



# Technical Update for Higher Education

Thursday 22 June 2023

Virtual event



# Welcome



**Andrew Bush**

Host



Please **mute** your microphones now ready to begin and keep them muted



Please submit your questions in the chat and we will come to those during Q&A



Slides and the recording will be made available post-event



There will be a short break at 1.15pm and we will return at 1.25pm



The session will be recorded

# Agenda

## 22nd June 12-2.30pm

Topic	Time
Welcome and Intro	12.00pm
Economic Overview	12.05pm
Policy update	12.15pm
Audit & financial reporting update	12.25pm
Tax Update	12.45pm
Break	1.15pm
Pensions	1.25pm
Financial Sustainability	1.40pm
TRAC	2.05pm
Q&A	2.15pm
Closing Remarks	2.25pm
Finish	2.30pm

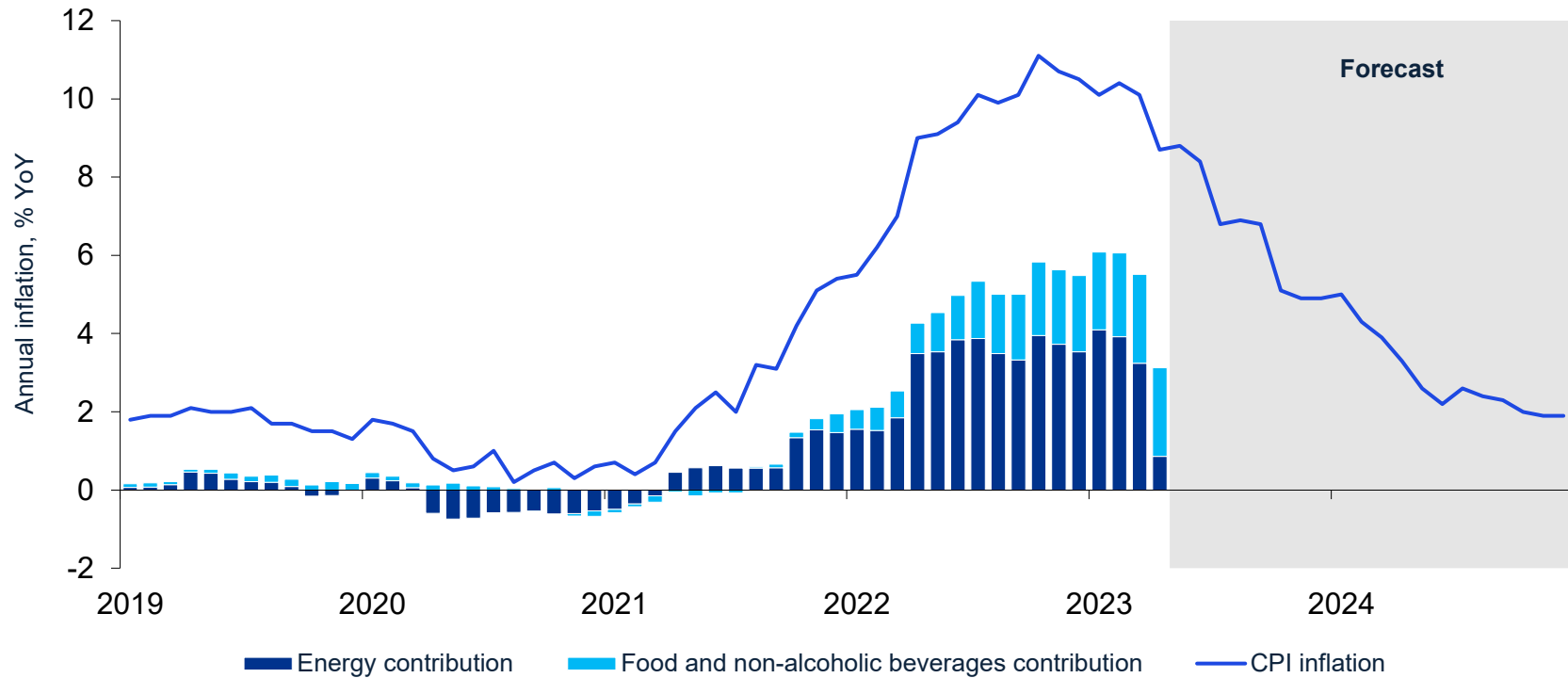


**01**

# **Economic Outlook**

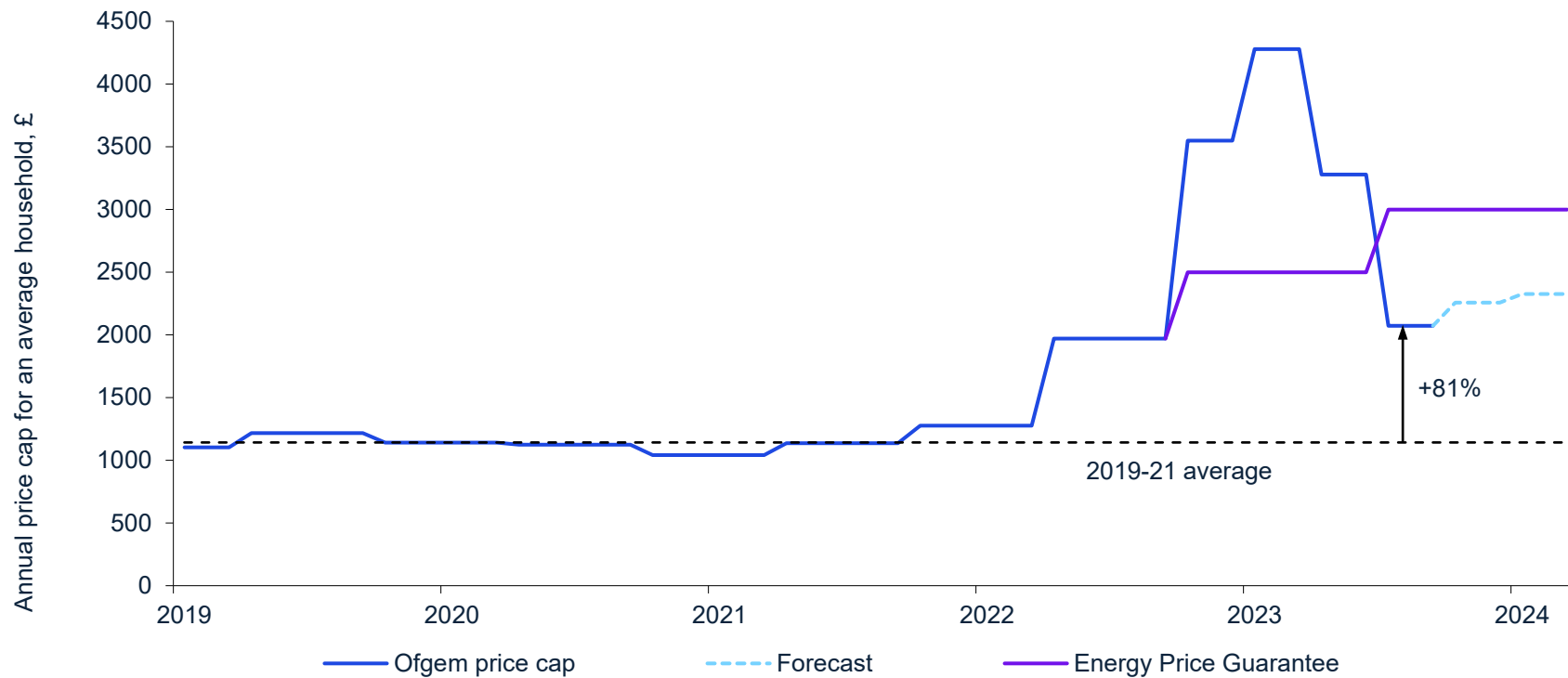
**Dennis Tatarkov**

# Inflation is set to fall through 2023 and 2024

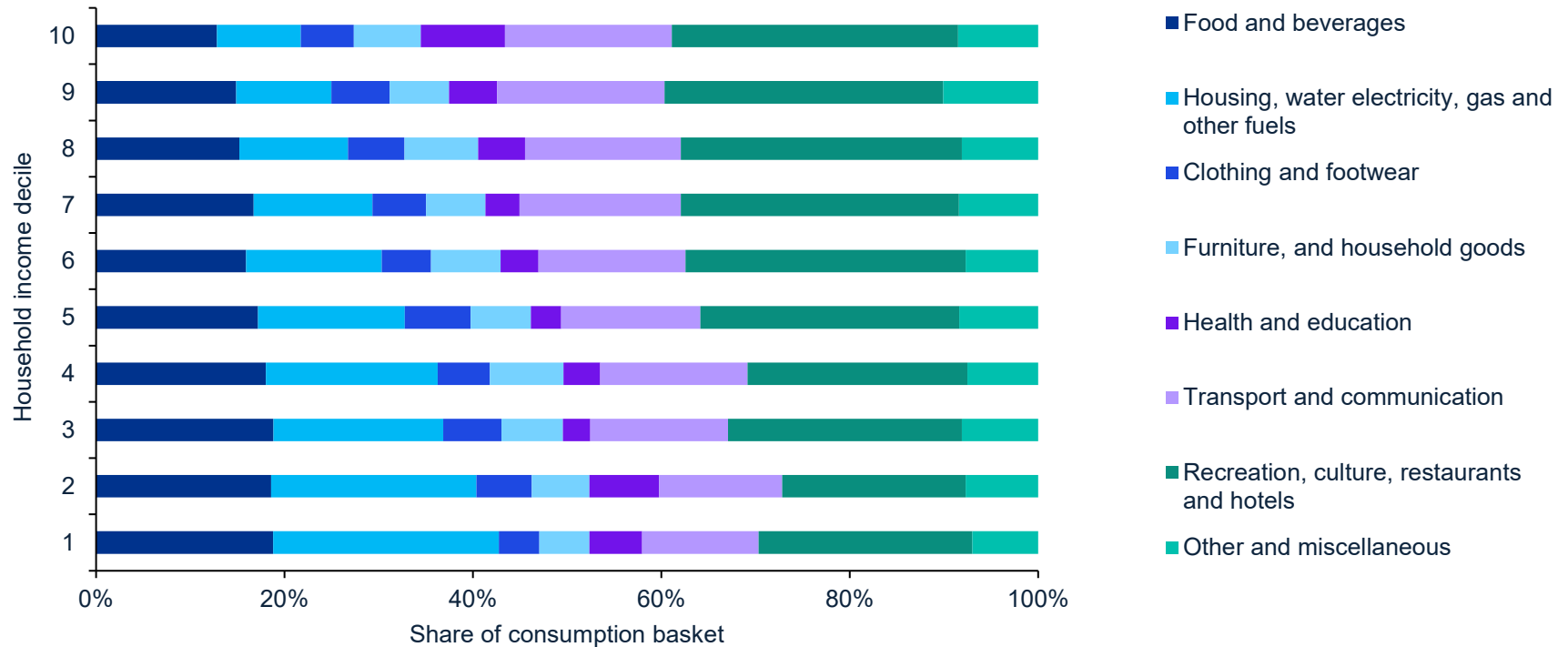


➔ Source: ONS, KPMG projections.

# Ofgem's price cap has been reduced but prices remain high



# Lower income households are more exposed to fluctuations in food and energy prices...



➔ Source: ONS, KPMG analysis.

