



Audit Findings (ISA 260) Report for City of London Corporation Pension Fund

Year ended 31 March 2025

Date of issue: 10 September 2025



City of London Corporation Pension Fund
Pensions Office
Chamberlain's Department
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Dear Alderman Prem Goyal OBE,

Audit Findings for City of London Corporation Pension Fund for the 31 March 2025

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents will be discussed with management and the Audit and Risk Management Committee.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to manage risk, quality and internal control particularly through our Quality Management Approach. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at [transparency-report-2024-.pdf](#).

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Grant Patterson

Grant Patterson

Director
For Grant Thornton UK LLP

Chartered Accountants

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Headlines and status of the audit

Headlines

Financial statements

Introduction

These are the key findings and other matters arising from the statutory audit of City of London Corporation Pension Fund (the ‘Pension Fund’) and the preparation of the Pension Fund’s financial statements for the year ended 31 March 2025 for the attention of those charged with governance.

ISA Requirements

Under the National Audit Office (NAO) Code of Audit Practice (the ‘Code’), we are required to report whether, in our opinion:

- the Pension Fund’s financial statements give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2025 and of the amount and disposition at that date of the fund’s assets and liabilities; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

Audit Work

Our audit work was completed during July – August 2025. Our findings are summarised on page 18.

We have identified no adjustments to the financial statements that have resulted in changes to the Pension Fund’s reported financial position. Audit adjustments are detailed on pages 41 to 42.

We have also raised recommendations for management as a result of our audit work. These are set out in our action plan on page 43. Our follow up of recommendations from the prior year’s audit are detailed on pages 44 and 45.

Continued overleaf

Headlines

Financial statements

Audit Work - continued

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion or material changes to the financial statements, subject to the following outstanding matters:

- Benefits payable - receipt of BACS payment evidence for Lump Sums from the strategic finance team;
- senior engagement team review;
- receipt of management representation letter; and
- review of the final set of financial statements.

We have concluded that the other information to be published with the financial statements is consistent with our knowledge of your organisation and the financial statements we have audited.

Our anticipated opinion on the financial statements will be unmodified.

Drafts of our anticipated opinion and the management representation letter are reflected in a separate report for consideration by the Audit and Risk Management Committee.

Whilst our work on the Pension Fund financial statements is complete, we will be unable to issue our final audit opinion on the Pension Fund financial statements until the audit of the Administering Authority is complete. We are pleased to report that we anticipate this being in September 2025, well ahead of the statutory deadline of 27 February 2026.

We are also required to give a separate opinion for the Pension Fund Annual Report on whether the financial statements included therein are consistent with the audited financial statements.

The statutory deadline requires that the Pension Fund Annual Report is published by 1 December 2025. We have received a draft of the Annual Report from the Pension Fund and are completing our work upon it. We are therefore not yet in a position to give this separate 'consistency' opinion at this time. We anticipate being able to issue our 'consistency' opinion in the forthcoming weeks and ahead of the 1 December Annual Report deadline.

We do note that whilst an opinion on the administering authority's financial statements can be issued by their auditor the formal certificate confirming completion of the audit of the administering authority cannot be given until their work on Whole of Government Accounts and our work on the Annual Report has been completed.

Headlines

Local & National Context - Administration and Governance

The total membership of the City of London Corporation Pension Fund (the 'Fund') was c. 16,000 people as at the end of March 2025. Of this number around one third are active employees who still contribute to the scheme. In total, there were 10 active employers covered by City of London Corporation Pension Fund at the end of March 2025.

The Fund has continued to work through the processes for connecting to the Pensions Dashboard ecosystem and is on track to connect to the Pensions Dashboard by the public sector staging date of 31 October 2025. The service itself will not be released to the general public until a later date. Schemes will be given at least 6 months notice before the public go-live date.

The Fund has continued to implement the McCloud remedy. No significant issues have been encountered. The Pensions Office has implemented the Remedy in respect of active scheme members and all retirements that have occurred since the implementation date (i.e. 1 October 2023) have been processed on this basis.

At the time of writing, the Pensions Office, is currently working on the 2025 Annual Benefit Statements (ABS), which for eligible active and deferred scheme members must be provided by 31 August 2025, and these will reflect the estimated underpin protection as provided for by the McCloud Remedy.

We have received requests from employer body auditors to undertake work on the accuracy and completeness of the information provided to the actuary as part of the 2024/25 IAS 19 valuation process. This work has been completed and appropriate assurances provided.

Local & National Context - Investments and Funding

The net assets of the City of London Corporation Pension Fund as at the end of March 2025 amounted to £1,525.3m (31 March 2024: £1,495.8m).

The 2022 triennial valuation was undertaken by Barnett Waddingham, and showed that the Fund had assets sufficient to cover 98% of the accrued liabilities as at 31 March 2022. The 2025 triennial valuation is now well progressed with cleansed information being provided to the actuary in August. Preliminary results are expected in the autumn and the anticipation is that funding levels across the sector will improve.

At the end of May 2025 the Government published its response to the 'Fit for the Future' consultation. Its key proposals include:

- **reforming asset pooling** - transferring all assets to the management of the pool alongside taking principal investment advice from the pool and delegating implementation of the investment strategy to the pool,
- **boosting investment in local areas and regions** - setting out the approach to local investment in the Investment Strategy Statement and working with relevant Strategic Authorities to identify suitable local investment opportunities, and
- **strengthening the governance of LGPS Administering Authorities and LGPS pools** - undertaking an independent governance review once in every three-year period, have an independent advisor without voting rights, rather than an independent member of a committee and prepare strategies on governance, knowledge and training and administration.

The minimum standards for pooling and the independent governance review will be introduced in the Pension Schemes Bill which is about to enter the Committee stage in Parliament. Subsequent regulations and statutory guidance will provide further detail on implementation of all the new requirements.

