

CLASSIFICATION - PUBLIC

This paper will be published

SRA Compensation Fund 2022 Financial Statements

Reason for papers	To present the Compensation Fund Financial Statements and Letter of Representation for the year ending 31 October 2022.
Decisions(s)	<p>The Board is asked to:</p> <ul style="list-style-type: none"> a) approve the Compensation Fund financial statements for 2022 prepared on a going concern basis (annex 1) b) agree the Letter of Representation (annex 2) can be signed on behalf of the Board c) agree to reappoint BDO as auditors of the SRA Compensation Fund for the 2023 financial year.
Previous Board and committee consideration	The Compensation Fund financial statements are presented to the Board each year. The information within this paper was discussed at the Audit and Risk Committee on 2 March 2022.
Next steps	Once approved the financial statements will be published on the SRA website.

If you have any questions about this paper, please contact Liz Rosser, Executive Director Resources, liz.rosser@sra.org.uk

CLASSIFICATION - PUBLIC**SRA Compensation Fund 2022 Financial Statements****Purpose**

- 1 This paper presents the Compensation Fund financial statements and Letter of Representation for the year ending 31 October 2022. The information within this paper was discussed at the Audit and Risk Committee on 2 March 2023.

Summary

- 2 As part of the year end external audit process, the SRA Board is asked to approve the 2022 year-end Financial Statements on a going concern basis and to approve signing of the Letter of Representation to the auditors. This Letter of Representation requires the approver to make representations based on enquiries of management and staff with relevant knowledge and experience and, where appropriate, inspection of supporting documentations sufficient to allow the approver to properly make the representations.
- 3 The Compensation Fund accounts for 2022 show a surplus for the year of £3.6m, compared with a deficit of £10m in the previous year. After a deliberate reduction in the balance on the fund in recent years, the reserves are now at a level where we would expect them to remain relatively stable over time.
- 4 The balance in the fund at the end of the financial year was £54.2m, increased from £50.6m at the end of the previous year. The fund is considered a going concern and a going concern assessment has been prepared to support this statement. This is attached as annex 4.

Next steps**Recommendations: the Board is asked to**

- a) **approve the financial statements for 2022 prepared on a going concern basis**
- b) **agree the Letter of Representation can be signed on behalf of the Board**
- c) **agree to reappoint BDO as auditors of the SRA Compensation Fund for the 2023 financial year.**

Next steps

- 5 Once approved the financial statements of the Fund will be published on the SRA website.

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Date 7 March 2023



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Annexes

- Annex 1 SRA Compensation Fund 2022 Financial Statements**
- Annex 2 Letter of Representation**
- Annex 3 Summary of sources of assurance obtained – Letter of Representation**
- Annex 4 Going concern assessment**

NB: annexes 2 to 4 will not be published because they are commercially sensitive and/or include legal or other professional advice on sensitive or confidential matters.