

GREATER MANCHESTER PENSION FUND - LOCAL PENSIONS BOARD

Day: Thursday
Date: 14 January 2021
Time: 3.00 pm
Place: Zoom

Item No.	AGENDA	Page No						
1	APOLOGIES FOR ABSENCE To receive an apologies for absence.							
2	DECLARATIONS OF INTEREST To receive any declarations of interest.							
3	MINUTES To receive the Minutes of the meeting of the Local Pensions Board held on 1 October 2020.	1 - 8						
4	LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 - EXEMPT ITEMS The Proper Officer is of the opinion that during the consideration of the items set out below, the meeting is not likely to be open to the press and public and therefore the reports are excluded in accordance with the provisions of the Schedule 12A to the Local Government Act 1972.							
<table border="1"> <thead> <tr> <th>Item</th><th>Paragraphs</th><th>Justification</th></tr> </thead> <tbody> <tr> <td>6,7,8,9,10,11, 12,13,14,15</td><td>3&10,</td><td>Disclosure would, or would be likely to prejudice the commercial interests of the Fund and/or its agents which could in turn affect the interests of the beneficiaries and/or tax payers.</td></tr> </tbody> </table>			Item	Paragraphs	Justification	6,7,8,9,10,11, 12,13,14,15	3&10,	Disclosure would, or would be likely to prejudice the commercial interests of the Fund and/or its agents which could in turn affect the interests of the beneficiaries and/or tax payers.
Item	Paragraphs	Justification						
6,7,8,9,10,11, 12,13,14,15	3&10,	Disclosure would, or would be likely to prejudice the commercial interests of the Fund and/or its agents which could in turn affect the interests of the beneficiaries and/or tax payers.						
5	GMPF STATEMENTS OF ACCOUNTS AND ANNUAL REPORT 2019-2020 To consider a report of the Director of Pensions / Assistant Director of Pensions (Local Investments and Property).	9 - 32						
6	ADMINISTRATION UPDATE To consider a report of the Director of Pensions / Assistant Director for Pensions (Administration).	33 - 44						

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Louis Garrick, Senior Democratic Services Officer, to whom any apologies for absence should be notified.

Item No.	AGENDA	Page No
7	CYBER SECURITY UPDATE To consider a report of the Director of Pensions / Assistant Director for Pensions (Administration).	45 - 96
8	EXIT PAYMENT CAP To consider a report of the Director of Pensions / Assistant Director of Pensions (Funding and Business Development).	97 - 112
9	SUMMARY OF GMPF DECISION MAKING To consider a report of the Director of Pensions / Assistant Director of Pensions (Funding and Business Development)	113 - 116
10	RISK MANAGEMENT AND BUSINESS PLANNING To consider a report of the Director of Pensions.	117 - 160
11	THE PENSIONS REGULATOR To consider a report of the Director of Pensions / Assistant Director of Pensions (Funding and Business Development) / Assistant Director for Pensions (Administration).	161 - 200
12	NEW REGULATIONS ON EMPLOYER FLEXIBILITIES To consider a report of the Director of Pensions / Assistant Director for Pensions (Funding and Business Development).	201 - 254
13	UPDATE ON GMPF PENSION TAX SUPPORT To consider a report of the Director of Pensions / Assistant Director for Pensions (Funding and Business Development).	255 - 258
14	POOLING UPDATE To consider a report of the Director of Pensions / Assistant Director of Pensions (Funding and Business Development).	259 - 276
15	MANAGEMENT AND AUDIT SERVICES SEPTEMBER 2020 TO DECEMBER 2020 To consider a report of the Head of Risk Management and Audit Services.	277 - 284
16	URGENT ITEMS To consider any additional items the Chair is of the opinion shall be dealt with as a matter of urgency.	

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Louis Garrick, Senior Democratic Services Officer, to whom any apologies for absence should be notified.

GREATER MANCHESTER PENSION FUND - LOCAL PENSIONS BOARD

1 October 2020

Commenced: 15:00

Terminated: 16:50

Present:	Councillor Fairfoull	Employer Representatives
	Paul Taylor	Employer Representatives
	Michael Cullen	Employer Representatives
	David Schofield	Employee Representatives
	Chris Goodwin	Employee Representatives
	Pat Catterall	Employee Representatives

Fund Observer: Councillor Ryan

Apologies for Absence: **Councillor Cooper**
Mark Rayner and Catherine Lloyd

17. DECLARATIONS OF INTEREST

There were no declarations of interest.

18. MINUTES

The minutes of the meeting of the Local Pensions Board on the 30 July 2020 were accepted as a correct record.

19. GMPF STATEMENT OF ACCOUNTS AND ANNUAL REPORT 2019-2020

Consideration was given to the report of the Director of Pensions / Assistant Director for Local Investments and Property. The report outlined the progress of the governance arrangements for the audit of GMPF Accounts 2019/20.

As previously reported, there were changes this year to the governance procedures for approval of the GMPF Annual Report and Accounts due to the impact of the Covid 19 crisis. The deadline for the audit of local government accounts was changed to 30 November 2020. For GMPF, the main concerns were the valuation of illiquid investments caused by acute public market volatility at the year-end date.

The draft GMPF accounts were presented at the last meeting and the audit was close to completion.

The auditors had been conducting their work on the GMPF Audit and IAS 19 assurance during July and August. At the present time, there were no indications of material concerns.

Letters of Assurance from the management of the Fund and those charged with governance would be provided to the auditors.