The Fund is in the London CIV pool and already well advanced with pooling. During 2024/25 the Fund continued to move assets into the pool. As at 2024/25 year end, there are 3 new Investments, 2 of which were through the London CIV (Level 2) and one Infrastructure Manager (Level 3). Pooled funds with the London CIV now represent £845.3m of the funds £1,502.1m net investment assets, i.e. 56% of the funds net investment assets. We will track progress against the other proposals once regulations and guidance are finalised.

Financial statements

Financial statements

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the NAO Code of Audit Practice (the 'Code'). Its contents will be discussed with management and the Audit and Risk Management Committee.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

For City of London Corporation Pension Fund, the Audit and Risk Management Committee fulfil the role of those charged with governance. We note that there is a separate Pension Committee which considers the draft financial statements and is part of the overall member oversight process.

Audit approach

Our audit approach was based on a thorough understanding of the Pension Fund's business and is risk based, and in particular included:

- an evaluation of the Pension Fund's internal controls environment, including its IT systems and controls; and
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks.

Financial statements (continued)

Conclusion

We have substantially completed our audit of your financial statements and subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion following the Audit and Risk Management Committee meeting on 15th September 2025 and following final approval of the accounts by the Finance Committee on 16th September 2025 , subject to the following outstanding matters:

- Benefits payable- receipt of BACS payment evidence for Lump Sums from the strategic finance team;
- senior engagement team review;
- receipt of management representation letter; and
- review of the final set of financial statements.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff.

Materiality

Our approach to materiality

As communicated in our Audit Plan dated April 2025, we determined headline materiality at the planning stage as £29m based upon 2% of Gross Investment Assets as at 31 March 2024. At year-end, we have reconsidered planning materiality based on the 2024/25 figures in the draft financial statements. We have retained the planning materiality due to the actual value of gross investment assets changing insignificantly from the planning stage and no new risk indicators being identified.

A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

- We have determined materiality at £29m based on professional judgement in the context of our knowledge of the Fund, including consideration of factors such as stakeholder expectations, industry developments, financial stability and reporting requirements for the financial statements.
- We have used 2% of gross investment assets as at 31 March 2024 as the benchmark for our materiality.
- The benchmark percentage applied has increased from 1.9% in the prior period audit, to 2%, based on the following factors:
 - The Fund's portfolio being primarily level 2 assets, for which market data is available for audit purposes.
 - Prior period experience noted limited findings with no adjusted or unadjusted misstatements raised in relation to the net assets statement.

Performance materiality

- We have determined performance materiality at £20.3m, this is based on 70% of headline materiality. We have not had to revise performance materiality from the planned level.

Specific materiality for the Fund Account

- We have determined a lower separate materiality for the fund account at £7.23m, this is based on 10% of gross expenditure (in the Fund Account) as at March 2024. The lower specific materiality for the fund account was applied to the audit of all fund account transactions, except for investment transactions, for which headline materiality was applied. Similarly to our headline materiality we did reconsider this based upon the draft financial statements. Whilst expenditure has increased our view is that this is linked to possible one-off events which it would not be appropriate to take into consideration when reviewing our materiality. We have therefore not revised our Fund Account materiality from the planned level.

Reporting threshold

- We will report to you all misstatements identified in excess of £1.45m, in addition to any matters considered to be qualitatively material.

Our approach to materiality (continued)

A summary of our approach to determining materiality is set out below.

Description	Amount (£)	Qualitative factors considered
Materiality for the financial statements	29,000,000	The Fund's portfolio is primarily level 2 assets, for which market data is available for audit purposes. Prior period experience noted limited findings with no adjusted or unadjusted misstatements raised in relation to the net assets statement. Headline Materiality for planning equates to 2% of your gross investment assets as at 31 March 2024.
Performance materiality	20,300,000	Performance Materiality is based on a percentage (70%) of the overall materiality.
Specific materiality for the fund account	7,230,000	The contribution and benefit structures of the Fund are not complex as there are only 20 employers in the scheme, of which the City of London Corporation itself represents 92% of active members and of beneficiaries receiving a pension. Materiality for the Fund Account for planning equates to 10% of gross expenditure (in the fund account) as at 31 March 2024.
Trivial matters - reporting threshold	1,450,000	Performance Materiality is based on a percentage (70%) of the overall materiality.

Overview of audit risks

Overview of audit risks

Significant risks are defined by ISAs (UK) as an identified risk of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum due to the degree to which risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement if that misstatement occurs.

Significant classes of transactions, account balances, and disclosures, are associated with risks of material misstatement but are not always significant risks (SCOT+).

Material only are material financial statement line items not associated with risks of material misstatement.

