

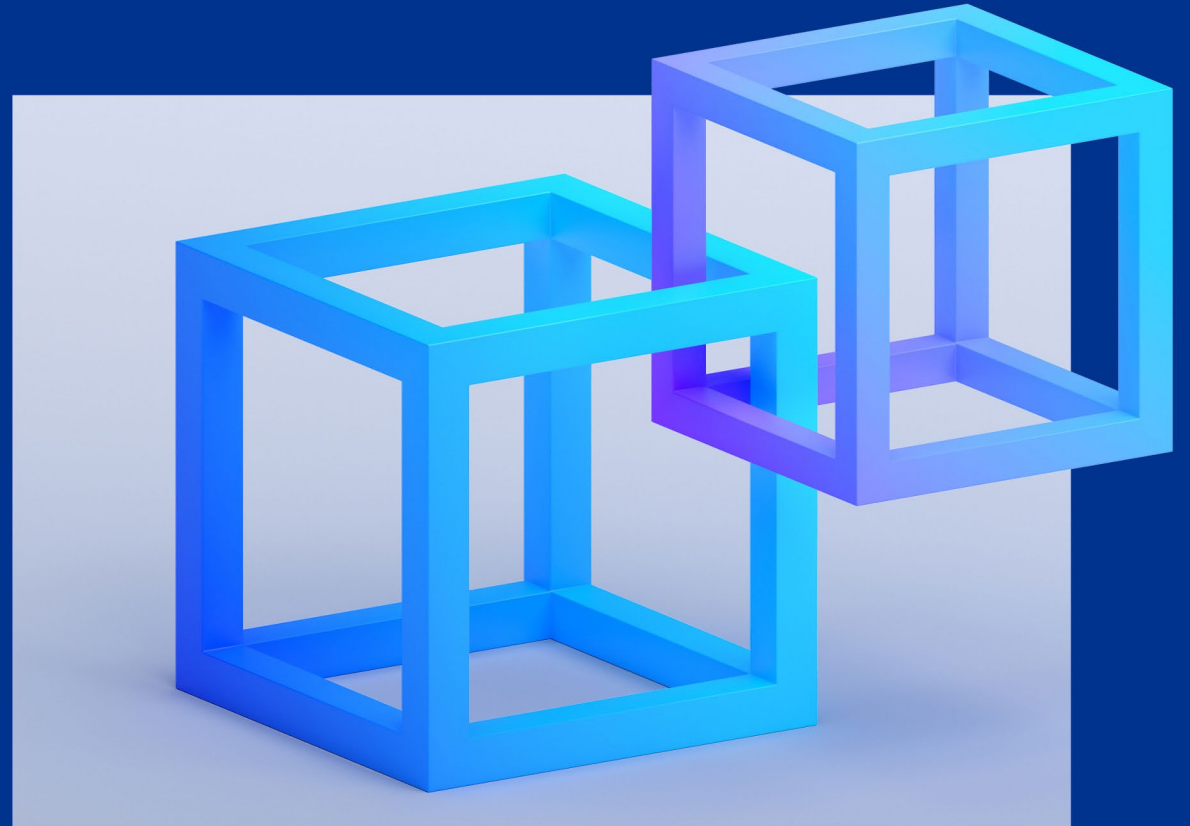


London Borough of Lewisham Pension Fund

Year End Report to the Audit & Risk
Committee - DRAFT

Draft report for the year ended 31 March
2024

For presentation on 12 December 2024



Contents



KEY CONTACTS

Your key contacts in connection with this report are:

Partner

fleur.nieboer@kpmg.co.uk

Kunal Malhotra

Manager

kunal.malhotra@kpmg.co.uk

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Introduction

To the Audit & Risk Committee of London Borough of Lewisham Pension Fund

We are pleased to have the opportunity to meet with you on 12 December 2024 to discuss the results of our audit of the financial statements of London Borough of Lewisham Pension Fund, as at and for the year ended 31 March, 2024.

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

This report should be read in conjunction with our audit plan and strategy report, presented on 11 September 2024.

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

Status of our Audit

Subject to the Administering Authority's approval, provided that the outstanding matters noted on page 5 of this report are satisfactorily resolved, we expect to issue an unmodified Auditor's Report.

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

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

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

Yours sincerely,



Fleur Nieboer

Partner KPMG LLP

12 December 2024

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.



