

Audit Completion Report

Greater Manchester Pension Fund
Year ended 31 March 2023

January 2024



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Members of the Audit Panel
Greater Manchester Pension Fund
Tameside MBC
Tameside One
Market Place
Ashton-under-Lyne
OL6 6BH

16 January 2024

Dear Panel Members,

Audit Completion Report – Year ended 31 March 2023

We are pleased to present our Audit Completion Report for the Fund's accounts for the year ending 31 March 2023. The purpose of this document is to summarise our audit conclusions. At the date of this report we have yet to issue the audit opinion on the Fund's 2021/22 accounts due to delays in the completion of the audit of the Fund's administering authority's (Tameside Council) 2021/22 accounts. As a consequence, whilst we are reporting that we have completed the audit of the Fund's 2022/23 accounts, we will be unable to issue the audit opinion until the administering authority's 2022/23 accounts audit, which is currently in progress, is concluded.

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 21 November 2023. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

We 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 0797 726 1873.

Yours faithfully,



Suresh Patel

Mazars LLP

Mazars LLP
One St Peters Square
Manchester
M2 3DE

01

Section 01:

Executive summary

1. Executive summary

Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2022/23 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 on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report, we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- Management override of controls; and
- Valuation of investments within level 3 of the fair value hierarchy.

Misstatement and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements and include unadjusted misstatements totalling £70m. As in the prior year, the unadjusted item is the estimation of a potential error in the valuation of level 3 investments. Our estimate is driven by known differences identified in a sample of investments selected for detailed testing. The differences within the sample arise due to a timing difference between the information used by the Fund to prepare their accounts and the information available to us at the time of our sample testing. The misstatement is well below audit materiality of £294m.

Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2023.

At the time of preparing this report, there are no significant matters outstanding.

Subject to the satisfactory conclusion of our closing procedures, we have the following conclusions:



Audit opinion

We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion will follow.



Consistency report

We anticipate, concluding the Pension Fund financial statements, within the Pension Fund Annual Report and we will complete our consistency review on receipt of the Annual Report. We will issue a report stating whether the Pension Fund financial statements within the Pension Fund's Annual Report are consistent with the Pension Fund financial statements within the Pension Fund's Annual Statement of Accounts of Tameside Metropolitan Borough Council. Our draft consistency report will follow.



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 Fund and to consider any objection made to the accounts. We confirm that no such correspondence from electors has been received.

In Appendix D we report a potential perceived independence threat in respect of the engagement quality reviewer (EQR), who is not part of the engagement team but provides additional quality control. We have taken prompt action to remove the perceived threat and change the EQR. We therefore remain independent.




02




Section 02:

Status of the audit

2. Status of the audit

Our work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the outstanding matters detailed below.

Audit area	Status	Description of the outstanding matters
Annual Report Review		We are awaiting receipt of the final Annual Report to complete our consistency review with the financial statements.
Financial Statements and Letter of Representation		We will complete our final review of the financial statements upon receipt of the signed version of the accounts and letter of representation.
Final file review		Once the Tameside Council audit for year ended 31 March 2023 is in the completion stage and the above matters are cleared, a final file review will be carried out.

-  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.

03

Section 03:

Audit approach

3. Audit approach

Changes to our audit approach

We provided details of our intended approach in our Audit Strategy Memorandum in 21 November 2023.

We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum (ASM).

Materiality

Our provisional materiality at the planning stage of the audit was set at £294m using a benchmark of 1% of net assets available to pay benefits. We set a specific materiality for the fund account of £95m 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 was consistent with the planning materiality levels set out in our ASM.

Use of experts

We planned to make use of experts to assist us in obtaining sufficient and appropriate audit evidence.

For disclosures on funding arrangements and actuarial present value of promised retirement benefits, we made use of the National Audit Office's (NAO) consulting actuary, PwC.

For the valuation of Investment Properties, we made use of our In-house Real Estates team.

There were no changes to the planned approach as outlined in the ASM.

Service organisations

Our planned approach to the Fund's use of service organisations involved carrying out substantive procedures on the transactions, account balances and disclosures relevant to these service organisations.

There were no changes to the planned approach as outlined in the ASM.

Items of account	Service organisation	Audit approach
Quoted investment valuations	Custodian	Substantive procedures and review of the Custodian's ISAE3402 report
Unquoted investment valuations and related disclosures	Custodian	Substantive procedures and review of the Custodian's ISAE3402 report
Stock lending including information used for the stock lending disclosure note	Custodian	Substantive procedures and review of the Custodian's ISAE3402 report

04

Section 04:

Significant findings

4. Significant findings

In this section we outline the significant findings from our audit. These findings include:

- our audit conclusions regarding other 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 13 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; and
- any significant difficulties we experienced during the audit.

Significant risks

Management override of controls	Description of the risk
	<p>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.</p>
	<p>How we addressed this risk</p> <p>We addressed this risk through performing audit work over:</p> <ul style="list-style-type: none"> • Accounting estimates impacting 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.
	<p>Audit conclusion</p> <p>We have completed our work on the Pension Fund’s journals and accounting estimates and there are no matters to bring to Members’ attention.</p> <p>We have not, to date, identified any significant transactions outside the normal course of business during our audit.</p>

4. Significant findings

Valuation of investments within Level 3 of the fair value hierarchy.**Description of the risk**

As at 31 March 2023, the fair value of investments within level 3 of the fair value hierarchy was £8.7bn, which accounted for approximately 30 per cent of net investment assets. Level 3 assets are those assets whose value is based on unobservable inputs, and consequently the estimation uncertainty for these assets is more significant than for assets values at level 1 and 2.

How we addressed this risk

Our audit procedures included:

- Obtaining an understanding of the skills, experience and qualifications of the external valuers used by the Pension Fund and considering the appropriateness of the Pension Fund's instructions to those valuers.
- Obtaining an understanding of the basis of valuation applied in the year.
- Agreeing the valuation of a sample of investments to supporting documentation included custodian records, investment fund manager valuation and cash flow adjustments.
- Agreeing the valuation of a sample of investments to unqualified audited accounts or other independent supporting documentation, where relevant.
- Obtaining assurance from our Mazars Real Estates team on the appropriateness of the methodology and assumptions adopted by the Pension Fund's Investment Property Valuer.
- Sample testing the completeness and accuracy of underlying investment property data used by the valuer as part of their valuations.

Although not directly related to the identified significant risk, we also reviewed the Fund's classification as assets in the fair value hierarchy.

Audit conclusion

Our work identified misstatements caused by more up to date information being available after the Pension Fund produce their draft financial statements. Our audit work identified errors totalling £40.5m across the material level 3 investments and errors totalling £10.3m on our residual sample testing. As these errors were identified from a sample test, applying our audit approach, we have extrapolated the errors over the remaining untested population to establish the potential misstatement. The total known and extrapolated misstatement is £70m, and the Fund have not adjusted for this misstatement based on immateriality. This is reported in Section 6.

4. Significant findings

Qualitative aspects of the Fund's accounting practices

We have reviewed the Fund's accounting policies and disclosures and concluded they comply with the 2022/23 Code of Practice on Local Authority Accounting, appropriately tailored to the Fund's circumstances.

Draft accounts were received from the Fund on 17 July 2023 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. Pension Fund officers have been very helpful in promptly answering detailed audit queries and prioritising the prompt conclusion of our audit.

Significant matters discussed with management

There were no significant matters discussed with management other than those related to the significant risks and audit misstatements reported elsewhere in this report.

Significant difficulties during the audit

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

The Greater Manchester Pension Fund statement of accounts form a part of the financial statements for Tameside Council, as the administering authority of the Fund. This means we are unable to provide our opinion on the Fund's accounts until we have also completed our audit for the administering authority. There have been delays in completing the audit of the administering authority which have an impact on the completion of our work on the Fund.

The Pension Fund's financial statements should reflect the best available information. The delay in completion of our work on the Fund resulted in additional information becoming available in the period between preparation of the draft accounts and the date of signing the accounts. This additional information included the valuations of specific pooled investment vehicles categorised at level 3 in the fair value hierarchy. Where audit queries arose from the additional information, we had the full co-operation of management in dealing with these queries.

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;
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2022/23 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.

05

Section 05:

Internal control recommendations

5. Internal control recommendations

As part of our audit of the financial statements, we obtained an understanding of internal controls sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to Those Charged With Governance any significant deficiencies identified during the course of our work.

The purpose of our audit was 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 in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or 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
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.	1 (21/22 issue not yet resolved)
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	0

5. Internal control recommendations

Follow up on previous internal control points – Level 2 Change management process - OPEN

Description of deficiency

Our audit procedures on the General Ledger system, Agresso, identified that the Fund has no formalised policy/procedure supporting the change management process.

Potential effects

Unauthorised changes could be deployed, compromising the confidentiality, integrity and availability of information. Information relating to software development, authorisations for deployment, and test plans and results may not be documented sufficiently.

Recommendation

We recommend the Pension Fund formally document the change management process. The procedure/policy should clearly describe how change requests are registered, classified, analysed, solved and monitored. The document should be formally approved by the relevant senior officers, acknowledged by all relevant staff and periodically reviewed.

2022/23 update

A new Head of IT joined Tameside Council in December 2023. Implementing a change management process is one of their priorities, but this has not yet been implemented at the time of this report.

Follow up on previous internal control points – Level 2 Year end assessment of fair values - CLOSED

Description of deficiency

The Code requires investments properties to be valued at fair value at the year end. At GMPF, investment properties are accounted for with a valuation date of 31 December, updated for any known transactions. The Fund did not undertake an assessment at the year end, to consider whether there was a movement in the fair value between the valuation date of 31 December and the year end.

Potential effects

The balance on investment properties may be materially misstated by not reporting the fair value at the year end.

Recommendation

Carry out an assessment of the movement in the fair value of investment properties between 31 December and the year end and update the carrying value if the movement is material.

2022/23 update

Management implemented the recommendation in the 2022/23 year. The Assistant Executive Director and Investment Property team performed a review that considered any known changes relating to specific properties and in the property rental markets and wider macro environment at 31 March 2023.

5. Internal control recommendations

Follow up on previous internal control points – Level 2 Bank accounts reconciled to the trial balance - CLOSED

Description of deficiency

Our audit procedures identified one bank account of value £3.6m was not reconciled to the trial balance at the year end.

Potential effects

Financial information produced by the Pension Fund does not include all cash balances attributed to the Pension Fund and could result in missing transactions being recorded in the ledger, or transactions being recorded in the incorrect accounting period.

Recommendation

Ensure that the Fund reconcile all bank accounts to the trial balance every month.

2022/23 update

Management implemented the recommendation in the 2022/23 year. All bank accounts are now reconciled with full year end working papers.

06

Section 06:

Summary of misstatements

6. Summary of misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £8.8m. The table below outlines the 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.

No adjusted misstatements have been identified during the course of the audit.

Unadjusted misstatements

	Fund Account		Net Assets Statement	
	Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Pooled Investment Vehicles		69,889	
	Cr: Profit and losses on disposal of investments and changes in value of investments	-69,889		
<p>To produce the draft accounts by the required timetable the Pension Fund use the most up to date valuation for the investment assets. Subsequently, and during the audit more up-to-date information is available of the valuation of the assets at 31 March 2023. This more up to date information identified errors totalling £40.5m across the material level 3 investments and errors totalling £10.3m on our residual sample testing. As these errors were identified from a sample test, applying our audit approach, we have extrapolated the errors over the remaining untested population to establish the potential misstatement. The total known and extrapolated misstatement is £70m, and the Fund have not adjusted for this misstatement based on immateriality.</p>				
Total unadjusted misstatements		0	-69,889	69,889
		0	0	0

6. Summary of misstatements

Disclosure amendments

The following amendments have been made to the disclosure in the accounts:

- **Note 1b The Management and Membership of the Greater Manchester Pension Fund** : Corrected the for the amendment to the membership figures disclosed as at the year end.
- **Note 4 Financial Risk Management** : The Money Market Funds section of the credit risk table has been updated to reflect correct year end balances.
- **Note 4 Financial Risk Management** : The prior year values have been updated in the potential market movements table, as Hymans Robertson provided re-mapped percentages for 2021/22.
- **Note 13 Designated Funds and Note 15 Concentration of Investment** : Further narrative has been added to these Notes to improve the completeness of the disclosures.
- **Note 24 AVC Investments** : Disclosure updated for the current financial year following the provision of relevant information from the AVC provider Prudential to comply with the requirements of the Code.
- **Note 25 Actuarial present value of promised retirement benefits** : Amendments were made to this Note to reflect the revised IAS 26 actuarial report.

Appendices

A: Draft management representation letter

B: Draft audit report

C: Draft consistency report

D: Independence

E: Other communications

Appendix A: Draft management representation letter

To be provided to us on client headed note paper

One St. Peter's Square
Manchester
M2 3DE

Date TBC

Dear Suresh,

Greater Manchester Pension Fund - audit for the year ended 31 March 2023

This representation letter is provided in connection with your audit of the financial statements of Greater Manchester Pension Fund ('the Pension Fund') administered by Tameside Metropolitan Borough Council ('the Council') for the year ended 31 March 2023 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 2022/23 ('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 I am 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 the Council you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Director of Resources (Section 151 Officer) 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.

Appendix A: Draft management representation letter

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, have been made available to you.

Accounting policies

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

Accounting estimates

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

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 company 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 has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Appendix A: Draft management representation letter

Fraud and error

I acknowledge my responsibility as Director of Resources (Section 151 Officer) for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

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 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'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's related parties and all related party relationships and transactions of which I am aware.

Future commitments

The Pension Fund has no 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.

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.

Impacts of Russian Forces entering Ukraine

I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Pension Fund, including the impact of mitigation measures and uncertainties, and that the disclosure in the Annual Report fairly reflects that assessment.

Appendix A: Draft management representation letter

Going concern

To the best of my knowledge there is nothing to indicate that the Pension Fund 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.

Specific representation of level 3 investments

Level 3 investments are included in the net assets statement at the value provided by our fund managers which have been estimated in accordance with the guidelines used by the industry and based on the latest information to hand at the time of the valuation. I am satisfied, based on the knowledge I have, that the valuations are materially correct, and am not aware of any subsequent events that would have a material impact on the estimated value of the level 3 investments.

Unadjusted misstatements

I confirm that the effects of the unadjusted misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. All uncorrected misstatements are included in the Appendix to this letter.

Yours faithfully

Ashley Hughes
 Director of Resources (Section 151 Officer)

Appendix - Schedule of unadjusted misstatements

		Fund Account		Net Assets Statement	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Pooled Investment Vehicles			69,889	
	Cr: Profit and losses on disposal of investments and changes in value of investments		-69,889		
Total unadjusted misstatements		0	-69,889	69,889	0

Appendix B: Draft audit report

Independent auditor's report to the members of Tameside Metropolitan Borough Council

Report on the audit of 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 2023, 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 2022/23.

In our opinion the financial statements:

- give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2023, and the amount and disposition of the Pension Fund's assets and liabilities as at 31 March 2023; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director of Resources use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Pension Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Resources with respect to going concern are described in the relevant sections of this report.

Appendix B: Draft audit report

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. The Director of Resources is responsible for the other information. 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.

Responsibilities of the Director of Resources for the financial statements

As explained more fully in the Statement of the Director of Resources Responsibilities, the Director of Resources 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 2022/23, and for being satisfied that they give a true and fair view. The Director of Resources is also responsible for such internal control as the Director of Resources 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 Resources is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 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 Resources is responsible for assessing each year whether or not it is appropriate for the Pension Fund to prepare its 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Pension Fund, we identified that the principal risks of non-compliance with laws and regulations related to the Public Service Pensions Act 2013, the Local Government Pension Scheme Regulations 2013 (as amended) and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, and we considered the extent to which non-compliance might have a material effect on the financial statements.

Appendix B: Draft audit report

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring with management and the Audit Panel as to whether the Pension Fund is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Fund which were contrary to applicable laws and regulations, including fraud.

We evaluated the Director of Resources incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit Panel on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Panel. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Director of Resources use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in February 2023.

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.

Appendix B: Draft audit 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.

Suresh Patel
Key Audit Partner
For and on behalf of Mazars LLP
One St. Peter's Square
Manchester
M2 3DE

Date TBC

Appendix C: Draft consistency report

Independent auditor’s statement to the members of Tameside Metropolitan Borough Council on the pension fund financial statements included within the Greater Manchester Pension Fund annual report

Report on the financial statements

We have examined the Pension Fund financial statements for the year ended 31 March 2023 included within the Greater Manchester Pension Fund annual report, which comprise the Fund Account, the Net Assets Statement, and the notes to the financial statements, including the summary of significant accounting policies.

Opinion

In our opinion, the Pension Fund financial statements are consistent with the audited financial statements of Tameside Metropolitan Borough Council for the year ended 31 March 2023 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

Respective responsibilities of the Director of Resources and the auditor

As explained more fully in the Statement of the Director of Resources Responsibilities, the Director of Resources is responsible for the preparation of the Pension Fund’s financial statements in accordance with applicable United Kingdom law.

Our responsibility is to report to the Members of Tameside Metropolitan Borough Council as a body, whether the Pension Fund financial statements within the Pension Fund annual report are consistent with the financial statements of Tameside Metropolitan Borough Council.

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the Pension Fund financial statements contained within the audited financial statements of Tameside Metropolitan Borough Council describes the basis of our opinions on the financial statements.

Use of this auditor’s statement

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 paragraph 20(5) of the Local Audit and Accountability Act 2014. Our work has been undertaken so that we might state to the members of Tameside Metropolitan Borough Council those matters we are required to state to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Tameside Metropolitan Borough Council and Tameside Metropolitan Borough Council’s members as a body, for our audit work, for this statement, or for the opinions we have formed.

Suresh Patel
Key Audit Partner
For and on behalf of Mazars LLP
One St. Peter’s Square
Manchester
M2 3DE

Date TBC





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.



During the audit the following issue arose which could be perceived as a threat to our independence. The table below details these potential threat and the safeguard we put in place promptly to mitigate the risk.

Issue	Perceived threats	Safeguards
<p>We appoint an Engagement Quality Reviewer (EQR) to provide additional quality control. During the audit, the EQR made the engagement partner aware of a potential perceived threat to their independence in carrying out the role of EQR on the GMPF audit.</p> <p>The threat related to the EQR's role as the engagement partner for a private equity pool (a level 3 investment), which GMPF owns an equal share in combination with West Yorkshire Pension Fund and Merseyside Pension Fund.</p>	<p>There is a potential perceived self-review threat whereby the EQR will review the audit of the private equity pool in their capacity as the engagement partner and will re-review their work in their capacity as the EQR of the GMPF audit.</p>	<p>We promptly appointed a new EQR who has confirmed their independence from the Fund, including all underlying investments within the Fund.</p>

Appendix E: Other communications

Other communication	Response
 <p>Compliance with Laws and Regulations</p>	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
 <p>External confirmations</p>	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
 <p>Related parties</p>	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ul style="list-style-type: none"> a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
 <p>Going concern</p>	<p>We have not identified any evidence to cause us to disagree with management that Greater Manchester Pension Fund will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements.</p>

Appendix E: Other communications

Other communication	Response
 <p>Subsequent events</p>	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
 <p>Matters related to fraud</p>	<p>We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management, and Audit Panel, confirming that</p> <ol style="list-style-type: none"> a. they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; b. they have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud; c. they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: <ol style="list-style-type: none"> i. Management; ii. Employees who have significant roles in internal control; or iii. Others where the fraud could have a material effect on the financial statements; and d. they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

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