness of these entries and adjustments. See page 7 for findings.

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

Audit risks and our audit approach



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

Fraud risk related to unpredictable way management override of controls may occur



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.
- We have not identified any specific additional risks of management override relating to this audit.



Our findings

- We have communicated our views over the significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.
- Through evaluation of the accounting estimates we did not identify any indicators of management bias.
- We have also reviewed management estimates, and the journal entries posted in the period and around the year end. We did not identify any areas of bias in key judgements made by management.
- Our testing is currently on going and to date we did not identify any suspected or alleged incidents of management override and we have found no reportable misstatements or indicators of fraud as a result of our high-risk journal testing and identified no matters that were of such significance to require reporting to the Pension Committee and Board. However, we have raised a control deficiency in respect of segregation of duties when posting manual journals directly to the ledger, refer to page 21 for further details.
- We identified that management have implemented a compensating control to review any manual journals which impact fund account movements. For the purposes of our audit, we are unable to rely on this process as it does not represent a formal control.
- .

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

Audit risks and our audit approach



2

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

Change vs prior year



Other audit risk

Investments are held to pay benefits of the Pension Fund. They are held with a number of investment managers across multiple Level 3 PIVs asset. The investments are material to the financial statements (99.89% of the Total Assets) and therefore there is a risk of material misstatement.



Our 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 included gaining an understanding of the control environment at all the investment managers and custodian by inspecting their internal controls reports to identify any control deficiencies that would have impacted upon our audit approach (where available).
- We obtained direct confirmations from your custodian and all your investment managers and vouched the holdings and valuation of assets at the year end.
- We vouched all purchases and sales to investment manager and custodian reports.
- We recalculated the change in market value and compared this to the overall investment return stated in the Trustee's report for consistency with the amounts reported in the financial statements. We investigated any material deviations.

Our Findings



There are no matters arising from our work over this risk area

Audit risks and our audit approach



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

Change vs prior year



Other audit risk

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 (99.89% of the Total Assets) and therefore there is a risk of material misstatement

There is an elevated risk of material misstatement relating to fair value of Level 3 pooled investments, due to the estimation uncertainty resulting from unobservable inputs to these investments.



Planned response

As part of our audit procedures, we gained an understanding of the processes over the valuation of Level 1, 2 and 3 investments. This included gaining an understanding of the pooling arrangement and custodian by inspecting their internal controls reports to identify any control deficiencies that would impact our audit approach over valuation (where available).

We obtained direct confirmations from your custodian and all your investment managers to vouch the valuation of assets at the year end. We reconciled the holding, price and valuation of each asset to two independent sources (being the custodian and investment manager confirmations).

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

Level 1 & 2 Pooled Investment Vehicles

We recalculated the value of the Level 1 and 2 pooled investments using published pricing of the pooled investment vehicles at the year end.

Audit risks and our audit approach

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

Change vs prior year ↔



Other audit risk

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 (99.89% of the Statement of Net Assets) and therefore there is a risk of material misstatement.



Planned response

Level 3 pooled investment vehicles:

We obtained the unaudited Net Asset Value ("NAV") Statement at (or closest to) the measurement date and vouched the valuation to this. We further assessed the reliability of the NAV statement by:

- Obtaining and inspected 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's year end date, we corroborated them to unaudited pricing information at that date.

Our Findings



Except for the misstatement noted on page 20 for the overstatement of valuation of Level 3 Pooled Investment Vehicles (PIVs), we have no matters to report as a result of our audit procedures to date.

Audit risks and our audit approach



4 Contributions into the 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

Change vs prior year



Other audit risk

Contributions into the 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 due to the volume of admitted bodies and scheduled bodies.

Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk. Revenue in a pension fund equates to contributions receivable. This revenue is recognized based on specific instructions as set out in the appropriate schedule(s). There are no subjective issues concerning when contributions need to be recognized. Amounts involved cannot easily be manipulated through accounting policies, issue of credit notes, timing or other policies. There is little incentive for Fund management to manipulate the financial reporting of contributions. Therefore, in the absence of specific fraud risk factors, the presumption that fraudulent revenue recognition is a significant risk is rebutted for pension fund audits.



Planned response

As part of our audit procedures, we will gain an understanding of the processes over the contribution payment arrangements between the admitted and scheduled bodies and administering authority, and also the effectiveness of the Fund's contribution monitoring arrangements.

As part of risk assessment procedures, we carried out re-performance checks for a selection of members on normal employee and employer contributions by reference to their pensionable salary and rates at the administering authority.

Our audit procedures over contributions included:

- Verifying that contributions from the administering authority and a selection of other bodies were received into the Pension Fund in accordance with the requirements of the Regulations and the Pension Fund's Rates and Adjustments Schedule.
- Developing an expectation of the normal employer and employee contributions receivable in the year reflecting changes in active members in the year, increases in pensionable salary and any changes in the contributions rates in the year and compared these to actual employer and employee contributions received in the year;
- Inspecting that there were 12 months receipts in the year and assessing the trend of such receipts.

We have no matters to report as a result of our audit procedures.

