



Government
Actuary's
Department

Annual Report and Accounts

2021-22

HC 775

Government Actuary's Department

Annual Report and Accounts 2021-22

(For the year ended 31 March 2022)

Accounts presented to the House of Commons pursuant to Section 6 (4) of the Government Resources and Accounts Act 2000

Annual Report presented to the House of Commons by Command of His Majesty

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This is part of a series of departmental publications which, along with the Main Estimates 2022-23 and the document Public Expenditure: Statistical Analyses 2021, present the government's outturn for 2021-22 and planned expenditure for 2022-23.

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Section 1

The Performance Report

Our year in numbers

Actuarial income in 2021-22



£24.1m



69%

Civil Service People
Survey GAD
employee engagement

↑ 33%

Increase in our Learning
& Development
investment in our
employees compared
to 2020-21



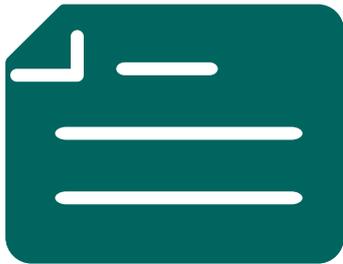
4.8

The average star rating (out of 5) awarded
by clients in our client survey

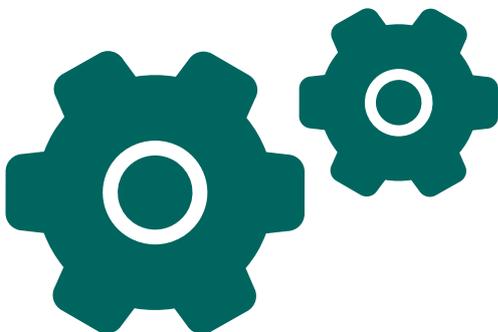
We reviewed the records for:



over 16m
members



across 20
public sector
pension schemes



across 183
different scheme sections

950

people attended one or more
GAD events during the year

16

of the 23 ministerial
departments were supported
by GAD along with numerous
other public bodies

28

GAD staff experiencing
secondments

32

GAD actuaries involved
in mentoring



Overview

This section contains a statement from the Government Actuary providing his perspective on the performance of the organisation over the period, as well as details of the purpose, vision and values of the Government Actuary's Department (GAD), GAD's strategy and principal activities, a list of key risks that could affect GAD in delivering its objectives, GAD's going concern assessment and a performance summary.



Foreword by the Government Actuary

Providing valuable professional insights based on thorough analysis of complex data is the hallmark of the work of actuaries. The examples highlighted in this report for the year 2021-22 ably illustrate how actuaries, analysts and business professionals at the Government Actuary's Department (GAD) do this in the public service in what has again been a record year for both the scale and diversity of work we have undertaken.

Our clients across government and elsewhere in the public sector have been faced with many challenges both old and new as we emerge from the COVID-19 pandemic into a new and freshly uncertain world. The consequences of conflict in Ukraine and the uncertain global recovery from the pandemic have filtered across many of the areas where actuaries provide analysis in a fast-paced evolution of information, data and behaviours. Our analysis, forecasts and interpretations similarly have to be fast-paced, and multiple sources of data processed in order to keep up to date whilst maintaining our high standard of quality.

It is reassuring therefore that GAD continues to be a valuable partner for our clients who accord us such high ratings – 4.8 stars overall out of a maximum of five - for our content, approach and value for money. Equally it re-enforces the themes – clients, people, inclusion and processes - of our 2025 strategy, the second year of which concludes with the 2021-22 financial year. Without investment in our people and processes for the benefit of our clients, we would risk falling behind in a fast-changing world. And by working to maintain an inclusive culture, we aim to facilitate the very best out of our people. So, it is pleasing to see GAD begin to achieve a step change in learning and development, innovation in its use of, for example data science, and the embedding of more efficient processes that all enhance the service we provide to our clients, both now and in the future. And to continue to invest in our inclusive culture and in ensuring that our policies and practices encourage diversity throughout.

At GAD we work on an exciting and diverse roster of client engagements where we can fully demonstrate all our skills. Together with opportunities to grow and develop as individual professionals within a collaborative, inclusive environment, this contributes to making GAD a great place to work be it from home, in GAD's own office spaces or with a client. In this report we note that, once again, we have recorded some impressive and improved scores in the annual Civil Service Staff Survey.

We manage our performance through monitoring detailed targets, Key Performance Indicators (KPIs) and budgets. Continuous improvements in our business forecasting and resource planning enable us to have very clear sight of future demand and thus respond accordingly. GAD is self-funding largely from client fees and it is important that we match our staff resources to our client demand as much as possible to keep our fee rates under control whilst also enabling successful fulfilment of our client engagements.

Our performance is explained in more detail in the Executive's Report and the Performance and Operating Review.

It is a real privilege to see the range of engagements undertaken by the department across all domains where actuaries are skilled and a pleasure to witness the growth and development of colleagues at all levels for whose skills, professionalism, commitment and integrity I have the utmost respect. I congratulate them for another notable year's work which is covered by this report.

Martin Clarke
Government Actuary
Accounting Officer



Purpose, vision and values of the Government Actuary's Department

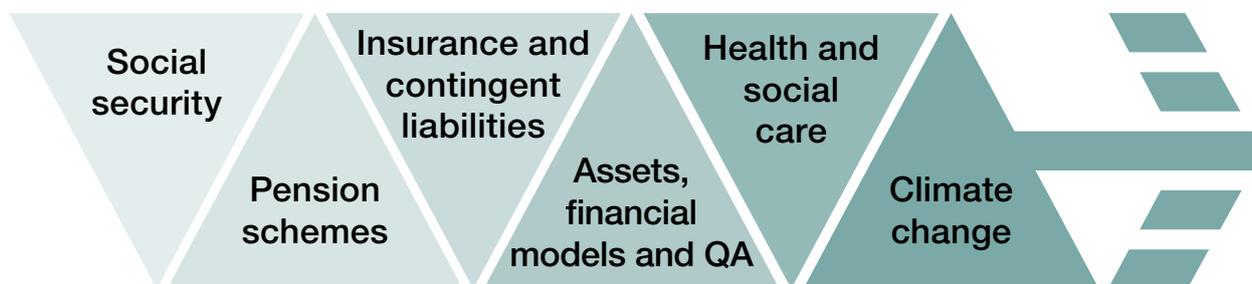
The mission of the Government Actuary's Department (GAD) is to improve the stewardship of public sector finances by supporting effective decision-making and robust financial reporting through actuarial analysis, modelling and advice.

We provide actuarial solutions including financial risk analysis, modelling and advice to support the UK public sector.

We apply the actuarial profession's technical skills, consultancy discipline, high standards of professionalism and industry sector knowledge to solve financial challenges faced by the UK public sector.

We are part of the analysis function in government.

Our areas of expertise continue to evolve and include:



GAD is a non-ministerial department whose funding is budgeted to be met entirely from the fees charged to its clients.

Our vision

- **We make a difference:** Our work improves outcomes for the public and helps the government achieve its objectives.
- **We partner effectively with our clients:** We proactively help our clients where we can add value and deliver innovative, cost-effective solutions to a wide range of issues.
- **We are seen as a great place to work:** We provide fulfilling careers for all our people.
- **Our value is recognised:** We are widely recognised and respected throughout the public sector as trusted experts in the fields of financial risk analysis and modelling.

Our values are the beliefs and behaviours which define us as an organisation

- **Expert:** We provide high quality, professional advice.
- **Collaborative:** We partner effectively with our clients to understand and address their business needs.
- **Inclusive:** We value and develop all our people.
- **Innovative:** We are forward looking, continually developing and improving to meet evolving client needs.

GAD's strategy

Our current five-year departmental strategy was launched in April 2020. The document can be read in full on our website.¹ Our strategy is centred around four strategic themes as set out below.

Clients

GAD aims to partner effectively with our clients to understand and address their changing business needs while raising our profile and developing new business to ensure we are helping the public sector wherever our actuarial skills can add value.

People

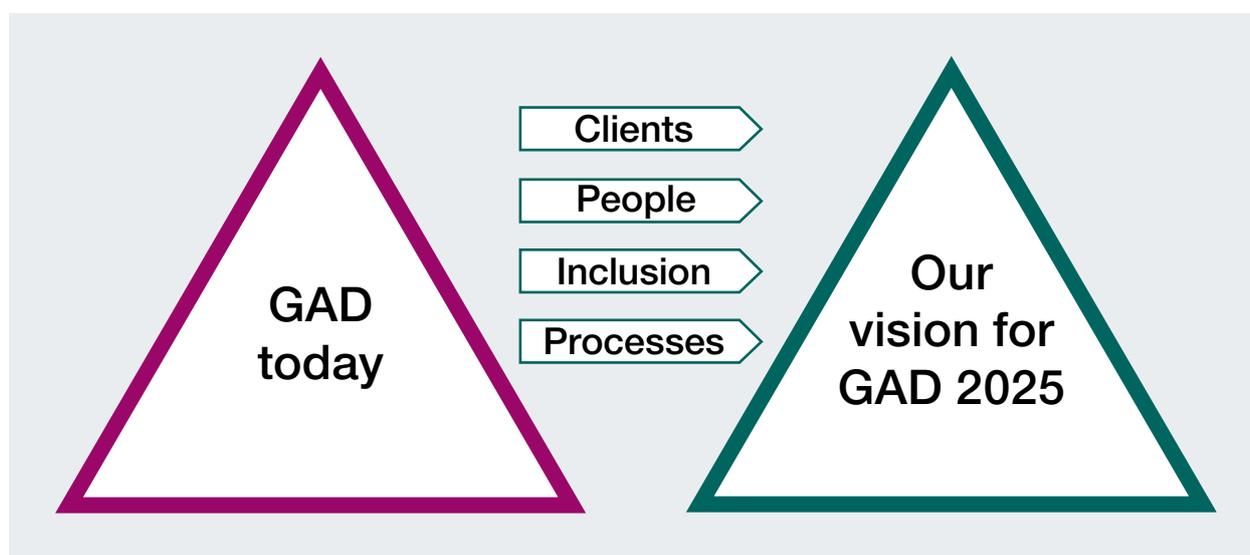
GAD aims to have people with the right skills in the right place, driven by what our public sector clients need us to do.

Inclusion

GAD aims to be a diverse, engaged team, working together to achieve our shared aims.

Processes

GAD aims to operate modern, innovative processes that support efficiency, quality and security.



¹ <https://www.gov.uk/government/publications/government-actuaries-department-gad-2025-strategy>

Principal activities

GAD's principal activities are divided into the following areas:

Insurance and risk transfer

We provide actuarial advice to government departments, public bodies, local authorities and international development organisations on life, general and health insurance related matters. Examples include: NHS Resolution, Department for Education (DfE) (Risk Protection Arrangement) and Department for Levelling Up, Housing and Communities. We advise on the values and underlying risks of contingent liabilities – future potential financial liabilities which might arise from self-insurance, risk transfer schemes or government interventions. Our analysis and advice apply to a wide range of challenges from modelling disasters in developing countries to assessing the risks of event cancellations.

Investment and credit risk

We provide advice on investment and funding risks as well as undertaking projects on the assessment of financial risks to UK government from credit support schemes. We undertake a wide variety of assignments for public sector bodies on issues such as investment strategy, funding plans and risk modelling.

Data science

We continue to develop our data analytics capability within the department. Our data analytics expertise helps UK government departments understand the information contained within large data sets. We use data science techniques and models, interactive dashboards, maps and visualisations to help identify trends and inform strategic decisions.

Modelling and quality assurance

We advise governments and organisations in the UK and around the world on financial modelling, demographic modelling and other bespoke modelling services. This includes:

- expert external assurance on a client's model quality assurance approach, the models themselves or specific aspects of the modelling
- advice and assistance on a model that a client wishes to develop internally
- providing a full modelling service, from initial consideration of model design to producing and interpreting results and making recommendations

Public service pension schemes

We provide actuarial advice to all of the main UK public service pension schemes such as those for the Civil Service, armed forces, police, fire service, teachers, local government and National Health Service. Our advice impacts a significant proportion of the population, covering around 16 million members in total. We advise and assist UK government departments on strategic pension scheme policy and implementation, including the implications of legal cases affecting public service pension schemes such as the McCloud case. We also support the ongoing management of the schemes by measuring scheme costs and employer contributions, providing financial information for government accounts, and producing and maintaining schemes' actuarial factors.

Funded pension schemes

We advise funded occupational pension schemes (those which have a pool of assets backing the liabilities) in the wider public sector and the private sector. This work includes consultancy services for trustees of schemes, advice to sponsors, and strategic benefit and investment reviews.

Pensions policy, regulation and supervision

Drawing on our actuarial knowledge, wide-ranging experience, and understanding of pensions issues, we offer technical and analytical advice on pensions issues which recognises the broader policy context. This includes the provision of actuarial analysis for government departments and public bodies requiring actuarial input to policy development. While the main focus is on the provision of actuarial support to officials in HM Treasury and the Department for Work and Pensions (DWP), we also support a number of autonomous bodies such as the Pension Protection Fund and the Pensions Regulator.

Staff transfers

We advise public sector bodies where staff are set to have their pensions arrangements changed. Our key services include broad comparability assessments and advice on bulk transfers including early assessment of potential shortfall costs. We help with communications with staff and liaising with pensions administrators and lawyers. We often work alongside clients in managing the whole process too.

Social security

We provide regular reports to Parliament on the financial position of the UK National Insurance Fund ('the Fund') as required by legislation. These include an annual report concerning the impact on the Fund of the proposed up-rating of benefits or changes in contributions, and a report every five years which summarises projections of the estimated balance in the fund over the longer term. We also provide advice to social security organisations in other countries.

More information about GAD's services is available on the GAD website.²

Key organisational risks

There are risks to not meeting the objectives set out in our five-year strategy and annual business plans. The key strategic risks identified by the Management Board are as follows:

Clients: Risk that GAD's reputation for providing high-quality advice to clients effectively and efficiently is damaged or that GAD's services do not match the evolving needs of its clients.

People and inclusion: Risk that GAD is unable to provide future advice effectively due to an ineffective people and inclusion policy.

Processes: Risk that GAD's advice is not value for money owing to poor processes in place.

Finance: Risk that GAD does not meet financial targets or has poor financial control.

2 <https://www.gov.uk/gad/services>

Further details about how these could affect GAD in delivering its objectives can be found in the Governance Statement within the Accountability Report.

Within the Governance Statement, we explain how we manage the strategic risks of the organisation. The corporate risk register is regularly reviewed at Management Board meetings.

The performance of the department is measured through the Balanced Scorecard Key Performance Indicators (KPIs). The KPIs are produced on a monthly basis, and are presented at Management Board meetings for review, discussion and action.

Going concern assessment

In common with other government departments, the future financing of the department's liabilities is to be met by the supply estimate process and the application of future income generated from clients. These are stated in the department's annual supply estimate which are approved by Parliament. As the department will continue its operations for the foreseeable future these financial statements have been prepared on a going concern basis.

Performance summary

In 2021-22, GAD achieved all of its parliamentary estimate targets. Actuarial income of £24.1 million is an all-time high for GAD and an increase of £2 million from 2020-21. GAD has continued to improve the efficiency of its regular work through rationalising the way we distribute our workforce by using analysts alongside actuaries. GAD has also continued to improve its profile and reputation within government enabling support for an increasingly diverse portfolio of work.

During the year, GAD continued to support a number of COVID-19 related responses, including secondments to the Department of Health and Social Care, working on assessment of clinical risk factors for severe COVID-19 outcomes and development of an event cancellation reinsurance scheme. As well as COVID-19 related activity, we have provided a large range of support to clients on other issues. We have seen a significant growth in our support to HM Treasury and responsible departments in regard to the public service pension schemes, supporting a project to estimate the impact of droughts in sub-Saharan Africa and supporting HM Treasury's Private Finance Hub in the lead up to COP26. We have continued to engage across government and with the Government Analysis Function to better understand the needs of our public sector clients and ensure we are building the capabilities that are required.

Our ways of working have continued to evolve during the year as increasing numbers of staff returned to the office and hybrid working emerged. We continue to review and improve our infrastructure and support to ensure we are able to deliver efficient client support as our ways of working change.

Performance analysis

Performance and operating review

2021-22 has been another very successful year for the department. As well as continuing to support an ever-widening range of government policymaking and implementation, we continue to improve our processes, as well as enhancing data analytic and modelling capability.

The key highlights of our performance are as follows:

Clients



The 2021-22 financial year has been one of challenge, change and success. Despite a further year of dealing with the pandemic, we were able not only to provide valuable support for our clients, but to grow our portfolio, develop new opportunities and progress our 2025 strategy.

Some of the most significant developments over the year included:

- working with a number of government departments to quantify the effect of COVID-19 on risk transfer schemes and government interventions
- our work with multiple government departments to develop remedy options and methods to unpause the 2016 public service pension scheme valuations following the successful legal challenge to the 2015 scheme reforms
- a material expansion of support for HM Treasury covering the public service pension schemes, supporting the establishment of a Contingent Liability Central Capability in response to the balance sheet review, advising on financial responses to the COVID-19 pandemic and projecting cashflows resulting from the Brexit withdrawal agreement
- rapidly deploying individuals on secondment to Department of Health and Social Care, Ministry of Justice and others to respond to the increased demand as a result of the COVID-19 pandemic

Further detail of GAD's client work in year can be found in the 'Review of progress' section below.

Clients (continued)

We continued to embrace the benefits of technology and remote activity to deliver 13 webinar events covering climate change, COVID-19 impacts on insurance and mortality, public service pension legal issues and impacts, and parliamentary schemes, reaching over 950 attendees. Feedback from clients has remained excellent. Please refer to GAD's website for more details of the public events.³

People and inclusion

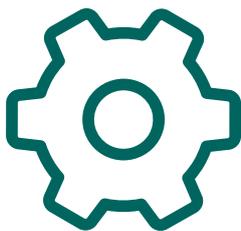


Over the year, we continued to progress our people strategy and ensure that GAD remains fit for the future, this includes:

- **Hybrid working:** We worked with staff to develop a hybrid working policy that best meets the needs of our clients and our people. This was done alongside a reconfiguration of our London office space to better meet the need to work collaboratively.
- **Learning and Development:** We launched the Online Skills Tool for our analytical and actuarial staff which allows those staff to better plan their own development in line with the future growth of the department. We also co-ordinated training activity across the entire department to strengthen our expertise in areas such as data science and climate risk.
- **Recruitment:** This year we overhauled our approach to graduate recruitment for trainee actuaries and analysts to ensure we were able to more fully assess a candidate's potential. This led to a more efficient process for graduate recruitment and offers made to a diverse group of very talented individuals.
- **Performance management:** In 2021-22 we streamlined our performance management process to ensure that less time was spent on completing forms and more time was spent discussing individual performance and career development.
- **Diversity & Inclusion:** We have continued to establish more opportunities for staff in GAD to communicate across levels of seniority and as groups. This includes weekly all-staff briefing sessions from senior leadership, and establishing a framework for staff networks which should encourage open dialogue across staff.

