

<b>Report To:</b>	<b>GMPF MANAGEMENT PANEL</b>
<b>Date:</b>	20 July 2018
<b>Reporting Officer:</b>	Sandra Stewart, Director of Governance, Resources and Pensions Paddy Dowdall Assistant Director (Local Investments and Property)
<b>Subject:</b>	<b>GMPF STATEMENT OF ACCOUNTS AND ANNUAL REPORT 2017-2018</b>
<b>Report Summary</b>	This report is submitted for information and Members are asked to note the completion of the governance arrangements previously reported to Panel.
<b>Recommendations:</b>	Members are asked to <ul style="list-style-type: none"> <li>(i) Note the completion of governance arrangements for approval of Greater Manchester Pension Fund (GMPF) accounts.</li> <li>(ii) Note the Audit Findings Report from Grant Thornton</li> <li>(iii) Approve the Annual Report</li> </ul>
<b>Policy Implications:</b>	None.
<b>Financial Implications:</b> <b>(Authorised by the Section 151 Officer)</b>	As the administering authority, Tameside MBC has important responsibilities in relation to GMPF. 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 (compared to mid or offer prices).
<b>Legal Implications:</b> <b>(Authorised by the Solicitor to the Fund)</b>	The administering authority must produce an annual report and accounts in line with statutory provisions.
<b>Risk Management:</b>	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](mailto: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 policy reports for both GMPF and the Council and the Overview (Audit) Panel which receives the report of the external auditor following the audit of GMPF and the Council's accounts. The Council retains overall responsibility for the accounts of both, and the follow-up on the audit reports received, but in practice delegates the responsibility for GMPF to GMPF Management Panel.

2.3 The timetable for approval of the accounts and audit reports by these bodies for 2017/18 is outlined in the table below.

Date	Group	Stage
20 April 2017	Employer Funding Working Group	Noting of continued key assumptions and updated governance arrangements (GMPF)
29 May 2018	Audit Panel	Approval of key assumptions and noting of governance arrangements (GMPF and TMBC)
20 July 2018	GMPF Management Panel	Approval of final accounts, annual report and audit report (GMPF)
30 July 2018	Overview (Audit) Panel	Approval of final accounts, annual report and audit report (GMPF and TMBC)

2.4 This year, in line with legal requirements, the pre-audit accounts of both TMBC and GMPF were signed off by the S151 officer of the Council by 31 May 2018.

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 audit process will be completed from a GMPF perspective at today's meeting subject to Management Panel agreement, with the acceptance of the audit report and signing of the letters of assurance by management and the Chair, which are attached as appendices to this report.

## 3. AUDIT FINDINGS REPORT

3.1 The report from Grant Thornton 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 2018 taken from the accounts:

	<i>£m</i>	<i>£m</i>	<i>£m</i>
<b><i>GMPF Value at 31 March 2017</i></b>			<b><i>21,271</i></b>
<b><i>Contributions and benefits</i></b>			
<i>Employee contributions</i>	140		
<i>Employer contributions</i>	600		
<i>Pension benefits Paid</i>		(748)	
<i>Net Transfers</i>	367		
<b><i>Management Costs</i></b>			
<i>Investment</i>		(25)	
<i>Administration</i>		(6)	
<i>Oversight</i>		(1)	
<b><i>Investments</i></b>			
<i>Income</i>	405		
<i>Change in fair value of investments</i>	494		
<b><i>Total change in value of GMPF</i></b>			<b><i>1,226</i></b>
<b><i>GMPF Value 31 March 2018</i></b>			<b><i>22,497</i></b>

#### 5. ANNUAL REPORT

- 5.1 The annual report is attached for approval.

<https://www.gmpf.org.uk/annualreport/unauditedandunapproved.pdf>

#### 6. RECOMMENDATIONS

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