

# Audit Findings

*Year ending 31 March 2018*

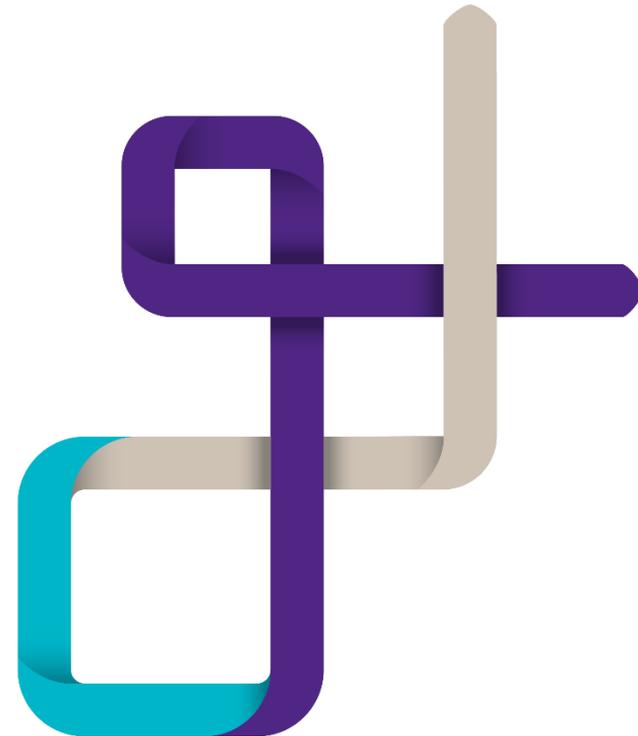
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Greater Manchester Pension Fund

9 July 2018

## DRAFT

This version of the report is a draft. Its contents and subject matter remain under review and its contents may change and be expanded as part of the finalisation of the report. This draft has been created from the template dated DD MMM YYYY



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Headlines

## Introduction

This table summarises the key issues arising from the statutory audit of Greater Manchester Pension Fund ('the Pension Fund') and the preparation of the Pension Fund's financial statements for the year ended 31 March 2018 for those charged with governance.

<b>Financial Statements</b>	<p>Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:</p> <ul style="list-style-type: none"> <li>the Pension Fund's financial statements give a true and fair view of the financial position of the Pension Fund and its income and expenditure for the year, and have been properly prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting;</li> </ul>	<p>Our audit work was completed on site during June. Our findings are summarised on pages 4 to 11.</p> <p>We have not identified any adjustments affecting the Fund's reported financial position. Appendix C. We have also raised recommendations for management as a result of our audit work in Appendix A. Our follow up of recommendations from the prior year's audit are detailed in Appendix B.</p> <p>Subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion following the meeting of Tameside MBC's Audit (Overview) Panel on 30 July 2018, as detailed in Appendix C. The outstanding items include:</p> <ul style="list-style-type: none"> <li>- receipt and review of the annual report</li> <li>- review of the final version of the financial statements</li> <li>- review of the final version of the annual report</li> <li>- completion of our internal review procedures</li> <li>- obtaining and reviewing the management letter of representation and</li> <li>- updating our post balance sheet events review, to the date of signing the opinion</li> </ul>
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## Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

# Summary

## Overview of the scope of our audit

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management and will be presented to the GMPF Management Panel and Tameside MBC Overview (Audit) Panel.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

## Audit approach

Our audit approach was based on a thorough understanding of the Pension Fund's business and is risk based, and in particular included:

- An evaluation of the Pension Fund's internal controls environment, including its systems and controls; and
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks.

## Conclusion

We have substantially completed our audit of your financial statements and subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion following the Overview (Audit) Committee meeting on 30 July 2018, as detailed in Appendix C.

## Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Materiality calculations remains the same as reported in our audit plan. We detail in the table below our assessment of materiality for Greater Manchester Pension Fund.

