

Report to Audit Committee

Teachers' Pension Agency 2022/23 End of Year Certification

Portfolio Holder: Cllr Abdul Jabbar MBE, Cabinet Member for Finance and Corporate Resources

Officer Contact: Anne Ryans, Director of Finance

Report Author: Anne Ryans, Director of Finance

Ext. 4902

31 October 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 2022/23.

Executive Summary

The audit of the Teachers' Pension Contributions paid over to the Teachers' Pension Agency is undertaken by KPMG LLP. The End of Year Certificate for the 2022/23 review is attached at Appendix 1. As can be seen, there were very few issues highlighted by the audit which is a good and an improvement compared to 2021/22.

The Teachers' Pension Agency has confirmed its agreement to the contributions paid over to them by the Council for the financial year 2022/23.

Recommendation

That Members of the Audit Committee are asked to note the Certification of the Teachers' Pension Return for the financial year 2022/23.



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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

2 October 2023

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 2023

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 3 July 2023 ("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").

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

The procedures were performed solely for the purpose of assisting the Responsible Finance Officer of 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 2023 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 (FY22/23 Version 1)" 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 is responsible for the preparation and submission of the EOYC and for all corrections.

Our report is prepared solely for the confidential use of Oldham Metropolitan Borough Council and for Teachers' Pensions. Our report must not be used for any purpose other than for which it was prepared or be reproduced or referred to in any other document or made available to any third party without the written permission of KPMG LLP. We accept no liability to any other party who is shown or gains access to this report.

Responsible Finance Officer's Responsibilities

In this report, references to "management" mean 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 whether 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 Teachers Pensions and by Oldham Metropolitan Borough Council, 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.

The firm applies International Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

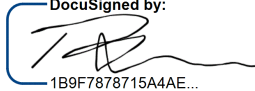
Procedures and Factual Findings

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 and/or errors in the performance of procedures 3, 4 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

DocuSigned by:

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Rob Jones
Director

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 2023

	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.	Not applicable.
2	We have checked that all arithmetic on the return is correct including: <ul style="list-style-type: none"> (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.	Not applicable.
3	We have checked that the breakdown of contributions in each tier casts to the percentage rate of the contributory salary.	We have identified the following variances on recalculation of the 2022/23 EOYC detailed in the	The Council have confirmed that all variances relate to rounding errors.

	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>below table. There is no amendment required to the 2022/23 EOYC.</p> <table border="1" data-bbox="943 480 1335 874"> <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>-£2.82</td> <td>£2.08</td> </tr> <tr> <td>2</td> <td>8.60</td> <td>-£0.24</td> <td>£3.38</td> </tr> <tr> <td>3</td> <td>9.60</td> <td>-£1.42</td> <td>-£3.76</td> </tr> <tr> <td>4</td> <td>10.20</td> <td>-£1.41</td> <td>£0.67</td> </tr> <tr> <td>5</td> <td>11.30</td> <td>-£0.12</td> <td>-£0.33</td> </tr> <tr> <td>6</td> <td>11.70</td> <td>£0.00</td> <td>-£0.10</td> </tr> <tr> <td colspan="2">TOTAL</td> <td>-£6.01</td> <td>£1.94</td> </tr> </tbody> </table>	Tier	%	TC	EC	1	7.40	-£2.82	£2.08	2	8.60	-£0.24	£3.38	3	9.60	-£1.42	-£3.76	4	10.20	-£1.41	£0.67	5	11.30	-£0.12	-£0.33	6	11.70	£0.00	-£0.10	TOTAL		-£6.01	£1.94	
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TOTAL		-£6.01	£1.94																																
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, information from other payroll providers, for the return period.	The recalculation of monthly contributions identified a -£2.01 variance to the 2022/23 EOYC figures for Pensionable Pay.	The Council have confirmed this variance relates to rounding errors.																																
5	We have checked that contributions paid in box 2d provided by TP agree with the employer's accounts.	No exceptions noted.	Not applicable.																																

	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)
6	<p>For a sample of 60 teachers paid by the employer payroll and (where available) third party payrolls, we have checked:</p> <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.	Not applicable.
7	<p>For the sample of teachers selected for test 6 we have checked that:</p> <ul style="list-style-type: none"> (a) Career average flexibilities payments have been deducted correctly and included in box 2a(i); (b) additional pension payments have been deducted correctly and included in box 2a(ii); 	The Teachers Pensions additional contribution letters were unavailable for teachers E236563 and 001131. Therefore the Teachers Pensions member prints were provided as alternative evidence. No amendment is required to the 2022/23 EOYC.	The Teachers Pension letters were unavailable for teachers E236563 and 001131 due to the electronic copy of the letters not being held. The employees Teachers Pensions member prints were provided.

	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>(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>		
8	N/A	Not applicable.	Not applicable.
9	We have checked [all]/[10] prior year refunds in box 2c(ii) to correspondence from Teachers' Pensions.	Not applicable.	Not applicable.
10	For all management explanations related to the exceptions and errors noted, we have obtained representations from the Responsible Finance Officer.	We can confirm that we have obtained management representations.	Not applicable.

Teachers' Pensions Contributions for Financial Year 2022/23



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 2023

Employer Information

Local Authority/Establishment Name:

Oldham 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:

£47,831,265.49

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)	£1,254.36	£1,137.86	£0.00	£4,519,025.80	£11,326,441.73	£15,847,859.75
			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	£0.00	£0.00
				d. Contributions Paid (Note 8)		£15,848,262.27
				e. Overall Balance (2a + 2b) - (2c + 2d)		£402.52

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%)	£5,937,374.79	£439,368.55	£1,405,968.27
Tier 2 (8.60%)	£11,857,850.69	£1,019,775.40	£2,807,935.66
Tier 3 (9.60%)	£12,501,008.02	£1,200,098.19	£2,960,242.46
Tier 4 (10.20%)	£11,451,789.10	£1,168,083.90	£2,711,782.99
Tier 5 (11.30%)	£5,009,944.00	£566,123.79	£1,186,355.07
Tier 6 (11.70%)	£1,073,298.89	£125,575.97	£254,157.28
TOTALS	£47,831,265.49	£4,519,025.80	£11,326,441.73

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

Teachers' Pensions Contributions for Financial Year 2022/23

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 RYANS

Position

DIRECTOR OF FINANCE

Email Address

anne.ryans@oldham.gov.uk

Telephone Number

0161 770 4902.

Signature

A.T. Ryans

Date

31/05/2023

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

30/05/2023

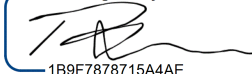
Signature

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

DocuSigned by:



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Rob Jones

Director

KPMG LLP

02 October 2023