

Miscellaneous Technical Statement M43

“Compilation of Alternative Annual Reports of certain pension schemes in the Republic of Ireland (when the trustees of the scheme opt, as permitted by legislation, not to prepare a full annual report including audited accounts)”

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*This guidance is issued by the Institute of Chartered Accountants in Ireland in September 2005. The guidance does not constitute an auditing or assurance standard.
Professional judgement should be used in its application.*

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(c) The Institute of Chartered Accountants in Ireland.

1. Introduction

- 1.1 This Miscellaneous Technical Statement is intended to give general guidance to Reporting Accountants when they are requested by the trustees of pension schemes to compile the Scheme Annual Reports as allowed under Article 7 of the Occupational Pension Schemes (Disclosure of Information) (No.2) Regulations, 1998 (the “1998 Regulations”) made under the Pensions Acts 1990 to 2003 and associated regulations (the PA 1990).
- 1.2 The option of preparing an Annual Report under Article 7 (an “Alternative Annual Report”) is available to a scheme which, at the commencement of the scheme year is, either –
 - (a) a defined contribution scheme, or
 - (b) a small scheme as defined in sub-article (2) of article 7 of the Regulations.
- 1.3 A copy of the latest Alternative Annual Report shall be made available by the trustees not later than 9 months after the end of the scheme year.
- 1.4 The Alternative Annual Report must be prepared by a person or persons eligible to be appointed as auditor, within the meaning of Article 4 of the 1998 Regulations, or, where all the benefits are fully secured under one or more insurance contracts with a single assurance company, a person designated by that assurance company.
- 1.5 The Institute has developed the practical guidance in this Miscellaneous Technical Statement to assist Reporting Accountants in deciding whether to accept these engagements and, if they do, the key points to consider when determining the process to follow.
- 1.6 This Miscellaneous Technical Statement does not cover matters to be considered when dealing with the audit of occupational pension schemes which is covered by the Practice Note 15 (I) “Interim Guidance for the Auditors of Occupational Pension Schemes in the Republic Of Ireland” issued by the Auditing Practices Board.
- 1.7 Pension schemes operate within a framework of law and regulation which is complex and differs in a number of respects from that applicable to commercial enterprises. This framework involves both trust law and specific statutory provisions, set out primarily in the PA 1990. For a non-statutory scheme to obtain exempt approval for tax purposes it is essential that it is established under an 'irrevocable trust'. To the extent necessary to prepare the Alternative Annual Report, it is essential for Reporting Accountants appointed to prepare Alternative Annual Reports of occupational pension schemes to have an understanding of current pensions legislation and associated regulations as they apply to the annual report. The Occupational Pension Schemes (Disclosure of Information) Regulations 2005, (S.I. No. 633 of 2005), published September 2005, have effect for scheme years commencing after 23rd September 2005. Consequently, certain paragraphs of this Miscellaneous Technical Statement will require update to reflect the provisions of

these regulations and it is anticipated that revised guidance will be issued in the early part of 2007.

2. Basic Principles

- 2.1 In carrying out Alternative Annual Report compilation engagements, members of the Institute are subject to the ethical and other guidance laid down by the Institute, including the Fundamental Principles of the *Ethical Guide for Members – Re-issued February 2003* (“the Guide”), as set out in Statement 1¹ and the relevant sections of the Guide that deal with objectivity and, where appropriate, independence in relation to preparation of Alternative Annual Reports of pensions schemes.

- 2.2 The Fundamental Principles are:

Fundamental Principle 1 - "Integrity"

A *member* should behave with integrity in all professional and business relationships. Integrity implies not merely honesty but fair dealing and truthfulness. A *member's* advice and work must be uncorrupted by self-interest and not be influenced by the interests of other parties.

Fundamental Principle 2 - "Objectivity"

A *member* should strive for objectivity in all professional and business judgements. Objectivity is the state of mind which has regard to all considerations relevant to the task in hand but no other.

Fundamental Principle 3 - "Competence"

A *member* should undertake professional work only where he has the necessary competence required to carry out that work, supplemented where necessary by appropriate assistance or consultation.

Fundamental Principle 4 - "Performance"

A *member* should carry out his professional work with due skill, care, diligence and expedition and with proper regard for the technical and professional standards expected of him as a *member*.

Fundamental Principle 5 - "Courtesy"

A *member* should conduct himself with courtesy and consideration towards all with whom he comes into contact during the course of performing his work.

- 2.3 Members should not, therefore, compile Alternative Annual Reports or permit their names to be associated with Alternative Annual Reports that they consider may be misleading.

¹ Statement 1, Section 1.14 of the Guide.

3. Agreeing procedures and conditions of engagement

- 3.1 There needs to be a clear understanding between the client and the Reporting Accountants regarding the terms of the engagement. The client needs to understand from the outset the responsibility which the Reporting Accountants accept in relation to the Alternative Annual Reports of pension schemes. This is best dealt with by a discussion followed by an engagement letter.
- 3.2 The engagement letter normally includes matters such as:
- the trustees or directors of the trustee company as addressees;
 - confirmation that the addressees will be responsible for the reliability, accuracy and completeness of the membership and financial records and the information provided to the Reporting Accountants;
 - details of the information to be supplied by the client to the Reporting Accountants and a confirmation that any other information that the Reporting Accountants consider necessary for the performance of the engagement will be supplied;
 - the nature of the engagement;
 - the fact that the Reporting Accountants will make enquiries of trustees or their agents and undertake any procedures that they judge appropriate but are under no obligation to perform procedures that may be required for assurance engagements such as audits or reviews;
 - the fact that the engagement cannot be relied on to disclose errors, fraud, weaknesses in internal controls or other irregularities;
 - notification that an audit will not be carried out and so no opinion will be given and no assurance either implied or expressed;
 - the fact that written management representations may be required prior to the completion of the engagement and the issuing of the Alternative Annual Report; and
 - the form of accountant's report to be issued.
- 3.3 In addition, after discussions with the client, it may be appropriate to include a section on the limitation of the Reporting Accountants' liability. Section 8 provides guidance in relation to limitation of liability. In all cases members should consider the individual circumstances of the engagement and obtain professional legal guidance, if appropriate.
- 3.4 An example of a letter of engagement is set out in Appendix 2.

