

Audit Committee
London Borough of Camden
5 Pancras Square
London
N1C 4AG

1 March 2024

London Borough of Camden Pension Fund 2019-20 audit of financial statements

Update/Conclusion of pending matters – Audit Completion Report September 2021

Following on from our recent correspondence and as required by International Standards on Auditing (UK and Ireland), we are writing to confirm that the matters that were marked as outstanding within our Audit Completion Reports presented to the Audit and Corporate Governance Committee in on 30 September 2021 have now been completed.

The outstanding matters and the conclusions reached are detailed in the following tables.

Matter	Update/Conclusion reached
Final review procedures	We have received a final set of updated statements which includes all of the agreed amendments. On receipt we will complete our final review and sign off procedures.
Events after the reporting period	Upon review and agreement of a final updated set of accounts, we will complete our review of events after the reporting period.
File closure procedures	Upon agreement of a final updated set of accounts, we will complete our file closure procedures and our signing of the audit opinion.
Review of Annual Report	We have completed the outstanding audit testing. Upon agreement of a final updated set of accounts, we will complete our documentation and our signing of the consistency opinion.

Misstatements

There was no misstatement mentioned reported in our audit completion report dated 30 September 2021, however, while completing our outstanding work mentioned in the table above, we identified a misstatement of £3.96m in the value investments and £0.66m in the members contribution, which remained uncorrected. The detail of these two misstatements is provided in the Appendix to this letter.

Internal control recommendation

There was internal control no internal control recommendation in our audit completion report dated 30 September 2021, however, while completing our outstanding work mentioned in the table above, we noted the following relating to disclosures of investments in the accounts:

Observation

The CIPFA code and IAS1 requires the following disclosures in the accounts relating to Level 3 investments:

- Carrying value of investments
- Sensitivity of asset valued at level 3
- Reconciliation of Fair Values within level 3

During the review of updated version of statement of accounts, we observed that the above disclosures were missing relating to Level 3 Property Investments.

Impact

Incomplete disclosures in the accounts for the readers of financial statements.

Recommendation

The finance team should ensure that the statement of accounts include all the required disclosures specified in the code.

If you wish to discuss the points above, or any other points then please do not hesitate to contact me.

Yours faithfully,



Suresh Patel
Partner
Mazars LLP

Summary of misstatements

<u>Unadjusted misstatements</u>		CIES DR £	CIES Cr £	B Sheet Dr £	B Sheet Cr £
1	DR: Members Contribution CR Payables	666,569			666,569
Extrapolated misstatement on account of over/under collection of contribution from the members during the year. The net amount of over-recovery in the samples tested was £6368 and extrapolated amount over the total population is £666,569.					
2	Dr Investments – PG Group CR Change in Market Value - SOCI			3,956,662	3,956,662
Factual adjustments on account of differences between the amounts of investments confirmed by the fund manager and the amount per council's records. The amount per the confirmation was £106m whereas the derived balance per council's records was £110m.					
Total		666,569	-	3,956,662	4,623,231

We set materiality at £15.5m with performance materiality at £10.8m. As such we are satisfied that the above unadjusted misstatements do not materially affect the Pension Fund accounts.