
EMPLOYER AUDIT
SUPPORT GUIDE

RAILPEN



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INTRODUCTION

This document will help support your audit process

At Railpen, we understand that you often need our support to gather some of the information you, and your auditors, need to complete an audit.

We want to make this process as easy as possible for you, and also streamline the impact on us, so we can focus on delivering our services to you and your employees.

To help you complete your audits accurately and efficiently we've developed this guide. It tells you where you can find standard information online or through our existing reports, and how you can request more bespoke information from us directly. We've also standardised the way you can ask for this information to make it as seamless as possible.

Most of the information you need is standard and we can provide it to you easily, but some requests take a lot more effort and we will need to charge a reasonable fee. We've explained everything you need to know in this guide.

How to use this guide

This guide tells you where you can find a lot of the information you need without needing to contacting Railpen directly. We've clearly set out what information you, or your audit partners, can access yourselves and what information we would need to provide to you.

We've also explained the types of requests that are a bit more complex and could be chargeable.

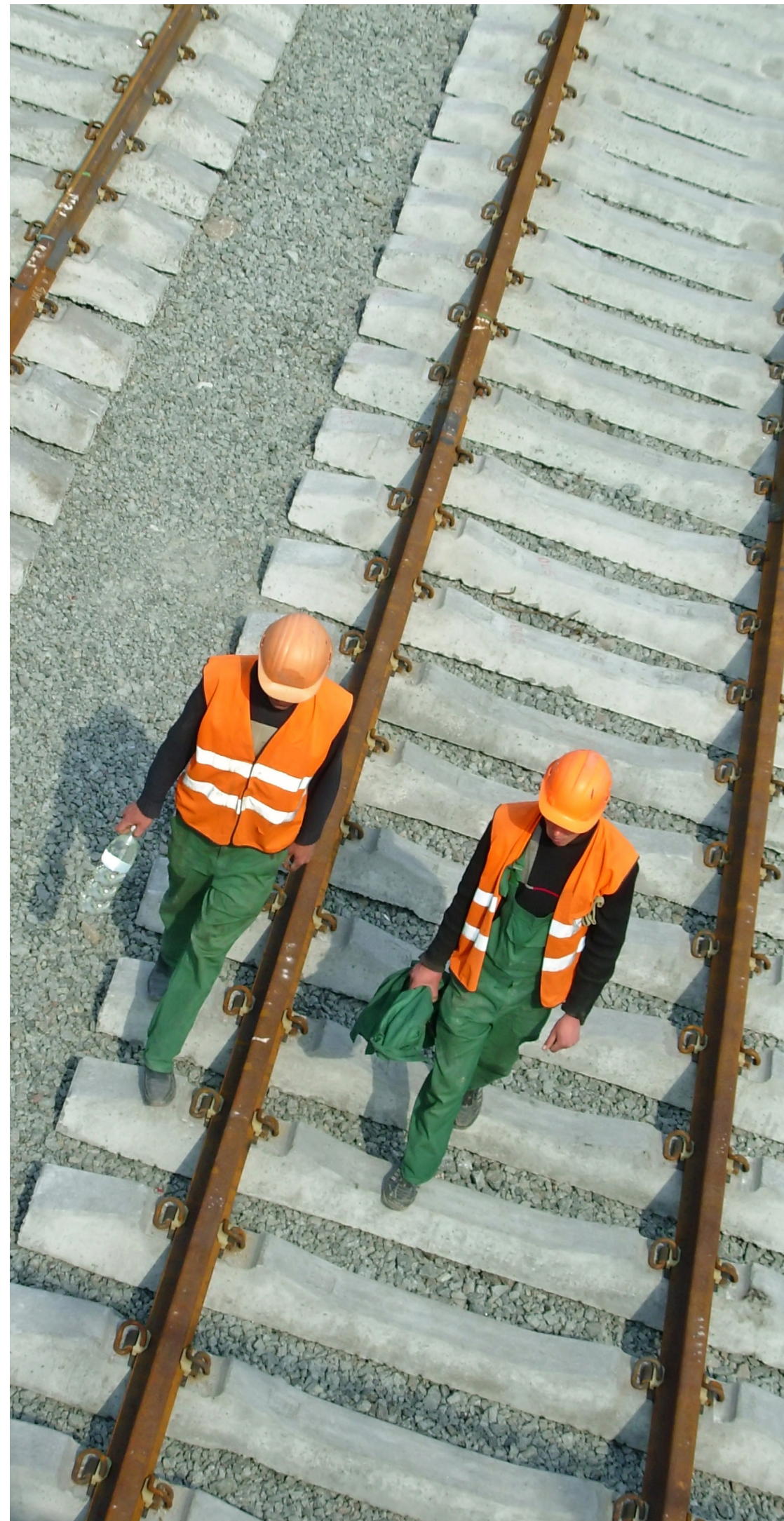
When completing an audit we recommend you refer to this guide and gather any information you can access first, and then contact us for any additional information required. We are always happy to help you where we can.