Important notice



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

Circulation of this report is restricted.

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 London Borough of Lewisham Pension Fund (the 'Fund'), prepared in accordance with International Financial Reporting Standards ('IFRSs') as adapted Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, as at and for the year ended 31 March 2024.

This Report has been prepared for the Administering Authority's Audit and Risk Committee, 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 we have previously communicated to you by written communication.

Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the 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 is not yet complete and matters communicated in this Report may change pending signature of our audit report. We will provide an oral update on the status. Page 5 '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 Audit and Risk Committee of the Administering Authority; 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 7 - 8

Significant audit risks	Our findings
Management override of controls	No issues identified

Key accounting estimates Page 9 - 12

Valuation of level 3 pooled investment vehicles	We agreed the value to investment manager confirmations and assessed the NAV statements as reliable.
Valuation of level 2 pooled investment vehicles	We verified the pricing at the year end to an independent pricing source (where available)

Uncorrected Audit Misstatements Page 18

Understatement/ (overstatement)	£m	%
Net assets	1.6	0.09%
Total income	(1.6)	0.4%

Number of control deficiencies Page 20

Significant control deficiencies	0
Other control deficiencies	1
Prior year control deficiencies remediated	1

Outstanding matters

Our audit is in progress, outstanding matters are as set out below:

- Completion of our work on membership data following the receipt of responses to our queries.
- Completion of our work over period end and post closing journals.
- Review of updated draft financial statements
- Completion of internal review and quality control procedures
- Completion of our post balance sheet events review up to the date of sign off
- Receipt of signed letter of representation and approved and signed financial statements

Expenditure recognition

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

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





Significant risks and other audit risks

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

Our risk assessment draws upon our knowledge of the Fund, the industry and the wider economic environment in which London Borough of Lewisham Pension Fund operates.

We also use our regular meetings with senior management to update our understanding.

Significant risks

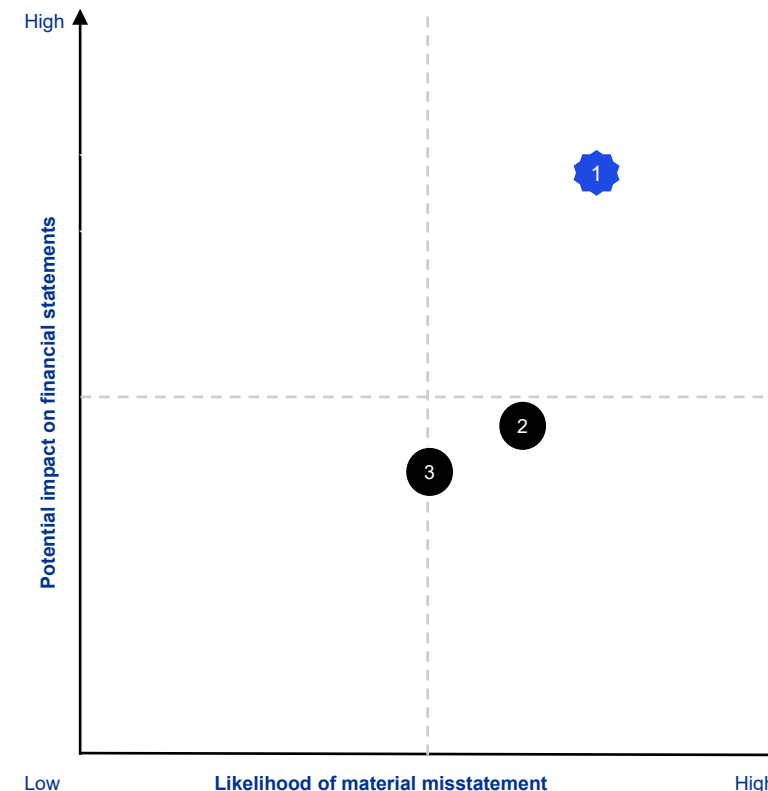
1. Management override of controls (presumed significant risk)

Other audit risks :

2. Valuation of level 3 investments is misstated
3. Valuation of level 2 investments is misstated

We have split the risk related to valuation of investments between level 3 and level 2, mainly due to the different nature of these assets.

Fair values for level 3 assets would require at least one input whose valuation is based on unobservable market data whereas, level 2 assets are those instruments which are traded in a market that is not considered to be active or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.