At completion of audit, a findings report would be agreed with management and would be presented to Tameside MBC Audit Panel ahead of the statutory deadline of 30 November. Following this, the GMPF Annual Report would be published ahead of the statutory deadline of 31 December.

RESOLVED

That the report be noted.

20. ADMINISTRATION UPDATE

Consideration was given to a report of the Director of Pensions / Assistant Director for Pensions Administration. The report provided the Local Board with a summary of the projects being worked on in addition to the key business plan objectives.

Members were advised that work this quarter had focussed on setting up the project to move files to OneDrive and SharePoint.

Work on investigating and implementing new call centre functionality was the main item where work had progressed. Workshops were held during August 2020 to identify GMPF's detailed requirements for a new system and demonstrations from two different suppliers were scheduled for September.

GMPF had been taking part in the Pension Dashboards Programme Data Working Group as the LGPS fund representative and intended to continue to support the work being undertaken by the Money and Pensions Service (MaPS) by testing possible dashboard solutions as they were developed.

Work had begun on the objective of improving the measuring and reporting of employer performance. Officers had begun work to categorise the ways in which employer performance could be identified, assessed, recorded and reported.

The Head of Pensions Administration detailed progress on other key developments and service improvement projects.

Work on member self service had focused on making documentation and correspondence available to members through their online account. Procedures had been amended to enable those entitled to refunds to receive and submit correspondence through their account. The next process to be changed would be for contributors who were retiring.

A data extract of members for whom the fund did not have a home address on record was supplied to Target Professional Services. It was explained that updated addresses for over a third of these had been received. Consideration would be given on the next stages of the project.

An update on complaints and disputes, since the last meeting was provided to members. Over 70% of these were relating to the difficulties in getting through to the Customer Services team. A total of seven compliments were submitted through the feedback zone. Many of these were compliments about the quality of the service and thanking individual staff members.

A new complaints system (i-casework) was due to be implemented in October and senior colleagues within the Administration section had all been trained on how to use the system. The new system brought improvements for the process of recording complaints and the provision of management information, which would assist with service improvements going forward.

The Head of Pensions Administration delivered a presentation on information and statistics relating to transfers paid out under freedom and choice regulations since April 2020. Members were advised that from a funding perspective there was currently no concern over the number of transfers out. It was stated that since the start of the Covid-19 pandemic GMPF had been closely monitoring the number of members wishing to exercise their right to transfer their benefits out of the LGPS. Current information suggested that there had not been a material increase in transfers out. This would continue to be monitored and any concerns would be reported to future meetings of the Board.

An update on the McCloud project was also presented, it was explained that a project team had been established, the Fund had participated in a regional funds' discussion meeting attended by MHCLG representatives. Work was underway on drafting GMPF's response to the consultation,

which is to be finalised next week. Members were presented with an overview of the McCloud project work streams.

RESOLVED

That the Local Pensions Board note the report.

21. EXIT PAYMENT CAP

Consideration was given to a report of the Director of Pensions / Assistant Director of Pensions for Funding and Business Development, which summarised the latest developments regarding the proposed cap on exit payments for public sector employees leaving employment.

Members of the Local Pensions Board were reminded that the Government legislated for a cap of £95,000 on exit payments in the public sector in the Small Business Enterprise and Employment Act 2015 as amended by the Enterprise Act 2016. The 2015 act set out the duty to implement the cap through secondary legislation titled The Restriction of Public Sector Exit Payments Regulations 2020.

Following HM Treasury's consultation response and the overall commitment to the Exit Cap, the Ministry of Housing, Communities and Local Government ('MHCLG') published an LGPS specific consultation on how to introduce the exit cap measures in the LGPS. This consultation was released on 7 September 2020, with a deadline for responses on 9 November 2020.

It was reported that the Restriction of Public Sector Exit Payments Regulations 2020 received parliamentary approval on the 23 September 2020. This was prior to the LGPS changes becoming effective, which was likely to prove problematic for LGPS funds, employers undertaking redundancy exercises and impacted members.

Members were presented with different scenarios and how the Exit Cap would impact them.

The Assistant Director of Funding and Business Development explained that this left a window where GMPF was technically still required to pay a full early retirement pension to anybody over 55 being made redundant but if it cost over £95,000 then the employer would be in breach of the Exit Payment Cap. It was expected that guidance would be received from MHCLG. Further, there was an intention to standardise how strain costs are calculated between funds, however, whilst the Government Actuary Department had published draft guidance it was not expected that this would come into effect until January.

The next steps would be to submit a consultation response on behalf of the GMPF Management Panel highlighting the issues. The Management Panel approved this approach at its last meeting. Further clarity would be sought from MHCLG regarding which employers were in scope for each of the proposed changes.

RESOLVED

That the Board note the information contained in the report and the proposed next steps in developing a response to the consultation and communicating with employers.

22. SUMMARY OF GMPF DECISION MAKING

Consideration was given to a report of the Director of Pensions and Assistant Director for Funding and Business Development, which summarised the recommendations made by the GMPF Working Groups over the period from July 2020 to September 2020.

The Assistant Director of Funding and Business Development summarised the agenda items discussed and the recommendations made by the GMPF Working Groups and decisions made by the GMPF Management Panel during the previous quarter.

At the meeting of the Administration, Employer Funding and Viability Working Group on the 31 July 2020 the Working Group considered a variety of reporting topics including pensions administration, the Retail Prices Index consultation and asset liability modelling for certain GMPF employers.

