

# **Oxfordshire Pension Fund**

Draft Audit Results Report  
Year ended 31 March 2025  
**November 2025**



Private and Confidential

18 November 2025

Oxfordshire Pension Fund  
County Hall  
New Road  
Oxford  
OX1 1ND

Dear Audit and Governance Committee Members

**2025 Draft Audit Results Report**

We are pleased to attach our draft Audit Results Report, summarising the status of our audit for the forthcoming meeting of the Audit and Governance Committee.

The audit is designed to express an opinion on the 2025 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on Oxfordshire Pension Fund's accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge, the exercise of professional judgement and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process.

This report is intended solely for the information and use of the Audit and Governance Committee, Pension Fund Committee and management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Audit and Governance Committee meeting on 26 November 2025.

Yours faithfully

Simon Mathers

Partner

For and on behalf of Ernst & Young LLP

Encl

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Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (Statement of responsibilities of auditors and audited bodies (from 2023/24 audits) - Page 4 of 7 - PSAA). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance from July 2021" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and legislation and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit and Governance Committee, Pension Fund Committee, and management in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit & Governance Committee, Pension Fund Committee, and management of Oxfordshire Pension Fund those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit and Governance Committee, Pension Fund Committee, and management for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



# 01 Executive Summary

# Executive Summary

## Scope update

In our Audit Planning Report dated 7 April 2025 and presented to the 4 June 2025 Audit and Governance Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

- Changes in materiality: We updated our planning materiality assessment using the draft financial statements and have also reconsidered our risk assessment. Based on our materiality measure of Net Assets, we have updated our overall materiality assessment to £36.50 million (Audit Planning Report – £35.41 million). This results in updated performance materiality, at 75% of overall materiality, of £27.38 million, and an updated threshold for reporting misstatements of £1.83 million.

## Status of the audit

Our audit work in respect of the Pension Fund opinion is substantially complete. The following items relating to the completion of our audit procedures were outstanding at the date of this report.

- Review of updated financial statements and consistency check of the financial and non-financial information in the Annual Report
- Receipt and checking of final signed accounts
- Receipt of signed management representation letter
- Subsequent events review.

Details of each outstanding item, actions required to resolve and responsibility is included in Appendix B.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Annual Report and Accounts which could influence our final audit opinion, a current draft of which is included in Section 03.

## Audit differences

At the date of this report, we have identified the following non-trivial misstatements, which the management have chosen to adjust:

- Timing difference in valuation of investment assets which increased net assets by £4.88 million (Level 2 investments decreased by £1.17 million, while Level 3 investments increased by £6.04 million).
- Disclosure misstatements in relation to the following:
  - Note 24 (Actuarial Present Value of Promised Retirement Benefits) - missing disclosure of key assumptions such mortality rates, salary increases and life expectancy.
  - Note 14a (Reconciliation of Movements in Investments and Derivatives) - variances in sales and change in market value for pooled investments and pooled property investments. Impact of corrections are as follow:
    - Pooled Investments - sales and change in market value decreased by £3.38 million.
    - Pooled Property Investments - sales and change in market value increased by £3.38 million.
  - Note 22 (Contingent Liabilities and Capital Commitments) - outstanding capital commitments should be £182.69 million not £194.95 million as originally disclosed.

# Executive Summary (cont'd)

## Areas of audit focus

In our Audit Plan, we identified a number of key areas of focus for our audit of the financial statements of Oxfordshire Pension Fund. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is explained within the 'Areas of Audit Focus' section of this report and summarised below.

### Fraud/Significant risks

- **Risk of inappropriate posting of investment journals** - We have completed all audit procedures in accordance with the Audit Plan. There are no matters to bring to your attention.
- **Presumptive risk of management override of controls** - We have completed all audit procedures in accordance with the Audit Plan. There are no matters to bring to your attention.
- **Valuation of Level 3 investments** - We have completed all audit procedures in accordance with the Audit Plan. We have identified corrected misstatement in relation to the timing difference in valuation of investment assets which increased Level 3 investments by £6.04 million, see Section 04 for details.

### Risk of material misstatement

- **Valuation of investments Level 2 Investments** - We have completed all audit procedures in accordance with the Audit Plan. There are no matters to bring to your attention.
- **IAS26 disclosure (Actuarial Present Value of Promised Retirement Benefits)** - We have completed all audit procedures in accordance with the Audit Plan. There are no matters to bring to your attention.