How you can contact us for bespoke information

Once you've gathered all of the information available to you online, you can contact us using our central email inbox – AuditRequest@Railpen.com.

We'll then review your request and let you know when we can provide the information and whether there is a charge.





THERE'S LOTS OF INFORMATION WE CAN PROVIDE FOR FREE

We can provide lots of information free of charge

We already produce a lot of the information you ask us for, and moving forward we will centralise that information on the Employer Portal so you can access what you need more easily.

What information we can provide as standard

We can give you most of the audit information you need free of charge. This includes questions or content relating to the following:

- Railpen's internal controls report, known as our AAF report
- A bridging letter, to cover the period from the date of the controls report to the audit date
- Information on the investment pooled funds, including process data
- Quarterly investment reports for each section
- RPS annual financial statements
- Membership populations
- Commercial and rate-card information
- Quarterly section accounts

- RSP year end accounts
- RSP year end compliance
- Access to Custodian SOC1 Report
- A split of assets by level 1/2/3 under IFRS 13, including a split by natural asset type

The next section in this guide explains what this information is and how you can access it.

Some information is complex and challenging to produce

We need to charge for this information as it takes us time to produce it, which includes but is not limited to questions or content relating to the following:

- An extract of the cash ledger from the accounting system, and bespoke ledger extracts as needed
- Information on our trade transactions within a specific period

There's some information we can't provide

We often get asked for a copy of the valuation data that has been cleaned by the Scheme Actuary, Willis Towers Watson. As this data is not ours, we would need to ask WTW directly for it. Such requests are typically chargeable.

We also cannot share a schedule of information showing the breakdown of pension assets by investment manager and asset types, including the bank balance for the scheme. Lastly, we can't provide details of the valuation report for underlying assets.





YOU CAN ACCESS MOST OF THE INFORMATION YOU NEED ONLINE

We've set out below all of the information we can help provide to you as standard, and how you can get it

If something's not listed below, it's highly likely you'll need to email us at AuditRequest@Railpen.com. We'll assess your request and tell you if it is chargeable.

What is it?	What does it cover?	Where can you access it?
Available on request		
Bridging letter	Bridging letters are related to the AAF report.	Please email AuditRequest@Railpen.com to request this information.
Section Accounts	Quarterly section accounting data including contributions, benefits paid, expenses, investment valuation and cash flow statement information.	
Quarterly investment reports	Produced at quarter end (March, June, September and December) showing the investment performance across all funds.	
Unit holding (in addition to the quarterly report)	Asset statement showing number of units held in each pooled fund as well as the price and total value of the holding as at quarter end.	





What is it?	What does it cover?	Where can you access it?
Available online		
AAF report	The Internal Control Assurance Report outlines the control activities in place to support the business and scheme objectives of our administration services and IT to Rail employers.	You can access all of this information in the Helpfiles section of your Employer Portal.
Statement of Investment Principles (SIP)	The Trustee is required to produce and maintain a SIP to outline its investment principles and policies. The Trustee considers each scheme individually and collectively and this document represents the combined SIP for the schemes.	
Year end accounts	These accounts summarise our financial performance at the end of our annual accounting period.	
Membership statistics	Membership volumes by member type and section. We'll make this available online.	
Investment process and data	A summary of the valuation process and the controls that underpin it.	
Latest approved report & accounts	The annual report and accounts provides a financial overview of the Railways Pension Scheme, which includes: <ul style="list-style-type: none"> • key Scheme statistics; • investments; and • membership and net assets by section. 	
Commercial information	Your Guide to Services provides a summary of our services, the standard rate-card and on-demand charges.	





SOME INFORMATION YOU MAY NEED IS CHARGEABLE

We've set out below all of the information we can provide to you that is chargeable.

You'll need to email us using our central inbox (AuditRequest@Railpen.com) to get this information. If you ask for something we haven't listed in this document, we'll assess your request and advise you if it is chargeable or not.