At the meeting of the Investment Monitoring and ESG Working Group on the 31 July 2020, the Working Group considered a number of items including an ESG update, a presentation from UBS and Ninety-One on trading costs and a report from Hymans Robertson's asset liability model of the Main Fund and climate change scenarios. Most reports were for noting only.

The Policy and Development Working Group met on the 3 September 2020 and considered a number of reports for noting.

The meeting of the Management Panel on the 18 September approved various recommendations made by the Working Groups. A report was considered on the proposed changes to the LGPS Regulations to allow for the introduction of the £95,000 public sector exit payment cap. The Panel supported the proposed next steps in developing a response to the consultation and communicating with employers. The Management Panel also reviewed the risk management report, risk register and 2020/21 business plan.

RESOLVED

That the report be noted.

23. BUSINESS PLANNING AND RISK MANAGEMENT

Consideration was given to a report of the Director of Pensions, which detailed the Business Plan approved by the GMPF Management Panel. The report also delivered an update on the Risk Register and the key risks and plans relating to the ongoing management of business continuity due to Covid-19.

The Assistant Director for Pensions Administration outlined the funds eight Strategic Objectives, which were designed to meet the Funds statutory duties and to enhance the reputation of GMPF and the value it adds to its stakeholders.

The Business Plan was split into sections. Fund-wide, Administration, Employer-Funding, Investments, Local Investments, Property and Direct Infrastructure and Accountancy and Legal.

It was reported that health and wellbeing of colleagues continued to be a high priority and further work had been carried out to review and update all service level and individual risk assessments relating to the risk posed by Covid-19 and by the move to home-working. The Senior Management Team had continued to monitor communications issued by pension industry partners, linked organisations, attend webinars and similar online events in order to keep up to date with the latest news and thinking.

With regards to Administration, the day to day running of the section and the completion of tasks remained unchanged. Most activities were being carried out as normal and completed within the usual timescales. The number of notifications of death received had continued to reduce, with numbers being around expected levels for this time of year. Processing times for all payments were within internal targets, with more than 97% of all pension payment case types processed within 10 working days. Waiting times for calls remained high, mainly due to the issue of annual benefit statements for contributors and calls relating to the address tracing exercise that was being carried out.

It was stated that work on key projects had continued. The main areas of risk that continued to be closely and regularly monitored were around resources, staff wellbeing, system availability and cyber security.

The Assistant Director of Employer Funding and Business Development reported that whilst many GMPF employers were likely being severely impacted by the economic restrictions and behavioural changes brought about by the Covid-19 pandemic, as yet there were no confirmed employer insolvencies. However, it remained likely that some GMPF employers would face insolvency over the next few months as Government support measures were unwound. There had been little change to the timeliness of contribution payments from employers and this continued to be regularly monitored and reported to the Local Pension Board.

The Assistant Director of Investments stated that additional resource had gone into monitoring the liquidity of the Fund. This was to make sure that the Fund had sufficient cash available to pay pensions and to meet commitments to private funds if the investment manager was to call on money committed. This would help ensure that the Fund was not a forced seller of equities during a downturn.

The Director of Pensions summarised the Business Plan for the Local Investments, Property and Direct Infrastructure section. Rental collections continued to be impacted by both the underlying economic effects of the crisis and government advice effectively suspending recovery action on rents. This was focused predominantly on the retail sector despite some resumption of activity.

RESOLVED

That the report and the Business Plan at Appendix A be noted.

24. THE PENSIONS REGULATOR

Consideration was given to a report of the Director of Pensions / Assistant Director of Funding and Business Development / Assistant director of Pensions Administration. The report summarised the operation of the internal controls which GMPF had in place to ensure continued compliance with the expectations of the Pension Regulator (TPR) and in particular, TPR's Code of Practice number 14. It also provided an update on the activities of TPR in the LGPS and in the UK pensions industry generally.

Members of the Board received an update attached as **Appendix 4**, on the expected contribution payments which had not been received by GMPF by the 19th of the month following the month to which they related for the period from June 2020 to July 2020 inclusive.

The Assistant Director of Administration explained that the fund was looking at the ability to direct debit employers for contributions, this could help with the timeliness of contribution payments.

The report summarised that all parties involved with the governance and administration of public service pension schemes must report breaches of the law to TPR where they believed failure to comply was likely to be of 'material significance' to TPR. A copy of the current breaches log (excluding late payments of contributions) was attached as **Appendix 1**. The criteria that officers used to assist them in assessing whether a breach might be deemed 'material' was also attached at **Appendix 2**.

RESOLVED

That report be noted.

25. NEW REGULATIONS ON EMPLOYER FLEXIBILITIES

Consideration was given to a report of the Director of Pensions / Assistant Director of Funding and Business Development, which updated the Local Pensions Board on the Ministry of Housing, Communities and Local Government's partial response to the review of interim valuations and flexibility on exit payments consultation and the new regulations, which came into effect on 23 September 2020.

It was stated that previously that when an employer's last active member left, the employer became an exiting employer under the LGPS Regulations, which subsequently led to an exit debt being incurred by the employer or, in certain circumstances, an exit credit potentially being paid to the employer.

It explained that under the new regulations, Administering Authorities had the flexibility to defer the employer exiting the Scheme when its last active member left. The new 'deferred employer' status allowed an employer to continue contributing until their existing liabilities were fully funded without accruing any further future service liabilities. The terms and conditions for the deferral arrangements were expected to be set out in a deferred debt agreement.