We request that you review these and other matters set out in this report to ensure:

- There are no further considerations or matters that could impact these issues
- You concur with the resolution of the issue
- There are no further significant issues you are aware of to be considered before the financial report is finalised

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Audit and Governance Committee or Those Charged With Governance.

## Control observations

During the audit, we identified control deficiency in relation to the authorization of journals prior to posting. The same observation was raised in the prior year audit results report of Oxfordshire County Council and the Pension Fund.

## Independence

Please refer to Section 7 for our update on Independence.

# Executive Summary (cont'd)

## Factors impacting the execution of the audit

Management, and the Audit and Governance Committee, as the Pension Fund's body charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table below sets out our views on the effectiveness of the Council's arrangements to support external financial across a range of relevant measures.

Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements	Effective			The financial statements were published by the 30 <sup>th</sup> June 2025 deadline set out in the Accounts and Audit Regulations.	N/A
Quality and completeness of the draft financial statements	Effective			The financial statements produced were complete and generally of adequate quality. Our procedures identified minor casting errors and inconsistencies within the accounts. We do not, however, consider arrangements in this area to be ineffective.	N/A
Delivery of working papers in accordance with agreed client assistance schedule	Effective			Working papers were largely provided to the agreed timetable.	N/A
Quality of working papers and supporting evidence	Effective			Working papers and supporting evidence were generally of a good standard.	N/A
Timeliness and quality of evidence supporting key accounting estimates	Requires improvement			In general, management provided timely and good quality supporting evidence in response to the majority of our audit requests. However, we experienced some delays in receiving responses to follow-up queries, particularly in respect of IAS 19 protocol procedures and review of IAS 26 and investment-related disclosures.	We expect to raise a scale fee variation in respect of this. See Section 07 for further details.
Access to finance team and personnel to support the audit in accordance with agreed project plan	Effective			All key finance staff were generally available to support the audit.	N/A
Volume and value of identified misstatements	Effective			Only one material misstatement were detected as a result of our work which have been corrected by management. This was due to a timing difference related to an estimate on investment valuation.	See Section 04 for details of corrected misstatements.
Volume of misstatements in disclosure	Effective			A relatively small number of misstatements in disclosure were detected in our work.	N/A



## 02 Areas of Audit Focus



# Areas of Audit Focus (cont'd)

## Presumptive risk of management override of controls (Fraud risk)

### What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

### What are our conclusions?

We have performed enquiries with management and gained an understanding of the oversight and processes in place to address the risk of fraud to determine our audit strategy and risk assessment which is discussed in further detail on the following slides.

We have obtained sufficient audit evidence regarding any business rationale for unusual transactions and for judgements and assumptions for significant estimates. We have not identified any instances of management override of controls, nor fraud risk factors associated with related party relationships and transactions.

### Our response to the key areas of challenge and professional judgement

- We identified fraud risks during the planning stage of the audit.
- We enquired management about risks of fraud and the controls put in place to address those risks.
- We gained an understanding the oversight given by those charged with governance of management's processes over fraud.
- We discussed with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions).
- We considered whether there are any fraud risk factors associated with related party relationships and transactions and if so, whether they give rise to a risk of material misstatement due to fraud.
- We considered the effectiveness of management's controls designed to address the risk of fraud.
- We determined an appropriate strategy to address those identified risks of fraud.
- We performed mandatory procedures regardless of specifically identified fraud risks, including testing appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- We evaluated the business rationale for significant unusual transactions outside the normal course of business.
- We assessed accounting estimates for evidence of management bias.

Having evaluated the risks, we have considered whether we need to perform other audit procedures not referred to above. We concluded that no other procedures are required.

# Areas of Audit Focus

## Risk of inappropriate posting of investment journals (Fraud risk)

### What is the risk?

Investment valuations are manually input on the general ledger, so there is opportunity to manipulate the valuation of investments reported in the Net Asset Statement.

### What are our conclusions?

We have completed our procedures related to investment valuation journals. We identified variances in our reconciliation of investment asset valuations between the Net Assets Statement, the custodian's holdings report and individual fund managers. This was due to a timing difference between the valuation used by the custodian (i.e., 31 December 2024) and the year-end valuation provided by the fund managers. The timing difference was adjusted by the Pension Fund, which increased net assets by £4.88 million (Level 2 investments decreased by £1.17 million, while Level 3 investments increased by £6.04 million).