4. Contents of the Alternative Annual Report

- 4.1 Trustees of all funded occupational schemes, irrespective of the method of funding, are required by the PA 1990 to prepare and make available to members an annual report. The content of the annual report varies with the type of scheme and is set out in the 1998 Regulations (see Appendix 4).
- 4.2 The 1998 Regulations permit a small funded defined benefit scheme (a scheme which at the commencement of the scheme year in question had less than 50 active members and less than 100 members in total (excluding members whose only benefits are on death in service and those for whom insurance policies have been provided which fully match and guarantee the individuals' benefits)) or a defined contribution scheme of any size, to opt to have an Alternative Annual Report completed.

- 4.3 The Alternative Annual Report must contain inter alia:

- the names of all persons who were trustees and the directors of any company acting as trustee during the year;
- a statement of the amount of contributions paid by the employer and the members during the scheme year;
- a statement confirming that the contributions payable during the scheme year:
 - were actually received by the scheme within 30 days of the end of the year;
 - were paid in accordance with the scheme rules; and
 - in the case of a small defined benefit scheme, were paid in accordance with the recommendation of the actuary.

If any of these three statements is negative, the reasons must be given.

- a statement of the manner in which the resources of the scheme are invested, including detail of any self investment (investment, very broadly defined, in the employer's business) at any time during the year;
- for small defined benefit schemes, a copy of the latest actuarial funding certificate and a statement from the actuary regarding the funding position of the scheme at the year end (except where the actuary's funding certificate has an effective date coinciding with the end of the scheme year);
- details of increases in pension payments and deferred pensions during the year;
- an investment report containing a statement by each investment manager including:
 - a summary of the investments managed and their value at the end of the year;
 - the investment policies pursued and any material changes in these policies during the year; and
 - a review of the fund's investment performance during the year.
- details of transactions with related parties; and
- in addition, the Alternative Annual Report must advise if, during the scheme year, there have been any changes in the basic information as set out in Schedule C to the 1998 Regulations, about the scheme and whether these changes have been notified to the members concerned.

5. Compilation procedures

- 5.1 Neither the PA 1990 nor the 1998 Regulations require any confirmatory procedures to be performed by the Reporting Accountants compiling the Alternative Annual Report, except to make reasonable enquiries in relation to contributions and their receipt by the trustees. In a separate report by the Reporting Accountants appended to the Alternative Annual Report they state their responsibility for preparing the annual report giving the disclosures required by the 1998 Regulations from the information and explanations made available to them by the trustees. They further state that the transactions, liabilities, assets the allocation of assets between individual members and the records of such allocations have not been audited by the preparer. Reporting Accountants would undertake certain procedures to fulfil their professional obligations as set out in section 2 “Basic Principles” and before they allow their name to be associated with the Alternative Annual Report, as its preparer.
- 5.3 The legislative requirements in the area relates to whether contributions have been calculated at the correct rates and are duly paid to the scheme and invested. However, in carrying out the work necessary, other aspects concerning the operation of schemes should also be considered by the Reporting Accountant.
- 5.4 The following is a summary of the procedures that the Reporting Accountant will consider performing in the preparation of the Alternate Annual Report. This listing is not intended to be prescriptive, exclusive or comprehensive as the actual work carried out will vary depending upon the nature and circumstances of each assignment. The listing does not cover other aspects of the work of the Reporting Accountant, such as reporting responsibility, which is dealt with elsewhere in this document. The procedures carried out are divided into those relating to Investments, Contributions and Other areas.

Investments

- obtain a copy of the investment manager’s report and the movements in funds under management;
- obtain a reconciliation of cash movements (e.g. management accounts / trial balance if available) in the scheme for the year;
- obtain the reconciliation of the opening and closing investments position to the reconciliation of cash movements;
- for disclosure in the Alternative Annual Report obtain details of all instances where self investment has occurred through non-payment or late receipt of contributions by reference to requirements of the PA 1990;
- obtain details as to the investment strategy followed during the year (normally contained in the investment manager review report) for disclosure in the Alternative Annual Report;
- where the scheme operates a bank account, obtain a copy of the year end reconciliation;
- obtain details of all investments in employer related companies for disclosure in the Alternative Annual Report; and

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- for defined contribution schemes, obtain a listing of the units held for each individual member, the total of which should agree with the total number of units held by the investment manager.

The legislation requires that details in relation to a scheme's resources be disclosed in the Alternative Annual Report. This includes not only investments under management but also the other receivables of a scheme, net of liabilities (other than liabilities to pay pensions and other benefits in the future). To facilitate preparation and enable linkage to the investment management review report (where this is included as an appendix to the Alternative Annual Report) it may be appropriate to disclose the investments under management together with a statement that the other assets and liabilities of the scheme (other than liabilities to pay pensions and other benefits in the future) are not significant, where this is the case. Where this is not the case, the other assets and liabilities should be disclosed.

Contributions

- obtain a schedule of the contributions for the period covered by the Alternative Annual Report, broken down between employer normal, employer special, employee normal, employee additional voluntary contributions and contributions in respect of insurance cover. The schedule should detail the periods in which contributions were deducted or in respect of which they were paid and the dates on which the contributions were received by the scheme;
- agree the contributions for the period to the reconciliation of cash movements;
- obtain an analysis of contributions receivable by comparison with prior year and explanations for significant changes;
- obtain and read a copy of the trust deed and rules and, where appropriate, the latest Actuarial Valuation and advice and consider the accuracy of other information obtained in relation to contributions ;
- discuss with the trustees or administrators, as appropriate, as to whether:
 - the contributions are being paid in line with the rules of the scheme and, in the case of a defined benefit scheme, in line with the actuary's recommendation; and
 - the contributions are based on the correct salary figures in accordance with the rules of the scheme.

The legislation requires only that contributions received be disclosed in the Alternative Annual Report, however best practice dictates that contributions receivable should also be shown. This normally can best be disclosed in tabular form listing contributions received as well as opening and closing balances receivable.

Other areas

Members

- obtain the reconciliation of member numbers for the year to establish whether it is consistent with the schedules of contributions, pension payments, transfers in/out of the scheme and lump sum payments to retirees.

Benefits

- obtain a listing of pension payments by individual for the year;
- agree pension payments during the year to the reconciliation of cash movements;
- obtain details of significant resources receivable/payable, e.g. lump sums, transfers in/out and death benefit payments, for comparison with the reconciliation of cash movements;
- obtain details of pension increases for comparison with the rules of the scheme and/or trustee minutes; and
- obtain details of any outstanding payments to the Revenue of tax deducted from pensions and refunds of contributions.