	Amount (£)
Materiality for the financial statements	212,711,000
Performance materiality	159,533,000
Trivial matters	10,635,000
Materiality for specific transactions, balances or disclosures	For related party transaction we have set a Materiality level of £20,000

# Going concern

## Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

## Going concern commentary

### Management's assessment process

Management have reviewed the Funds funding position and cash flows.

### Auditor commentary

- GMPF has more than sufficient assets to meet its liabilities as they fall due over the next 12 months. Local Government Pensions are effectively underwritten by the local taxpayer, with deficits financed by increased contributions agreed with the actuary that are financed through the Council and Admitted and Scheduled bodies contributions.
- There is no plan for the Minister of Housing, Communities and Local Government to wind up the Pension Fund.
- The Pension Fund continues to operate in 2018/19. Contributions and investment income continue to be received as expected.

### Work performed

Detail audit work performed on management's assessment

### Auditor commentary

- We have reviewed managements assessment that the financial statements are prepared on a going concern basis
- We have confirmed there are sufficient assets to meet liabilities as they fall due. The last triennial valuation, as at 31 March 2016 reports a funding level of 93%.
- The fund continues to operate as usual.

### Concluding comments

### Auditor commentary

- We are satisfied that the Pension Fund financial statements are appropriately prepared on a going concern basis.

# Significant audit risks

## Risks identified in our Audit Plan

1

### Improper revenue recognition

Under ISA 240 (UK) there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.

This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.

## Commentary

### Auditor commentary

Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Greater Manchester Pension Fund, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:

- there is little incentive to manipulate revenue recognition;
- opportunities to manipulate revenue recognition are very limited; and
- the culture and ethical frameworks of local authorities, including the Pension Fund's administering Authority (Tameside MBC), mean that all forms of fraud are seen as unacceptable.

### Findings

Our audit work has not identified any issues in respect of revenue recognition.

2

### Management override of controls

Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.

We identified management override of controls as a risk requiring special audit consideration.

### Auditor commentary

In accordance with our audit plan we:

- gained an understanding of the accounting estimates, judgements applied and decisions made by management and consider their reasonableness
- obtained a full listing of journal entries, identified and tested unusual journal entries for appropriateness
- evaluated the rationale for any changes in accounting policies or significant unusual transactions

### Findings

Our audit work has not identified any evidence of management over-ride of controls. In particular the findings of our review of journal controls and testing of journal entries has not identified any significant issues.

We set out later in this section of the report our work and findings on key accounting estimates and judgements.

# Significant audit risks

## Risks identified in our Audit Plan

3

### The valuation of Level 3 investments is incorrect

Under ISA 315 significant risks often relate to significant non-routine transactions and judgemental matters. Level 3 investments by their very nature require a significant degree of judgement to reach an appropriate valuation at year end.

We identified the valuation of level 3 investments as a risk requiring special audit consideration.

## Commentary

### Auditor commentary

We have undertaken the following work in relation to this risk:

- gained an understanding of the Pension Fund's process for valuing level 3 investments and evaluated the design of the associated controls
- reviewed the nature and basis of estimated values and considered what assurance management has over the year end valuations provided for these types of investments.
- considered the competence, expertise and objectivity of any management experts used.
- reviewed the qualifications of the experts used to value Level 3 investments at year end and gain an understanding of how the valuation of these investments has been reached.
- for a sample of investments, tested the valuation by obtaining and reviewing the audited accounts, (where available) at the latest date for individual investments and agreeing these to the fund manager reports at that date. Reconciled those values to the values at 31 March 2018 with reference to known movements in the intervening period.

### Findings

Our audit work has not identified any issues in respect of the risks relating to the valuation of Level 3 investments at year end.

