

Report to Audit Committee

Teachers' Pension Agency 2021/22 End of Year Certification

Portfolio Holder: Cllr Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Low Carbon

Officer Contact: Anne Ryans, Director of Finance

Report Author: Mark Stenson, Assistant Director of Corporate Governance and Strategic Financial Management

Ext. 4783

16 January 2023

Reason for Decision

The Teachers' Pension Contributions paid over to the Teachers' Pension Agency are subject to a specific external audit review, which results in an annual certification. This report details the outcome for the financial year 2021/22.

Executive Summary

The End of Year Certificate for the 2021/22 review are attached at Appendix 1. There were findings from the review in respect of Test 3 and 7 which were undertaken. This compares to reported findings on Test 3, 4 and 9 for the 2020/21 certificate.

In respect of Test 3 the table below details the findings for 2021/22 compared to 2020/21. This compares the entries submitted on the return to the Council's payroll records.

Tier	Teachers Contribution 2021/22	Employers Contribution 2021/22	Teachers Contribution 2020/21	Employers Contribution 2020/21
1 at 7.40%	£721.64	-£167.13	£29.56	-£52.66
2 at 8.60%	-£603.55	£1,213.80	£1.98	-£1.45
3 at 9.60%	-£1,473.86	£685.46	-£60.70	£45.79
4 at 10.20%	£408.74	£216.70	-£0.45	£0.87
5 at 11.30%	£37.55	-£0.88	-£0.12	-£0.52
6 at 11.70%	-£61.34	-£0.13	£0.10	£0.08
Total	-£970.82	£1,947.83	-£29.63	-£7.88

The reasons for the errors are detailed in Appendix 1. The value for 2021/22 is much higher than that recorded for 2020/21. The level of error recorded will be considered by the ongoing internal audit into payroll.

In respect of Test 7 the error occurred as two Pension Letters were initially unavailable to verify the contributions paid which were then classified wrongly.

On 30 November 2022 the Teachers' Pension Agency confirmed their agreement to the contributions paid over to them by the Council for the financial year 2021/22.

Recommendations

That Members of the Audit Committee are asked to note the Certification of the Teachers' Pension Return for the financial year 2021/22.



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Private & confidential

Teachers' Pensions
 Unit 11b
 Lingfield Point
 Darlington
 DL1 1AX

Our ref RJ/RP/BD

Contact Rebecca Dingwall
 07909 535920

FAO Anne Ryans
 Director of Finance
 Oldham Metropolitan Borough Council
 Civic Center
 West Street
 Oldham
 OL1 1UT

30 November 2022

Dear Teachers Pensions

Agreed-upon-Procedures Report of KPMG LLP to Teachers' Pensions and Oldham Metropolitan Borough Council in respect of Teachers' Pensions End of Year Certificate for the year ended 31 March 2022

Purpose of this Agreed-upon-Procedures Report and Restriction on Use and Distribution

LA Number: 353 0000

This report has been produced in accordance with the terms of our engagement letter dated 13 June 2022 ("the Engagement Letter") and in accordance with the International Standard on Related Services ("ISRS") 4400 (Revised), *Agreed-Upon Procedures Engagements* as published by the International Auditing and Assurance Standards Board ("IAASB").

The procedures were performed solely for the purpose of assisting Oldham Metropolitan Borough Council fulfil their responsibilities, under the Teachers' Pensions Regulations 2010 (SI 2010/990) and The Teachers' Pension Scheme Regulations 2014 (SI 2014/512), for preparing the End of Year Certificate ("EOYC") for the year end 31 March 2022 and so may not be suitable for any other purpose. The EOYC must be accompanied by a reporting accountants' report prepared following the performance of procedures set out in the guidance note "Reporting Accountants Guidance TP05 (FY21/22 Version 2)" issued by Teachers' Pensions ("the guidance"). We attach, a

copy of the EOYC prepared and submitted by management. Where appropriate, this copy identifies errors corrected by management. Management are responsible for the preparation and submission of the EOYC and for all corrections.