In practical terms, the new approach would see these employers participate in triennial actuarial valuations and would have their assets/liabilities assessed as was the case with normal active employers. It would be up to Administering Authorities to stipulate the time horizon upon which a deferred employer could meet their obligations. Employers would be expected to comply with normal employer obligations and would not be released from their obligations until all liabilities were fully funded or the employer had faced a relevant event.

It was stated that the introduction of deferred employer status would be welcomed by many admission bodies who feared triggering a large exit debt. There were some employers, such as charities, that could not afford an exit debt but would struggle to meet their ongoing funding obligations. The amendment regulations had introduced a specific power to allow Administering Authorities to spread employer exit payments instead of payment via a single lump sum.

The regulation changes had additionally introduced the ability for Administering Authorities to conduct interim valuations for one or more employers in order to allow the adjustment of contribution rates via a revision to the Rates and Adjustments certificate. Subject to the Administering Authority's policy, employers would be entitled to request an interim valuation if they met certain prerequisite criteria.

With regards to next steps, the amendment regulations would be considered by the GMPF Management Panel at its 11 December meeting. It was likely that GMPF would need to detail a policy on its intended use of the increased employer flexibilities in its Funding Strategy Statement (FSS). Any material change to the FSS would require a consultation with employers. As a result, a formal GMPF policy in this area would not be finalised until Spring 2021. However, employers who were considering applying to use the flexibilities could gather information and develop their business case in the intervening period.

RESOLVED

That the report be noted.

26. RISK MANAGEMENT AND AUDIT SERVICES APRIL TO SEPTEMBER 2020

Consideration was given to a report of the Head of Risk Management and Audit Services, which summarised the work of the Risk Management and Audit Service for the period 1 April to 11 September 2020.

The progress report covered the work carried out on the 2020/21 plan for the period 1 April to 11 September 2020. The team had been working remotely from home since 18 March 2020, due to Covid-19.

The progress report showed the actual days spent against the planned days for 2020/21 detailed at **Appendix 1**. The Risk Management and Audit Service had spent 133.54 days against the 320 planned days up to 11 September 2020.

It was reported there was one employer audit report issued during this period, which received a Medium Level of Assurance. The key issues identified were discussed.

There were three draft reports issued, the results would be reported to the next meeting of the Local Pensions Board.

It was stated one post audit review had been completed, where it was found all recommendations had been implemented.

With regards to other work carried out in the period, the Pension Fund reported two Information Security Incidents during the reporting period. These were investigated and where control issues were identified recommendations were made to ensure that these issues did not occur in the future. Further, Advice and support was given in relation to the Data Protection Impact Assessment (DPIA) for the introduction of data validation on the GMPF website.

Members of the Board received an update on work that was in progress. Due to the ongoing COVID-19 Pandemic, the program of Visits to Contributing Bodies would need to be undertaken remotely. The new processes developed would involve relying heavily on the information provided by the employers, therefore, a trial with employers would take place. If these visits proved successful then further visits would be arranged with other employers scheduled for a visit in the 2020/21 Internal Audit Plan.

RESOLVED

That the report be noted.

27. POOLING UPDATE

Consideration was given to a report of the Director of Pensions / Assistant Director for Funding & Business Development, which provided an update on the activities of the Northern LGPS Pool and relevant national pooling developments.

Members were reminded that on 3 January 2019 MHCLG released new draft statutory guidance on LGPS asset pooling for 'informal' consultation. Parties that were consulted include pools, administering authorities and local pension boards.

The guidance was intended to replace previous pooling guidance, in particular the LGPS Investment Reform Criteria and Guidance issued in November 2015 ('the 2015 guidance').

As discussed at previous meetings, the draft statutory guidance had blurred the original four criteria in the 2015 guidance. In its place the guidance had 6 sections covering; structure and scale, governance, transition of assets to the pool, making new investments outside the pool, infrastructure investment and reporting.

It was stated the Government was yet to publish a response to the consultation and the 2015 guidance therefore remained in force.

It was reported that the Government had requested a progress update from each of the Pools, setting out the assets transferred to the pool as at 31 March 2020 and an estimate of costs savings achieved and those expected in future. The Northern LGPS progress update was appended to the report at **Appendix A**. As at 31 March 2020 the Northern LGPS Pool had generated net cost savings of over £40m.

It was reported that each of the partner funds in the Northern LGPS Pool was in the process of producing 31 March 2020 year end accounts and an annual report. Guidance on preparing the annual report was provided by the accounting body CIPFA. In recent years, this guidance had been expanded to include a section on accounting for asset-pooling arrangements.

At their July meeting, the Northern LGPS Joint Committee agreed that a Pool Annual Report be produced, which funds would have the option of including in their respective annual reports.

The current draft of the Pool annual report was attached at **Appendix B**. The Pool Joint Committee had agreed that the fund Directors liaise with their respective Committee members to finalise the report in conjunction with their fund annual reporting process.

RESOLVED

That the report be noted.

28. URGENT ITEMS

There were no urgent items.

CHAIR

Agenda Item 5

Report To:	LOCAL PENSIONS BOARD
Date:	14 January 2021
Reporting Officer:	Sandra Stewart, Director of Pensions Paddy Dowdall Assistant Director (Local Investments and Property)
Subject:	GMPF STATEMENT OF ACCOUNTS AND ANNUAL REPORT 2019-2020
Report Summary	This report is submitted for information and Members are asked to note the progress of the governance arrangements for the audit of GMPF Accounts 2019/20. This is provided by attaching a copy of the report that went to GMPF Management Panel on 11 December 2020
Recommendations:	Members are asked to note the 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.
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 Director – Local Investments and Property, tel 0161 301 7140, email paddy.dowdall@tameside.gov.uk .

