



COVID-19 pensions guidance released

Leading bodies have issued guidance on the implications of COVID-19 for pension scheme financial reports and audit.

The guide has been prepared jointly by the Institute of Chartered Accountants in England and Wales (ICAEW), the Institute of Chartered Accountants of Scotland (ICAS) and the Pensions Research Accountants Group (PRAG).

The new guidance supports pension scheme auditors to navigate the additional challenges brought by the COVID-19 pandemic and pensions trustees and accounts preparers will also find it useful

Christine Scott, Head of Charities and Pensions at ICAS, said:

“The impact of coronavirus means it can’t be business as usual for pensions schemes and their auditors. Our new guidance has been developed to help navigate the additional challenges that may arise.

As well as referring to our guide, pension schemes and their auditors should continue to apply existing standards and guidance and keep up to date with new COVID-19 related announcements and guidance from the Financial Reporting Council (FRC) and The Pensions Regulator (TPR).”

Andrew Penketh, Chair of ICAEW Pensions Sub-Committee, said:

“The coronavirus crisis has brought about new challenges for trustees, accountants and auditors in the preparation and audit of the annual report and accounts of pension schemes. This joint guide will help navigate these challenges so that key issues and accounts disclosures are considered and dealt with in an appropriate and timely way.”

Shona Harvie, Chair of the PRAG Executive, said:

“This guidance aims to provide the pensions industry with a joined-up approach to addressing the impact of COVID-19 on pension scheme accounts. In conjunction with this, PRAG will be issuing updated going concern guidance for pension schemes following the recent revision to International Standard on Auditing (ISA) (UK) 570 'Going Concern'.”

About the guidance

The new guide is relevant to private sector occupational defined benefit (DB) and defined contribution (DC) trust-based pension schemes in the UK, including hybrid schemes and DC master trusts, applying Financial reports of pension schemes: A statement of recommended practice (the Pensions SORP), published by the Pensions Research Accountants Group (PRAG).

The guide covers a wide range of topics including:

- responsibilities for reporting to TPR
- the impact of the COVID-19 pandemic on the control environment of pension schemes
- the trustees' report and the chair's statement
- going concern and the trustees' assessment of going concern
- accounting for scheme investments
- events after the end of the reporting period
- audit issues
- the auditor's statement about contributions.

The full guide can be accessed online:

- Pension scheme reports and financial statements, and related matters in the context of the COVID-19 pandemic on the respective websites

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NOTES FOR EDITORS

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About ICAS

ICAS is a professional body for more than 22,000 world class business men and women who work in the UK and in more than 100 countries around the world. Members have all achieved the internationally recognised and respected CA qualification (Chartered Accountant). ICAS is an educator, examiner, regulator and thought leader. Almost two thirds of ICAS' working membership are in business; many leading some of the UK's and the world's great companies. The others work in accountancy practices ranging from the Big Four in The City to the small practitioner in rural areas.

About PRAG

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 its activities. PRAG also issues guidance on other topical areas and responds to consultations on areas affecting occupational pension schemes. www.prag.org.uk