

Report To:	GMPF Local Board
Date:	30 September 2021
Reporting Officer:	Sandra Stewart, Director of Pensions Paddy Dowdall Assistant Director (Local Investments and Property)
Subject:	GMPF STATEMENT OF ACCOUNTS AND ANNUAL REPORT 2020-2021
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 2020/21.
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 last report to the Local Board on 29 July 2021.

2. UPDATE ON PROGRESS AND NEXT STEPS

- 2.1 The auditors have been conducting their work on the GMPF Audit and IAS 19 assurance during July August and September. At the present time there are no indications of material concerns. The GMPF Management Panel received a report attached to this report as Appendix 1 at its meeting on 17 September. The completion of the main council audit has not been completed by Mazars, and there is therefore a short delay to the timetable for completion of the governance arrangements for the GMPF audit.
- 2.2 Letters of Assurance from the management of the Fund and those charged with governance will be provided to the auditors very shortly.
- 2.3 At completion of audit a findings report will be agreed with management and will be presented to Tameside Audit Panel ahead of the statutory deadline of 30 November 2021.
- 2.4 Following this the Annual report will be published ahead of statutory deadline of 31 December.

3. RECOMMENDATION

- 3.1 To note the report.

Report To:	GMPF Management Panel
Date:	17 September 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 covers the draft annual report and accounts for GMPF including a summary financial report and updates Members with respect to the external audit.
Recommendations:	Members are asked to (i) Approve the Draft Annual Report (ii) Note the Summary Financial Report (iii) Note the update on progress of external audit
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.

1. INTRODUCTION

- 1.1 This report covers the draft annual report and accounts for GMPF including a summary financial report and updates Members with respect to the external audit.

2. DRAFT ANNUAL REPORT AND ACCOUNTS

- 2.1 The draft annual report is available for review at https://www.gmpf.org.uk/Kentico12_Admin/GMPF/media/About/documents/GMPF-Annual-Report-2021.pdf
- 2.2 The summary financial report for 2021 is detailed below

	£m	£m	£m
Fund Value at 31 March 2020			22,035
Contributions and Benefits			70
Employee contributions	158		
Employer contributions	755		
Pension benefits Paid		(882)	
Net Transfers	39		
Management Costs			(40)
Investment		(31)	
Administration		(7)	
Oversight		(2)	
Investments			4,825
Income	465		
Change in market value of investments	4,360		
Total change in value of Fund			4,855
Fund Value 31 March 2021			26,890

The key issues in terms of variance shown in the table below are:

- Investment returns were significantly higher than the long term average this year as markets rebounded substantially from the lows of March 2020.
- Contributions received were higher than predicted due to advanced payment of employer contributions from a number of Councils at the start of the 3-year valuation cycle.

	2020/21 prediction	2020/21 actual	Variance
	£m	£m	£m
Fund Size at Start of Year	22,035	22,035	-
Fund Size at end of Year	23,113	26,890	3,777
Pensions Paid	877	882	+5
Contributions received	844	913	+69
Transfers	0	39	+39
Net Cashflow	-33	70	+103
Management Costs	35	40	+5
	0		
Investment Income	433	465	+32
Increase in Value of Investments	712	4,360	+3,648
Net Return from Investments	1,145	4,825	3,680
Net Change in Fund	1,078	4,851	3,777

3. UPDATE ON PROGRESS OF EXTERNAL AUDIT

3.1 The current timetable for the external audit this year is detailed below.

Date	Body	Action
27 July 2021	Tameside Audit Panel	Audit Strategy Memorandum approved Draft Accounts of Tameside inc. GMPF approved
17 September 2021	GMPF Management Panel	Approve draft Annual Report and note progress of external audit
28 September 2021	Tameside Audit Panel	Approval of GMPF Accounts as part of Tameside Accounts

3.2 At the time of writing the audit findings report for GMPF was in draft form awaiting confirmation from national review team. This draft report contained no material or high-risk findings, a verbal update will be provided at the meeting.

4. RECOMMENDATIONS

4.1 Members are asked to

- (i) Approve the Draft Annual Report
- (ii) Note the Summary Financial Report
- (iii) Note the update on progress of external audit