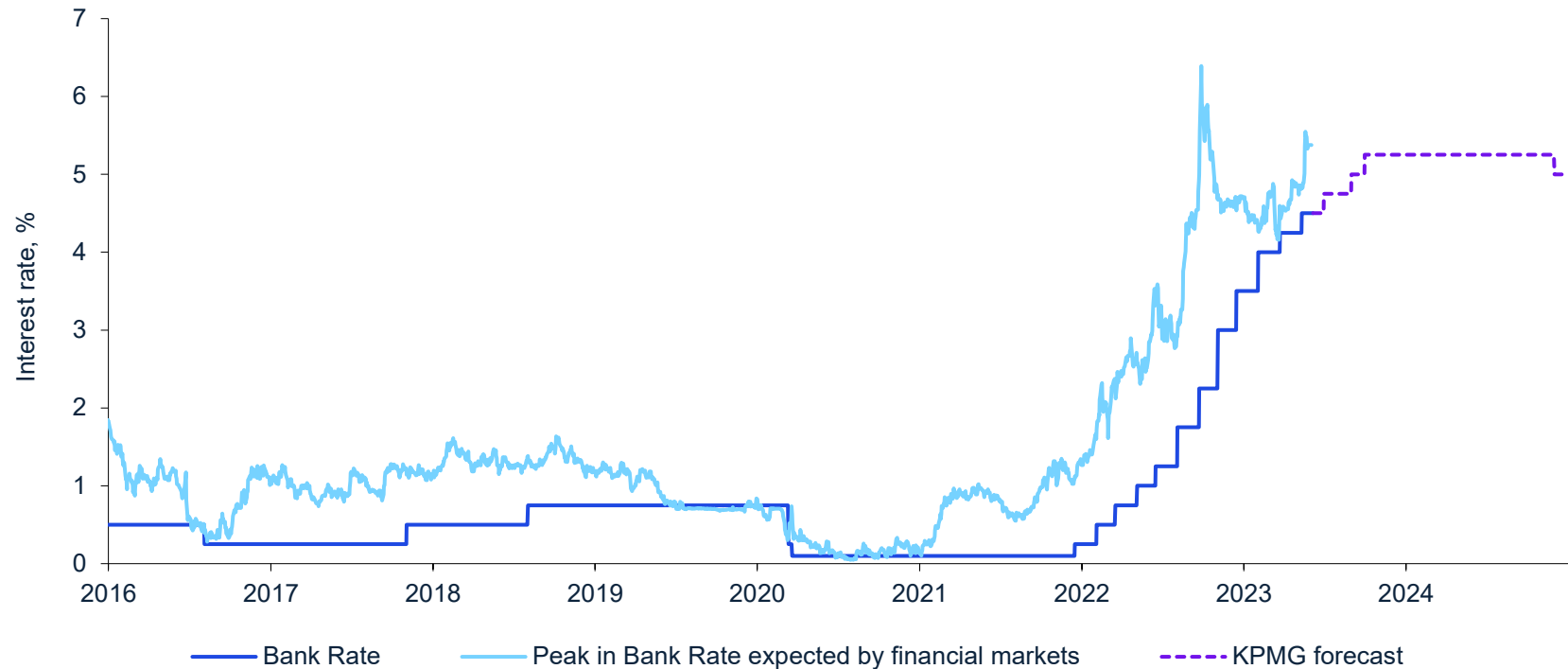
# ...and experienced greater inflation compared to higher income households



➔ Source: ONS, KPMG analysis

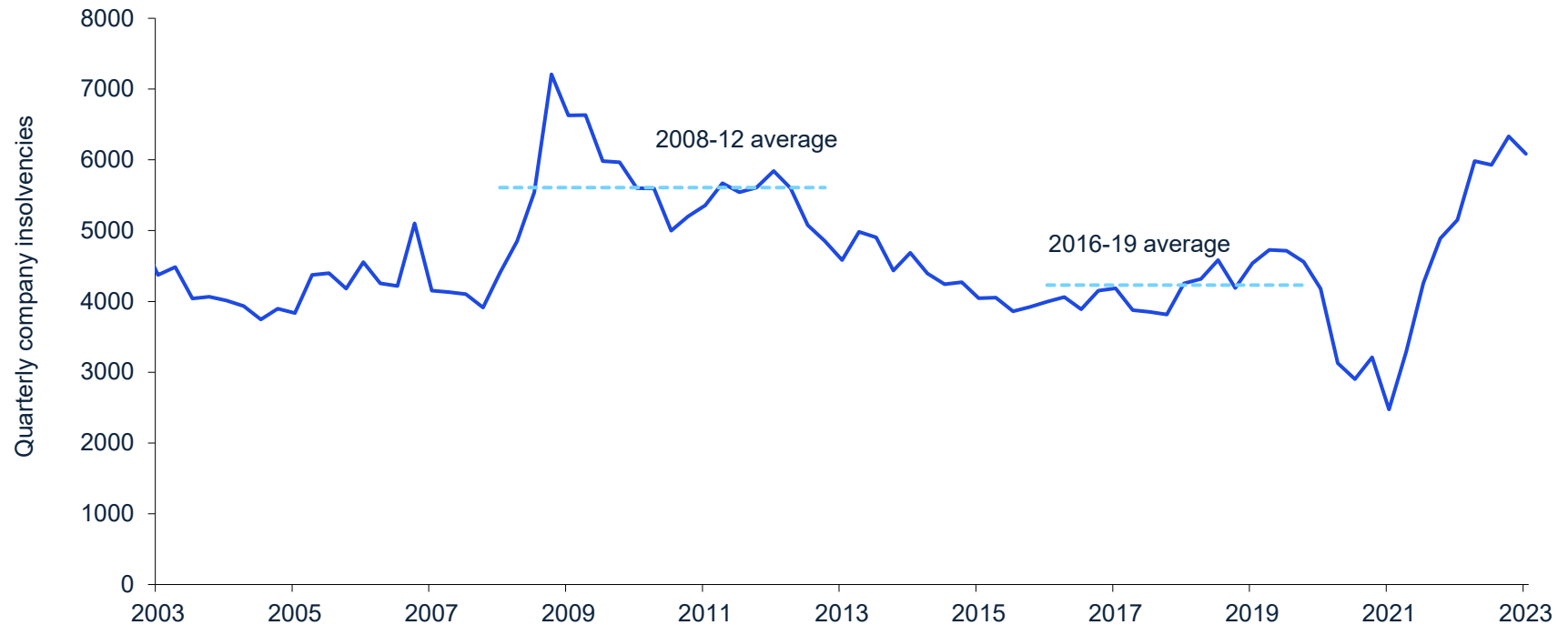


# Base interest rates are close to their peak in this cycle



➔ Source: Bank of England, BIS, KPMG analysis.

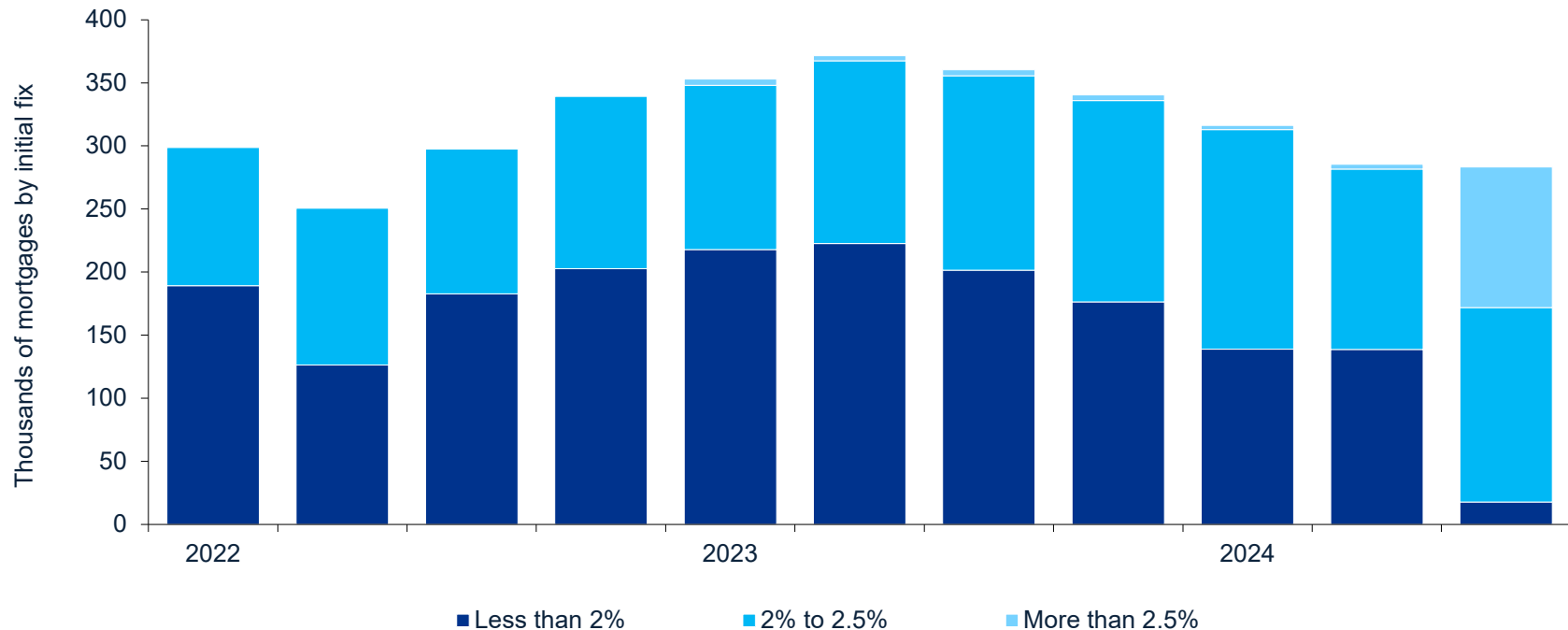
# Company insolvencies have risen above pre-pandemic averages



➔ Source: The Insolvency Service, KPMG analysis.

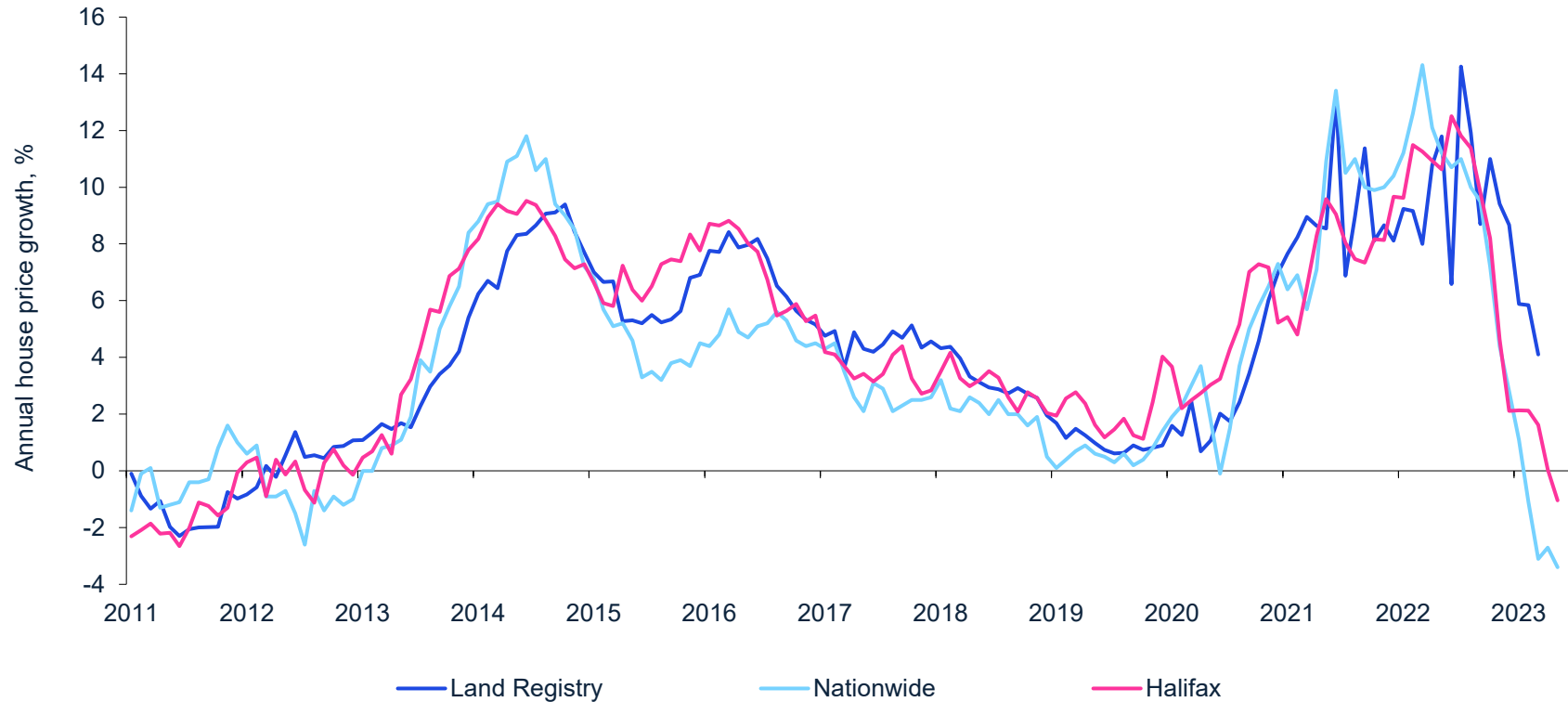
# 1.4 million households are set to reach the end of their fixed rate mortgage term during 2023