Related party transactions

- obtain an understanding as to the related parties to the scheme for the purposes of ensuring that appropriate disclosure is made in the Alternative Annual Report of any transactions with these parties. Related parties would include, inter-alia, sponsoring employers, administrators, investment managers and trustee members of the scheme.²

Other information

- establish whether the Alternative Annual Report contains all of the information required by the 1998 Regulations;
- consider whether the information in the Alternative Annual Report is consistent with the trust deed and rules, together with the latest actuarial valuation and statement (if any) and/or funding proposals and other relevant actuarial advice/correspondence;
- for purposes of appropriate disclosure in the Alternative Annual Report obtain details of the selection of trustees, trustee access to guidance and trustee training. It may be appropriate to confirm this information by way of a representation letter;
- read the minutes of Trustee meetings;
- enquire as to whether there has been any correspondence with the Pensions Board or the Ombudsman, since the beginning of the relevant scheme year and read the same, if any;
- obtain evidence of Revenue Approval and Pensions Board Registration; and
- consider whether any of the information obtained warrants further consideration or possible amendment or explanation by the trustees or their agents.

6. Client Representations

- 6.1 In compiling the Alternative Annual Report, the Reporting Accountants are usually reliant on representations by the trustees, particularly in relation to the reliability,

² Disclosure in respect of Trustee members' contributions and/or benefits is generally achieved by identifying the Trustees as members of the scheme in the annual report.

accuracy and completeness of information provided. The Reporting Accountants therefore consider obtaining written representations on these matters.

6.2 Such representations may cover areas such as:

- confirmation that all material transactions have been included in the accounting records, all financial records and related information have been made available to the Reporting Accountants and all known assets and liabilities including contingent liabilities, except for the liability to pay pensions and other benefits in the future, at year end date have been disclosed to the Reporting Accountants
- confirmation of the scheme's compliance with laws and regulations;
- confirmation of the completeness and adequacy of related party transactions information disclosed in the Alternative Annual Report;
- disclosure of any pending litigation and claims and contingent consequences;
- disclosure of material contingent liabilities;
- disclosure of irregularities or allegations of irregularities including fraud of which the trustees are aware; and
- confirmation that the trustees have maintained accurate, reliable and complete membership records.

6.3 An example of a letter of representation is set out in Appendix 3

7. Approval of the Alternative Annual Report by trustees

7.1 As required by the 1998 Regulations, the Alternative Annual Report should be approved by the trustees and signed on their behalf by two of them, or where there is only one trustee, by that trustee. This approval process should be completed before the Reporting Accountants issue the Alternative Annual Report prepared by them.

7.2 The 1998 Regulations require that where either of two statements that must be included in the Alternative Annual Report is qualified the trustees, as part of their approval statement, should state whether the matter giving rise to the qualification has been resolved. The two statements concerned are:

- that contributions payable during the scheme year have been received by the trustees within 30 days of the end of the scheme year; and
- that contributions payable have been paid in accordance with the rules of the scheme and, where appropriate, with the recommendation of the actuary.

8. Limitation of liability

8.1 Reporting Accountants may consider the need to negotiate a limitation on the amount of any potential liability to the client, normally by inclusion of a clause in the engagement letter. Any monetary limitation imposed under contract should be reasonable in amount and agreed by means of a discussion with the client. A draft

example limitation of liability clause is included in the example engagement letter at Appendix 2, under the heading 'Liability provision'

9. Reporting Accountants' report

9.1 There is no legislative requirement for any form of statement or report by the preparer of the Alternative Annual Report.

9.2 The Reporting Accountants' report:

- explains the work performed;
- informs readers that no audit has been undertaken , no assurance may be derived from the report and no opinion is given; and
- informs users that the report was compiled by Chartered Accountants who are subject to the ethical and other guidance issued by the Institute in relation to the preparation of the Alternative Annual Report.

9.2 The Reporting Accountants' report on the Alternative Annual Report of a pension scheme usually includes:

- a title identifying the persons to whom the report is addressed (usually the trustees) and including the words 'Accountants' Report to...'³;
- a statement that, in accordance with the engagement letter, the Reporting Accountants have compiled the Alternative Annual Report [*identify by reference to page numbers*] from the books and records and information and explanations supplied by the client;
- a statement that the report is made to the trustees as a body in accordance with the terms of engagement, an explanation as to the work involved and the purpose of the work and that, to the fullest extent permitted by law, no responsibility will be accepted for the work or the report to anyone other than the trustees, as a body;
- a statement that the Reporting Accountants have carried out the engagement in accordance with the relevant guidance issued by the Institute;
- respective responsibilities of the trustees and the Reporting Accountants;
- a statement of the trustees' responsibilities in relation to the compilation of the Alternative Annual Report;
- a statement that the Reporting Accountants are not required to and have not carried out an audit, transactions, liabilities, assets, the allocation of assets between individual members and the records of such allocations have not been audited and accordingly, that the Reporting Accountants do not express an audit

³ Members should have regard to the Institute's Regulations relating to the use of the description 'Chartered Accountants' as set out in the Institute's Bye-Laws – effective October 2002 and Practicing Certificate Requirements as set out in the Institute's Rules of Professional Conduct – issued February 2003. Generally, a member may use the description if signing reports in a personal capacity. A firm may only use the description if it complies with the relevant Bye Laws concerning the control of firms and general affiliates of the Institute. Where a firm is not permitted to use the term Chartered Accountant(s), the title 'Accountants' Report to...' should be used, rather than 'Chartered Accountant(s) Report to....'.

opinion or provide any assurance that the Alternative Annual Report is free of material misstatement;

- the name and signature of the Reporting Accountants and any appropriate designation (but not 'Registered Auditor'); and
- the date of the report.

9.3 An example of a Reporting Accountants' report is set out in [Appendix 1](#).

10. Additional reporting responsibilities under legislation

Reports to the Pensions Board

10.1 Section 83 of the PA 1990 places a duty on relevant persons (including scheme trustees, auditors, the preparers of scheme Alternative Annual Reports and actuaries) to report to the PB in writing where they have

*'reasonable cause to believe that a material misappropriation or a fraudulent conversion of the resources of a scheme has occurred, is occurring or is to be attempted. ("a Reasonable Cause to Believe")'*⁴

10.2 If the same circumstances that give rise to a report under the Anti-Money Laundering legislation or a report under the Criminal Justice (Theft & Fraud Offences) Act, 2001 (the "Theft and Fraud Act") also give rise to a belief that there is or was a material misappropriation or a fraudulent conversion of the resources of the pension scheme then there is an obligation to report that belief to the PB under Section 83 of the PA 1990. When reporting to the PB partners and staff in audit firms need to be alert to the dangers of prejudicing an investigation under the Anti-Money Laundering legislation.

