

The Audit Findings Report Addendum for London Borough of Lewisham Pension Fund

Year ended 31 March 2023

UPDATED AS AT 13 November 2023



Financial statements

Our work is in progress, at the time of issuing the report we found 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;

- outstanding SOC reports and bridging letters for level 3 investment LCIV Renewable
- letter of instructions/ engagement from LCIV PEPPA and HarbourVest
- updated final annual report
- receipt of management representation letter; and
- review of the final set of financial statements.

Our anticipated opinion on the financial statements will be unmodified.

Disclosure Amendments

Since submitting the Audit Findings Report to the Audit Panel, There were minor disclosure errors that were amended by the management. The table below provides details of all the material misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

The Council has agreed to adjust the accounts for each of these.

Disclosure / misclassification	Disclosure amendment	Adjustment agreed?
Note 13C	<p>Note 13c - Classification</p> <p>During our audit testing of Schrodgers - Pooled Property Investments, we found that the pension fund had erroneously included £2,823,361 in level 1 investments while it should have been classified as level 2.</p> <p>This issue has been communicated to the management and they have agreed to make amendments.</p>	✓
Note 13C	<p>During the audit of Level 1 investments, we have noted that all of the Pooled investments that were classified as level 1 were not liquid and not actively traded and because of the nature of being pooled and they were required to be classified under level 2, the pension fund amended the £967million of pooled investments from level 1 to level 2. This included investments at LCIV PEPPA, HarbourVest, Storebrand Global, Storebrand EM and Blackrock.</p> <p>This issue has been communicated to the management and they have agreed to make amendments.</p>	✓