

Private and ConfidentialTeachers' Pensions
Unit 11b
Lingfield Point
Darlington
DL1 1AX

31 January 2024

Independent Reporting Accountants' agreed-upon procedures report in connection with Teachers' Pensions EOYC return for the year ended 31 March 2021

To: Teachers' Pensions, Unit 11b, Lingfield Point, Darlington, DL1 1AX
The Responsible Finance Officer, Anisa Darr, Chief Financial Officer, London Borough of Barnet

Dear Madam/Sir

London Borough of Barnet - Reporting on agreed upon procedures in respect of Teachers' Pensions End of Year Certificate for the year ended 31 March 2021

This report has been produced in accordance with the terms of our engagement letter dated 19 December 2022 ("the Engagement Letter") and in accordance with the International Standard on Related Services 4400 (Revised) "Agreed-Upon Procedures Engagements" as published by IAASB.

The procedures were performed solely for the purposes of assisting the Chief Financial Officer of the Council to fulfil her responsibilities, under the Teachers' Pensions Regulations 2010 (SI2010/990) and The Teachers' Pension Scheme Regulations 2014 (SI 2014/512), for preparing the End of Year Certificate (EOYC) for the year end 31 March 2021. 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 FY20/21 Version 1" issued by Teachers' Pensions ("The guidance").

We attach, as Appendix 2, 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.

Report of factual findings and exceptions

We have performed our work as set out in Appendix 1 to this report.

We have noted the following exceptions and/or errors in our performance of procedures 1-10:

- Employer and employee contributions per tier shown in section 3 of the return are different from the tier percentage rate of the contributory salary (Procedure 3);
- The totals on the return agree to the Council's payroll records for the period, but differences were noted in the tier analysis of the payroll data provided to us (Procedure 4).
- For one teacher in our sample making additional contributions, the employee contribution rate was not uplifted from 7.95% applicable for 2019/20 to 8.00% applicable

for 2020/2021 resulting in additional contributions made being £19.67 less than expected based on the contributory salary and percentage rate (Procedure 7)

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

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 engagement does not constitute an audit or a review and, as such, no assurance is expressed. Had we performed additional procedures, an audit or a review, other matters might have come to light that would have been reported.

You were responsible for determining whether the agreed-upon procedures we performed were sufficient for your purposes and the purposes of Teachers' Pensions having due regard to the guidance issued by Teachers' Pensions. We cannot, and do not, make any representations regarding the sufficiency of these procedures for your purposes or for the purposes of Teachers' Pensions.

Our report is prepared solely for the confidential use of London Borough of Barnet 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 BDO LLP. We accept no liability to any other party who is shown or gains access to this report.

Our audit work as the statutory auditors of the annual financial statements of London Borough of Barnet is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on our separate duties and responsibilities as London Borough of Barnet's external auditors. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than London Borough of Barnet's members as a body, for our audit work on the statutory financial statements, for our audit reports, or for the opinions we have formed.

Yours faithfully

DocuSigned by:

BDO LLP

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BDO LLP
Ipswich, UK

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Appendix 1 - Agreed upon procedures and findings matrix

	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) and formal management representations where appropriate to be attached.
1	We have checked that all relevant parts of the return been completed (in pounds and pence) and that the employer's certificate bears the signature of the Responsible Finance Officer	No exceptions noted	
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) has the overall balance in box 2e been calculated correctly? 	No exceptions noted	
3	We have checked that the breakdown of contributions in each tier casts to the percentage rate of the contributory salary.	Employer and employee contributions per tier shown in section 3 of the return are different from the tier percentage rate of the contributory salary. Contributions by tier are higher/(lower) than expected, as follows:	Differences have been noted. There are instances with outsourced /insourced school payroll returns where the contribution rates are not in line with the expected deduction rates based on the