# Reasonably possible audit risks

## Risks identified in our Audit Plan

## Commentary

4

### Contributions

Contributions from employers and employees' represents a significant percentage of the Pension Fund's revenue. We therefore identified occurrence and accuracy of contributions as a risk requiring particular audit attention

### Auditor commentary

We have undertaken the following work in relation to this risk:

- evaluated the Pension Fund's accounting policy for recognition of contributions for appropriateness;
- gained an understanding of the Pension Fund's system for accounting for contribution income and evaluated the design of the associated controls;
- tested a sample of contributions to source data to gain assurance over their accuracy and occurrence;
- rationalised contributions received with reference to changes in member body payrolls and the number of contributing pensioners to ensure that any unusual trends are satisfactorily explained.

### Findings

Our audit work has not identified any issues in respect of the occurrence and accuracy of Contributions.

5

### Pension Benefits Payable

Pension benefits payable represents a significant percentage of the Pension Fund's expenditure.

We identified completeness of pension benefits payable as a risk requiring particular audit attention:

### Auditor commentary

We have undertaken the following work in relation to this risk:

- evaluated the Pension Fund's accounting policy for recognition of pension benefits expenditure for appropriateness;
- gained an understanding of the Pension Fund's system for accounting for pension benefits expenditure and evaluated the design of the associated controls;
- tested a sample of individual pensions in payment by reference to member files;
- rationalised pensions paid with reference to changes in pensioner numbers and increases applied in year to ensure that any unusual trends are satisfactorily explained.

### Findings

Our audit work has not identified any issues in respect of completeness of Pension Benefits Payable

# Reasonably possible audit risks

## Risks identified in our Audit Plan

6

### The valuation of Level 2 investments is incorrect

While level 2 investments do not carry the same level of inherent risks associated with level 3 investments, there is still an element of judgement involved in their valuation as their very nature is such that they cannot be valued directly.

We identified valuation of level 2 investments as a risk requiring particular audit attention.

## Commentary

### Auditor commentary

We have undertaken the following work in relation to this risk:

- gained an understanding of the Pension Fund's process for valuing Level 2 investments and evaluate the design of the associated controls.
- evaluated the nature and basis of estimated values and considered what assurance management has over the year end valuations provided for these types of investments.
- reviewed the reconciliation of information provided by the Pension Fund's individual fund manager's, custodian, accounting partner (HSBC) and the Pension Fund's own records and sought explanations for variances;
- considered the competence, expertise and objectivity of any management experts used.
- evaluated the qualifications of the experts used to value the level 2 investments at year end and gained an understanding of how the valuation of these investment has been reached.
- For direct property investments agreed values in total to the valuer's report and undertake steps to gain reliance on the valuer as an expert
- for a sample of investments, tested the valuation by obtaining independent information from custodian/manager on units and unit prices.

### Findings

Our audit work has not identified any issues in respect of the risks relating to the Valuation of Level 2 Investments at the year end.

# Accounting policies

Accounting area	Summary of policy	Comments	Assessment
<b>Revenue recognition</b>	<p>The financial statements include policies for recognition of the following:</p> <ul style="list-style-type: none"> <li>• Contributions</li> <li>• Investment income</li> <li>• Transfers in to the scheme</li> </ul> <p>Contributions and Investment Income are recognised on an accruals basis, whilst transfers in are recognised on a cash basis, with the exception of bulk transfers, which are accounted for on an accruals basis in accordance with the terms of the transfer agreement.</p>	<p>Review of your policies for revenue recognition confirms they are in line with the requirements of the CIPFA Code of Practice and cover all the expected areas in accordance with the Fund's activities.</p> <p>Our testing has confirmed that these policies have been correctly and consistently applied.</p>	
<b>Judgements and estimates</b>	<p>Key estimates and judgements include:</p> <ul style="list-style-type: none"> <li>• Pension Fund Liability – present value of future retirement benefits</li> <li>• Valuation of investments - unquoted equities, infrastructure and special opportunities.</li> </ul>	<p>Our review of your key judgements disclosed in the draft financial statements has confirmed they are complete in accordance with our understanding of the Pension Fund.</p> <p>Our testing has confirmed that the accounting policies in relation to these areas are in accordance with the CIPFA Code of Practice and have been correctly and consistently applied.</p>	
<b>Other critical policies</b>		<p>We have reviewed the Pension Fund's policies against the requirements of the CIPFA Code of Practice. The Pension Fund's accounting policies are appropriate and consistent with previous years.</p>	

