

TITLE	Certification of Claims and Returns – Teachers Pensions Report 2013/14
FOR CONSIDERATION BY	Audit Committee on 10 February 2015
WARD	None specific
DIRECTOR	Graham Ebers, Director of Finance and Resources

OUTCOME/BENEFITS TO THE COMMUNITY

The report provides the Audit Committee with information on the audit of the Teachers Pensions return for 2013/14, for which local authorities are required to make their own arrangements from 2013/14 onwards. The indicative estimate for 2014/15 is also included below.

RECOMMENDATION

That the Audit Committee notes the Audit Certification Report 2013/14 for the Teachers' Pension Return.

SUMMARY OF REPORT

From 2013/14 onwards the Teachers' Pension return was no longer subject to certification under the Audit Commission arrangements. This is also explained in sections 2 and 3 of the report also on this agenda for certification of claims and returns by Ernst and Young. Each education authority was required to make their own arrangements to meet the certification requirements for the Teachers Pensions return, and quotes were obtained for the work as required under the Council's Financial Regulations. The audit was awarded to a Wokingham based audit practice, Rice Associates, for a fee of £800 and the auditor's report is attached, using the Department for Education template EOYCa. The auditor awarded the Council a qualified conclusion and did not raise any material issues but did identify that the Council should have more rigorous controls to evidence the correct deduction of pension payments by those schools which have responsibility for their own payroll. This issue will be addressed at a meeting of the relevant officers and an action plan produced to ensure the necessary actions are undertaken.

The proposed fee for certification of the 2014/15 grant claims has not been agreed as yet, but is not expected to exceed £1,000 based on the 2013/14 cost. The actual cost in 2012/13 was £2,760.

Background

Local authorities are required under legislation to make appropriate arrangements for certain grant claims and government returns to be audited.

Analysis of Issues

The estimated cost for the audit of the 2014/15 Teachers Pensions return is £1,000 compared to an actual fee of £800 in 2013/14 and £2,760 in 2012/13. The cost will be

met from the 2015/16 budget. In the event that any additional work is required, an additional fee would be payable subject to negotiation and agreement in advance

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£2,760 in 13/14 re 2012/13 accounts	Yes	Revenue
Next Financial Year (Year 2)	£800 in 14/15 re 2013/14 accounts	Yes	Revenue
Following Financial Year (Year 3)	£1,000 in 15/16 re 2014/15 accounts	Yes	Revenue

Other financial information relevant to the Recommendation/Decision

Included in 2015/16 draft budget

Cross-Council Implications

N/A

List of Background Papers

Teachers Pensions Return EOYCa Report January 2015

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Date 28 January 2015	Version No. 1

Reporting Accountants' independent reasonable assurance report in connection with Teachers' Pensions EOYCa return for the year ended 31 March 2014

To: The Chief Finance Officer of Wokingham Borough Council and Teachers' Pensions

This report is produced in accordance with the terms of our contract dated 1 December 2014 and the Standard Terms of Engagement in Appendix 3 of the Reporting Accounting Guidance TP05 issued by Teachers' Pensions ('TP05') for the purpose of reporting to the Director of Finance of Wokingham Borough Council (the 'Local Authority') and Teachers' Pensions in connection with the Local Authority's Teachers' Pensions EOYCa Return for the year ended 31 March 2014.

Our report is prepared solely for the confidential use of the Local Authority and Teachers' Pensions, and solely for the purpose of facilitating the Teachers' Pensions Return submission. This report should not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent. Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Local Authority and Teachers' Pensions, we acknowledge that the Local Authority and/or Teachers' Pensions may be required to disclose this report to parties demonstrating a statutory right to see it.

This report is designed to meet the agreed requirements of the Local Authority and Teachers' Pensions as described in the TP05 guidance. This report should not therefore be regarded as suitable to be used by any other party for any purpose or in any context. Any party other than the Local Authority and Teachers' Pensions which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so entirely at its own risk. To the fullest extent permitted by law, we accept no responsibility or liability in respect of our work or this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by the reliance of anyone other than the addressees on our work or this report.

Respective responsibilities of the Local Authority and the Reporting Accountants

As the Section 151 Officer of the Local Authority, the Chief Finance Officer is responsible for ensuring that the Local Authority maintains accounting records which disclose with reasonable accuracy, at any time, the financial position of the Local Authority. It is also the Section 151 Officer's responsibility to extract relevant financial information from the Local Authority's accounting records, obtain relevant information held by any payroll provider and complete the attached Teachers' Pensions EOYCa return.

It is our responsibility to perform a reasonable assurance engagement and issue a conclusion on whether the EOYCa form has been prepared, in all material respects, in accordance with Reporting Accounting Guidance TP05.

Our approach

We conducted our reasonable assurance engagement in accordance with the Reporting Accounting Guidance TP05 issued by Teachers' Pensions. For the purpose of the engagement we have been provided by the Chief Finance Officer (Section 151) with form EOYCa for which the Chief Finance Officer of the Local Authority remain solely responsible in accordance with the Authority certificate on form EOYCa.

The objective of a reasonable assurance engagement is to perform such procedures on a sample basis as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence on which to base our conclusion on form EOYCa.

Basis for qualified conclusion on EOYCa

With regards to the requirement of the Chief Finance Officer (CFO) to confirm that the local 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 authority whose salary payments are administered other than directly through the main authority payroll are correctly calculated and in all material respects paid to TP (paragraph 11 TP05), we have been unable to confirm that any such systems are in place or that any supporting evidence has been obtained.

Qualified conclusion on EOYCa

Apart from the matters set out in the Basis for Qualified Opinion paragraph, in our conclusion the attached form EOYCa for the year ended 31 March 2014 has been prepared, in all material aspects, in accordance with the regulations underpinning the Teachers' Pension Scheme.

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12 December 2014