

TEESSIDE PENSION FUND

Administered by Middlesbrough Council

PENSION FUND COMMITTEE REPORT

17 JUNE 2026

CORPORATE DIRECTOR OF FINANCE – ANDREW HUMBLE

AUDIT STRATEGY MEMORANDUM 2025/26

Proposed Decision(s)

That Members note the report.

Executive summary

This report presents the Draft Audit Strategy Memorandum report for the external audit of the Pension Fund for year ended March 2026 to be carried out by Forvis Mazars.

Forvis Mazars will complete the audit of the Pension Fund financial statements based on this Audit Strategy and give their audit opinion by the statutory deadline of 31 January 2027.

1. Purpose of the Report

- 1.1 To provide Members with the Draft Audit Strategy Memorandum report for the external audit of the Pension Fund for year ended March 2026 to be 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 are the external auditors for Middlesbrough Council and the Pension Fund. The attached draft report describes their plans to carry out the audit of the Pension Fund financial statements for the year ended 31 March 2026. (Appendix 1)
- 4.2 The draft report describes the audit scope, approach and timelines, audit risks, materiality levels and fees which are set by Public Sector Audit Appointments (PSAA).
- 4.3 The English Devolution and Community Empowerment Act 2026 includes enabling provisions at Part 4 section 98 which will allow separation of Pension Fund audits from that of the Administering Authority. A Statutory Instrument (SI) is needed to put in place the requirement for a separate statement of accounts for the Pension Fund. The SI will will

include the commencement date for separation which in theory could take place for 2025/2026 statements but practicalities are likely to mean separation takes place for the Pension Fund Statements year ended 31 March 2027.

- 4.4 Separation of the Pension Fund financial statements will have the advantages of reducing the size and complexity of the Council's financial statements and will mean the Pension Fund statements audit certification will not be held up by any issues with the Council's audit.

5. Next Steps

- 5.1 The Pension Fund External Audit Plan will also be presented to Audit Committee.
- 5.2 The Pension Fund will prepare a set of financial statements for inclusion in the Administering Authority, Middlesbrough Council's, Statement of Accounts for the statutory deadline of 30 June 2026. The Pension Fund financial statements and Draft Pension Fund Annual Report 2025/2026 will be presented to a future Pension Committee.
- 5.3 Forvis Mazars will complete the audit of the Pension Fund financial statements based on this Audit Strategy and give their audit opinion by the statutory deadline of 31 January 2027.
- 5.4 The Pension Fund Annual Report including the audit opinion will be published on the Funds website.

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