The number of mortgages reaching the end of their fixed term



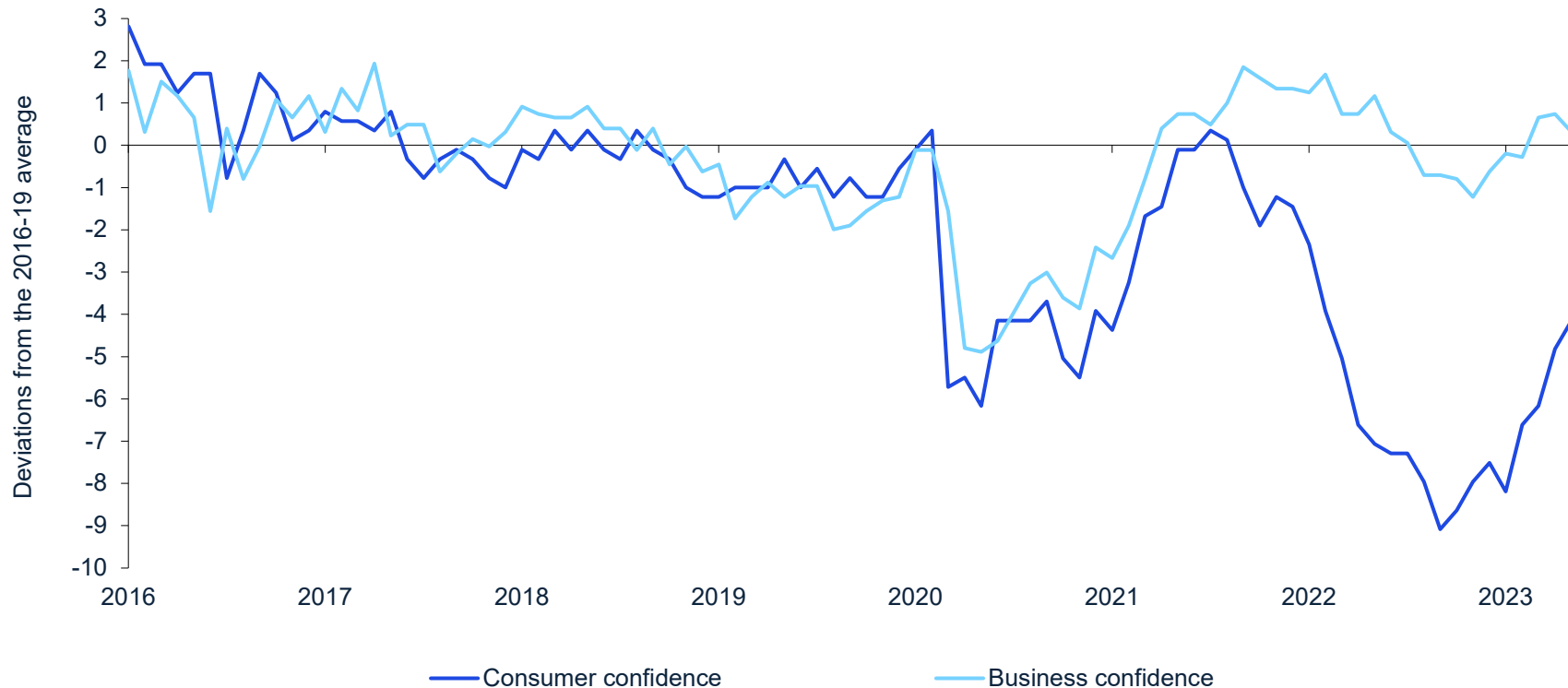
➔ Source: ONS.

# Indicators of house price growth have weakened markedly



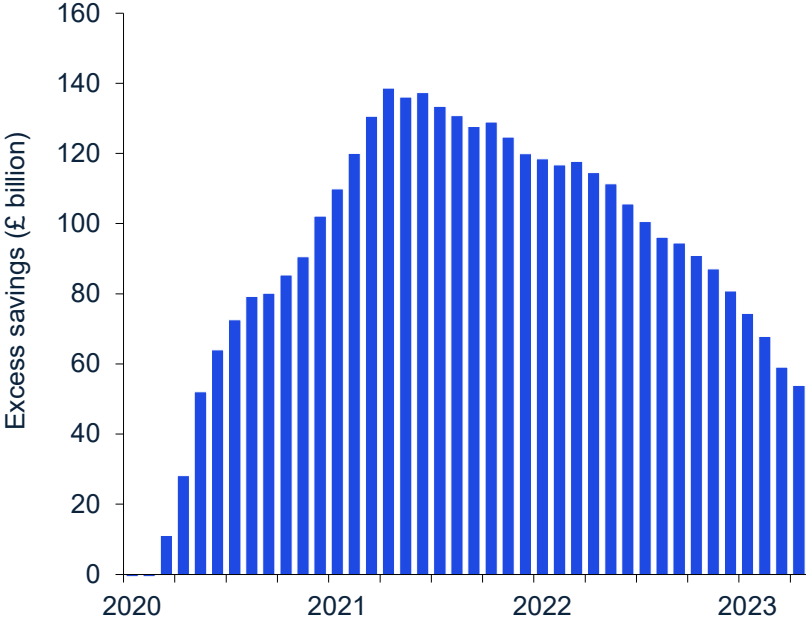
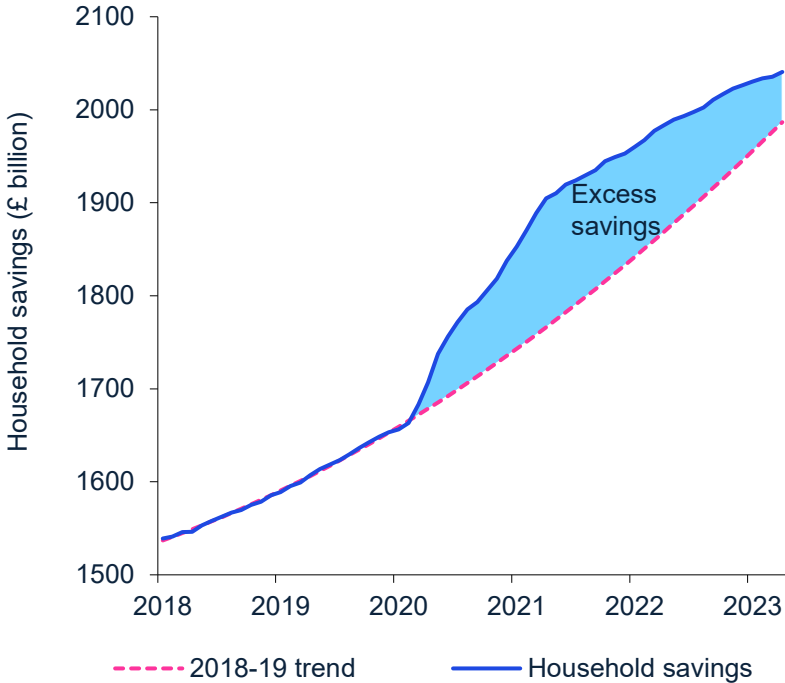
➔ Source: HM Land Registry, Nationwide, Halifax.

# Consumer and business confidence have been volatile



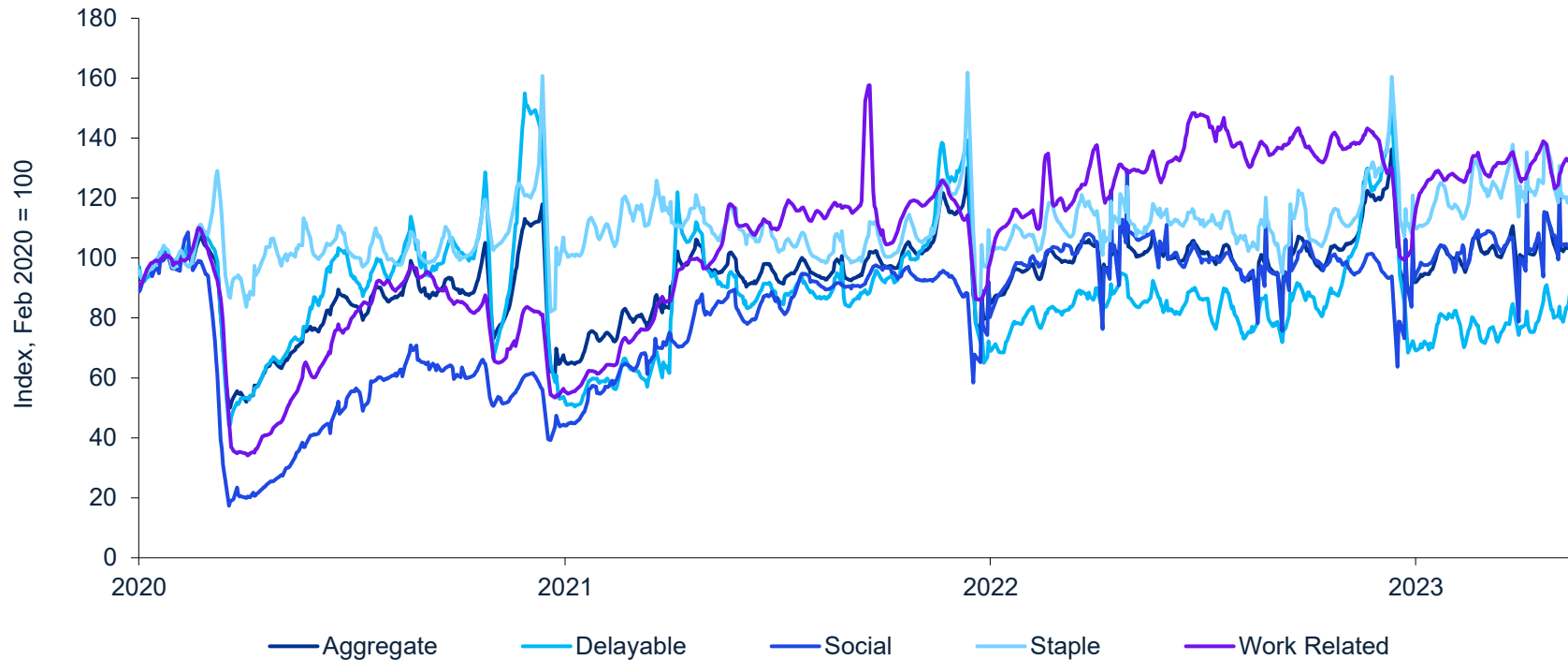
➔ Source: GfK, Lloyds Business Barometer, KPMG analysis.

# Households have used up around 60% of their excess savings



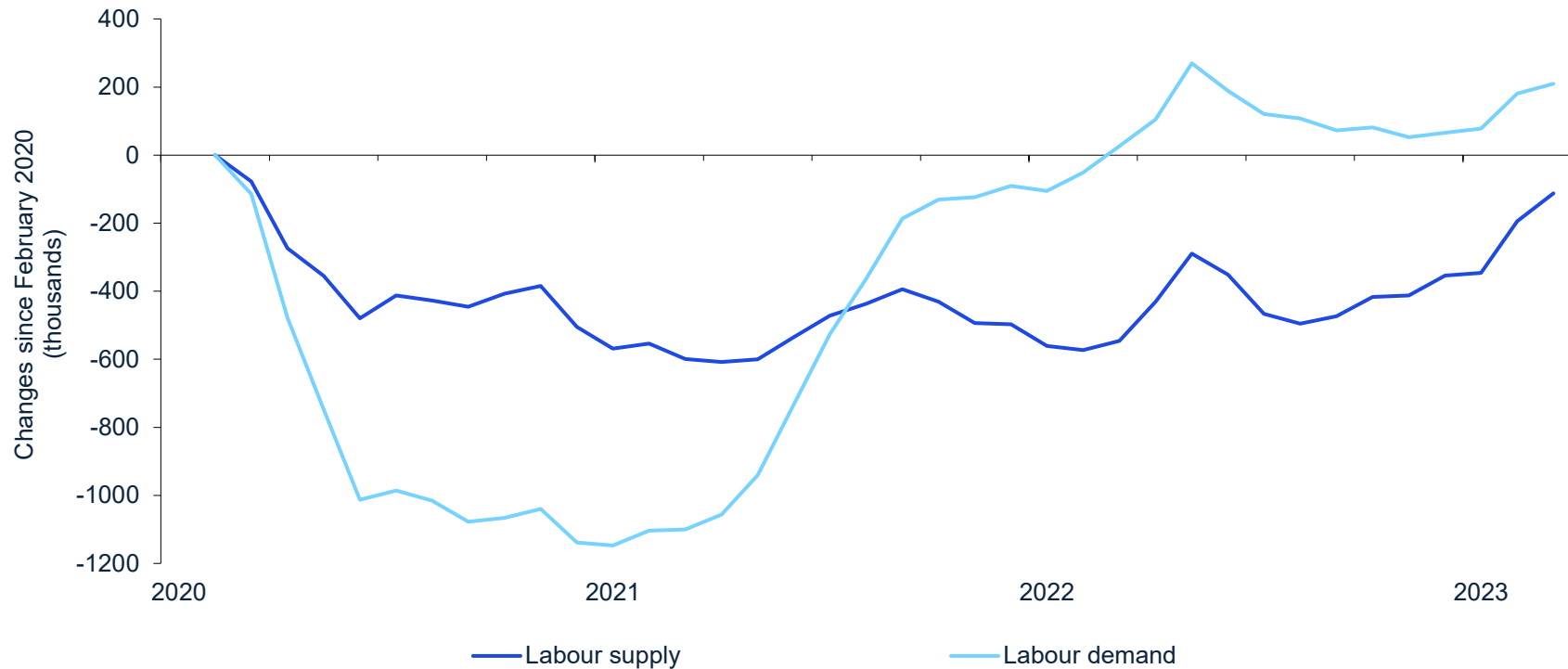
➔ Source: Bank of England, KPMG analysis.