Responsible Finance Officer's Responsibilities

In this report, references to the "Responsible Finance Officer" mean the Director of Finance of Oldham Metropolitan Borough Council.

In this report, references to "management" means the Directors of Oldham Metropolitan Borough Council and those employees to whom the Directors have properly delegated day-to-day conduct over matters for which the Directors retain ultimate responsibility.

The Responsible Finance Officer of Oldham Metropolitan Borough Council is responsible for the EOYC, including the identification of any errors corrected by management, on which he agreed-upon-procedures are performed.

The Responsible Finance Officer is responsible for determining where the agreed-upon-procedures are sufficient for Oldham Metropolitan Borough Council's purposes and the purposes of Teachers' Pensions having due regard to Appendix 1 of the Guidance issued by Teachers' Pensions. We cannot, and do not, make any representations regarding the sufficiency of these procedures for Oldham Metropolitan Borough Council's purposes or for the purposes of Teachers' Pensions.

Our Responsibilities

Our engagement was undertaken in accordance with International Standard on Related Services 4400 (Revised), *Agreed-upon Procedures Engagements* issued by the International Auditing and Assurance Standards Board. This agreed-upon procedures engagement involves our performing the procedures determined by Teachers' Pensions and set out in Appendix 1 of the Guidance and acknowledged as appropriate for the purpose of the engagement by the Responsible Finance Officer, and reporting the factual findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

We have not subjected the information contained in our report or the appendices (including explanations and representations received from the Responsible Finance Officer and reported to you) to checking or verification procedures except to the extent expressly stated. This agreed-upon procedures engagement does not constitute an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

This report relates only to the matters specified above and does not extend to any financial statements of Oldham Metropolitan Borough Council, taken as a whole.

Professional Ethics and Quality Control

We have complied with the ethical requirements in the ICAEW Code of Ethics issued by the Institute of Chartered Accountants in England and Wales. For the purpose of this engagement, there are no independence requirements with which we are obliged to comply.

We apply International Standard on Quality Control (UK) 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards (including independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour) as well as applicable legal and regulatory requirements.

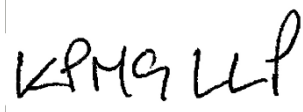
Procedures and Factual Findings

We have performed the procedures and report our factual findings as set out in Appendix I which forms an integral part of this report.

We have noted exceptions in the performance of procedures 3 and 7.

The nature and magnitude of the exceptions are described alongside the relevant procedure within Appendix I. We also report management's explanations for any exceptions identified.

Yours faithfully

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font.

KPMG LLP
Chartered accountants

APPENDIX I - AGREED UPON PROCEDURES AND FINDINGS MATRIX – FORMING AN INTEGRAL PART OF THE REPORT

Agreed-upon-Procedures Report of KPMG LLP to Teachers’ Pensions and Oldham Metropolitan Borough Council in respect of Teachers’ Pensions End of Year Certificate for the year ended 31 March 2022

	Agreed Upon Procedures	Details of any exceptions and errors identified	Responsible Finance Officer explanation for any exceptions and/or errors (including non-correction of errors)
1	We have checked that all relevant parts of the return have been completed (in pounds and pence) and that the employer’s certificate bears the signature of the Responsible Finance Officer.	No exceptions noted	N/A
2	We have checked that all arithmetic on the return is correct including: (a) that the totals in section 3 are arithmetically correct; (b) that the total in section 3 column 1 agrees with the entry in section 1 (box 1); (c) that the total in section 3 column 2 agrees with the entry in box 2a(iv); (d) that the total in section 3 column 3 agrees with the entry in box 2a(v); and (e) that the overall balance in box 2e has been calculated correctly.	No exceptions noted	N/A
3	We have checked that the breakdown of contributions in each tier casts to the percentage rate of the contributory salary.	We have identified differences between the entries on the attached 2021/22 EOYC form and our recalculations of the contributions as	The majority of variances are due to underpaid historic contributions which are still being paid back. This has caused system errors in tier allocations. Some employees across multiple months have incorrect tier allocations due to