What is it?	What does it cover?
Chargeable requests	
Ledger extracts from the accounting system	An excel spreadsheet splitting down the balances on the cash flow statement in the quarterly accounts into individual transactions.
Trade transactions	Buys and sells of unitised investments within a given time period, including number of units bought/sold and price.
Access to Custodian SOC1 Report	Bank of New York SOC1 report. This is a chargeable report and a non-disclosure agreement will need to be in place before we can provide any information. This process can take several weeks.
Administration	Sometimes we receive very specific and detailed requests about member records that require support from our administration teams. These are outside of the normal information provided.





RESPONSES TO SOME OF THE MOST COMMON QUESTIONS WE RECEIVE

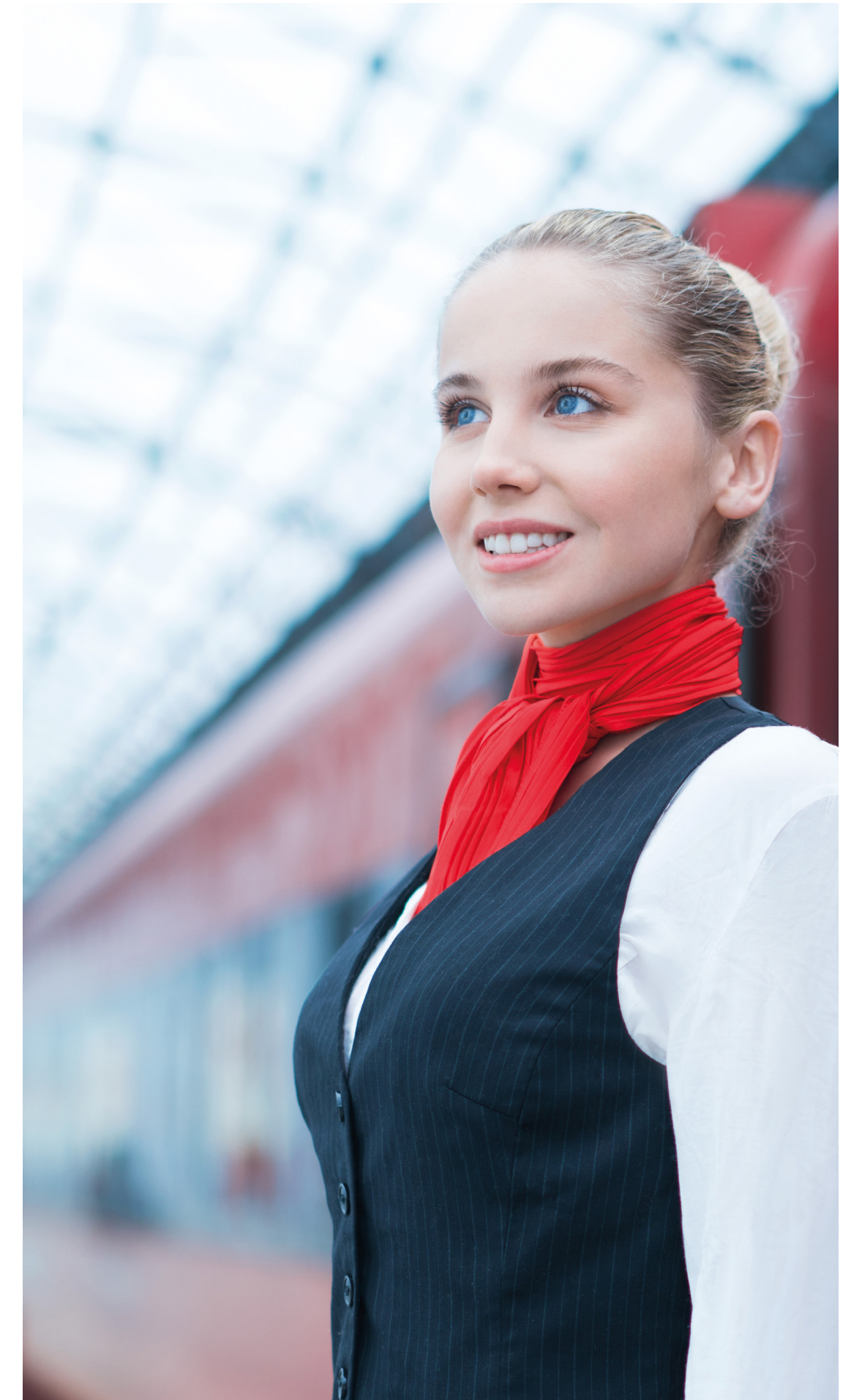
We often receive similar questions from different employers and auditors. We've collated responses to the most common questions we receive below.

