

Smart Pension Master Trust

AAF02/07 Assurance Report

Governance control procedures established by the Trustee Board for the Smart Pension Master Trust

Report for the period 1 October 2019 to 31 December 2020

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1.0 Introduction

I am delighted to present this report which describes and gives assurance on the control environment and internal controls for master trust services, and related information technology controls, operating for the period from 1 October 2019 to 31 December 2020, in relation to control procedures established by the Trustee Board.

This is our fifth report and it has been prepared having regard to the International Standards on Assurance Engagement 3000 Revised (ISAE Revised 3000) and the Institute of Chartered Accountants in England and Wales (ICAEW) Technical Release 12/16 (Assurance Reporting on Master Trusts (Master Trust supplement to ICAEW AAF02/07 (AAF02/07)). The Trustee Board of the Smart Pension Master Trust (Scheme/SPMT) has appointed a reporting accountant, KPMG LLP, to provide independent assurance on control procedures established by the Trustee Board in line with these requirements.

Due to the challenges of the Covid pandemic last year, the appointment of a new reporting accountant to prepare our assurance report was not concluded until the December 2020 Trustee meeting. This has meant that KPMG LLP were unable to test retrospectively that all the IT controls were being operated within the reporting cycle although these were able to be tested in March and April 2021. This has resulted in a number of exceptions being identified by KPMG LLP against some of the IT controls resulting in the qualified report. At the outset, we knew that some of the controls would not be testable, as these could only be evidenced within the relevant period. Nevertheless, we decided to include these processes and controls to show how comprehensive and robust controls we had in place were.

Apart from the above-mentioned exceptions, and as set out in section 6 of this report, all of the business related and nearly all of the IT related control procedures were suitably designed, described and operating in the period from 1 October 2019 to 31 December 2020. KPMG LLP did identify a small number of exceptions during the course of their work and these are summarised in sections 5 and 6. The Trustee Board has also provided management responses to all exceptions identified. In providing these responses, the Trustee Board has worked with the Scheme Funder where appropriate in the investigation and drafting of these.

As can be seen from the remainder of this section, the reporting period covered a period where significant changes and improvements were being implemented to the governance structures for the scheme. Taking the findings within this report, further improvements have been introduced. These improvements address the exceptions noted.

Significant events during the year

Covid-19 Pandemic

The most significant event for the Scheme during the Scheme period 1 October 2019 to 31 December 2020 was the Covid-19 pandemic. Like the rest of the world, Smart Pension Master Trust was affected by the pandemic in many ways. These included the volatility of the investment markets, the lockdown and requirement for all the administration staff, advisers and the Trustee Board to work remotely, as well as the impact on individual businesses, which had to suspend their operating and people, who lost jobs or were furloughed. This, of course does not compare to the lost lives of people known to us, our relatives and friends, and so many others.

During that testing period, the Smart Pension Master Trust went from strength to strength, adapting quickly to the new reality of undertaking the operations remotely with the use of the latest technology. The policies and operating procedures were reviewed and adjusted, if needed, to make sure that the Trustee continuously was and is looking after the best interests of its members. All that was possible thanks to the hard-working support teams, advisers and consultants, and of course, the Trustee Directors as well.

Appointment of Smart Governance Limited as the Scheme's Administrator

From 1 January 2020 we transferred the administration to Smart Governance Limited (SGL). As part of this transition elements of the day-to-day administration of the Scheme have been passed to Link Pension Administration Limited. The Trustee undertook detailed due diligence prior to the transition and received assurance that the service levels would remain high and agreed a closely monitored transition plan. Since the appointment of SGL the Trustee continues to receive regular updates about continued improvements to the service we can offer to our members and also have carried out a virtual site visit providing deep dives on the culture of our administration team and key processes.

Resignation of the Trustee Director and re-appointment of Capital Cranfield Pension Trustees Limited as Chair of the Trustee

During this reporting period Kate Jones of Kate Jones Consulting Limited resigned as a Trustee with effect from 31 March 2020. Kate played a vital role as a Trustee Director during her term, which started in August 2018. She stepped down due to potential conflict of interest between her role as a Trustee of SPMT and another work-related appointment.

Capital Cranfield Pension Trustees Limited (CCPTL) was re-appointed as Chair of the Trustee of the Scheme. This has been a continuous appointment from the 1 December 2014, with Andrew Cheseldine acting as Chair of the Trustee from 12 September 2017. His reappointment was effective from 1 April 2020.

Since the end of the reporting period a new Trustee Director, Nikesh Patel, has been appointed to the Board. This was effective from 1 April 2021. Please see more information under section two of this report.

The growth of the Smart Pension Master Trust

During the reporting period the Scheme went through significant growth which has resulted from both organic and acquisitive growth. This included the transfer of members from the Corpad Master Trust, Corporate Pensions Trust and Welplan Pensions. By the end of December 2020, the Scheme managed the retirement benefits for over 700,000 members with assets in excess of £1.3bn.



Andrew Cheseldine, Chair of Trustee Board

6 August 2021

2.0 About the Trustee Board

The Smart Pension Master Trust is overseen by EC2 Master Limited, a trustee company which consists of five independent and non-affiliated (to Smart Pension Limited) Trustee Directors. Pension secretarial services are provided to the Trustee Board by Capital Cranfield Pension Trustees Limited.

EC2 Master Limited is a subsidiary of Smart Pension Limited.

Andy Cheseldine

[Chair of the Trustee Board, representing Capital Cranfield](#)

Andy Cheseldine joined the Trustee Board in 2017. He's renowned for his wealth of knowledge and expertise in the pensions industry and has more than 35 years of experience in consulting on defined benefit (DB) and defined contribution (DC) pension schemes. Andy was one of the top 50 people in pensions in 2015 and has been named as one of the top 25 most influential investment consultants in the past five years – a testament to his reputation.

Anna Eagles

[Trustee Director, representing Law Debenture](#)

Anna joined the Trustee board in January 2018. She is a fellow of the Institute and Faculty of Actuaries and has over 20 years of experience advising trustees and employers. Before joining Law Debenture, she was with Willis Towers Watson Ltd. She has handled bulk transfers to master trusts and the wind-up of a DC scheme with many investment options. She has also handled feasibility analyses of similar wind-ups with unit-linked and with-profits investments.

David Brown

Trustee Director

David joined the Trustee Board in October 2018. He has over 30 years' experience worldwide in the pension and investment industry, working as an operator and consultant. He has worked for two of the Big Four consulting firms and was the UK and ROI Pensions and Payroll Manager for Tesco. David is an Associate of the Pensions Management Institute and Chartered Insurance Institute.

Anna Darnley

Trustee Director

Before joining the Trustee Board in September 2019, Anna was a trustee of the Accenture Retirement Savings Plan. As a digital strategy consultant, she specialises in the Internet of Things, and has also worked on artificial intelligence and blockchain projects. She brings this technological expertise to the board, along with her passion for great member communications and re-engaging scheme members.

Nikesh Patel

Trustee Director

Nikesh Patel joined the Trustee board in 2021. He has a wealth of experience in consulting trustees and employers on defined benefit (DB) and defined contribution (DC) pension schemes. In 2019, he was recognised as a Rising Star in Asset Management by Financial News for his work managing pension scheme assets directly as a fiduciary investment manager.

3.0 Report of the Trustee Board of EC2 Master Limited

It is the Trustee Board's responsibility to identify the control objectives relating to the governance of the Smart Pension Master Trust, and to establish governance control procedures that provide reasonable assurance that the control objectives are achieved. Those objectives are derived from standards of governance set out in the Pensions Regulator's DC code of practice and DC guides.

In carrying out those responsibilities, the Trustee Board has regard not only to the interests of the members and employers participating in the Smart Pension Master Trust (who have entrusted their employees' DC contributions to the Smart Pension Master Trust, or are considering doing so), but also to the needs of the trust and the general effectiveness and efficiency of the relevant operations.

The Trustee Board has evaluated the effectiveness of the Smart Pension Master Trust's governance control procedures having regard to the ICAEW's Technical Release AAF 02/07 including its Master Trust Supplement and the control objectives set out therein.

The Trustee Board sets out in this report a description of the relevant governance control procedures established by the Trustee of the Smart Pension Master Trust together with the related control objectives which operated during the period from 1 October 2019 to 31 December 2020 and confirm that except for the matters set out in Section 5:

- a) the Trustee Board's Report describes fairly the governance control procedures established by the Trustee Board that relate to the control objectives referred to above which were in place throughout the period from 1 October 2019 to 31 December 2020;
- b) the governance control procedures described were suitably designed throughout the period from 1 October 2019 to 31 December 2020 such that there is reasonable assurance that the specified control objectives would be achieved if the described governance control procedures were complied with satisfactorily; and
- c) the governance control procedures described were operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved throughout the period from 1 October 2019 to 31 December 2020.

Signed on behalf of the Trustee Board of Smart Pension Master Trust on 6 August 2021.

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Andrew Cheseldine
Chair, Smart Pension Master Trust

4.0 Report by reporting accountant



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6 August 2021

Dear Trustee Directors

AAF 02/07 Period of Time Reporting Accountant's Assurance Report

In accordance with our engagement letter dated 27 January 2021 (our "Engagement Letter"), we have examined the accompanying description at pages 21 to 123 of the controls in place at the service organisation called Smart Pension Master Trust ("Smart Pension") and carried out procedures to enable us to form an independent opinion on whether the Trustee Directors of Smart Pension have fairly described the Master Trust services control procedures throughout the specified period 1 October 2019 to 31 December 2020 (the "Description"), and on the design and operation of controls related to the control objectives stated in the Description. Our opinion is set out below and should be read and considered in conjunction with this report in full.

Use of report

This report is made solely for the use of Smart Pension, and solely for the purpose of reporting on the internal controls of Smart Pension, in accordance with the terms of the Engagement Letter. We have attached the Engagement Letter as appendix 1 to this report (together with Additional Terms of Business appended thereon).

Our work has been undertaken so that we might report to Smart Pension those matters that we have agreed to state to them in this report and for no other purpose. Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission.

We permit the disclosure of this report, in full only, to customers of Smart Pension using Smart Pension's Master Trust services ("customers"), and to the auditors of such customers, to enable customers and their auditors to verify that a report by reporting accountants has been commissioned by Smart Pension and issued in connection with the internal controls of Smart Pension, and without assuming or accepting any responsibility or liability to customers or their auditors on our part.

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Document Classification - KPMG Confidential



To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Smart Pension for our work, for this report or for the conclusions we have formed.

Subject matter

This report covers solely the internal controls of Smart Pension as described the Description for the period 1 October 2019 to 31 December 2020. Internal controls are processes designed to provide reasonable assurance regarding the level of control over customers' assets and related transactions achieved by Smart Pension in the provision of Master Trust services.

Service organisation's responsibilities

Smart Pension is responsible for: preparing the Description and the accompanying statement set out on page 3, including the completeness, accuracy, and method of presentation of the Description and the statement; providing the services covered by the Description; specifying the criteria including the control objectives and stating them in the Description; identifying the risks that threaten the achievement of the control objectives; and designing and effectively operating control activities to achieve the related control objectives stated in the Description.

The control objectives stated in the Description include the internal control objectives developed for service organisations as set out in the Institute of Chartered Accountants in England and Wales Technical Release AAF 02/07 "A Framework for Assurance Reports on Third Party Operations" ("ICAEW Technical Release AAF 02/07").

Reporting accountant's responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the Description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in that Description.

Framework applied

We conducted our engagement in accordance with International Standard on Assurance Engagements (Revised) (ISAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and ICAEW Technical Release AAF 02/07. Those standards require that we obtain sufficient, appropriate evidence on which to base our opinion.



Our Independence and Quality Control

We comply with the *Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code) and we apply International Standard on Quality Control (UK) 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements*. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards (including independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour) as well as applicable legal and regulatory requirements.

Scope of work

Our work involved planning and performing procedures to obtain evidence about the presentation of the Description of the service organisation activities and the design and operation of those controls. Our procedures included assessing the risks that the Description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the Description. Our procedures also included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives stated in the description were achieved. An assurance engagement of this type also includes evaluating the overall presentation of the Description and the suitability of the control objectives stated therein, and the suitability of the criteria specified by the service organisation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Inherent limitations

The Description is prepared to meet the common needs of a broad range of customers and their auditors and may not, therefore, include every aspect of the service organisation activities that each individual customer may consider important in its own particular environment. Also, because of their nature, controls at a service organisation may not prevent or detect and correct all errors or omissions in processing or reporting transactions or identification of the function performed by the service organisation. Such control procedures cannot guarantee protection against (among other things) fraudulent collusion especially on the part of those holding positions of authority or trust.



Our opinion is based on historical information and the projection to future periods of any evaluation of the fairness of the presentation of the Description, or opinions about the suitability of the design of the controls would be inappropriate.

The relative effectiveness and significance of specific controls at Smart Pension, and their effect on assessments of control risk at customers' organisations are dependent on their interaction with the controls and other factors present at individual customer organisations. We have performed no procedures to evaluate the effectiveness of controls at individual customer organisations.