³ <https://www.gov.uk/government/publications/gad-webinars/gad-public-webinars>

Processes



During the year progress was made in many areas, with some of the most significant developments including:

- **Supporting hybrid working:** We ensured effective operation continued during the further periods of the pandemic, initially through remote working and then hybrid working once office access was available. Teams developed collaborative approaches to working physically separately from their colleagues and clients using IT tools and work planning systems to ensure client service continued efficiently and seamlessly.
- **Risk management:** We embedded the risk management approach that was introduced in 2020. That approach raised the focus on risk management by improving our identification, management and oversight of opportunities and associated risks and ensuring that they reflect our risk appetite.
- **Professional accreditation:** We renewed our accreditation with the Institute and Faculty of Actuaries Quality Assurance Scheme. The scheme provides external scrutiny to our processes and our professional approach to a quality service. We began preparations for the periodic re-accreditation due in 2022.
- **IT:** We continued to develop our partnership with the Government Legal Department's (GLD) IT team during the year, ensuring that our systems continued to function effectively and efficiently, building resilience and ensuring appropriate security of our systems.
- **Functional standards:** We are invested in ensuring GAD has the most appropriate set of controls that comply with Government Functional Standards. This will build on existing processes and controls and identify gaps where we can go further. It also aligns to our ambition to have robust controls that allow us to provide an excellent service to our clients. To enable this, we have set up a governance and project group to oversee the implementation of the standards. We have assigned a senior responsible owner (SRO) for each standard and we are in a strong position to fully implement the standards by 31 March 2023 in line with the Cabinet Office's timetable.

Finance



Client income for the year exceeded expectations, with increased demand for our services across a growing number of government departments and agencies. In particular, our public service pensions clients required substantial support as a result of the McCloud judgment and the 2020 scheme valuations.

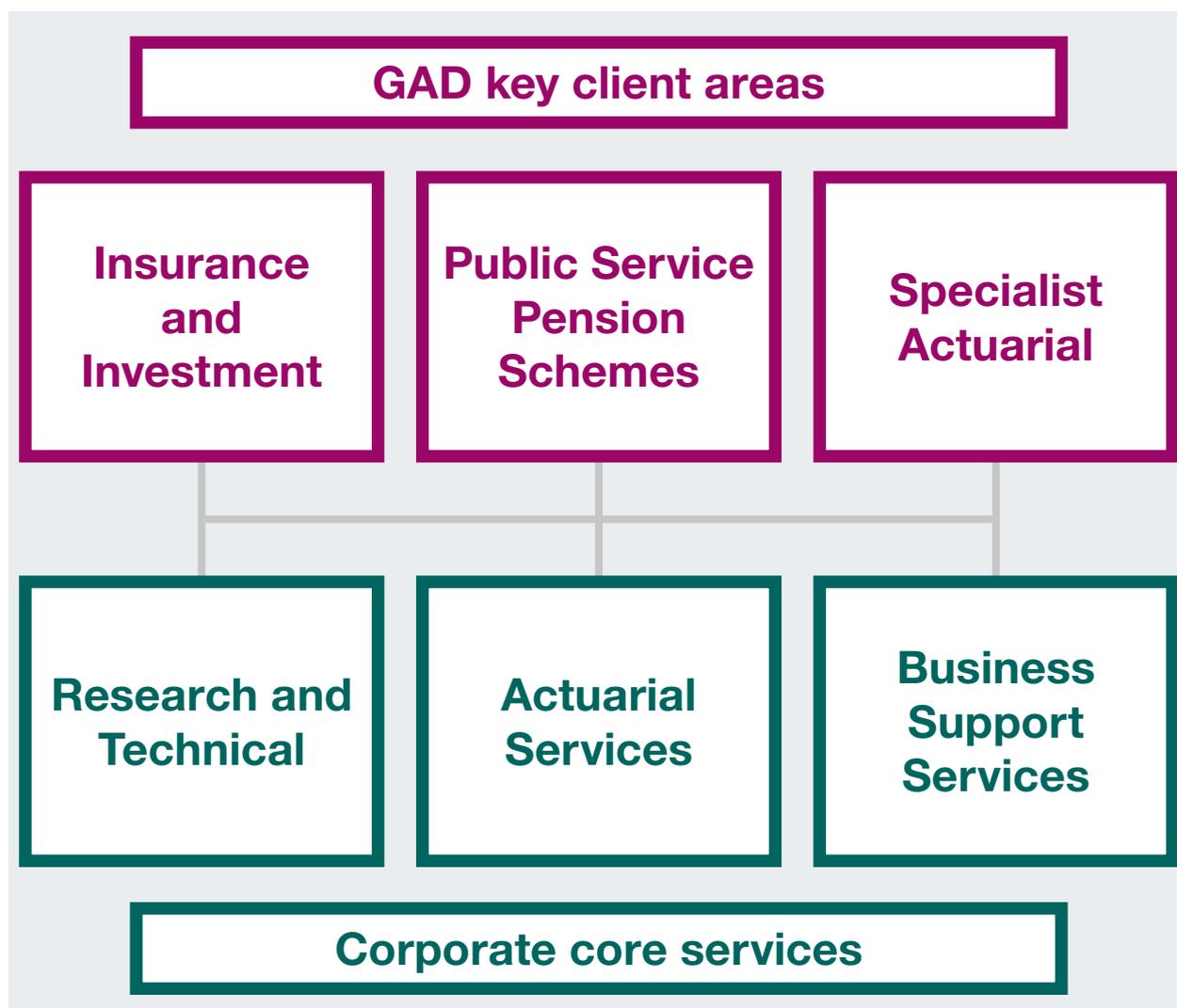
Improved forecasting and resource planning processes enabled the early identification of potential resourcing and delivery challenges that could have impacted the financial year outcome. Early intervention to mitigate the risks supported the strong performance in year.



Review of progress, 2021-22

GAD's team structure

GAD's client services are organised across our three client facing teams, with support from the Research and Technical team, Actuarial Services and Business Support Services.



Insurance and Investment (I&I)

Wide range of issues: The Insurance and Investment team continued to advise on a wide range of projects for existing and new clients.

Insurance and risk transfer: Our actuaries have supported a range of departments in developing policy around insurance and risk transfer related matters. This includes supporting the Department for Culture Media and Sport on the risks from event cancellation during the pandemic, supporting the Department for Business Energy and Industrial Strategy on third party liability insurance provisions for nuclear operators, and advising the Department for Education on the cost and carbon savings on “building back better” following fire, food or storm in schools.

We have also supported the Contingent Liability Central Capability in its first full year of operation. We have seconded staff to provide insurance expertise and consultancy advice in supporting the centre to evaluate, price, and better manage risks borne by the government through providing financial guarantees, indemnities, and insurance.

Investment and funding: Following the introduction of new legalisation, the team has supported the Government Actuary's review of the Personal Injury Discount Rate in Northern Ireland. We have also started supporting the Department for Business Energy and Industrial Strategy in assessing the risks around establishing a fund to meet nuclear decommissioning for new nuclear sites.

Modelling and quality assurance: We have applied data science techniques to model drought risks in sub-Saharan Africa to help estimate the poverty and nutritional impacts to enable better planning and mitigation. In addition, we have completed quality assurance reviews for various models prepared by a range of clients. This includes providing assurance to the Department of Health and Social Care on its long-term care funding models.

Public service pension schemes (PSPS)

Partnering with clients: We have continued to work closely with our public service pension scheme clients to deliver a huge range of bespoke work, as well as the regular annual work we carry out. This has included the Section 13 review project for the Local Government Pension Scheme in England and Wales, Equalities Impact Assessment analysis for a number of schemes, working closely with the Ministry of Justice to help them deliver their new scheme from April 2022, their bespoke McCloud remedy and their response to the O'Brien/Miller case.

We have introduced regular client webinars, with topics ranging from climate change to the cost control mechanism.

Enhanced offering: We have successfully worked with the Actuarial Services Team (AST) to develop an online tool to help members understand their pension choices as part of the 2015 (McCloud) Remedy programme. This has been commissioned by a number of clients and we are looking to roll it out to others next year.

We have begun to explore our longer-term vision for the PSPS team and how we develop the team to deliver that vision.

Improved efficiency and standardisation: Following the publication of The Public Service Pensions (Valuations and Employer Cost Cap) (Amendment) Directions 2021 we were in a position to complete the 2016 cost cap valuations for the public service pension schemes. This followed a centralised process to streamline the production of these reports.

We have continued to work with AST to develop consistency and efficiency on the various tools that are needed to deliver the 2020 valuations, across data, assumptions, results and reporting.

Specialist actuarial (SA)

Collaborative working: The Specialist Actuarial team provides actuarial advice in a wide range of different areas and have increased the opportunities for staff across the team to contribute to projects in new areas. This collaborative approach to working extends across the department, including the introduction of split roles providing opportunities for staff to

develop expertise in other areas of GAD's work. Close collaboration with AST is identifying additional ways that we can support each other to be more effective.

Ongoing policy support: We provide support to pension policy for both public and private sector pension arrangements. In particular, we have continued to assist HM Treasury in refining government policy on remedying the discrimination in the public service schemes arising from the McCloud judgment and we have worked closely with colleagues in the PSPS team to develop solutions on how the McCloud remedy impacts staff transfer exercises.

Enhanced communications: We continue to review our range of reporting to provide more engaging products for our clients. We have worked closely with AST to develop an initial Mantle dashboard for some funded pension schemes. As we continue to develop the full functionality of this product, we will aim to roll this out to additional clients.

Actuarial services (AST)

Producing innovative solutions for clients: We have produced various innovative solutions over the year, from member facing calculators hosted online, to internal dashboards to help client teams determine the most appropriate assumptions to adopt for a pension valuation. These have all taken advantage of new tools, techniques and ways of working, and reflect our approach to engaging with clients to deliver more dynamic and effective solutions.

Increasing our capabilities: We have hired a number of experienced analysts from elsewhere in government and they have helped us to expand our wider analytical skills across the team. This has provided a different perspective on our work, improved our understanding of the challenges faced within client organisations, as well as giving indicators of analytical pathways at GAD.

Widening our footprint: AST continues to develop our offering across GAD and over the last year has increased the work that we have delivered for the Insurance and Investment team by more than 100%. This has included taking on the calculation aspects of reserving work for NHS Resolution (NHSR) for the first time. We also played a major role in GAD's first large scale data science project modelling rainfall in sub-Saharan Africa.

COVID-19

The COVID-19 pandemic has continued to affect our clients' requirements and our operations throughout the financial year. Our offices in London and Edinburgh have been closed for part of the financial year requiring all staff to work remotely at times. Our remote working facilities continued to operate very effectively, enabling staff full access to the IT network, and providing videoconference facilities for person-to-person, team or client contact. As staff returned to the offices there was increasing demand for hybrid meetings which the videoconferencing facilities enabled the department to meet. Staff have developed an inclusive approach to the management of such meetings.

Remote working is now well established across all our clients and has provided new opportunities to engage and better understand client needs. We have recognised that reaching new clients and contacts is slightly more difficult without as many opportunities for personal contact or networking and we are accordingly exploring alternative ways of networking and connecting.

We have continued to experience large demand for our support from clients both in pandemic related activities but also for other reasons. In relation to COVID-19 for example, we provided secondment support to the Department of Health and Social Care and the Ministry of Justice to work on pandemic responses, as well as provided consulting support to the Department for Business, Energy and Industrial Strategy, HM Treasury and others on response schemes. We have also continued to develop our internal systems and capabilities to ensure we are fit for the future and able to deliver to client needs in a post-COVID-19 world. In terms of the effect of the pandemic on business expenditure, much like last year, there has been relatively little spent on travel, albeit that other items such as IT support costs have increased as we ensure we have the systems available to support staff. Some of these costs are shown in the table below.

Type of spend	2021-22 £000	2020-21 £000	Difference £000
Travel	11	1	10
IT support	507	466	41

GAD received no additional funding from HM Treasury for COVID-19 spending.

We do not anticipate a reduction in demand from our clients in the short term and we will continue to develop our systems and capabilities to deliver this support faster, more efficiently and in more accessible and informative ways.

EU exit

The UK's exit from the EU has not had any material impact on our strategic objectives and priority outcomes for the year. During the year, we have supported clients to assess liabilities and commitments related to the withdrawal agreement and expect this support to continue in future years. Otherwise, we have not seen a material impact on client demand for our support.

Public sector budgeting framework

In line with the public sector budgeting framework, GAD's net spending is broken down into three spending totals, for which Parliament's approval is sought. These are as follows:

- **Resource Departmental Expenditure Limit (RDEL):** A net limit comprising day to day running costs, less income from actuarial services provided and income from subletting of spare accommodation in our leasehold property.
- **Capital Departmental Expenditure Limit (CDEL):** Investment in capital IT equipment and leasehold improvements.
- **Resource Annually Managed Expenditure Limit (RAME):** A net limit for dilapidation provisions in relation to the lease for Finlaison House (GAD's headquarters) and a provision for a historic injury benefit.

GAD does not have any capital AME spend.

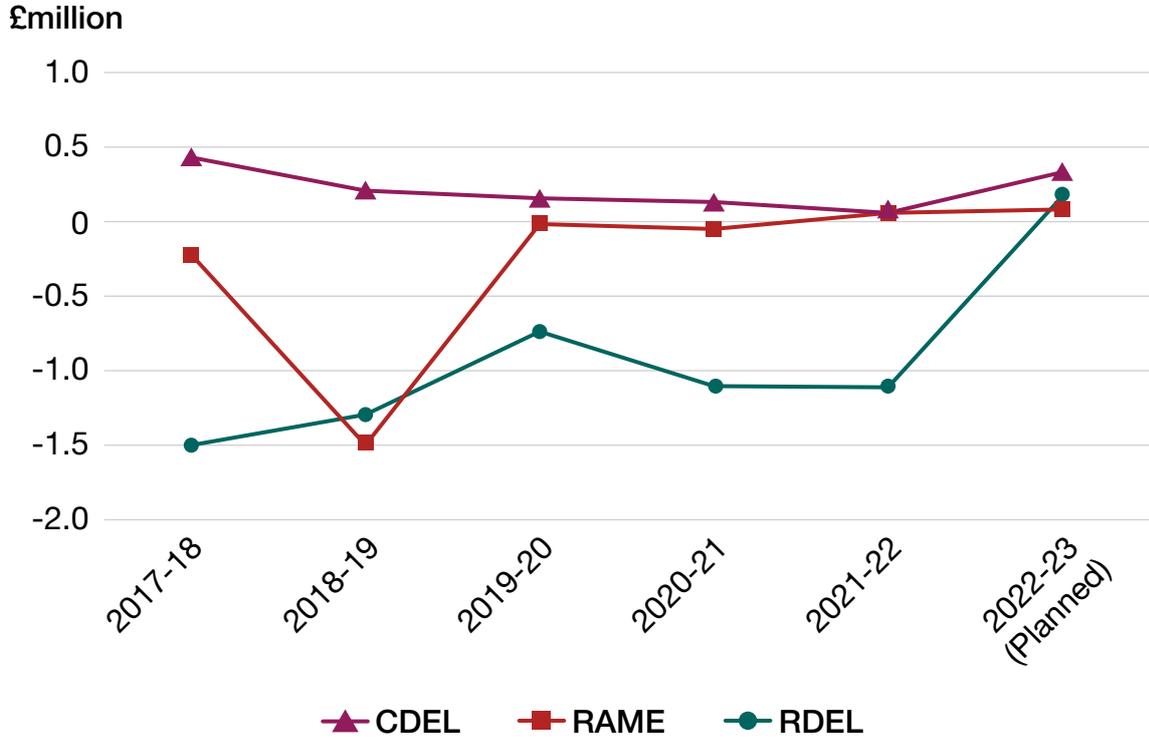
The table below provides a summary of GAD's outturn in 2021-22 compared to the approved estimates.

Category	Reconciles to SOPS note	Outturn £000	Estimate £000	Variance £000	Commentary
Resource DEL – Gross income	1.1	(25,691)	(25,224)	467	
Resource DEL – Gross expenditure	1.1	24,598	25,475	877	
Net resource DEL	1.1	(1,093)	251	1,344	The favourable variance is as a result of increased client demand for GAD's services, and therefore greater income than had been forecast through the estimate process.
Capital DEL	1.2	77	200	123	The variance on capital spend was due to supply issues causing delivery delays on IT equipment.
Resource AME	1.1	71	180	109	The favourable variance is due to the impact of building works undertaken at GAD's London offices (Finlaison House) having a smaller impact on the dilapidations provision than expected.

The above table reconciles with the Statement of Outturn against Parliamentary Supply (SOPS). The SOPS has in turn been reconciled with the Statement of Comprehensive Income in SOPS 2.

GAD's income arises from the fees charged to clients as well as rental income received from our subtenants at the London office. Due to GAD being self-funded, GAD's net outturn (RDEL) is often negative (i.e. income is higher than spend) as can be seen in the trend analysis below. Any excess cash held at 31 March as a result of this is paid over to HM Treasury.

Budget area spend trend analysis



Case studies – some of GAD’s work during 2021-22

Decarbonising the school estate

Insurance experts at GAD worked with the government to support schools in England to reduce their carbon footprints.

The Risk Protection Arrangement (RPA)⁴ is an alternative to insurance for schools and academies where losses that arise are covered by government funds. The Department for Education oversees the arrangement and GAD provides actuarial support in areas such as pricing and provisioning.

Building back better

Traditional insurance looks to replace like-for-like if schools suffer significant damage following a fire, flood, or storm. The RPA has additional flexibility to consider the way in which school buildings and equipment should be restored.

Rebuilding after a major loss can provide a cost-effective opportunity to ‘build back better’ and reduce a school’s carbon footprint. A pilot project at Morecambe Bay Academy saw a ground source heat pump installed following flood damage to the school’s boiler room. Rather than replacing the gas-fired boiler, the RPA used restoration funds towards the installation of a ground source heat pump. The use of this heat pump can be used to help forecast the cost and carbon savings of future interventions.

Future interventions

GAD has supported the government in its aim to establish a more prospective method of introducing heat pumps in English schools. We used detailed data on the physical condition of buildings to list schools where the boilers will need replacing soon.

We also:

- modelled the potential carbon savings connected to these initiatives
- provided high-level estimates to support immediate pilots
- collaborated with other government departments to develop more detailed models

For the wider heat decarbonisation programme, GAD analysed data to provide the initial list of schools where an intervention was most likely needed.

4 <https://www.gov.uk/government/publications/risk-protection-arrangement-rpa-for-academies/academies-risk-protection-arrangement-rpa>

Drought modelling

GAD supported a project to develop a standardised approach to estimating the poverty and nutritional impacts of droughts in sub-Saharan Africa.

We worked with the Centre for Disaster Protection, to develop a model, based on historic data, that simulates soil moisture in Malawi. GAD's model provided a methodology which can be adapted for simulating other drought measures in different countries.