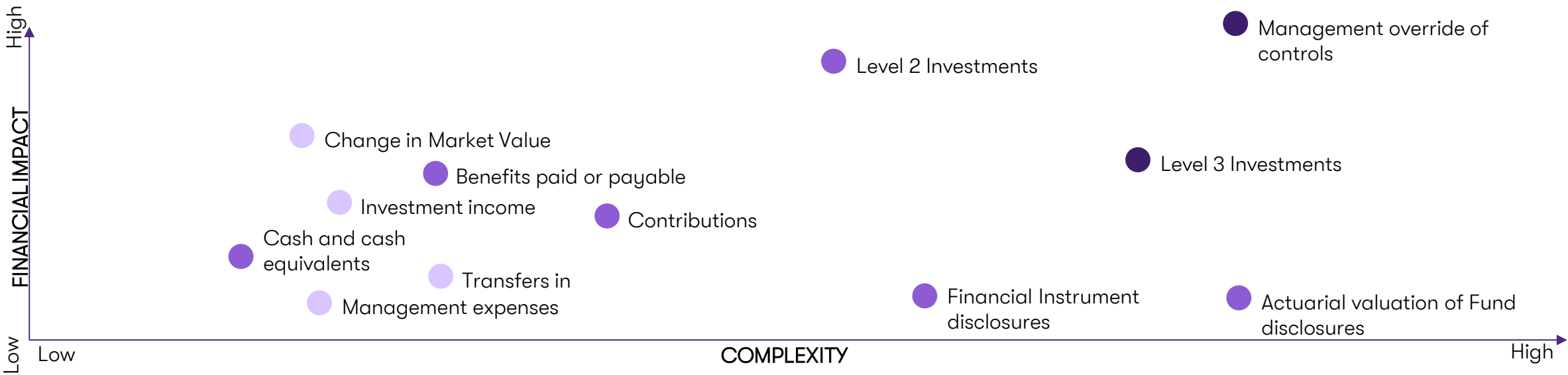
Other audit risks are accounts that are not associated with any SCOT + or with a material only financial statement line item or disclosure.

In the graph overleaf, we have presented the, significant risks, SCOT, material only and other risks relevant to the audit.



Overview of audit risks

There have been no changes to the audit risk assessment communicated in our audit plan.



Glossary

Significant risk	●
SCOT+	●
Material only	●
Other audit risks – none identified	●

Overview of audit risks

Risk title	Risk level	Change in risk since Audit Plan	Fraud risk	Level of judgement or estimation uncertainty	Status of work
Management override of controls	Significant	↔	✓	Low	●
Valuation of Level 3 Investments	Significant	↔	✗	High	●
Valuation of Level 2 Investments	SCOT+	↔	✗	Medium	●
Actuarial Present Value of Promised Retirement Benefits disclosure – IAS 26	SCOT+	↔	✗	Medium	●
Cash and cash equivalents	SCOT+	↔	✗	Low	●
Benefits payable	SCOT+	↔	✗	Low	●
Contributions receivable	SCOT+	↔	✗	Low	●
Financial instrument disclosures	SCOT+	↔	✗	Low	●

Glossary

- ↑

Assessed risk increased since audit plan
- ↔

Assessed risk consistent with audit plan
- ↓

Assessed risk decrease since audit plan
- Not likely to result in material adjustment or change to disclosures within the financial statements
- Potential to result in material adjustment or significant change to disclosures within the financial statements
- Likely to result in material adjustment or significant changes to disclosures within the financial statements

Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement. This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risk identified	Audit procedures performed	Key observations
Management override of controls In accordance with ISA (UK) 240, we have identified a risk of fraud in respect of management override of controls.	As part of our audit procedures, we have: 1. Reviewed accounting estimates, judgements and decisions made by management 2. Tested journals entries 3. Reviewed unusual significant transactions 4. Incorporated an element of unpredictability into our audit procedures	We have noted one finding in relation to management override of controls. As documented in our follow up of prior period audit recommendations, the Fund have made improvements during 2024/25 to its control environment for journals over £100k. For those under £100k, the fund is currently willing to tolerate the risk in respect of detection and correction. We have looked at these and the total of journals processed under £100k is £1.6m and therefore we are satisfied with the low risk of material misstatement. However, we continue to recommend that management implement changes to the control environment to ensure timely detection and correction of potential errors in these entries. During our testing of journal entries, we identified a highly trivial miscoding error between Cash and Current Assets – Receivables. Had there of been a review of journal entries below £100k, this may have been identified by the fund. However, we are satisfied that this is not indicative of management override of controls. We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology. Having assessed management judgements and estimates individually and in aggregate we are satisfied that there is no material misstatement arising from management bias across the financial statements.

Significant

Significant risks (continued)

Risk identified	Audit procedures performed	Key observations
Valuation of level 3 investments The valuations of level 3 investments are based on unobservable inputs and hence there is a risk of material misstatement due to error and/or fraud. Significant Relevant assertion(s) Valuation, Existence Applicable assertion(s) Rights & Obligations, Presentation Planned level of control reliance None	As part of our audit procedures, we have: 1. Evaluated management's processes for valuing Level 3 investments; 2. Obtained and reviewed the audited financial statements of the investment accounts. Where these were at a different reporting date to the Fund's financial statements the valuations were compared using the accounting for cashflows; 3. Obtained and reviewed the corresponding investment manager report as at the investment accounts and the Fund accounts reporting dates where appropriate; 4. Reviewed purchase and sale transactions of the investment near the reporting date where appropriate; 5. Reviewed the guidelines under which the investment has been valued at the date of the investment accounts and the Fund accounts; 6. Reviewed management's classification of the assets; 7. Obtained and reviewed investment manager service auditor report on design and operating effectiveness of internal controls where appropriate.	We have noted no material adjustments or findings in relation to the valuation of level 3 investments. We are satisfied that judgements made by management are appropriate and the valuations have been determined using consistent methodology.

Significant Classes of Transactions

Significant classes of transactions, account balances, and disclosures (SCOT+s), are associated with risks of material misstatement but are not linked to a significant risk. This section provides commentary on the SCOT+ risks communicated in the Audit Plan.

