

TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 9

TEESSIDE PENSION BOARD REPORT

31 MARCH 2026

CORPORATE DIRECTOR OF FINANCE – ANDREW HUMBLE

AUDIT COMPLETION REPORT 2024/25

1. PURPOSE OF THE REPORT

- 1.1 To provide Members of the Teesside Pension Board (the Board) with the Audit completion report from the external audit of the Pension Fund for year ended March 2025 carried out by Forvis Mazars.

2. RECOMMENDATION

- 2.1 That Members note the report.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications arising from this report.

4. BACKGROUND

- 4.1 Forvis Mazars have now completed their audit of the Funds financial statements for 2024/25. The attached draft results report was issued at the start of the February with some audit work to finish before completion in time to meet the statutory deadline.
- 4.2 The draft report anticipated issuing an unqualified opinion subject to satisfactorily concluding the remaining audit work. Before the final audit certification it was identified that additional information around a leasing note should have been disclosed in the financial statements and the audit opinion has been qualified on that issue.
- 4.3 This is the first complete audit of the Fund by Forvis Mazars and they have identified several disclosure misstatements presenting information in a slightly different way from previous financial statements in order to conform with accounting standards.
- 4.4 There is an adjusted misstatement arising from valuations from Fund managers being received after the financial statements were produced and before the audit was completed. These timing differences are completely normal with the Level 3 investments made by the Fund.

- 4.5 Several recommendations have been made by the auditor to improve internal controls. These will be taken into account in restructuring the Pensions Team and in planning for and producing the 2025/26 financial statements.

5. AUDIT CERTIFICATION

- 5.1 The Auditor identified that there was an issue with a leasing note in the financial statements as they were concluding their audit.
- 5.2 With insufficient time to produce the leasing note before the backstop date for publishing, the auditors have qualified their opinion of the pension financial statements. The issue identified by the auditor is long standing and should have been picked up in previous years accounts preparation and external audits.
- 5.3 It is expected that a clean audit opinion can be achieved for 2025/26.

6. NEXT STEPS

- 6.1 The Fund Annual Report including the audit opinion will be published on the Funds website.
- 6.2 The internal control recommendations identified by external audit will be acted upon. More time has been built into the financial statements closedown timetable to undertake additional quality assurance.
- 6.3 An internal audit to review financial closedown processes has been built into the audit plan prior to the external audit taking place.

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