We have not identified any indication of management override in relation to investment journals

### Our response to the key areas of challenge and professional judgement

- We tested journals posted near year-end and post-close journals to ensure there are no unexpected or unusual postings and assessed journal entries for evidence of management bias and evaluated for business rationale.
- We performed a reconciliation to test the agreement of the Pension Fund's investment asset holdings as at 31 March 2025, including asset values, to source reports from the Pension Fund's custodian and individual fund managers.
- We obtained the holdings report directly from the custodian, reperformed the investment notes, and checked the classification, presentation, and corresponding disclosures.
- We tested any significant reconciling amounts between the investment asset valuations as reported in the Pension Fund's Net Asset Statement compared to the custodian's investment report as of 31 March 2025.

# Areas of Audit Focus

## Valuation of Level 3 investments (Significant risk)

### What is the risk, and the key judgements and estimates?

Judgements are taken by Investment Managers to value these investments whose prices are not publicly available.

There is a risk that these are materially misstated given the complexity of the measurement and degree of estimation involved.

The material nature of the investments means that any error in judgement could result in a material valuation error. Market volatility means such judgments can quickly become outdated, especially when there is a significant time-period between the latest available audited valuation information and the Fund year end. These variations could have a material impact on the financial statements.

### What are our conclusions?

We have completed our audit procedures related to this risk.

For a sample of Level 3 investments, we noted variances between the investment asset valuations per custodian's holdings report and individual fund managers. This was due to a timing difference between the valuation used by the custodian (i.e., 31 December 2024) and the year-end valuation provided by the fund managers. The timing difference was adjusted by the Pension Fund, which increased Level 3 investments by £6.04 million.

We were satisfied that the Pension Fund's disclosures of significant judgements surrounding the valuation of Level 3 investments were appropriate.

### Our response to the key areas of challenge and professional judgement

For a sample of Level 3 investments we:

- Reviewed the basis of valuation for pooled property investments and other unquoted investments and assessed the appropriateness of the valuation methods used.
- Checked the valuations against Refinitiv which is an EY approved external sources of pricing. Where this was unavailable, we obtained the latest audited accounts of the funds, assessing the market movement from their audited date to 31 March 2025, using market indices appropriate to the asset.
- Where the latest audited accounts are not as at 31 March 2025, we inquired the procedures management have performed to take account of this risk and performed analytical procedures to check the valuation output for reasonableness against our own expectations.
- Obtained capital statements directly from the investment managers for each fund and compare it against the balance recorded in the custodian report to assess if there are any timing difference and material investment activity during the period.
- Reviewed investment valuation disclosures to verify that significant judgements surrounding the valuation of Level 3 Investments have been appropriately made in the financial statements.

### What else did we do?

- Obtained schedule of investments and checked classification, presentation and disclosure of items in the financial statements and corresponding notes.
- We assessed the reasonableness of the Fair Value Hierarchy of the funds.
- We obtained control reports for all fund managers and custodian and evaluated those reports to understand the sufficiency of the valuation processes and controls, and for any other findings or control weaknesses impacting our audit.
- Performed triangulation work to agree the amount per the financial statements to the fund manager and custodian reports.
- Tested accounting entries have been correctly processed in the financial statements.

# Areas of Audit Focus

## Valuation of investments Level 2 Investments (Risk of material misstatement)

### What is the risk, and the key judgements and estimates?

The Pension Fund held £2.5 million Level 2 investments at 31 March 2025. These are assets where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value.

Valuations are based on either evaluated prices provided by independent pricing services, closing bid price where bid and offer are published or estimated valuation reported by a counterparty.

### Our response to the key areas of challenge and professional judgement

For a sample of Level 2 investments we:

- Checked the valuations against Refinitiv which is an EY approved external sources of pricing. Where this was unavailable, we obtained the latest audited accounts of the funds, assessing the market movement from their audited date to 31 March 2025, using market indices appropriate to the asset.
- Obtained capital statements directly from the investment managers for each fund and compare it against the balance recorded in the custodian report to assess if there are any timing difference and material investment activity during the period.

### What are our conclusions?

We have completed our audit procedures related to this risk.

We did not identify audit differences in the valuation of Level 2 investment assets above our reporting threshold.

### What else did we do?

- Obtained schedule of investments and checked classification, presentation and disclosure of items in the financial statements and corresponding notes.
- We assessed the reasonableness of the Fair Value Hierarchy of the funds.
- We obtained control reports for all fund managers and custodian and evaluated those reports to understand the sufficiency of the valuation processes and controls, and for any other findings or control weaknesses impacting our audit.
- Performed triangulation work to agree the amount per the financial statements to the fund manager and custodian reports.
- Tested accounting entries have been correctly processed in the financial statements.

