

ITEM NO: 14(a)

Report To: Greater Manchester Pension Fund Management Panel

Date: 2 October 2015

Reporting Officer: Peter Morris, Executive Director of Pensions

Subject: **AUDIT FINDINGS REPORT AND LETTER OF REPRESENTATION**

Report Summary:

The Employer Funding Working Group gave detailed consideration to the accounts at its meeting on 7 August. The Working Group (as required by International Standards on Auditing) reviewed the reasonableness of significant assumptions for estimates to be used in the accounts and approved the bases applied. An Urgent Matters meeting was held on 2 September to approve the accounts.

The Fund's Auditors Grant Thornton also attended the Urgent Matters meeting. Mark Heap of Grant Thornton presented his **draft** report. He also presented his report to the Audit and Risk Committee of the Council on 21 September 2015. This report and the management response was noted. The final Audit Findings Report is attached at **Appendix 1**.

The Auditor's report is very positive for the Fund with no significant findings or required amendments to the statements.

Grant Thornton have issued two reports on the financial statements of the Fund covering:

- (i) the Fund's financial statements as covered in the Fund's Annual Report; and
- (ii) the Fund's financial statements included within the administering authority's accounts.

As part of the Audit process Grant Thornton wrote to the Director of Pensions and the Chair of the Management Panel requesting :

- (i) detail on the management processes to prevent and detect fraud and to ensure compliance with law and regulation relating to operational issues as well as the financial statements
- (ii) details on how the Governing Body, (Pensions Management Panel) maintains oversight of these management processes.

This Urgent Matters Panel on 2 September approved the letter of representation (attached at **Appendix 2**) to be signed by the Director on behalf of the Pension Fund on 21 September following the Audit and Risk Committee.

A copy of the management letter to Grant Thornton and Chairs response to the schedule of questions is attached at **Appendix 3 for information**.

Recommendations:	(1) That the report of Grant Thornton be noted. (2) That the Letter of Representation and the Management Letter be noted.
Policy Implications:	None.
Financial Implications: (Authorised by the Section 151 officer)	The Annual Report and Accounts is the key financial reporting document, summarising the transactions in the year and the value of the Fund as at 31 March 2015. There are no material financial issues arising from this report.
Legal Implications: (Authorised by the Borough Solicitor)	The annual report regulations and related national technical guidance require a separate opinion to be issued on the Pension Fund's accounts.
Risk Management:	The external audit provides a further important layer of review on the Fund's activities, focussing on its financial statements.
Background Papers:	For any further information please contact Paddy Dowdall, Assistant Executive Director of Pensions (Property and Local Investment) on 07811136164 or email paddy.dowdall@tameside.gov.uk