Basis for Qualified Opinion

With respect to control objective 23: "Physical and logical access to computer systems, and member and Master Trust records and data, is restricted to authorised persons", Smart Pension states in its Description that management (being the Trustee Directors of Smart Pension and those employees to whom the Trustee Directors of Smart Pension have properly delegated day-to-day conduct over matters for which the Trustee Directors of Smart Pension retain ultimate responsibility) is responsible for implementing and managing logical access controls, physical access controls and IT management controls. Since our testing was performed after our appointment as reporting accountant of Smart Pension, post period end, we were unable to test the operating effectiveness of controls 23.5 and 23.9 during the period of review.

The combined impact of these exceptions has resulted in the non-achievement of control objective 23.

Qualified Opinion

Our opinion has been formed on the basis of the matters outlined in this report. In our opinion, in all material respects:

- The Description on pages 21 to 123 fairly presents the Master Trust services control procedures that were designed and implemented throughout the period from 1 October 2019 to 31 December 2020;
- The controls related to the control objectives stated in the Description on pages 21 to 123 were suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described controls operated effectively throughout the period from 1 October 2019 to 31 December 2020; and
- Except for the matters described in the Basis for Qualified Opinion section, the controls that were tested, as set out in pages 21 to 123, were operating with sufficient effectiveness to provide reasonable assurance that the related control objectives stated in the Description were achieved throughout the period 1 October 2019 to 31 December 2020.

Description of test of controls



KPMG LLP

6 August 2021

The specific controls tested and the nature, timing and results of those tests are listed on pages 21 to 123.

Yours faithfully

KPMG LLP

KPMG LLP

Chartered Accountants

5.0 Exceptions

Control no.	Control Wording	KPMG LLP results	Management Response
18.6	<p>Snapshots and a backup of the Aurora MySQL database are taken nightly automatically. If there are any failures in creating the backups, the Aurora MySQL database automatically sends an email to the DevOps team for resolution.</p>	<p>Management were unable to provide evidence that the Aurora MySQL database had been configured to automatically send emails to the DevOps team for resolution during the period. As such, we were unable to test the implementation and operating effectiveness of this element of the control in the reporting period.</p>	<p><i>During testing performed in March and April 2021 (post period end), we provided KPMG with evidence that the Aurora MySQL database had been configured at this point-in-time automatically to send emails to the DevOps team for resolution if there had been a failure in creating backups.</i></p>
18.7	<p><u>01/10/2019 - 31/12/2020</u> The Business Continuity Policy is reviewed by the Risk and Governance team at least annually.</p> <p>The Business Continuity Policy is tested at least annually through simulation testing managed by the Risk and Governance team. This is evidenced via a post simulation testing report.</p>	<p>For two out of eight weeks selected, there was no evidence that the BCP corporate working group meeting had taken place.</p>	<p><i>The minutes of the meetings were only taken whenever there were follow up actions, which was not the case for the mentioned two meetings. We have introduced a Google Meets tracker of the meetings post period end and going forward we are able to produce acceptable evidence of the meetings taking place.</i></p>

	<p><u>16/03/2020 - 31/12/2020</u></p> <p>A BCP corporate working group meets at least weekly and actions are recorded in meeting minutes.</p>		
22.5 & 23.8	<p>Bitdefender policy enforces Windows Bitlocker on Windows endpoints and Apple Vault on Mac endpoints.</p>	<p>Management were unable to provide evidence that the Bitdefender policy had been enforced during the period. As such, we were unable to test the implementation and operating effectiveness of this control in the reporting period.</p>	<p><i>During testing performed in March and April 2021 (post period end), we provided KPMG with evidence that the Bitdefender policy had been enforced Windows Bitlocker had been enforced on Windows endpoints and Apple Vault had been enforced on Mac endpoints at this point-in-time.</i></p>
22.7	<p>Cloudflare is used as a Web Application Firewall (WAF) to protect the web applications.</p> <p>There is an automated built in Slack integration that enables Engineering team members to monitor errors or issues from Datadog and Rollbar.</p>	<p>Management were unable to provide evidence that Cloudflare had been configured to be used as a WAF to protect the web applications during the period. As such, we were unable to test the operating effectiveness of this element of the control in the reporting period.</p>	<p><i>During testing performed in March and April 2021 (post period end), we provided KPMG with evidence that Cloudflare had been configured to be used as a WAF to protect the web applications at this point-in-time.</i></p>
23.2	<p>For new joiners, HR generate a ticket in FreshService. This acts as approval for Active Directory access to be set up and is required prior to IT provisioning the access. New user access to the Smart</p>	<p>For 4 out of 25 new users on the Smart Platform, access had not been requested and approved by the user's Line Manager of HR prior to being provisioned by IT.</p>	<p><i>Additional workflows have been configured within the ITSM tool for New Joiners and Service Requests to improve the process for request and gain line manager authorisation for access to Smart Admin/CRM.</i></p>

	Platform is requested and approved by the user's Line Manager or HR via the FreshService ticket, prior to being provisioned by IT.		<p>No access should be granted by the IT / Eng / Operations resources unless an ITSM SR ticket has been raised and approved.</p> <p>The process exceptions identified have been reviewed and retrospective line manager approval gained to confirm appropriate access had been granted for two of the four individuals. Access for the other two individuals has been deactivated with no issues.</p>
23.3	For leavers, HR generate a ticket in FreshService. IT then disable the leaver's Active Directory access within three working days.	For 5 out of 25 leavers selected, Active Directory access had not been disabled within three working days.	<p>Following IT Operations Dept resource changes in late 2020 and the appointment of a new IT Support Manager in January 2021, the HR teams for both UK and Europe mainland have been engaged in reviewing the Joiner/Mover/Leaver process to help ensure that Off-Boarding tickets are being raised by HR and processed consistently by IT with the ITSM toolset. Inconsistencies had been identified whereby Incident tickets were being raised via email for leavers by either Line Manager or HR rather than Service Requests providing a consistent workflow.</p> <p>Off-Boarding Service Request catalogue items must now be raised by HR for consistency with appropriate workflow to capture the details required for IT to manage the off-boarding process and tasks in an efficient and timely manner. Off-boarding tasks are automatically added to the ticket to help ensure that all compliance steps are taken. Adding off-boarding tickets to a Leavers Calendar for IT team visibility of</p>

			<p><i>upcoming leavers so they are processed on or as close to their leaving date has also been implemented.</i></p> <p><i>For the five leavers identified:</i></p> <p><i>Three off-boarding requests were received late but actioned within one day by the IT team.</i></p> <p><i>Two off-boarding requests were delayed in actioning by the IT team.</i></p> <p><i>For all five leavers, we provided evidence to confirm that there was no log-on activity identified between the HR leave date and the IT account deactivation date.</i></p> <p><i>One of the five leavers has since returned to work at Smart and the account has been reactivated.</i></p>
23.5	Access to change user permissions and user group policies on Active Directory is restricted to Domain Administrators.	Management were unable to provide evidence that access to change to user permissions and user group policies on Active Directory had been restricted to Domain Administrators. As such, we were unable to test the implementation and operating effectiveness of this control in the reporting period.	<p><i>During testing performed in March and April 2021 (post period end), we provided KPMG with evidence that Active Directory access permissions and demonstrated that it had been configured to restrict access to change user permissions and user group policies to Domain Administrators at this point-in-time.</i></p>

23.9	<p><u>01/10/2019 – 31/12/2020</u> Okta Global policies enforce Multifactor Authentication (MFA).</p> <p><u>13/03/2020 – 31/12/2020</u> Okta accounts are linked to Active Directory, and enforce Multifactor Authentication.</p>	<p>Management were unable to provide evidence that Okta Global policies had enforced MFA during the period. As such, we were unable to test the operating effectiveness of this element of the control in the reporting period.</p>	<p><i>During testing performed in March and April 2021 (post period end), we provided KPMG with evidence that the Okta Global policies enforced Multifactor Authentication at this point-in-time.</i></p>
24.1	<p>A Continuous Integration / Continuous Deployment pipeline is in place that is managed by Engineering. Access to make edits to the pipeline is restricted to Semaphore admins.</p> <p>Github is configured so that code written needs two approvals by other Senior Engineers, unless a user is a Github Administrator.</p> <p>Automated statistical code analysers for Ruby, Ember, Typescript, CSS check that changes are tested prior to implementation to the production environment.</p> <p>Failure on any of the above will</p>	<p>Management were unable to provide evidence of this control in operation during the period. As such, we were unable to test the implementation and operating effectiveness of this element of the control in the reporting period.</p>	<p><i>During testing performed in March and April 2021 (post period end), we provided KPMG with evidence that at this point-in-time, the following was in place:</i></p> <ul style="list-style-type: none"> <i>• Access to the Continuous Integration/Continuous Deployment pipeline had been restricted to Semaphore admins;</i> <i>• Github had been configured so that code written needed approvals by two other Senior Engineers, unless the user had been a Github Administrator;</i> <i>• The automated statistical code analysers for Ruby, Ember, Typescript, CSS had been configured to check changes had been tested prior to implementation to the production environment;</i> <i>• Github had been configured to prevent code from going into the production environment if approvals and testing had not been performed, unless the user had been a Github Administrator; and</i>

stop code going into the production environment, unless a user is a Github Administrator.

Github Administrator access is restricted to members of the Engineering team and the CTO.

- *Administrator access had been restricted to members of the Engineering team and the CTO.*

6.0 Control objectives and control procedures

6.1 Value for members

Assessing value for members

1. A value for money review is undertaken annually and the process followed is documented and approved. The assessment should include value to members derived from scheme management and governance, administration, investment governance and communications.			
Control no	Process	Control	Tests performed by KPMG LLP and results
1.1	Membership of the Smart Pension Master Trust is currently comprised of low to medium earners and therefore the value derived from the Scheme (of which costs and charges form a key element) are a prime consideration for the Trustee Board.	<p>A Value for Money (VfM) review is conducted annually and within 7 months of the Scheme year end by the Chair of the Trustee and reviewed by the external consultant. This is evidenced by the exchange of emails and minuted during the meeting.</p> <p>The VfM review is approved by the Trustee during the board meeting and included in the annual Chair statement. This approval is evidenced by the meeting minutes.</p>	<p>For the annual Value for Money (VfM) review, inspected the exchange of emails and meeting minutes and noted that it had been conducted by the Chair of the Trustee within 7 months of the year end, reviewed by the external consultant and approved by the Trustee as part of the annual Chair statement.</p> <p>No exceptions noted.</p>

1.2	The VfM assessment is undertaken annually and output from this is included in each annual Trustee Report. The scope of this VfM review includes absolute and relative cost, considering the scope, quality, and the frequency and fitness for purpose of the service provided, taking into account Scheme management and governance, administration, investment governance and communications.	A VfM assessment is produced on an annual basis by the Financial Services Team using a scorecard which is reviewed for accuracy and completeness by the Trustee and Finance Team. Evidence of this review is through meeting minutes.	For the annual VfM assessment, inspected the meeting minutes and noted that the Financial Services Team used a scorecard which was reviewed for accuracy and completeness by the Trustee and Finance Team. No exceptions noted.
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Management of costs and charges

2. Disclosure of information to members of costs and charges (rates (%) and amounts (£) are complete and accurate.			
Control no	Process	Control	Tests performed by KPMG LLP
2.1	Up until 30 November 2020 Smart Pension set up its pension offering with a simple default charging structure of 0.75% Annual Management Charge (AMC) for customers which sign up directly to Smart. From 1 December 2020 the charging structure reduced to AMC of 0.30% and	Charging structures are prepared by the Scheme Strategist and discussed by the Trustee. The Scheme Strategist presents the proposal at the full Trustee Board meetings when the Trustee can raise any concerns. This discussion is evidenced in the meeting minutes.	For the annual charging structure, inspected meeting minutes and noted that the proposal from the Scheme Strategist had been presented to and been discussed by the Trustee. No exceptions noted.

	<p>a per member charge of £1.25 per month. The Information on this default charge arrangement is available on the Scheme website – www.smartpension.co.uk.</p> <p>Smart offers alternative charging structures in respect of introductions from intermediaries which is individually underwritten, however, these reflect a flat fee of 0.45% AMC or 0.25% AMC and a per member per month charge of up to £1.25. The per member per month charge can be discounted in 25p segments.</p> <p>A section of the Scheme relates to the former GenLife Master Trust and this has an AMC of 0.30% with a per member charge of up to £1.50 per member per month.</p>		
2.2	<p>Information on default costs and charges is publicly available at: https://www.smartpension.co.uk/member-charges. The content management is owned by the Smart Communications and Marketing Teams and overseen by</p>	<p>Proposed changes are reviewed and agreed as being complete and accurate by the Trustee Communications Sub-Committee prior to being uploaded onto the Smart Pension website. This is recorded in the meeting minutes.</p>	<p>For a selection of changes to the annual charging structure, inspected meeting minutes and noted that the changes were reviewed and agreed as being complete and accurate by the Trustee Communication Sub-</p>

	the Trustee Communications Sub-Committee.		Committee prior to being uploaded onto the Smart Pension website. No exceptions noted.
2.3	Members have a note concerning their charge structure on their individual Smart Pension account. Members are provided with an investment guide which explains the explicit fund management charges applying to their account. The content management is owned by the Smart Pension Communications Team and overseen by the Trustee Communications Sub-Committee.	The changes to the charge structure are circulated internally via email by Connected AM (Scheme's Investment Adviser). They are reviewed by the Head of Compliance and the Legal Counsel. The Communication Manager updates the investment guide with the new charging structure information. This can be evidenced by exchanged emails.	For a selection of changes to the annual charging structure, inspected exchange of emails and noted that they had been circulated internally and reviewed by the Head of Compliance and the Legal Counsel and that the investment guide was updated with changes to the charging structure by the Communication Manager. No exceptions noted.
2.4	Individual Investment Funds factsheets are prepared and updated on a quarterly basis by LGIM. Information included in the factsheets is prepared by the Investment Manager and directly uploaded to the online portal.	The performance and charging structure is reviewed every quarter by the Investment Sub-Committee. This is done as a part of monthly on-going monitoring of investment funds' performance and the quarterly report presented to the Investment Sub-Committee by the Investment Adviser.	For a selection of months and quarters, inspected meeting minutes and noted that the performance and charging structure was reviewed by the Investment Sub-Committee as part of the on-going monitoring of investment funds' performance.

