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## **PRAG publishes guidance on the Going Concern assessment for pension scheme accounts**

The Pensions Research Accountants Group (PRAG) has published guidance to assist trustees and auditors in developing a practical and proportionate response to dealing with the raised profile of the concept of Going Concern when they are preparing and auditing pension scheme financial statements.

The guidance has been put together by PRAG's SORP Working Party.

Kevin Clark, Chair of the PRAG SORP Working Party, said:

*"Audit reports are now required to comment on the appropriateness of the going concern basis of accounting. This requirement applies to the audit of pension schemes. Trustees are also required to make a statement about going concern in the statement of trustee responsibilities. Although this does not represent a change to pension scheme auditors' and trustees' responsibilities, PRAG anticipates that this requirement will raise the profile of the going concern assessment and therefore considers it helpful to provide practical and proportionate guidance for trustees and pension scheme auditors."*

Shona Harvie, Chair of the PRAG Executive, said:

*"For the majority of pension schemes the going concern assessment will be straightforward and the additional disclosure in the scheme audit report will be uncontroversial. However, there will inevitably be a small number of instances where the going concern assessment will be more challenging and disclosures will be more sensitive. We suggest early and clear communication to all interested parties about the going concern disclosure requirements. Thank you very much to the members of the working party that put this guidance together"*

**Ends**

### **Notes to editors:**

#### **Contacts:**

For further information or to obtain a copy of PRAG's guidance, please contact Mike Hammer, PRAG's Press Officer, on [mike.hammer@pensionsactuary.com](mailto:mike.hammer@pensionsactuary.com)

### **About PRAG:**

Pensions Research Accountants Group ("PRAG") is a leading independent industry body working for the development of occupational pensions schemes, with a focus on financial reporting and internal controls. PRAG is a body of accountants and professionals working in the pensions industry. PRAG is the body recognised by the Financial Reporting Council for the publication of the accounting guidance through the Pensions Statement of Recommended Practice ("SORP") which is a significant focus of our activities. PRAG also issues guidance on other topical areas and responds to consultations on areas affecting occupational pension schemes.