Drought indicators

The Centre for Disaster Protection collaborated with the World Bank to examine various drought indicators and welfare measures.

They were looking to find a link between droughts and the impact on households, using historical weather event series as indicators of drought. GAD's role was to develop a model to simulate the drought indicators.

Data science

GAD carried out a detailed exploration of historical data to ensure we understood the features and dynamics which we needed to capture in our modelling. We used this to develop a model which produced 10,000 simulations, over a 1-year time horizon of soil moisture at 5-kilometre points throughout Malawi.

We used data science techniques to reduce the dimensionality of the data and fit an appropriate time-series model. We then created simulated future projections of soil moisture for each of the data points.

Our analysts had to overcome the challenge of capturing the following behaviours of the underlying drought indicators:

- **Temporal:** How to capture the seasonal trends and varying levels of soil moisture during the rainy and dry seasons.
- **Spatial:** How to incorporate correlations between spatial points (where we had to look at the relationships between 32,000 data points).
- **Scalability:** How to make the model flexible and scalable so it can be applied to other countries and drought indicators.

It is hoped that our model could be used to improve plans and actions to avoid or mitigate the impact of droughts in sub-Saharan Africa.

National Insurance Fund

The National Insurance Fund (NIF) for Great Britain receives income from National Insurance contributions and is used to pay State Pensions and other benefits. National Insurance contributions are split between the NHS and the NIF.

As required by legislation, GAD reports annually on the effect of the April up-ratings, and every five years we undertake a long-term review of the Fund. This year we have produced both the annual Up-rating report and long-term Quinquennial Review of the NIF.

Up-rating report

The annual Up-rating report published in January 2022, projected contribution income, benefit payments and the balance of the NIF over the next five financial years. Contribution income and benefit payments are currently around £120 billion each year.

The Up-rating report showed the NIF is projected to be in surplus in each of the next five years, although that surplus will generally decrease each year. These figures mean that it is not anticipated that there will be any payment required to the NIF from HM Treasury over the next five years.

Quinquennial Review

The Up-rating Report was complemented by the Quinquennial Review. We undertake this detailed review every five years and examine factors such as changes in the age structure of the UK population and changes in State Pension age. This in-depth report has a 65-year projection.

The Quinquennial Review looked at the long-term relationship between benefit payments (mainly State Pensions) and contribution income (mainly National Insurance contributions) and projected these for each year to 2086.

GAD used a project management framework that incorporated the annual Up-rating report⁵ and the Quinquennial Review as a single project. This led to delivery of this Review in our contemporary and accessible reporting style both efficiently and quickly.

5 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1047413/E02705826_Un_Act_GAD_NIF_Uprating_Report_Jan22_Web_Accessible_-_UPLOADED_GOV_UK.pdf

Retirement calculator

GAD has developed a retirement calculator which provides benefits options information to public sector pension scheme members. This online tool is designed to help people understand their pensions more clearly.

Pensions experts in GAD came up with the idea following the McCloud legal ruling. The judgment means some pension scheme members have a choice between two different types of benefits: legacy schemes (typically final salary schemes) and reformed schemes (typically career average revalued earnings schemes).

Data scientists in GAD developed the retirement calculator in Python to provide a better member experience than previous calculators we have provided.

Choosing options

The retirement calculator uses projections to illustrate what people will get at their chosen retirement age for both options.

Once people add their details, the calculator takes expected future pay rises and working patterns into account. The resulting information then helps scheme members to understand the benefits for which they may be eligible during the remedy period.

Member-focused

GAD used web programming and software to make the retirement calculator more responsive and interactive. This is so that it leads to a better experience for clients and pension scheme members. The aim is for it to sit alongside other information on pension portals so that people are able to get an instant picture of their proposed benefit options.

In the coming financial year, the retirement calculator is set to be rolled out to several public sector clients including police, teachers, and fire services throughout the UK. The learnings in terms of coding and web-based software may be applicable to enhancing a wide range of GAD's work.



COVID-19 support

GAD provided detailed support and expertise to the government throughout the pandemic. As a result, we continued to embed new ways of working and supporting our clients.

Our strengthened secondment programme continues to redeploy support to meet new demands and build collaborative links across the public sector. We also built on our use of technology to deliver events, training, and a more hybrid style of working.

School trips

During the pandemic we worked with the Department for Education to help schools and academies, which are members of the Risk Protection Arrangement (RPA). They were seeking to cover losses arising from school trip cancellations due to COVID-19. The RPA provides an alternative to commercial insurance for schools across England. We helped build and review a model which estimated the value of trips cancelled due to COVID-19.

Events cancellation reinsurance

GAD played a central role in measures to support the UK events market. We helped develop a government-backed reinsurance scheme worth over £750 million for event cancellation insurance. We worked with the Department for Digital, Culture, Media and Sport to estimate the expected number and size of events that would occur during the period of government support. The scheme, which was a partnership with the insurance industry, is expected to run until September 2022.

COVID-19 study

An actuary from GAD contributed to vital COVID-19 research which was published in the British Medical Journal. It established which groups of the population could still be at risk from COVID-19 despite being vaccinated. The research was based on data from the second pandemic wave in England which started at the beginning of September 2020. The team developed and validated multiple new QCovid® risk algorithms.

Other COVID-19 highlights:

- two actuaries were in the team that won a Royal Statistical Society Award for achievements in healthcare data analytics
- we helped ensure community pharmacies had the clinical negligence indemnity cover needed to administer vaccines in key areas of England
- the department supported the government and the British Business Bank to forecast costs of various coronavirus loan schemes which supported businesses that were losing revenue

Sustainability reporting

We are committed to integrating sustainability across our operations to support the government sustainability strategy.

GAD's work does not directly influence the areas identified in the UN Sustainable Development Goals. However, our work for clients increasingly contributes to departmental efforts to meet commitments to sustainability, for example on net zero. GAD continues to invest in capability to support sustainability across the public sector including building the relevant skills within the department and hosting webinars to engage with our clients on the wider agenda. Additionally, a GAD employee was seconded to HM Treasury to contribute our expertise at COP26.

GAD also supports the sustainability work of the Institute and Faculty of Actuaries through providing the time of employees to volunteer and contribute to profession-wide work. This includes two of GAD's actuaries sitting on the Institute and Faculty of Actuaries' Sustainability Board, working on incorporating sustainability into actuarial education and developing guidance on new practices for actuaries working in this area.

Since 2009 we have met the international standard (ISO 14001) for our Environmental Management System (EMS). The EMS is a management toolkit that enable us to document procedures and continuously monitor progress in environmental performance through regular measurements, reviews and audits.

Greening Government Commitments

Our objectives and targets are based on the Greening Government Commitments (GGCs) 2021 to 2025. These targets concentrate on mitigating climate change and working towards net zero by 2050, minimising waste and promoting resource efficiency, reducing water use, procuring sustainable products and services, adapting to climate change, and reducing environmental impacts from ICT. Further detail on the GGC targets can be found on the gov.uk website.⁶

GAD uses a dashboard system which enables us to report sustainability information accurately and in a timely manner.

As we transition out of the pandemic to a hybrid working pattern, the figures for the financial year continue to be lower than in previous years.

Commitment A: Mitigating climate change – working towards net zero by 2050

GAD's gas and electricity consumption have both decreased since the 2017-18 baseline as can be seen in the table below.

The requirement to meet the ultra-low emission vehicles Government Fleet Commitment is not applicable to GAD, as GAD does not own, hire or lease car fleets.

The number of domestic flights for 2021-22 has decreased significantly by 89% from the baseline as staff travel more by rail and adopt hybrid working practices. GAD will continue to encourage staff to travel by rail or other transportation over flights where possible to help reduce CO₂ emissions.

6 <https://www.gov.uk/government/publications/greening-government-commitments-2021-to-2025>



		Baseline 2017-18	2018-19	2019-20	2020-21	2021-22	Percentage change 2021-22 from baseline
Non-financial indicators (CO ₂ e)	Scope 1 and 2 emissions ⁷	169	151	143	86	60	-64%
	Scope 3 emissions (indirect – official business travel)	33	48	17	0	2.5	-92%
	Total emissions	202	199	160	86	62.5	-69%
Other non- financial indicators	Number of domestic flights	99	133	155	1	11	-89%
	Distance travelled on international flights	8,866	42,859	1,322	0	0	-100%
Related energy consumption (KWh) ⁸	Electricity	317,791	257,515	247,623	143,792	162,651	-49%
	Gas	140,418	193,648	170,588	116,191	139,257	-1%
Financial indicators (£)	Expenditure on energy	46,112	34,897	40,815	26,400	30,416	-34%
	Expenditure on official business travel	40,975	57,783	33,686	529	10,965	-73%

7 CO₂ emissions figures are taken from the Cabinet Office electronic Property Information Mapping Service (ePIMS) database. From 2021-22 CO₂ emissions figures are taken from the DEFRA conversion factors <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

8 The figures for energy consumption are based on our occupied floor space as a proportion of the total building space as the building is multi occupied and sub-metering is not available.

Commitment B: Minimising waste and promoting resource efficiency

Waste



		Baseline 2017-18	2018-19	2019-20	2020-21	2021-22	Percentage change 2021-22 from baseline
Non-financial indicators (tonnes)	Non-recycled	0	0	0	0	0	0%
	Total reused/ recycled	38	7	5	0.7	4.1	-89%
	Food waste	3	2	2	0.1	0.2	-93%
	Incinerated with energy recovery	2	2	2	0.5	1.1	-45%
	Total waste	43	11	9	1.3	5.4	-87%
Financial indicators (£)	Total disposal cost	6,941	6,059	5,276	4,599	6,417	-8%

None of GAD's waste goes to landfill as all waste is either composted, reused, recycled or incinerated for energy recovery. In 2021-22, 76% of GAD's waste was reused or recycled. All waste figures have reduced compared to the 2017-18 baseline.

It is currently not possible for GAD to split the disposal costs between the different waste streams. GAD will work with the Government Property Agency (who manage GAD's facilities management contract) to improve analysis on this in preparation for next year's financial reporting.

Due to the majority of staff working from home in 2021-22, waste generation from the office is less than in previous years. There were 2.5 tonnes of recycled waste resulting from a small office refit in 2021. Surplus furniture is advertised on the Government Furniture Clearing House with the remainder being disposed of in an ethical manner. Our policy and practice is to recycle all redundant IT equipment that cannot be re-used using approved Waste Electrical and Electronic Equipment brokers.

GAD is in the process of implementing a reuse scheme and a strategy to remove consumer single use plastic by 2025.

Paper



	Baseline 2017-18	2018-19	2019-20	2020-21	2021-22	Percentage change 2021-22 from baseline
Non-financial indicators (A4 reams)	785	595	395	0	40	-95%

40 reams of paper were purchased in 2021-22. This is a 95% reduction from the 2017-18 baseline.

Commitment C: Reducing our water use



		Baseline 2017-18	2018-19	2019-20	2020-21 (Restated)	2021-22	Percentage change 2021-22 from baseline
Non-financial indicators (m ³)	Water consumption	842	784	770	347	474	-44%
	m ³ per FTE	5.2	4.6	4.4	1.7	2.2	-57%
Financial indicators (£)	Water supply and disposal costs	2,340	1,654	2,103	886	1,271	-46%

GAD is already on target to achieve the 8% reduction in water consumption from the 2017-18 baseline. Currently, GAD has seen a 44% reduction in water use compared to the baseline.

Due to having less staff in the office, water consumption is lower than in previous years. However, due to water management requirements to help reduce the risk of Legionella, we have a daily flushing regime in place that ensures that water is turned over on a regular basis.

Commitment D: Procuring sustainable products and services

Our procurement policy includes using the framework contracts under the Crown Commercial Service and we are subject to the sustainability policy which it operates.

We promote sustainability in procurement by:

- working closely with our suppliers – particularly in the areas of catering, cleaning and stationery to adopt sustainable processes
- using a furniture clearing house to acquire and donate second-hand furniture between public sector departments
- buying less environmentally damaging products and services

- complying with environmental legislation and regulatory requirements
- including relevant environmental conditions or criteria in specification and tender documents, and evaluating supplier offers accordingly
- raising awareness of environmental issues within GAD, and among suppliers and contractors

GAD is working towards embedding the Government Buying Standards as part of implementing the Cabinet Office Functional Standards.

Commitment E: Nature recovery – making space for thriving plants and wildlife

GAD does not hold natural capital or landholdings.

We are also not required to have a biodiversity plan as our site is in a city centre, is a street front building and has no adjacent green space.

Commitment F: Adapting to climate change

We are committed to limiting the extent to which we contribute to climate change. Reduction measures are designed to do this by reducing carbon dioxide emissions from energy use and transport. GAD is in the process of conducting a climate change risk assessment. From this we will be able to create a climate change adaptation action plan and strategy to respond to the risks identified in the assessment. To support us in this we have engaged with the facilities management provider, Mitie, to ensure that their use of facilities reflects energy conservation and lighting reduction during off-peak hours. We will also continue to encourage staff to travel by rail over air for business. GAD has a Climate Change Acorn Group to engage staff and clients in climate change adaptation.

The GAD sustainability lead is a registered member of the Institute of Environmental Management and Assessment (IEMA). Sustainability is covered as part of the induction process for new recruits to the department. For existing staff periodic updates or refresher training sessions are provided.

Commitment G: Reducing environmental impacts from Information Communication Technology (ICT) and digital

GAD is considering its environmental impact from ICT in its IT strategy and will align wider strategies to emerging policies which are under development.

Martin Clarke

Government Actuary, Accounting Officer

11 November 2022



The Accountability Report

The Accountability Report includes:

- **The Corporate governance report:** This comprises the Executive's report, the Statement of Accounting Officer's responsibilities and the Governance Statement.
- **The Remuneration and staff report:** This comprises information on the pay and benefits received by Management Board members and provides details on staff costs and numbers.
- **The Parliamentary Accountability and Audit report:** This comprises the Statement of Outturn against Parliamentary Supply, the Parliamentary accountability disclosures and the Certificate and Report of the Comptroller and Auditor General (C&AG).

Corporate governance report

Executive's report

GAD is a non-ministerial department led by the Government Actuary. Details of the chairman and the composition of the Management Board can be found in the Governance Statement. Board members' interests are disclosed in the Remuneration report.

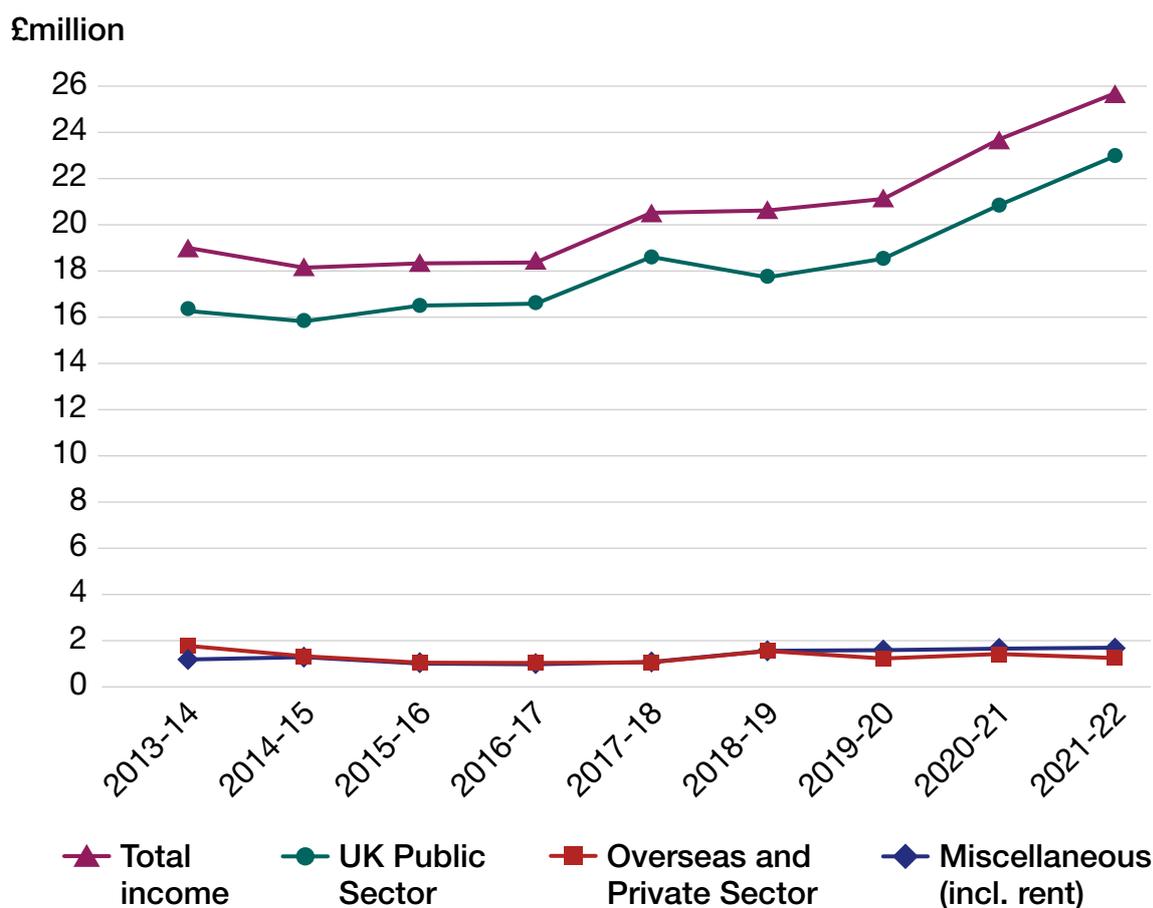
During the year we generated an operating surplus of £1.001 million. Income for the year was £25.691 million. Fee income (income from actuarial services) increased by 8.8% (£1.958 million) from £22.144 million in 2020-21, to £24.102 million in 2021-22. Our fee rate increase for 2021-22 was 1%, below the increase of 2.8% in 2020-21.

Income generated from within the UK was £25.369 million (2020-21: £23.222 million).

Overseas income was £322k (2020-21: £468k).

Miscellaneous income, which is generated by the subletting of floor space in Finlaison House, was £1.589 million in 2021-22, an increase of £43k from £1.546 million in 2020-21.

Income analysis



Administration and finance costs in 2021-22 amounted to £24.669 million, a £2.095 million increase from £22.574 million in 2020-21. Staff costs of £17.877 million are the main component of administration costs. Staff costs in 2021-22 increased by 7.1% (£1.186 million) due to an increase in average staff headcount compared to 2020-21. Other administration expenditure in 2021-22 amounted to £6.792 million, a £909k increase from £5.883 million in 2020-21.

Our capital budget (or capital departmental expenditure limit, CDEL) for 2021-22 was £200k of which £77k was used. The majority of the capital spend was on improved IT infrastructure, laptops and related equipment to support flexible working.

Our running and capital costs were met through income from actuarial fees and rental income.