1. INTRODUCTION

- 1.1 This report provides an update on the reports to Panel on 17 July 2020 and 18 September. As reported at that time there are changes this year to the governance procedures for approval of GMPF Annual report and accounts due to the impact of the Covid 19 crisis. The deadline for the Audit of local government accounts was changed to 30 November 2020. For GMPF the main concerns were the valuation of illiquid investments caused by acute public market volatility at the year-end date. The draft accounts were produced in line with the original timetable and presented at the last in July and the audit process is very close to completion at the time of writing.

2. UPDATE ON PROGRESS AND NEXT STEPS

- 2.1 The auditors have concluded their work and issued a draft Audit Completion Report attached as an appendix, which has been considered by Tameside Audit Panel. This report is complementary about the quality of accounts produced, makes no recommendations for internal controls and reports that there no adjustment to accounts. During the audit process there were some improvements and amendments to disclosures made at suggestion of the auditors.
- 2.2 The report gives an opinion that the financial statements:
- give a true and fair view of the financial transactions of Greater Manchester Pension Fund during the year ended 31 March 2020, and the amount and disposition of the Pension Fund's assets and liabilities as at 31 March 2020; and
 - have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.
- 2.3 There is however an "Emphasis of Matter in the draft audit report, which is detailed below.

Emphasis of Matter – Effect of the Covid-19 pandemic on the valuation of property investment assets

"We draw attention to notes 2 and 2a of the financial statements, which describes the effects of the Covid-19 pandemic on the valuation of the Fund's property investment assets. As disclosed in note 2 of the financial statements outlining the major areas of estimation uncertainty, the Pension Fund have disclosed their consideration of the impact of their independent property valuers inclusion of a 'material valuation uncertainty' declaration within their reports. This uncertainty arose as a result of the Covid-19 pandemic creating a shortage of relevant market evidence upon which to base their judgements. Our opinion is not modified in respect of this matter".

- 2.4 It is worth noting that a form of this note will be in the audit reports of all LGPS Funds with substantial holdings in property and that this material valuation uncertainty' declaration from valuers is not attached to post September valuations. There remains as ever uncertainty over the valuation of all "Level 3" Investments until they are sold.
- 2.5 Letters of Assurance from the management of the Fund and those charged with governance have been provided to the auditors and a letter of representation will be sent the auditors by the section 151 officer to complete the process.
- 2.6 Unfortunately, the Auditors, Mazars have yet to sign off the accounts owing to capacity issues as required by the 30 November 2020. Accordingly a notice has been published on the Council's website at <https://www.tameside.gov.uk/statementofaccounts/1920> as follows:

TAMESIDE METROPOLITAN BOROUGH COUNCIL
EXTERNAL AUDIT OF ACCOUNTS: YEAR ENDED 31 MARCH 2020
Publication of Tameside Metropolitan Borough Council Statement of Accounts and Audit Opinion
The Accounts and Audit (England) Regulations 2015 – Regulation 10
As Amended By
The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020

The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 require that the audited accounts and opinion is published by 30 November 2020.

The audit of the draft statement of accounts for the year ended 31 March 2020 for Tameside Metropolitan Borough Council, including the accounts of Greater Manchester Pension Fund, has not yet been completed by the external auditors, Mazars LLP.

The audit and issue of the audit opinion is expected to conclude during December 2020 after which the statement of accounts and audit opinion will be published as soon as is reasonably practicable.

Therefore, this notice of delayed audit is being published in accordance with Regulation 10, paragraph (2a) of the Accounts and Audit Regulations 2015. See attached link:

<http://www.legislation.gov.uk/ukSI/2015/234/regulation/10/made>

You can read the external audit completion report and accounts presented to the Council's Audit Panel on our website at <https://tameside.moderngov.co.uk/ieListDocuments.aspx?CId=166&Mid=5103&Ver=4>

2.7 Consequently, we are in the hands of the auditors as to when this will be completed. However, Regulation 57 of the LGPS Regulations 2013 requires administering authorities to publish their pension fund annual report, in relation to the Scheme year ending on the 31 March, on or before the following 1 December. The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 extend the publication for local authority accounts (England and Wales) to 30 November 2020. That said, at present there are no plans for an automatic extension of the publication date for the annual report and accounts. We have therefore published the Annual Report on the website noting that the accounts have not been formally signed off on the basis that there is no expectation that any changes will be required.

2.8 As at the date of this report the accounts have not been signed off although the external auditors hopes to do so soon.

3. RECOMMENDATION

3.1 As set out on the front of the report.

This page is intentionally left blank



Audit Completion Report

Greater Manchester Pension Fund

Year ending 31 March 2020

CONTENTS

1. Executive summary
2. Significant findings
3. Internal control recommendations
4. Summary of misstatements

Appendix A – Draft management representation letter

Appendix B – Draft auditor's report

Appendix C – Independence

Our reports are prepared in the context of the 'Statement of responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited.

Reports and letters prepared by appointed auditors and addressed to the Pension Fund are prepared for the sole use of the Pension Fund and we take no responsibility to any member or officer in their individual capacity or to any third party.

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.