	Agreed Upon Procedures	Details of any exceptions and errors identified	Responsible Finance Officer explanation for any exceptions and/or errors (including non-correction of errors)																																														
		<p>shown below. Reasons relating to these variances have been provided to the right. No amendment is to be made to the attached 2021/22 EOYC.</p> <table border="1" data-bbox="891 564 1386 963"> <thead> <tr> <th>Tier</th> <th>%</th> <th>TC</th> <th>EC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>7.40</td> <td>£721.64</td> <td>(£167.13)</td> </tr> <tr> <td>2</td> <td>8.60</td> <td>(£603.55)</td> <td>£1,213.80</td> </tr> <tr> <td>3</td> <td>9.60</td> <td>(£1,473.86)</td> <td>£685.46</td> </tr> <tr> <td>4</td> <td>10.20</td> <td>£408.74</td> <td>£216.70</td> </tr> <tr> <td>5</td> <td>11.30</td> <td>£37.55</td> <td>(£0.88)</td> </tr> <tr> <td>6</td> <td>11.70</td> <td>(£61.34)</td> <td>(£0.13)</td> </tr> <tr> <td>Total</td> <td></td> <td>(£970.82)</td> <td>£1,947.83</td> </tr> </tbody> </table>	Tier	%	TC	EC	1	7.40	£721.64	(£167.13)	2	8.60	(£603.55)	£1,213.80	3	9.60	(£1,473.86)	£685.46	4	10.20	£408.74	£216.70	5	11.30	£37.55	(£0.88)	6	11.70	(£61.34)	(£0.13)	Total		(£970.82)	£1,947.83	<p>this. We can confirm these errors have since been corrected. Additionally, there have been instances where errors have been partially corrected or errors have occurred in corrective adjustments which have been detailed against the bandings.</p> <table border="1" data-bbox="1417 553 2110 1345"> <thead> <tr> <th>Tier</th> <th>TC</th> <th>EC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Difference primarily relates to employees 045711, 812934 and 812058 due to salary backdating, employer contributions had been corrected in the year and teachers' contributions have been corrected post year end.</td> <td>Various contribution tier errors due to historical make up payments per overall comment. Employee 812934 Nov 21 calculation error, to be corrected through payroll.</td> </tr> <tr> <td>2</td> <td>Various contribution tier errors due to historical make up payments per overall comment.</td> <td>Various contribution tier errors due to historical make up payments per overall comment.</td> </tr> <tr> <td>3</td> <td>Various contribution tier errors due to historical make up payments per overall comment. Employee 045711 salary backdating and</td> <td>Various contribution tier errors due to historical make up payments per overall comment. Employees 002859</td> </tr> </tbody> </table>			Tier	TC	EC	1	Difference primarily relates to employees 045711, 812934 and 812058 due to salary backdating, employer contributions had been corrected in the year and teachers' contributions have been corrected post year end.	Various contribution tier errors due to historical make up payments per overall comment. Employee 812934 Nov 21 calculation error, to be corrected through payroll.	2	Various contribution tier errors due to historical make up payments per overall comment.	Various contribution tier errors due to historical make up payments per overall comment.	3	Various contribution tier errors due to historical make up payments per overall comment. Employee 045711 salary backdating and	Various contribution tier errors due to historical make up payments per overall comment. Employees 002859
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Agreed Upon Procedures		Details of any exceptions and errors identified	Responsible Finance Officer explanation for any exceptions and/or errors (including non-correction of errors)	
				underpaid contributions Jul 21. & 046549 ERs not included in bandings and included in error in additional pension contributions.
			4	Various contribution tier errors due to historical make up payments per overall comment. Employees 002498 & 046549 make up payments for backpay in Aug 21. Various contribution tier errors due to historical make up payments per overall comment.
			5	Primarily relates to employee 002498 contribution error in July 21. Rounding variances.
			6	Primarily relates to employee 002498 contribution error in July 21. Rounding variances.
4	We have checked that entries on the return and supporting working papers agree with the employer's payroll records, including amendments, and, where necessary,	No exceptions noted	N/A	