The Statement of Financial Position shows total assets of £7.960 million (2020-21: £9.035 million), non-current and current assets less current liabilities £5.002 million (2020-21: £5.424 million), and non-current liabilities of £1.540 million (2020-21: £1.625 million).

Payment of suppliers

Our aim, in accordance with government policy, is to pay 90% of undisputed invoices within five working days of the receipt of goods or services or the presentation of a valid invoice, whichever is the later. During 2021-22, 99.7% of invoices by value (99% by number) were paid within five working days. The equivalent figures for 2020-21 were 99% of invoices by value (96% by number). No interest payments were made under the late Payment of Commercial Debts (Interest) Act 1998.

Expenditure on consultancy, professional services, publicity and advertising

During 2021-22 we spent £248k (2020-21: £288k) on consultancy and professional services. This was driven by a focus on improving the capability of GAD's core actuarial software platform. This will continue to have long-term benefits by increasing the efficiency of the service that GAD provides its clients.

In 2021-22 we incurred costs of £313k (2020-21: £204k) on the employment of temporary staff including an interim building and facilities manager and a programme manager. We aim to have a small proportion of staff on temporary and fixed-term contracts to provide flexibility to meet fluctuating demand.

In 2021-22 £6k was incurred on publicity and advertising costs, all of which was for recruitment (2020-21: £5k).

Financial risk

We have only very limited exposure to financial instruments which play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. More detail is given in Note 9.

Political and charitable donations

GAD made no political or charitable donations in 2021-22 (2020-21: £nil).

Recruitment and turnover

GAD's staff turnover this year was 11.5% to the end of March 2022 (7.9% in 2020-21).

The pace of our recruitment continued despite COVID-19 with the majority of our recruitment activity taking place in quarters 2 and 3. We rely on contingent labour, mostly in the form of agency contractors, to manage short term and cyclical demands.

GAD's appointment/employment letter makes reference to the Collective Agreements with the recognised trade union, Prospect, and that these terms, along with any agreements at a later date, will form part of the employees terms of employment.

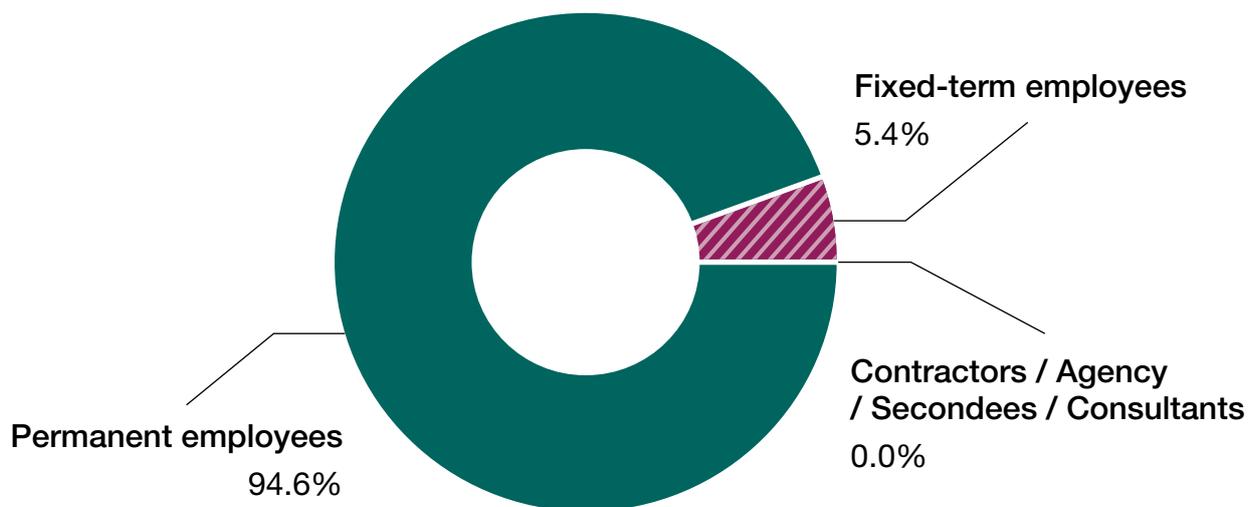
Turnover 2021-22	Turnover 2020-21
11.5%	7.9%

Staff in post as at 31 March 2022

	Staff in post 31/03/2022	Male	Female	Staff in post 31/03/2021	Male	Female
Actuaries	117	71	46	107	66	41
Trainee actuaries	32	22	10	37	27	10
Analysts	26	21	5	24	17	7
Support staff	48	21	27	40	18	22
Agency/non-payroll	0	0	0	15	11	4
Total	223	135	88	223	139	84
Of which Leadership Group ¹	20	14	6	21	15	6

¹ Leadership Group: Although not formally constituted as a committee, the Leadership Group, which consists of the Management Board, Senior Chief Actuaries, Chief Actuaries, and a number of other senior staff, is responsible for setting the tone and direction of the department.

The following chart shows the workforce mix as at 31 March 2022:



Staff engagement survey

The annual Civil Service-wide staff survey for 2021 took place in October 2021 and was completed by 182 GAD staff (84% of the total), a slightly lower proportion than 86% in 2020 due to the number of new staff joining the organisation in September and October.

At a high-level, although the headline results were broadly similar to those of the 2020 survey, there were a number of significant movements:

- We saw positive changes across both ‘My Team’ and ‘Learning and Development’, pointing towards the success of our work to build an organisation where teams work well together and staff are supported in developing their expertise.
- We surpassed the Civil Service average in all areas but two: ‘Organisational objectives’ and ‘My Manager’. There are relatively high scores for statements regarding the general support received from managers and confidence in the decisions of managers. However, the staff have given weaker scores for areas around performance management, with the majority of staff neither agreeing nor disagreeing with the statement that poor performance is dealt with effectively in their team.
- Staff reported having an increased workload and had concerns regarding their work-life balance. This might have been a consequence of both remote working due to COVID-19 as well as increased client activity. We have taken this feedback into consideration in business planning for 2022-23 as well as our plans for working post-pandemic.
- In line with 2020 results, we continue to see scores for ‘Leadership and Managing Change’ surpass the Civil Service average. We will look to build from this good position into the next year given the significant changes underway within GAD.
- While our scores for inclusion remain strong, we are aware of the need to do more to help support staff who have reported that they do not feel valued for their work, as well as addressing the issues that are raised in respect of bullying and harassment.

These results provide a useful indicator of the issues facing staff and will help to ensure that we are able to prioritise our activity over the next year to continue to grow as a high performing organisation. Team-level results were discussed at team meetings as a basis for planning local responses to the results.

	GAD score 2020	GAD score 2021	Change from 2020
Employee engagement index	67%	69%	+2
My work	80%	82%	+2
Organisational objectives	83%	82%	-1
My manager	69%	69%	0
My team	81%	86%	+5
Learning and development	58%	60%	+2
Inclusion	82%	82%	0
Resources and workload	75%	75%	0
Pay and benefits	40%	40%	0
Leadership and change	64%	65%	+1

Staff engagement survey



Diversity, inclusion and wellbeing

Our commitment

We are committed to actively championing inclusion in all its forms. We aim to foster an inclusive culture that places the health and wellbeing of all our people at its core.

We want everyone to feel connected in our hybrid working environment regardless of team or location. We will support our colleagues through planned changes including our office move, introduction of new technologies and our new ways of working.

GAD is committed to the recruitment and retention of individuals with disabilities and has gained official recognition as a disability confident employer.

As an inclusive employer and an employer of choice, we will support the continuous development of all our colleagues.

Our achievements

In the last 12 months, our two staff-led groups have worked collaboratively with our Head of Diversity and Inclusion, our ten Executive Committee diversity leads and our executive inclusion and wellbeing champion. Some of our achievements over the last 12 months include:

- facilitating four focus groups on race and ethnicity to better understand the experiences of colleagues from minority ethnic groups
- initiating three new staff networks to support our colleagues – these networks are the Women’s network, Trainees and Analysts network and the Business Professionals’ network
- entering 16 mentors and 16 mentees into the Actuarial Mentoring Programme in 2021-22
- mental health awareness week was marked in 2021-22 with quizzes, baking classes and other activities open to all colleagues
- updating our intranet pages to signpost access to support from wellbeing champions, mental health first aiders, employee assistance telephone line and other support
- co-creating an inclusion and wellbeing annual calendar and a communications plan which is monitored at monthly diversity, inclusion and wellbeing steering board meetings

Gender pay gap

GAD currently has fewer than 250 employees and so the reporting of gender pay gap information is not compulsory. We calculate our mean gender pay gap in hourly pay as at 31 March 2022 to be 8.7% in favour of men and the median pay gap to be 9.5% in favour of women. Comparative figures for 31 March 2021 for the mean gender pay gap in hourly pay stood at 12.3% in favour of men and the median pay gap at 6.9% in favour of women. Pay comparability within grades is kept under review and, if appropriate, adjustments are made.

Communications policy

The Head of Communications oversees the department's external communications strategy and internal communications. This includes the intranet, which has been redesigned over the past year to create a collaboration and connection space in response to flexible and hybrid working.

Key external communication priorities include promoting the department to clients, stakeholders and the public via our website, blogs, and social media. Over this past year GAD has also updated its approach to accessibility by improving the colour palette for reports and presentation materials and embedding accessibility training to all staff.

This collaborative approach involves teams working with the Head of Communications to identify stories and issues to illustrate the significance of our work. Across GAD we:

- publish news and case studies about projects and successes on our website
- create and host webinars, working with clients, public sector partners and academia to share expertise
- share insights and expertise on our blogsite 'Actuaries in government' and we write blogs for other websites
- write and publish a monthly newsletter as well as a quarterly 'special feature' which offers insights and analysis of timely issues

We share information internally using the intranet, emails, internal seminars, and video calls. The Government Actuary publishes a regular blog on the intranet. People are actively involved in wider departmental issues through the Diversity and Inclusion group and the Wellbeing Champions. There are several operating committees and working groups to encourage people to input into departmental decision-making.

Learning and Development

GAD is a learning organisation, an organisation skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights. We made two key changes to our approach to learning and development (L&D) and increased the time employees were encouraged to spend on developing their skills and expertise through training and other structured learning from 5 to 10 days. We also put in place more focused objectives to include:

- **Client engagement:** Supporting our client facing actuaries in improving our client intelligence, extend our networks and deliver value, with a key focus on developing their consultancy skills.
- **Data science:** Continuing with our existing support of a Data Science Apprenticeship L6 programme we also secured a formal data science training programme to help develop skills and equip staff to take forward data science work.
- **Climate change:** As one of our Acorn development projects, impetus and support was given to the development and delivery of events about climate change.

- **Project management:** GAD-wide training events on project management fundamentals were organised including supporting individuals in attaining project management qualifications such as Prince 2. We also engaged two new apprentices to complete a Project Management L4 apprenticeship programme, enabling them to provide support with core GAD projects.
- **Great managers and leaders:** Ensuring our leaders and managers are equipped for the challenges of the future we launched GAD's 'Great Managers and Leaders Training Brochure and Skills Map' setting out mandatory and optional training courses available for managers to complete and develop their skills. We are currently developing the leadership programme for delivery in 2022.

Further learning and development initiatives have included the management and responsibility of ensuring Continuous Professional Development (CPD) of our actuarial staff. The launch of an Online Skills Tool, providing our actuaries and analysts access to a bespoke skills and training database within the skills tool developed for the wider Government Analysis Function enabling conversations and planning on personal development. We created an Apprenticeships Guide for managers and apprentices to strengthen GAD's position in supporting the government apprenticeship initiative and targets.

Raising a concern procedures

GAD is committed to the highest standards of openness, integrity, and accountability.

If an individual discovers information which they believe shows serious malpractice or wrongdoing within GAD, the information should be disclosed without fear of reprisal. The Raising a Concern Policy, incorporating the whistleblowing guidance, enables a mechanism to voice concerns, independently of line management, where the circumstances justify that.

The Raising a Concern Policy can be accessed by staff via the GAD intranet. In addition, a whistleblowing system is a professional requirement for qualified actuaries and is explained in the Institute and Faculty of Actuaries' code of conduct. During the year, an enquiry was raised regarding fair recruitment practices, that was resolved to a satisfactory conclusion by providing full information on how we meet Civil Service Commission Principles.

Personal data

GAD has a wide range of policies relating to the protection and storage of personal data. We actively monitor any breaches of these policies relating to personal data and take appropriate action where required. We also provide regular training sessions to staff.

We are required to report any data related incidents that were formally reported to the Information Commissioner's Office. There were no such incidents in 2021-22.

The General Data Protection Regulation (GDPR)

As a data controller of personal data, GAD takes its responsibilities seriously. We currently comply with GDPR by:

- regularly reviewing and updating internal policies and processes relating to data protection and storage
- removing data in line with our retention policy
- publishing our up-to-date privacy notice on GOV.UK
- ensuring that personal data is stored, processed and transmitted securely
- replying to data subject access requests in a timely manner
- ensuring that all staff receive information security awareness training

We hold regular meetings with relevant staff, which includes executive representation, to discuss security matters at both an operational and strategic level. At least twice a year we review any recent information security incidents at the executive committee and consider any actions that need to be taken in respect of this.

Health and safety reporting

We are committed to providing a safe and healthy working environment and recognise the importance of our employees' health.

For a large part of 2021-22 most our staff were working from home, so the main risks arise within the home environment and staff working practices. We have procedures in place to ensure a safe working environment is maintained.

- All new starters to the department received an induction covering the department's health and safety policy and procedures and a display screen equipment assessment of their workstation.
- A working from home guide was produced to allow staff to run through a checklist to ensure that their home was a safe place to work. In addition, staff have been offered loan equipment to help make their home office a safer and more comfortable working area.
- Risk assessments were carried out for expectant mothers and for new mothers returning to work.
- A COVID-19 risk assessment was carried out in 2021 to ensure that the office was a safe place to work in. The building air handling system has been set to fresh air only to ensure that air flow isn't re-circulated.
- Discussions continued with the safety representative from Prospect (the recognised trade union in GAD) on all aspects of health and safety.
- All statutory health and safety inspections and testing were carried out in Finlaison House. These included fire evacuation drills, fire alarm and fire extinguisher testing, water systems monitoring and lift inspections.
- No reportable accidents occurred.

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000 Section 5(2), HM Treasury has directed the Government Actuary's Department to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the department during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Government Actuary's Department and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis
- confirm that the annual report and accounts as a whole is fair, balanced and understandable and take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable

HM Treasury has appointed the permanent head of the department (the Government Actuary, Martin Clarke) as Accounting Officer of the GAD. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Government Actuary's Department's assets, are set out in 'Managing Public Money' published by HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Government Actuary's Department's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Auditor

The Comptroller and Auditor General is the statutorily appointed auditor for the department's accounts. The notional cost of audit services in 2021-22 was £64,250 (2020-21: £63,000). No fees, either actual or notional, were incurred for non-audit work (2020-21: £nil).

Governance Statement

Governance framework

The Government Actuary's Department (GAD), which was established in 1919, is a non-ministerial department responsible for providing actuarial services and advice to public sector clients (UK and overseas) and private sector clients, where this is consistent with government policy and does not impair our ability to serve the UK government. Ministerial responsibility lies with the Financial Secretary to the Treasury.

I, Martin Clarke, have been the Government Actuary since August 2014. I have a number of statutory duties in connection with public service pensions, social security and personal injury discount rates. I am also the department Chief Executive and Accounting Officer of GAD in which capacity I am accountable to the Permanent Secretary of HM Treasury.

Governance committees

Management Board

The Management Board comprises seven executive members, including me, and three non-executive members. It is the principal advisory body and supports me in providing leadership to GAD, framing the overall strategy for GAD and exercising oversight over the performance of the department including its identification and management of risks. At regular intervals the non-executive chair of the Management Board conducts reviews of its effectiveness in terms of how it operates and the quality of data available to, and used by, the Board. The most recent review which was conducted in May 2021 and concluded that the available data was of a level which enabled the Board to function effectively and support GAD achieve its objectives.



Membership of the Management Board as at 31 March 2022 was:

	Martin Clarke	Government Actuary
	Wendy Dabinett	Director of Human Resources
	Matt Gurden	Actuarial Director, Clients, Growth and Development
	Stephen Humphrey	Actuarial Director, Quality, Compliance, Risk
	Dave Johnston	Actuarial Director, People and Capability
	Bev Messinger	Non-executive director from November 2021 on a three-year appointment
	John Ogden	Director of Finance and Operations, to 31 March 2022
	Les Philpott	Non-executive director from September 2021 and chair from November 2021 on a three-year appointment
	Colin Wilson	Deputy Government Actuary
	Ian Wilson	Non-executive director from September 2019 on a three-year appointment

Les Philpott was appointed to the Management Board from 1 September 2021, formally assuming the role as Management Board chair after Geoffrey Podger's term of office ended in October 2021. Alison White was a non-executive director from September 2019 to June 2021 and Bev Messinger was subsequently appointed to replace her on the Management Board.

Non-executive board members

GAD's Management Board and Audit and Risk Assurance Committee includes three non-executive members, who are appointed following open competition for terms of three or four years, which may be renewed once.

<p>Bev Messinger</p>	<p>Bev joined the GAD Board in November 2021. She is an experienced former public/charity sector senior executive who now has a non-executive portfolio. A Fellow of the Chartered Institute of Personnel and Development, her professional background is in HR/OD, but in the last decade she has focused on leadership and organisational transformation, most recently as CEO of the Institution of Occupational Safety and Health and continues this as a coach and management consultant.</p> <p>Bev has a diverse non-executive background in a range of public, charity, and voluntary organisations, as well as the NHS. She currently sits on three boards: Milton Keynes University Hospital Trust, Your Housing Group, where she is the remuneration committee chair, and nationally as vice chair of the Council for Work and Health.</p>
<p>Les Philpott</p>	<p>Les Philpott was appointed non-executive chair of the Management Board at the Government Actuary's Department in November 2021. His non-executive experience also includes chair and NED roles in wider central government, the NHS and in the education and private healthcare sectors. Les formerly held the position of Chief Executive at the Office for Nuclear Regulation. Prior to that he held senior roles in the Health and Safety Executive.</p>
<p>Ian Wilson</p>	<p>Ian is a Fellow of the Institute of Chartered Accountants in England and Wales, and an accredited professional Pension Trustee. He has over 25 years' experience working with global blue-chip companies including various Finance Director roles, as well as leading large multi-functional business services organisations for internal customers in both private and public sectors. He now focuses on non-executive director and Pension Trustee roles. He is currently a non-executive director at the Department Work and Pensions, and UK Research and Innovation (UKRI). He chairs the Trustee Board of a top 50 UK pension fund and chairs the Finance Committee at Royal Holloway, University of London. He is also a Trustee with the Church of England Pension Fund and a lay Trustee of the Royal College of General Practitioners. He has previous experience as a non-executive director with the Ministry of Defence and NHS. He holds an MA in Natural Sciences from the University of Cambridge and is an alumnus of London Business School. Ian has been chair of GAD's Audit and Risk Assurance Committee since July 2021.</p>

Between April 2021 and March 2022, the Management Board met 11 times, with attendance as follows:

Martin Clarke	11/11
Wendy Dabinett	6/11
Matt Gurden	11/11
Stephen Humphrey	10/11
Dave Johnston	11/11
Bev Messinger	5/5
John Ogden	8/10
Les Philpott	7/7
Geoffrey Podger	7/7
Alison White	3/3
Colin Wilson	10/11
Ian Wilson	10/11

Wendy Dabinett and John Ogden were on extended absence during the last part of the year.