Risk identified	Audit procedures performed	Key observations
Valuation of level 2 investments Level 2 investments do not carry the same level of inherent risks associated with level 3 investments, however there is still an element of judgement involved in their valuation as their very nature is such that they cannot be valued directly. These assets represent a class of transaction in the financial statements due to the size of the balance (£1,201m as at 31 March 2025). As a result, the valuation of the Fund’s Level 2 investments have been identified as a significant class of transactions. Significant Class of transactions (SCOT+) Relevant assertion(s) Existence, Valuation Applicable assertion(s) Rights & Obligations, Presentation Planned level of control reliance None	As part of our audit procedures, we have: 1. Agreed the valuation to the confirmation received from the investment manager; 2. Agreed the valuation back to quoted prices at year-end where available; 3. Compared the valuation to purchase and sale transactions near the reporting date (where appropriate); 4. Reviewed the guidelines under which the investment has been valued (where appropriate); 5. Obtained and reviewed a service auditor’s report on internal controls for the investment manager (where appropriate); 6. Reviewed management’s classification in the fair value hierarchy for a sample of level 2 investments; 7. No additional detailed testing was performed beyond the planned procedures as we have obtained sufficient assurance.	We have noted no material adjustments or findings in relation to level 2 investments. We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology.

Significant Classes of Transactions (continued)

Risk identified	Audit procedures performed	Key observations
Actuarial present value of promised retirement benefits disclosure – IAS 26 The disclosure of the Fund’s Actuarial Present Value of Promised Retirement Benefits is an accounting estimate and is sensitive to changes in key assumptions. As an actuarial valuation has not been prepared at the date of the financial statements IAS 26 requires the most recent valuation (which should be based on IAS 19, not the pension fund’s funding assumptions) to be used as a base and the date of the valuation disclosed (net assets of £160m as at 31 March 2025). The Pension Fund engage the services of a qualified actuary to develop an IAS 26 compliant estimate of the disclosure. As a result, it has been identified as a significant class of transactions. Significant Class of transactions (SCOT+) Relevant assertion(s) Valuation Applicable assertion(s) Presentation Planned level of control reliance None	As part of our audit procedures, we have: 1. Updated our understanding of the processes and controls put in place by management to ensure that the Fund’s Actuarial Present Value of Promised Retirement Benefits is not materially misstated; 2. Evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary’s work; 3. Assessed the competence, capabilities and objectivity of the actuary who carried out the Fund’s valuation; 4. Assessed the accuracy and completeness of the information provided by the Fund to the actuary to estimate the liability; 5. Tested the consistency of disclosures with the actuarial report from the actuary; and 6. Undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor’s expert) and performing any additional procedures suggested within the report.	We have noted no material adjustments or findings in relation to the actuarial present value of promised retirement benefits disclosure (IAS 26). We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology.

Significant Classes of Transactions (continued)

Risk identified	Audit procedures performed	Key observations
Cash and cash equivalents The receipt and payment of cash represents a significant class of transactions occurring throughout the year, culminating in the year-end balance for cash and cash equivalents reported on the Net Asset Statement. Significant Class of transactions (SCOT+) Relevant assertion(s) Existence, Completeness Applicable assertion(s) Rights & Obligations, Presentation Planned level of control reliance None	As part of our audit procedures, we have: 1. Obtained direct confirmations for all bank accounts; 2. Obtained monthly bank reconciliations as at the year-end and for one month post year-end; and 3. Reconciling items we deemed to be immaterial and as such did not require confirmation of clearance through the bank account after the year-end	We have noted no material adjustments or findings in relation to the cash and cash equivalents balance.

Significant Classes of Transactions (continued)

Risk identified	Audit procedures performed	Key observations
Benefits payable Pension benefits payable represents a significant percentage of the Fund’s expenditure. Significant Class of transactions (SCOT+) Relevant assertion(s) Accuracy Applicable assertion(s) Completeness, Occurrence, Presentation Planned level of control reliance None	As part of our audit procedures, we have: 1. Evaluated the Fund's accounting policy for recognition of pension benefits expenditure for appropriateness; 2. Gained an understanding of the Fund's system for accounting for pension benefits expenditure and evaluate the design of the associated controls; 3. Tested a sample of lump sums and associated individual pensions in payment by reference to member files; and 4. Tested relevant member data to gain assurance over management information to support a predictive analytical review with reference to changes in pensioner numbers and increases applied in year to ensure that any unusual trends are satisfactorily explained.	At the time of writing, we have not noted any material adjustments or findings in relation to the benefits payable balance. However, the conclusion of our audit findings is pending the receipt of BACS payment evidence for Lump Sums from the strategic finance team.

Significant Classes of Transactions (continued)

Risk identified	Audit procedures performed	Key observations
Contributions receivable Contributions from employers and employees represents a significant percentage of the Fund's revenue. As a result, it has been identified as a significant class of transactions. Significant Class of transactions (SCOT+) Relevant assertion(s) Completeness Applicable assertion(s) Accuracy, Occurrence, Presentation Planned level of control reliance None	As part of our audit procedures, we have: 1. Evaluated the Fund's accounting policy for recognition of contributions for appropriateness; 2. Gained an understanding of the Fund's system for accounting for contribution income and evaluate the design effectiveness of the associated controls; 3. Tested a sample of contributions to source data to gain assurance over their accuracy and occurrence; and 4. Tested relevant member data to gain assurance over management information to support a predictive analytical review with reference to changes in member body payrolls and the number of contributing employees to ensure that any unusual trends are satisfactorily explained.	We have noted no material adjustments or findings in relation to the contributions receivable balance.