## Assessment

-  Marginal accounting policy which could potentially be open to challenge by regulators
-  Accounting policy appropriate but scope for improved disclosure
-  Accounting policy appropriate and disclosures sufficient

# Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
① <b>Matters in relation to fraud</b>	<ul style="list-style-type: none"> <li>We have previously discussed the risk of fraud with officers and members and have not been made aware of any incidents in the period and no other issues have been identified during the course of our audit procedures.</li> </ul>
② <b>Matters in relation to related parties</b>	<ul style="list-style-type: none"> <li>From the work we carried out, we have not identified any related party transactions which have not been disclosed.</li> </ul>
③ <b>Matters in relation to laws and regulations</b>	<ul style="list-style-type: none"> <li>You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.</li> </ul>
④ <b>Written representations</b>	<ul style="list-style-type: none"> <li>A standard letter of representation has been requested from the Pension Fund.</li> </ul>
⑤ <b>Confirmation requests from third parties</b>	<ul style="list-style-type: none"> <li>We obtained direct confirmations from fund managers, custodian and accountancy partner for investment balances and from your bank for your cash balances (outside of the cash held by your fund managers). All of these requests have been returned with positive confirmations.</li> </ul>
⑥ <b>Disclosures</b>	<p>In addition to the items highlighted on page 13 our review found the following regarding disclosures in the financial statements required by the CIPFA Code of Practice on Local Authority Accounting:</p> <ul style="list-style-type: none"> <li>a small number of disclosures for investments measured at fair value and Level 3 investments had not been applied. In particular management considered the disclosure requirements, specifically in respect of the requirements of paragraph 2.10.4.1 of the Code, as part of the accounts preparation and concluded that these new disclosures were not required because they were either already covered by existing disclosure in the accounts, or, in the case of quantifiable sensitivity disclosures, because consultation with industry experts indicated that the required sensitivity information was not readily available.</li> <li>This is consistent with the issue raised and the management response received in the previous year.</li> <li>We are satisfied that the omission of these disclosures is not significant to the overall presentation of the financial statements.</li> </ul>
⑦ <b>Significant difficulties</b>	<ul style="list-style-type: none"> <li>We received draft financial statements and accompanying working papers in advance of our work starting on 30 May 2018 and in advance of the deadline of 31 May 2018. We have not encountered any significant difficulties in carrying out our audit to the agreed timetable.</li> </ul>
⑧ <b>Matters on which we report by exception</b>	<ul style="list-style-type: none"> <li>We are required to give a separate opinion for the Pension Fund Annual Report on whether the financial statements included therein are consistent with the audited financial statements. We have not identified any issues we wish to report.</li> </ul>

# Independence and ethics

## **Independence and ethics**

- We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix B.

## **Audit and Non-audit services**

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Pension Fund. No non-audit services were identified.

# Audit Adjustments

## Adjusted and unadjusted misstatements

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management. There were no adjusted or unadjusted misstatements identified as a result of our procedures