Question?	Our response
<p>What is the structure of the Trustee, its Committees and Railpen?</p>	<p>'The Trustee' is the Railways Pension Trustee Company Limited ('RPTCL'). It is made up of 16 Trustee Directors. Information can be found in the annual Report & Accounts at Railways Pension Scheme Accounts and Reports (railpen.com).</p> <p>Railpen Limited is a wholly-owned subsidiary of RPTCL, responsible for the administration of the Trustee schemes.</p> <p>Pensions Committees are responsible for certain powers, delegated to them by the Trustee in accordance with the Pension Trust, for the section of the Railways Pension Scheme they govern.</p> <p>A Pensions Committee is established upon the request of the Designated Employer.</p>
<p>Please can you confirm whether or not the pension fund was contracted-out on a salary related basis between 1997 and 2016? Were any changes made to the scheme in this period?</p>	<p>The Railways Pension Scheme was contracted-out on a salary related basis between 1997 and 2016. Changes were made to the scheme's rules during this period.</p>
<p>How do your commercial terms work and how are employers charged?</p>	<p>Railpen's operating costs are met from the assets of the Trustee schemes. Most elements of pension administration are borne by each section's assets, some by employers. This is detailed in Railpen's annual Guide to Services.</p>





Question?	Our response
Are you able to provide a schedule showing a breakdown of pension assets by investment manager and asset types?	All Trustee schemes invest solely in the Trustee Pooled Funds. Information is available at Railpen - Where we invest . Individual section details can be found in each section's quarterly investment report.
Can you provide the split of members by type as at the publication of this document [date]?	Basic information can be provided quickly and easily. More detailed requests will need a data extract to be requested. Valuation data extracts can be provided upon request.
Please confirm the procedures your Fund Manager performs to ensure assumptions remain current and accurate between quarter periods.	Information on investment risk management can be found at Railpen - Investment Risk Management
Please provide a summary of the valuation process and the controls that underpin it.	The Trustee and Scheme Actuary consult with Designated Employers on the methodology and assumptions to be used in each actuarial valuation. The Scheme Actuary produces draft results which are circulated to Designated Employers. The final Statement of Funding Principles and Schedule of Contributions, and Recovery Plans, where appropriate, are agreed between the Trustee and Employers. Pensions Committees, where they exist, have a role in agreeing contribution rates for the section.
Can I have / request a bridging letter?	Railpen will provide a bridging letter if this is requested.
Can you please confirm the most recent signed audited financial statements available and where they can be accessed?	The annual Report & Accounts can be accessed at Railways Pension Scheme Accounts and Reports (railpen.com)





COSTS & CHARGES

Our commercial terms

We've set out our commercial terms for each item below. Our charges don't include VAT.

Where we need to charge you, we will work with you to understand the scope of the work, and provide a transparent estimate. The important thing is that we will only charge you for the work we do, not the work we don't. We track all effort and additional costs, and keep you informed every step of the way.

Before any work starts, we will provide you with a clear cost estimate. Once agreed, we will track all effort and alert you to any increase in costs. Of course, if the work costs less expected than the original estimate, you will get the fee will be adjusted accordingly.

Our standard charges

We've created some fixed charges for some of the information you might ask for in the below table:

Activity	Charge
Section accounts	£90.00 (Free unless required for a period outside of the standard quarter ends)
Quarterly investment reports	

Our charge-out rates

Some of the information we provide is more complex, and might take time to produce. If this is the case we'll let you know and estimate the cost. All work is charged on a time and materials basis. Charges are reviewed on an annual basis.

Role	Charge (per hour)
Client Relationship Manager	£220
Administration	£145
Technical Services	£180
Finance Team / Fund Accounting	£180
Data Services	£215





TIMESCALES

Timescales will depend on the size and complexity of the request, but we will agree these with you up-front, before any of the work commences. Sometimes we may have competing priorities and, as a result, could need to schedule the work accordingly.

Some audit requests can be time consuming. We will aim to respond to all requests within 10 working days of agreeing commercial terms, where possible. If this is not achievable this will be communicated.



To arrange a further discussion, please email us at crmteam2@railpen.com or contact your Client Relationship Manager.

✉ Stooperdale Offices, Brinkburn Road, Darlington, DL3 6EH

👤 Steve Birks: Head of Client Relationship Management

@ Steve.Birks@railpen.com

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