



Proposal to revise Practice Note 15: The Audit of Occupational Pension Schemes in the United Kingdom

ICAEW welcomes the opportunity to comment on the proposal to revise Practice Note 15 published by Financial Reporting Council on 13 April 2017 a copy of which is available from this [link](#).

This ICAEW response of 30 June 2017 reflects consultation with the Pensions Sub-Committee of ICAEW's Business Law Committee and ICAEW's Audit Assurance Faculty.

The Business Law Committee includes representatives from public practice and the business community. The Committee is responsible for ICAEW policy on business law issues and related submissions to legislators, regulators and other external bodies.

Some members of the Pensions Sub-Committee participated in the FRC working group which produced the proposed revised Practice Note.

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MAJOR POINTS

1. We welcome the proposed revised Practice Note. In particular, we support the removal of material that repeats content of the relevant ISA itself or which is readily available elsewhere, not least because this results in a shorter Practice Note than the previous version.

RESPONSES TO SPECIFIC QUESTIONS

Q1: Overall do you agree with the proposed revision to the Practice Note? If not please explain why.

2. Yes, we do agree with the overall approach.

Q2: Is the included guidance appropriate? If you believe it should be amended please explain why and how.

3. Yes, we believe that it is appropriate.

Q3: Has the extant guidance been deleted that you believe should be retained? If yes, please explain why it should be retained and whether, and if so how, it should be updated.

4. The illustrative examples of audit report wording (previously Appendix 6) have been removed. We believe that it would be helpful to provide some guidance on the wording needed, particularly as regards 'going concern'. As the FRC's Compendium of Illustrative Auditor's Reports on United Kingdom Private Sector Financial Statements does not provide any examples in this context, we consider that it might be helpful for ICAEW to advise members regarding these reports in the absence of FRC material.
5. As regards 'going concern' we note that under ISA (UK) 570 the audit report is required to make explicit reference to the auditors' assessment of going concern. It might be helpful for the Practice Note to emphasise the importance of taking a proportionate approach when assessing going concern as the nature of pension scheme financial reporting means that there is very little, if any, impact on the financial statements as a result of a scheme preparing its financial statements on a non-going concern basis.
6. Similarly, the provisions regarding statement of trustee responsibility have been removed. In practice, this means that auditors may need to refer back to ISA (UK) 700, as was, which we think is unhelpful.

Q4: Are there any other matters in relation to the audit of occupational pension schemes that you believe should be covered in the Practice Note and, if so, what do you believe the guidance should address?

7. No.