Significant Classes of Transactions (continued)

Risk identified	Audit procedures performed	Key observations
Financial instrument disclosures Financial instrument and associated risk disclosures provide crucial information to allow users to understand and evaluate: • The significance of financial instruments to the entity’s financial position and performance. • The nature and extent of risks from financial instruments during, and at the close of, the reporting period. • How the Fund manages these risks.	As part of our audit procedures, we have: 1. Updated our understanding of the processes and controls put in place by management to prepare the financial instrument disclosures; 2. Documented and evaluate the Fund’s accounting policies for appropriateness and consistency; 3. Evaluated the instructions issued by management to their management expert/information provider for these disclosures; 4. Tested the consistency of disclosures with the actuarial report from the actuary; and 5. For all material financial instrument disclosures we have confirmed they are disclosed in accordance with IFRS 7, measured in accordance with IFRS 9 and classified in accordance with CIPFA guidance on IFRS 9 Financial Instruments	We have noted no material adjustments or findings in relation to the financial instrument disclosures.
Significant Class of transactions (SCOT+) Relevant assertion(s) Accuracy Applicable assertion(s) Completeness, Presentation Planned level of control reliance None		

Rebuttal of presumed risks

Risk	Risk relates to	Audit team's assessment	Final audit procedures
The revenue cycle includes fraudulent transactions	Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue	We have identified and completed a risk assessment of all revenue streams for the Fund. We have rebutted the presumed risk that revenue may be misstated due to the improper recognition of revenue for all revenue streams, because: • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of public sector bodies, including the Fund, mean that all forms of fraud are seen as unacceptable. Therefore, we do not consider this to be a significant risk for the Pension Fund.	At planning we did not consider this to be a significant risk for the Fund and that standard audit procedures would be carried out. We have continued to review this rebuttal throughout the audit to ensure this judgement remains appropriate and are satisfied that it does.
The expenditure cycle includes fraudulent transactions	Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.	We have identified and completed a risk assessment of all expenditure streams for the Fund. We have considered the risk that expenditure may be misstated due to the improper recognition of expenditure for all expenditure streams and concluded that there is not a significant risk, because: • there is little incentive to manipulate expenditure recognition; • opportunities to manipulate expenditure recognition are very limited; and • the culture and ethical frameworks of public sector bodies, including the Fund, mean that all forms of fraud are seen as unacceptable. Therefore, we do not consider this to be a significant risk for the Pension Fund.	At planning we did not consider this to be a significant risk for the Fund and that standard audit procedures would be carried out. We have continued to review this rebuttal throughout the audit to ensure this judgement remains appropriate and are satisfied that it does.

Other findings

Other findings – key judgements and estimates

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors.

Summary of management's approach

Level 3 investments - £301.1m

The Pension Fund has investments in Infrastructure funds, Pooled property funds and Private equity funds that total £301.1m on the net assets statement at year-end.

Management receive quarterly performance reports which are reviewed and subsequently presented to the Pensions Committee, providing scrutiny of estimates. Investment managers will periodically provide update reports for committee meetings – providing an opportunity for officers and members to challenge unusual movements or assumptions.

These investments are not traded on an open exchange/market and the valuation of the investment is highly subjective due to a lack of observable inputs. To determine the value, management rely on the valuations provided by the investment managers.

The value of the investment has increased by £79.3m in 2024/25, largely due to an in-year investment of £75.0m into an open-ended Infrastructure Fund in January 2025 as part of the strategic asset allocation. To fund the new investment, the Pension Fund fully disinvested from Lindsell Train and made a drawdown from equity manager C Worldwide (both of which were Level 2 assets) and used Cash in the Bank Account.

Audit comments

In response to management's approach, we have:

1. Reviewed the audited financial statements of the investment accounts. Where there were different reporting dates, cashflows have been considered in the comparison
2. Ensured consistency of the investment management report with the financial statements
3. Compared the valuation to purchase and sale transactions of the investment near the reporting date (where appropriate)

continued overleaf

Other findings – key judgements and estimates (continued)

Audit comments (continued)

4. Reviewed the guidelines under which the investment has been valued at the date of the investment accounts and fund accounts
5. Obtained and reviewed investment manager service auditor reports on design and operating effectiveness of internal controls where appropriate
6. Evaluated the reasonableness of any increase/decrease in valuation of the estimate, using relevant indices where appropriate

In undertaking this approach, we have also considered the completeness and accuracy of the underlying information used to determine the estimate, in addition to the impact of any changes to valuation method from the prior period (if applicable).

We have also confirmed that the sensitivities disclosed in the notes to the accounts are reasonable and in line with the CIPFA Code, and the estimate is adequately disclosed in the financial statements.

Assessment

● [Green] We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

Assessment Key

- [Red] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Amber] We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider cautious
- [Green] We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

Other findings – key judgements and estimates (continued)

Summary of management's approach

Level 2 investments - £1,201m

The Pension Fund has investments in the LCIV Pool that total £1,201m on the net assets statement at year-end.

Management receive quarterly performance reports which are reviewed and subsequently presented to the Pensions Committee, providing scrutiny of estimates. Investment managers will periodically provide update reports for committee meetings – providing an opportunity for officers and members to challenge unusual movements or assumptions.

These investments involve inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. The investments are not traded on an open exchange/market and the valuation of the investment is subjective. In order to determine the value, investment managers make use of evaluated price feeds.

The value of the investment has decreased by £61m in 2024/25, largely due to in-year disinvestment from Lindsell Train and a drawdown from equity manager C Worldwide, in order to help invest £75.0m into an open-ended Infrastructure Fund (Level 3 asset) in January 2025 as part of the asset allocation. Note the level 3 asset was also funded by Cash in the Bank Account.

Audit comments

In response to management's approach, we have:

1. Ensured consistency of the investment management report with the financial statements;
2. Agreed the valuation back to quoted and/or publicly published prices at year-end where available;
3. Compared the valuation to purchase and sale transactions of the investment near the reporting date (where appropriate); and
4. Reviewed the guidelines under which the investment has been valued at the date of the investment accounts and fund accounts

continued overleaf

Other findings – key judgements and estimates (continued)

Audit comments (continued)

- 5. Obtained and reviewed investment manager service auditor reports on design and operating effectiveness of internal controls where appropriate
- 6. Evaluated managements classification within the fair value hierarchy

In undertaking this approach, we have also considered the completeness and accuracy of the underlying information used to determine the estimate, in addition to the impact of any changes to valuation method from the prior period (if applicable).