Audit Panel
Greater Manchester Pension Fund
c/o Tameside Metropolitan Borough Council
Tameside One
Market Place
Ashton Under Lyne
OL6 6BH

11 November 2020

Dear Members

Audit Completion Report – Year ended 31 March 2020

We are pleased to present our Audit Completion Report for the year ended 31 March 2020. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 09 June 2020. Since then, the COVID-19 pandemic has had significant implications for the UK, including the Pension Fund sector. We have updated our planning work to understand the implications of COVID-19 on our audit and concluded that the original audit risks and other areas of management judgement in the Audit Strategy Memorandum remain appropriate:

- Management override of controls;
- Valuation of unquoted investments for which a market price is not readily available.

In response to the COVID-19 pandemic, MHGLC issued a revised reporting timetable for the Pension Fund to prepare its financial statements for inclusion in the Administering Authority Statement of Accounts and for the audit to be completed. We understand the difficult circumstances that the Pension Fund is facing in order to respond to the pandemic and would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 07721 234 043.

Yours faithfully

Karen Murray
Mazars LLP

Mazars LLP – One St. Peter's Square, Manchester, M2 3DE
Tel: 0161 238 9200 – www.mazars.co.uk

Mazars LLP is the UK firm of Mazars, an integrated international advisory and accountancy organisation. Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at Tower Bridge House, St Katharine's Way, London E1W 1DD.

We are registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861.
VAT number: 839 8356 73

1. EXECUTIVE SUMMARY

Purpose of this report and principle conclusions

The Audit Completion Report sets out the findings from our audit of Greater Manchester Pension Fund ('the Pension Fund') for the year ended 31 March 2020, and forms the basis for discussion at the Audit Panel meeting on 24 November 2020.

The detailed scope of our work as your appointed auditor for 2019/20 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards of Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

Section 2 of this report outlines the detailed findings from our work on the financial statements. Section 2 also includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- management override of control; and
- valuation of level 3 unquoted investments for which a market price is not readily available.

Status of our work

As we outline on the following page, our work is substantially complete. Subject to the satisfactory completion of the outstanding work, at the time of issuing this report we have the following conclusions:

Opinion on the financial statements

We anticipate issuing an unqualified opinion, with an 'emphasis of matter' modification to the form of the auditor's report, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.

Consistency report

We anticipate concluding that the Pension Fund financial statements within the Pension Fund's Annual Report are consistent with the Pension Fund financial statements within the Statement of Accounts of Tameside Metropolitan Borough Council. Our draft consistency report is provided in Appendix C.

Wider powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Pension Fund and to consider any objection made to the accounts. Further details on the exercise of our wider powers are provided in section 2.

1. EXECUTIVE SUMMARY

Status of our audit work

We have substantially completed our work on the financial statements for the year ended 31 March 2020. At the time of preparing this report there are no significant matters outstanding however, the following administrative and audit matters remain outstanding:

Audit area	Status	Description of outstanding matters
Signed final statements and signed Management Representation Letter	●	We will complete our final review of the financial statements to confirm all expected changes have been made, upon receipt of the signed version of the accounts and letter of representation.
Review of draft Annual Report for consistency	●	We will complete our review of the Annual Report and review of consistency with the final statement of accounts upon receipt.

Status

- Likely to result in material adjustment or significant change to disclosures within the financial statements
- Potential to result in material adjustment or significant change to disclosures within the financial statements
- Not considered likely to result in material adjustment or change to disclosures within the financial statements

We will provide the Audit Panel with an update in relation to these outstanding matters in a follow-up letter, prior to signing the auditor's report.

Our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum in June 2020. We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum.

Materiality

We set materiality at the planning stage of the audit at £238.4m using a benchmark of 1% of net assets available to pay benefits. We set a specific materiality for the fund account of £80.4m at the planning stage of the audit using a benchmark of 10% of benefits payable. Our final assessment of materiality, based on the final financial statements and qualitative factors is £220.3m, and a fund account specific materiality of £86.0m, using the same benchmarks. We set our trivial threshold (the level under which individual errors are not communicated to the Audit Panel, at £6.6m based on 3% of overall materiality.

Misstatements and internal control recommendations

Section 3 sets out the internal control recommendations that we make, together with an update on any prior year recommendations.

Section 4 outlines the misstatements noted as part of our audit as at the time of issuing this report. If any additional misstatements are noted on completion of the outstanding work, these will be reported to the Audit Panel in a follow-up letter.

2. SIGNIFICANT FINDINGS

Set out below are the significant findings from our audit. These findings include:

- our audit conclusions regarding significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 7 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any further significant matters discussed with management;
- any significant difficulties we experienced during the audit; and
- modifications required to our audit report.

Significant risks and key areas of management judgement

As part of our planning procedures we considered the risks of material misstatement in the Pension Fund's financial statements that required special audit consideration. Although we report identified significant risks at the planning stage of the audit in our Audit Strategy Memorandum, our risk assessment is a continuous process and we regularly consider whether new significant risks have arisen and how we intend to respond to these risks. No new risks have been identified since we issued our Audit Strategy Memorandum.

Significant risk	Description of the risk
Management override of controls	In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.
How we addressed this risk	
We addressed this risk by performing audit work in the following areas:	
<ul style="list-style-type: none">• accounting estimates impacting on amounts included in the financial statements;• consideration of identified significant transactions outside the normal course of business; and• journals recorded in the general ledger and other adjustments made in preparation of the financial statements.	
Audit conclusion	
We have completed our planned procedures and there are no matters arising to bring to your attention.	