		This is evidenced by the minutes of the Investment Sub-Committee.	No exceptions noted.
2.5	Smart Pension obtains a Cost Transparency Report analysing the charges which is prepared by ClearGlass. This is provided to the Trustee by the Smart Pension internal investment analyst team.	<p>The Cost Transparency Report is reviewed by the Investment Sub-Committee at the next available meeting. A member of the internal Smart Investment team as well as the Scheme's Investment Adviser are present at the meeting. This is evidenced by the meeting minutes of the Investment Sub-Committee.</p> <p>The Investment Sub-Committee reports back to the Trustee Board on the findings at the next available full board meeting via the Sub-Committee's update. The Trustee reviews and approves the accuracy of the information via the Value for Member assessment. If any breach is noted, it is delegated to the Risk & Governance Sub-Committee for investigation. This is evidenced by the meeting minutes of the full Trustee Board.</p>	<p>For a selection of quarters, inspected meeting minutes and noted that the Cost Transparency Report was reviewed by the Investment Sub-Committee.</p> <p>For the same selection, inspected Trustee Board meeting minutes and noted that the Investment Sub-Committee reported their findings back to the Trustee Board who reviewed and approved the accuracy of the information via the Value for Member assessment.</p> <p>For the same selection, inspected Risk & Governance Sub-Committee meeting minutes and noted that no</p>

			breaches were noted that needed investigation. No exceptions noted.
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6.2 Investment governance

Protection of Assets

3. Scheme and member assets or entitlements are safeguarded from loss, misappropriation and unauthorised use. Financial protection and compensation available to members in the event of a default is assessed and documented.			
Control no	Process	Control	Tests performed by KPMG LLP and results
3.1	<p>All Scheme assets are held under trust. The Trust Deed and Rules specifies the investment powers of the Trustee Board.</p> <p>The Trustee Board maintains a written Statement of Investment Principles (SIP) that sets out the principles governing how decisions about investments must be made. This reflects the investment powers as set in in the Trust’s Deed and Rules and in accordance with legislation. The Trustee Board formally reviews the SIP at least triennially, but its compliance with a new legal requirements or changes to the investments/charging structure is</p>	<p>Changes to the Statement of Investment Principles (SIP) are made by Smart’s Financial Services Team or the Trustee’s Investment Adviser. The Trustee, following the advice of its Investment and Legal Adviser, reviews the revisions at the Investment Sub-Committee level, with recommendations for approval made to the full Trustee board at the next available meeting. All discussions and the approval at the Sub-Committee meetings and the full Trustee meetings are recorded in the meeting minutes.</p>	<p>For a selection of changes to the Statement of Investment Principles (SIP), inspected Investment Sub-Committee meeting minutes and noted that the changes were reviewed by the Investment Sub-Committee.</p> <p>For the same selection, inspected Trustee Board meeting minutes and noted that the Investment Sub-Committee reported their findings back to the Trustee Board who discussed and approved the revisions.</p> <p>No exceptions noted.</p>

	<p>continuously monitored and changes are made as and when required.</p> <p>The current in-force version of the SIP is publicly published on the https://www.smartpension.co.uk/governance/scheme-information website.</p>		
3.2	<p>Significant changes to the SIP are reported to TPR as Significant Events. Reports are made by the Smart Pension Head of Regulatory Affairs and are notified to the Trustee.</p> <p>The Head of Regulatory Affairs prepares the significant event form and submits it to the Pensions Regulator copying in the Scheme Supervisor and also TPR's master trust supervision team. This is done in line with TPR's requirements. This is done within 5 working days and is evidenced by email.</p>	<p>Details of Significant Events since the last Board meeting are reported at the next quarterly full Board Meeting. This is documented in the full board Trustee meeting minutes.</p> <p>Details of the Significant Event reports made are presented to the Trustee by the Head of Governance on the Scheme's Compliance Checklist. It is evidenced by the Compliance Checklist prepared at the quarterly full Board Trustee meeting.</p>	<p>For a selection of quarters, inspected meeting minutes and Compliance Checklist and noted that the Head of Governance presented details of Significant Events to the Trustee.</p> <p>No exceptions noted.</p>
3.3	<p>The Scheme and members' assets are held within a policy owned by the Trustee. These are held as unitised investments by independent corporate custodians and are reviewed by external auditors annually.</p>	<p>A copy of LGIM's statement on security of assets is obtained by the Scheme's Investment Manager on annual basis. The statements are reviewed by Smart Pension's General Counsel. This is evidenced by an exchange of emails. General Counsel presents statements to</p>	<p>For the annual LGIM's statement on security of assets review, inspected exchange of emails and noted that it had been reviewed by Smart Pension's General Counsel.</p>

	<p>The Trustee obtains confirmation of the protection of these assets from LGIM. The Trustee obtains a copy of LGIM's statement on security of assets. Smart Pension's General Counsel reviews and reconfirms this on an annual basis. Their findings are presented to the Trustee at a meeting and minuted.</p>	<p>the Trustee at the full board Trustee meeting. The Trustee reviews the findings and approves the reports. This is evidenced by the meeting minutes. Any queries or concerns are raised during the meeting, included on the Action List and followed up by the General Counsel / Financial Services Team / Investment Adviser via email with LGIM. These are reported back to the Trustee as resolved actions at the next Trustee meeting. This is evidenced by the meeting minutes.</p>	<p>For the same selection, inspected Trustee Board meeting minutes and noted that the General Counsel reported their Action List findings back to the Trustee Board who reviewed and approved the findings.</p> <p>No exceptions noted.</p>
3.4	<p>Where changes are made to underlying investment managers or rules change with regards to the protection of funds (including the FSCS), the Trustee, with the assistance of the General Counsel, their legal adviser and investment adviser (as appropriate and necessary), will re-evaluate the protection for members. Any considerations will be discussed and minuted at the Trustee meeting.</p>	<p>The protection of Scheme and members' assets is evaluated following any changes made to underlying investment managers or rules change with regards to the protection of funds (including the FSCS). Any changes are brought to the attention of the Trustee by the Legal Adviser or directly by the Investment Manager. These are referred to the Investment Adviser, the Legal Counsel and the Internal Team. The Trustee, with the assistance of those advisers, reviews the changes during the Investment Sub-Committee</p>	<p>Enquired of management to determine whether changes to investment managers had occurred.</p> <p>We were informed that changes to investment managers did not occur in this period and therefore we did not test the implementation and operating effectiveness of the control.</p>

		<p>meeting. This is evidenced in the meeting minutes.</p> <p>The changes and further findings are reported to at the next full Trustee Board meeting via Sub-Committee's quarterly update.</p> <p>Any queries or concerns are raised during the meeting and are included on the Action List and followed up by the General Counsel / Financial Services Team / Investment Adviser via email with the investment manager. These are resolved and reported back to the Trustee at the next Trustee meeting. This is evidenced by the meeting minutes.</p>	
3.5	<p>A control framework is in place with the Scheme Administrator, which covers:</p> <ul style="list-style-type: none"> - access to bank accounts - procedures by which the bank account is managed - list of authorised signatories. <p>The framework and the processes are managed jointly by the Smart Pension Operations and Finance Teams.</p>	<p>The quarterly Administration reports are reviewed by the Trustee at the Operations Sub-Committee meeting in respect of the previous quarter.</p> <p>Any queries or concerns raised during the meeting are included on the Action List and followed up by the Smart Pension Administration Team via email with the banks. These are reported back to the Trustee as resolved actions at the</p>	<p>For a selection of quarters, inspected Operations Sub-Committee meeting minutes and noted that previous quarterly administration reports were reviewed by the Trustee and any queries or concerns included on the Action List as resolved actions at the next Trustee meeting.</p>

	<p>Online administrators manage the account and are lead Users. Dual administration is activated on the account, and any change requires two different administrators to approve online Administration changes.</p> <p>Online users can set up and authorise payments on the account. Dual control is activated on the account, and any change requires two different users to approve online transactions.</p> <p>Signatories have access to the account and are authorised to give banking instructions. The signing rules are for any two signatories on an instruction. There are two different mandate categories, online and paper ones. The authority can be given as for the administrator, user or signatory only.</p> <p>Bank Account and Cash Safeguards and Controls are reported on the quarterly Administration reports. An overview is provided to the Trustee board at the next available full board Trustee meeting by the Chair of the Operations Sub-Committee via quarterly update.</p>	<p>next Trustee meeting. This is evidenced by the Sub-Committee meeting minutes.</p> <p>Bank Account and Cash Safeguards and Controls are reported in the quarterly administration reports and reviewed at the following Operations Sub-Committee meeting. A quarterly update on administration matters is presented to the Trustee board at the next available full board Trustee meeting by the Chair of the Operations Sub-Committee. This is evidenced by meeting papers and the meeting minutes.</p>	<p>For a selection of quarters, inspected Operations Sub-Committee meeting minutes and noted that Bank Accounts and Cash Safeguards and Controls were reviewed by the Trustee and included within the administration matters presentation by the Chair of the Operations Sub-Committee at the next Trustee meeting.</p> <p>No exceptions noted.</p>
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3.6	<p>Automated status updates are recorded on the Smart Platform which notifies whether a payment has been made. As the administration is carried out in-house and access to the Trustee Bank Account is provided to the finance team it is possible to view transactions on the account on a daily basis. A running total of receipts into the bank account is provided in daily reporting to the senior management team at Smart Pension. The contributions are collected from employers' bank accounts by GoCardless using direct debits and are transferred directly to SPMT.</p> <p>For a small number of clients payments are made by BACS or other electronic transfer. In addition, payments from the Redundancy Payments Service only will be paid by cheque.</p> <p>Only authorised personnel are permitted to instruct fund managers to disinvest units. The operation of this is monitored by the Trustee Board.</p>	<p>Access to the Trustee bank account is given as a mandate granted by the Trustee. Access is given to the selected Trustee Directors, selected executive members and senior Smart Pension Ltd Finance team members. It is documented in the Authority mandates.</p> <p>The Trustee reviews the list of authorised personnel quarterly via the Administration Report at the Operations Sub-Committee meeting. It is evidenced by the meeting minutes.</p> <p>The Sub-Committee reports to the Trustee Board should any changes are required at the next full Trustee Board meeting. This is evidenced by the full Trustee Board meeting minutes.</p>	<p>For a selection of authorised personnel reviews, inspected Authority mandates and Operations Sub-Committee meeting minutes and noted that they had been reviewed by the Trustee via the Administration Report.</p> <p>No exceptions noted.</p>

	<p>The Trustee reviews the personnel as part of an annual cycle. Details are requested from Smart Pension and tabled and considered at the next available Trustee meeting. Any discussions and considerations are minuted and recorded.</p>		
3.7	<p>The Finance team reviews unit transactions between investments by the member and investments held by the investment manager. The Finance team reviews unit balances between the Smart Pension Platform and investments held by the investment manager. This is carried out at fund level.</p> <p>The Finance team prepares a monthly cash analysis based on contributions received for that period. The Finance team prepares a monthly cash analysis based on cash transactions reconciled to the bank account.</p> <p>The Finance team prepares a unit reconciliation between the Smart Platform and LGIM on a quarterly basis. A unit reconciliation is performed twice weekly between the Smart Pension</p>	<p>Both the cash and the unit reconciliation are included in the quarterly administration reports, which are prepared by the Administration team.</p> <p>The quarterly administration reports are presented to the Trustee at the Operations Sub-Committee quarterly meetings. After their review, any queries or follow up actions are logged on the Action List. These are subsequently investigated and resolved by the Administration or Financial Services team and reported back by the Chair of the Operations Sub-Committee to the full Trustee Board at the next available meetings.</p>	<p>For a selection of quarters, inspected Operations Sub-Committee meeting minutes and noted that the cash and unit reconciliations had been prepared by the Administration Team and reviewed by the Trustees and any queries or follow up actions included on the Action List and reported as resolved actions at the next Trustee meeting.</p> <p>No exceptions noted.</p>