## Misclassification and disclosure changes

The table below provides details of disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure omission	Detail	Auditor recommendations	Adjusted?
<b>Note 13 Designated Funds</b>	<ul style="list-style-type: none"> <li>Note has omitted designated funds arising from transfer in of First Bus.</li> </ul>	<ul style="list-style-type: none"> <li>Include First Bus designated funds within disclosure of balances at note 13</li> </ul>	✓
<b>Note 20 Contributions</b>	<ul style="list-style-type: none"> <li>A number of councils made significant advance contributions totalling £189m This is a significant transaction that occurs relatively infrequently and would merit narrative disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Include additional narrative in Note 20 to disclose advance contribution payments</li> </ul>	✓
<b>Transfers In (Bulk Transfers)</b>	<ul style="list-style-type: none"> <li>Material 'Bulk Transfer In' have taken place during 2017/18 relating to First Bus and totalling £388m an would merit further disclosure.</li> </ul>	<ul style="list-style-type: none"> <li>Include additional Note to disclosure Bulk transfers In</li> </ul>	✓
<b>Note 11 Investments at Fair Value – Pooled Investment Vehicles</b>	<ul style="list-style-type: none"> <li>A typographical error resulted in figures for UK special opportunities portfolio and Overseas special opportunities portfolio being transposed.</li> </ul>	<ul style="list-style-type: none"> <li>Amend figures UK special opportunities portfolio £272,477k amend to £53,445k Overseas special opportunities portfolio £53,445k amend to £272,477k</li> </ul>	✓

# Fees

We confirm below our final fees charged for the audit and audit related services. There were no fees for the provision of non audit services.

<b>Audit Fees</b>	<b>Proposed fee</b>	<b>Final fee</b>
<b>Pension Fund Audit</b>	56,341	56,341.
<b>Total audit fees (excluding VAT)</b>	<b>£56,341</b>	<b>£56,341</b>

The proposed fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA). Fees in respect of other grant work, such as reasonable assurance reports, are shown under 'Fees for other services'.

Grant Thornton UK LLP also provides audit services to:

- Matrix Homes Limited Partnership for audit fees totalling £12,200;
- Plot 5 First Street GP Limited and Plot 5 First Street Partnership Limited for audit fee of £11,300
- GLIL Infrastructure LLP for audit fee of £8,500;
- GLIL Corporate Holdings Limited for audit fee of £2,000
- GMPF Unit Trust £10,000

These are separate engagements outside the remit of Public Sector Audit Appointments Limited.

## Fees for other services

<b>Other services</b>	<b>Fees £</b>
<b>Audit related services:</b>	
• IAS 19 Assurance to auditors within PSAA regime or former PSAA regime for Foundation Trusts	5,995
• IAS 19 Assurances to non PSAA regime auditors	TBA
<b>Non-audit services</b>	Nil
	<b>TBA</b>

# Audit opinion

We anticipate we will provide the Pension Fund with an unmodified audit report

## Independent auditor's report to the members of Tameside Metropolitan Borough Council on the financial statements of the Greater Manchester Pension Fund

### Opinion

We have audited the financial statements of the Greater Manchester Pension Fund (the 'pension fund') for the year ended 31 March 2018 which comprise the Fund Account, the Net Assets Statement and Notes to the Greater Manchester Pension Fund, including the 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 2017/18.

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 2018 and of the amount and disposition at that date of the fund's assets and liabilities;
- have been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

### 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 for the audit of the financial statements section of our report. We are independent of the pension fund in accordance with the ethical requirements that are relevant to our audit of the pension fund 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.

### Who we are reporting to

This report is made solely to the members of Tameside Metropolitan Borough Council, (the 'Administering Authority') as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 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 Administering Authority's members 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 Administering Authority and the Administering Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Director of Finance (Section 151 Officer)'s use of the going concern basis of accounting in the preparation of the pension fund financial statements is not appropriate; or
- the Director of Finance (Section 151 Officer) has not disclosed in the pension fund financial statements any identified material uncertainties that may cast significant doubt about the Administering Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The Director of Finance (Section 151 Officer) is responsible for the other information. The other information comprises the information included in the Tameside Metropolitan Borough Council Statement of Accounts and the Annual Governance Statement, other than the Greater Manchester Pension Fund financial statements, our auditor's report thereon and our auditor's report on the Administering Authority's financial statements. Our opinion on the pension fund 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 pension fund financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the pension fund financial statements or our knowledge of the pension fund obtained in the course of our work 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 pension fund 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.