# Credit card purchases down on delayable and up on work-related spending



➔ Source: Bank of England's 'UK spending on credit and debit cards' experimental data series and ONS calculations.

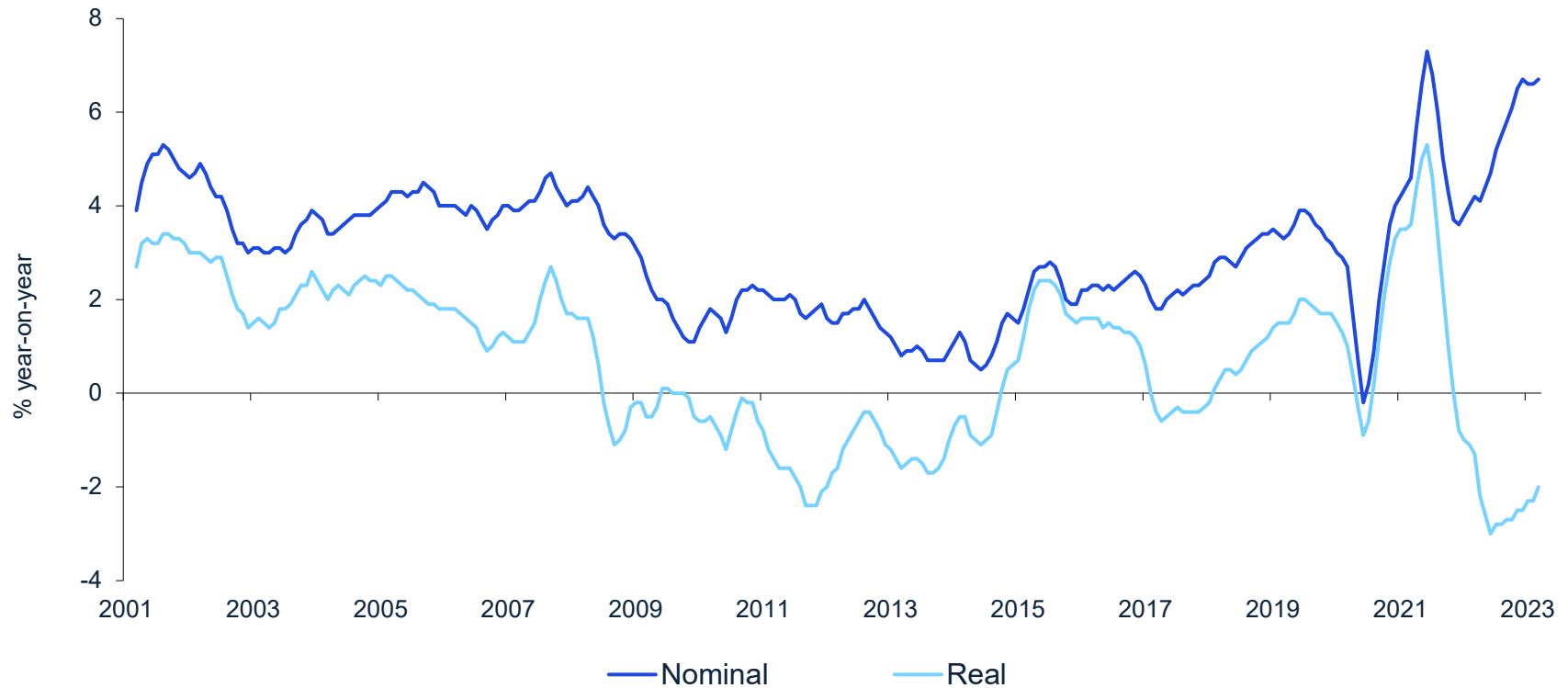
# Labour supply has not kept up with labour demand



➔ Source: ONS, KPMG analysis. Supply is total workforce participation. Demand is the sum of employment and vacancies.

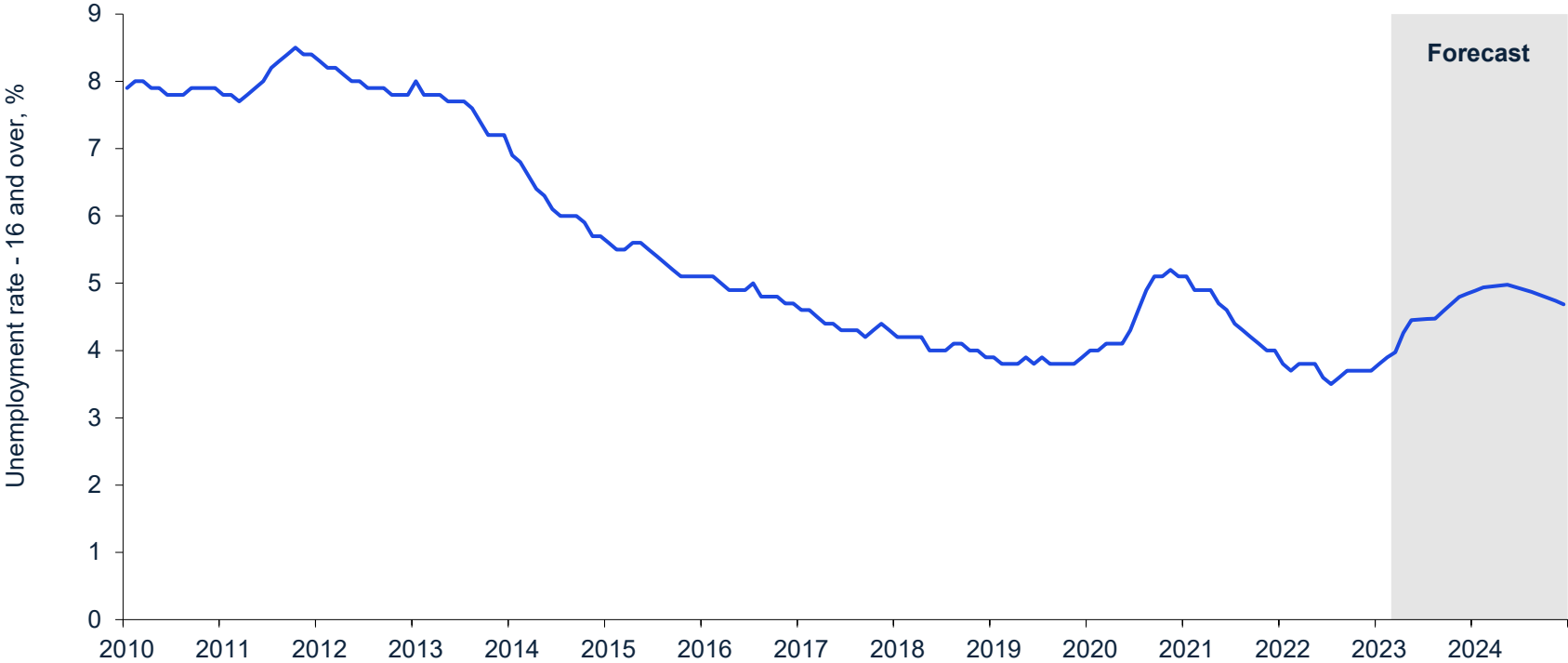


# Real pay growth has been negative for a while



➔ Source: ONS, KPMG analysis.

# Outlook for UK unemployment



➔ Source: ONS, KPMG projections.

# KPMG forecasts

	2021	2022	2023	2024
<b>Real GDP</b>	7.6	4.1	0.3	1.1
<b>Consumer spending</b>	6.3	5.3	0.2	0.6
<b>Investment</b>	6.1	8.6	0.8	0.8
<b>Unemployment rate</b>	4.5	3.7	4.3	4.6
<b>Inflation</b>	2.6	9.1	7.7	2.9
<b>Base interest rate</b>	0.25	3.50	5.25	5.00

➔ Source: ONS, KPMG forecasts. Average % change on previous calendar year except for unemployment rate, which is average annual rate, while interest rate represents level at the end of calendar year. Investment represents Gross Fixed Capital Formation and inflation measure used is the CPI and the unemployment measure is LFS.

# Policy update

**Further coverage at:**  
- [wonkhe.com](https://www.wonkhe.com)

**Or via our daily and Monday briefing emails**

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**WONKHE**

# Key policy issues (June 2023)

## 01 FEE FREEZE

Severe real terms cut in fee income, alongside rising costs.

## 02 LIFELONG LEARNING

A dash for short courses and adult/vocational learning?

## 03 INDUSTRIAL ACTION

Concerns over graduation. Pay and pensions focus.

## 04 REGULATORY CHANGES

New regulator in Wales coming, Scotland in flux, England under review.

## 05 RECRUITMENT AND ENGAGEMENT

Is slight deflation of demand and access last year a post-pandemic blip.

## 06 ESG AND ACCESS TO FINANCE

Coming carbon emissions targets. Culture wars. Cost of finance. Liquidity.



**03**

# **Audit and financial reporting**

Rees Batley

# Areas of auditor focus



**Revenue  
recognition**



**Going  
Concern**



**USS**



**New auditing standards**



**US Loans**



**LGPS**



**Annual Report narrative**

# Pension reminders

## Significant estimate – Valuation of Pension Assets and Liabilities

	LGPS	USS	Own DB scheme
Liabilities	High degree of estimation uncertainty regarding actuarial assumptions and valuation	High degree of estimation uncertainty regarding actuarial assumptions	High degree of estimation uncertainty regarding actuarial assumptions and valuation
Assets	Level of estimation uncertainty depends on nature of assets held by the scheme plus rate of return on assets (Actual vs estimated); valuation of assets	Not applicable	Level of estimation uncertainty depends on nature of assets held by the scheme plus testing the value of assets; valuation of assets
Audit focus area	Application of assumptions; recognition of surplus?	Estimate of projection of future workforce and salary increases	Application of assumptions



# Pension reminders

## Preparing for audit

- Early engagement across all stakeholders – including with actuaries and Pension Fund
- Ensure relevant judgements considered
- Assumptions – reflect your entity / current market / inflation
- Consider recognition if scheme in surplus
- Disclosures – include sensitivity analysis
- Triennial valuation 31 March 2022  
LGPS in England and Wales

## USS

- Assumptions – align to future strategy (headcount; pay awards etc)
- Modeller revised
- triennial valuation date of 31 March 2023 will not impact on accounts

# Changes in auditing standards



# Accounting and financial reporting update

## 01 FRED 82 – Draft amendments to FRS102

- Revenue accounting - a new Section 23, based on the IFRS 15 five-step model for revenue recognition.
- Lease accounting requirements - a new Section 20, based on the IFRS 16 on-balance sheet model.
- Proposed implementation date for periods beginning on or after 1 January 2025 – first impacting financial years ending 31 March 2026.

## 02 FRC areas of focus

- **Reporting in uncertain times**
  - Strategic Report
  - Discount rates
  - Material assumptions
  - Pension schemes
- **Cash flow statements**
- **Financial instruments**
- **Provisions and contingencies**
- **Judgements and estimates**

ACCOUNT' principles of corporate reporting:

Accurate

Connected and consistent

Complete

On-time

Unbiased

Navigable

Transparent

## 03 Climate reporting

- Existing company and listed company requirements
- ESG

# Audit and Corporate Governance reform

In May 2022, the Government released its response to the former department of Business, Energy and Industrial Strategy (BEIS) white paper on Restoring Trust in Audit and Corporate Governance.

The King's Speech will take place in Autumn 2023; if the Audit Bill is included, primary legislation for the creation of the Audit Reporting Governance Authority (ARGA) will be introduced in 2024. If not included, finalisation of primary legislation will take place after the next election.

In the absence of primary legislation, the Financial Reporting Council (FRC) and the Department of Business and Trade (DBT) have progressed measures which can be implemented via Code changes or secondary legislation. See opposite for more detail.

## Ongoing and upcoming developments

### FTSE 350 entities

- The FRC released their minimum standard for Audit Committees in May 2023.
- It focuses on the Audit Committee's responsibility to oversee and appoint the statutory auditor only. Voluntary adoption anticipated for 2023 year ends. Supervision against the standard will commence once the FRC becomes ARGA.

### Premium listed entities and voluntary adopters of the UK Corporate Governance Code

- The FRC released a consultation on revisions to the UK Corporate Governance Code in May 2023.
- Includes provisions for a statement of effectiveness on the internal controls over financial reporting throughout the reporting period, as well as changes to malus and clawback provisions and references to the new resilience statement (as opposed to viability statements).
- Effective from 1 January 2025.