		<table border="1"> <thead> <tr> <th></th> <th>Employees' contributions difference</th> <th>Employer's contributions difference</th> </tr> </thead> <tbody> <tr> <td>Tier 1 (7.40%)</td> <td>(£951.48)</td> <td>(£1,633.5)</td> </tr> <tr> <td>Tier 2 (8.60%)</td> <td>(£13,249.01)</td> <td>(£2,632.95)</td> </tr> <tr> <td>Tier 3 (9.60%)</td> <td>(£20,733.33)</td> <td>£477.20</td> </tr> <tr> <td>Tier 4 (10.20%)</td> <td>(£9,856.38)</td> <td>£6,982.16</td> </tr> <tr> <td>Tier 5 (11.30%)</td> <td>(£8,270.50)</td> <td>£343.20</td> </tr> <tr> <td>Tier 6 (11.70%)</td> <td>(£6,780.23)</td> <td>£101.73</td> </tr> <tr> <td>TOTAL</td> <td>(£59,840.93)</td> <td>£3,637.84</td> </tr> </tbody> </table> <p>The return has not been amended for these differences.</p>		Employees' contributions difference	Employer's contributions difference	Tier 1 (7.40%)	(£951.48)	(£1,633.5)	Tier 2 (8.60%)	(£13,249.01)	(£2,632.95)	Tier 3 (9.60%)	(£20,733.33)	£477.20	Tier 4 (10.20%)	(£9,856.38)	£6,982.16	Tier 5 (11.30%)	(£8,270.50)	£343.20	Tier 6 (11.70%)	(£6,780.23)	£101.73	TOTAL	(£59,840.93)	£3,637.84	<p>allocations in table 3 Tiers for pensionable salary and contributions. The total pensionable pay and impact of the discrepancies in the contribution rates are not significant based on the total return value and therefore no further investigation has been undertaken. Therefore, we have not confirmed if the EOYC requires amendment.</p> <p>The Council has initiated a review of its procedures around how it ensures outsourced payroll providers are meeting their duties and filing accurate returns.</p>																																												
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4	<p>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.</p>	<p>The totals on the return agree to the Council's payroll records for the period, but differences were noted in the tier analysis of the payroll data provided to us:</p> <p>Contributory Salary (£):</p> <table border="1"> <thead> <tr> <th></th> <th>Return</th> <th>Payroll data</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>Tier 1 (7.40%)</td> <td>7,947,421.43</td> <td>9,301,671.23</td> <td>(1,354,249.80)</td> </tr> <tr> <td>Tier 2 (8.60%)</td> <td>16,567,528.87</td> <td>17,652,301.43</td> <td>(1,084,772.56)</td> </tr> <tr> <td>Tier 3 (9.60%)</td> <td>16,369,968.48</td> <td>16,680,896.06</td> <td>(310,927.58)</td> </tr> <tr> <td>Tier 4 (10.20%)</td> <td>22,366,874.90</td> <td>20,592,127.84</td> <td>1,774,747.06</td> </tr> <tr> <td>Tier 5 (11.30%)</td> <td>9,942,016.18</td> <td>9,973,155.86</td> <td>(31,139.68)</td> </tr> <tr> <td>Tier 6 (11.70%)</td> <td>3,766,330.15</td> <td>2,881,334.47</td> <td>884,995.68</td> </tr> <tr> <td>[no tier noted]</td> <td>-</td> <td>(121,346.88)</td> <td>121,346.88</td> </tr> <tr> <td>TOTAL</td> <td>76,960,140.01</td> <td>76,960,140.01</td> <td>-</td> </tr> </tbody> </table> <p>Teachers' Contributions (£):</p> <table border="1"> <thead> <tr> <th></th> <th>Return</th> <th>Payroll data</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>Tier 1 (7.40%)</td> <td>587,157.71</td> <td>687,325.78</td> <td>(100,168.07)</td> </tr> <tr> <td>Tier 2 (8.60%)</td> <td>1,411,558.47</td> <td>1,518,020.87</td> <td>(106,462.40)</td> </tr> <tr> <td>Tier 3 (9.60%)</td> <td>1,550,783.64</td> <td>1,602,071.91</td> <td>(51,288.27)</td> </tr> <tr> <td>Tier 4 (10.20%)</td> <td>2,271,564.86</td> <td>2,106,044.60</td> <td>165,520.26</td> </tr> <tr> <td>Tier 5 (11.30%)</td> <td>1,115,177.33</td> <td>1,127,278.09</td> <td>(12,100.76)</td> </tr> <tr> <td>Tier 6 (11.70%)</td> <td>433,880.40</td> <td>337,116.34</td> <td>96,764.06</td> </tr> <tr> <td>[no tier noted]</td> <td>-</td> <td>(7,735.18)</td> <td>7,735.18</td> </tr> </tbody> </table>		Return	Payroll data	Difference	Tier 1 (7.40%)	7,947,421.43	9,301,671.23	(1,354,249.80)	Tier 2 (8.60%)	16,567,528.87	17,652,301.43	(1,084,772.56)	Tier 3 (9.60%)	16,369,968.48	16,680,896.06	(310,927.58)	Tier 4 (10.20%)	22,366,874.90	20,592,127.84	1,774,747.06	Tier 5 (11.30%)	9,942,016.18	9,973,155.86	(31,139.68)	Tier 6 (11.70%)	3,766,330.15	2,881,334.47	884,995.68	[no tier noted]	-	(121,346.88)	121,346.88	TOTAL	76,960,140.01	76,960,140.01	-		Return	Payroll data	Difference	Tier 1 (7.40%)	587,157.71	687,325.78	(100,168.07)	Tier 2 (8.60%)	1,411,558.47	1,518,020.87	(106,462.40)	Tier 3 (9.60%)	1,550,783.64	1,602,071.91	(51,288.27)	Tier 4 (10.20%)	2,271,564.86	2,106,044.60	165,520.26	Tier 5 (11.30%)	1,115,177.33	1,127,278.09	(12,100.76)	Tier 6 (11.70%)	433,880.40	337,116.34	96,764.06	[no tier noted]	-	(7,735.18)	7,735.18	<p>The review of cases has confirmed that the differences to pay bands and expected deductions is due to pay adjustments, for example if a teacher has back pay provide in a particular period. Therefore, the differences, in themselves, don't necessarily point to errors but can be explained where there are adjustments to peoples' pay, which is highly likely. So the differences identified are almost to be expected.</p>
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5	We have checked that contributions paid in box 2d provided by TP agree with the employer's accounts.	No exceptions noted																																									
6	<p>For a sample of 20 teachers paid by the employer payroll and (where available) third party payrolls, we have checked that:</p> <ul style="list-style-type: none"> (a) the status of the teacher to the employer portal; (b) contributory salaries have been agreed to payroll records and included in section 3 column 1 in the correct tier; (c) teachers' contributions have been deducted at the correct tier rate and included in section 3 column 2 in the correct tier; and 	No exceptions noted																																									