Our Findings



Other significant matters

Control deficiencies

We obtain an understanding of internal control to design appropriate audit procedures, but not to express an opinion on the effectiveness of the Pension Fund's internal control.

- **No segregation of duties controls when posting manual journals (recurring)**
 - We identified that there are no segregation of duties controls when posting manual journals directly to the ledger. We identified that management have implemented a compensating control to review any manual journals which impact balance sheet movements, however for the purposes of our audit, we are unable to rely on this control as it is informal in nature
 - We have considered this factor in our journals testing and to date we have not identified any deficiency in our testing
- We discussed with management and note that the issue is due to ERP's functionality issue and cannot be addressed unless it is also changed in the administrating authority ERP.**

Quality and timeliness of information prepared by management/those charged with governance

In our view, the quality of information:

- supported our ability to understand key decisions better and obtain sufficient audit evidence
- enabled informed challenge of management decisions
- Supported audit quality and better disclosure.

Key:

- These are significant control deficiencies which increase the likelihood and potential magnitude of a material misstatement in the financial statements. We have identified no significant control deficiencies in the current year.
- These are matters of sufficient importance to note such as weaknesses which were subsequently corrected and matters that could be significant in the future if left unaddressed. We have identified one such deficiency in the current year.
- These are less significant weaknesses but which we considered to be of sufficient importance to merit management's attention. We have raised no related observations in the current year.

Other matters

Narrative report

We have not yet read the contents of the Narrative Report and the Pension Fund Annual Report for compliance with the requirements the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 ('the Code'). Based on the work performed:

- As at the date of this Report, we have not identified any inconsistencies between the contents of the Narrative Report and the Pension Fund Annual Report, and the financial statements.
- As at the date of this Report, we have not identified any material inconsistencies between the knowledge acquired during our audit and the statements of the Council. As Pension Fund Committee members/ Audit Committee 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.

Annual Governance Statement

We expect to review the Council's 2025/26 Annual Governance Statement to confirm that:

It complies with delivering Good Governance in Local Government: A Framework published by CIPFA/SOLACE; and

It is not misleading and is consistent with other information we are aware of from 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 2025/26 audit scale fee for the audit was **£ 91,183** plus VAT (**£87,612**) in 2024/25).

We have not completed any non-audit work at the Pension Fund during the year



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Required communications

Type	Response
Our draft management representation letter	 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 2026.
Adjusted audit differences	 There were adjusted audit differences with a surplus impact of £5.96m. See page 20
Unadjusted audit differences	 There were no unadjusted audit differences.
Related parties	 There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit Committee	 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	 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 21 .
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts	 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	 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	 No significant difficulties were encountered during the audit.
Modifications to auditor's report	 None.
Disagreements with management or scope limitations	 The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information	 No material inconsistencies were identified related to other information in the statement of accounts.
Breaches of independence	 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	 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	 The significant matters arising from the audit were discussed, or subject to correspondence, with management.
Certify the audit as complete	 We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above. We will not be able to certify the audit as complete when we issue our opinion as the NAO's work over the Whole of Government Accounts in respect of the Authority is not complete.

Fees

Audit fee

Our fees for the year ending 31 March 2026 are set out in the PSAA Scale Fees communication and are shown below. We have also identified our fee variations below.

Haringey Pension Fund	2025/26 (£'000)	2024/25 (£'000)
Scale fee as set by PSAA	91.1	87.6
Agreed fee variations	TBC	8.7
TOTAL	TBC	96.3

Billing arrangements

- Fees have been billed in accordance with the milestone completion phasing that has been communicated by the PSAA.

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 Audit and Risk Committee 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 director 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 2026 and we have not committed to providing any such services.

We note that the Pension Fund is one of a number of local authorities with an ownership stake in Border to Coast. KPMG provides statutory audit services to Border to Coast. These do not constitute non-audit services in respect of the Fund but we include them here in the interest of completeness.

Confirmation of Independence (cont.)



Summary of fees

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.

Fee ratio

The ratio of non-audit fees to audit fees for the year is anticipated to be 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.

	2025/26
	£'000
Scale fee	91.1
Other Assurance Services	-
Total Fees	91.1

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 and Risk Committee.

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 partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Risk Committee of the Group 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

KPMG LLP

Uncorrected audit misstatements

Under UK auditing standards (ISA (UK) 260) we are required to provide the Audit Committee and Pension Committee with a summary of uncorrected audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. 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 Committee and Pension Committee, details of all adjustments greater than £970k 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 Audit Committee and Pension Committee with a summary of corrected audit differences (including disclosures) identified during the course of our audit. The adjustments below have been included in the financial statements.

Corrected audit misstatements (£'000s)				
No.	Detail	Fund Account	Net Assets Statement	Comments
1	Dr Change in Market Value Cr Investments	£5.96m	£5.96m	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. The audit adjustment updates the investment balance to reflect the subsequent valuations received from the fund managers after the year end.
Total		£5.96m	£5.96m	

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	Journals below £40,000 are not required to be approved by another person. 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.	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. In co-operation with the main Council the Pension Fund will implement a park and post approach for all journals, regardless of value. The 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 2027. Responsible Officer: Head of Pensions – Jamie Abbott Due Date: April 2027

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 partner 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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