
STATUTORY RULES OF NORTHERN IRELAND

1997 No. 40

PENSIONS

The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations (Northern Ireland) 1997

Made - - - - 3rd February 1997

Coming into operation 6th April 1997

The Department of Health and Social Services, in exercise of the powers conferred on it by Articles 41(1) and (6), 113(1) and 166(1) to (3) of the Pensions (Northern Ireland) Order 1995⁽¹⁾ and of all other powers enabling it in that behalf, hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations (Northern Ireland) 1997 and shall come into operation on 6th April 1997.

(2) In these Regulations—

“ear-marked scheme” means a scheme which is a money purchase scheme under which all the benefits are secured by one or more policies of insurance or annuity contracts and such policies or contracts are specifically allocated to the provision of benefits for individual members or any other person who has a right to benefits under the scheme;

“money purchase scheme” has the same meaning as in section 176(1) of the Pension Schemes (Northern Ireland) Act 1993⁽²⁾;

“the Order” means the Pensions (Northern Ireland) Order 1995;

“schedule of contributions” has the same meaning as in Article 58(1) of the Order;

“scheme” means an occupational pension scheme;

“scheme year” means—

- (a) a year specified for the purposes of the scheme in any document comprising the scheme or, if none is so specified, a period of 12 months commencing on 1st April or on such date as the trustees or managers select; or

⁽¹⁾ S.I.1995/3213 (N.I. 22)

⁽²⁾ 1993 c. 49; the definition of “money purchase scheme” was substituted by paragraph 13(a) of Schedule 4 to the Pensions (Northern Ireland) Order 1995

- (b) such other period (if any) exceeding 6 months but not exceeding 18 months as is selected by the trustees or managers in connection with—
 - (i) the commencement or termination of the scheme, or
 - (ii) a variation of the date on which the year or period referred to in paragraph (a) is to commence.

(3) For the purposes of these Regulations and notwithstanding section 39(2) of the Interpretation Act (Northern Ireland) 1954(3), where a period of time is expressed to begin on, or to be reckoned from, a particular day, that day shall be included in the period.

Requirement of trustees or managers to obtain documents

2.—(1) Subject to paragraph (2), where the requirement of Article 47(1)(a) of the Order (requirement to appoint an individual or a firm as auditor) applies, the trustees or managers of a scheme shall obtain not more than 7 months after the end of each scheme year which ends on or after 6th April 1997—

- (a) accounts, prepared in accordance with regulation 3, audited by the auditor;
- (b) the auditor’s statement, prepared in accordance with regulation 4, about contributions under the scheme.

(2) The requirement to obtain accounts in accordance with paragraph (1)(a) shall not apply to the trustees or managers of an ear-marked scheme.

(3) Where the trustees or managers fail to obtain accounts audited by the auditor or the auditor’s statement in accordance with paragraph (1), and there is no reasonable excuse for the failure to do so, they are guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

Form and content of the accounts audited by the auditor

3. The accounts audited by the auditor shall—

- (a) contain the information specified in the Schedule;
- (b) show a true and fair view of—
 - (i) the financial transactions of the scheme during the scheme year;
 - (ii) the amount and disposition of the assets at the end of the scheme year;
 - (iii) the liabilities of the scheme, other than the liabilities to pay pensions and benefits after the end of the scheme year; and
- (c) contain a report by the auditor as to whether or not in his opinion the requirements of paragraphs (a) and (b) are satisfied.

Form and content of the auditor’s statement

4. The auditor’s statement about contributions under the scheme shall contain—

- (a) a statement as to whether or not in his opinion contributions have been paid in accordance with the schedule of contributions or payment schedule; and
- (b) if the statement under paragraph (a) is negative or qualified, a statement of the reasons.

Sealed with the Official Seal of the Department of Health and Social Services on

L.S.

3rd February 1997.

John O'Neill
Assistant Secretary

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SCHEDULE

Regulation 3

Contents of Accounts Audited by the Auditor of the Scheme

1. An account of the financial additions to, withdrawals from and changes in value of the fund of the scheme during the scheme year to which the accounts relate.