Audit and Risk Assurance Committee

GAD has an Audit and Risk Assurance Committee (ARAC) comprising the three non-executive members of the Management Board. The committee supports me in my responsibilities for issues of risk, governance, financial controls and associated assurance.

The committee meets at least quarterly during the year. When necessary, it meets separately before the main meeting with the external and internal auditors.

Between April 2021 and March 2022, the Audit and Risk Assurance Committee met three times with attendance as follows:

Martin Clarke	3/3
Stephen Humphrey	3/3
Bev Messinger	1/1
John Ogden	2/3
Les Philpott	2/2
Geoffrey Podger	2/2
Alison White	2/2
Ian Wilson	3/3
Internal audit	3/3
External audit	3/3

The committee's terms of reference cover not only matters that the department is obliged to consider but also any other matters that both the Management Board and the committee consider to be areas of concern from an internal control, assurance and governance perspective.

ARAC looks to a number of sources of assurance throughout the year to assist it to effectively discharge its responsibilities as set out in its terms of reference. Such assurances are provided either by third parties (bodies independent of management) or internal sources (management representations).

The committee reviewed the annual internal audit plan to ensure the overall audit coverage and recommended its adoption to Management Board. During the year ARAC reviewed the findings of the audits carried out and followed up on the implementation of any agreed actions using the quarterly tracker report. In addition, the committee considered the external audit plan and any subsequent findings, reviewed the risk management processes and made some recommendations for improvement and approved this Governance Statement.

Members' interests

Ian Wilson, a non-executive director, declared an interest as a non-executive director for MoD Defence Business Services, which prepares the accounts for the Armed Forces Pension Scheme for which GAD is the scheme actuary, though no actual conflict was identified.

No other directorships or other significant interests that may have caused a conflict with their management responsibilities were held by Management Board members. The opportunity to disclose conflicts with items on the agenda is provided at every meeting.

Other committees

Executive Committee

GAD's Executive Committee (ExCo) comprises the executive members of the Management Board and other functional team leads. It meets weekly, principally on an informal basis with one formal meeting each month, to consider operational and management issues. During the year, the committee began to hold regular "in-person" meetings to collaborate on topical issues in greater depth. For example, ExCo had a session about the department's risk appetite and strategic risks. This led to GAD's risk management framework being updated.

Technical Committee

Professional and technical matters are overseen by the Head of Technical and Professional. In performing this role, he is assisted by the Technical Committee (and sub-committees covering different technical areas) whose purpose is to develop and maintain appropriate technical and professional practices across GAD, and to monitor and mitigate relevant areas of technical and professional risk. The Technical Committee consists of the Head of Technical and Professional, Government Actuary, the actuarial members of the Executive, the Head of Research and the chairs of the eight technical sub-committees. It is chaired by the Head of Technical and Professional and reports to the Management Board.

The purpose of the Technical Committee is to develop and maintain appropriate technical and professional practices across GAD. In particular, this includes promoting consistency and defensibility in the provision of client advice.

Strategic Security Group

The Strategic Security Group provides oversight on general issues relating to security at GAD. Their remit covers the physical security of its staff and estate, the security and management of sensitive personal or business information and cyber security. The group is responsible for developing and communicating appropriate policies and information and associated monitoring and reporting measures.

GAD Change Board

The GAD Change Board provides oversight to significant projects and change activity. The Board's remit is to ensure that change within the department is well managed; to challenge the robustness of plans for change and track progress; to ensure a good standard of communication throughout the department; assess risks to delivery and remedial action plans; and to prompt reporting when required to the Executive Committee and to the Management Board.

The department maintains standing and ad hoc committees to oversee programmes and initiatives as appropriate. At present these include:

- Technology Committee
- People Strategy Programme Board
- Diversity and Inclusion Programme Board

Corporate Governance Code

Government policy on departmental governance is outlined in Corporate Governance in Central Departments: Code of Good Practice (Cabinet Office, April 2017). This code operates on a 'comply or explain' basis, whereby departments are asked to disclose any element of the code with which they are not fully compliant, explaining their rationale and any alternative measures which have been put in place to meet the objectives of the code.

The Management Board has assessed GAD's corporate governance against the code and agreed which measures in the code are relevant to a department of GAD's size and can be implemented in a cost-effective way.

Management of interests

All appointment/contract of employment letters make reference to the civil service code of conduct. The letters contain a policy on the declaration of secondary employment which sets out the principles and the process to be followed. GAD's policy on this is also published on the intranet.

Business Appointment Rules

GAD applies the Business Appointment Rules in line with the guidance published on GOV.UK.²

2 <https://www.gov.uk/government/publications/business-appointment-rules-for-crown-servants>

Risk management

GAD is a relatively small organisation, but the advice we provide impacts on decisions which can have significant national financial consequences and be relatively high risk given their political profile. Risk management is therefore integrated as far as possible into the normal process of managing the business and the advice that we provide, with clear lines of responsibility.

The strategic risks of the department are considered as part of an enterprise risk management framework that is closely aligned to our five-year strategy, annual business plans and risk appetite statement. The risk appetite and resulting risks are aligned to our strategic themes and they represent a longer-term view than our operational risk planning. The Management Board reviews these risks at each meeting during the year. During 2021-22 we have focused on improving articulation of our risk appetite while continuing to focus on mitigation actions that are effective in reducing original and residual risks.

Our risk management processes, which operate at three organisational levels, Management Board, Executive Committee and operational. Operational risks are managed within the relevant business areas, with corresponding operational risk registers being used as management tools. Highly rated risks and significant individual risks are escalated to the Executive Committee where, alongside any other risks identified by the Executive Committee, they are grouped into the relevant quadrant of the balanced scorecard (finance, people and inclusion, clients and processes). A member of the Executive has oversight responsibility for the risk management processes for each quadrant, in addition to the four strategic themes.

The most significant of these risks are further escalated to Management Board. There is also a quarterly review of longer-term strategic risks, the main value of which is to focus attention on long-term issues that may not be picked up by day-to-day management of the business and the operations risk registers that operate on a 'bottom-up' basis. There is also an annual review of the risk appetite statement to ensure it remains aligned with the objectives set out in the five-year strategy and the latest annual business plan. In addition to consideration of this information, the Management Board aims to perform a deep dive into each balanced scorecard theme at least once during the financial year.

This process for risk management has enabled significant risks to be identified and mitigations to be discussed and implemented as appropriate. For example, during the year this approach resulted in decisions to reallocate efforts across different areas of the department to reduce the risk of negative project and financial outcomes arising.

The Audit and Risk Assurance Committee (ARAC) reviews the operation of the risk management processes, so it can provide assurance to the Accounting Officer that they are working effectively. During the year the committee reviewed a selection of risk registers in detail. The ARAC also agrees the three-year rolling internal audit plan and explores in more detail individual risks where necessary. Internal and external audit reports are all received and reviewed by the ARAC.

Risk appetite, strategic risks and mitigations

GAD has set out an overall risk appetite statement and seeks to take on the appropriate level of risk to maximise benefits within the department, to our clients and other stakeholders alongside the wider public interest. There are a number of strategic risks to us meeting our objectives, which are being mitigated to ensure we remain within our risk appetite.

Clients



Risk that GAD's reputation for providing high-quality advice to clients effectively and efficiently is damaged such that future advice is not requested or acted upon, that GAD's services do not match the evolving needs of its clients, or that there is limited awareness of GAD or the support it can provide across the public sector. The specific risks associated with these arise from failure to, raise our profile, understand client needs and deliver timely high-quality advice, innovations and solutions to budget.

Our mission is to support effective decision-making and robust reporting within government. Hence, we have an appetite to accept risks associated with providing services which will enable us to continue to add value to government decision-making. However, our reputation is paramount to being a trusted provider in government, such that we are averse to risks that are likely to undermine that status.

To mitigate risks, we continue to invest in project management processes and tools, as well as maintaining professional standards and policies. We maintain client plans for all key clients to help us manage the relationships and provide a consistently high-quality service and invest in our staff to improve engagement and understanding of client needs. We also seek client feedback to inform our client plans and improve the quality of our work. For the most high-profile projects we apply additional senior oversight to ensure the appropriate level of governance, planning and focus.

Financial



Risk that GAD's income is not sufficient to meet our costs on a long term and sustainable basis. This may arise due to insufficient demand from clients or if our cost base is higher than expected and income is insufficient to cover it.

We have a responsibility to provide value for money within government and stay within our HM Treasury financial control totals. Hence, we have an appetite to accept risks associated with projects intended to increase our output to costs ratio or improve the quality of our financial control, MI or reporting. However, we are averse to major financial surprises or financial risks that are likely to undermine our ability to meet our control totals or our sustainability as a service provider.

To mitigate risks, within the annual strategic and business planning cycle, we have regular forecasting and monthly financial and performance reporting. HM Treasury are updated throughout the year on our current and projected financial position, so any potential concerns may be discussed at an early stage.

People and inclusion

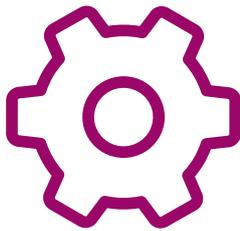


Risk that GAD lacks resource capacity or skills, or that it is not matched to our clients' demand. This may arise if there is a lack in development of skills and experience or that staff are not enabled or encouraged to work to their best ability.

The ability to recruit, retain and motivate quality people is critical to our long-term success. Therefore, we have an appetite to accept risk associated with investing in our staff to ensure they can meet current and future client needs. However, we are averse to risks that are likely to prevent us recruiting and retaining the quality of people we need.

To mitigate risks, within the annual strategic and business planning cycle, we have regular forecasting of resources against revenue. We monitor inclusivity through the diversity of staff at all levels and engaging with staff on these issues alongside ensuring we are in line with best practice. We have a people strategy aiming to realign recruitment, learning and development, talent management, secondments and rotations of staff, to ensure they are aimed at delivering GAD's future needs.

Processes

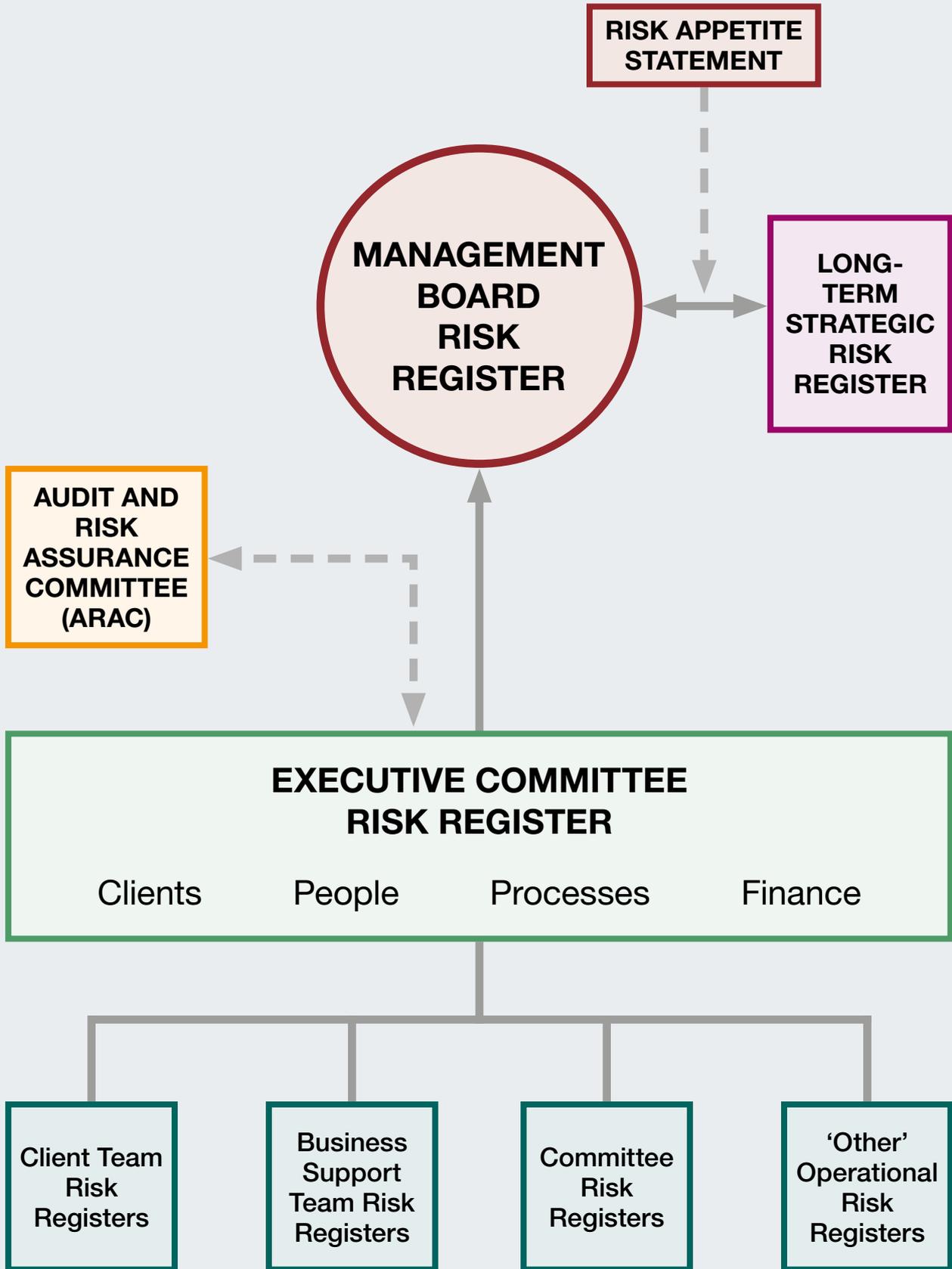


Risk that system or process failure or GAD fails to utilise modern techniques to analyse data and provide insights for clients. This may prevent GAD from delivering effectively, running inappropriate risks, or to loss of assets or sensitive data.

Having effective processes is essential to providing value for money and ensuring we provide a high-quality service meeting our contractual, professional and statutory requirements. Therefore, we have an appetite to accept risk associated with developing processes to enhance our consistency or efficiency or expand our range of services. However, we are averse to risks to delivering our statutory obligations or meeting our professional requirements.

To mitigate risks, we have implemented risk management processes and clear responsibilities, a central actuarial services team to support innovation and analysis, implementing project management tools on all business-critical projects, and invested in our IT strategy and data science training.

Risk management at GAD



Principles

Risk appetite statement provides a framework to assess the risks against the objectives.

Long-term strategic risks

functions top-down to identify risks that threaten the department's ability to deliver its responsibilities at a strategic level, which may differ from those identified through a bottom-up approach.

Risks escalated to **Management Board** are risks that ExCo deem to require attention or action by MB.

Risks escalated to ExCo

comprises key risks identified by operational risk registers, grouped by balanced scorecard quadrant.

Escalates risks where necessary or appropriate for attention or action by MB/ARAC.

ARAC conducts deep dive reviews on the risk registers for one balanced scorecard quadrant or operational level risk register at each quarterly meeting.

Operational level groups (programmes or activities), responsible for identifying risks to operational delivery, and actions to mitigate their impact.

Where necessary, these groups identify and escalate risks that are considered to need attention or action at a higher level, i.e. by ExCo.

Process

Risk appetite statement is updated by balanced scorecard quadrant owners and reviewed annually at ExCo and MB.

Long-term strategic risk

register is updated by balanced scorecard quadrant owners and reviewed quarterly at ExCo and MB.

Management Board risk

register is updated by risk owners and reviewed each month by ExCo and MB.

ExCo reviews the updated **ExCo risk register (ExCoRR)** each month and:

- agrees whether risks escalated from operational level should be included in the ExCoRR
- includes new risks identified at ExCo level
- where necessary or appropriate, escalates ExCoRR risks for attention or action by MB/ARAC.

ARAC selects one balanced scorecard quadrant or operational risk register item to review through a deep dive at each quarterly meeting.

Executive services team request risk register owners and named risk owners to update risks status on a monthly basis on any change in the risk rating (RAG), progress in completing mitigating actions, and any risks to be removed or escalated.

Executive services team updates centrally held operational risk registers and ensures that escalated risks are added to the ExCo risk register.

Overall assurance

The assurance from Internal Audit is supplemented by a formal system of Assurance Statements produced by Executive Committee members. These statements, supported by other internal controls, require senior managers to give evidence to support their assurance that they and their teams comply with departmental policies and procedures and, where appropriate, professional standards. The Assurance Statements cover governance arrangements, delivery and performance management, financial, people, information and project management. No significant issues were identified, and Executive Committee members and GAD's wider leadership team have provided adequate assurance to the Accounting Officer to support the GAD-wide statement.

Overall assurance is further supported by two Assurance Maps for the organisation: one for actuarial activities and another for corporate activities. The maps identify the critical functions in key areas and the sources of assurance for internal control processes across the department, following HM Treasury's Three Lines of Defence model:

- Management Control and reporting as the first line
- Functional Control as the second
- Independent Review/ Assurance/ Regulatory controls as the third

Both maps are updated and reviewed by the ARAC every six months. The Actuarial Assurance Map was reviewed by the Government Internal Audit Agency during the summer of 2019 and received a substantial opinion on management of risk.

In accordance with plans developed following the Macpherson review of quality assurance of government models, GAD maintains an up-to-date list of its business-critical models, which is available on our website.³ For these purposes a model is defined as a set of calculations / assumptions / mathematical manipulations that supports a decision and is defined as business critical if it plays such a role in decision-making that an error could have a significant reputational, economic or legal impact to GAD and its clients.

An updated Balanced Scorecard approach was adopted which aligned the key performance indicators with GAD's 2021-22 Business Plan objectives. The performance against Balanced Scorecard Key Performance Indicators was reported to each Management Board meeting.

Quality Assurance Scheme

Since October 2016, GAD has been accredited under the Institute and Faculty of Actuaries' Quality Assurance Scheme (QAS).

QAS is a voluntary global accreditation scheme which recognises the importance of the working environment in enabling actuaries to fulfil their professional responsibilities. The scheme aims to promote quality assurance at an organisational level and confidence in the work of actuaries. To gain accreditation organisations must demonstrate their commitment to the quality of actuarial work and comply with the standard 'APS QA1 Quality Assurance Scheme for Organisations'.