# Areas of Audit Focus

## IAS26 disclosure - Actuarial Present Value of Promised Retirement Benefits (Risk of material misstatement)

### What is the risk, and the key judgements and estimates?

IAS26 requires post-employment benefits plans to disclose annually the basis used to determine the actuarial present value of promised retirement benefits, including demographic and financial key assumptions.

The estimate is based on a roll-forward of data from the previous triennial valuation in 2022, updated where necessary, and takes into account assumptions.

The information disclosed is based on the IAS 26 report issued to the Fund by the actuary to the Fund.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

### What are our conclusions?

We have completed our audit procedures related to this risk.

We did not identify any issues from our procedures, except for the missing disclosure of key assumptions such as mortality rates, salary increases, and life expectancy.

### Our response to the key areas of challenge and professional judgement

We have:

- Evaluated whether the IAS26 disclosure is in line with the relevant standards and consistent with the valuation provided by the Actuary.
- Assessed the work of the pension fund actuary including the assumptions they have used by relying on the work of the Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considered any relevant reviews by the EY actuarial team
- Evaluated the reasonableness of the Pension Fund actuary's actuarial present value of promised retirement benefits by leveraging IAS 19 pension liability roll-forward procedures for Oxford County Council, which represents 48.62% of the total pension fund assets and supports our IAS 26 disclosure work.
- Assessed the competence of management experts, Hymans Robertson as the Pension Fund's actuary.



# 03 Audit Report

# Audit Report

## Draft audit report

## Our opinion on the financial statements

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXFORDSHIRE COUNTY COUNCIL ON THE PENSION FUND'S FINANCIAL STATEMENTS

#### Opinion

We have audited the Pension Fund ("the Fund") financial statements for the year ended 31 March 2025 under the Local Audit and Accountability Act 2014 (as amended). The pension fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes 1 to 27, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion the pension fund financial statements:

- give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2025 and the amount and disposition at that date of its assets and liabilities as at 31 March 2025; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Council as administering authority for the Pension Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Executive Director for Resources and Section 151 Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the authority's ability to continue as a going concern for a period of 12 months from when the Fund's financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Executive Director for Resources and Section 151 Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the authority's ability to continue as a going concern.

### Other information

The other information comprises the information included in the Statement of Accounts 2024/25, other than the financial statements and our auditor's report thereon. The Executive Director for Resources and Section 151 Officer is responsible for the other information contained within the Statement of Accounts 2024/25.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

# Audit Report (cont'd)

## Draft audit report

## Our opinion on the financial statements

### Matters on which we report by exception

We report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended); or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended).

We have nothing to report in these respects

### Responsibility of the Executive Director for Resources and Section 151 Officer

As explained more fully in the Statement of the Executive Director for Resources and Section 151 Officer Responsibilities set out on pages [xx], the Executive Director for Resources and Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts, which includes the pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and for being satisfied that they give a true and fair view. The Executive Director for Resources and Section 151 Officer is also responsible for such internal control as the Executive Director for Resources and Section 151 Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director for Resources and Section 151 Officer is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administering Authority either intends to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with Executive Director for Resources and Section 151 Officer .



# Audit Report (cont'd)

## Draft audit report

### Our opinion on the financial statements

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are the Local Government Pension Scheme Regulations 2013 (as amended), and The Public Service Pensions Act 2013.
- We understood how the Fund is complying with those frameworks by making enquiries of the management. We corroborated this through our reading of the Pension Board minutes, through enquiry of employees to confirm Pension policies, and through the inspection of employee handbooks and other information.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of the management for their awareness of any non-compliance of laws or regulations, inspecting correspondence with the Pensions Regulator and review of minutes.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the Fund has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any identified significant transactions that were unusual or outside the normal course of business. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- To address our fraud risk we tested the consistency of the investment asset valuation from the independent sources of the custodian and the fund managers to the financial statements.

- The Fund is required to comply with The Local Government Pensions Scheme regulations, other legislation relevant to the governance and administration of the Local Government Pension Scheme and requirements imposed by the Pension Regulator in relation to the Local Government Pension Scheme. As such, we have considered the experience and expertise of the engagement team including the use of specialists where appropriate, to ensure that the team had an appropriate understanding of the relevant pensions regulations to assess the control environment and consider compliance of the Fund with these regulations as part of our audit procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the members of Oxfordshire County Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Oxfordshire County Council and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Mathers (Key Audit Partner)  
Ernst & Young LLP (Local Auditor)  
Southampton  
xx December 2025



# 04 Audit Differences

# Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as 'known' or 'judgemental'. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

## Summary of adjusted differences

We highlight the following misstatements greater than £1.83 million which have been corrected by management that were identified during the course of our audit

- Timing difference in valuation of investment assets which increased net assets by £4.88 million (Level 2 investments decreased by £1.17 million, while Level 3 investments increased by £6.04 million).