2.—(1) A statement, as at the end of the scheme year to which the accounts relate, of the assets at market value, or the trustees' or managers' estimate thereof where market value is not readily ascertainable, and liabilities of the scheme, other than liabilities to pay pensions and benefits after the end of that scheme year—

- (a) giving, in the case of any assets which are stated at an estimate of their market value, the reason why the valuation is an estimate;
- (b) showing the distribution of the investments and other assets of the scheme between each of the following categories (where none of the investments falls within a particular category, that fact is not required to be stated), namely—
 - (i) policies of insurance;
 - (ii) public sector fixed interest investments and separately showing quoted securities and unquoted securities;
 - (iii) other fixed interest investments and separately showing quoted securities and unquoted securities;
 - (iv) index-linked securities and separately showing quoted securities and unquoted securities;
 - (v) equities (including convertible shares) and separately showing quoted equities and unquoted equities;
 - (vi) property (which in this paragraph means any right or interest in freehold or leasehold land or buildings);
 - (vii) unit trusts invested in property;
 - (viii) other unit trusts;
 - (ix) managed funds (other than unit trusts) invested in property;
 - (x) other managed funds (not being unit trusts);
 - (xi) loans (whether or not secured by mortgages);
 - (xii) cash deposits and cash in hand;
 - (xiii) investments and other assets not included in paragraphs (i) to (xii); and
- (c) showing separately, in the case of investments in each category, investments in the United Kingdom and investments outside the United Kingdom, and in the case of investments mentioned in head (b)(vii) to (x) investments where the company operating the unit trust or managed funds is, and investments where it is not, a company registered in the United Kingdom.

(2) Where the assets include policies of insurance which are specifically allocated to the provision of benefits for, and which provide all the benefits payable under the scheme to, particular members or other persons in respect of particular members or both, those policies must be included in the statement and there must be a note of the existence of such policies but that entry need not include their market value or an estimate.

3. Where any assets or liabilities are denominated in currencies other than sterling, a translation of those assets into sterling and an explanation of the basis on which they have been translated.

4. Particulars of any investment (other than in United Kingdom Government securities) in which more than 5 per cent. of the total value of the net assets of the scheme is invested, and if any such investment is a policy of insurance, a statement of its main characteristics.

5. Particulars of any employer-related investments, within the meaning of Article 40 of the Order (restriction on employer-related investments) including those in excess of the restriction prescribed in regulations made under that Article.

6. In respect of every amount shown in the accounts other than the amounts referred to in paragraph 7, a statement of the corresponding amount for the scheme year previous to the one to which the accounts relate, except in a case where regulation 2 is complied with by the trustees or managers of a scheme for the first time.

7. The total amount of the purchases and the total amount of the sales of investments during the scheme year to which the accounts relate.

8. A statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice, the guidelines “Financial Reports of Pension Schemes” published by the Pensions Research Accountants Group or another organisation approved for this purpose by the Accounting Standards Board, current at the end of the scheme year to which the accounts relate and, if not, an indication of where there are any material departures from those guidelines.

EXPLANATORY NOTE

(This note is not part of the Regulations.)

These Regulations make provision in respect of documents which the trustees or managers of an occupational pension scheme must obtain.

Regulation 1 relates to citation, commencement and interpretation.

Regulation 2 requires trustees or managers to obtain audited accounts and the auditor’s statement within a prescribed time. Trustees or managers who fail to obtain audited accounts or the auditor’s statement without reasonable excuse are guilty of an offence and liable to a fine.

Regulation 3 and the Schedule make provision in respect of the form and content of accounts.

Regulation 4 makes provision in respect of the auditor’s statement.

These Regulations are made under Articles 41(1) and (6), 113(1) and 166(1) to (3) of the Pensions (Northern Ireland) Order 1995 (“the Order”). The Pensions (1995 Order) (Commencement No. 2) Order (Northern Ireland) 1996 (S.R. 1996 No. 91 (C. 4)) provides for the coming into operation of Article 41, for the purpose only of authorising the making of regulations, and Article 166, in so far as it was not already in operation, on 6th April 1996. The Pensions (1995 Order) (Commencement No. 4) Order (Northern Ireland) 1996 (S.R. 1996 No. 307 (C. 18)) provides for the coming into operation of Article 113 on 23rd July 1996.

As these Regulations make in relation to Northern Ireland only provision corresponding to provision contained in regulations made by the Secretary of State for Social Security in relation to Great Britain, the requirement for consultation under Article 117(1) of the Order does not apply by virtue of paragraph (2)(e) of that Article.

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