

Title of Report	2024-25 Pension Fund Accounts and Audit Outcome Report
For Consideration By	Pensions Committee
Meeting Date	30 March 2026
Classification	Public
<u>Ward(s) Affected</u>	All
<u>Group Director</u>	Naeem Ahmed, Group Director Finance & Corporate Resources
<u>Report Author</u>	

1. **Introduction**

- 1.1. This report presents the 2024/25 Pension Fund Annual Report and Audited Statement of Accounts. This concludes the 2024/25 audit.

2. **Recommendations**

2.1. **The Committee is recommended to:**

- **Note the audited 2024/25 pension fund accounts and unqualified audit opinion**
- **Note the audit recommendations**

3. **Related Decisions**

- 3.1. Pensions Committee 25 November 2025 - Pension Fund Draft Annual Report & Accounts 2024/25
- 3.2. Pensions Committee 13 November 2024 - Pension Fund Annual Report & Accounts 2023/24.
- 3.3. Under the Local Government Pension Scheme Regulations 2013, regulation 57 administering authorities of Local Government Pension Scheme (LGPS) funds are required to prepare a pension fund annual report. This therefore meets the requirements of the Regulations, the Local Government Pension Scheme Advisory Board (SAB) as well as wider stakeholders who have an interest in the Fund.
- 3.4. The pension fund accounts audit ensures there is adequate oversight of the issues impacting Hackney Pension Fund and serves to ensure good governance and compliance with the Local Government Pension Scheme

Regulations and other relevant legislation and guidance.

4. **Background to the report**

- 4.1. The Pension Fund Annual Report, including the Statement of Accounts, is brought to the Committee each year for approval. The audited report for 2024/25 is enclosed as Appendix 1 to this report. The Fund's assets were valued at £2.1bn at 31 March 2025.
- 4.2. The Accounts and Audit Regulations 2015 require local authorities to produce unaudited accounts by 30 June following the year end. For LGPS administering authorities, the Pension Fund's Statement of Accounts (SOA) forms part of the Council's Statement of Accounts. These are audited by the Council's external auditor, Forvis Mazars. The auditor confirms whether, in their opinion, the SOA reflects a true and fair view of the financial position of the authority (and the Fund within it) for the financial year 1 April to 31 March and whether the SOA is free from material mis-statement.
- 4.3. The accounts are based on transactions accounted for within the Fund's financial ledger, information received from Investment Managers and the Fund's Custodian Northern Trust, and assumptions and estimations utilising the professional judgement of officers and Fund professional advisers to give a true and fair statement of the Fund's financial position.
- 4.4. The publication of the accounts is an essential feature of public accountability and stewardship as it provides information on how the Fund has used the members' funds for which it is responsible. The structure and content of the Annual Report is governed by the new guidance issued by the Scheme Advisory Board in compliance with Regulation 57 of The Local Government Pension Scheme Regulations 2013 (as amended).
- 4.5. The findings and feedback (Appendix 5) were presented to the Audit Committee on 24 February. A follow up letter was issued by Forvis Mazars to communicate the conclusion of those matters that were marked as outstanding within the Audit Completion Report dated February 2026 and presented to the Audit Committee on 24th February 2026.
- 4.6. The Pension Fund Statement of Accounts has been subject to external audit fieldwork and Mazars offered a separate audit opinion on the Pension Fund's Annual Report and Statement of Accounts within the document, this is set in Appendix 4: Independent Auditor's Statement to members of London Borough of Hackney on the Pension Fund Financial Statements included within the Pension Fund Annual Report.
- 4.7. The Pension Fund's financial statements give a true and fair view of the financial position of the Pension Fund and its income and expenditure for the year ended 31 March 2025; and

- properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.”
- The audit opinion is included in Appendix 2 to this report.

4.8. There are the following matters identified during audit:

- Journals testing in the Council audit identified 7 instances in which the journal inputter’s user ID was the same as the reviewer ID.

As the Pension Fund uses the same financial system as the Council, Forvis Mazars have also reported this control issue in the Pension Fund ACR.

This was caused by a system fault in CedAR e5, where the reviewer ID overwrites the initial poster ID. Mazars could not ascertain how many journals overall may be impacted by this issue. There were no indications of management override of controls or fraud in the journals selected for testing because they had the same user and approver. The journal upload templates provided act as an additional level of control where the original uploader is recorded, and the CedAR journal upload receipt issued to the poster can be reviewed. Mazars noted in their report the Council is working to update the system in order that this glitch does not persist in the next financial year.

- Disclosure misstatements identified and corrected by management: two pension fund investments in BlackRock classified a financial instrument level 1 investment rather than level 2 were reclassified as level 2 consistent with the appropriate fair value classification with IFRS13. The 2023/24 comparator notes in the pension fund accounts were also amended. While the commercial property fund invested with CTI classified as level 2 was amended to level 3. Both note corrections involved prior year note changes.

5. **Financial implications**

5.1. The Pension Fund Annual Report and Accounts sets out the financial position of the Pension Fund as at 31st March 2025 and acts as the basis for understanding the financial wellbeing of the Pension Fund. It enables Members to manage and monitor the Scheme effectively, helping to ensure that they are able to fully understand the financial implications of the decisions they make.

5.2. The Pension Fund is a separate statutory fund, with income primarily from employer and employee contributions and investment returns. Total Fund assets were £2.1bn as at 31 March 2025. The Fund paid out £80.642m in benefits during the year and received £85.770m in contributions.

Financial Implications prepared on behalf of the Group Director Finance & Corporate Resources by: Deidre Worrel, Director Financial Management
Email: deidre.worrell@hackney.gov.uk
Date: 19 March 2026

6. **Legal implications**

- 6.1. Pursuant to the Local Government Pension Scheme (Administration) Regulations 2013 (“The Regulations”), the Council, in its capacity as the administering authority for the pension fund, is obliged to prepare a pension fund annual report. The report must be published by 1 December following the year end and must be prepared in line with the Regulations and with regard to guidance published by the Secretary of State. The requirements specified in the Regulations are set out in paragraph 6.1 of this report.
- 6.2. The Council’s Constitution makes it the responsibility of the Pensions Committee to receive and approve the Annual Report prior to publication.

Legal implications prepared on behalf of the Director of Legal, Democratic & Electoral Services by: Georgia Lazari , Team Leader-Places
Email: georgia.lazari@hackney.gov.uk
Date: 16 March 2026

Appendices

- Appendix 1 - Pension Fund Annual Report and Accounts 2024/25 (Audited)
Appendix 2 - Independent Auditor’s Report
Appendix 3 - Pension Fund Audit Completion Report Follow Up Letter
Appendix 4 - Independent Auditor’s Statement on Pension Fund Statements included within the Pension Fund Annual Report
Appendix 5 - Audit Completion Report 25 February 2026

Background documents

None