

Financial modelling expertise

News story

GAD provided financial modelling to support HM Treasury in the production of its Annual Report and Accounts.



The Government Actuary's Department (GAD) has supported HM Treasury (HMT) in the production of its recently published [Annual Report and Accounts 2020 to 2021](#).

EU exit

Among the accounting disclosures that GAD worked with HMT on is the provision for the UK's pension liabilities around EU exit.

Under Article 142 of the UK EU Withdrawal Agreement, the UK remains responsible for a share of the EU's payments for pensions accrued by EU employees up to the end of 2020.

HMT used GAD's financial modelling as part of its work in calculating the accounting provision for these liabilities.

Checks and balances

Actuary James Pepler led on this project for GAD. He said: "The National Audit Office (NAO) chose the EU financial settlement as one of their key audit matters, so it was important to work closely with them.

"We followed our processes in our model development and were able to provide justifications for the assumptions in our model.

"The NAO and their actuaries reviewed our model, looked at the version control log and checked the references for all the input data and assumptions. We responded quickly to their queries. This helped HMT publish their accounts to a significantly faster timetable than last year."

Published 5 August 2021