

Title of Report	2025/26 Pension Fund Accounts Audit Plan
For Consideration By	Pensions Committee
Meeting Date	24 June 2026
Classification	Open
Ward(s) Affected	All
Group Director	Naeem Ahmed, Group Director Finance & Corporate Resources
Report Author	Miriam Adams, Assistant Director Pension Investments and Administration miriam.adams@hackney.gov.uk

1. **Introduction**

- 1.1. This report provides the Committee with the 2025/26 Pension Fund Accounts External Audit Plan from Forvis Mazars, the Fund's external auditor. The report outlines the planned work, risks, audit scope and timing.

2. **Recommendations**

- 2.1. **The Pensions Committee is recommended to:**
- 2.2. **Note the 2025/26 Pension Fund External Audit Plan by Forvis Mazars.**
- 2.3. **Note that progress against the plan will be reported to future meetings of the Committee and Audit Committee.**

3. **Reason(s) for decision**

- 3.1. Forvis Mazars were appointed as the Council's external auditors via Public Sector Audit Appointments (PSAA).

4. **Background**

- 4.1. Forvis Mazars act as Hackney Pension Fund's external auditors to provide an audit opinion on:
- Whether the financial statements of Hackney Pension Fund give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2026 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2026; and
 - The consistency of the Pension Fund financial statements within the Pension Fund annual report and with the published financial statements of Hackney Council.

- 4.2. As the external auditors they have produced a plan of the upcoming 2025-26 audit of the Hackney Pension Fund.
- 4.3. The audit plan sets out the parameters and work they intend to deliver as part of this year's external audit of the Pension Fund accounts.
- 4.4. The report covers:
- Engagement and responsibilities
 - The audit team
 - Audit scope
 - Approach and timeline
 - Materiality and misstatements
 - Significant risks and other key judgement areas
 - Audit fees and other services
 - Confirmation of independence
- 4.5. In producing the External Audit Plan for 2025/26, Fovis Mazars have undertaken interim audit work.

Fees for Work as the Pension Fund's Appointed Auditor

- 4.6. The fees are designed to reflect the time, professional experience, and expertise to perform the audit. The main aspects impacting upon the fee this year compared to the prior year are higher scale fees by PSAA which now include the additional work required for auditing standards, ISA 240 and ISA315.

Area of Work	2025/26 Proposed Fee £	2024-25 Actual Fee £
Core Audit Work	£80,223	£83,963
Additional fee for testing of the triennial valuation membership data	TBC	-
Additional fees for work on level 3 investments and delays in delivery of audit evidence		£12,790
TOTAL FEES	£80,223	£96,753

Materiality

- 4.7. Materiality is set to a threshold of 1% of net assets. As set out in the table below, based on the prior year audited financial statements mazars anticipate overall materiality for the year ended 31 March 2026 to be in the region of £21.198m (£20.500m in the prior year), and performance materiality to be in the region of £16.958m (£16.400m in the prior year).

	2025-26 £'000s	2024-25 £'000s
Overall materiality	21,198	20,500
Performance materiality	16,958	16,400
Clearly trivial	636	615
<i>Specific Fund Account materiality:</i>		
Overall materiality	8,577	8,200
Performance materiality	6,862	6,600
Clearly trivial	257	247

5. **Financial Implications**

- 5.1. This report does not have any direct resource implications beyond the audit fee included in the plan which is charged fully to the Pension Fund.
- 5.2. The external audit of the accounts for the Council and the Pension Fund is a key mechanism for the provision of assurance on the Council's financial management arrangements.

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: 15th June 2026

6. **Comments of the Director of Legal, Democratic and Electoral Services**

- 6.1. The audit plan highlights the area of risk covered by the external audit work and details of quality control established to provide assumptions of compliance with regulatory and legal requirements.
- 6.2. The Council has a statutory duty to publish financial accounts and engage in the external audit process.

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: 15th June 2026

Appendices

Appendix 1 - 2025/26 Pension Fund Audit Plan

Background documents

None