	Platform and LGIM. A summary is provided to the Trustees on a quarterly basis.	This is evidenced by the Actions Log and minutes from the Sub-Committee and full Trustee Board meetings.	
<p>4. The design and on-going suitability of the default arrangement and range and risk profile of other investment options are regularly reviewed and monitored. This review is documented and the investment aims and objectives for the arrangement and investment policies for all investment options are included in the approved Statement of Investment Principles.</p>			
Control no	Process	Control	Tests performed by KPMG LLP and results
4.1	<p>The default lifestyle strategy is decided by the Trustee Board based on professional investment advice and is designed to be appropriate for the typical Scheme member. It is designed to meet the changing investment needs of a typical Scheme member as they progress through life towards retirement. A default lifestyle strategy is maintained.</p> <p>The Trustee Board obtains independent advice from its investment adviser in relation to the ongoing suitability of the default lifestyle strategy and self-select funds.</p>	<p>Advice is obtained from the Investment Adviser on an annual basis, if there is a significant change to the underlying investments or a change is dictated by a newly introduced legislation, or as a result of changes proposed by Scheme strategist; then it is either presented to Trustee at the Investment Sub-Committee meeting or Trustee Board.</p> <p>The advice is reviewed. Where the initial review is by the Investment Sub-Committee, this is recommended for approval to the main Trustee board at the next available full Trustee Board meeting, or via email, if the decision needs to be made between the</p>	<p>For the annual review of the investment strategy, inspected exchange of emails and Investment Sub-Committee meeting minutes and noted that advice had been reviewed and approved by the Trustee.</p> <p>No exceptions noted.</p>

		<p>meetings. The Trustee Board reviews the advice recommendation and where accepted this is approved. Further advice is sought if not accepted.</p> <p>This is evidenced by the Sub-Committee and the full Trustee Board meeting minutes and/or in the exchanged emails.</p>	
4.2	<p>A written Statement of Investment Principles (SIP) is prepared and maintained by the Trustee Board.</p> <p>The most recent version of the SIP is published on www.smartpension.co.uk.</p>	<p>Changes to the Statement of Investment Principles (SIP) are made by Smart's Financial Services Team or the Trustee's Investment Adviser. The Trustee, following the advice of its Investment and Legal Adviser, reviews the revisions at the Investment Sub-Committee level, with recommendations for approval made to the full Trustee board at the next available meeting. All discussions and the approval at the Sub-Committee meetings and the full Trustee meetings are recorded in the meeting minutes.</p>	<p>For a selection of changes to the Statement of Investment Principles (SIP), inspected Investment Sub-Committee meeting minutes and noted that the changes were reviewed by the Investment Sub-Committee.</p> <p>For the same selection, inspected Trustee Board meeting minutes and noted that the Investment Sub-Committee reported their findings back to the Trustee Board who discussed and approved the revisions.</p> <p>No exceptions noted.</p>

4.3	<p>Significant changes to the SIP are reported to TPR as Significant Events.</p>	<p>Details of Significant Events since the last Board meeting are reported at the next quarterly full Board Meeting. This is documented in the full board Trustee meeting minutes.</p> <p>Details of the Significant Event reports made are presented to the Trustee by the Head of Governance on the Scheme's Compliance Checklist. It is evidenced by the Compliance Checklist prepared at the quarterly full Board Trustee meeting.</p>	<p>For a selection of quarters, inspected meeting minutes and Compliance Checklist and noted that the Head of Governance presented details of Significant Events to the Trustee.</p> <p>No exceptions noted.</p>
4.4	<p>The Trustee considers the performance of the default investment options within the Investment Sub-Committee which reports back to the Trustee Board.</p> <p>The Trustee tracks performance at least quarterly and receives investment reports from its Investment Adviser. The Trustee reviews these at either the next available Investment Sub-Committee meeting and reports back to the Trustee at the next full Trustee Board meeting or at the full Trustee board meeting.</p>	<p>The performance of the default investment options is included in the Investment Manager's reports. The reports are presented by the Investment Adviser to the Investment Sub-Committee or main board at least quarterly following the end of each calendar quarter.</p> <p>Any concerns or queries are discussed during the meeting, added to the Action List and followed up by the Investment Adviser. This is evidenced by the meeting minutes and emails sent by the Investment Adviser. Resolved</p>	<p>For a selection of quarters, inspected meeting minutes and noted that the investment manager's reports had been presented by the Investment Adviser and reviewed by the Trustee at the Investment Sub-Committee and any queries or concerns included on the Action List and reported as resolved actions at the next Trustee meeting.</p> <p>No exceptions noted.</p>

	Co-Branded or White labelled clients/introducers have their own default lifestyle strategy which is decided by the Trustee Board based on professional investment advice. This default lifestyle strategy is designed for typical Scheme members of the relevant section and follows their progress through life towards retirement.	actions are reported for noting at the next available meeting. Where the Investment Sub-Committee reviews the reports, they report to the full Trustee board at the next available meeting via Sub-Committee's quarterly update. This is evidenced by the full Trustee Board meeting minutes.	
<p>5. The performance of each investment option, including the default arrangement(s) in which member funds are invested are regularly reviewed and monitored against objectives in the Statement of Investment Principles. This review is documented and approved.</p>			
Control no	Process	Control	Tests performed by KPMG LLP and results
5.1	<p>A written Statement of Investment Principles (SIP) is prepared and maintained by the Trustee Board.</p> <p>The most recent version of the SIP is published on www.smartpension.co.uk.</p>	<p>Changes to the Statement of Investment Principles (SIP) are made by Smart's Financial Services Team or the Trustee's Investment Adviser. The Trustee, following the advice of its Investment and Legal Adviser, reviews the revisions at the Investment Sub-Committee level, with recommendations for approval made to the full Trustee board at the next available meeting. All discussions and the approval at the Sub-Committee</p>	<p>For a selection of changes to the Statement of Investment Principles (SIP), inspected Investment Sub-Committee meeting minutes and noted that the changes were reviewed by the Investment Sub-Committee</p> <p>For the same selection, inspected Trustee Board meeting minutes and noted that the Investment Sub-Committee</p>

		meetings and the full Trustee meetings are recorded in the meeting minutes.	reported their findings back to the Trustee Board who discussed and approved the revisions. No exceptions noted.
5.2	Fund performance is documented in the investment reports, which are presented at Trustee Board meetings. Commentary is received from fund managers and advice is obtained from the investment consultant (Hymans Robertson and Connected AM).	The Trustee Board receives the Investment Consultant's quarterly investment reports for review. It allows the Trustee to monitor the performance of the Scheme's investment managers against their benchmarks and any significant developments relating to investment managers or funds managed. This is carried out by either the Investment Sub-Committee or the full Trustee Board at the next quarterly meeting and is evidenced by the meeting minutes.	For a selection of quarters, inspected meeting minutes and noted that the Investment Consultant's report had been reviewed by the Trustee at the Investment Sub-Committee or full Trustee Board and the performance of the Scheme's investment managers monitored against benchmarks. No exceptions noted.
5.3	A review of the investment management performance reports is recorded as a standing order item at least quarterly at either the Investment Sub-Committee meeting or full Trustee Board meeting and subsequently reported on at the Trustee Board meetings.	The Trustee Board monitors and reviews the performance of funds, including the default arrangements on an ongoing basis at the Investment Sub-Committee meetings or full Trustee Board meetings. This is done following each quarter end.	For a selection of quarters, inspected meeting minutes and noted that the performance of funds had been reviewed by the Trustee at the Investment Sub-Committee or full Trustee Board and any queries or concerns included on the Action List and

		<p>The review discussion and findings are recorded in the meeting minutes.</p> <p>Any concerns or queries are discussed during the meeting, added to the Action List and followed up by the Investment Adviser. This is evidenced by the meeting minutes and emails sent by the Investment Adviser. Resolved actions are reported for noting at the next available meeting.</p> <p>Where the Investment Sub-Committee reviews the reports they report to the full Trustee board at the next available meeting via Sub-Committee's quarterly update. This is evidenced by the full Trustee Board meeting minutes.</p>	<p>reported as resolved actions at the next Trustee meeting.</p> <p>No exceptions noted.</p>
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6.3 The Trustee Board

<p>6. Fitness and propriety requirements for trustees are recorded and managed in accordance with a policy, which is regularly reviewed and approved. The fitness and propriety of trustees is reviewed prior to appointment and annually thereafter. This review is documented and approved.</p>			
Control no	Process	Control	Tests performed by KPMG LLP and results
6.1	<p>The Trustee Board includes appointment of both corporate professional and individual professional trustees with strong backgrounds in pension matters and related financial services.</p> <p>Each Trustee Board Director makes a declaration at the start of each Main Trustee Board and Sub-Committee meeting with regards to their ongoing fitness and propriety and also whether they have any conflicts of interest. The exceptions are ad-hoc meetings, where a shortened agenda is agreed.</p>	<p>Trustee Directors declare at the start of each Sub-Committee and full regular Trustee Board meeting (at least quarterly) that they remain fit and proper and confirm that they are not aware of any reason why this may not remain to be the case. This is evidenced by the meeting minutes.</p>	<p>For a selection of quarters, inspected meeting minutes and noted that the Trustee Directors declared that they remained fit and proper and confirmed that they were not aware of any reason why this may not have remained to be the case.</p> <p>No exceptions noted.</p>

	<p>Each Trustee Board Director is personally responsible for informing SPL and TPR if a change in their circumstances requires them to report a change in their fitness and propriety, which needs to be reported as a significant event.</p> <p>Each Trustee Director is required to complete the Regulator's Trustee Toolkit before their appointment is confirmed.</p>		
6.2	<p>An annual review of the Fitness and Propriety Policy is managed by the Smart Pension Financial Services Team and approved by the Trustee.</p>	<p>The Trustee Board maintains the Fitness and Propriety Policy which is reviewed and approved annually at the full Trustee Board meeting.</p> <p>The review is prepared by the Smart Pension Financial Services Team and is evidenced by the minutes of the meeting.</p> <p>Any concerns or queries are discussed during the meeting, added to the Action List and followed up by Smart Pension Financial Services Team. This is evidenced by the meeting minutes and emails sent by the members of the Financial Services Team. Resolved</p>	<p>For the annual review of the Fitness and Propriety Policy, inspected full Trustee Board meeting minutes and noted that it had been reviewed and approved by the Trustee and any queries or concerns included on the Action List and reported as resolved actions at the next Trustee meeting.</p> <p>No exceptions noted.</p>

		actions are reported for noting at the next available meeting.	
6.3	<p>This fitness and propriety of Trustee is reviewed prior to appointment and annually thereafter.</p> <p>Trustee Directors completes a formal fit and proper check on appointment or reappointment.</p> <p>Knowledge and experience of the Trustee Board responsibilities is checked during the interview process prior to appointment.</p> <p>This review is documented and approved.</p> <p>Each Trustee completes an Individual Fit & Proper form which is submitted to the Regulator along with a Significant Event form on appointment. (See control 3.2.)</p>	<p>A full external fit & proper check is undertaken prior to a Trustee appointment and at the mid-point (after 2.5 years from the appointment), as well as for reappointments at the end of their tenure.</p> <p>This process is managed by the Smart Pension Financial Services Team by using an external provider. The relevant Trustee completes and provides information. Any negative findings are discussed with the individual.</p> <p>The findings are reported to the Trustee at the full Trustee Boards meeting and can be evidenced in the meeting minutes. The records are kept on Smart Pension's internal records.</p>	<p>For a selection of Trustee appointments, mid-point and re-appointments at the end of their tenure, inspected full Trustee Board meeting minutes and noted that the full external fit & proper check had been undertaken and findings reported to the Trustee.</p> <p>No exceptions noted.</p>
6.4	Smart Pension undertakes a Criminal Record Check annually on each Trustee Board Director.	<p>Trustee Board Directors undergo an annual Criminal Record Check.</p> <p>The Trustee Directors confirm if they hold a certificate which is less than 3</p>	For a selection of Trustee Board Directors, inspected Criminal Record Check certificates and noted that Trustee Board

		months old. If not, an external validation is undertaken. This is managed by Smart Pension's Financial Services Team and can be evidenced by the records kept internally.	Directors had undergone an annual Criminal Record Check. No exceptions noted.
6.5	<p>Members of the Trustee Board are professional trustees and have levels of experience commensurate with their role. They complete and maintain their own training and any relevant CPD logs. Additional training requirements are discussed and actioned at Trustee Board meetings, with an ongoing record of training undertaken.</p> <p>Each Trustee Director is required to maintain their own training log which is shared with the Scheme Secretary.</p>	The Trustee Directors update training logs at every meeting (at least quarterly) with any new entries. This is evidenced by the Trustee's Training Log and the meeting minutes of the full Board meeting. The Training Log is maintained by the Scheme Secretary and updated by each individual Trustee Director. This is done throughout a year, whenever the Trustee completes / receives training, both internally and externally.	<p>For a selection of quarters, inspected meeting minutes and Training Logs and noted that they were updated by individual Trustee Directors at every Trustee meeting throughout the year.</p> <p>No exceptions noted.</p>
6.6	<p>Trustee Board training will be carried out as part of agreed training requirements either on bespoke training days or part of the Board meeting cycle as appropriate.</p> <p>The Trustee Skills Matrix is shared with TPR on request.</p>	<p>The Trustee Board reviews its training needs at least annually.</p> <p>The Trustee Directors are required to review their own knowledge by completing a self-assessment of their knowledge on a range of knowledge requirements.</p>	<p>For a selection of Trustee Directors, inspected meeting minutes and individual self-assessments and noted that knowledge gaps and further training needs were identified at Trustee meetings.</p> <p>No exceptions noted.</p>