### 750:750 companies

- New reporting requirements will be applicable for companies with more than 750 employees and more than £750 million turnover have been drafted to be introduced within the Companies Act, covering:
  - the fraud statement
  - the resilience statement
  - the audit and assurance policy
  - new capital maintenance disclosures

### Audit firms

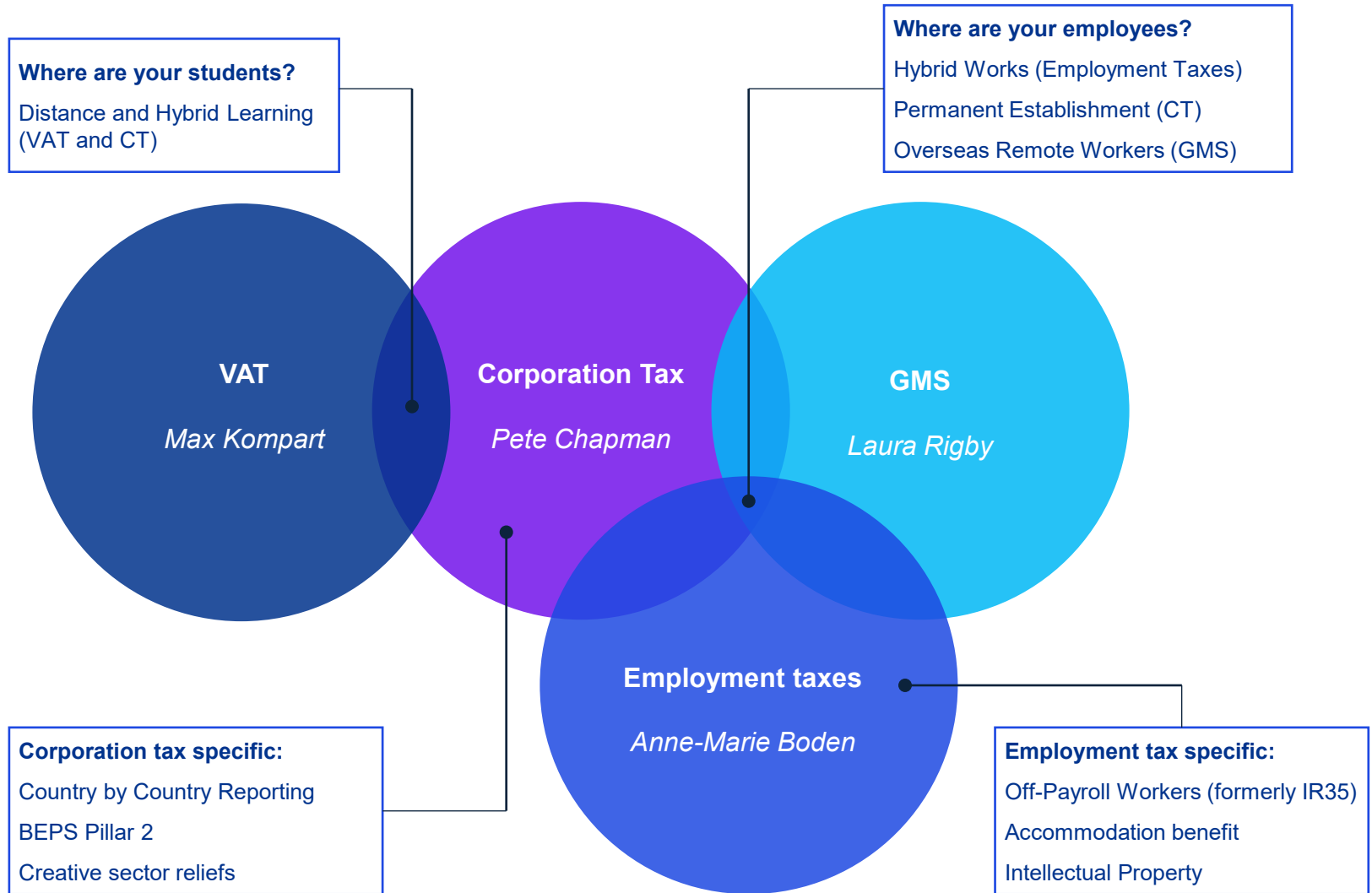
- During 2022, it became mandatory for all public interest entity (PIE) audit firms, as well as the responsible individuals (RIs), to register with the FRC before undertaking any audit work. KPMG LLP and relevant RIs have been registered.
- KPMG LLP has voluntarily implemented operational separation ahead of the 2024 deadline set by the FRC.
- The FRC will be consulting on revisions to the Ethical Standard during 2023.

**04**

# **Tax Update**

Peter Chapman

# Agenda



# Employment Tax Specific Issues

Anne-Marie Boden

# Off-Payroll Workers (IR35)

Since April 2017, HE's have been required to apply the OPW regulations when engaging workers outside of the payroll presenting challenges and complexity in the labour supply chain.

We have already seen the eye watering amounts paid/owed by government departments and agencies, around £263m due to incorrect employment status determinations.

- HMRC enforcement activity has begun in the HE sector with several bodies currently being reviewed

## What are the some of the key risks?

- Not identifying all relevant workers to be assessed
- Incorrectly assessing employees using HMRC's or another assessment tool
- Working practices not reflecting the contractual position used to make the assessment
- Contracts being amended or extended without being reassessed
- Basic requirements of the scheme not being maintained
- Not considering employment agencies and longer labour supply chains
- Not considering outsourced services correctly
- Not considering the employment status of other workers engaged outside of the payroll e.g. self-employed workers.





# Off-Payroll Workers (IR35) (cont.)



## What do HE's need to do?

- Review processes and controls and ensure they remain fit for purpose in light of the issues identified by HMRC in other reviews
- Increase awareness throughout the organisation to help maintain compliance
- Ensure changes from April 2021 were incorporated in current processes
- Consider wider 'Off-payroll' workforce
  - Self-employed workers
  - Bursaries, Stipends, Honoraria, etc.
  - Visiting Fellows
  - Volunteers





# Employment Taxes

## Intellectual property

- Payments to employees, students and other creators can have different treatments depending on:
  - Who owns IP?
  - What is the employment status at time of creation and payment?
- Many Universities unclear on the correct treatment.

## Accommodation benefit

- Removal of representative occupier exemption from April 2021.
- Previous removal of better performance and customary exemption.
- HMRC – higher GRV and MV
- Need to review all employer provided accommodation to re-asses the tax treatment.

# Where are your employees?

Peter Chapman

Anne-Marie Boden

Laura Rigby

# Hybrid Working

## Hybrid working

- Changes in working practices have multiple tax implications that need to be considered including:
  - Travel expenses
  - Home office equipment and costs
  - National minimum wage
- HE's are reviewing the employee remuneration and benefit offerings to ensure fit for purpose and aid in employee retention and recruitment





Tax

# Corporation Tax – Permanent Establishment risk

Are your overseas staff potentially creating a permanent establishment?

## Assessing level of risk to allow overall management of risk

- Alignment with tax strategy?
- Tax risk register?
- Accounts provisioning?

## Why does a PE matter?

- Potential reporting requirements
- Potential corporate tax liability in country
- Implications can extend to wider taxes (e.g. VAT/ GST or withholding obligations for personal income tax)
- No credit relief likely to be available for taxes incurred due to the absence of a UK CT liability

# Overseas Remote Workers



# Overseas Remote Workers

## Income Tax and Social Security

- Personal income tax
- Domestic rules
- Tax treaty agreements
- Totalisation agreements
- EU regulations
- Cost management

01

## Employer Withholding Obligations

- Income tax and social security registrations
- Requirement to operate a payroll in overseas country
- Interaction with UK withholding obligation (possible dual obligations)
- Historic and go forward compliance

02

## Immigration / Employment law

- Visas / Work permits
- Posted Workers Directive requirements / local labour law
- Employment contract terms
- Provision of / cost of benefits

03

## Corporate Tax

- Permanent Establishment
- Fixed place of business
- Academic role (research / teaching / other)
- PE position effects employer income tax withholding reporting

04

## Process and Controls

- Policy / guiding principles
- Process for assessing new requests
- Ongoing tracking and monitoring
- Cost management
- Overseas payroll compliance process
- Resource
- Training for schools / faculties

05

## Other considerations

- Pension entitlement
- Remuneration / expenses
- Health and Safety
- Regulatory
- Indirect tax / VAT reclaims
- Data security and confidentiality
- Technology access / home office logistics

06

## Cost Management

- Budget approval / informed decisions
- Provisions for tax / social security liabilities
- Administrative costs e.g. overseas payrolls, corporate registrations
- Responsibility for overseas liabilities e.g. University / employee



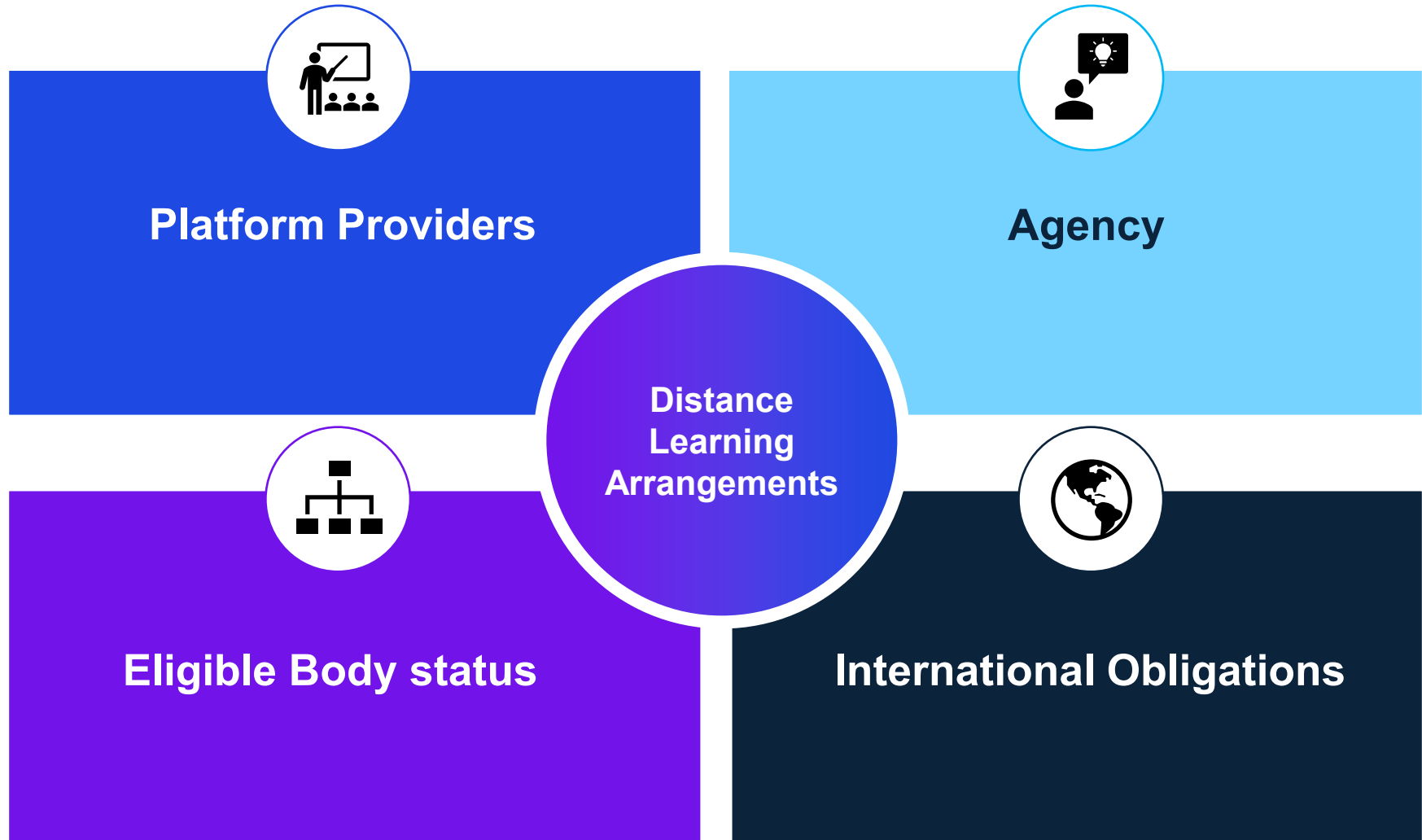
# Where are your students?