	Agreed Upon Procedures	Details of any exceptions and errors identified	Responsible Finance Officer explanation for any exceptions and/or errors (including non-correction of errors)
	information from other payroll providers, for the return period.		
5	We have checked that contributions paid in box 2d provided by TP agree with the employer's accounts.	No exceptions noted	N/A
6	For a sample of 60 teachers paid by the employer payroll and (where available) third party payrolls, we have checked: <ul style="list-style-type: none"> (a) the status of the teacher to the employer portal; (b) that contributory salaries have been agreed to payroll records and included in section 3 column 1 in the correct tier; (c) that teachers' contributions have been deducted at the correct tier rate and included in section 3 column 2 in the correct tier; and (d) that employer's contributions have been calculated correctly and included in section 3 column 3. 	No exceptions noted	N/A
7	For the sample of teachers selected for test 6 we have checked that:	Teachers Pensions letters were unavailable for teachers 200197 and 001131. Confirmation of contribution	Teachers Pension letters unavailable for 2 sample members as they relate to historic contributions where there are no letters held by the Council.

	Agreed Upon Procedures	Details of any exceptions and errors identified	Responsible Finance Officer explanation for any exceptions and/or errors (including non-correction of errors)
	<p>(a) Career average flexibilities payments have been deducted correctly and included in box 2a(i);</p> <p>(b) additional pension payments have been deducted correctly and included in box 2a(ii);</p> <p>(c) additional contributions have been deducted correctly and included in box 2a(iii)</p> <p>(d) deductions and interest for teachers with EFE elections are calculated correctly and included in box 2b(i)</p> <p>(e) Preston contributions have been deducted correctly and included in box 2b(ii)</p> <p>(f) TR22 contributions have been deducted correctly and included in box 2b(iii)</p>	<p>amounts have been satisfied using the Teachers Pension member prints.</p> <p>Total additional contributions included in the attached 2021/22 EOYC totals £8,230.67 however, actual contributions are confirmed at £8,082.72.</p>	<p>Regarding the additional contributions, two employer contributions were incorrectly included within this figure opposed to employee banding 9.6%. This relates to employee 002859 £33.23 and employee 046549 £114.72 causing this £147.95 variance.</p>
8	N/A	N/A	N/A
9	We have checked all prior year refunds in box 2c(ii) to correspondence from Teachers' Pensions.	N/A	N/A
10	For all management explanations related to the exceptions and errors noted, we	Obtained and detailed above.	N/A

	Agreed Upon Procedures	Details of any exceptions and errors identified	Responsible Finance Officer explanation for any exceptions and/or errors (including non-correction of errors)
	have obtained representations from the Responsible Finance Officer.		

Teachers' Pensions Contributions for Financial Year 2021/22



Please familiarise yourself with the instructions, to complete, upload and print your EOYC.

To create your Declaration form to be signed, first create your .CSV to upload via the button to the right, then that same button becomes Print File. Click it and ensure you click to print entire workbook.

Unaudited EOYC forms should be uploaded to the employers portal no later than 31 May 2022

Employer Information

Local Authority/Establishment Name:

Oldham Metropolitan Borough Council

Local Authority/Establishment Number:

LA Number

Establishment Number

353

0000

(For Local Authorities, please enter the establishment number as '0000')

Employer Type

Please select your Employer Type from the dropdown list below, before completing the remainder of this form.