		The individual self-assessments are collated into a Skills Matrix which assists the Trustee in determining knowledge gaps and further training needs. This is evidenced by the meeting minutes.	
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6.4 Scheme management skills

7. Conflicts of interest are subject to ongoing monitoring and are identified, recorded and managed in accordance with a defined policy, which is regularly reviewed and approved.			
Control no	Process	Control	Tests performed by KPMG LLP and results
7.1	<p>Agendas for meetings are normally issued at least a week in advance of the Trustee Board Meeting, giving the Trustee Board plenty of time to identify any potential conflicts of interest.</p> <p>Additional agenda items are regularly considered with shorter notice with the agreement of the Chair of the Trustee or relevant Sub-Committee. In addition, some matters may need to be considered outside of the meeting cycle. Such matters are raised and circulated via email. Agreement or approval is also usually given via email.</p> <p>The Trustee Directors state details of any changes or new potential conflicts</p>	<p>The agendas for all meetings, apart from ad-hoc ones whereby the Trustee within its powers can decide to govern it by a shortened agenda agreed by the Chair of the Trustee Board or not to have agenda at all, is issued in advance so that the Trustee Directors and other participants can identify potential conflict of interest.</p> <p>This is evidenced by emails sent by Smart Pension Financial Services Team or the Scheme Secretary to Trustee Directors ahead of the meeting with the agenda attached or informing them about the agenda being created on Pension Pal.</p>	<p>For a selection of meetings, inspected emails sent by Smart Pension Financial Services Team or the Scheme Secretary to Trustee Directors and noted that agenda for all meetings were issued in advance.</p> <p>For the same selection, inspected meeting minutes and noted that Trustee Directors stated changes or new potential conflicts of interest at the start of each Sub-Committee or Trustee meeting.</p> <p>No exceptions noted.</p>

	at the start of each Trustee or Sub-Committee Meeting. This is minuted and recorded on every meeting agenda, with the exception of ad-hoc meetings, where agreed as part of a shortened agenda.	The Trustee Directors state details of any changes or new potential conflicts at the start of each Sub-Committee or Trustee meeting. This is evidenced by the meeting minutes	
7.2	<p>The Trustee Board has a written Conflicts of Interest Policy which sets out the process for identifying, monitoring and managing conflicts of interest.</p> <p>A written policy prepared by the Smart Financial Services Team has been approved by the Trustee at the full Trustee Board meeting and is reviewed on annual basis.</p>	The written Conflicts of Interest Policy is reviewed and approved by the full Trustee board on an annual basis. This is evidenced by the meeting minutes.	<p>For the annual review of the Conflicts of Interest Policy, inspected full Trustee Board meeting minutes and noted that it had been reviewed and approved by the Trustee.</p> <p>No exceptions noted.</p>
7.3	The Scheme Secretary maintains and updates the Register of Interests on behalf of the Trustee Board and is obtained on request via email.	<p>The Register of Interests is updated following any change to a Trustee Director's interests and is maintained by the Scheme's Secretary.</p> <p>Any change raised during the meeting is evidenced by meeting minutes and the updated register presented at the next full Trustee Board meeting.</p>	<p>For a selection of changes to Trustee Director's interests, inspected the Register and meeting minutes and noted that the changes and updated register were presented at the full Trustee Board meeting.</p> <p>No exceptions noted.</p>

7.4	<p>The Head of Governance and Head of Regulatory affairs monitor when Trustee Directors are appointed.</p> <p>Each Trustee Director complies with the non-affiliation requirements of the OPS (Charges and Governance) Regulations 2015. A Trustee Director has a period of temporary affiliation as allowable within the Regulations for example, at the time of review and/or re-appointment. Any appointment is automatically subject to a full reselection after 5 years.</p> <p>The Trustee maintains a policy for Fitness and Propriety which is reviewed at least annually.</p> <p>The Fitness and Propriety policy explicitly addresses the non-affiliation requirements.</p>	<p>Annually, the dates of appointment are taken from the Trustee engagement letters and included in the Chair's statement. These are reviewed by the Head of Governance or Head of Regulatory affairs and if any period of non-affiliation is coming to an end, this is raised to the Trustee Board either via email or in the full Board meeting, followed by a reappointment process.</p>	<p>For the annual review of the Trustee Directors appointments, inspected the Chair's statement and meeting minutes and noted that the dates of appointment were included and were reviewed by the Head of Governance or Head of Regulatory affairs and that any periods of non-affiliation coming to an end were raised with the Trustee Board.</p> <p>No exceptions noted.</p>
<p>8. Trustee levels of knowledge and understanding are managed and maintained in accordance with an approved training and development plan. This plan is regularly reviewed and updated.</p>			
Control no	Process	Control	Tests performed by KPMG LLP and results
8.1	All Trustee Directors complete The Pension Regulator's Trustee toolkit for DC schemes.	The Trustee Board considers whether there are any training needs or other matters that they would like training on	For a selection of quarters, inspected emails or meeting minutes and noted that training

	As documented in Trustee Board meeting agendas and minutes, the Trustee Board is provided with technical briefing papers by its professional advisers on matters relevant to the Scheme such as legislative changes, supplemented by presentations in Trustee Board meetings from lawyers, investment advisers and other specialists.	or on which they have received training. This is done at least quarterly at Trustee Board meetings. Any needs identified are followed up by the Smart Pension Financial Services Team. This is done outside the meeting via emails/calls. Training is organised at the full Trustee Board meeting or during a separate meeting. This is evidenced by the meeting minutes and emails.	needs or other matters were identified and considered by the Trustee Board and that training was organised at full Trustee Board meetings or separate meetings. No exceptions noted.
8.2	Formal Trustee Board training records are maintained by the Scheme Secretary.	Training log is maintained by the Scheme Secretary and is updated following any changes reported during the Trustee Board meeting or outside it. This is evidenced by the entries in the Training log, a meeting minutes or emails.	For a selection of Trustee Directors, inspected the meeting minutes and noted that the Training Log was updated following changes reported by the Trustee Board. No exceptions noted.
8.3	Each year an assessment is undertaken to identify knowledge and skill gaps on the Trustee Board and assess whether Trustee Board has sufficient knowledge and skills for their role, with further training arranged as necessary.	The Trustee Board reviews its training needs at least annually. The Trustee Directors are required to review their own knowledge by completing a self-assessment of their knowledge on a range of knowledge requirements.	For a selection of Trustee Directors, inspected meeting minutes and individual self-assessments and noted that knowledge gaps and further training needs were identified at Trustee meetings. No exceptions noted.

	<p>An annual assessment is undertaken to identify knowledge and skill gaps on the Trustee Board.</p> <p>This is documented in the Trustee Board Scheme Calendar and is recorded in the Trustee Board meeting agendas and minutes.</p> <p>The latest version of the Trustee Skills Matrix is attached as an appendix to the regulatory Business Plan.</p>	<p>The individual self-assessments are collated into a Skills Matrix which assists the Trustee in determining knowledge gaps and further training needs. This is evidenced by the meeting minutes.</p>	
8.4	<p>The Trustee receives a quarterly legal issues update from its Legal Adviser during its full Trustee Board meetings.</p> <p>The Trustee receives an investment issues and new developments updates during its Investment Sub-Committee meetings.</p>	<p>The legal update is provided at the full Trustee Board meeting on a quarterly basis. It is prepared by the Scheme's Legal Adviser.</p> <p>This is evidenced by the meeting minutes.</p> <p>The investments update is provided at the Investment Sub-Committee quarterly meetings. It is prepared by the Scheme's Investment Adviser. This is evidenced by the meeting minutes.</p>	<p>For a selection of quarters, inspected the full Trustee Board meeting minutes and noted that they included a legal update by the Scheme's Legal Adviser.</p> <p>For a selection of quarters, inspected the Investment Sub-Committee meeting minutes and noted that they included an investment update by the Scheme's Investment Adviser.</p> <p>No exceptions noted.</p>

9. A business/resource plan is maintained that sets out when scheme related activities are due to take place or be completed, and regularly reviewed to ensure that resources are available and allocated.

Control no	Process	Control	Tests performed by KPMG LLP and results
9.1	<p>The Trustee Board meets regularly to discuss key issues affecting the Scheme. This is documented in Trustee Board meeting agendas and minutes. There is a professional Scheme Secretary in place to assist with Scheme management.</p> <p>The Trustee Board maintains and approves a Scheme Calendar and compliance checklist which schedules key operations throughout the year in order to allocate adequate resources to effectively govern the Scheme.</p>	<p>The Scheme Calendar is prepared and maintained by Smart Pension Financial Services Team and Scheme Secretary. The Scheme Calendar is reviewed by the Trustee at least annually for the relevant calendar year.</p> <p>Any changes or additional new entries are logged as actions on the Actions Log, subsequently done by Smart Pension Financial Services Team and marked as resolved on the log. This is evidenced by the meeting minutes.</p>	<p>For the annual review of the Scheme Calendar, inspected meeting minutes and noted that it had been reviewed by the Trustee and any changes or additional new entries were included on the Action List and marked as resolved on the log.</p> <p>No exceptions noted.</p>
9.2	<p>The Trustee Board maintains and approves a Compliance Checklist. The Trustee board reviews the Compliance Checklist on a regular basis during the Scheme year at relevant Trustee board meetings.</p>	<p>The Compliance checklist is updated by the Smart Pension Financial Services Team and reviewed by either the Risk and Governance Sub-Committee or the Trustee at the full Trustee Board meetings on a quarterly basis. This is evidenced by the meeting minutes.</p>	<p>For a selection of quarters, inspected the meeting minutes and noted that the Compliance Checklist was reviewed by either the Risk and Governance Sub-Committee or full Trustee Board.</p> <p>No exceptions noted.</p>

10. Roles, responsibilities and duties of all trustees, advisers and service providers are i) documented and the performance and quality of their service is subject to regular documented reviews and ii) the suitability of advisers and service providers is reviewed against criteria before appointment and this review is documented.

Control no	Process	Control	Tests performed by KPMG LLP and results
10.1	<p>The Trust Deed and Rules of SPMT (dated 14 August 2019) are the governing documents by which the Scheme is currently administered and managed, and they outline the responsibilities of the Trustee Board.</p> <p>The deed and rules are kept under continuous review to ensure their compliance with legal requirements and the ongoing needs of the Trust and are reviewed by the Legal Advisor.</p>	<p>The roles, responsibilities and duties of the Trustee Directors are documented in the Trust Deed and Rules of Smart Pension Master Trust.</p>	<p>Inspected the Trust Deed and Rules and noted that the roles, responsibilities and duties of the Trustee Directors were documented.</p> <p>No exceptions noted.</p>
10.2	<p>The Trustee asks the Funder and/or an external or internal consultant to draw up a specification for the appointment of the relevant service provider.</p> <p>Invitations to tender are sent out and proposals are received. Where appropriate these, or summary of these are provided to the Trustee for review.</p>	<p>When appointing a new service provider / adviser, the Trustee reviews the recommendation for the appointment of the adviser prepared by a member of the internal team. The shortlisted candidates are interviewed by the Chair of Risk & Governance Sub-Committee and at least one member of Smart Financial Services Team member.</p>	<p>For a selection of new service provider/adviser appointments, inspected the call notes and meeting minutes and noted that the Trustee reviewed and approved the recommendation for appointment.</p> <p>No exceptions noted.</p>

	<p>The Trustee meets with representatives of the shortlisted candidates and interview these. This also includes a formal tender for services and due diligence checks.</p>	<p>The paper is reviewed by the Trustee, any queries are clarified at the full Trustee Board meeting and the appointment is approved. This is evidenced by the call notes taken during the interview stage and meeting minutes.</p>	
10.3	<p>The Trustee maintains an Appointment of Advisers and Service Providers policy.</p> <p>The Trustee Board carries out a three yearly performance review of advisers and service providers in accordance with the Trustee Policy for the interim review of Advisers. This is documented in the Scheme Calendar. A detailed review process is followed in accordance with the Trustee Policy and findings documented and discussed and minuted accordingly.</p> <p>The Trustee carries out an informal interim review of advisers annually. Each adviser is required to complete a service questionnaire and each Trustee Director is required to provide feedback on each adviser as part of the review. This</p>	<p>The advisers and service providers are subject to a formal review every three years with an interim review undertaken on annual basis. Each adviser is required to complete a service questionnaire and each Trustee Directors provide feedback on each advisor. This feedback is provided either in writing or verbally during the Trustee meeting (full Board or Sub-Committee). Any decisions are minuted and further actions logged on the Action Log. These are subsequently followed up by a Director, adviser or a member of Smart Financial Services Team and marked as resolved on the log presented at the following meeting.</p>	<p>For a selection of formal and interim service provider reviews, inspected the meeting minutes and noted that Trustee Director feedback on each adviser was provided to the Trustee Board and any further actions were logged on the Action List and marked as resolved on the log.</p> <p>No exceptions noted.</p>