10.3 Even if the circumstances that gave rise to a report under Anti-Money Laundering legislation or a report under the Theft and Fraud Act do not give rise to a belief that there is or was a material misappropriation or a fraudulent conversion of the resources of the pension scheme, a Reporting Accountant may nonetheless wish to make a voluntary report to the PB. Section 84 of the PA 1990 offers protection to a scheme Reporting Accountant making a voluntary report in good faith. A report made in good faith to the PB of any matter concerning the state or conduct of a scheme will not breach any duty (such as a duty of confidentiality) to which the person making the report is subject and no liability or action shall lie against that person in any court for so doing.

10.4 Extensive guidance on these matters for auditors of pension schemes is contained in the APB Practice Note 15(I) *"The Audit of Pension Schemes in the Republic of Ireland"* under the heading *"ISA (UK and Ireland) 250: Section B - The Auditor's Right and Duty to Report to Regulators in the Financial Sector"*. As the preparers of Alternative Annual Reports of pension schemes have similar rights and duties as auditors in this regard, the guidance in Practice Note 15(I) is relevant to such engagements.

⁴ Detailed guidance on reporting responsibilities under Section 83 of the PA 1990 is given in the APB Practice Note *"Interim Guidance for The Auditors of Occupational Pension Schemes in the Republic Of Ireland"*.

Anti-Money Laundering

- 10.5 Anti-Money Laundering legislation extends to auditors and others, including the preparers of Alternative Annual Reports for pension schemes, the requirement to report to An Garda Síochána and the Revenue Commissioners where they suspect the laundering of money which in whole or part, represents the proceeds of criminal activity. Anti-Money Laundering legislation⁵ extends both the definition of what money laundering comprises and the auditors' reporting responsibilities. The impact of the detailed legislation on auditors can broadly be summarised as follows:
- money laundering includes concealing, disguising, converting, transferring, removing, using, acquiring or possessing property⁶ resulting from criminal conduct⁷.
 - the Anti-Money Laundering legislation contains no de minimis concessions.
 - partners and staff in audit firms are required to report suspicions⁸ that a criminal offence, giving rise to direct or indirect benefit from criminal conduct has been committed, regardless of whether that offence has been committed by a client or by a third party.
- 10.6 Partners and staff in audit firms need to be alert to the dangers of making disclosures that are likely to prejudice an investigation ('tipping off'⁹) as this will constitute a criminal offence under the Anti-Money Laundering legislation.
- 10.7 Trustees of pension schemes have no specific statutory responsibilities in connection with money laundering over and above those which apply generally to individuals and organisations.
- 10.8 Failure by a Reporting Accountant to report knowledge or suspicion of money laundering is a criminal offence. In discharging their statutory obligations Reporting Accountants generally will report through their Money Laundering Reporting Officer ('MLRO') to An Garda Síochána and the Revenue Commissioners

⁵ With effect from 15 September 2003 the Anti-Money Laundering legislation in the Republic of Ireland included in the Criminal Justice Act, 1994 has been extended, through the Criminal Justice Act, 1994 (Section 32) Regulations, to the provision by way of business of audit and other services by a person who is eligible for appointment as a company auditor in accordance with the Companies Acts, 1963 to 2003. This includes preparers of alternative annual reports for pension schemes.

⁶ "Property" is criminal property if it constitutes a person's benefit from criminal conduct or it represents such a benefit (in whole or part and whether directly or indirectly), and the alleged offender knows or suspects that it constitutes or represents such a benefit.

⁷ "Criminal conduct" is defined as conduct which constitutes an indictable offence in any part of the State or would constitute such an offence if it occurred in any part of the State.

⁸ Auditors are required to report where they know or suspect or have reasonable grounds to know or suspect that another person is engaged in money laundering.

⁹ Prejudicing an investigation is an offence under Section 58 of the Criminal Justice Act, 1994. It arises when an individual discloses matters where

(a) there is knowledge or suspicion that a report has already been made, and
(b) that disclosure is likely to prejudice any investigation which might be conducted following the report.

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suspicious of a criminal offence that gives rise to criminal property. Partners and staff in audit firms discharge their responsibilities by reporting to their MLRO.

- 10.9 Further information on the matters to be considered by auditors is set out in the Procedures document 'Anti-Money Laundering Procedures Republic of Ireland', prepared by the Consultative Committee of Accountancy Bodies – Ireland ("CCABI").

The Criminal Justice (Theft & Fraud Offences) Act, 2001

- 10.10 Section 59 of the Theft and Fraud Act requires a relevant person, including a preparer of Alternative Annual Reports, to report to a member of the Garda Síochána in circumstances where information or documents indicate that certain offences under the Theft and Fraud Act may have been committed by a client or by its management or employees.

- 10.11 Section 59(2) of the Theft and Fraud Act states:
"Where the accounts of a firm, or as the case may be any information or document mentioned in subsection (1) (b), indicates that - an offence under this Act (...) may have been committed by the firm concerned, or such an offence may have been committed in relation to its affairs by a partner in the firm or, in the case of a corporate or unincorporated body, by a director, manager, secretary or other employee thereof, or by the self-employed individual person concerned, the relevant person shall, notwithstanding any professional obligations of privilege or confidentiality, report that fact to a member of the Garda Síochána."

- 10.12 A "firm" above includes a pension scheme.

- 10.13 There are many reportable offences in the Act.

- 10.14 The Consultative Committee of Accountancy Bodies in Ireland (CCAB-I) has obtained legal advice to the effect that, within an accountancy practice, the term "relevant person" applies to the partner, as the individual responsible for a particular engagement.

APPENDIX 1 – Example wording of an Accountants' report on the Annual Report of a pension scheme

The example below is a suitable accountants' report in relation to a defined contribution [*and defined benefit scheme with the insertion of wording in final sentence*] pension scheme in the Republic of Ireland where the trustees have opted in accordance with the 1998 Regulations to have an Alternative Annual Report prepared by a person qualified to act as auditor of a company under the Companies Acts 1963 to 2003.

Accountants' report to the trustees of *[INSERT FULL NAME OF SCHEME]*

As requested by the trustees and in accordance with our engagement letter dated xx/xx/xx, we have prepared the annual report of the *[insert full name of Scheme]* for the year ended *[insert year end date]* set out on pages x to x.