We have also identified disclosure misstatements in relation to the following:

- Note 24 (Actuarial Present Value of Promised Retirement Benefits) - missing disclosure of key assumptions such mortality rates, salary increases, and life expectancy.
- Note 14a (Reconciliation of Movements in Investments and Derivatives) - variances in sales and change in market value for pooled investments and pooled property investments. Impact of corrections are as follow:
  - Pooled Investments - sales and change in market value decreased by £3.38 million
  - Pooled Property Investments - sales and change in market value increased by £3.38 million
- Note 22 (Contingent Liabilities and Capital Commitments) - outstanding capital commitments should be £182.69 million instead of £194.95 million

There were no uncorrected misstatements.



# 05 Other Reporting Issues

# Other Reporting Issues

## Consistency of information published with the financial statements

We consider the consistency of the financial and non-financial information in the Oxfordshire Pension Fund Annual Report (the Annual Report) with the audited pension fund financial statements. We also are required to give an opinion on the consistency of the pension fund financial statements included in the Annual Report with the audited pension fund financial statements included in the full annual statement of accounts of Oxfordshire County Council. We have prepared and will issue a consistency statement to management alongside our audit report.

## Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014.

We had no reason to exercise these duties in relation to Oxfordshire Pension Fund.

## Other reporting issues

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Fund's financial reporting process.

Except for our observations on the control environment, as set out in Section 06 of this report, we have no other matters to report.



# 06 Assessment of Control Environment

# Assessment of Control Environment

**Financial controls**

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control.

During our audit, we identified one area of weakness in relation to the Pension Fund’s control environment. The same observation was raised in the prior year and in the Audit Results Report of Oxfordshire County Council.

**Authorisation of Journals**

**Observation**

As part of our audit procedures performed to test journals to address the significant risk of management override of control, we noted that within the finance system (SAP) there is no system control requiring journals to be approved prior to posting by an appropriate individual independent of the preparer. While journals are reviewed retrospectively on a quarterly basis, this manual control does not mitigate the risk of errors or inappropriate postings impacting more frequent management reporting of the Council.

**Impact**

Without timely approval by an independent individual, journals could be posted incorrectly or fraudulently, leading to inaccurate financial reporting and potential non-compliance with internal control requirements.

**Recommendation**

Management should implement a process to ensure that all manual journals are appropriately reviewed and approved by an independent individual prior to being posted.

The table below provides an overview of the ‘high’ ‘moderate’ and ‘low’ rated observations we have from the 2024/25 audit (including IT controls).

	High	Moderate	Low	Total
Open at 31 March 2024	0	2	0	2
Closed during FY25	0	1	0	1
New points raised in FY25	0	0	0	0
<b>Total open points as at 31 March 2025</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>

Key:

A weakness which does not seriously detract from the internal control framework. If required, action should be taken within 6-12 months.

Matters and/or issues are considered to be of major importance to maintenance of internal control, good corporate governance or best practice for processes. Action should be taken within six months.

Matters and/or issues are considered to be fundamental to the mitigation of material risk, maintenance of internal control or good corporate governance. Action should be taken either immediately or within three months.



# 07 Independence



# Independence

## Confirmation

We are not aware of any inconsistencies between Ernst & Young (EY)'s policy for the supply of non-audit services and the FRC Ethical Standard. We are not aware of any apparent breach of that policy.

We confirm that, in our professional judgment, EY is independent, our integrity and objectivity is not compromised and we have complied with the FRC Ethical Standard.

We confirm that your engagement team (partners, senior managers, managers and all others involved with the audit) and others within the firm, the firm and network firms have complied with relevant ethical requirements regarding independence.

## Relationships

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Pension Fund, and its members and senior management and its affiliates, including all services provided by us and our network to the Pension Fund, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2024 to the date of this report which we consider may reasonably be thought to bear on our independence and objectivity.