Max Kompart

Peter Chapman



# Distance Learning update



# Distance Learning update (cont.)



## Platform Providers

- Who is providing what to whom?
- Clear agreement
- Partnership status



## Agency

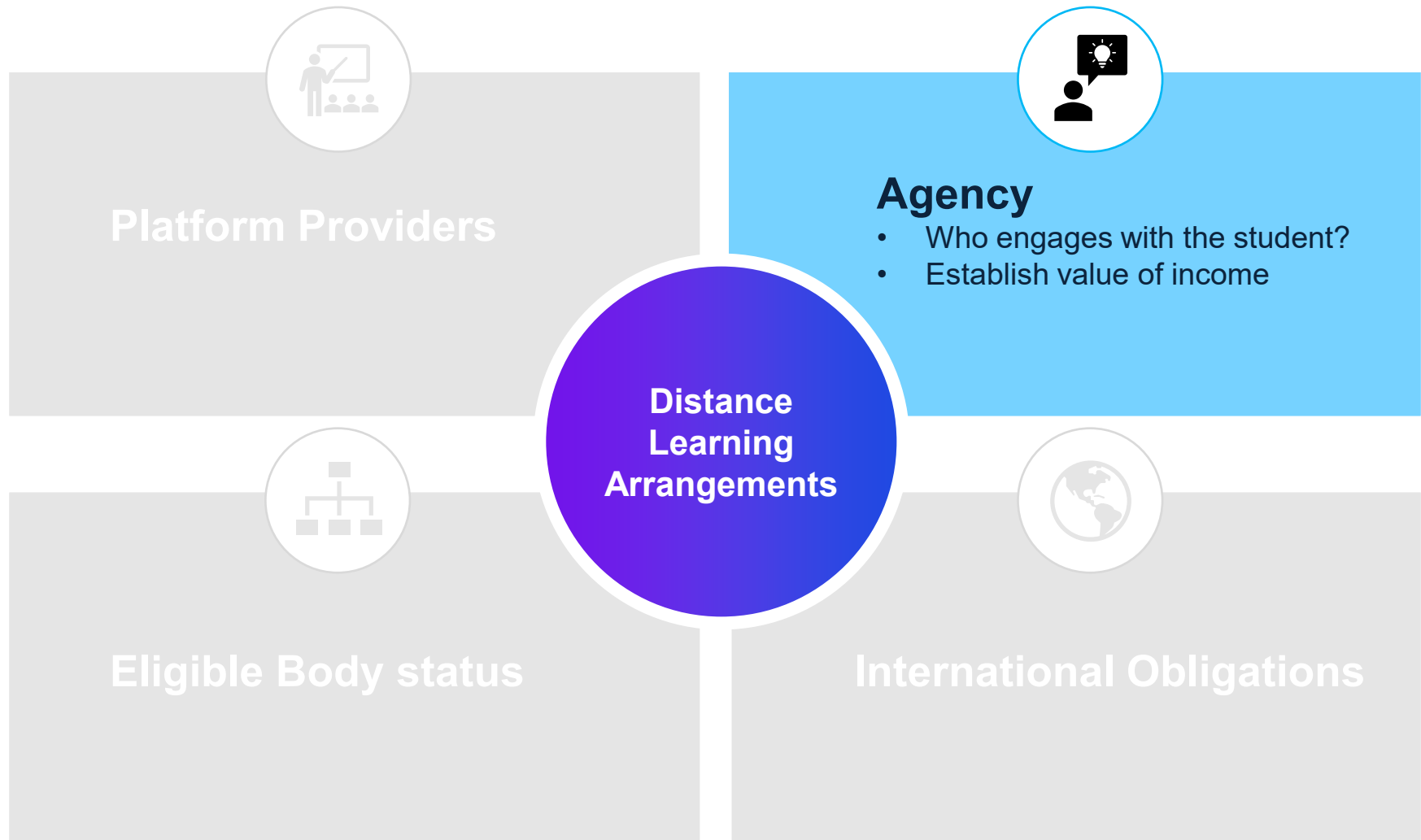


## Eligible Body status

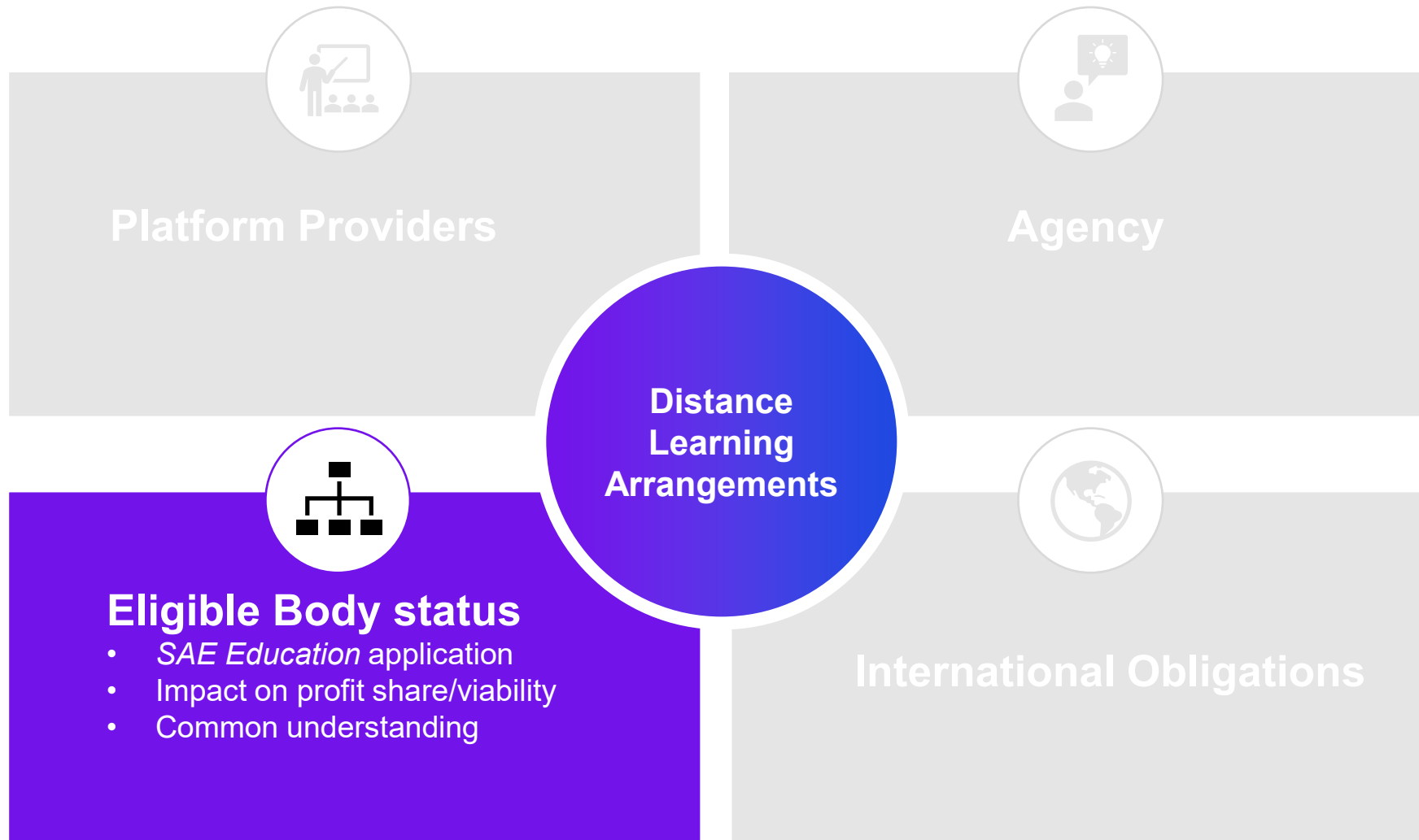


## International Obligations

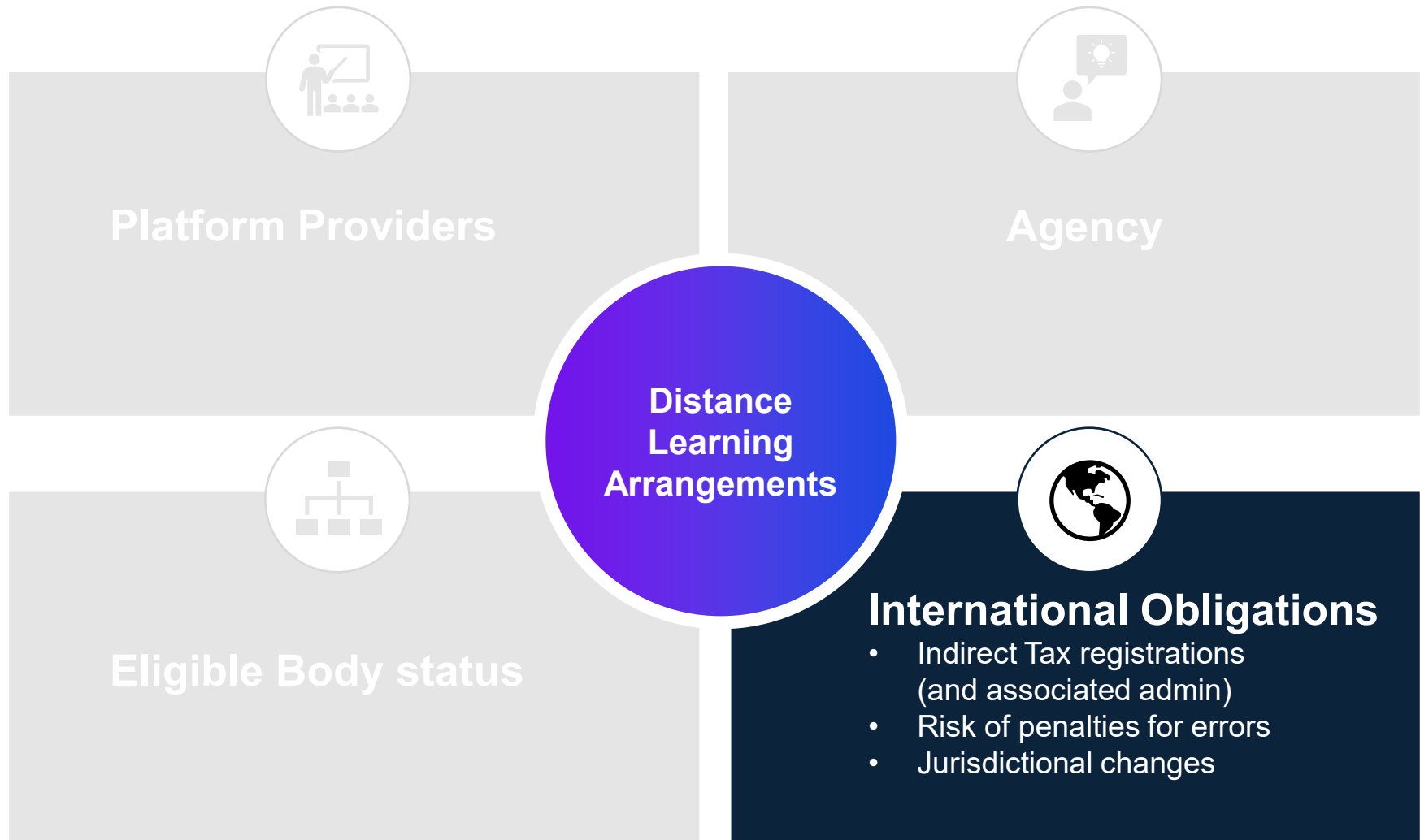
# Distance Learning update (cont.)



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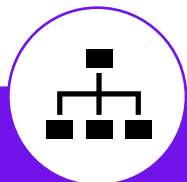
## Platform Providers

- Who is providing what to whom?
- Clear agreement
- Partnership status



## Agency

- Who engages with the student?
- Establish value of income



## Eligible Body status

- *SAE Education* application
- Impact on profit share/viability
- Common understanding



## International Obligations

- Indirect Tax registrations (and associated admin)
- Risk of penalties for errors
- Jurisdictional changes

## Distance Learning Arrangements

# Some recent jurisdictional changes

## European Union

- “**Minimal human intervention**” will be removed with effect from 2025
- Supplies of distance learning into the EU will be treated as taxable where the student is based
- Some countries don't recognise UK universities as eligible bodies for the purposes of the education VAT exemption.

## China

- China removed the Covid exemption in 2021 and based on our discussions with the Beijing tax authorities now consider that where student access course material from China, this is within the scope of Chinese VAT.
- In addition to the VAT, there are daily penalties which accrue

## India

- India have started to expand the applicability of OIDAR (indirect tax) to any services provided online, regardless of human intervention (which previously prevented capture under OIDAR). Not signed into law yet, but bill has been approved.
- Indian tax authorities continue to raise awareness on the applicability of the Equalisation Levy – likely increase in focus on this as time goes on?

## Singapore

- Broadening of scope from “digital services” to “remote services” provided into Singapore (distinction being the level of human interaction involved).
- Tax authorities sent a letter earlier this year to a number of UK universities, suggesting the need to register.