2. SIGNIFICANT FINDINGS (CONTINUED)

Significant risk	Description of the risk
Valuation of unquoted investments for which a market price is not readily available	<p>The fair value of investments which are not quoted on an active market is a significant and material item within the Net Assets Statement, and account for over 20 per cent of net investment assets. The values included in the accounts are based on externally generated professional valuations, Net Asset Values, or capital statements. This results in an increased risk of material misstatement.</p> <hr/> <p>How we addressed this risk</p> <p>We addressed this risk by completing the following additional procedures:</p> <ul style="list-style-type: none">• agreed the valuation to supporting documentation including investment manager valuation statements and cash flows for any adjustments made to the investment manager valuation;• considered and agreed the assumptions used by independent property valuer were appropriate when determining the values which have subsequently been reflected in the Net Assets Statement;• assessed the competence and experience of management’s experts including the custodian;• agreed the investment manager valuation to audited accounts or other independent supporting documentation, where available;• where audited accounts are available, check that they are supported by a clear opinion; and• where available, review independent control assurance reports to identify any exceptions that could present a risk of material misstatement in the Fund’s financial statements. <hr/> <p>Audit conclusion</p> <p>We have completed our procedures in respect of this risk.</p> <p>Whilst we are satisfied that the valuations included within the accounts are supported by the underlying evidence, we do wish to bring to your attention that the Fund, in Note 2 and the updated Note 2a, have disclosed a material valuation uncertainty in respect of the valuations of the property related investments within the Net Assets Statement.</p> <p>As a result of the declaration by the World Health Organisation in March 2020 that the outbreak of Covid19 represented a ‘global pandemic’, and the subsequent UK lockdown that occurred, the valuer has included a caveat in relation to the weight that can be placed on the valuations as at the reporting date.</p> <p>Following discussion, management have included appropriate additional disclosure within Note 2a (Major areas of estimation uncertainty’) in respect of this issue.</p>

2. SIGNIFICANT FINDINGS (CONTINUED)

Qualitative aspects of the entity’s accounting practices

We have reviewed the Pension Fund’s accounting policies and disclosures and concluded they comply with the requirements of the Code of Practice on Local Authority Accounting (the Code), appropriately tailored to the Pension Fund’s circumstances.

Draft accounts were received from the Fund on 09 July 2020 and were of a good quality. Good quality supporting working papers have been made available in a timely manner and these have assisted our audit progress. Council finance officers have been very helpful in promptly answering our detailed audit queries.

Significant matters discussed with management

The significant matters we discussed with management through the audit included:

- The impact of COVID-19 on the Fund’s financial statements, including potential impact on risks of material misstatement. We concluded that through our review of the valuations provided in respect of the property portfolio (direct) and the investments held indirectly in property related investments, there is a material valuation uncertainty in respect of these assets. The Fund’s independent valuer, in line with their industry standards, highlighted that due to the pandemic there was a significant drop in the number of reference market transactions as at 31 March 2020, which although not specific to the Fund’s assets, meant that less weight could be attached to the strength of the assumptions underpinning the valuation.
- Increased scrutiny both of your financial reporting, and the work of auditors (in particular by the Financial Reporting Council), required a more significant amount of work in relation to the valuation unquoted elements of the Fund’s investment portfolio, which was also undertaken in the context of the emergence of the pandemic during Q1 2020 and the potential valuation impacts at 31 March 2020. This required not only significant additional effort by your own officers and ourselves, but also additional evidence and other information from relevant third parties such as the Fund’s custodian and investment managers. In particular, where valuations had previously been based on December 2019 audited valuations, it was necessary to consider whether due consideration had been applied when deriving the March 2020 position.

The above noted material valuation uncertainty relating to the fund’s property investment assets has been reflected in enhanced disclosure in the amended accounts presented to panel, and the material valuation uncertainty will be included as an ‘emphasis of matter’ in our auditor’s report. This is outlined more fully on the following page.

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management and other officers.

2. SIGNIFICANT FINDINGS (CONTINUED)

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2019/20 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised in relation to the Pension Fund.

Modifications required to our audit report

We have identified the following issue which has resulted in us proposing to issue an unqualified audit opinion, but with a modified auditor's report. Our draft audit report, in full, is set out in Appendix B

Issue	Impact on our audit opinion
<p>Material Valuation Uncertainty (Property related investments)</p> <p>The Fund's independent valuer has highlighted a material valuation uncertainty in respect of the direct property related assets of the Fund as a result of the Covid19 pandemic. This is due to the reduction in the number of transactions in the market and the impact this has on relevant observable data upon which to base a valuation judgement.</p> <p>Our work and discussions with the Fund's management also highlighted there to be the corresponding risk in relation to the indirect property assets held by the Fund.</p> <p>Necessary disclosures have been included within the accounts following discussion with management, and we draw your attention to Notes 2 and 2a .</p>	<p>We propose issuing an unqualified audit opinion in respect of this matter, however, the Auditor's Report is modified.</p> <p>The modification to our audit report will be in the form of an 'Emphasis of Matter' and our proposed audit report is included at Appendix B.</p>

3. INTERNAL CONTROL RECOMMENDATIONS

The purpose of our audit is to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements. We do this in order to design audit procedures to allow us to express an opinion on the financial statement and not for the purpose of expressing an opinion on the effectiveness of internal control, nor to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our findings and recommendations are set out below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. In summary, the matters arising fall into the following categories:

Priority ranking	Description	Number of issues
1 (high)	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of business strategic objectives. The recommendation should be taken into consideration by management immediately.	0 (none)
2 (medium)	In our view, there is a need to strengthen internal control or enhance business efficiency. The recommendations should be actioned in the near future.	0 (none)
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	0 (none)

3. INTERNAL CONTROL RECOMMENDATIONS (CONTINUED)

Follow up of previous internal control points
There are no issues to be followed up.