	(d) employer's contributions have been calculated correctly and included in section 3 column 3.		
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); (c) additional contributions have been deducted correctly and included in box 2a(iii); (d) deductions and interest for teachers with EFE elections are calculated correctly and included in box 2b(i) (e) Preston contributions have been deducted correctly and included in box 2b(ii); and (f) TR22 contributions have been deducted correctly and included in box 2b(iii) 	<ul style="list-style-type: none"> (a) Not applicable (b) Not applicable (c) For one teacher in our sample making additional contributions, the employee contribution rate was not uplifted from 7.95% applicable for 2019/20 to 8.00% applicable for 2020/2021 resulting in additional contributions made being £19.67 less than expected based on the contributory salary and percentage rate. The return has not been amended for this difference. (d) Not applicable (e) Not applicable (f) Not applicable 	<p>The difference has been noted and raised with Capita Payroll services. The Council awaits an explanation. The difference in monetary terms is small (£19.67).</p> <p>As noted above, the Council has initiated a review of its procedures around how it ensures outsourced payroll providers are meeting their duties and filing accurate returns.</p>
8	We have checked that all short term pension payments made by the employer in box 2c(i) for teachers who have died before February 2016 agree to correspondence from Teachers' Pensions?	Not applicable	



9	We have checked all prior year refunds in box 2c(ii) to correspondence from Teachers' Pensions?	Not applicable	
10	For all management explanations related to the exceptions and errors noted, we have obtained representations from the Responsible Finance Officer.	Responses have been provided and included against each relevant exception.	