# Corporation Tax Specific Issues

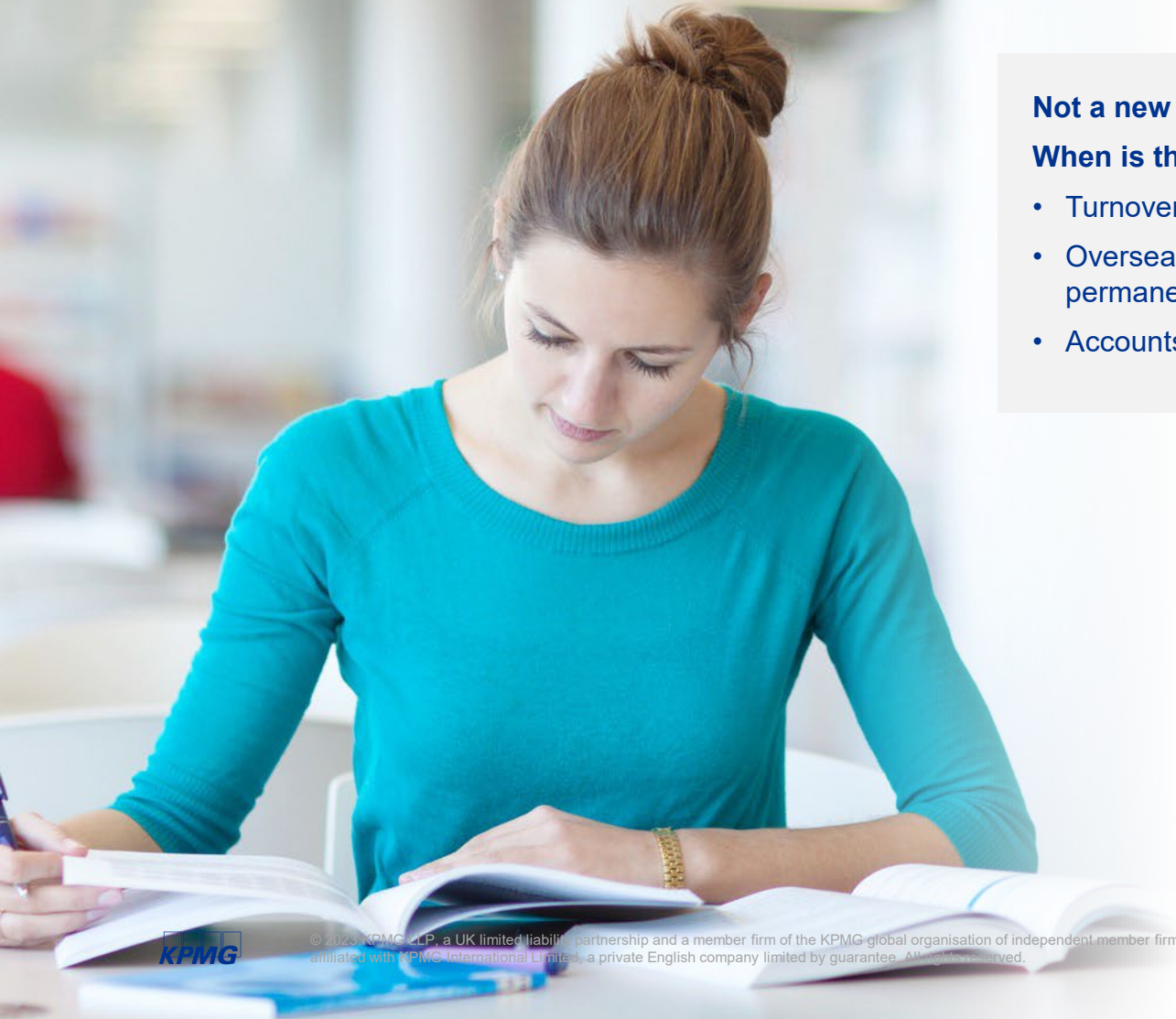
Peter Chapman



# Country by Country Reporting

**Not a new requirement – just a reminder!**  
**When is there a filing requirement?**

- Turnover >EUR750m
- Overseas presence (subsidiary, branch, permanent establishment)
- Accounts provisioning?



# BEPS Pillar 2

## What is it?

- A minimum rate of tax (both internationally and domestically)

## When will it apply?

- From year ended 31 July 2025

**Provisions included for charities following lobbying and consultation will mean in many cases this is not likely to apply**

## When could it still apply?

- ONLY for HE groups with a turnover >EUR750m
- Turnover in subsidiaries >EUR750m
- Joint ventures with commercial entities

# Creative Sector tax relief



## Museums & Galleries Exhibition Tax Relief



## Orchestra Tax Relief



## Theatre Tax Relief

01

### Core expenditure

Tax deductible expenditure on:

- Producing
- Closing

02

### Additional deduction

Additional deduction in tax computation of up **80% of core expenditure**.

03

### Tax credit

Loss-making trade can surrender deduction for tax credit at **20%-50%**.

# Break

WE WILL RESTART AT 1.25PM

# Agenda

1. Overview of Higher Education pension schemes
2. Current market conditions and broader landscape
3. The 'funded' schemes vs Teachers' Pension Scheme
4. Opportunities and challenges
5. Questions



Sophie Ash

Pensions Actuary and Higher  
Education lead, Isio

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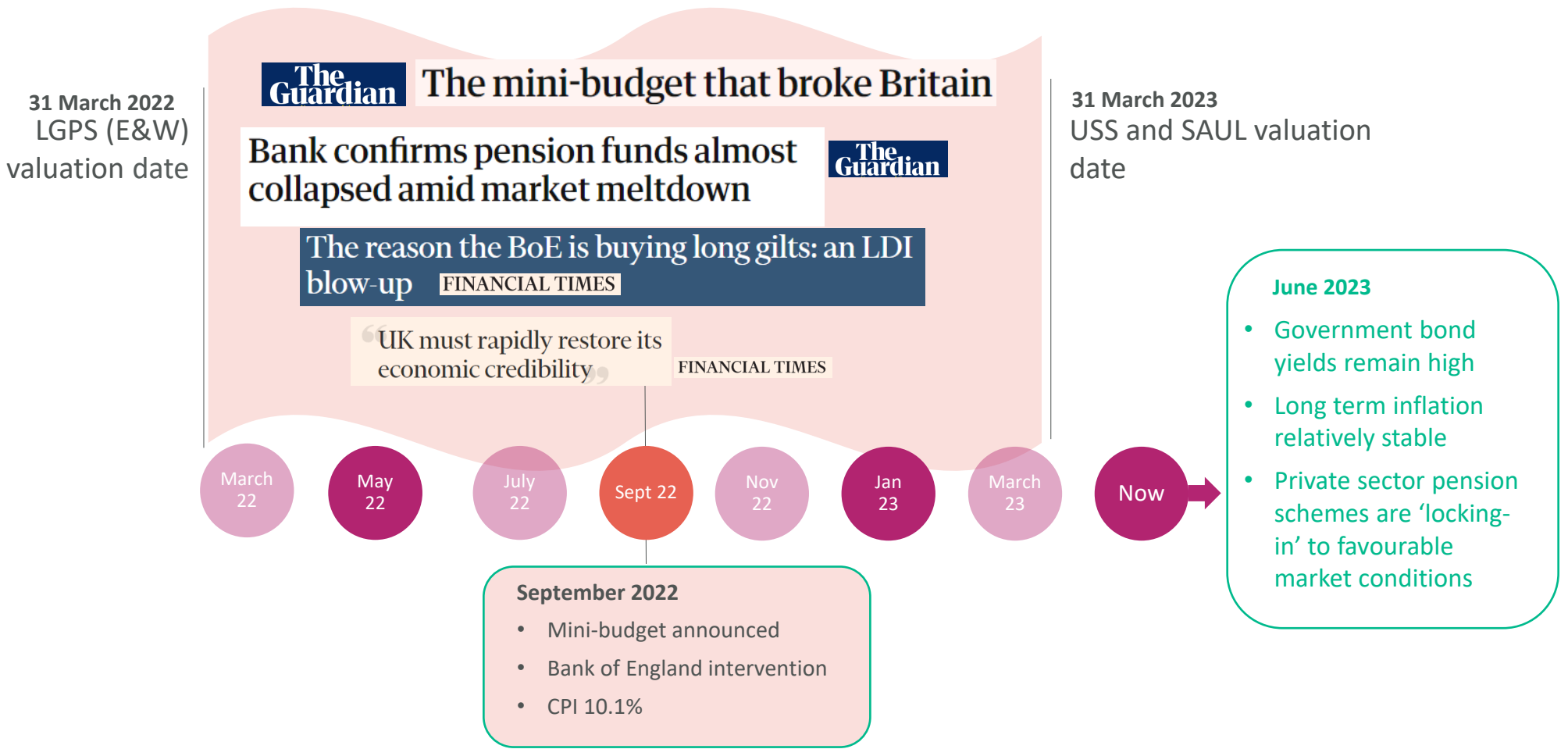
[sophie.ash@isio.com](mailto:sophie.ash@isio.com)

# Overview of Higher Education pension schemes

	Academics	Non-academics	
		Senior grades	Lower grades
Post 92	<p>Teachers' Pension Scheme (TPS)</p> <p>Fully defined benefit - unfunded</p> <p><i>(some staff may be in USS)</i></p>	<p>Local Government Pension Scheme (LGPS)</p> <p>Fully defined benefit - funded</p> <p><i>(some staff may be in Defined Contribution schemes)</i></p>	
Pre 92	<p>Universities Superannuation Scheme (USS)</p> <p>Defined Benefit up to a salary level of c£40,000</p> <p>Defined Contribution on remaining salary</p> <p><b>('exclusivity rule')</b></p>	<ul style="list-style-type: none"> <li>• Defined Benefit – open / closed to new / closed outright, including SAUL</li> <li>• Defined Contribution</li> </ul>	

:

# Since 31 March 2022: (latest USS formal update and LGPS valuation)



# Interest rates driving an increase in government bond yields



March 2022 = c1.8%

June 2023 = c4.5%

Source: Bank of England government bond yields 20 year maturity

Illustration of impact on liabilities

31 March 2022

**£300m**  
liability

↓

2 May 2023

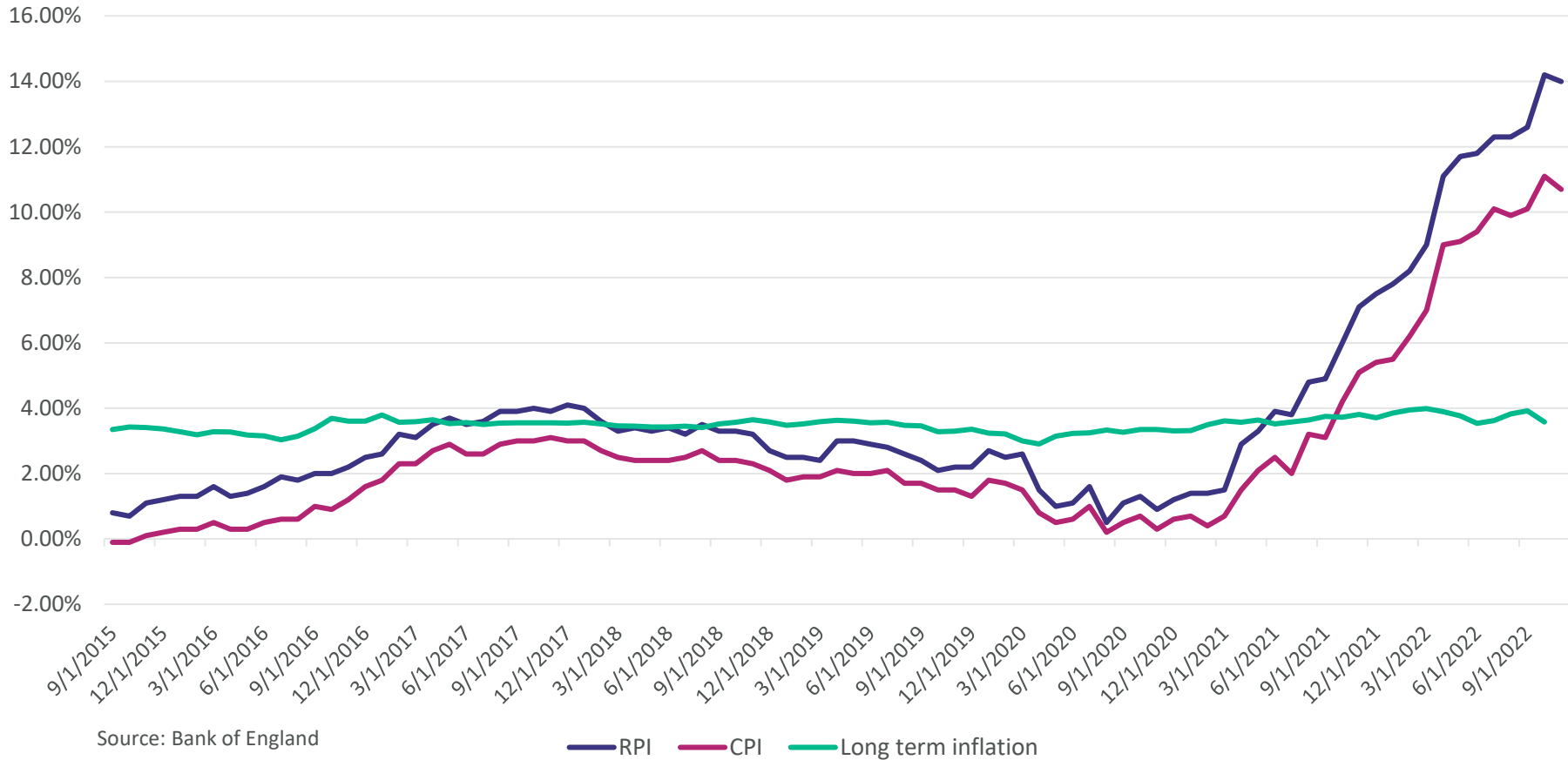
**£190m**  
liability

Reduced by more than a third

*Isio analysis for a scheme with a 20 year duration*



# Inflation



## USS – 31 March 2023 valuation

Monitoring results	Valuation	Monitoring		Monitoring
	31-Mar-20	31-Mar-23	Change	31-Dec-22
Assets (£bn)	66.5	<b>73.7</b>	+7.2	<b>71.4</b>
Technical Provisions liabilities (£bn)	80.6	<b>66.1</b>	-14.5	<b>66.4</b>
Technical Provisions deficit (£bn)	14.1	<b>-7.6</b>	-21.7	<b>-5.0</b>
Future service cost	25.2%	<b>17.5%</b>	-7.7%	<b>17.9%</b>
Deficit recovery contribution	6.2%	<b>0.0%</b>	-6.2%	<b>0.0%</b>

