

Report To: **AUDIT PANEL**

Date: 30 May 2017

Reporting Officers: Paddy Dowdall, Assistant Director of Pensions (Local Investments and Property)
Ian Duncan, Assistant Executive Director (Finance)

Subject: **GMPF STATEMENT OF ACCOUNTS 2016-2017 GOVERNANCE ARRANGEMENTS**

Report Summary: This report aims to inform Members of the governance arrangements for approval of the accounts for Greater Manchester Pension Fund (GMPF) as part of the accounts of Tameside MBC as administering authority. Secondly, the report asks Members to note the key assumptions for estimates used in the GMPF accounts

Recommendations:

- (i) To note the governance arrangements for approval of GMPF accounts.
- (ii) To note the assumptions for estimates used in the GMPF accounts.

**Financial Implications:
(Authorised by the Section 151 Officer)** As the administering authority, Tameside MBC (the Council) has important responsibilities in relation to the Greater Manchester Pension Fund. However, as the largest fund in the Local Government Pension Scheme, GMPF also has significant resources it deploys to meet those responsibilities. This paper sets out where the responsibilities lie.

The assumptions used for valuing assets will have an impact on the value of assets reported in the accounts. In most circumstances the impact is unlikely to be material. For equities and bonds a bid basis is used that results in a more prudent outcome (v mid or offer basis).

**Legal Implications:
(Authorised by the Solicitor to the Fund)** The administering authority must produce an annual report and accounts.

Risk Management: GMPF's accounts are used to provide information to a variety of users and for a variety of purposes. The accuracy of the statements is critical in the determination of employer costs and there are clearly reputational issues relating to the validity of the accounts. The audit process provides reassurance on the integrity of the statements and mitigates against the possibility of material misstatement

Access to Information: **NON-CONFIDENTIAL**

This report does not contain information which warrants its consideration in the absence of the Press or members of the public.

Background Papers: The background papers used in the preparation of this report were:-

1. The 2016/2017 Financial Ledger
2. Closure Working Papers
3. GMPF Statement of Accounts 2016/2017

Any enquiries should be directed to Tracey Boyle, 0161-301-7116 (email: tracey.boyle@tameside.gov.uk)

1. INTRODUCTION

1.1 This report covers two sections:-

- Governance Arrangements for the approval of the accounts;
- Noting of the on-going key assumptions made in compiling the accounts

1.2 The governance arrangements for approval of the accounts have been brought forward this year as a consequence of changes for the statutory deadlines for local authorities to produce their accounts in 2018.

2. GOVERNANCE ARRANGEMENTS

2.1 The key decision making body for GMPF is the Management Panel which approves the GMPF accounts and formal letters required by the external auditor. It also receives external audit reports.

2.2 The key decision making bodies for the Council are the Audit Panel, which receives accounting policies reports for both GMPF and the Council and the Overview (Audit) Panel which receives the report of the external auditor following the audit of the accounts. The Council retains overall responsibility for the accounts of both, and the follow-up on the audit reports received for both, but in practice delegates the responsibility for GMPF to GMPF.

2.3 The provisional timetable for approval of the accounts and audit reports by these bodies for 2016-2017 is outlined in the table below.

Date	Group	Stage
21 April 2017	Employer Funding Working Group	Noting of continued key assumptions and updated governance arrangements (GMPF)
30 May 2017	Audit Panel	Approval of key assumptions and noting of governance arrangements (TMBC and GMPF)
21 July 2017	GMPF Management Panel	Approval of final accounts, annual report and audit report (GMPF)
31 July 2017	Overview (Audit) Panel	Approval of final accounts, annual report and audit report (GMPF and TMBC)

2.4 The plan this year, in preparation for the legal requirement from 2017-2018 is that the pre-audit accounts of both the Council and GMPF are signed off by the S151 officer of the Council by 31 May 2017.

2.5 The review by the external auditors commences thereafter. Grant Thornton LLP provide the external audit contract for both, but a separate team conduct the GMPF audit due to the specialist and technical demands of LGPS accounts.

2.6 We are looking to comply with the post 2017-2018 arrangements a year early so the aim is for the process to be complete by 31 July 2017.

3. CONTINUED KEY ASSUMPTIONS

3.1 The key continuing assumptions used in production of the accounts will be disclosed in note 2 of the GMPF accounts when produced:-

- Accruals basis
- Fair value for investments

- Market prices at bid where possible
- For non-listed assets, compliance with accounting standards and best practice
- Liabilities in compliance with International Accounting Standard 19 (IAS19)
- Continued phased implementation of CIPFA's guidance on accounting for management costs in the LGPS

4. RECOMMENDATION

- 4.1 To note the governance arrangements for the approval of GMPF's accounts.
- 4.2 To note the continued assumptions for estimates to be used in the GMPF Statement of Accounts.