

Report To:	Greater Manchester Pension Fund Management Panel
Date:	23 September 2016
Reporting Officer:	Sandra Stewart, Executive Director of Governance, Resources and Pensions Paddy Dowdall Assistant Executive Director (Local Investments and Property)
Subject:	GMPF STATEMENT OF ACCOUNTS AND ANNUAL REPORT 2015-2016
Report Summary	This report is submitted for information and Members are asked to note the completion of the governance arrangements previously reported to Panel. It should be noted that the Auditors have given a clean bill of health, the accounts are unqualified and this is a testament to the work undertaken by the Panel.
Recommendations:	Members are asked to note <ul style="list-style-type: none"> (i) The completion of governance arrangements for approval of GMPF accounts (ii) The Audit Findings Report from Grant Thornton (iii) The Annual Report
Policy Implications:	None.
Financial Implications: (Authorised by the Section 151 Officer)	As the administering authority, Tameside MBC has important responsibilities in relation to the Greater Manchester Pension Fund. As the largest fund in the Local Government Pension Scheme, the Fund 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 (compared to mid or offer prices).
Legal Implications: (Authorised by the Solicitor to the Fund)	The administering authority must produce an annual report and accounts in line with statutory provisions.
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:

For further information please contact Paddy Dowdall, Assistant Executive Director – Local Investments and Property, tel 0161 301 7140, email paddy.dowdall@tameside.gov.uk.

1. INTRODUCTION

1.1 This report covers four sections:

- Governance Arrangements for the approval of the accounts;
- Audit Findings Report
- Simplified summary of the accounts for this year.
- Annual Report

2. GOVERNANCE ARRANGEMENTS

2.1 The Management Panel 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 timetable for approval of the accounts and audit reports by these bodies for 2016/17 is outlined in the table below. This meeting is the final stage in the process.

Date	Group	Stage
31 May	Audit Panel	Approval of key assumptions and noting of governance arrangements (TMBC and GMPF)
1 July	GMPF Management Panel	Approval of key assumptions and noting of governance arrangements (GMPF)
1 September	GMPF Urgent Matters Panel	Approval of final accounts, annual report and audit report (GMPF)
12 September	Overview (Audit) Panel	Approval of final accounts, annual report and audit report (GMPF and TMBC)
23 September	GMPF Management Panel	Noting of the approval of final accounts, annual report and audit report

2.4 Financial requirements are that the pre-audit accounts of both TMBC and GMPF must be signed off by the S151 officer of the Council by 30 June.

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

2.6 The audit process is now complete.

3. AUDIT FINDINGS REPORT

3.1 The report from Grant Thornton was received at the Urgent matters meeting on 1 September and by the Overview (Audit) Panel on the 12 September. The report is very positive and no material issues were raised by the auditors. It is attached for information as **Appendix 1**

4. SIMPLIFIED ACCOUNTS SUMMARY

- 4.1 The table below shows the key financial movements during the financial year to 31 March 2016 taken from the pre-audit financial accounts:

	£m	£m	£m
Fund Value at 31 March 2015			17,591
Contributions and Benefits			(110)
Employee contributions	142		
Employer contributions	455		
Pension benefits Paid		(705)	
Net Transfers		(2)	
Management Costs			(19)
Investment		(13)	
Administration		(5)	
Oversight		(1)	
Investments			(137)
Income	319		
Change in market value		(446)	
Total change in value of Fund			(266)
Fund Value 31 March 2016			17,325

5. ANNUAL REPORT

- 5.1 The annual report was approved by the urgent matters panel on 1 September 2016 and can be found at

<http://www.gmpf.org.uk/AR/>

Select the document 2016.pdf

6. RECOMMENDATIONS

- 6.1 To note the completion of governance arrangements for the approval of GMPF's accounts.
- 6.2 To note the Audit Findings Report from Grant Thornton.
- 6.3 To note the approval of the annual report by Urgent Matters Panel on 1 September 2016.