## EY Transparency Report 2025

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2025:

[EY UK 2025 Transparency Report | EY - UK](#)

## Services provided by EY

There are no services provided by EY from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

The table on the subsequent page includes a summary of the fees that you have paid to us in the year ended 31 March 2025 in line with the disclosures set out in FRC Ethical Standard and in statute. Full details of the services that we have provided and the related threats and safeguards are included below. We have adopted the necessary safeguards in our completion of this work and complied with Auditor Guidance Note 1 issued by the NAO in February 2025.

# Independence

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

A breakdown of our fees is shown in the table to the right.

As set out in our Audit Planning Report the agreed fee presented was based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our financial statements opinion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Pension Fund; and
- ▶ The Pension Fund has an effective control environment
- ▶ The Pension Fund complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the Pension Fund should have regard to paragraphs 26 - 28 of the Statement of Responsibilities.

If any of the above assumptions prove to be unfounded, we seek a variation to the agreed fee. A narrative summary of the areas where we expect to raise scale fee variations for the audit of the Pension Fund are set out in the fee analysis on this page.

	Current Year	Prior Year
	£m	£m
Scale Fee - Code Work	94,181 Note 2	83,244
Proposed scale fee variation	TBD Note 3	21,430 Note 1
<b>Total audit fees</b>	<b>0</b>	<b>0</b>

*All fees exclude VAT*

(1) As set in our 2023/24 Audit Results Report / Auditor's Annual Report a scale fee variation was submitted to PSAA covering the following areas:

- Additional procedures to implement the revised ISA 315 (UK) auditing standard as originally set out in our Audit Planning Report totalling £7,252.
- Work to undertake IAS19 procedures on behalf of scheduled body auditors totalling £4,306.
- Work and review processes in relation to address continuing regulatory requirements totalling £2,252.
- Work on technical accounting issues and complex asset valuation totalling £6,838.
- Quality and preparation issues leading to extra work totalling £3,034.

As at the date of this report that scale fee variation has now been determined at a total value of £21,430.

(2) Scale fees for 2024/25 have been increased by PSAA to cover additional audit work under revised standards and a contractual inflationary increase payable to audit firms. The new work relates to revised auditing standard ISA (UK) 315 (risks of material misstatement) and linked work on ISA (UK) 240 (fraud).

(3) We propose to submit a scale fee variation to PSAA for additional 2024/25 work covering the following areas:

- Work on technical accounting issues and complex asset valuation
- Quality and preparation issues leading to extra work



# 08 Appendices

# Appendix A – Required communications with the Audit and Governance Committee

## Required communications with the Audit Committee

There are certain communications that we must provide to the Audit Committees of UK entities. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the audit and governance committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	<p>Communication of:</p> <ul style="list-style-type: none"> <li>▪ The planned scope and timing of the audit</li> <li>▪ Any limitations on the planned work to be undertaken</li> <li>▪ The planned use of internal audit</li> <li>▪ The significant risks identified</li> </ul> <p>When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.</p>	Audit planning report, as presented to the Audit and Governance Committee, June 2025
Significant findings from the audit	<ul style="list-style-type: none"> <li>▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>▪ Significant difficulties, if any, encountered during the audit</li> <li>▪ Significant matters, if any, arising from the audit that were discussed with management</li> <li>▪ Written representations that we are seeking</li> <li>▪ Expected modifications to the audit report</li> <li>▪ Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	Audit results report - Audit and Governance Committee, November 2025

# Appendix A – Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>▪ Whether the events or conditions constitute a material uncertainty related to going concern</li> <li>▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>▪ The appropriateness of related disclosures in the financial statements</li> </ul>	Audit results report - Audit and Governance Committee, November 2025
Misstatements	<ul style="list-style-type: none"> <li>▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation</li> <li>▪ The effect of uncorrected misstatements related to prior periods</li> <li>▪ A request that any uncorrected misstatement be corrected</li> <li>▪ Material misstatements corrected by management</li> </ul>	Audit results report - Audit and Governance Committee, November 2025
Fraud	<ul style="list-style-type: none"> <li>▪ Enquiries of the audit and governance committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>▪ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ul style="list-style-type: none"> <li>▪ Management;</li> <li>▪ Employees who have significant roles in internal control; or</li> <li>▪ Others where the fraud results in a material misstatement in the financial statements.</li> </ul> </li> <li>▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected</li> <li>▪ 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</li> <li>▪ Any other matters related to fraud, relevant to Audit and Governance Committee responsibility.</li> </ul>	Audit results report - Audit and Governance Committee, November 2025