	<p>feedback is either provided in writing or verbally as part of the relevant Trustee or Sub-Committee meeting. Any comments and discussions are recorded and minuted.</p>		
10.4	<p><u>Up to 31 December 2019</u> The Administration of the Scheme was carried out by an internal Team. This was managed via service level agreements.</p> <p><u>From 1 January 2020</u> The Administration is carried out by the Smart Governance Ltd, which has a service agreement in place with Link Pension Administration Limited. The Trustee Board has delegated administrative responsibilities to an Administrator under a service contract including detailed service level agreements. The performance and monitoring of administration tasks is supervised and directed by the Operations Sub-Committee of the Trustee Board with summaries and decision-making at the main Trustee Board meetings. The Sub Committee meets on a quarterly basis in</p>	<p>The Trustee reviews the service agreement, and takes legal advice from the Scheme's Legal Adviser and approves the decision at the full Trustee Board meeting. The Trustee Directors confirm their approval via email sent to the Head of Regulatory Affairs and Compliance. This is evidenced by the meeting minutes and exchange of emails.</p>	<p>For a selection of service agreements, inspected emails and meeting minutes and noted that it had been reviewed and approved by the Trustee Directors.</p> <p>No exceptions noted.</p>

	<p>advance of each main Trustee Board meeting.</p> <p>During the reporting period, the Scheme Funder entered into a strategic relationship with Link Group and part of the in-house administration team was transferred to Link Group. The Trustee undertakes due diligence on this transition with the Scheme Funder.</p> <p>The Trustee reviewed the Scheme Funder's decision and the discussions are recorded in special Trustee meetings.</p> <p>The Trustee carries out an annual site visit with the Scheme Administrator and details are formally documented and minutes of any meetings prepared.</p>		
<p>11. Discontinuance plans, which address how member assets or entitlements are safeguarded in the event of the Master Trust or any key service provider failing, defaulting or transferring ownership, are documented, approved and maintained.</p>			
<p>Control no</p>	<p>Process</p>	<p>Control</p>	<p>Tests performed by KPMG LLP and results</p>

<p>11.1</p>	<p>Regulations require Master Trusts to maintain a Continuity Strategy which sets out how the interests of members will be protected during a Triggering Event. This Continuity Strategy superseded the Discontinuance Plan.</p> <p>The Trustee Board agrees with Smart Pension a Continuity Strategy for the orderly windup of the Scheme in the event of financial or regulatory failure of SPL and any major provider, and of any other events that withdrew or limited the Scheme's access to sufficient funds required to operate the Scheme.</p> <p>The Continuity Strategy is reviewed at least annually by the Trustee Board. The Trustee Board revises the Continuity Strategy where a material change is required or the capital adequacy requirements are adjusted.</p> <p>A copy of the revised Continuity Strategy is shared with the Regulator within 5 working days of the revised document being approved and signed by all signatories. Responsibility for sharing this with TPR rests with Smart's</p>	<p>The Continuity Strategy is shared and agreed with the Scheme Strategist.</p> <p>The Strategy is reviewed and approved by the Trustee at least annually at the full Trustee Board meeting. It is revised where a material change is required or the capital adequacy requirements are adjusted. The changes are identified by the Scheme Strategist and presented to the Trustee at the meeting. It is evidenced by the meeting minutes.</p> <p>A copy of the revised Strategy is shared with TPR - see control 3.2.</p>	<p>For the annual review of the Continuity Strategy, inspected the meeting minutes and noted that it was shared and agreed with the Scheme Strategist and reviewed and approved by the full Trustee Board and any changes identified by the Scheme Strategist were presented to the Trustee meeting.</p> <p>No exceptions noted.</p>
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	Head of Regulatory Affairs and a copy of the revised Strategy is retained in the Trustee's documentation repository.		
11.2	<p>The provisions for the eventuality of the termination and winding up of the Scheme are documented in the Trust Deed and Rules of Smart Pension Master Trust. Only the Trustee Board holds the power to amend these provisions</p> <p>A review of the Discontinuance Plan (Continuity Strategy) is recorded as an annual event in the Trustee Board Scheme Calendar. The Scheme's definitive Trust Deed and Rules, dated 14 August 2019 includes provisions for the eventuality of the termination and winding up of the Scheme. Only the Trustee Board holds the power to amend these provisions.</p> <p>The Risk & Governance Sub-Committee reviews and monitors the financial position of the Scheme at least on a quarterly basis.</p>	<p>The Scheme Strategist prepares a monthly report against the milestones within the Business Plan as well as a gives an update on the financial position of the Scheme during the quarterly full Trustee Board meetings.</p> <p>The updates on the financial position and the position against the milestones are presented to the Trustee at the Risk & Governance Sub-Committee quarterly meetings. Any concerns or queries are logged on the Action Log. These are subsequently followed up by a Director, adviser or a member of Smart Pension Financial Services Team and marked as resolved on the log presented at the following meeting.</p> <p>The findings are reported by the Chair of the Risk & Governance Sub-Committee to the Trustee at the full Trustee Boards meeting and can be evidenced by the meeting minutes.</p>	<p>For a selection of months, inspected meeting minutes and noted that the Scheme Strategist provided an update of milestones and the financial position of the Scheme to the Risk & Governance Sub-Committee and any concerns or queries were logged on the Action List and marked as resolved on the log.</p> <p>For the same selection, inspected the meeting minutes and noted that the findings were reported by the Chair of the Risk & Governance Committee to the Trustee at the full Trustee Board meetings.</p> <p>No exceptions noted.</p>

	<p>The Trustee Directors receives a monthly report against the milestones within the Business Plan. This process is managed by the Smart Financial Services Team and recorded. Milestones are recorded on meeting agendas and discussions minuted.</p> <p>Where a milestone is not met within the tolerances outlined within the Business Plan significant event reports will be made to the Regulator as required. Responsibility for this sits with Smart's Head of Regulatory Affairs. Copies of any reporting are recorded.</p> <p>The Chair of the Risk & Governance Sub-Committee reports back to the Trustee Board at a full Board meeting. This is documented in the Trustee Board meeting agendas and minutes.</p>		
<p>12. A risk management framework is established to identify, evaluate and treat scheme risks. Risks are recorded in a risk register which is reviewed at least annually.</p>			
<p>Control no</p>	<p>Process</p>	<p>Control</p>	<p>Tests performed by KPMG LLP and results</p>

<p>12.1</p>	<p>The Trustee Board identifies risks applying to the Scheme, assesses them by considering the impacts and likelihood of their occurrence, and manages them by identifying suitable controls and countermeasures to mitigate the risks.</p> <p>The Trustee Board maintains, reviews and discusses the SPMT Scheme Risk Register at every quarterly main Trustee Board meeting, as well as each separate Sub-Committee reviewing and updating their own section of the SPMT Risk Register. The Risk Register is a standing agenda item for every Trustee Board meeting and is therefore documented in the minutes of each meeting.</p> <p>A review of the Scheme Risk Register is recorded as an annual event in the Trustee Board's Scheme Calendar. The Register has been updated to consider TPR's DC Code of Practice on Governance and Administration and the DC guides issued in 2016. The relevant risks are reviewed by each Trustee Board Sub-Committee.</p>	<p>The Trustee Board maintains a Scheme Risk Register. The Risk Register is updated at least quarterly by the Smart Financial Services Team. Changes and updates are reported to the full Trustee Board and approval to the updated Register sought either at a full Trustee Board meeting or via email where out of cycle.</p> <p>The Risk Register is subject to a formal annual review by the full Trustee Board. This may be carried out during a full Trustee Board meeting or 'offline' by delegated Trustee Directors.</p> <p>Representatives of the Smart Financial Services Team undertake this review in conjunction with the Trustee. Updates and iterations of the amended Risk Register are provided to the full Trustee Board at a Trustee meeting and approval sought to the final amended version. This process is evidenced by copies of emails between the Trustee and the Smart Pension Financial Services Team or, by copies of the Risk Register iterations and by minutes of the relevant meetings where updates</p>	<p>For a selection of quarters, inspected the meeting minutes and noted that the Risk Register was updated and changes approved by the full Trustee Board.</p> <p>For the annual review of the Risk Register, inspected the meeting minutes and noted that it was reviewed by the Smart Financial Services Team and reviewed and approved by the full Trustee Board.</p>
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		<p>are shared / approval sought with the Trustee.</p> <p>Each Sub-Committee also reviews those risks which they consider to be their 'top risks' at Sub-Committee meetings at least twice a year. Any comments and/ or suggested amendments as a result of the Sub-Committee reviews are recorded in the relevant Sub-Committee meeting minutes. All recorded changes are subsequently made by the Smart Pension Financial Services Team.</p> <p>A copy of the Risk Register is shared with the Pensions Regulator (TPR) two weeks in advance of each scheduled supervisory meeting. This is evidenced by the meeting documents shared with the Regulator (TPR).</p>	<p>For a selection of meetings, inspected meeting minutes and noted that risks were reviewed by each Sub-Committee.</p> <p>For a selection of meetings with the Regulator (TPR), inspected meeting minutes and noted that the Risk Register was shared with the Regulator (TPR) two weeks in advance of the meetings.</p> <p>No exceptions noted.</p>
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6.5 Administration

Core financial transactions

13. Core financial transactions are processed promptly and efficiently.			
Control no	Process	Control	Tests performed by KPMG LLP and results
13.1	<p>The Administrator maintains documented financial and non-financial reconciliation procedures, which sets out the frequency of reconciliations (which is less than monthly intervals in all cases), in relation to:</p> <ul style="list-style-type: none"> - Reconciling member data at the point contribution payroll files are uploaded. - Validating contributions. - DC Unit Reconciliation. - Bank reconciliations. - Investment reconciliations. <p>The Trustee carries out a formal triennial review of the administration systems assurance processes or where a significant change to the Smart Platform takes place. Any findings are recorded</p>	<p>To help ensure that the core financial transactions are processed promptly and accurately, the Trustee reviews documented procedures for the Administration Team to follow. Standing Operational Procedures are prepared by the Finance Team and Operations Team. They are reviewed internally by one of the following:</p> <ul style="list-style-type: none"> • Head of Technical Operations and Implementation • Head of Regulatory Affairs • Director of Operations • Data Protection Officer <p>and Legal Counsel and/or Head of Regulatory Affairs. The review history is recorded on the documents themselves.</p>	<p>Inspected the Standing Operational Procedures and noted they had been reviewed by either</p> <ul style="list-style-type: none"> • Head of Technical Operations and Implementation • Head of Regulatory Affairs • Director of Operations • Data Protection Officer <p>and Legal Counsel and/or Head of Regulatory Affairs.</p> <p>No exceptions noted</p>

	<p>at the next available full Trustee Board meeting and discussions minuted.</p> <p>The Operations Sub-Committee of the Trustee Board meets at least quarterly to discuss any issues and review any external administration processing.</p> <p>The Trustee reviews significant changes to the documented procedures where they take place.</p>	<p>The formal triennial review is initiated by Smart Pension Financial Services Team with assistance of the Administration Team. The findings of the review are presented to the Trustee's Operations Sub-Committee which reports to the next full Trustee Board meeting. The review is not due until March 2022.</p> <p>After the formal triennial review any queries or follow up actions are logged on the Action List. These are subsequently investigated by the Administration or Financial Services team. Once resolved, they are reported back by the Chair of the Operations Sub-Committee to the full Trustee Board at the next available meetings.</p> <p>This is evidenced by the Actions Log and minutes from the Sub-Committee and full Trustee Board meetings.</p>	<p>Inspected the latest triennial review to determine whether a review was required by the Operations Sub-Committee in the period.</p> <p>We noted that no such review was required within the reporting period, therefore we were unable to test the implementation or operating effectiveness of this control.</p>
13.2	<p>The Trustee Board monitors the Administrator's performance of core Scheme transactions.</p>	<p>Core Scheme transactions are included in the quarterly administration reports, which are prepared by the Administration team.</p>	<p>For a selection of quarters, inspected the meeting minutes and noted that the quarterly administration reports were</p>