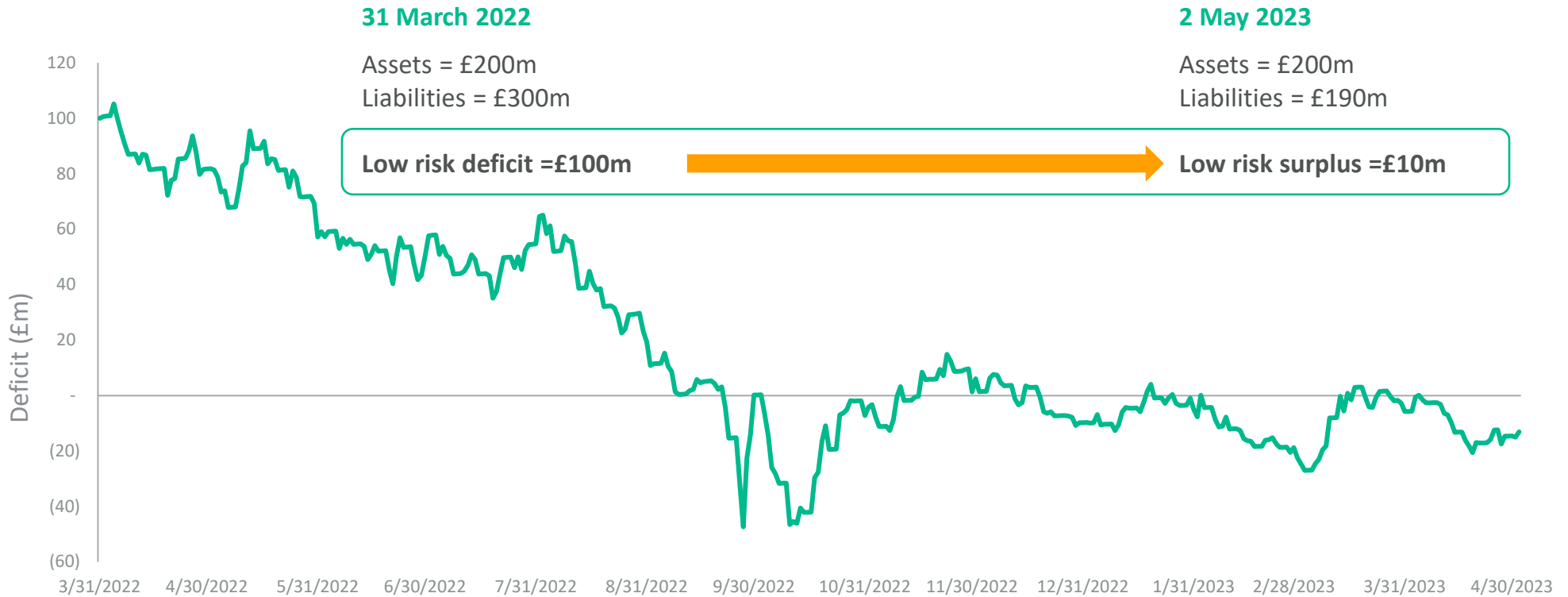
“...it may be possible to increase benefits, decrease contributions, or do a combination of both”

Source: USS, Financial Management Plan as at 31 March 2023 and 31 December 2022

...what else might be possible?

# LGPS 'low risk' deficits are disappearing

Illustration of how the 'low risk' position on for an employer in an example LGPS fund has moved since 31 March 2022



Source: Isio analysis

Based on an illustrative LGPS employer with £200m assets invested 80% in equity, 12% bonds and 8% cash and other, on a government bond based discount rate

# Teachers' Pension Scheme – 31 March 2020 valuation

Current TPS employer rate is **23.68%**

Valuation underway as at 31 March 2020 (every 4 years)

30 March 2023 statement:

*"The government concluded that a methodology based on **long-term future GDP growth** expectations, as set by the OBR, best met the balance of objectives."*

CPI+1.7% is the new SCAPE\* rate, **reduced** from CPI + 2.4%

**...what might this mean? A rate of 5 - 7% more? close to 30%...from April 2024**

Short term: Lobbying DfE to finance the additional cost

Medium term: Explore options to mitigate impact

- proportionate participation?
- utilising subsidiaries?
- preference for sector-wide solution?

\* *SCAPE: Superannuation Contributions Adjusted for Past Experience*

# Opportunities and challenges



University 'own schemes': The Pension Regulator's new funding code



Student Union Superannuation Scheme (SUSS) – valuation 30 June 2022



McCloud (TPS, LGPS, NHSPS)



Cost of living crisis – impact on employees and options



USS – Capita cyber incident

# Employee financial well-being and communications

← Money Health Check

Your score

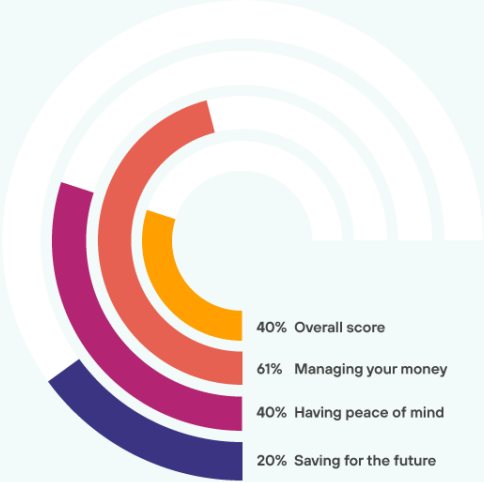
### Thank you for completing your Money Health Check

Based on your answers we have selected the following key areas for you to think about. [Download the PDF document](#) to find out more.

- Managing your money
- Life insurance
- Wills & nomination forms
- Pensions overview
- Retirement planning

← Back to the home page

### YOUR FINANCIAL WELLBEING SCORE



↓ Download your summary

Any questions?



**06**

# **Financial Sustainability**

Marc Finer and Margaret Daher



# Feeling the Squeeze: cost pressures in HE in 2023

Universities continue to face persistent cost pressures:

## Long-standing challenges

- More pressure than ever to deliver 'value for money'
- Continued competition for home students
- Aisling infrastructure (both physical and digital)
- Costs of retaining students

## Current challenges

- Record energy and commodity prices
- Rising interest rates
- Unprecedented wage inflation
- Post-Covid-19 adaptation / recovery
- Supply chain pressures
- War for talent and the 'Great Resignation'

## Challenges on the horizon

- Home tuition fee stagnation
- Changing nature of teaching, learning and researching
- Impact of digital/blended learning and working
- Threats to international student recruitment
- Cost of living crisis amongst staff and students
- Challenges of casualisation and industrial action

Addressing inefficiencies, when combined with investment in technology, can be a key part in improving service quality:

- ✓ More efficient and effective ways of working amongst staff
- ✓ Faster and more reliable advice and support for students
- ✓ Fewer manual tasks and less duplication
- ✓ Opportunities for support services to be proactive rather than reactive
- ✓ Freed-up cash for reinvestment where it really matters

# The pursuit of financial sustainability can start in different places

Universities can approach their journey to financial sustainability from multiple starting points, and will want to balance institutional need with the (often long) lead times to deliver benefits.



**07**

**TRAC**

Andrew Bush

# The Transparent Approach to Costing

## Why are we talking about TRAC?

- Institutions are not following / correctly understanding the governance requirements in TRAC
- UKRI are reviewing TRAC closely
- Material non-compliance can have a financial consequence
- Senior Finance staff have an important role to ensure compliance with TRAC requirements



# What are the key governance requirements



## Chapter 2 of the TRAC Guidance ([www.trac.ac.uk](http://www.trac.ac.uk))

### Key groups:

- TRAC Oversight Group
- Committee of the Governing Body

### Summary of the journey to submitting the TRAC return:

- Planning the process
- TRAC Oversight Group contributes to development of the process
- Committee of the Governing Body (i.e. Audit / Finance committee) is assured that the process to be followed will comply with TRAC requirements –or- that an action plan is established to address areas of non-compliance
- TRAC Practitioner collates data and produces draft return
- Reasonableness checks, self assessment against TRAC requirements and Assurance reminders document undertaken
- TRAC Oversight group reviews draft return (sometimes several times), reasonableness checks, self assessment against TRAC requirements and Assurance reminders document and recommends for approval and submission
- Accountable Officer approves TRAC return
- TRAC return submitted

# So what can go wrong regarding governance?

**01**

Committee of the governing body not meeting until after the TRAC submission

**02**

Committee of the governing body meeting before benchmarking was issued

**03**

Definition of a Committee of the governing body not followed

**04**

No involvement of a Committee of the governing body

# Change to TRAC Guidance for 2020-21 submission onwards

## BEFORE 2020/21 TRAC returns:

TRAC Oversight Group REVIEWED the TRAC Return



## 2020/21 TRAC returns ONWARDS:

TRAC Oversight Group APPROVE the TRAC Return

Committee of the governing body APPROVED the TRAC Return



Committee of the governing body APPROVE the process for producing the TRAC Return

Accountable Officer signed off the TRAC Return



Accountable Officer signs off the TRAC Return

### NOTE:

- TRAC Return can still be approved before submission by Committee of the governing body, but still requires a Committee of the governing body to approve the PROCESS
- Submitting the TRAC return to a Committee of the governing body does NOT replace the requirements at 2.1.5.22 of the guidance

# Reminder of other issues to engage with

Pension adjustments

Valuation of financial instruments

Endowments

Changes in asset values

The Margin for Sustainability  
and Investment



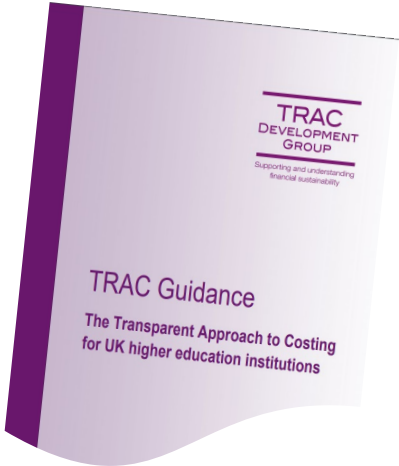
# Useful sources of reference

TRAC Guidance: [www.trac.ac.uk](http://www.trac.ac.uk)

Assurance reminders checklist – Annex 2.1b: [www.trac.ac.uk/tracguidance/](http://www.trac.ac.uk/tracguidance/)

TRAC Helpdesk: 0115 935 3400 or email: [trachelpdesk@kpmg.co.uk](mailto:trachelpdesk@kpmg.co.uk)

Regional groups: [www.trac.ac.uk/contact/regional/](http://www.trac.ac.uk/contact/regional/)



TRAC DEVELOPMENT GROUP  
Supporting and understanding financial sustainability

TRAC Guidance  
The Transparent Approach to Costing  
for UK higher education institutions

TRAC assurance reminders checklist, December 2022

### Annex 2.1b – TRAC assurance reminders checklist

#### Introduction

The aim of this checklist is to provide a number of reminders to help institutions identify potential areas of non-compliance and take corrective action ahead of submitting their TRAC return. The checklist does not represent new guidance. This checklist is for reference and support, and its use is not a requirement in itself.

The checklist also consolidates all the 'What could go wrong' sub-sections of the TRAC guidance. The reminder checklist will be useful to various stakeholders:

- TRAC practitioners will find the summary a useful reminder when reviewing their approach against the full TRAC statement of requirements. The reminder checklist includes specific references to the TRAC guidance.
- TRAC oversight groups will be able to consider these issues in their reasonableness checking of the TRAC return.
- Internal auditors will be able to ensure that their reviews consider the common areas of non-compliance.

If you have any questions about the reminder checklist, or indeed any questions about the TRAC process, contact the TRAC support unit on 0115 935 3400 or [trachelpdesk@kpmg.co.uk](mailto:trachelpdesk@kpmg.co.uk).

**Q&A**



# Closing remarks

Thank you



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