# Appendix A – Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> <li>▪ Non-disclosure by management</li> <li>▪ Inappropriate authorisation and approval of transactions</li> <li>▪ Disagreement over disclosures</li> <li>▪ Non-compliance with laws and regulations</li> <li>▪ Difficulty in identifying the party that ultimately controls the entity</li> </ul>	Audit results report - Audit and Governance Committee. November 2025
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>▪ The principal threats</li> <li>▪ Safeguards adopted and their effectiveness</li> <li>▪ An overall assessment of threats and safeguards</li> <li>▪ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul> <p>Communications whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Audit planning report, as presented to the Audit and Governance Committee, June 2025</p> <p>Audit results report - Audit and Governance Committee, November 2025</p>

# Appendix A – Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations	<ul style="list-style-type: none"> <li>Management's refusal for us to request confirmations</li> <li>Inability to obtain relevant and reliable audit evidence from other procedures.</li> </ul>	Audit results report - Audit and Governance Committee. November 2025
Consideration of laws and regulations	<ul style="list-style-type: none"> <li>Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur</li> <li>Enquiry of the audit and governance committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of</li> </ul>	Audit results report - Audit and Governance Committee. November 2025
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> <li>Significant deficiencies in internal controls identified during the audit.</li> </ul>	Audit results report - Audit and Governance Committee. November 2025

# Appendix A – Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> <li>Written representations we are requesting from management and/or those charged with governance</li> </ul>	Audit results report - Audit and Governance Committee, November 2025
System of quality management	<ul style="list-style-type: none"> <li>How the system of quality management (SQM) supports the consistent performance of a quality audit</li> </ul>	Audit results report - Audit and Governance Committee, November 2025
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> <li>Material inconsistencies or misstatements of fact identified in other information which management has refused to revise</li> </ul>	Audit results report - Audit and Governance Committee, November 2025
Auditors report	<ul style="list-style-type: none"> <li>Any circumstances identified that affect the form and content of our auditor's report</li> </ul>	Audit results report - Audit and Governance Committee, November 2025
Use of statutory powers	<ul style="list-style-type: none"> <li>Identification of issues that are likely to lead to a form of public reporting, including:               <ul style="list-style-type: none"> <li>Statutory recommendations</li> <li>Public interest reporting</li> <li>Referral of matters to the Secretary of State and NHS England</li> </ul> </li> </ul>	Audit results report - Audit and Governance Committee, November 2025



# Appendix B – Outstanding matters

## Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Review of updated annual report and accounts	Review of the updated financial statements and consistency check of the financial and non-financial information in the Annual Report	EY
Review of final signed accounts	Receipt and checking of final signed accounts	EY and management
Management representation letter	Receipt of signed management representation letter	Management and Audit and Governance Committee
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	EY and management

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge or we may not agree on final detailed disclosures in the Pension Fund Annual Report and Accounts. At this point no issues have emerged that would cause us to modify our opinion. A draft of the current opinion is included in Section 03.

# Appendix C – Management representation letter

## Draft management representation letter

### Management Rep Letter

Simon Mathers  
Ernst & Young LLP  
Grosvenor House,  
Grosvenor Square,  
Southampton  
SO15 2BE

This letter of representations is provided in connection with your audit of the financial statements of Oxfordshire Pension Fund (“the Fund”) for the year ended 31 March 2025. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2025, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year, in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of the Fund’s financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

#### A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and for keeping records in respect of contributions received in respect of active members of the Fund.
2. We confirm that the Fund is a Registered Pension Fund. We are not aware of any reason why the tax status of the Fund should change.
3. We acknowledge, as members of management of the Fund, our responsibility for the fair presentation of the financial statements and the Summary of Contributions. We believe the financial statements referred to above give a true and fair view of the financial transactions and the financial position of the Fund in accordance with applicable law the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.
4. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
5. As members of management of the Fund we believe that the Fund has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that are free from material misstatement, whether due to fraud or error.
6. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

#### B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Fund’s activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.