KEY

- 1 Significant audit risk
- 2 Other audit risks



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.

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



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.
- Assess the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assess the business rationale and the appropriateness of the accounting for significant transactions that are outside the entities normal course of business, or are otherwise unusual.
- Analyse all journals through the year and focus our testing on those with a higher risk, such as material journals posted during the final close down period.



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.

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



Our findings

- We have not identified any indication of management override in the year leading to material misstatement or significant concern.
- We have reviewed the accounting records and obtained assurance that there were no transactions outside normal business processes.
- 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.
- We performed the screening of journals listing and did not identified any high risk criteria. Our screening procedures identified 15 journal entries and our examination of these did not identify unauthorised, unsupported or inappropriate entries.
- Our work in this area is substantially complete with some minor areas of testing outstanding.



Audit risks and our audit approach

2

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



Other audit risk

Investments are held to pay benefits of the [Fund]. They are held with 10 investment managers across a number of asset classes. The investments are material to the financial statements (99.9% of the Statement of Net Assets) and therefore there is a risk of material misstatement.

There is a risk of material misstatement relating to fair values of level 1 and 2 pooled investments, due to the estimation uncertainty resulting from the pricing of these investments.

There is a risk of material misstatement relating to fair values of level 3 pooled investments, due to the estimation uncertainty resulting from unobservable inputs to these investments.



Our response

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

- **Level 1 & 2 assets** – We will recalculate the value of Level 1 and 2 pooled investments using published pricing of the pooled investment vehicles at the year end.
- **Level 3 pooled investments, pooled property investments and venture capital** – For each Level 3 investment manager, we obtain the unaudited Net Asset Value ('NAV') Statement at (or closest to) the measurement date and vouch the valuation to this. We will further assess the reliability of the NAV statement by:
 - Obtaining and inspecting the latest audited financial statements for the underlying funds where available;
 - Inspecting the audit report to confirm that it is unqualified and that the audit has been carried out by a reputable audit firm; and
 - Comparing the unaudited pricing information at the year end to the audited financial statements valuation. Where the audited financial statements are not as at the Fund year end date, we will agree them to unaudited pricing information at that date and reconcile significant movements to the Fund year end date agreeing movements to quarterly NAV/transaction statements.

See following slides for our findings.

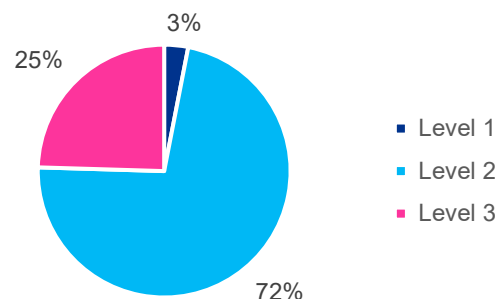


Our findings



Audit risks and our audit approach

Level 3 Investments



Type of security	Portfolio	Market value 2024 (£m)	Percentage of portfolio 2024%	Market value 2023 (£m)	Percentage of portfolio 2024%
Inputs are unobservable (i.e. market data is unavailable)					
Pooled Investment Vehicles		454	25%	437	27%
Total		454	25%	437	27%



Our findings

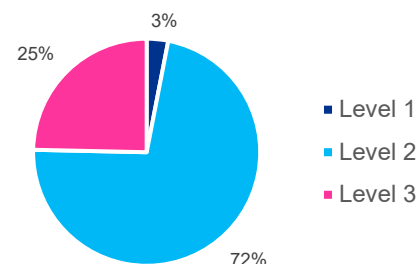
Type of security	Our findings	Our view of management judgement with respect to accounting estimate:
Pooled investment vehicles (including pooled property investments and venture capital)	<ul style="list-style-type: none"> We obtained direct confirmations from the custodian and all the investment managers to vouch the holdings and valuation of assets at the year end; The draft financial statements are prepared on the basis of latest available valuations that are sometimes lagged due to delay in preparing the quarterly valuation statements by investment managers. Our audit procedures involved obtaining valuations as at 31 March 2024. We have identified a difference of £1.3m between the values in the draft financial statements and those provided by the investment managers as at 31 March 2024. This is not material to our financial statements opinion. See page 19 for details. 	