We have also confirmed that the sensitivities disclosed in the notes to the accounts are reasonable and in line with the CIPFA Code, and the estimate is adequately disclosed in the financial statements.

Assessment

● [Green] We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

Assessment Key

- [Red] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Amber] We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider cautious
- [Green] We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

Other findings – Information Technology

This section provides an overview of results from our assessment of the Information Technology (IT) environment and controls therein which included identifying risks from IT related business process controls relevant to the financial audit. This table below includes an overall IT General Control (ITGC) rating per IT application and details of the ratings assigned to individual control areas. For further detail of the IT audit scope and findings please see separate 'IT Audit Findings' report.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
General Ledger - Oracle E-Business Suite	ITGC assessment (design, implementation and operating effectiveness). Prepared in conjunction with the City of London Corporation's (administering authority) general ledger. Noting that the Oracle E-Business Suite system is hosted by the City of London Corporation and used by the City of London Corporation Pension Fund.	● [Amber]	● [Green]	● [Green]	● [Amber]* *See overleaf for non-significant deficiency	Management override of controls
Pension Administration System - Altair	ITGC assessment (design and implementation effectiveness only)	● [Green]	● [Green]	● [Green]	● [Green]	Contributions receivable, Benefits payable and the actuarial valuation

Assessment:

- [Red] Significant deficiencies identified in IT controls relevant to the audit of financial statements
- [Amber] Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
- [Green] IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope

Other findings – Information Technology

Additional procedures carried out to address risks arising from our findings

The Oracle E-Business Suite application's technology infrastructure was noted to have a non-significant deficiency related to there being a lack of formal documentation for batch job changes. This is detailed further in our separate 'IT Audit Findings' report which has been shared with management. There was no direct impact on the planned financial audit approach of the Fund. We have also provided suggestions for improving password controls.

This recommendation was also raised in the prior period and is therefore detailed in our follow up of prior period recommendations on pages 44 to 45.



Communication requirements and other responsibilities

Other communication requirements

	Issue	Commentary
1	Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit and Risk Management Committee. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures
2	Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed
3	Matters in relation to laws and regulations	- The unintended exclusion of some casual workers from the LGPS by the City of London Corporation may have led to non-compliance with employment and pension regulations. The matter was reported by the Fund Employer (i.e. the City of London Corporation) to the Pensions Regulator as a breach in pensions regulations. The Regulator advised that “where an employer has identified an error or failed to carry out their enrolment duties, they must rectify the error as it did not occur”. A remediation process is in place. On this basis we were satisfied that no further action was required from us as the Fund's auditors and that no additional risks were identified. - You have not made us aware of any other incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work
4	Written representations	- A letter of representation has been requested from the Pension Fund. This will be shared with management and the Audit & Risk Management Committee informed at its meeting that there were no specific representations requested beyond those normally sought, which is an report item at this committee. - This will be signed alongside the final draft of the financial statements in advance of the conclusion of the audit.
5	Confirmation requests from third parties	- We requested from management permission to send confirmation requests to their custodian and investment managers. This permission was granted and the requests were sent. All requests were returned with positive confirmation and no alternative procedures were required. - We requested management to send letters to those internal legal counsel who worked with the Pension Fund during the year. All responses have been received with no issues noted.
6	Disclosures	- Our review found no material omissions in the financial statements - Significant disclosures in the 2024/25 statutory financial statements include the Fair Value Hierarchy, Actuarial Present Value of Promised Retirement Benefits, Uncertainty and risk disclosures

Other communication requirements (continued)

Going Concern

Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management’s use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity’s ability to continue as a going concern” (ISA (UK) 570).

Commentary

In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2024). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.

Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:

- the use of the going concern basis of accounting is not a matter of significant focus of the auditor’s time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity’s services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities
- for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting.

Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10.

continued overleaf

Other communication requirements (continued)

Going Concern

Commentary (continued)

The financial reporting framework adopted by the Pension Fund meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:

- the nature of the Pension Fund and the environment in which it operates
- the Pension Fund's financial reporting framework
- the Pension Fund's system of internal control for identifying events or conditions relevant to going concern
- management's going concern assessment.

On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:

- a material uncertainty related to going concern has not been identified
- management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Other responsibilities

Issue	Commentary
Other information	The Pension Fund is administered by the City of London Corporation (the ‘Corporation’), and the Pension Fund’s accounts form part of the Corporation’s financial statements. We are required to read any other information published alongside the Corporation’s financial statements to check that it is consistent with the Pension Fund financial statements on which we give an opinion and is consistent with our knowledge of the Authority. No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect – refer to separate agenda item.
Matters on which we report by exception	We are required to give a separate consistency opinion for the Pension Fund Annual Report on whether the financial statements included therein are consistent with the audited financial statements. The statutory deadline requires that the Pension Fund Annual Report is published by 1 December 2025. We have received a draft of the Annual Report from the Pension Fund and are completing our work upon it. We are therefore not yet in a position to give this separate ‘consistency’ opinion at this time. We anticipate being able to issue our ‘consistency’ opinion in the forthcoming weeks and ahead of the 1 December Annual Report deadline. We do note that whilst an opinion on the administering authority’s financial statements can be issued by their auditor the formal certificate confirming completion of the audit of the administering authority cannot be given until their work on Whole of Government Accounts and our work on the Annual Report has been completed. We are required to report if we have applied any of our statutory powers or duties as outlined in the NAO Code. We have nothing to report on these matters.

Audit adjustments

Adjusted misstatements

This is a summary of adjusted misstatements identified during the audit. We are required to report all non-trivial misstatements to those charged with governance. We have noted no adjusted misstatements which impact upon the balances reported in Net Assets Statements and Fund Account.