4. SUMMARY OF MISSTATEMENTS

Misstatements

We use this section to set out the misstatements identified for adjustment during the course of the audit, above the level of trivial threshold of £6.6m.

There are no misstatements that were identified during the course of our audit which management has assessed as not being material, either individually or in aggregate, to the financial statements and does not currently plan to adjust.

There are no misstatements that have been adjusted by management during the course of the audit which were considered to be material or above the trivial threshold. Some very minor adjustments have been made as a result of the audit but they do not reach the trivial threshold and we do not separately report them here.

Disclosure amendments

During our review of the financial statements and annual report we identified a number of presentational and non-material adjustments and amendments which the Fund has made. This includes a trivial value adjustment to the Fund Account to ensure that the reported Assets available at year end reconciles to the Net Assets Statement.

As highlighted earlier in this report, following discussions with management an additional disclosure was included in Note 2a in respect of the material valuation uncertainty relating to the Fund’s property investment assets.

APPENDIX A

DRAFT MANAGEMENT REPRESENTATION LETTER

Greater Manchester Pension Fund
by Tameside Metropolitan Borough Council
Dukinfield Town Hall
King Street
Dukinfield
SK16 4LA

[Date]

Dear Karen

Greater Manchester Pension Fund - audit for year ended 31 March 2020

This representation letter is provided in connection with your audit of the financial statements of Greater Manchester Pension Fund, administered by Tameside Metropolitan Borough Council, for the year ended 31 March 2020 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the Code) and applicable law.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code and applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Pension Fund and Council you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Director of Finance that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all relevant Pension Fund and Council Panel meetings and other committee meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Pension Fund and Council's financial position, financial performance and cash flows.

Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used by the Pension Fund and Council in making accounting estimates, including those measured at current or fair value, are reasonable.

APPENDIX A

DRAFT MANAGEMENT REPRESENTATION LETTER

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Pension Fund and Council have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code and applicable law.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Pension Fund and Council have complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility as Director of Finance for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Pension Fund and Council involving:
- management and those charged with governance;
- employees who have significant roles in internal control; and
- others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Pension Fund and Council's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code and applicable law.

I have disclosed to you the identity of the Pension Fund and Council's related parties and all related party relationships and transactions of which I am aware.

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code and applicable law, require adjustment or disclosure have been adjusted or disclosed.

APPENDIX A

DRAFT MANAGEMENT REPRESENTATION LETTER

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Going concern

To the best of my knowledge there is nothing to indicate that the Pension Fund and Council will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Unadjusted misstatements

I confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.

Yours faithfully

Director of Finance

Chair of Audit Panel

APPENDIX B

DRAFT AUDITOR'S REPORT

Independent auditor's report to the members of Tameside Metropolitan Borough Council Report on the financial statements

Opinion on the financial statements of Greater Manchester Pension Fund

We have audited the financial statements of Greater Manchester Pension Fund ('the Pension Fund') for the year ended 31 March 2020, which comprise the Fund Account, the Net Assets Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

In our opinion the financial statements:

- give a true and fair view of the financial transactions of Greater Manchester Pension Fund during the year ended 31 March 2020, and the amount and disposition of the Pension Fund's assets and liabilities as at 31 March 2020; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Council, as administering authority for the Pension Fund, in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Effect of the Covid-19 pandemic on the valuation of property investment assets

We draw attention to notes 2 and 2a of the financial statements, which describes the effects of the Covid-19 pandemic on the valuation of the Fund's property investment assets. As disclosed in note 2 of the financial statements outlining the major areas of estimation uncertainty, the Pension Fund have disclosed their consideration of the impact of their independent property valuers inclusion of a 'material valuation uncertainty' declaration within their reports. This uncertainty arose as a result of the Covid-19 pandemic creating a shortage of relevant market evidence upon which to base their judgements. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where: the Director of Finance's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or the Director of Finance has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Director of Finance is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

APPENDIX C

DRAFT CONSISTENCY REPORT

Responsibilities of the Director of Finance for the financial statements

As explained more fully in the Statement of the Director of Finance's Responsibilities, the Director of Finance is responsible for the preparation of the Statement of Accounts, which includes the Pension Fund's financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, and for being satisfied that they give a true and fair view. The Director of Finance is also responsible for such internal control as the Director of Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Finance is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and prepare the financial statements on a going concern basis, unless the Council is informed of the intention for dissolution of the Pension Fund without transfer of services or function to another entity. The Director of Finance is responsible for assessing each year whether or not it is appropriate for the Pension Fund to prepare the accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Pension Fund's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of the audit report

This report is made solely to the members of Tameside Metropolitan Borough Council, as a body and as administering authority for the Greater Manchester Pension Fund, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

[Signature]

[Name]
For and on behalf of Mazars LLP
Address
[Insert date]

APPENDIX D

INDEPENDENCE

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.

CONTACT

Karen Murray

Partner

Mobile: 07721 234 043

Email: karen.murray@mazars.co.uk

Ian Pinches

Manager

Mobile: 07909 977 987

Email: ian.pinches@mazars.co.uk

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank