

Report To:	GMPF MANAGEMENT/ADVISORY PANEL
Date:	21 July 2017
Reporting Officer:	Sandra Stewart, Director of Governance and Pensions Paddy Dowdall Assistant Director (Local Investments and Property)
Subject:	GMPF STATEMENT OF ACCOUNTS AND ANNUAL REPORT 2016-2017
Report Summary	This report is submitted for information and Members are asked to note the completion of the governance arrangements previously reported to Panel.
Recommendations:	Members are asked to <ul style="list-style-type: none"> (i) Note the completion of governance arrangements for approval of GMPF accounts. (ii) Note the Audit Findings Report from Grant Thornton (iii) Approve the Annual Report
Policy Implications:	None.
Financial Implications: (Authorised by the Section 151 Officer)	<p>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.</p> <p>The assumptions used for valuing assets will have an impact on the value of assets reported in the accounts. In most circumstances the impact is unlikely to be material. For equities and bonds a bid basis is used that results in a more prudent outcome (compared to mid or offer prices).</p>
Legal Implications: (Authorised by the Solicitor to the Fund)	The administering authority must produce an annual report and accounts in line with statutory provisions.
Risk Management:	GMPF's accounts are used to provide information to a variety of users and for a variety of purposes. The accuracy of the statements is critical in the determination of employer costs and there are clearly reputational issues relating to the validity of the accounts. The audit process provides reassurance on the integrity of the statements and mitigates against the possibility of material misstatement
ACCESS TO INFORMATION:	NON-CONFIDENTIAL
	This report does not contain information which warrants its consideration in the absence of the Press or members of the public.

Background Papers:

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

1. INTRODUCTION

1.1 This report covers four sections:

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

2. GOVERNANCE ARRANGEMENTS

2.1 The Management Panel approves the GMPF accounts and formal letters required by the external auditor. It also receives external audit reports.

2.2 The key decision making bodies for the Council are the Audit Panel, which receives accounting policies reports for both GMPF and the Council and the Overview (Audit) Panel, which receives the report of the external auditor following the audit of the accounts. The Council retains overall responsibility for the accounts of both as it is the statutory Administering authority for the Fund.

2.3 The timetable for approval of the accounts and audit reports by these bodies for 2016/17 is outlined in the table below.

Date	Group	Stage
21 April 2017	Employer Funding Working Group	Noting of continued key assumptions and updated governance arrangements (GMPF)
30 May 2017	Audit Panel	Approval of key assumptions and noting of governance arrangements (TMBC and GMPF)
21 July 2017	GMPF Management Panel	Approval of final accounts, annual report and audit report (GMPF)
31 July 2017	Overview (Audit) Panel	Approval of final accounts, annual report and audit report (GMPF and TMBC)

2.4 This year, in preparation for the legal requirement from 2017/18, the pre-audit accounts of both the Council and GMPF were signed off by the S151 officer of the Council by 31 May 2017.

2.5 The review by the external auditors commenced thereafter. Grant Thornton 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.

2.6 The intention is to comply with the post 2017/18 arrangements a year early so the aim is for the process to be complete by 31 July 2017.

2.7 The audit process will be completed from the Fund's perspective at the Management Panel meeting.

3. AUDIT FINDINGS REPORT

3.1 The report from Grant Thornton is attached for information as Appendix 1. The report is very positive and no material issues were raised by the auditors who are here to present their findings. Their report is attached as **Appendix 1** to this report.

4. SIMPLIFIED ACCOUNTS SUMMARY

- 4.1 The table below shows the key financial movements during the financial year to 31 March 2017 taken from the accounts:

	£m	£m	£m
Fund Value at 31 March 2015			<u>17,325</u>
Contributions and Benefits			(133)
Employee contributions	139		
Employer contributions	473		
Pension benefits Paid		(726)	
Net Transfers		(19)	
Management Costs			(30)
Investment		(23)	
Administration		(5)	
Oversight		(2)	
Investments			4109
Income	361		
Change in market value	3,748		
Total change in value of Fund			3,946
Fund Value 31 March 2016			<u>21,271</u>

5. ANNUAL REPORT

- 5.1 The annual report is attached for approval

<http://www.gmpf.org.uk/annualreport/unauditedandunapproved2017.pdf>

6. RECOMMENDATIONS

- 6.1 As set out at the front of the report.