The Annual Report is required to be prepared in compliance with the provisions of Article 7 of The Occupational Pension Schemes (Disclosure of Information) (No. 2) Regulations, 1998 ("the Regulations") and gives the information specified by Article 7(8) of the Regulations.

The annual report has been prepared for, and only for the scheme's trustees as a body in accordance with Article 7(3) of the Regulations and for no other purpose. To the fullest extent permitted by law we do not, in preparing the annual report, accept or assume responsibility for any other purpose or to any other person to whom the report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Responsibilities of Trustees

The Regulations require the trustees to cause an annual report to be prepared in respect of each scheme year giving the information specified in Article 7(8) of the Regulations.

The Regulations also require that the trustees sign and date the annual report and where specified statements regarding contributions have been qualified, the trustees are required to state whether or not the matter has been resolved.

The trustees are also responsible for:

- the provision of information to reporting accountants necessary for the preparation of the annual report;
- ensuring that proper membership and financial records are kept;
- safeguarding the assets of the scheme; and
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibilities of Reporting Accountants

In accordance with our engagement letter, we are required to prepare the annual report giving the disclosures specified in Article 7(8) of the Regulations from the records and information supplied to us.

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Limitations on responsibilities of Reporting Accountants

In accordance with Article 7(3) of the Regulations, an audit is not required and one has not been carried out. Specifically, transactions, liabilities, assets, the allocation of assets between individual members and the records of such allocations have not been audited. Accordingly, we do not express an audit opinion or provide any assurance that this Alternative Annual Report is free of material misstatement.

We are not required by the Regulations or under our engagement letter to make any enquiries regarding the information disclosed in the Annual Report except that we are required to make reasonable enquiries in relation to whether contributions payable during the scheme year have been received by the trustees within 30 days of the scheme year end and whether they were paid in accordance the rules of the scheme [*and the recommendation of the actuary*¹⁰].”

Signature

ABC
Chartered Accountants
Address

Date

¹⁰ To be inserted for Defined Benefit Schemes

Appendix 2 - Example letter of engagement

The following example of a letter of engagement between the trustees of a scheme and its accountants is in the form of a letter, but it is not intended to be a standard letter. Terms of engagement vary from one scheme to another.

The Trustees,
[Name]
[Address]

Re: Scheme Name

Dear Sirs,

The purpose of this letter is to set out the basis on which we (are to) act as Reporting Accountants of the Scheme and the respective areas of responsibility of the trustees and ourselves.

RESPONSIBILITIES OF TRUSTEES

As trustees of the Pension Scheme, you are responsible for ensuring, inter-alia, that the scheme maintains proper membership and financial records.

You are also responsible for making available to us, as and when required, all the scheme's accounting records and all other relevant records and related information, including minutes of all trustees' meetings and other information relevant to the preparation of the Annual Report. It is also the duty of any employer of a member, or prospective member of a scheme to furnish both you and us with such information and explanations as may reasonably be required for the performance of our duties as Reporting Accountants.

We shall, where appropriate, require access to your agents or other third parties who have information relevant to the scheme in order to obtain sufficient information and explanations as are required for the purpose of our work. You hereby authorise us to communicate with such persons for the purposes of performing our duties as Reporting Accountants to the scheme.

As trustees you are required to act in accordance with the trust deed and rules within the framework of pension and trust law and are responsible for safeguarding the assets of the scheme and for taking such steps as are reasonably open to you for the prevention and detection of fraud, error or non-compliance with law or regulations.

SCOPE OF OUR WORK

Under the Occupational Pension Schemes (Disclosure of Information) (No.2) Regulations, 1998 ("the Regulations") made under the Pensions Act, 1990, as Reporting Accountants appointed by the trustees, we have a responsibility to prepare the alternative annual report of the Scheme in accordance with Article 7(8) of those Regulations from the accounting records and information supplied by the Scheme and its staff and advisors. Our

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accountants' report will include a statement to the effect that the alternative annual report has been prepared from the accounting records and information and explanations supplied to us.

As Reporting Accountants preparing the annual report in accordance with the terms of our engagement, we are required to:

- (a) ensure the annual report contains the information specified in the Occupational Pension Schemes (Disclosure of Information) (No.2) Regulations, 1998; and
- (b) ensure that the annual report is in agreement with the Scheme's records and is consistent with the information and explanations supplied to us.

Our work in preparing the annual report will not constitute an audit, specifically we will not verify transactions, assets or liabilities. Consequently, our work will not provide any assurance that the accounting records or the annual report are free from material misstatement whether caused by fraud, weaknesses in internal control, other irregularities or error and we are not in a position to and do not express any opinion on the annual report. We have no responsibility in relation to the allocation of assets between individual members, the accuracy of any records of such allocations or for the benefit statements issued to the members.

We are required to include in the annual report for the scheme, the following:

- a) A statement of the amount of the contributions paid by the employer and by the members to the scheme during the scheme year.
- b) A statement in accordance with Article 7(8)(b) of the Regulations, based on information provided to us, having made reasonable enquiries, that:
 - (i) contributions payable during the Scheme year have been received by the trustees within 30 days of the Scheme year end, and
 - (ii) contributions payable have been paid in accordance with the rules of the Scheme and, if appropriate, with the recommendation of the actuary.

If the statement under (i) or (ii) is qualified a further statement is required to be included of the reasons for the qualification,

- c) A statement of the manner in which the resources of the scheme are invested, including details of any self-investment, at any time during the scheme year, excluding any monies due by an employer to the scheme, where such monies are due for a period of 30 days or less.
- d) A statement of any material transactions at any time during the year with related parties as defined in Financial Reporting Standard No. 8 Related Party Disclosures' irrespective of whether a price was charged.
- e) A copy of the latest actuarial funding certificate, prepared under section 42 of the Pensions Act, 1990 and unless the effective date of the funding certificate and reporting date are the same, the actuary's statement regarding the funding position at the scheme year end.
- f) An investment report, from each investment manager, containing:

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- a) a summary of the investments managed by them and, except for policies of insurance, their value at the end of the scheme year,
- b) the investment policies pursued during the scheme year on behalf of the scheme and any material changes in these policies during the year, and;
- c) a review of the performance of the scheme's fund managed by them during the year.
- g) A statement as to whether the scheme is a defined benefit or defined contribution scheme for the purpose of the Pensions Act, 1990.
- h) A statement that the scheme has been registered with The Pensions Board and the registration number.
- i) Other information requirements as specified in Article 7(8)(h)(i) of the Regulations (see Attachment I (*copy of the regulations if required*)).

The annual report is required to be made available on request to members and other interested parties specified in Article 7(4) of the Regulations.

We will compile the annual report having regard to the guidance set out in M43 “Compilation of Alternative Annual Reports of certain pension schemes in the Republic of Ireland when the trustees of the scheme opt, as permitted by legislation, not to prepare a full annual report including audited accounts”.

We will request the trustees to sign a formal letter to us to confirm, among other matters, all the information required to prepare the annual report in compliance with Article 7 of the Regulations, has been made available to us.

REPORTING TO THIRD PARTIES

Our report is prepared solely for the confidential use of and solely for the scheme’s trustees as a body in accordance with Article 7(3) of the Regulations and for no other purpose. It may not be relied upon by the scheme’s trustees for any other purpose whatsoever. Our report must not be recited or referred to in whole or in part in any other document. Our report must not be made available, copied or recited to any other party without our express written permission. We neither owe nor accept any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our report.

REGULATED ENTITIES

We have a statutory duty under section 83 of the Pensions Act, 1990 to report in writing to The Pensions Board if we have reasonable cause to believe that a material misappropriation or a fraudulent conversion of the resources of the scheme has occurred, is occurring or is to be attempted. Section 83 does not require us to undertake work for the sole purpose of identifying matters to be reported to the Pensions Board.

If the trustees make a report to the Pensions Board, or if the trustees are aware of a report to the Pensions Board by a third party, you agree to provide us with a copy of such a report.

The Criminal Justice (Theft and Fraud Offences) Act, 2001, imposes a duty to report to the Garda Síochána any situations which we identify as Reporting Accountants that indicate

that an offence under the Act may have been committed by the scheme its trustees, investment manager, other agent or employee.

The Criminal Justice Act 1994 as amended imposes a duty on Reporting Accountants among others, to report any suspicions of either money laundering offences or non compliance with Section 32 of the Criminal Justice Act, 1994, to the Garda Síochána and the Revenue Commissioners

FEES

Our fee will be computed on the basis of the time spent on your affairs by partners and staff. Interim fees will be rendered at the commencement of the work each year and the final fee will be sent on the completion of the work each year. Fees are payable on presentation of the invoice.

APPLICABLE LAW

The engagement letter shall be governed by, and construed in accordance with, Irish law. The Courts of Ireland shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to any action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.

CONFIDENTIALITY, INDEPENDENCE AND CONFLICT OF INTEREST

We require strict adherence to the ethical rules of our firm. As such, in all aspects of our practice, the firm and its people maintain a strict standard of confidentiality towards information that is obtained in the course of carrying out our professional duties. Furthermore, the firm and our personnel maintain complete independence of interest in their relationships with clients.

LIABILITY PROVISION

We will perform the engagement with reasonable skill and care. The total aggregate liability to the trustees as a body *[and] [the directors of the trustee company as a body]*¹¹, of whatever nature, whether in contract, tort or otherwise, of *[insert name of accountants]* for any losses whatsoever and howsoever caused arising from or in any way connected with this engagement shall not exceed *[insert amount]*.¹²

AGREEMENT OF TERMS

¹¹ To be inserted in situations where the sole trustee is a corporate trustee or alternatively where the corporate trustee is one of the trustees.

¹² This is an example of a liability cap only, which will be one of a number of provisions relating to the accountants' liability and any limitations thereon. For example, the liability provisions will need to make it clear that the accountants are not seeking to exclude those liabilities (such as liability for their own fraud) which cannot be excluded by law.

Members may also wish to consider guidance issued in the Institute's Rules of Professional Conduct – *Professional Indemnity Insurance Regulations and Guidance*.

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Once it has been agreed, this letter will remain effective, from one scheme year to another, until it is replaced. We shall be obliged if you will acknowledge receipt of this letter and confirm acceptance of its contents by signing the attached copy and returning it to us. If you wish to discuss the terms of our appointment further before replying, please let us know. We shall be pleased to give you any additional information you require.

Yours faithfully,

NAME OF FIRM

To Name of Firm

We have read the Letter of Engagement and accept the terms outlined therein.

Signed for and on behalf of the trustees of XYZ Pension Scheme.

TRUSTEE:-_____

DATE:-_____

Appendix 3 - Example letter of representation

The following example of a letter of representation from the trustees of a scheme to its scheme accountants is in the form of a letter, but it is not intended to be a standard letter, nor to imply that representations must necessarily be in the form of a letter from the trustees. Representations by trustees vary from one scheme to another and from one year to the next. The example letter is suitable for use in relation to a defined contribution scheme and in relation to a defined benefit scheme by inclusion of the text “and the recommendation of the actuary” as indicated in italics in square brackets in the third paragraph under the heading “General”.

Firm name
Firm address

Dear Sirs,

Re: XYZ SCHEME (“THE SCHEME”)

We confirm to the best of our knowledge and belief and having made appropriate enquiries of appropriate parties, the following representations given to you in connection with your preparation of the Alternative Annual Report of the XYZ Pension Scheme for the year ended 31 December 200x set out in compliance with the provisions of the Pension Act, 1990 as amended (the Pensions Act) generally and in particular with Regulation 7 of the Occupational Pension Schemes (Disclosure of Information) (No. 2) Regulations, 1998 (the Regulations).

1. GENERAL

All transactions undertaken by the Scheme have been included in the accounting records, and all financial records and all related information (including information concerning related party transactions, receipt of contributions, details of all bank accounts, minutes of the trustee meetings held during the scheme year and since the end of the scheme year up to the date of this letter) have been made available to you. All information which we consider relevant to the report has been brought to your attention.

All known assets and liabilities, (other than liabilities to pay pensions and other benefits in the future) as at the year end date, have been included in the accounting and financial records or brought to your attention.

Contributions payable by the participating company and employees are correctly included in the annual report and have been contributed at the correct rate as agreed by the trustees and the sponsoring employer and in compliance with the scheme rules [and the recommendations of the actuary].

No decisions have been taken by the trustees and no events have occurred after the year end that have had, or may have, a material effect that requires further adjustment to, or disclosure in the annual report.

We are not aware of any irregularities, or allegations of irregularities including fraud by any person in or in relation to the scheme or its transactions or assets.

2. LAWS AND REGULATIONS

All known, actual, or possible non-compliance with relevant laws and regulations, together with the actual or contingent consequences which may arise there from, the effects of which should be considered when preparing the annual report, have been disclosed to you.

We have complied with the Pensions Act and the Regulations in the year under review. All the trustees and persons charged with the administration of the scheme have access to the Trustee handbook and the Guidance Notes issued by the Pensions Board.

We have complied with the Taxes Acts. In particular, we have returned and remitted all taxes due on a timely basis including PAYE in respect of benefits paid and refunds of contributions. The scheme's exempt approved status was not withdrawn during the scheme year or up to the date of this letter. We are not aware of any circumstances or events which would result in a change to, or jeopardise, the scheme's status as a tax exempt entity.

We have not made any reports to the Pensions Board nor are we aware of any such reports having been made by any of our advisors or agents or any third party. We confirm that we are not aware of any matters that would require a report to the Pensions Board.

3. RELATED PARTIES

All transactions with related parties (participating employers, trustees, directors of trustee companies, pension administrators and others as defined by Financial Reporting Standard 8 "Related Party Transactions") have been disclosed in the annual report.

4. LITIGATION AND CLAIMS

Any pending litigation, and any claims against the Scheme that could have a material effect on the Scheme's financial position in the event of an unfavourable outcome have been disclosed in the annual report or brought to your attention.

5. CONTINGENT LIABILITIES

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All contingent liabilities (other than the liability to pay pensions and other benefits in the future) outstanding at the annual report date that could have a material effect on the Scheme's financial position in the event of an unfavourable outcome have been disclosed in the annual report or brought to your attention.

As trustees we acknowledge our statutory responsibilities to ensure that proper membership and financial records are kept, and to cause an annual report of the scheme to be prepared. We acknowledge also our responsibility for ensuring that all information relevant to the annual report, or needed to establish in so far as possible that the report does not contain any misstatements, is made available to you.

In approving the annual report, we are confirming that, to the best of our knowledge and belief, the annual report complies with the relevant requirements of the Occupational Pension Schemes (Disclosure of Information) (No. 2) Regulations, 1998.

Yours faithfully,

For and on behalf of the trustees:

TRUSTEE: _____

DATE: _____

TRUSTEE: _____

DATE: _____

APPENDIX 4 – SUMMARY OF LEGAL REQUIREMENTS

The Occupational Pension Schemes (Disclosure of Information) (No. 2) Regulations, 1998 (the “Regulations”) contain the detailed requirements in relation to the preparation of the annual report.

The following relevant extracts in relation to legal requirements in force at 30 April 2005 are taken from the Legislation Service provided by the Pensions Board. Subscribers to this service are notified of any changes to the requirements.

Article 3 of the Regulations defines certain terms used. The definitions relevant to the Alternative Annual Report are listed below:

“the Act” means the Pensions Act, 1990 (No. 25 of 1990);

“authorised trade union” has the meaning assigned to it by section 54(6) of the Act;

“on request” means a request in writing for a specified document or item of information provided that unless otherwise specified any request made within 12 months of the last occasion on which a copy of the same document or information was made available or furnished to the same person shall not be deemed to be a valid request;

“scheme year”, in relation to a scheme, means whichever of the periods specified in section 55(1) of the Act the trustees select;

“self-investment” in relation to a scheme, means investment of all or part of the resources of the scheme in the business of the employer of any person employed in relevant employment, or of an affiliated employer, and for this purpose the term “investment” shall be deemed to include -

- (a) shares or other securities issued by the employer or by an affiliated employer,
- (b) land which is occupied or used by or subject to lease in favour of the employer or an affiliated employer,
- (c) property, other than land, which is used for the purpose of any business carried on by the employer or an affiliated employer,
- (d) loans to the employer or an affiliated employer,
- (e) moneys due to the scheme held by the employer or an affiliated employer;

Article 7 sets out the requirements for the preparation of the annual report:

7. (1) This article shall apply to a scheme (in this article called a “relevant scheme”) which, at the commencement of the scheme year is, either -
- (a) a defined contribution scheme, or
 - (b) a small-scheme as defined in sub-article (2) of this article.
- (2) For the purposes of this article -
- (a) “small scheme” means any defined benefit scheme where, at the commencement date of the relevant scheme year, there are: -
 - (i) less than 50 active members, and
 - (ii) less than 100 members excluding members for whom the only benefit under the scheme rules is in respect of death prior to normal pensionable age, or for whom insurance policies have been purchased in the manner set out at paragraph 2(a)(i) of Schedule A.
 - (b) “active member”, in relation to a relevant scheme, means any member who is in reckonable service at the commencement date of the scheme year.
- (3) In the case of a relevant scheme the provisions of sections 55 and 56 of the Act shall be so modified that the trustees of a relevant scheme may, instead of complying with the provisions of articles 4 and 6 of these Regulations, cause an annual report of the scheme to be prepared in respect of each scheme year commencing on or after 1st day of January, 1991 in either of the following ways: -
- (a) by a person who could be appointed as an auditor of a relevant scheme within the meaning of article 4 of these Regulations for the purposes of the Act; or
 - (b) in the case of a relevant scheme where all of the benefits are secured under one or more policies or contracts of assurance with the one undertaking (within the meaning of the Insurance Act, 1989 (No. 3 of 1989), by a person designated by the undertaking as authorised for that purpose provided always that for the purposes of this sub-article annuities which have been purchased and which match and fully guarantee the pension obligations of the scheme in respect of specific individual members or other persons in respect of such members or both shall be disregarded,
- as soon as reasonably practicable after the end of the scheme year but always subject to sub-article (4) of this article.
- (4) (a) A copy of the latest annual report prepared under this article duly signed and dated by the trustees in accordance with sub-article (9) of this article shall be made available by the trustees of the relevant scheme not later than:
- (i) in the case of an annual report prepared under sub-article (8), 9 months after the end of the scheme year to which it relates or such later date as may be approved by the Board;
 - (ii) in the case of an annual report prepared under sub-article 8(A), in respect of a scheme year ending on or before 31 December 2000, 9 months after the end of the scheme year to which it relates or such later date as may be approved by the Board; and

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- (iii) in the case of an annual report prepared under sub-article 8(A) in respect of a scheme year ending after 31 December 2000, 6 months after the end of the scheme year to which it relates or such later date as may be approved by the Board
in the manner specified in sub-article (6) of this article, to the person specified in paragraph (b) of this sub-article.
- (b) The persons to whom this sub-article relates are: -
 - (i) the members and prospective members of the scheme;
 - (ii) the spouses of members and of prospective members of the scheme;
 - (iii) persons within the application of the scheme and qualifying or prospectively qualifying for its benefits; and
 - (iv) an authorised trade union representing the members concerned.
- (5) The trustees shall inform the members of the relevant scheme of the availability of the annual report not later than 4 weeks after the time specified in sub-article (4) of this article.
- (6) A copy of the latest annual report shall be furnished free of charge -
 - (a) to an authorised trade union representing the members of the relevant scheme not later than
 - (i) in the case of an annual report prepared under sub-article (8), 9 months after the end of the scheme year to which it relates or such later date as may be approved by the Board,
 - (ii) in the case of an annual report prepared under sub-article (8A) in respect of a scheme year ending on or before 31 December 2000, 9 months after the end of the scheme year to which it relates or such later date as may be approved by the Board, and
 - (iii) in the case of an annual report prepared under sub-article (8A) in respect of a scheme year ending after 31 December 2000, 6 months after the end of the scheme year to which it relates or such later date as may be approved by the Board,
 - (b) on request, to any of the persons specified in sub-paragraphs (i), (ii) and (iii) of paragraph (b) of sub-article (4) of this article not later than 4 weeks after the request is made.
- (7) A copy of any earlier reports prepared under section 55 of the Act shall be -
 - (a) made available for inspection free of charge, on request, to any of the persons specified in sub-article (4)(b) of this article not later than 4 weeks after the request is made, and
 - (b) furnished on request (not being a request made within 3 years of the last occasion on which a copy of the same report was furnished) and on payment of a reasonable charge (unless the trustees decide otherwise) to any of the persons specified in sub-article (4)(b) of this article not later than 4 weeks after the request is made.
- (8) Subject to sub-article (8A) of this article, an annual report prepared under sub-article (3) of this article shall contain the following:

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- (a) a statement of the amount of the contributions paid by the employer and by the members of the scheme during the scheme year
- (b) a statement by the person preparing the annual report in accordance with this article 7, based on information provided to that person, having made reasonable enquiries, that -
 - (i) contributions payable during the scheme year have been received by the trustees within 30 days of the end of the scheme year, and
 - (ii) contributions payable have been paid in accordance with the rules of the relevant scheme and if appropriate, with the recommendation of the actuary.

If the statement under sub-paragraph (i) or sub-paragraph (ii) is qualified, a statement of the reasons;

- (c) a statement of the manner in which the resources of the relevant scheme are invested including details of any self-investment at any time during the period covered by the report provided always that for the purposes of this sub-article any monies due by an employer to the relevant scheme shall not, where such monies are due for a period of 30 days or less, be treated as self-investment;
- (d) a statement of material transactions which have occurred at any time during the scheme year with related parties (within the meaning of Financial Reporting Standard 8, “Related Party Disclosures”), irrespective of whether a price was charged;
- (e) except in the case of a defined contribution scheme, a copy of the latest actuarial funding certificate (if any) prepared under section 42 of the Act;
- (f) an investment report containing a statement by each individual investment manager acting for the relevant scheme providing
 - (i) a summary of the investments managed by him and, other than in relation to resources invested in policies of insurance, their value at the end of a scheme year,
 - (ii) the investment policies pursued during the scheme year on behalf of the relevant scheme and any material changes in these policies during the scheme year, and,
 - (iii) a review of the performance of the relevant scheme’s funds managed by him during the scheme year;
- (g) a statement as to whether the relevant scheme is a defined benefit scheme or a defined contribution scheme for the purposes of the Pensions Act, 1990;
- (h) a statement that the relevant scheme has been registered with the Pensions Board and the registration number; and
- (i) the information specified in paragraphs 1, 2, 3, 4, 6, 11, 12 and 15 of Schedule B.

- (9) The annual report prepared under this article shall be signed by two trustees on behalf of the trustees, or if there is only one trustee, by that trustee and where either of the statements under sub-article (8)(b)(i) or sub-article (8)(b)(ii) of this article are qualified the trustees should state whether or not the matter has been resolved.

EXTRACTS FROM SCHEDULE B
INFROMATION TO BE INCLUDED IN THE ANNUAL REPORT PREPARED
UNDER ARTICLE 7(8)(I)

1(a). The names of all persons who were trustees of the scheme during the scheme year to which the information relates, and those trustees acting at the date of signing of the annual report in accordance with sub-article (3) and sub-article (8) of article 6, and the names of the directors of any company being a trustee during the scheme year to which the information relates or at the date of signing of the annual report as aforesaid.

(b) If there is more than one employer participating in the scheme at the end of the scheme year to which the annual report relates, a list of such participating employers.

2. The name of each actuary, auditor, solicitor, bank, investment manager, custodian and administrator acting for or retained by the trustees during the scheme year and (where different) those retained at the date of signing of the annual report in accordance with sub-article (3) and sub-article (8) of article 6 with an indication (except where article 6 of these Regulations is complied with by the trustees for the first time) of any change since the previous scheme year.

3. The name or title, and the address of the person to whom enquiries about the scheme generally or about an individual's entitlement to benefit should be sent.

4. Where any changes have been made since the previous scheme year in the information specified in Schedule C to these Regulations a statement to that effect and that the members concerned have been notified in accordance with sub-article (4) of article 9.

6. A statement of

(a) whether or not increases were made during the scheme year, to —

(i) pensions in the course of payment; and

(ii) benefits payable following termination of a member's service in relevant employment, and by what percentage, or (except in the case of a scheme that is not funded) if there have been different increases for different individuals or groups of individuals, the average percentage increase of such increases or the range of increases within these groups with in either case a statement whether the increases were to any extent discretionary, and if so to what extent and exercised by whom; and

(b) whether or not there were any pensions or pension increases being paid by or at the request of the trustees for which the scheme would not have a liability in the event of its winding up and whether the persons concerned have been notified in writing by or at the request of the trustees.

11. A statement that the right of members to select or approve the selection of trustees to the scheme is set out in the Occupational Pension Schemes (Member Participation in the Selection of Persons for Appointment as Trustees (No. 3)) Regulations, 1996, ([S.I. No. 376 of 1996](#)) where a scheme is a relevant scheme as defined in the said regulations.

12. A statement of any costs and expenses incurred in relation to trustee training in the scheme year which have been met out of the resources of the scheme.

15. A statement as to whether the trustees and (if applicable) the persons charged with the administration of the scheme have access to: —

(a) the Trustee Handbook produced by the Pensions Board; and

(b) the Guidance Notes issued by the Pensions Board from time to time in accordance with section 10 of the Act.