3 <https://www.gov.uk/government/publications/review-of-quality-assurance-of-government-models>

The accreditation process included an independent assessment of GAD's approach to quality assurance, conflicts of interest, training and development, speaking up and our relationship with the users of actuarial information. Based on this assessment, suitability was then determined by the QAS Sub-Committee. Each year GAD submits an annual return, providing evidence of continued commitment to the QAS themes. The sub-committee has praised the quality of GAD's return, most recently saying that they were "very impressed with the level of information provided".

Internal audit assurance

The internal audit team has undertaken a range of work during the year, in line with the audit strategy agreed by the ARAC. Where weaknesses in controls have been identified by completed audits, we have agreed to implement the actions recommended by the internal audit team.

IT strategy: The audit focused on reviewing the strategy development process to ensure it covered the key elements required as per accepted best practice. The audit also assessed the progress of ongoing activity and implementation of the strategy.

A moderate assurance opinion was confirmed, with one high and two medium priority actions.

Finance key controls: This audit focused on two key areas of GAD's financial system and controls. The processes in place to ensure fixed assets are appropriately accounted for and the adequacy and effectiveness of the control framework in place for cash management.

A moderate assurance opinion was confirmed, with three medium priority actions and two low priority actions recommended.

Public Service Pensions: The objective of this audit was to ensure that GAD had adequate quality assurance (QA) processes in place for the current round of 2020 valuations, including assessment of whether mechanisms were in place to ensure these processes were being followed.

A moderate assurance opinion was confirmed, with one medium and four low priority actions recommended.

Remote working: This audit focused on reviewing the adequacy and effectiveness of the remote working processes established by GAD and assessed how effectively the associated risks were being managed, including communications, health and safety, information management and security and IT capacity risks.

A moderate assurance opinion was confirmed with one medium and three low priority actions recommended.

Contract management: The engagement reviewed the framework of governance, risk management and control relating to contract management.

A moderate assurance opinion was confirmed, with one high and two medium priority actions recommended.

The audit programme was completed in full and reported before the end of the financial year. The annual report from internal audit provided an overall assurance opinion of moderate for the year ended March 2022 in the annual assurance statement.

Remuneration and staff report

Remuneration report

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found on its website.⁴

Remuneration policy

The current head of the department, Martin Clarke, was appointed as Government Actuary on 1 August 2014 but did not formally take over the responsibility of Accounting Officer until 1 September 2014. The position was appointed through an open competition run by HM Treasury and the appointment was made following the general rules for senior Civil Service appointments initially for a period of five years. With effect from 1 August 2019, the Government Actuary was re-appointed for a further five-year period. The appointment may only be terminated in accordance with the Civil Service Management Code.

The pay of the Government Actuary is determined on an annual basis, under agreed arrangements with the Permanent Secretary of HM Treasury. The determination of the pay of the remaining senior staff has been formally delegated to the Government Actuary and is subject to the annual pay negotiation arrangements for GAD staff.

Due to the nature of the performance appraisal system for the Government Actuary, bonuses are paid in the year following the year for which performance has been assessed. Martin Clarke was awarded a bonus of £17,500 relating to the performance year to 31 March 2021 which was authorised by the Permanent Secretary for HM Treasury and paid in financial year 2021-22.

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the Management Board members of the department. These details are shown in accordance with the 2021-22 Government Financial Reporting Manual (FReM) issued by HM Treasury.

4 www.civilservicecommission.org.uk

Remuneration (salary, bonus payments, benefits-in-kind and pensions) (audited)

Included in the table is the remuneration of the non-executive Board Members (NEBMs) the Government Actuary's Department has appointed to the Management Board and the Audit and Risk Assurance Committee. The NEBMs receive no emoluments except for fees of £540 per seven hours of service plus their travelling expenses.

Single total figure of remuneration

	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1,000) ⁵		Total (£'000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21 Restated ⁷	2021-22	2020-21 Restated ⁷
Martin Clarke Government Actuary	195-200	195-200	15-20	15-20	-	-	76	75	290-295	290-295
Colin Wilson Deputy Government Actuary ⁶	95-100 (160-165 full year equivalent)	95-100 (160-165 full year equivalent)	0-5	0-5	-	-	38	37	135-140	130-135
Stephen Humphrey Actuarial director – Quality, compliance and risk	150-155	150-155	0-5	0-5	-	-	38	86	190-195	235-240
Matt Gurden Actuarial director – Clients, growth and development	150-155	150-155	0-5	0-5	-	-	59	59	210-215	210-215

5 The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decreases due to a transfer of pension rights.

6 Where there is a difference between the full-year equivalent salary and the actual amount paid, this is because the actual shows the payment for time worked.

	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1,000) ⁵		Total (£'000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21 Restated ⁷	2021-22	2020-21 Restated ⁷
Dave Johnston Actuarial director – People and capability	135-140	135-140	0-5	0-5	-	-	54	54	190-195	190-195
John Ogden Director of Finance and Operations	85-90	85-90	0-5	0-5	-	-	33	33	120-125	120-125
Wendy Dabinett ⁷ Director of Human Resources ⁸	80-85	70-75 (80-85 full year equivalent)	0-5	0-5	-	-	-	16	80-85	90-95
Geoffrey Podger Non-executive board member	5-10	5-10	-	-	-	-	-	-	5-10	5-10
Alison White Non-executive board member	0-5	5-10	-	-	-	-	-	-	0-5	5-10
Ian Wilson Non-executive board member	5-10	5-10	-	-	-	-	-	-	5-10	5-10
Les Philpott Non-executive board member	5-10	-	-	-	-	-	-	-	5-10	-
Bev Messinger Non-executive board member	0-5	-	-	-	-	-	-	-	0-5	-

⁷ Wendy Dabinett's prior year pension benefit has been restated to remove the partnership pension contributions made by GAD.

⁸ Where there is a difference between the full-year equivalent salary and the actual amount paid, this is because the actual shows the payment for time worked.

Salary

'Salary' includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the department and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the department and treated by HM Revenue and Customs as a taxable emolument.

Bonuses

Bonuses are based on performance levels which are assessed as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual.

The bonus reported for the Government Actuary in 2021-22 relates to performance in 2020-21.



Fair pay multiples (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director at GAD in the financial year 2021-22 was £215k-£220k (2020-21: £215k-£220k). This was 3.8 times (2020-21: 3.8 times) the median remuneration of the workforce, which was £57,249 (2020-21, £57,249). Due to the Civil Service pay freeze the median remuneration and the median pay ratio has not changed compared to 2020-21. The median pay ratio is consistent with the pay, reward and progression policies for the department.

Remuneration ranged from £20k-£25k to £215k-£220k (2020-21: £20k-£25k to £215k-£220k).

There was no change (0%) to the pay of the highest paid director compared to 2020-21 as a result of the pay freeze. The average percentage change from the previous financial year for the employees of GAD as a whole was a 0.5% decrease.

No employees received remuneration in excess of the Government Actuary.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The following table shows the median earnings of the department's workforce and the ratio between this and the earning of the highest paid director.

	2021-22	2020-21
Band of highest paid director's total remuneration (£'000)	215-220	215-220
25th percentile total pay and benefits (£)	38,775	38,031
25th percentile total pay and benefits ratio	5.6	5.7
25th percentile salary component (£)	36,719	36,618
25th percentile salary ratio	5.9	5.9
Median total pay and benefits (£)	59,431	59,303
Median total pay and benefits ratio	3.7	3.7
Median salary component (£)	57,249	57,249
Median salary ratio	3.8	3.8
75th percentile total pay and benefits (£)	83,676	87,359
75th percentile total pay and benefits ratio	2.6	2.5
75th percentile salary component (£)	82,694	86,191
75th percentile salary ratio	2.6	2.5

Pension benefits (audited)

	Accrued pension at pension age as at 31/03/2022 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/2022	CETV at 31/03/2021	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Martin Clarke Government Actuary	40-45	2.5-5	719	656	64	0
Colin Wilson Deputy Government Actuary	45-50	0-2.5	747	695	26	0
Stephen Humphrey Actuarial director – Quality, compliance and risk	60-65 plus a lump sum of 115-120	2.5-5 plus a lump sum of 0	1201	1120	16	0
Matt Gurden Actuarial director – Clients, growth and development	30-35	2.5-5	350	303	26	0
Dave Johnston Actuarial director – People and capability	20-25	2.5-5	205	175	16	0
John Ogden Director of Finance and Operations	5-10	0-2.5	99	70	21	0
Wendy Dabinett Director of Human Resources ⁹	0	0	0	13	0	9,600

⁹ Wendy Dabinett transferred from a partnership pension scheme to the alpha civil service pension scheme during 2020-21. She then transferred back to a partnership pension scheme during 2021-22 with the alpha contributions being refunded. This is reflected in the above table.

Some board members may incur annual allowance tax charges as a result of pension accrual during the accounting period. No allowance has been made for consequential benefit reduction that may arise if these members elect to meet this tax liability, or similar ones from previous years, through a reduction to their pension benefits.

The figures above, including the opening and closing Cash Equivalent Transfer Values (CETVs) reflect these members' periods of Management Board membership.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and five months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the CETVs shown in this report – see below). All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership.

At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found on the Civil Service pension scheme website.¹⁰

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

¹⁰ www.civilservicepensionscheme.org.uk

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period

Compensation on early retirement or loss of office (audited)

No compensation on early retirement or loss of office was made in 2021-22 (£nil in 2020-21).

Payments to past directors (audited)

No payments to past directors were made in 2021-22 (£nil in 2020-21).

Off-payroll engagements

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, departments and their arm's length bodies must publish information on their highly paid and/or senior off-payroll engagements.

Highly paid off-payroll engagements as at 31 March 2022, earning £245 per day or greater

	GAD
Number of existing engagements as of 31 March 2022	-
<i>of which</i>	
Number that have existed for less than 1 year	-
Number that have existed for between 1 and 2 years	-
Number that have existed for between 2 and 3 years	-
Number that have existed for between 3 and 4 years	-
Number that have existed for 4 or more years	-

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2022, earning £245 per day or greater

	GAD
Number of temporary off-payroll workers engaged during the year ended 31 March 2022	2
<i>of which</i>	
Not subject to off-payroll legislation	-
Subject to off-payroll legislation and determined as in-scope of IR35	2
Subject to off-payroll legislation and determined as out-of-scope of IR35	-
Number of engagements reassessed for compliance or assurance purposes during the year	-
Of which: Number of engagements that saw a change to IR35 status following review	-

All existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance needs to be sought that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

Engagements of board members and/or senior officials with significant financial responsibility between 1 April 2021 and 31 March 2022

	GAD
Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility during the financial year	-
Total number of individuals on payroll and off-payroll that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure should include both on payroll and off-payroll engagements	8

Staff report

Staff costs (audited)

	2021-22			2020-21
	Permanently employed staff £000	Others* £000	Total £000	Total £000
Wages and salaries	13,318	28	13,346	12,376
Social security costs	1,615	2	1,617	1,482
Other pension costs	3,694	-	3,694	3,331
Total costs	18,627	30	18,657	17,189
Less recoveries in respect of outward secondments	(780)	-	(780)	(498)
Total costs	17,847	30	17,877	16,691

* Includes non-executive board members

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servants and Others Pension Scheme (CSOPS), known as alpha, are unfunded multi-employer defined benefit schemes and generally government departments are unable to identify their share of the underlying assets and liabilities. Due to its role as Scheme Actuary, GAD would be able to identify its share but has not done so in line with normal practice. The Schemes were valued as at 31 March 2016. Details can be found at their website.¹¹

For 2021-22, employers' contributions of £3,672k were payable to the PCSPS (2020-21: £3,315k) at one of four rates in the range 26.6% to 30.3% (rates unchanged from 2020-21) of pensionable pay, based on salary bands. The Scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £22k (2020-21: £16k) were paid to four appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (rates unchanged from 2020-21) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

Employers' contributions due to the partnership pension providers at the reporting date were £nil. Contributions prepaid at that date were £nil.

11 www.civilservicepensionscheme.org.uk/about-us/scheme-valuations

Average number of persons employed (audited)

The average number of whole-time equivalent persons employed during the year was as follows:

	Permanently employed staff	Others	2021-22 Total	2020-21 Total
Total	218	6	224	207

Senior Civil Service (SCS) salaries (actual) as at 31 March 2022

GAD currently only has two members of staff classed at SCS grades. However, below is a breakdown of all the senior staff members at GAD.

Salary bands	Total 31/03/2022	Male 31/03/2022	Female 31/03/2022
£90,000 - £95,000	1	-	1
£95,000 - £100,000	1	1	-
£135,000 - £140,000	1	1	-
£140,000 - £145,000	1	1	-
£150,000 - £155,000	2	2	-
£195,000 - £200,000	1	1	-
Total	7	6	1

Senior Civil Service (SCS) salaries (full time equivalent) as at 31 March 2022

Salary bands	Total 31/03/2022	Male 31/03/2022	Female 31/03/2022
£135,000 - £140,000	1	1	-
£140,000 - £145,000	1	1	-
£150,000 - £155,000	3	2	1
£160,000 - £165,000	1	1	-
£195,000 - £200,000	1	1	-
Total	7	6	1

The tables above refer to senior staff on the senior leadership team or Deputy Government Actuary (includes executive mentor) salary pay band and the salary bracket for the Government Actuary, and does not correlate directly with member figures for Management Board.

Reporting of Civil Service and other compensation schemes – exit packages (audited)

No exit packages were paid to GAD staff in 2021-22 (2020-21: Nil).

Sickness absence

The Management Board monitored sickness absence on a monthly basis and in 2021-22 GAD lost an average of 6.3 working days per employee due to sickness absence in comparison to an average of 2.9 working days in 2020-21. While there appears to be a significant increase, the 2021-22 figures align more closely to pre-COVID sick absence figures of 2019-20 which stood at an average of 6.2 working days. The 6.3 days for 2021-22 includes members of staff on long-term sick leave; the average number of sick days excluding those on long-term sick leave stood at an average of 3.2 working days.

Staff redeployments

During 2021-22, 22 GAD staff members went on secondment to government departments. Of these, three secondments were related to COVID-19 redeployments. The average duration of all secondments was 9.2 months.

The number of staff on secondment by grade and length of secondment is as follows:

Grade	Short-term ¹²	Long-term
Actuary	4	8
Trainee actuary	2	2
Analyst	2	2
Other	0	2
Total	8	14

This does not include non-government department secondments. In total 28 GAD staff members went on secondments in 2021-22 as a further six individuals went on secondments to non-governmental organisations. These are not included in the table above.

All secondments are classified as an administration expense for budgeting purposes.

Trade union facility time

Relevant union officials

	GAD
Number of employees who were relevant union officials during 2021-22	6
Full-time equivalent employee number	5.6

¹² Short-term secondments are defined as those which last for up to six months.

Percentage of time spent on facility time

Percentage time	Number of Employees
0 – 1%	6

Percentage of pay bill spent on facility time

	£000
Total cost of facility time	4
Total pay bill	17,839
% of total pay bill spent on facility time	0.02%

Paid trade union activities

	%
Hours spent by employees who were relevant trade union officials during 2021-22 as a % of total paid facility time hours	0
Time spent on paid trade union activities as a % of total paid facility hours	0



Parliamentary Accountability and Audit Report

Statement of Outturn against Parliamentary Supply (audited)

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRm) requires the Government Actuary's Department to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SOPS is a key accountability statement that shows, in detail, how an entity has spent against their supply estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the consolidated fund), that Parliament gives statutory authority for entities to utilise. The estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their supply estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOPS mirrors the supply estimates, published on GOV.UK, to enable comparability between what Parliament approves and the final outturn.

The SOPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following:

- outturn by estimate line, providing a more detailed breakdown (note 1)
- a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOPS to the financial statements (note 2)
- a reconciliation of outturn to net cash requirement (note 3)
- an analysis of income payable to the consolidated fund (note 4)

The SOPS and estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided on page 18, in the financial review section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on GOV.UK.

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The financial review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOPS disclosures.

Summary tables – mirrors part 1 of the estimates

Summary table, 2021-22, all figures presented in £000s

Type of Spend	SOPS Note	Outturn			Estimate			Outturn vs Estimate, saving/ (excess)		Prior Year Outturn Total
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	2020 -21
Departmental Expenditure Limit										
Resource	1.1	(1,093)	-	(1,093)	251	-	251	1,344	1,344	(1,085)
Capital	1.2	77	-	77	200	-	200	123	123	150
Total		(1,016)	-	(1,016)	451	-	451	1,467	1,467	(935)
Annually Managed Expenditure										
Resource	1.1	71	-	71	180	-	180	109	109	(31)
Capital	1.2	-	-	-	-	-	-	-	-	-
Total		71	-	71	180	-	180	109	109	(31)
Total Budget										
Resource	1.1	(1,022)	-	(1,022)	431	-	431	1,453	1,453	(1,116)
Capital	1.2	77	-	77	200	-	200	123	123	150
Total Budget Expenditure		(945)	-	(945)	631	-	631	1,576	1,576	(966)
Non-Budget Expenditure	1.1	-	-	-	-	-	-	-	-	-
Total Budget and Non budget		(945)	-	(945)	631	-	631	1,576	1,576	(966)

Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the supply estimates guidance manual, available on GOV.UK, for detail on the control limits voted by Parliament.

Net cash requirement 2021-22, all figures presented in £000s

Item	SOPS note	Outturn	Estimate	Outturn vs estimate, saving/(excess)	Prior year outturn total, 2020-21
Net cash requirement	3	(1,424)	372	1,796	(2,115)

Administration Costs 2021-22, all figures presented in £000s

Type of spend	SOPS note	Outturn	Estimate	Outturn vs estimate, saving/(excess)	Prior year outturn total, 2020-21
Administration costs	1.1	(1,093)	251	1,344	(1,085)

Although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

Explanations of variances between estimate and outturn are given in SOPS Note 1 and in the Accountability Report.

