

## 308 PENSION SCHEME – PREPARATION OF ACCOUNTS

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms and conditions of business.

#### **1 Your responsibilities as trustees**

- 1.1 Under the trust deed and scheme rules it is the duty of the trustees to obtain accounts for each scheme year. In accordance with generally accepted accounting practice such accounts should show a true and fair view of the scheme's financial transactions during the year and of the disposition at the end of the scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year.
- 1.2 It is the responsibility of the trustees to make appropriate arrangements to ensure that, in the preparation of the accounts:
  - (a) suitable accounting policies are selected and then applied consistently; and
  - (b) judgments and accounting estimates are made that are reasonable and prudent.
- 1.3 As trustees you are responsible for safeguarding the assets of the scheme and hence for taking reasonable steps to ensure the scheme's activities are conducted honestly and for the prevention and detection of fraud and other irregularities. You are also responsible for ensuring that the scheme complies with laws and regulations applicable to its activities, and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that occur.
- 1.4 As trustees, you are responsible for maintaining books and records in accordance with regulations made under the *Pension Schemes Act 1993* and *Pensions Act 1995*, including *The Occupational Pension Schemes (Scheme Administration) Regulations 1996* (SI 1996/1715) (the Scheme Administration Regulations). These should include written records of trustees' meetings.
- 1.5 You have agreed that your staff will maintain all accounting records, except as separately agreed with you. Any book-keeping services will be dealt with in a separate schedule.
- 1.6 You have agreed to make available to us the scheme's books, accounts and records and other information as may reasonably be required for the performance of our duties, including minutes of all trustees' meetings.
- 1.7 You will approve and sign the accounts thereby acknowledging responsibility for them.
- 1.8 You undertake to notify us of matters which may be relevant to the financial affairs of the scheme, including changes to the scheme rules, which have been notified to you by the sponsoring employers or have otherwise come to your attention.
- 1.9 It is your responsibility to ensure that the scheme continues to qualify as a small self-administered scheme. You undertake to inform us immediately of any change in the status of the scheme.

#### **2 Our responsibilities as accountants**

- 2.1 You have asked us to assist you in the preparation of financial statements in accordance with generally accepted accounting practice, and where an audit is not requested, to issue an accountant's report on those financial statements. We will compile the annual financial statements for your approval based on the accounting records maintained by you and the information and explanations that you give us.

- 2.2 If you have requested any book-keeping services, these will be dealt with in a separate schedule.
- 2.3 We will contact you around your year-end date to request the information and records we will need to prepare the accounts.
- 2.4 We have a duty under the *Pensions Act 2004*, s. 70, to report immediately to The Pensions Regulator if we have reasonable cause to believe that there is or has been some failure to comply with any duty relevant to the administration of the scheme imposed by any enactment or rule of law on the trustees or managers, the employer, any professional adviser or any prescribed person acting in connection with the scheme and that the failure to comply is likely to be of material significance in the exercise by The Pensions Regulator of any of its functions. We may have to make this report without your knowledge and consent and we cannot undertake to you to fetter this discretion in any manner.
- 2.5 Guidance issued by The Pensions Regulator has encouraged voluntary reporting by the trustees and other advisers who have a statutory right to report. If the trustees make a report to The Pensions Regulator, or if the trustees are aware of such a report being made to The Pensions Regulator by one of their advisers, you agree to provide us with a copy of such a report.
- 2.6 Unless an audit has been requested, our work will not be an audit of the accounts in accordance with International Standards on Auditing (UK). Accordingly, we will not obtain any evidence relating to entries in the accounting records, or to the financial statements or to the disclosures in the financial statements. Nor will we make any assessment of the estimates and judgments made by you in the preparation of the financial statements. Consequently our work will not provide any assurance that the accounting records or the financial statements are free from material misstatement, whether caused by fraud, or other irregularities or error. In addition, we have no responsibility to determine whether you have maintained sufficient accounting records in accordance with regulations made under the Pension Schemes Act 1993 and Pensions Act 1995 and we will not address this point unless you specifically request us in writing to do so.
- 2.7 If an audit has been requested, these services will be detailed in a separate schedule.
- 2.8 Since we have not carried out an audit, nor confirmed in any way the accuracy or reasonableness of the accounting records maintained by the scheme, we are unable to provide any assurance as to whether the financial statements that we prepare from those records and on which we are reporting present a true and fair view.
- 2.9 We have a professional responsibility not to allow our name to be associated with financial statements we believe may be misleading. Therefore, although we are not required to search for such matters, should we become aware, for any reason, that the financial statements may be misleading, we will discuss the matter with you with a view to agreeing appropriate adjustments and/or disclosures in the financial statements. In circumstances where adjustments and/or disclosures that we consider appropriate are not made or where we are not provided with appropriate information, and as a result we consider that the financial statements are misleading, we will withdraw from the engagement. In these circumstances you agree that we have a right to invoice you for our time spent preparing and discussing the financial statements with you and for time spent on any other work that is not completed as a result of our resignation.
- 2.10 As part of our normal procedures we may request you to provide written confirmation of any information or explanations given to us orally during the course of our work.
- 2.11 To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the scheme and the scheme's trustees as a body for our work or this report. If you wish, or are asked, to provide a copy of the financial statements to a third party you must seek our consent before you do this. You are not entitled to disclose our work to a third party without our express permission. We may grant consent subject to certain conditions; however, in every situation where we grant consent, then the accountant's report must remain attached to the financial statements shown to the third party.