Audit risks and our audit approach

Level 2 Investments



Type of security	Portfolio	Market value 2024 (£m)	Percentage of portfolio 2024%	Market value 2023 (£m)	Percentage of portfolio 2024%
Inputs are unobservable (i.e. market data is unavailable)					
Pooled Investment Vehicles		1,330	72%	1,154	70%
Total		1,330	72%	1,154	70%

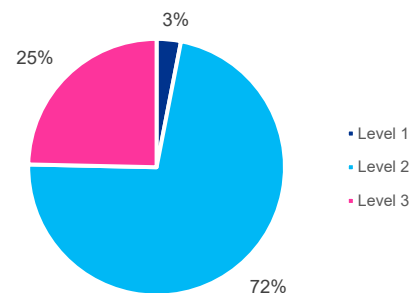
Our findings

Type of security	Our findings	Our view of management judgement with respect to accounting estimate:
Pooled investment vehicles	<ul style="list-style-type: none"> We obtained direct confirmations from the custodian and all the investment managers to vouch the holdings and valuation of assets at the year end; We verified the pricing of the pooled investment vehicles at the year end to an external pricing source. There are no matters arising from this testing; London Borough of Lewisham Pension Fund directly holds investment in HarbourVest GL PE ORD NPV (which is a listed vehicle). Thus, the valuation cannot be confirmed by investment manager. They have confirmed the total units held by London Borough Lewisham Pension Fund. We have independently obtained the prices and noted no issues. 	



Audit risks and our audit approach (cont.)

Level 1 Investments



Type of security	Portfolio	Market value 2024 (£m)	Percentage of portfolio 2024%	Market value 2024 (£m)	Percentage of portfolio 2024%
Unadjusted quoted prices, active market					
Cash		56	3%	58	4%
Total		56	3%	58	4%



Our findings

Type of security Our findings

Our view of management judgement with respect to accounting estimate:

Cash We have agreed investment cash balances to confirmations received directly from the bank and investment manager.

Other matters

Annual report

The Pension Fund annual report will be issued later than the financial statements. We will consider whether there is a material inconsistency between this information included in the annual report and the financial statements, or with our knowledge obtained in the audit; or whether this information appears to be materially misstated.

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.

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

See page 17 for more details.

Audit Fees

Our PSAA proscribed 2023/24 audit scale fee for the audit was £85,000 plus VAT.

The scale fees agreed with the PSAA do not take into account the impact of ISA315 (Revised). We have agreed a fee variation of c5% of the fee plus VAT with you in respect of ISA351R.



Appendices

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Required communications

Type	Response
Our draft management representation letter	<input checked="" type="checkbox"/> We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2024.
Adjusted audit differences	<input checked="" type="checkbox"/> There were 1 adjusted audit differences with a impact on net assets of £1.3 million. See page 19.
Unadjusted audit differences	<input checked="" type="checkbox"/> The aggregated impact on net assets of unadjusted audit differences would be £1.6m. In line with ISA 450 we request that you adjust for these items. However, they will have no effect on the opinion in the auditor's report, individually or in aggregate. See page 18.
Related parties	<input checked="" type="checkbox"/> There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit Committee	<input checked="" type="checkbox"/> There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies	<input checked="" type="checkbox"/> We communicated to management in writing all deficiencies in internal control over financial reporting of a lesser magnitude than significant deficiencies identified during the audit that had not previously been communicated in writing.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts	<input checked="" type="checkbox"/> No actual or suspected fraud involving Fund management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements identified during the audit.
Make a referral to the regulator	<input checked="" type="checkbox"/> If we identify that potential unlawful expenditure might be incurred then we are required to make a referral to your regulator. We have not identified any such matters.
Issue a report in the public interest	<input checked="" type="checkbox"/> We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters.

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

Fees

Audit fee

Our fees for the year ending 31 March 2024 are set out in the PSAA Scale Fees communication and are shown below.

Entity	2023/24 (£)
Statutory audit	85,000
ISA315r*	7,840
TOTAL	92,840

**Note: we are in a process of agreeing the ISA315r fee uplift.*

Billing arrangements

- Fees have been billed in accordance with the milestone completion phasing that has been communicated by the PSAA.
- As per PSAA's Scale Fees Consultation, the scale fees did not include new requirements of ISA315 revised (risk of material misstatement);



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 Partner and audit staff is not impaired.

To the Audit and Risk Committee members

Assessment of our objectivity and independence as auditor of London Borough of Lewisham Pension Fund

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

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

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

General procedures to safeguard independence and objectivity

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

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

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

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

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.