Disclosure misstatement

Note 17 - Funded Obligation of the Overall Pension Fund

The discount rate reported in Barnett Waddingham's IAS 26 report is 5.85%, whereas the draft 2024/25 Statement of Accounts (SOA) reflected a rate of 5.9%.

Auditor recommendations

We recommend that management update the final version of the SOA to align with the IAS 26 report.

Management response

This update has been processed in the final version of the SOA

Note 23 - Contingent liabilities and contractual commitments

In a case involving Virgin Media and NTL in June 2023, the High Court ruled that a lack of evidence of actuarial confirmation would render relevant amendments to affected contracted-out Defined Benefit pension schemes' rules invalid and void. The Court of Appeal upheld the ruling in July, with potential far-reaching implications for many Defined Benefit schemes – including Local Government Pension Schemes.

We requested management reflect upon this matter as a potential contingent liability and update the Note 19 disclosure to reflect their judgement.

Management response

Management have deemed this to be a contingent liability and have agreed to update the disclosure in Note 19

Note 23 - Contingent liabilities and contractual commitments

As part of our review of contractual commitments we noted a clerical error of £2.145m, which would result in the corrected balance being £61.8m.

We recommend that management update the final version of the SOA to reflect this.

Management response

This update has been processed in the final version of the SOA

Note 15 - Risk and risk management - Interest rate risk

As part of our review of the financial statements we noted that the bond value differed to the amounts disclosed in Note 12 for both the current and prior period:

2023/24 - £182.2m in Note 15 should have been £212.7m per Note 12

2024/25 - £388.9m in Note 15 should have been £203.3m per Note 12

We recommend that management update the final version of the SOA to reflect this.

Management response

This update has been processed in the final version of the SOA

Unadjusted misstatements

We are required to report all non-trivial misstatements to those charged with governance.

We have noted no unadjusted misstatements which impact upon the balances reported in Net Assets Statements and Fund Account.

Impact of unadjusted misstatements in prior year

There were no unadjusted misstatements identified in 2023/24 which required reporting as they would not result in changes to the reported figures in the key financial statements and the reported net assets of the Fund for the year ending 31 March 2024.

Action plan

We have identified one recommendation for the Pension Fund as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2025/26 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

	Assessment	Issue and risk	Recommendations
1	● [Green]	The most recent period in which the internal audit scope included areas attributable to the Pension Fund was 2019/20. The City of London Corporation has been investing in recent years to increase the capacity and resilience of internal audit, and as a result the service is now fully resourced. Whilst there is not a formal requirement for internal audit to undertake work on pensions arrangements at Administering Authorities, and practice is not consistent across the sector, we believe that it is best practice to include the Pension Fund within the scope of internal audit on a regular basis. The Fund may also wish to consider this in the wider light of Government’s expectations on governance arrangements following the ‘Fit for Future’ consultation.	Management and officers should consider adding the pension fund to the upcoming scope of internal audit. Management response Internal audit have built this into their programme of work for 2025/26, including a review planned for the LGPS Administration. The headline objective for this work will be to provide assurance that the governance , risk and control arrangements over administration of the Local Government Pension Scheme are adequate and effective.

Assessment key:

- [Red] High – Significant effect on financial statements
- [Amber] Medium – Limited effect on financial statements
- [Green] Low – Best practice

Follow up of prior year recommendations

This is a summary of where we identified recommendations for the Pension Fund because of issues identified during the prior year audit, and an update on actions taken by management as a result.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
1 →	Lack of formal documentation in Altair user access provisioning processes During the audit, we noted that the Altair user access request required notification to and approval by the Pension Manager. However, the process was not documented. Risk Documentation provides accountability by establishing a clear trail of who requested access, who approved it, and when it was granted. Without this documentation, accountability and transparency in access management processes are compromised. User access may not be appropriately aligned to job role requirements which may lead to inappropriate access within the application or underlying data. The Authority should establish formal policies and procedures for all user access requests and retain relevant documentation. This includes details of the required user access rights, approver authorization, and the effective date for any access changes or removals. These policies and procedures should be communicated to all staff to ensure that activities are consistently performed, logged, and monitored.	At the time of receiving the recommendation in the prior year, the ‘Systems Administrator’ post (which is responsible for this area of work) was still vacant and applicants to the role were being sought. The post was filled in late March 2025 and since this date the Pensions Office have been working to formally document the processes used to set up new users within the Altair system.

Assessment:

- ✓ Action completed
- Work in progress / Partially addressed
- ✗ Not yet addressed

Follow up of prior year recommendations

This is a summary of where we identified recommendations for the Pension Fund because of issues identified during the prior year audit, and an update on actions taken by management as a result.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
2 →	Journal authorisation timeliness During the 2023/24 audit, we noted that there was no defined timeline for sending follow-up emails for approvals or for receiving formal approval of journal entries. Risk Timeliness of journals authorisation enables the appropriate detection and correction of errors to be addressed in a timely manner. We recommended that a check on authorisations being undertaken is established.	The Pension Fund have implemented a monthly control process to monitor journal approvals during 2024/25. Each month, journals requiring approval by a designated approver are extracted from Oracle, and are then categorized into two groups: • Transactions below £100,000 • Transactions above £100,000 For transactions exceeding £100,000: a formal email is sent to the respective designated approver, with appropriate processes to escalate delays in review. For transactions below £100,000: No changes have been made to the control environment to address the risk of detection and correction of error in these entries within a timely manner. We recommend that a check on authorisations being undertaken is established for transactions below £100,000.

