

Report To: LOCAL PENSIONS BOARD

Date: 29 July 2021

Reporting Officers: Sandra Stewart, Executive Director of Pensions
Paddy Dowdall, Assistant Executive Director of Pensions
(Local Investments and Property)

Subject: **GMPF STATEMENT OF ACCOUNTS 2020/2021 GOVERNANCE ARRANGEMENTS**

Report Summary: This report aims to inform Members of the governance arrangements for approval and subsequent audit 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.
- (iii) To note the Audit Strategy Memorandum from Mazars, the Fund's external auditors.

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. 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)

Under the LGPS Regulations, 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:

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; and for subsequent audit.
- Noting of the on-going key assumptions made in compiling the accounts

2. GOVERNANCE ARRANGEMENTS AND AUDIT

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 body for the Council and GMPF is the Audit Panel which receives accounting policies reports and 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 Management Panel.

2.3 The provisional timetable for approval of the accounts and audit reports by these bodies for 2020/2021 is outlined in the table below.

Date	Group
17 September 2021	GMPF Management Panel
28 September 2021	Tameside Audit Panel

2.4 The pre-audit accounts of GMPF were prepared and ready for audit in early June.

2.5 The review by the external auditors commences thereafter. Mazars 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. The Audit Strategy Memorandum is attached as an appendix to this report.

2.6 At the time of writing the audit was on schedule for completion in early August with no significant findings highlighted.

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. RECOMMENDATIONS

4.1 As set out on the front of the report.