	<p>This is reviewed at each quarterly Trustee Board meeting and documented in the Trustee Board meeting agendas and minutes.</p> <p>The Operations Sub-Committee reviews the Administration Reports at the quarterly meetings following the preparation of the Report. This is recorded in the agenda and any discussion is minuted.</p> <p>The Chair of the Operations Sub-Committee reports on key matters arising at the next full ordinary Trustee Board meeting. This is recorded in the agenda and any discussion is minuted.</p>	<p>The reports are presented to the Trustee at the Operations Sub-Committee quarterly meetings. After their review, any queries or follow up actions are logged on the Action List. These are subsequently investigated and resolved by the Administration or Financial Services team and reported back by the Chair of the Operations Sub-Committee to the full Trustee Board at the next available meetings. This is evidenced by the Actions Log and minutes from the Sub-Committee and full Trustee Board meetings.</p>	<p>reviewed by the Trustee at the Operations Sub-Committee and any queries or follow up actions were logged on the Action List and marked as resolved on the log.</p> <p>No exceptions noted.</p>
<p>14. Contributions are invested in accordance with member instructions or the requirements of the default arrangement.</p>			
Control no	Process	Control	Tests performed by KPMG LLP and results
14.1	<p>The SPMT workplace pension administration platform has built in the Smart Pension 'API' (application program interface) to work with payroll software providers to enable employee, payroll and contribution data to be</p>	<p>Standing Operational Procedures for the investment of contributions are prepared by the Finance Team and Operations Team. They are reviewed internally by one of the following:</p>	<p>Inspected the Standing Operational Procedures and noted they had been reviewed by either</p> <ul style="list-style-type: none"> - Head of Technical Operations and Implementation

	<p>submitted directly to Smart Pension, use industry standard formatting (such as PAPDIS) and enable direct debit contributions to be collected straight into the Scheme bank account. The system operates a straight through process method utilising additional API links with Calastone.</p> <p>A documented procedure in relation to investment of contributions in accordance with member instructions or the default policy is maintained.</p> <p>At the point of joining the Scheme, all members are enrolled into the default arrangement and this takes into account the age of a member in order to allocate the members fund allocation according to the glide-path. Once enrolled a member can select to tailor their own investment strategy.</p> <p>The process of investing and allocating contributions in accordance with members instructions is automated and based on the either members' choice or, in case of lack of it, default arrangements.</p>	<ul style="list-style-type: none"> - Head of Technical Operations and Implementation - Head of Regulatory Affairs - Director of Operations - Data Protection Officer senior personnel within the teams and Legal Counsel and/or Head of Regulatory Affairs. The review history is recorded on the documents themselves. 	<ul style="list-style-type: none"> - Head of Regulatory Affairs - Director of Operations - Data Protection Officer and/or Head of Regulatory Affairs. <p>No exceptions noted.</p>
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14.2	<p>The Trustee obtained the external Agreed Upon Procedures report which was prepared and finalised in March 2019 at the point of authorisation submission.</p> <p>The Trustee will carry out a formal triennial review of the administration systems assurance processes or where a significant change to the Smart Platform takes place. Any findings are recorded at the full Trustee board meeting and discussions minuted.</p>	<p>The review process is carried out by the Financial Services Team and presented to the Trustee at the Operations Sub-Committee meeting.</p> <p>After the Trustee's review, any queries or follow up actions are logged on the Action List. These are subsequently investigated by the Administration or Financial Services team. Once resolved, they are reported back by the Chair of the Operations Sub-Committee to the full Trustee Board at the next available meeting. This is evidenced by the Actions Log and minutes from the Sub-Committee and full Trustee Board meetings.</p>	<p>Inspected the latest Independent Agreed Upon Procedures report to determine whether a review was required by the full Trustee Board in the period.</p> <p>We noted that no such review was required within the reporting period, therefore we were unable to test the implementation or operating effectiveness of this control.</p>
15. Transaction errors are identified and rectified.			
Control no	Process	Control	Tests performed by KPMG LLP and results
15.1	In the event of any transaction errors occurring, Smart Pension provides the Trustee Board with details of the errors and how they are being rectified within the quarterly administration report.	An error and omissions log, as well rectification of errors, are included in the quarterly administration reports, which are prepared by the Administration Team.	For a selection of quarters, inspected the meeting minutes and noted that the error and omissions log, included in the quarterly administration reports,

	<p>An error and omissions log is maintained by the Administrator and shared with the Operations Sub-Committee via the monthly or quarterly Administration Reports.</p> <p>Transaction errors recorded in the log are presented by the Chair of the Operations Sub-Committee and reviewed at the quarterly Trustee Board meetings.</p> <p>The relevant Sub-Committee or Main Trustee Board is notified and updated on any significant issues arising and their resolution. All discussions are minuted.</p>	<p>The reports are presented to the Trustee at the Operations Sub-Committee quarterly meetings. After their review, any queries or follow up actions are logged on the Action List. These are subsequently investigated by the Administration Team. Once resolved, they are reported back by the Chair of the Operations Sub-Committee to the full Trustee Board at the next available meeting.</p> <p>This is evidenced by the Actions Log and minutes from the Sub-Committee and full Trustee Board meetings.</p>	<p>were reviewed by the Trustee at the Operations Sub-Committee and any queries or follow up actions were logged on the Action List and marked as resolved on the log.</p> <p>For the same selection, inspected the meeting minutes and noted that the findings were reported by the Chair of the Operations Sub-Committee to the Trustee at the full Trustee Board meeting.</p> <p>No exceptions noted.</p>
15.2	<p>In parallel to control 15.1, Smart Pension maintains a log of the incidence and resolution of complaints, and this is routinely reviewed by the Operations Working Group with commentary on any patterns and unresolved issues escalated to the Trustee Board as appropriate.</p>	<p>Smart Pension maintains a log of the incidence and resolution of complaints. It is reviewed by the Operations Working Group during their weekly meetings. The Group prepares a commentary on any patterns and unresolved issues, which are escalated to the Trustee Board.</p>	<p>For a selection of weeks, inspected meeting meetings and noted that the log of the incidence and resolution of complaints was reviewed by the Operations Working Group and any unresolved issues escalated to the Trustee Board.</p> <p>No exceptions noted.</p>

		Any issues escalated to the Trust Board are recorded in the meeting minutes.	
15.3	<p>The Operations Sub-Committee escalates significant issues to the Trustee Board. The Trustee maintains an Internal Dispute Resolution Procedure (IDRP).</p> <p>Representatives of the Trustee Board will review complaint responses which reach IDRP. The IDRP is periodically reviewed. Any considerations, revisions and approvals are recorded and discussions minuted.</p>	<p>The Trustee maintains an Internal Dispute Resolution Procedure. It is reviewed on annual basis and approved by the full Trustee Board.</p> <p>This is evidenced by the Trustee meeting minutes or exchange of emails with the Trustee's approval if done outside meetings.</p>	<p>For the annual review of the Internal Dispute Resolution Procedure, inspected emails and meeting minutes and noted that it was reviewed and approved by the full Trustee Board.</p> <p>No exceptions noted.</p>
16. Cash is safeguarded and all payments are suitably authorised and controlled.			
Control no	Process	Control	Tests performed by KPMG LLP and results
16.1	<p>The Scheme bank account used by the Administrator is set up and controlled by the Trustee Board, with day-to-day responsibilities delegated to named persons at Smart Pensions.</p> <p>Up until September 2020 the main Trustee Bank Account was with Metrobank.</p>	<p>The Scheme Founder acts on the Trustee's instructions, seeks a suitable replacement and proposes the new provider to the Trustee.</p> <p>The proposal is reviewed by the Operations Sub-Committee and / or R&G Sub-Committee and the full Trustee Board. The Trustee approves</p>	<p>For a selection of new providers, inspected meeting minutes and noted that it was reviewed and approved by the full Trustee Board and the Operations Sub-Committee and the bank client application form signed by the Trustee.</p>

	<p>Whenever the Trustee considers new banking arrangements, these discussions are recorded within the Trustee Board and relevant Sub-Committee minutes.</p> <p>The account with Santander UK Plc was fully opened from October 2020.</p> <p>The Trustee seeks updates at relevant Sub-Committee and Trustee Board meetings and these updates are recorded within the relevant minutes.</p>	<p>the new provider by signing the bank client application form.</p> <p>This is evidenced by full Trustee Board and the Operations Sub-Committee meeting minutes and the signed bank client application form.</p>	<p>No exceptions noted.</p>
16.2	<p>All bank account transactions are automatically recorded with progress status reports issued. Unique reference numbers for each transaction enables automatic reconciliations to take place. Payment instructions authority levels are set up in accordance with seniority.</p> <p>Staff who administer the Scheme have sufficient skills, experience and qualifications required to the size of the Scheme; and there are learning packages in Smart Pension for staff training.</p>	<p>The Operations Sub-Committee reviews the controls and authorised personnel list annually. Any changes are recorded in the meeting minutes, communicated via Finance Team to the Bank Manager and the Administration Team via email.</p>	<p>For the annual review of the controls and authorised personnel list, inspected the meeting minutes and noted that it was reviewed by the Operations Sub-Committee.</p> <p>No exceptions noted.</p>

	<p>The delegations are detailed in the documented Standard Operating Procedures. The standard limits indicated within each administration report are effective from quarter 1 2020 and reviewed within the Operations Sub-Committee. Any discussions are minuted and updates provided by the Chair of the Operations Sub-Committee to the Trustee board at the next meeting.</p>		
16.3	<p>Smart Pension Operations Team has meetings to discuss any issues arising, supplemented by meetings of the Operations Sub-Committee of the Trustee Board. Any material issues or concerns are reported to the Trustee Board for discussion and decision-making as needed.</p> <p>Material issues are raised as agenda items for discussion at the relevant Sub-Committee and / or the Trustee Board. These matters are recorded within the minutes of the relevant meeting.</p>	<p>Smart Pension Operations Team discusses and seeks resolution of any issues arising in respect of maintaining Trustee bank account. These are supplemented by quarterly meetings of the Operations Sub-Committee of the Trustee Board. Any material issues or concerns are reported in the quarterly Administration Reports to the Trustee Board for discussion and decision-making.</p> <p>Any queries or follow up actions are logged on the Action List. These are subsequently investigated by the Administration Team. Once resolved,</p>	<p>For a selection of quarters, inspected the meeting minutes and Administration Reports and noted that any issues arising in respect of maintaining the Trustee bank accounts were reported to the Trustee for discussion at the Operations Sub-Committee and any queries or follow up actions were logged on the Action List and once resolved reported back to the full Trustee Board meeting.</p> <p>No exceptions noted.</p>

		<p>they are reported back to the full Trustee Board at the next available meeting.</p> <p>This is evidenced by full Trustee Board and the Operations Sub-Committee meeting minutes.</p>	
16.4	<p>The Finance Team reconciles the Scheme bank account at least monthly in accordance with the documented standing operation procedure.</p>	<p>The Finance Team follows the standing operation procedure and reconciles the Trustee's bank account at least monthly. The Assistant Pension Accountant is responsible for downloading and saving bank statements. The Pension Accountant identifies, analyses transactions, and reconciles these against NetSuite entries.</p> <p>Any issues are flagged to relevant teams for further investigation, and are reported to the Trustee in the quarterly Administration Reports.</p>	<p>For a selection of months, inspected the bank reconciliations and noted that they had been reconciled against NetSuite entries by the Pension Accountant in accordance with the standing operation procedure.</p> <p>For a selection of quarters, inspected the Administration Reports and noted that issues were flagged and investigated further and reported to the Trustee.</p> <p>No exceptions noted.</p>

17. Late and inaccurate contributions are pursued and resolved.

Control no	Process	Control	Tests performed by KPMG LLP and results
17.1	<p>Employers are provided with guidance on auto-enrolment, their obligation to remit contributions within the required timescales and use of the online system. The Participation Agreement with employers outlines the employer’s duties. Employers are supported by way of a telephone helpline, website and email support.</p> <p>The Trustee Board reviews key documents such as the Standard Operating Procedures for monitoring late payments.</p> <p>Smart Pension’s assessment of contributions operates in line with tax months and notifies all employers of contributions due in the last week of the tax month.</p> <p>Up until 7th August 2020 Direct debits were collected on the 7th day of the month and sent to the fund manager by</p>	<p>The Operations Team follows the process outlined in the Standard Operating Procedure for monitoring late payments. On a monthly basis a system generated report is downloaded from Tableau which provides a list of employers with contributions outstanding for 30 or more days from the due date.</p> <p>Valid exclusion reasons are then added by the Operations Team and verified by a senior team member. The report is then submitted online to The Pensions Regulator (TPR) via Exchange. TPR flags are uploaded to the platform as a marker of how late an employer was as at the date the report was submitted.</p> <p>The Operations Team then provides contact details to the Marketing Team which sends late payment notifications via EmailOctopus to employers and the advisers of reported companies. Late</p>	<p>For a selection of months, inspected the system generated report from Tableau and noted that the Operations Team added valid reasons and it had been verified by a senior team member before submission to The Pensions Regulator (TPR) in accordance with the standing operation procedure.</p> <p>For the same selection, inspected late payment notifications via EmailOctopus and noted that the Operations Team had completed the Late Reporting Plan at each stage of the reporting process.</p> <p>No exceptions noted.</p>