Uncorrected audit misstatements



Under UK auditing standards (ISA (UK) 260) we are required to provide the Audit and Risk 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 and Risk Committee, details of all adjustments greater than £825k are shown below:

Uncorrected audit differences (£'000s)				
No.	Detail	Fund Account Dr/(Cr)	Net Asset Statement Dr/(Cr)	Comments
1	Dr Employer normal contributions Cr Other receivables	£1.6m	(£1.6m)	Being the variance noted for the normal employer contributions received between the draft financial statements and the monthly breakdown of contributions received from the payroll and pension team.

Corrected audit misstatements

Under UK auditing standards (ISA (UK) 260) we are required to provide the Audit and Risk 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 differences (£'000s)				
No.	Detail	Fund Account Dr/(Cr)	Net Asset Statement Dr/(Cr)	Comments
1	Dr Level 3 investments Cr Change in market value	(£1.3m)	£1.3m	Latest available value for LCIV private debt and renewable fund was taken at the time of preparing the financial statements. However, it was the lagged valuation. While performing the audit, KPMG was able to confirm the valuation as at 31 March 2024 by obtaining an independent confirmation from fund manager and noted variance between the management's valuation and latest NAV.

Corrected disclosure misstatement

- We noted net understatement of capital commitments by £2.3 million related to Habourvest (-£1.8m) and LCIV Renewable infrastructure (£4.1m) in the draft financial statements. This was acknowledged and amended by management.



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	3	<p>Membership reconciliation</p> <p>We noted that no formal member reconciliation is performed noting membership changes in the year, reconciling movements and cross checking against the underlying payroll records. There is a risk that membership information may be incorrect.</p> <p>We therefore recommend that the Fund considers performing an annual membership reconciliation to ensure the completeness and accuracy of member records, which should be checked against the underlying payroll records for active and pensioner members at the year end or keep an audit trail and do a formal check when a report is run for the year end?</p>	

ISA (UK) 240 Revised: changes embedded in our practices



Ongoing impact of the revisions to ISA (UK) 240

- ISA (UK) 240 (revised May 2021, effective for periods commencing on or after 15 December 2021) *The auditor's responsibilities relating to fraud in an audit of financial statements* included revisions introduced to clarify the auditor's obligations with respect to fraud and enhance the quality of audit work performed in this area. These changes are embedded into our practices and we will continue to maintain an increased focus on applying professional scepticism in our audit approach and to plan and perform the audit in a manner that is not biased towards obtaining evidence that may be corroborative, or towards excluding evidence that may be contradictory.
- We will communicate, unless prohibited by law or regulation, with those charged with governance any matters related to fraud that are, in our judgment, relevant to their responsibilities. In doing so, we will consider the matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud.

Matters related to fraud that are, in our judgement, relevant to the responsibilities of Those Charged with Governance

Our assessment of the risks of material misstatement due to fraud may be found on page 5 and 7. We also considered the following matters required by ISA (UK) 240 (revised May 2021, effective for periods commencing on or after 15 December 2021) *The auditor's responsibilities relating to fraud in an audit of financial statements*, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud:

- Concerns about the nature, extent and frequency of management's assessments of the controls in place to prevent and detect fraud and of the risk that the financial statements may be misstated.
- A failure by management to address appropriately the identified significant deficiencies in internal control, or to respond appropriately to an identified fraud.
- Our evaluation of the entity's control environment, including questions regarding the competence and integrity of management.
- Actions by management that may be indicative of fraudulent financial reporting, such as management's selection and application of accounting policies that may be indicative of management's effort to manage earnings in order to deceive financial statement users by influencing their perceptions as to the entity's performance and profitability.
- Concerns about the adequacy and completeness of the authorization of transactions that appear to be outside the normal course of business.

Based on our assessment, we have no matters to report to Those Charged with Governance.



KPMG's Audit quality framework

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

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

■ Commitment to continuous improvement

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

■ Performance of effective & efficient audits

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

■ Commitment to technical excellence & quality service delivery

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



■ Association with the right entities

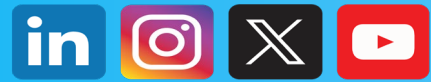
- Select clients within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

■ Clear standards & robust audit tools

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

■ Recruitment, development & assignment of appropriately qualified personnel

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



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