Notes to the Statement of Outturn against Parliamentary Supply, 2021-22 (£000s)

SOPS1. Outturn detail, by estimate line

SOPS1.1. Analysis of net resource outturn by estimate line

Type of spend (Resource)	Resource outturn							Estimate			Outturn vs estimate, saving/ (excess)	Prior year outturn total, 2020-21
	Administration			Programme				Total	Virements	Total including virements		
	Gross	Income	Net	Gross	Income	Net	Total					
Spending in Departmental Expenditure Limit (DEL)												
Voted expenditure												
Administration	24,580	(25,691)	(1,111)	-	-	-	(1,111)	231	-	231	1,342	(1,103)
Use of provision	18	-	18	-	-	-	18	20	-	20	2	18
Total voted DEL	24,598	(25,691)	(1,093)	-	-	-	(1,093)	251	-	251	1,344	(1,085)
Non-voted expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Total non-voted DEL	-	-	-	-	-	-	-	-	-	-	-	-
Total spending in DEL	24,598	(25,691)	(1,093)	-	-	-	(1,093)	251	-	251	1,344	(1,085)
Spending in Annually Managed Expenditure (AME)												
Voted expenditure												
Voted Provisions (AME)	-	-	-	71	-	71	71	180	-	180	109	(31)
Total voted AME	-	-	-	71	-	71	71	180	-	180	109	(31)
Non-voted expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Total non-voted AME	-	-	-	-	-	-	-	-	-	-	-	-
Total spending in AME	-	-	-	71	-	71	71	180	-	180	109	(31)
Total resource	24,598	(25,691)	(1,093)	71	-	71	(1,022)	431	-	431	1,453	(1,116)

SOPS1.2 Analysis of capital outturn by estimate line

Type of spend (Capital)	Outturn			Estimate			Outturn vs estimate, saving/ (excess)	Prior year outturn total, 2020 -21
	Gross	Income	Net total	Total	Virements	Total including virements		

Spending in Departmental Expenditure Limit (DEL)

Voted expenditure								
Purchase of capital items	77	-	77	200	-	200	123	150
Total voted DEL	77	-	77	200	-	200	123	150
Non voted expenditure	-	-	-	-	-	-	-	-
Total non voted DEL	-	-	-	-	-	-	-	-
Total spending in DEL	77	-	77	200	-	200	123	150

Spending in Annually Managed Expenditure (AME)

Total voted AME	-	-	-	-	-	-	-	-
Total non-voted AME	-	-	-	-	-	-	-	-
Total spending in AME	-	-	-	-	-	-	-	-
Total capital	77	-	77	200	-	200	123	150

The total estimate columns include virements. Virements are the reallocation of provision in the estimates that do not require Parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements is provided in the Supply Estimates Manual, available on GOV.UK.

The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the estimates laid before Parliament.

An explanation of variances between the estimates and outturn is as follows:

RDEL: The favourable variance of £1.344 million from estimate was mainly generated by GAD earning a higher level of income than had been forecast through the estimate process.

AME: The favourable variance of £109k is largely due to the impact of the building works undertaken at GAD during the financial year having a lower than expected impact on the dilapidations provision.

Capital DEL: The £123k variance on capital spend was due to supply issues causing delivery delays on IT equipment.

SOPS2. Reconciliation of outturn to net operating expenditure

Item	Reference	Outturn total	Prior year outturn total 2020-21
Net resource outturn	SOPS 1.1	(1,022)	(1,116)
Net Income for year in Statement of Comprehensive Income	SOCI	(1,022)	(1,116)

As noted in the introduction to the SOPS above, outturn and the estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this reconciliation bridges the resource outturn to net operating expenditure, linking the SOPS to the financial statements.

There was no difference between the net resource outturn per Statement of Outturn against Parliamentary Supply and the net income in 2021-22 or 2020-21.

SOPS3. Reconciliation of net resource outturn to net cash requirement

Item	Reference	Outturn total	Estimate	Outturn vs estimate, saving/ (excess)
Total resource outturn	SOPS 1.1	(1,022)	431	1,453
Total capital outturn	SOPS 1.2	77	200	123

Adjustments to remove non-cash items:

Depreciation and amortisation		(375)	(391)	(16)
New provisions and adjustments to previous provisions		(94)	(200)	(106)
Departmental Unallocated Provision		-	-	-
Supported capital expenditure (revenue)		-	-	-
Prior Period Adjustments		-	-	-
Other non-cash items		(74)	(63)	11

Adjustments to reflect movements in working balances:

Increase/(decrease) in work in progress		877	-	(877)
Increase/(decrease) in receivables		(954)	375	1,329
(Increase)/decrease in payables		123	-	(123)
Use of provisions		18	20	2

Net cash requirement		(1,424)	372	1,796
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As noted in the introduction to the SOPS above, outturn and the estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

The variance of £1.796 million is mainly due to a significant reduction in GAD's trade receivables balance through more robust credit control processes implemented in year.

SOPS4. Amounts of income to the consolidated fund

SOPS4.1 Analysis of income payable to the consolidated fund

Item	Outturn total		Prior year, 2020-21	
	Accruals	Cash basis	Accruals	Cash basis
Income outside the ambit of the estimate	-	-	-	-
Excess cash surrenderable to the consolidated fund	1,424	1,424	2,115	2,115
Total amount payable to the consolidated fund	1,424	1,424	2,115	2,115

The closing balance of £1.424 million will be surrendered to the consolidated fund by 31 March 2023.

Parliamentary accountability disclosures

The following Parliamentary accountability disclosures are made in accordance with relevant guidance issued by HM Treasury.

Regularity of expenditure (audited)

All expenditure was applied to the purpose intended by Parliament.

Losses and special payments (audited)

As at 31 March 2022, GAD had no losses or special payments to report (2020-21: £nil). The reporting threshold for losses and special payments is £300k.

Gifts

As at 31 March 2022, GAD had no gifts to report (2020-21: £nil).

Fees and charges (audited)

GAD generates income (shown net of value added tax) through the provision of actuarial services. Our fees are set in accordance with Managing Public Money to recover the full costs of the service provision.

	Income	Full cost of service	Surplus/ (Deficit)
Fees and charges	£000	£000	£000
2021-22 Actuarial services work	24,102	23,080	1,022
2020-21 Actuarial services work	22,144	21,028	1,116
2019-20 Actuarial services work	19,618	18,901	717

Remote contingent liabilities (audited)

As at 31 March 2022, GAD did not have any remote contingent liabilities that are required to be disclosed under parliamentary reporting requirements (2020-21: £nil).

Long-term expenditure trends

In summary, the department is expected to recover its costs, generating a small surplus. The capital budget requirements for future years will be kept under review.

The Government Actuary's Department has agreed indicative baseline funding until 2024-25. Further detail is provided within the Core Departmental Tables (see 'Corporate governance reporting' section within the Accountability Report).

Martin Clarke

Government Actuary, Accounting Officer
11 November 2022

Certificate and Report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the Government Actuary's Department (the Department) for the year ended 31 March 2022 under the Government Resources and Accounts Act 2000. The financial statements comprise the Government Actuary's Department's:

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Government Actuary's Department's affairs as at 31 March 2022 and its net income for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn Against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2022 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements of Public Sector Entities in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Government Actuary's Department in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Government Actuary's Department's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Government Actuary's Department'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.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Government Actuary's Department is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;

- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Government Actuary's Department and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Government Actuary's Department or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- assessing the Government Actuary's Department'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 Accounting Officer anticipates that the services provided by the Government Actuary's Department will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Government Actuary's Department's accounting policies, key performance indicators and performance incentives;
- inquiring of management, the Government Actuary's Department's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Government Actuary's Department's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Department's controls relating to the Department's compliance with the Government Resources and Accounts Act 2000 and Managing Public Money.
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Government Actuary's Department for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I also obtained an understanding of the Government Actuary's Department's framework of authority as well as other legal and regulatory frameworks in which the Government Actuary's Department operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Government Actuary's Department. The key laws and regulations I considered in this context included the Government Resources and Accounts Act 2000, Managing Public Money and the Supply and Appropriation (Main Estimates) Act 2021 and Supply and Appropriation (Anticipation and Adjustments) Act 2022.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my certificate.

Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn Against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

15 November 2022

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Section 3



The Financial Statements

Statement of Comprehensive Income for the year ended 31 March 2022

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

		2021-22	2020-21
	Note	£000	£000
Income from sale of goods and services	4	(24,102)	(22,144)
Other operating income	4	(1,589)	(1,546)
Total operating income		(25,691)	(23,690)
Staff costs	2	17,877	16,691
Purchase of goods and services	3	3,915	3,521
Depreciation and impairment charges	3	375	489
Provision expense	3	110	20
Other operating expenditure	3	2,413	1,886
Total operating expenditure		24,690	22,607
Net operating income		(1,001)	(1,083)
Finance expense	3	(21)	(33)
Net income for the year		(1,022)	(1,116)
Items which will not be reclassified to net operating costs:			
- Net (gain)/loss on revaluation of property, plant and equipment	5	-	-
- Net (gain)/loss on revaluation of intangible assets	6	-	-
Total comprehensive net income for the year		(1,022)	(1,116)

The notes to the accounts on pages 92-108 form an integral part of these accounts.

Statement of Financial Position as at 31 March 2022

This statement presents the financial position of the department. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

		As at 31 March 2022	As at 31 March 2021
	Note	£000	£000
Non-current assets			
Property, plant & equipment	5	412	719
Intangible assets	6	-	-
Total non-current assets		412	719
Current assets			
Work in progress	10	3,075	2,198
Trade & other receivables	12	3,049	4,003
Cash & cash equivalents	11	1,424	2,115
Total current assets		7,548	8,316
Total assets		7,960	9,035
Current liabilities			
Trade and other payables	13	(2,895)	(3,581)
Provisions	14	(63)	(30)
Total current liabilities		(2,958)	(3,611)
Total assets less current liabilities		5,002	5,424
Non-current liabilities			
Trade and other payables	13	(32)	(160)
Provisions	14	(1,508)	(1,465)
Total non-current liabilities		(1,540)	(1,625)
Total assets less total liabilities		3,462	3,799
Taxpayers' equity and other reserves			
General Fund		2,966	3,303
Revaluation Reserve		496	496
Total equity		3,462	3,799

The notes to the accounts on pages 92-108 form an integral part of these accounts.

Martin Clarke

Government Actuary, Accounting Officer
11 November 2022

Statement of Cash Flows for the year ended 31 March 2022

The Statement of Cash Flows shows the changes in cash and cash equivalents of the department during the reporting period. The statement shows how the department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the department's future public service delivery.

		2021-22	2020-21
	Note	£000	£000
Cash flows from operating activities			
Net operating surplus		1,022	1,116
Adjustments for non-cash transactions	3	543	539
Decrease/(Increase) in trade and other receivables	12	954	913
Decrease/(Increase) in work in progress	10	(877)	(201)
Increase/(decrease) in trade and other payables	13	(123)	(84)
Use of provisions	14	(18)	(18)
Net cash inflow from operating activities		1,501	2,265
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(77)	(150)
Purchase of intangible assets	6	-	-
Net cash outflow from investing activities		(77)	(150)
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund		1,424	2,115
Payments of prior year balance to the Consolidated Fund		(2,115)	(383)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(691)	1,732
Cash and cash equivalents at the beginning of the year	11	2,115	383
Cash and cash equivalents at the end of the period	11	1,424	2,115

The notes to the accounts on pages 92-108 form an integral part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

This statement shows the movement in the year on the different reserves held by the Government Actuary's Department, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that has not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 1 April 2021		3,303	496	3,799
Net Parliamentary Funding - Excess cash to be surrendered to the Consolidated Fund	13	(1,424)	-	(1,424)
Comprehensive net income for the year	SOCI	1,022	-	1,022
Notional charges				
Auditor's Remuneration	3	64	-	64
Other reserve movements including transfers		1	-	1
Balance at 31 March 2022		2,966	496	3,462
Balance at 1 April 2020		4,233	502	4,735
Net Parliamentary Funding	13	(2,115)	-	(2,115)
Comprehensive net income for the year	SOCI	1,116	-	1,116
Notional charges				
Auditor's Remuneration	3	63	-	63
Other reserve movements including transfers		6	(6)	-
Balance at 31 March 2021		3,303	496	3,799

The notes to the accounts on pages 92-108 form an integral part of these accounts.

Notes to the accounts

1. Statement of accounting policies

These financial statements have been produced under the accounts direction given by HM Treasury in accordance with section 5(2) of the Government Resources and Accounts Act 2000.

These financial statements have been prepared in accordance with the 2021-22 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Government Actuary's Department (GAD) for the purpose of giving a true and fair view has been selected. The particular policies adopted by GAD are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under the FReM, the department is also required to prepare an additional primary statement. The Statement of Outturn against Parliamentary Supply and supporting notes show Outturn against Estimate in terms of the net resource requirement and the net cash requirement. These can be found in the Parliamentary Accountability and Audit Report section within the Accountability Report.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to include the revaluation of intangible assets, property and plant and equipment assets. The accounts are prepared in £ Sterling to the nearest thousand.

1.2 Basis of preparation

A description of the accounting policies for all material items is as follows:

1.2.1 Pensions

Most past or present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and alpha (a new pension scheme introduced on 1 April 2015) which are defined benefit schemes. The department recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the relevant government pension provider of amounts calculated on an accruing basis. Employees have the choice to instead opt for a defined contribution scheme. In respect of these schemes, the department recognises the contributions payable for the year.

1.2.2 Property, Plant and Equipment

Assets with a cost of £5,000 or more are capitalised and are depreciated according to 1.2.4. Property, plant and equipment are carried at current value in existing use.

1.2.3 Intangible Assets

Assets with a cost of £5,000 or more are capitalised. The cost of such assets is amortised according to 1.2.4 below. Intangible assets are carried at current value in existing use.

1.2.4 Depreciation and Amortisation

Depreciation and amortisation periods for property, plant and equipment and intangible assets adopted are accounted for on a straight-line basis and are as follows:

Leasehold improvements	the shorter of useful economic life of improvements or to the end of lease
Information Technology	3 to 4 years
Furniture and Fittings	the shorter of useful economic life or 10 years
Intangible Assets	the shorter of useful economic life or 3 years

1.2.5 Revaluation and Impairment

Revaluations applied are based on published indices. However, revaluation is only applied where there is a material effect on the Statement of Financial Position (SOFP). Any impairments incurred in-year are expensed in the Statement of Comprehensive Income (SOCl).

1.2.6 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rate of exchange applicable at the time of the transaction. All currency gains or losses are taken into the SOCl. The department's functional currency and presentation currency is Sterling.

1.2.7 Leases

GAD has an operating lease in respect of its London office, Finlaison House. Due to the length of the London office's lease (20 years), the annual rent increases are effectively an attempt to account for inflation (the rent increases by 2.47% per year), and thus in real terms are the same each year. Due to the amount of inflation one can expect in 20 years, adding up all the nominal rents and dividing by 20 would overstate costs in real terms in earlier years of the lease, and understate it in later years. Therefore, recognising the liability incurred each year is appropriate. In addition, the 20 years' lease included a rent rebate over the first 5 years. For accounting purposes this rebate has been shared evenly across the 20 years of the agreement and rental charges to the accounts have been accounted for in accordance with this approach.

The new leasing standard IFRS 16 replaces IAS 17 for FReM entities from 1 April 2022. See note 1.2.17 for more information on this.

1.2.8 Work in Progress

Work in progress is actuarial income related to unbilled time charges that are valued at the recoverable value. Work is billed monthly in arrears. Variable charges from the facilities management company that need to be recharged to subtenants are also recognised as work in progress.

1.2.9 Income

GAD provides a range of actuarial, technical and analytical advice to government departments, public bodies, local authorities, organisations, financial institutions and governments in the UK and around the world.

This advice is on life, general and health insurance related matters; investment aspects of pensions and insurance and the management of risk, advice on financial, demographic and other bespoke modelling services. It also provides actuarial advice to all of the main UK public service schemes and advises funded occupational pension schemes in the wider public and the private sectors; offering technical and analytical advice on pensions issues which recognises the broader policy context. In addition, it advises public sector bodies where staff are set to have their pensions arrangements changed and provides regular reports to Parliament on the financial position of the UK National Insurance Fund ('the Fund') as required by legislation.

The majority of GAD's revenue arises from its actuarial services as described above. IFRS 15 was brought into effect on 1 January 2018 and replaced IAS 18 (Revenue). IFRS 15 does not apply to the income from the subletting of spare accommodation in GAD's leasehold property which is recognised in line with IAS 17 (Leases). From 1 April 2022 IAS 17 will be replaced by IFRS 16 for FReM entities. The subletting of Finlaison House will be accounted for in line with IFRS 16 from 1 April 2022.

Revenue is recognised in line with IFRS 15's five step model: identification of the contract, identification of the performance obligations within the contract, determination of the transaction price, allocations of the price to the performance obligations, then revenue is recognised as the performance obligations are fulfilled. Contracts and performance obligations are clearly defined in writing and revenues are received as performance obligations are met. Revenue is recorded net of VAT.

1.2.10 Provisions

Provisions for liabilities and charges have been established under the criteria of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets and are based on reliable estimates of the expenditure required to settle legal or constructive obligations that exist at the reporting period date. On initial recognition, provisions are charged to the SOCI unless the expenditure will provide access to current or future economic benefits. Provisions are discounted at rates advised by HM Treasury (where material). The discount is unwound over the remaining life of the provision and is shown within finance expense in the SOCI.

1.2.11 Value Added Tax

Irrecoverable VAT is charged to the relevant expenditure category.

1.2.12 Losses and special payments

Losses and special payments are charged to the relevant functional headings.

As at 31 March 2022, GAD had no losses or special payments to report (2020-21: £nil).

1.2.13 Employee benefits for annual leave carried forward

Annual leave that has been earned by employees but not taken at the year-end is recognised in the financial statements within current liabilities.

1.2.14 Segmental reporting

Under the definitions of IFRS 8 – Operating Segments, GAD is an entity with a single reportable segment. GAD's financial planning and internal reporting is based on GAD being one single entity. Accordingly, GAD complies with the entity-wide reporting requirements of IFRS 8, because it has a single operating segment.

1.2.15 Cash and cash equivalents

Cash in the Statement of Financial Position comprises cash at bank. For the purpose of the cash flow statement, cash and cash equivalents consist of cash only.

1.2.16 Financial instruments

As the cash requirements of GAD are met through the estimates process, financial instruments play a limited role in GAD. The financial instruments held arise from GAD's day-to-day operations and include trade and other receivables and trade and other payables. GAD is therefore exposed to limited credit, liquidity or market risk.

1.2.17 Impending application of newly issued accounting standards not yet effective

IFRS 16 (Leases) was issued in January 2016, and was due to be effective for periods beginning on or after 1 January 2020 for financial statements prepared in accordance with the FReM. However, HM Treasury agreed with the Financial Reporting Advisory Board (FRAB) to defer the implementation of IFRS 16 for FReM bodies until 1 April 2022. This was to reduce the reporting burden while government responded to the consequences of COVID-19.

Under IFRS 16 all material leases with a term of more than 12 months will come on balance sheet hereby eliminating the “off-balance sheet” treatment of operating leases under IAS 17. As a result, from 1 April 2022 GAD will recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value or meets one of the exemption criteria.

This includes the lease obligations for Finlaison House currently disclosed in the commitments under operating leases Note 8.1.1.

For consistency with our fixed asset capitalisation policy we will consider all leases where the underlying asset has a value under £5,000 to be immaterial and we will not bring these leases on balance sheet.

On implementation (1 April 2022) both the lease liabilities and the right-of-use assets will be valued at the present value of lease payments calculated using the HM Treasury discount rate as published in the Public Expenditure System (PES) papers. This is in line with the FReM adaptations to IFRS 16. The right-of-use assets will be depreciated in line with our current depreciation policies. The lease liabilities will be measured at amortised cost and a finance cost will be charged to the SOCI each year over the life of the lease.

