

ITEM NO: 9(a)

- Report To:** Pension Fund Management Panel
- Date:** 9 September 2011
- Reporting Officer:** Peter Morris, Executive Director of Pensions
- Subject:** ANNUAL GOVERNANCE REPORT
- Report Summary:** The Ethics and Audit Working Group gave detailed consideration to the accounts at its last meeting and a report from the District Auditor. The Working Group (as required by International Standards on Auditing (ISA 540) reviewed the reasonableness of significant assumptions for estimates to be used in the accounts and approved the bases applied. A copy of the Audit Progress Report as at July 2011 is attached at **Appendix 2**.
- A letter has also been sent to the District Auditor by the Chair of the Working Group and Executive Director of Pensions setting out:
- (i) how those charged with Governance exercise oversight of management processes;
 - (ii) how the Working Group oversees processes to identify and respond to the risk of fraud; and
 - (iii) how the Working Group gains assurance that all relevant laws have been complied with.
- A copy of the letter is attached at **Appendix 3**.
- The District Auditor will issue two reports on the financial statements of the Fund covering:
- (i) the Fund's financial statements as covered in the Fund's Annual Report;
 - (ii) the Fund's financial statements included within the administering authority's accounts.
- The District Auditor will present his report to the Panel. A copy is attached at **Appendix 4**. He is asking that the Panel:
- (i) consider the matters raised in his report before approving the Fund's financial statements; (report to follow);
 - (ii) approve the letter of representation on behalf of the Pension Fund before the audit opinion is issued; (attached at **Appendix 1**) and
 - (iii) agree the response to the proposed action plan.
- Recommendations:**
- (1) That the Panel consider the matters raised in the report by the District Auditor.
 - (2) That the Chair of the Panel and Executive Director of Pensions sign the letter of representation on behalf of the Management Panel.
 - (3) That the proposed action plan be agreed.

Financial Implications:
**(Authorised by the Borough
Treasurer)**

The Annual Report and Accounts is the key financial reporting document, summarising the transactions in the year and the value of the Fund as at 31 March 2011.

There are no material financial issues arising from this report.

Legal Implications:
**(Authorised by the Borough
Solicitor)**

The annual report regulations and related Audit Commission national technical guidance require a separate opinion to be issued on the Pension Fund's accounts.

Risk Management:

The external audit provides a further important layer of review on the Fund's activities, focussing on its financial statements.

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 Peter Morris, Greater Manchester Pension Fund, Wellington Road, Ashton-under-Lyne, Tel: 0161 342 3438 or email: peter.morris@tameside.gov.uk