## Opinion on other matter required by the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice)

In our opinion, based on the work undertaken in the course of the audit of the pension fund financial statements the other information published together with the pension fund financial statements in the Tameside Metropolitan Borough Council Statement of Accounts and the Annual Governance Statement for the financial year for which the pension fund financial statements are prepared is consistent with the pension fund financial statements.

**Matters on which we are required to report by exception**

Under the Code of Audit Practice we are required to report to you if:

- we have reported a matter in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we have made a written recommendation to the Administering Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we have exercised any other special powers of the auditor under the Local Audit and Accountability Act 2014.

We have nothing to report in respect of the above matters.

**Responsibilities of the Administering Authority, the Director of Finance (Section 151 Officer) and Those Charged with Governance for the financial statements**

As explained more fully in the Statement of Responsibilities the Administering Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Finance (Section 151 Officer). The Director of Finance (Section 151 Officer) is responsible for the preparation of the Tameside Metropolitan Borough Council Statement of Accounts, which includes the financial statements of the Greater Manchester Pension Fund, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18, which give a true and fair view, and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of pension fund financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the pension fund financial statements, the Director of Finance (Section 151 Officer) is responsible for assessing the pension fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the pension fund lacks funding for its continued existence or when policy decisions have been made that affect the services provided by the pension fund.

The Overview (Audit) Panel is Those Charged with Governance.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the pension fund 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 pension fund financial statements.

A further description of our responsibilities for the audit of the pension fund financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Mike Thomas  
for and on behalf of Grant Thornton UK LLP, Appointed Auditor

4 Hardman Square  
Spinningfields  
Manchester  
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Xx July 2018

# Audit opinion on the Annual Report

We anticipate we will provide the Pension Fund with an unmodified audit report on the Annual Report

## Independent auditor's report to the members of Tameside Metropolitan Borough Council on the consistency of the financial statements of the Greater Manchester Pension Fund included in the Pension Fund Annual Report

### Opinion

The financial statements of the Greater Manchester Pension Fund (the "pension fund") for the year ended 31 March 2018 which comprise the Fund Account, the Net assets statement and Notes to the Greater Manchester Pension Fund, including the Accounting Policies, are derived from the audited financial statements of the Greater Manchester Pension Fund for the year ended 31 March 2018 included in Tameside Metropolitan Borough Council's Statement of Accounts (the "Statement of Accounts").

In our opinion, the accompanying financial statements are consistent, in all material respects, with the audited financial statements in accordance with proper practices as defined in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18 and applicable law.

### Pension Fund Annual Report - Pension fund financial statements

The Pension Fund Annual Report and the pension fund financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the Statement of Accounts. Reading the pension fund financial statements and the auditor's report thereon is not a substitute for reading the audited Statement of Accounts and the auditor's report thereon.

### Who we are reporting to

This report is made solely to the members of Tameside Metropolitan Borough Council (the 'Administering Authority'), as a body, in accordance with Part 5 paragraph 20(5) of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our work has been undertaken so that we might state to the members of the Administering Authority 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 Administering Authority and the Administering Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

### The audited financial statements and our Report thereon

We expressed an unmodified audit opinion on the financial statements of the Greater Manchester Pension Fund in the Statement of Accounts in our report dated xx July 2018.

### Director of Finance (Section 151 Officer) responsibilities for the pension fund financial statements in the Pension Fund Annual Report

Under the Local Government Pension Scheme Regulations 2013 the Chief Financial Officer of the Administering Authority is responsible for the preparation of the pension fund financial statements, which must include the Fund Account, the Net Asset Statement and supporting notes and disclosures prepared in accordance with proper practices. Proper practices for the pension fund financial statements in both the Statement of Accounts and the Pension Fund Annual Report are set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the pension fund financial statements in the Pension Fund Annual Report are consistent, in all material respects, with the audited pension fund financial statements in the Statement of Accounts based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), Engagements to Report on Summary Financial Statements.

Mike Thomas

for and on behalf of Grant Thornton UK LLP, Appointed Auditor

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xx July 2018



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