In relation to agreements that GAD has with subtenants of Finlaison House, GAD will account for these in accordance with the requirements of lessor accounting in IFRS 16. Subleases will be classified in reference to the head lease rather than the underlying asset. This means that the subleasing of Finlaison House will become a finance sublease under IFRS 16 instead of being an operating sublease under IAS 17. As a result, a lease receivable will be recognised based on the present value of the future lease payments that GAD will receive from its tenants. GAD will then recognise finance income over the life of the lease.

In line with the FReM adaptations to IFRS 16 we will not restate the prior year comparators.

GAD has assessed the impact that the application of IFRS 16 will have on the SOCI and the SOFP for the 2022-23 financial year.

SOCI impact for the year ended 31 March 2023

	£000
IFRS 16 depreciation	1,015
IFRS 16 finance cost	19
IAS 17 rental expenditure	(2,083)
Reduction in expenditure	(1,049)
IFRS 16 finance income	6
IAS 17 rental income	(1,088)
Reduction in income	(1,082)
Overall net SOCI impact	(33)

GAD expects the net impact on the SOCI to be a reduction to the bottom line of £33k.

SOFP impact on implementation (1 April 2022)

	£000
IFRS 16 Lease liability - 1 April 2022	2,815
IFRS 16 Right-of-use asset - 1 April 2022	1,882
IFRS16 Lease receivable - 1 April 2022	1,310

There are no other IFRS standards that are not yet effective that would be expected to have a material impact on GAD.

1.3 Accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets, liabilities, income and expenditure that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

This note sets out areas involving a higher degree of judgement, complexity, assumptions and estimation techniques as below:

Depreciation and Amortisation (1.2.4)

The determination of asset lives for depreciation purposes is reviewed on a regular basis. Assessing the useful economic life of an asset is based on management judgement taking into account historic experience, wear and tear and the impact of technological change. Consequently, this represents a source of estimation.

Revaluation and Impairment (1.2.5)

Revaluations applied are based on published indices. The following indices are used:

- IT assets: ONS (Computer, Electronic and Optical products index)
- Furniture: ONS (Furniture index)
- Buildings: UK House Price Index (London region index)

However, the revaluations are only applied where there is a material effect on the Statement of Financial Position (SOFP).

1.3.1 Significant accounting estimates

Provisions (1.2.10)

In line with accounting policy 1.2.10, GAD has recognised a provision for dilapidation costs associated with the lease for Finlaison House.

GAD obtained an independent survey of the dilapidation costs in 2021-22. Management review the dilapidation cost provision and the assumptions on which it is based on a yearly basis.

2. Staff costs

	2021-22			2020-21
	Permanently employed staff £000	Others* £000	Total £000	Total £000
Wages and salaries	13,318	28	13,346	12,376
Social security costs	1,615	2	1,617	1,482
Other pension costs	3,694	-	3,694	3,331
Total costs	18,627	30	18,657	17,189
Less recoveries in respect of outward secondments	(780)	-	(780)	(498)
Total costs	17,847	30	17,877	16,691

* Includes non-executive board members.

For a detailed breakdown of the above staff costs and staff numbers, please refer to the Remuneration Report and Staff Report.

3. Expenditure

		2021-22	2020-21
	Note	Total £000	Total £000
Purchase of goods and services			
Facilities management		1,062	988
Agency and other temporary staff		313	204
Information Technology		1,568	1,392
Training		297	224
Recruitment		168	202
Subscriptions		175	146
Travel, subsistence and hospitality		18	6
Consultancy and legal		248	288
Auditor's remuneration - internal audit		35	30
Photocopying, stationery and publications		31	41
Other operating expenditure			
Rentals under operating leases			
Building		2,266	2,201
Equipment		32	30
Non-cash items			
Depreciation and amortisation	5, 6	375	489
Provision for doubtful debt expense		(5)	6
Provision movements	14	115	14
Borrowing costs (unwinding of discounts on provisions)	14	(21)	(33)
Dilapidations asset movement	12	(26)	(457)
Loss on disposal of assets		9	6
Loss on revaluation		-	-
Auditor's remuneration - external audit		64	63
Other expenditure		68	43
Total		6,792	5,883

4. Income

	2021-22	2020-21
	Total £000	Total £000
Government departments	21,528	19,001
Of which receipts from:		
Sub Tenants	1,589	1,546
National Insurance Fund	649	585
Wider public sector, private sector and overseas	4,163	4,689
Total	25,691	23,690
Income by geographical locations		
UK	25,369	23,222
Overseas	322	468
Total	25,691	23,690
Income by types of work carried out		
UK policy advice	7,171	6,424
Staff transfers	806	966
UK public service pensions	11,586	10,385
Other actuarial work	4,539	4,369
Rent and miscellaneous	1,589	1,546
Total	25,691	23,690

In 2021-22 income from the largest client was £1,800k (7% of total income), (2020-21: £1,700k, 7.2%).

5. Property, plant and equipment

	2021-22			
	Leasehold Improvements £000	Information Technology £000	Furniture & Fittings £000	Total £000
Cost or valuation				
At 1 April 2021	2,317	975	206	3,498
Additions	-	54	23	77
Disposals	-	(40)	(24)	(64)
Balance at 31 March 2022	2,317	989	205	3,511
Depreciation				
At 1 April 2021	(1,989)	(680)	(110)	(2,779)
Charged in year	(156)	(172)	(47)	(375)
Disposals	-	40	15	55
Balance at 31 March 2022	(2,145)	(812)	(142)	(3,099)
Carrying amount at 31 March 2021	328	295	96	719
Carrying amount at 31 March 2022	172	177	63	412

	2020-21			
Cost or valuation				
At 1 April 2020	2,332	1,116	206	3,654
Additions	-	150	-	150
Disposals	(15)	(291)	-	(306)
Balance at 31 March 2021	2,317	975	206	3,498
Depreciation				
At 1 April 2020	(1,750)	(751)	(89)	(2,590)
Charged in year	(251)	(217)	(21)	(489)
Disposals	12	288	-	300
Balance at 31 March 2021	(1,989)	(680)	(110)	(2,779)
Carrying amount at 31 March 2020	582	365	117	1,064
Carrying amount at 31 March 2021	328	295	96	719

All assets are owned by GAD in both the current and prior year.

6. Intangible assets

	2021-22
	Software Licenses Total £000
Cost or valuation	
At 1 April 2021	-
Additions	-
Disposals	-
Balance at 31 March 2022	-
Amortisation	
At 1 April 2021	-
Charged in year	-
Disposals	-
Balance at 31 March 2022	-
Carrying amount at 31 March 2021	-
Carrying amount at 31 March 2022	-

	2020-21
	Software Licenses Total £000
Cost or valuation	
At 1 April 2020	149
Additions	-
Disposals	(149)
Balance at 31 March 2021	-
Amortisation	
At 1 April 2020	(149)
Charged in year	-
Disposals	149
Balance at 31 March 2021	-
Carrying amount at 31 March 2020	-
Carrying amount at 31 March 2021	-

7. Impairments

GAD did not incur any impairment costs during 2021-22 (2020-21: £nil).

8. Capital and other commitments

8.1 Commitments under leases

8.1.1 Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2021-22	Restated*** 2020-21
	Total £000	Total £000
Buildings		
Not later than one year	2,083	2,019
Later than one year and not later than five years	543	2,575
Later than five years	-	-
Total	2,626	4,594
Office Equipment*		
Not later than one year	27	27
Later than one year and not later than five years	13	41
Later than five years	-	-
Total	40	68
Total commitments	2,666	4,662
Subtenants' lease**		
Not later than one year	(1,088)	(1,062)

* Office equipment comprises franking machines and photocopiers.

** Subtenants' lease comprises rental income from the Single Source Regulations Office, the Office for Students and the National Infrastructure Commission.

*** Prior year restated to include the Edinburgh office lease.

8.2 Capital commitments

At 31 March 2022 GAD had a capital commitment to purchase 52 computer monitors worth £13k (31 March 2021: £nil).

8.3 Other financial commitments

GAD had no other financial commitments at 31 March 2022 (31 March 2021: £nil)

9. Financial instruments

GAD has limited exposure to financial instruments because of the nature of its customers and the fact that billing is predominantly in Sterling.

All the financial assets and liabilities of GAD are held at fair value.

9.1 Credit Risk

The maximum credit risk the department was exposed to at 31 March 2022 was £1,219k. GAD has received payment promises for the majority of the aged receivables and these are all with inter-government clients. Therefore, GAD has deemed that no provision for doubtful debt needs to be made for the aged receivables.

The aged debtor analysis as at 31 March 2022 is as follows:

	31 March 2022
	£000
Up to 30 days	1,106
31 - 180 days	108
181 - 365 days	-
Over 365 days	4

9.2 Liquidity Risk

GAD funds its payments with cash receipts from invoices issued.

GAD is required to surrender cash in its bank account at the end of each financial year to the Consolidated Fund. The department has access to the Contingencies Fund to meet any cash shortfalls during a financial year, however this amount would need to be returned by the end of the financial year.

The department manages its liquidity risk by continuously monitoring its cash flow and the management of outstanding working capital.

Total amount owing analysed by when it falls due:

	31 March 2022
	£000
Up to 1 year	2,461
1 to 5 years	-
Over 5 years	-

The £2,461k excludes the accrual for the rent-free period on Finlaison House (£126k) and the annual leave accrual under staff payables (£308k) as these are non-cash items.

9.3 Market Risk

GAD did not have any foreign currency income in 2021-22 and therefore was not exposed to foreign currency risk from overseas customers. The overseas income during the year 2021-22 was £322k (2020-21: £468k).

10. Work in progress

	2021-22	2020-21
	£000	£000
Value of time worked but not billed	3,075	2,198
Balance at 31 March	3,075	2,198

11. Cash and cash equivalents

	2021-22	2020-21
	£000	£000
Balance at 1 April	2,115	383
Net change in cash and cash equivalent balances	(691)	1,732
Balance at 31 March	1,424	2,115
The following balances at 31 March were held at:		
Government Banking	1,424	2,115
Balance at 31 March	1,424	2,115

12. Trade receivables, financial and other assets

	2021-22	2020-21
	£000	£000
Amounts falling due within one year:		
Trade receivables	1,219	2,322
Deposits and advances	1	2
Prepayments and accrued income	1,346	1,222
Dilapidations asset	483	457
Balance at 31 March	3,049	4,003

13. Trade payables and other current liabilities

	2021-22	2020-21
	£000	£000
Amounts falling due within one year:		
VAT	669	725
Trade payables	40	32
Staff payables	308	331
Other payables	6	2
Accruals and deferred income	322	253
Accrual for rent-free period	126	123
Consolidated Fund creditor for cash unspent - year end	1,424	2,115
Balance at 31 March	2,895	3,581
Amounts falling due after more than one year:		
Accrual for rent-free period	32	160
Balance at 31 March	32	160
Total	2,927	3,741

14. Provisions for liabilities and charges

			2021-22	2020-21
	Dilapidations £000	Others £000	Total £000	Total £000
Balance at 1 April	1,228	267	1,495	1,532
Provided in the year	78	-	78	-
Provisions not required written back	-	-	-	-
Provisions utilised in the year	-	(18)	(18)	(18)
Changes in discount rates	29	8	37	14
Borrowing costs (unwinding of discounts)	(19)	(2)	(21)	(33)
Balance at 31 March	1,316	255	1,571	1,495

14.1 Analysis of expected timing of discounted flows

	2021-22			2020-21
	Dilapidations £000	Others £000	Total £000	Total £000
Not later than one year	45	18	63	30
Later than one year and not later than five years	1,271	94	1,365	1,308
Later than five years	-	143	143	157
Balance at 31 March	1,316	255	1,571	1,495

Dilapidation Provision

In 2017-18 GAD recognised a provision for dilapidation costs associated with the lease for Finlaison House. The dilapidation costs indicated a material obligation going back to the inception of the lease in 2003-04, which GAD has accounted for in line with IAS 37.

Following regular reviews, in 2021-22 a further independent survey of the provision was conducted to capture the impact of building works carried out during the financial year. This survey proposed a modest increase to the value of the provision. Management reviewed, tested and accepted the proposal and this has been reflected in the value of the liabilities as at 31 March 2022.

Management have concluded that the portion of the dilapidation provision relating to the floors occupied by GAD's three subtenants is recoverable as a reimbursement from the subtenants. This is because the subtenants are responsible for the dilapidations on these floors and have accounted for this within their own accounts. GAD has recognised a separate asset for this reimbursement in note 12.

Other Provisions

A former GAD employee was awarded an injury benefit allowance during 2009-10 under the Civil Service Injury Benefits Scheme. As a result, GAD is responsible for making injury benefit payments.

Management have considered whether any further provisions need to be made in light of the COVID-19 pandemic and have concluded that the pandemic has not given rise to any provisions for GAD.

Discounting

GAD discounts its provisions using the discount rates advised by HM Treasury. Without discounting the provision liability figures would be as follows:

	£000
Dilapidations provision	1,273
Other provisions	231

15. Contingent liabilities

As at 31 March 2022 GAD held no contingent liability (31 March 2021: £nil).

16. Related-party transactions

During the year, GAD has had various material transactions with other government departments and other central government bodies, primarily for the provision of actuarial services, technical and analytical advice. Most of these transactions have been with the Department for Work and Pensions; the Cabinet Office; the Department for Levelling Up, Housing and Communities; the Home Office; HM Revenue and Customs; HM Treasury; the Department of Health and Social Care; the Department for Business, Energy and Industry Strategy; Department for Education; the Ministry of Defence; and the Ministry of Justice.

GAD also receives rent and facilities management income from subtenants of Finlaison House: The Single Source Regulations Office, the Office for Students and the National Infrastructure Commission. In 2021-22 the total net income from these subtenants was £1,589k (2020-21: £1,546k).

The above entities are not related parties per the IAS 24 definition; however, we have chosen to disclose the transactions with these entities as they are part of the wider Whole of Government Accounts group.

No board member, key manager or other related parties has undertaken any material transactions with GAD during the year. Management Board members' remuneration is disclosed in the Remuneration report.

17. Third-party assets

During 2021-22 the department did not hold any third-party assets (2020-21: £nil).

18. Entities within the departmental boundary

No entities, other than GAD itself, fall within the Departmental Boundary.

19. Events after the reporting period date

There were no adjusting events recorded after the Statement of Financial Position date which affected the true and fair view of the accounts.

20. Date of Authorisation of Accounts

The accounts have been authorised for issue by the Accounting Officer on the same date as the C&AG's Audit Certificate.



Section 4

Appendix



Core Tables

The Core Tables are required to be included by HM Treasury and are based on the outline guidance issued by HM Treasury. Outturn data is consistent with previous years' published core tables and plan years' information is consistent with the Spending Review settlement.

Table 1 is a summary of the public spending by the department and this is supplemented by Table 2 which shows the administrative cost budgets. The variances between the 2021-22 net resource outturn and budget are explained in the comparison of Estimate and Outturn within the Statement of Outturn against Parliamentary Supply.

Approval for our spending plans for 2021-22 is set out in the Government Actuary's Department Main Estimate 2021-22. The document is available at the HM Treasury website at www.gov.uk/hm-treasury.

Table 1: Public spending

	2016 -17	2017 -18	2018 -19	2019 -20	2020 -21	2021 -22	2022 -23	2023 -24	2024 -25
£'000	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans
Resource DEL									
Administration	(788)	(1,576)	(1,293)	(736)	(1,103)	(1,111)	167	(1,161)	112
Use of Provisions (DEL)	118	95	17	17	18	18	20	1,293	20
Total Resource DEL	(670)	(1,481)	(1,276)	(719)	(1,085)	(1,093)	187	132	132
<i>Of which:</i>									
Staff costs	12,883	13,627	13,810	14,672	16,691	17,877	20,409	20,592	20,694
Purchase of goods and services	4,407	5,012	5,104	5,259	5,362	6,282	6,414	5,096	4,721
Income from sales of goods and services	(18,334)	(20,496)	(20,586)	(21,099)	(23,690)	(25,691)	(28,110)	(26,014)	(25,741)
Depreciation*	314	316	336	381	489	375	1,407	391	391
Other resource	60	60	60	68	63	64	67	67	67

	2016 -17	2017 -18	2018 -19	2019 -20	2020 -21	2021 -22	2022 -23	2023 -24	2024 -25
£'000	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans
Resource AME									
Losses on revaluation	-	-	-	-	-	-	-	-	-
Provisions (AME)	(110)	(203)	(1,480)	2	(31)	71	100	-	-
Non Budget cover	-	2,539	-	-	-	-	-	-	-
Total Resource AME	(110)	2,336	(1,480)	2	(31)	71	100	-	-
Of which:									
Losses on revaluation	-	-	-	-	-	-	-	-	-
Take up of provisions	8	(108)	(1,463)	19	(13)	89	120	-	-
Release of provision	(118)	(95)	(17)	(17)	(18)	(18)	(20)	-	-
Total Resource Budget	(780)	855	(2,756)	(717)	(1,116)	(1,022)	287	132	132
Of which:									
Depreciation & Losses on revaluation	314	316	336	381	489	375	1,407	391	391
Capital DEL									
Administration	185	449	226	175	150	77	350	250	200
Total Capital DEL	185	449	226	175	150	77	350	250	200
Of which:									
Purchase of assets	185	449	228	175	150	77	350	250	200
Net book value on disposal	-	-	(2)	-	-	-	-	-	-
Capital AME	-	-	-	-	-	-	-	-	-

	2016 -17	2017 -18	2018 -19	2019 -20	2020 -21	2021 -22	2022 -23	2023 -24	2024 -25
£'000	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans
Total Capital Budget	185	449	226	175	150	77	350	250	200

Total departmental spending **	(909)	988	(2,866)	(923)	(1,455)	(1,320)	(770)	(9)	(59)
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Of which:

Total DEL	(799)	(1,348)	(1,386)	(925)	(1,424)	(1,391)	(870)	(9)	(59)
Total AME	(110)	2,336	(1,480)	2	(31)	71	100	-	-

* Includes impairments.

** Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

Table 2: Administration budget

	2016 -17	2017 -18	2018 -19	2019 -20	2020 -21	2021 -22	2022 -23	2023 -24	2024 -25
£'000	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans

Resource DEL

Administration	(788)	(1,576)	(1,293)	(736)	(1,103)	(1,111)	167	(1,161)	112
Use of Provisions (DEL)	118	95	17	17	18	18	20	1,293	20
Total Resource DEL	(670)	(1,481)	(1,276)	(719)	(1,085)	(1,093)	187	132	132

Of which:

Staff costs	12,883	13,627	13,810	14,672	16,691	17,877	20,409	20,592	20,694
Purchase of goods and services	4,407	5,012	5,104	5,259	5,362	6,282	6,414	5,096	4,721
Income from sales of goods and services	(18,334)	(20,496)	(20,586)	(21,099)	(23,690)	(25,691)	(28,110)	(26,014)	(25,741)
Depreciation	314	316	336	381	489	375	1,407	391	391
Other resource	60	60	60	68	63	64	67	67	67



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