Employer Type:

Local Authority

Section 1: Total Actual Contributory Salary

Total Contributory Salary:

£46,627,384.57

Section 2: Summary of Contributions

	I. Career Average Flexibilities (Note 3)	II. Additional Pension Payments (Note 3)	III. Additional Contributions (Note 3)	IV. Teachers' Contributions	V. Employer's Contributions	Total Contributions
a. Contributions deducted (as per contributory salary at 1 - see Note 4)	£0.00	£4,855.52	£3,375.15	£4,400,625.37	£11,039,416.84	£15,448,272.88
			I. Arrears deducted in respect of EFE Elections (Note 5)	II. Contributions deducted in respect of PRESTON (Note 6)	III. TR22 Election amounts deducted (Note 7)	Total Extra Contributions
		b. Extra contributions deducted	£0.00	£0.00	£0.00	£0.00
				I. Short Term Pension	II. Refunds made (in respect of previous years only)	Total Refunds made
		c. Refunds Made		£0.00	£3,583.05	£3,583.05
				d. Contributions Paid (Note 8)		£15,444,689.83
				e. Overall Balance (2a + 2b) - (2c + 2d)		£0.00

NB: Underpayments identified at Overall Balance must be paid immediately to Teachers' Pensions - see Notes 9 and 11.

Section 3: Analysis of Contributions by Tier

Tier (Percentage Rate)	Contributory Salary	Teachers' Contributions	Employer's Contributions (23.68%)
Tier 1 (7.40%)	£6,496,647.74	£480,030.29	£1,538,573.31
Tier 2 (8.60%)	£10,229,153.55	£880,310.76	£2,421,049.76
Tier 3 (9.60%)	£13,220,127.38	£1,270,606.09	£3,129,840.70
Tier 4 (10.20%)	£10,812,529.84	£1,102,469.30	£2,560,190.37
Tier 5 (11.30%)	£4,869,802.84	£550,250.17	£1,153,170.19
Tier 6 (11.70%)	£999,123.22	£116,958.76	£236,592.51
TOTALS	£46,627,384.57	£4,400,625.37	£11,039,416.84

NB: Totals from Section 3 should be identical to the figures in Sections 1 and 2

Teachers' Pensions Contributions for Financial Year 2021/22

Section 4: Certificate to be given by the Chief Finance Officer of the Local Authority

I hereby certify that, to the best of my knowledge and belief, the entries on this form are correct and that, in accordance with the regulations underpinning the Teachers' Pension Scheme:

- Employee contributions have been correctly calculated, deducted from pensionable salary and remitted to Teachers' Pensions in respect of all employees who are members of the scheme;
- Employer contributions have been correctly calculated and remitted to Teachers' Pensions based on pensionable salaries and applicable contributions rates
- I am satisfied that the authority has adequate systems in place and has obtained supporting evidence which confirms that those entries in respect of teachers in schools maintained by the Local Authority whose salary payments are administered other than directly through the LA payroll, are correctly calculated and paid to Teachers' Pensions.

Name (in capital letters)

ANNE T RYANS

Position

DIRECTOR OF FINANCE

Email Address

anne.ryans@okham.gov.uk

Telephone Number

Signature

A.T. Ryans

Date

16/11/2022

Section 5: Certificate of the auditor

I/we have examined the entries in this form (which replaces or amends the original submitted to me/us by the authority dated _____) and the related accounts and records of the authority in accordance with the agreed upon tests in Certification Instruction TP05.

My/our assessment carried out the agreed upon tests in Certification Instruction TP05 and obtained such evidence and explanations as I/we consider necessary. (Except for the matters raised in the attached report dated _____).

Name (in capital letters)

Date

DDMMYYYY

Signature

Data Protection Act 1998. The Department for Education (DfE) will use any information you provide in connection with the Teachers' Pension Scheme to administer and operate the scheme and pay benefits under it. This may include passing details to third parties that are involved in the administration and operation of the scheme. The DfE may also use your data for administrative purposes in line with its data protection notification. In order to fulfil its duty to protect public money, the DfE may use information it holds to prevent and detect fraud. It may also share information with other organisations that handle public funds. If there is any difference between the legislation governing the Teachers' Pension Scheme and the information in this application form, the legislation will apply.

Please return to us at:

Teachers' Pensions, 11b Lingfield Point, Darlington, DL1 1AX

www.teacherspensions.co.uk

KPMG LLP