# Appendix C – Management representation letter (cont'd)

## Draft management representation letter

### Management Rep Letter

2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have not made any reports to the Pensions Regulator, nor are we aware of any such reports having been made by any of our advisors.
5. There have been no other communications with the Pensions Regulator or other regulatory bodies during the year or subsequently concerning matters of non-compliance with any legal duty.
6. We confirm that we are not aware of any breaches of the Payment Schedule/Schedule of Contributions or any other matters that have arisen which we considered reporting to the Pensions Regulator.
7. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Fund (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
  - Involving financial improprieties
  - Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the Fund's financial statements
  - Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Fund's business, its ability to continue in business, or to avoid material penalties
  - Involving management, or employees who have significant roles in internal control, or others
  - In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

### C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters.
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. You have been informed of all changes to the Fund rules.
3. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
4. We have disclosed to you the use of all applications or tools using artificial intelligence, including generative artificial intelligence, that are reasonably likely to have a direct or indirect material effect on the financial statements.
5. We have made available to you all minutes of the meetings of members of the management of the Fund and committees of members of the management of the Fund (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting as published online on the Oxfordshire County Council's website at the date of this letter.
6. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Fund's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.

# Appendix C – Management representation letter (cont'd)

## Draft management representation letter

### Management Rep Letter

7. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
8. We have disclosed to you, and the Fund has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
9. No transactions have been made which are not in the interests of the Fund members or the Fund during the year or subsequently.
10. From 10 February 2025 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

#### D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in Note 22 to the financial statements all guarantees that we have given to third parties.

#### E. Subsequent Events

There have been no events subsequent to the period end which require adjustment of or disclosure in the financial statements or notes thereto.

#### F. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the annual report on pages 1 to [x], other than the financial statements, the auditor's report and the statement about contributions.
2. We confirm that the content contained within the other information is consistent with the financial statements.

#### G. Advisory Reports

We have not commissioned any advisory reports which may affect the conduct of your work in relation to the Fund's financial statements and schedule of contributions/payment schedule.

#### H. Independence

As members of management of the Fund, we are not aware of any matters which would render Ernst & Young LLP ineligible to act as auditor to the Fund.

#### I. Derivative Financial Instruments and Pooling investments, including the use of collective investment vehicles and shared services

1. We confirm that the Fund has made no direct investment in derivative financial instruments.
2. We confirm that all investments in pooling arrangements, including the use of collective investment vehicles and shared services, meet the criteria set out in the November 2015 investment reform and criteria guidance and that the requirements of the LGPS (Management and Investment of Funds) Regulations 2016 in respect of these investments has been followed.

# Appendix C – Management representation letter (cont'd)

## Draft management representation letter

### Management Rep Letter

#### J. Actuarial valuation

The latest report of the actuary Hyman Robertson as at 31 March 2022 and dated 31 March 2023 has been provided to you. To the best of our knowledge and belief we confirm that the information supplied by us to the actuary was true and that no significant information was omitted which may have a bearing on his report.

#### K. Estimates

##### Level 2 and 3 Investment Asset Valuations and Actuarial Present Value of Promised Retirement Benefits Estimate

1. We confirm that the significant judgments made in making the Level 2 and 3 Investment Asset Valuations and Actuarial Present Value of Promised Retirement Benefits Estimate have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the Level 2 and 3 Investment Asset Valuations and Actuarial Present Value of Promised Retirement Benefits Estimate.
3. We confirm that the significant assumptions used in making the Level 2 and 3 Investment Asset Valuations and Actuarial Present Value of Promised Retirement Benefits Estimate appropriately reflect our intent and ability to carry out on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimates, including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
5. We confirm that appropriate specialized skills or expertise has been applied in making the Level 2 and 3 Investment Asset Valuations and Actuarial Present Value of Promised Retirement Benefits Estimate.
6. We confirm that no adjustments are required to the accounting estimates and disclosures in the financial statements.

#### L. Use of the Work of a Specialist

We agree with the findings of the specialists that we have engaged to calculate Actuarial Present Value of Promised Retirement Benefits and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

#### M. Going Concern

Based on our assessment of going concern, the details of which have been shared with you, we confirm that we are not aware of any material uncertainties related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. We do not intend to wind up the Fund. We are satisfied that the use of the going concern basis of accounting is appropriate in the preparation and presentation of the financial statements.

#### N. Climate-Related Matters

1. Whilst recognising that the Climate Change Governance and Reporting Regulations do not cover the Local Government Pension Scheme, we confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered as well as the impact resulting from the commitments made by the Fund in the financial statements.
2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of United Kingdom Generally Accepted Accounting Practice aligned with any statements we have made in the other information or other public communications made by us.

# Appendix C – Management representation letter (cont'd)

Draft management representation letter

Management Rep Letter

Yours faithfully,

\_\_\_\_\_  
Lorna Baxter - Executive Director of Resources and Section 151 Officer

\_\_\_\_\_  
Councillor Ted Fenton - Chair of the Audit & Governance Committee

xx December 2025

## EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

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