

Southend-on-Sea Borough Council

Agenda
Item No.

Report of Strategic Director (Transformation)

To

Audit Committee

On

24 July 2019

Report prepared by: Joanna Ruffle, Strategic Director
(Transformation)

Teachers Pension Return 2017/18 – Progress report

1. Purpose of Report

- 1.1 To update the Audit Committee on the reasons and actions taken to address the questions raised by the Committee at the meeting held on 27 March 2019.

2. Recommendations

- 2.2 **The Audit Committee notes the comments and the assurance that processes are in place to mitigate these concerns going forward with regard to the Teachers Pensions Return external audit certification arrangements.**

3. Background

- 3.1 At the Audit Committee in March 2019 a report was presented from BDO that noted some points with regard to the End of Year certificate for Teachers Pensions.
- 3.2 Within the findings of the BDO report it was identified there were some differences in the Councils payroll records and the EOYC. BDO noted however that these had been investigated by the Council and the differences explained as far as possible.
- 3.3 The report also noted that there was a delay in submitting the EOYC due to the additional time required to investigate these differences.
- 3.4 The report set out that there was a period of absence of a significant senior member of the payroll team (Senior Payroll and Technical Officer) who is responsible for managing the teachers' pension contributions and submissions to the pension scheme. During that absence staff within the team had to ensure that the pension's payments were submitted each month but were inexperienced, at that time, when undertaking this work. This resulted in some errors occurring.

- 3.5 During this time there was also a lot of movement with academy schools, resulting in adjustments having to be made.
- 3.6 When the Senior Payroll and Technical Officer returned from sickness absence they reviewed the period in question and updated a period of 9 months as a whole rather than individual months. This led to difficulties in clarifying some of the discrepancies.
- 3.7 BDO's certification work has now been completed and their certification report was signed and submitted in May 2019, including reporting of the issues as outlined in **Appendix 1**.

4. Actions taken since the report

- 4.1 The Senior Payroll and Technical Officer has since reviewed this work and ensured that staff within the team are fully trained and understand the need to ensure records are maintained correctly going forward on a monthly basis. Staff in the team making submissions are under supervision and it was noted by BDO that no further problems have been experienced.
- 4.2 Upskilling a greater number of staff in this technical area will mitigate any risk caused by extended absence in the future.
- 4.3 The Senior Payroll and Technical Officer review the summaries on a regular basis, picking up and rectifying any queries early to avoid unnecessary delays in completing the return in future years.

5. Other Options

Not applicable

6. Reasons for Recommendations

- 6.1 To provide assurance on the completion of the End of Year Certificate and subsequent Audit in respect of Teachers Pensions.

7. Corporate Implications

- 7.1 Contribution to the Southend 2050 Road Map

Ensure financial regulations are adhered to.

- 7.2 Financial Implications

To ensure teachers pensions are correctly submitted and audited in accordance with required regulations.

- 7.3 Legal Implications

To meet external audit requirements.

- 7.4 People Implications

None

7.5 Property Implications

None

7.6 Consultation

Not applicable.

7.7 Equalities and Diversity Implications

To ensure all submissions are correct for the employees.

7.8 Risk Assessment

Failure to improve the monthly returns could contribute to difficulties in reconciliations and possible delays in the Audit.

7.9 Value for Money

Ensure the external auditors are provided with appropriate and adequate paperwork, in a timely fashion, to undertake the audit.

7.10 Community Safety Implications

None

7.11 Environmental Impact

None

8. Background Papers

BDO: grant claims and returns certification report for the year ending 31 March 2018 (reported to Audit Committee 27 March 2019)

9. Appendix 1

Extract in respect of Teachers Pension Return 2017/18 from updated BDO grant claims and returns certification report for the year ending 31 March 2018