Assessment:

- ✓ Action completed
- Work in progress / Partially addressed
- ✗ Not yet addressed

Independence considerations

Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers [and network firms]). In this context, we disclose the following to you:

Matter	Conclusion
Our firm provides audit services to the London Collective Investment Vehicle (LCIV)	We have concluded that these services would not have an impact on our independence, on the basis that these entities are legally and operationally independent from this pension scheme. In addition, these services are being provided by a team which is separate and independent from our audit team. The result of their work would not have any impact in the financial statements that are subject to our audit. We have considered that an objective reasonable and informed third party would concur with this conclusion.

We are required to report to you details of any breaches of the requirements of the FRC Ethical Standard, and of any safeguards applied and actions we have taken to address any threats to independence. In this context, we confirm that there are no such matters.

We confirm that we have implemented policies and procedures to meet the requirement of the Financial Reporting Council's Ethical Standard

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in February 2025 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Independence considerations (continued)

As part of our assessment of our independence we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Fund that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Fund or investments in the Fund held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Fund as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	Grant Thornton UK LLP have been appointed as the London CIV 's new auditor. The London CIV are a LGPS asset pool for which the City of London Corporation Pension Fund are one of the 32 Shareholders. We are satisfied that this does not impact upon our independence (see page 47). Grant Thornton UK LLP moved London Offices in July 2025. The new office is within the City Of London Corporation boundaries and business rates will be payable. As these are a statutory tax, we are satisfied that there is no impact upon our independence.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Fund's committees, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Following this consideration, we can confirm that we are independent and are able to express an objective opinion on the financial statements. In making the above judgement, we have also been mindful of the quantum of non-audit fees compared to audit fees disclosed in the financial statements and estimated for the current year.

Fees and non-audit services

The following tables overleaf set out the total fees for non-audit services that we have been engaged to provide or charged from the beginning of the financial year to date, as well as the threats to our independence and safeguards have been applied to mitigate these threats.

The non-audit services are consistent with the Fund's policy on the allotment of non-audit work to your auditor.

None of the services were provided on a contingent fee basis.

For the purposes of our audit we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to City of London Corporation Pension Fund. The table overleaf summarises all non-audit services which were identified. We have adequate safeguards in place to mitigate the perceived self-interest threat from these fee.

Our firm also provides audit and non-audit services to the City of London Corporation. The fees in relation to these services and the related ethical considerations are reported in the Audit Findings Report issued to Those Charged With Governance (TCWG) for that entity. Consequently, such fees are disclosed in the Corporation's financial statements rather than the Pension Fund's.

Fees and non-audit services

Audit fees	£
Audit of Pension Fund	95,000
Total	95,000

Audit related non-audit services	£	Threats identified	Safeguards applied
IAS 19 Assurance letters for Admitted Bodies outside of the NAO Code of Audit Practice	1,100	Self-Interest – Work is awarded as part of the audit contract; additional fees are not significant compared to the audit of the financial statements and is fixed based on the number of admitted bodies. Advocacy - Work is subject to internal review by qualified accountants. Template letters and methodology are created centrally to support the teams in wording communications objectively.	The level of this recurring fee taken on its own is not considered a significant threat to independence as the total fee for this work is £1,100 in comparison to the total proposed fee for the audit of £95,000 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Other audit related Non-audit service	0		
Total	1,100		

The above fees are exclusive of VAT.

The audit fees agree to the financial statements.

We confirm that the non-audit fees pertain to IAS19 assurances for admitted bodies of the pension fund. As these costs are passed onto those admitted bodies, the fund are effectively acting as an agent and therefore there will be no fees in PF account.

This covers all services provided by us and our network to the Fund, its directors and senior management, that may reasonably be thought to bear on our integrity, objectivity or independence.

Appendices

A. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Views about the qualitative aspects of the Fund's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●

A. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		
Non-compliance with laws and regulations		
Unadjusted misstatements and material disclosure omissions		
Expected modifications to the auditor's report, or emphasis of matter		

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings Report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, as a minimum a requirement exists for our findings to be distributed to all the company directors and those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report, to those charged with governance.

B. Internal controls

We confirm that we have not identified a deficiency or a significant deficiency in our evaluation of relevant controls for 2024/25.

Relevant controls are those that auditors believe may prevent, detect or correct a material misstatement.

We are satisfied that our audit findings in relation to IT, Journals below £100k and frequency of internal audit, do not constitute deficiencies to relevant controls, in line with the above definition.



“The purpose of an audit is for the auditor to express an opinion on the financial statements. Our audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters being reported are limited to those deficiencies that the auditor has identified during the audit and that the auditor has concluded are of sufficient importance to merit being reported to those charged with governance.” (ISA (UK) 265)

C. Our team and communications

Grant Thornton core team

Grant Patterson
Engagement Lead/
Key Audit Partner



- Key contact for senior management and Audit and Risk Management Committee
- Overall quality assurance

Jasmine Kemp
Audit Manager



- Audit planning
- Resource management
- Performance management reporting

Ronojit Dasgupta
Audit Senior / In-charge



- On-site audit team management
- Day-to-day point of contact
- Audit fieldwork

	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	• Client Surveys	• The Audit Plan • Audit Progress and Sector Update Reports • The Audit Findings • Auditor’s Annual Report	• Audit planning meetings • Audit clearance meetings • Communication of issues log	• Technical updates
Informal communications	• Open channel for discussion		• Communication of audit issues as they arise	• Notification of up-coming issues

As part of our overall service delivery we may utilise colleagues who are based overseas, primarily in India and the Philippines. Those colleagues work on a fully integrated basis with our team members based in the UK and receive the same training and professional development programmes as our UK based team. They work as part of the engagement team, reporting directly to the Audit Senior and Manager and will interact with you in the same way as our UK based team albeit on a remote basis. Our overseas team members use a remote working platform which is based in the UK. The remote working platform (or Virtual Desktop Interface) does not allow the user to move files from the remote platform to their local desktop meaning all audit related data is retained within the UK.

D. Logistics





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