	<p>the 22nd day the following month. The system retries failed payments on 14th and 21st of the month with associated reporting made if the payment is not received by the due date (i.e. 22nd of the month following deduction).</p> <p>After 7th August 2020, employers can opt to upload their contribution file early and request for the payment file to be collected by direct debit. Any files which are uploaded and 'pay now' functionality is not selected, will be collected on the next 7th day of the month. If the payment fails, the employer will be asked to use the 'pay now' functionality or the Platform will seek to collect the outstanding amounts in the following month's cycle.</p>	<p>payment notifications are also sent to the affected members of reported companies via EmailOctopus, or by post where an email address is not held on record.</p> <p>The Operations Team completes the Late Reporting Plan at each stage of the reporting process.</p>	
17.2	<p>be collected by direct debit. Any files which are uploaded and 'pay now' functionality is not selected, will be collected on the next 7th day of the month. If the payment fails, the employer will be asked to use the 'pay now' functionality or the Platform will seek to collect the outstanding amounts in the following month's cycle.</p>	<p>If the payment fails, the employer is asked to use the 'pay now' functionality or the Platform seeks to collect the outstanding amounts in the following month's cycle.</p> <p>This is documented in the procedures used by the Operations team, which was approved by the Trustee at the point of Master Trust authorisation. Any subsequent changes are provided by the Head of Compliance verbally during the Operations and Risk & Governance Sub-Committee meetings and documented via meeting minutes.</p>	<p>Inspected the Standing Operational Procedures and noted they had been approved by the Trustee at the point of Master Trust authorisation with no subsequent changes required.</p> <p>No exceptions noted.</p>
17.3	<p>Administration Reports presented to the Trustee Board include details of late payments of contributions.</p>	<p>Late Payments reporting is prepared by the Operations Team and included in the quarterly administration reports.</p>	<p>For a selection of quarters, inspected the meeting minutes and noted that Late Payments</p>

	<p>The Trustee Board receives the Administration Reports which include information on late and missing contributions. Reporting on late and missing contributions is dealt with by the Operations Sub-Committee with significant issues raised at the relevant Trustee Board meetings. When necessary, reports are made to the TPR. Responsibility for the reporting sits with Financial Services Team.</p>	<p>The reports are presented to the Trustee at the Operations Sub-Committee quarterly meetings. After their review, any queries or follow up actions are logged on the Action List. These are subsequently investigated by the person assigned in the action list. Once resolved, they are reported back to the Operations Sub-Committee or full Trustee Board at the next available meeting.</p> <p>This is evidenced by the Actions Log and minutes from the Sub-Committee and full Trustee Board meetings.</p> <p>The unresolved late and missing payments are reported to TPR - see control 3.2.</p>	<p>reporting, included in the quarterly administration reports, were reviewed by the Trustee at the Operations Sub-Committee and any queries or follow up actions were logged on the Action List and marked as resolved on the log.</p> <p>No exceptions noted.</p>
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Business and disaster recovery

18. Data and systems are backed up regularly, retained offsite and regularly tested for recoverability. Business and information systems recovery plans are documented, approved, tested and maintained.			
Control no	Process	Control	Tests performed by KPMG LLP and results
18.1	<p>The Trustee follows Smart Pension’s Disaster Recovery policy which is reviewed by Smart. The Trustee Board also sees the Disaster Recovery policy as part of ongoing governance procedures.</p> <p>The Trustee reviewed and monitored the Scheme Strategist’s Business Continuity Plan in response to the Covid Pandemic.</p> <p>Member records are held by the Administrator with data and IT backups maintained as part of the IT security architecture. This was documented in the Systems and Processes questionnaire that was presented to the Trustee Board.</p>	<p>The DRP is reviewed and tested by the external party and internally by the Engineering Team every six months.</p> <p>The Disaster Recovery Test results are reported to the Trustee Board via quarterly Administration Reports and also via the Risk and Governance Sub-Committee.</p> <p>After review, queries and/or follow up actions are logged on an Action List.</p> <p>Actions are subsequently investigated by the Administration Team. Once resolved, they are reported back to the full Trustee Board at the next available meeting.</p>	<p>For a selection of DRP tests, inspected meeting minutes and noted that they were reviewed and tested by both an external party and internal Engineering Team every six months and that test results were reported to the Trustee Board and Risk and Governance Sub-Committees via quarterly Administration Reports. Any queries or follow up actions were logged on the Action List and marked as resolved on the log and reported back to the full Trustee Board.</p> <p>No exceptions noted.</p>

	<p>The Disaster Recovery (DR) policy details the replication of the application and related databases and automatic failover to another application instance or database with no downtime. The DR policy is presented to the Trustee Board as part of the Systems and Processes questionnaire submission.</p> <p>The Administrator has its own DR policy which is reviewed bi-annually by the risk forum and Data Protection Officer (DPO). The policy is updated as necessary following its reviews and tested by an external party every six months.</p> <p>The DR test results are reported to the Trustee Board via the quarterly Administration Reports and also via the Risk and Governance Sub-Committee.</p> <p>There is a combined Business Continuity and DR policy which is reviewed bi-annually to ensure that any changes to the business infrastructure or processes are reflected in the escalation procedures outlined in the it. Selected onsite testing is performed by the IT team.</p>	<p>This is evidenced by the Actions Log and Minutes from the Sub-Committee and full Trustee Board meetings.</p>	
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	A review of the Disaster Recovery Policy for the Administrator is recorded as an annual event in the Trustee Board's Scheme Calendar.		
18.2	Only software which has been certified on CyberArk can be installed by the Non-Domain Admins.	CyberArk automatically prevents non-Domain Admins from installing software unless it has been certified.	<p>On a selection of dates, observed a non-Domain Admin account attempt to install uncertified software and noted that they could not install the software.</p> <p>On a selection of dates, observed a non-Domain Admin account attempt to install certified software and noted that this had been possible.</p> <p>No exceptions noted.</p>
18.3	As part of the regulatory application for authorisation, the Trustee Board obtained an independent Agreed Upon Procedures report which included independent verification of certain controls relating to systems backup and business continuity.	<p>The Independent Agreed Upon Procedures report is subject to review and update every three years or as and when a significant change occurs.</p> <p>The review is undertaken during a full Trustee meeting and evidenced by the meeting minutes.</p>	<p>Inspected the latest Independent Agreed Upon Procedures report to determine whether a review was required by the full Trustee Board in the period.</p> <p>We noted that no such review was required within the</p>

			reporting period, therefore we were unable to test the implementation or operating effectiveness of this control
18.4	The Trustee Board implemented the Oversight of monitoring IT systems & administration processes policy in December 2020. It ensures that regular reporting to the Trustee Board over the functionality of IT systems and procedures is maintained.	<p>The Oversight of monitoring IT systems & administration processes policy is reviewed by the Trustee on annual basis at the Risk & Governance Sub-Committee meeting.</p> <p>Following the Trustee's review, any queries or follow up actions are logged on the Action List. These are subsequently investigated by the Financial Services team or a member of another team responsible for the action. Once resolved, they are reported back by the Chair of the Risk & Governance Sub-Committee to the full Trustee Board at the next available meeting. This is evidenced by the Actions Log and minutes from the Sub-Committee and full Trustee Board meetings.</p>	<p>For the annual review of the Oversight of monitoring IT systems & administration processes policy, inspected the meeting minutes and noted that it was reviewed by the Trustee at the Risk & Governance Sub-Committee meeting.</p> <p>No exceptions noted.</p>
18.5	The Engineering team undertakes Disaster Recovery (DR) testing at least annually. The purpose of these tests is to help ensure that in the event of	Documented Disaster Recovery procedures contain rules and requirements that engineers must follow to recover the database in the	Inspected the Disaster Recovery Procedure and noted that they had been documented and contained rules and

	<p>catastrophic failure (a worse-case scenario) Smart can start up a new environment from scratch and restore backups of data in a coordinated and timely manner.</p> <p>The Engineering team has documented Disaster Recovery procedures which contain the rules and requirements that engineers must follow to recover the database in the event of P1 (critical) failure. The environment used to carry out the testing is a specific DR test environment and does not interfere with the live production environment of our clients. To help ensure a high degree of resiliency, Smart has two ways to recover the database from a backup:</p> <ul style="list-style-type: none"> • the most recent version can be obtained from the AWS (Amazon Web Services) RDS snapshot; and • if that fails for any reason, there are also weekly backups saved to AWS S3 bucket. <p>Smart also checks the Business Continuity and Disaster Recovery</p>	<p>event of P1 (critical) failure.</p> <p>Disaster reports are prepared Recovery by the DevOps team on a six-month basis and reviewed by the Engineering team.</p> <p>Critical issues identified within the Disaster Recovery reports are addressed by the DevOps team and if needed other engineers.</p> <p>Critical issues are reported to the Regulatory and Compliance teams and the Trustees are informed.</p>	<p>requirements that engineers must follow to recover the database in the event of P1 (critical) failure.</p> <p>For both six monthly Disaster Recovery reports, inspected the reports and noted that they had been prepared by the DevOps team and reviewed by the Engineering team.</p> <p>For both six monthly Disaster Recovery reports, inspected the reports to determine whether there had been any critical issues identified.</p> <p>No exceptions noted.</p> <p>There had been no critical issues identified in the Disaster Recovery reports. Therefore, we were unable to test the operating effectiveness of this element of the control.</p>
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	<p>capabilities of our cloud suppliers as part of due diligence performed at the onboarding stage.</p> <p>Any critical issues discovered during the Disaster Recovery tests are reported to the Trustee by a member of the Financial Services team. Trustee meetings are minuted.</p>		
18.6	<p>Data is stored on the managed database service Aurora MySQL.</p> <p>Snapshots and a backup of the Aurora MySQL database are taken nightly automatically. Should there be any failures in creating the backups, the Aurora MySQL database automatically sends an email to the DevOps team for resolution.</p>	<p>Snapshots and a backup of the Aurora MySQL database are taken nightly automatically. If there are any failures in creating the backups, the Aurora MySQL database automatically sends an email to the DevOps team for resolution.</p>	<p>On a selection of dates, observed the Aurora MySQL database configuration and noted that it had been configured to take snapshots and a backup nightly automatically.</p> <p>On a selection of dates, observed the Aurora MySQL database to determine whether it had been configured to automatically send an email to the DevOps team for resolution if there had been a failure in creating backups.</p> <p>Exception noted: Management were unable to</p>

			<p>provide evidence that the Aurora MySQL database had been configured to automatically send emails to the DevOps team for resolution during the period. As such, we were unable to test the implementation and operating effectiveness of this element of the control in the reporting period.</p> <p>Management response: <i>During testing performed in March and April 2021 (post period end), we provided KPMG with evidence that the Aurora MySQL database had been configured at this point-in-time automatically to send emails to the DevOps team for resolution if there had been a failure in creating backups.</i></p>
18.7	<p>Business Continuity Processes (BCP) are managed through the establishment of the BCP corporate working group. During Covid 19, this group meets weekly to help ensure the operational</p>	<p><u>01/10/2019 – 31/12/2020</u> The Business Continuity Policy is reviewed by the Risk and Governance team at least annually.</p> <p>The Business Continuity Policy is tested</p>	<p><u>01/10/2019 – 31/12/2020</u> Inspected the Business Continuity Policy and noted that it had been reviewed at least annually by the Risk and Governance team.</p>

	<p>continuity of the business and to ensure the safety and welfare of employees.</p> <p>BCP are also tested through simulation testing e.g. call cascade testing and data breach scenario testing.</p> <p>Smart also check the Business Continuity and Disaster Recovery capabilities of our cloud suppliers as part of due diligence performed at the onboarding stage.</p> <p>Issues identified are categorised by order of importance and impact. Critical issues are prioritised and worked on immediately. The on-call Incident Commander and the Head of DevOps, Senior Engineering Manager overseeing DevOps or Head of Engineering are informed. The senior managers assign a person in charge who in turn brings in other Engineers to help remedy the issue. If there is a data related issue, they can decide to put the platform in maintenance mode and inform the Data Protection Officer. The issue is investigated and follows the central software development policy and</p>	<p>at least annually through simulation testing managed by the Risk and Governance team. This is evidenced via a post simulation testing report.</p> <p><u>16/03/2020 – 31/12/2020</u> A BCP corporate working group meets at least weekly, and actions are recorded in meeting minutes.</p>	<p>Inspected the annual simulation testing report and noted that the Business Continuity Policy had been tested and this had been managed by the Risk and Governance team.</p> <p><u>16/03/2020 – 31/12/2020</u> For a selection of weeks, inspected the minutes from the BCP corporate working group to determine whether the meeting had taken place and actions had been recorded in the meeting minutes.</p> <p>Exception noted: For two out of eight weeks selected, there was no evidence that the BCP corporate working group meeting had taken place.</p> <p>Management response: <i>The minutes of the meetings were only taken whenever there were follow up actions, which was not the case for the mentioned two meetings. We have introduced a</i></p>
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	control (approval by other Senior Engineers and rigorous testing is performed). If non-critical, it is prioritised based on relevance and importance as per any other work with liaising with the Product team.		<i>Google Meets tracker of the meetings post period end and going forward we are able to produce acceptable evidence of the meetings taking place.</i>
19. The capacity of an administration system to take on business is assessed, approved and regularly monitored.			
Control no	Process	Control	Tests performed by KPMG LLP and results
19.1	<p>Data is stored on the managed database service Aurora MySQL.</p> <p>Aurora scales compute capacity on request. The new capacity is available within minutes, and the database transparently shifts to the new servers with minimal downtime (failovers may take up to 30 seconds). Requests for additional database compute capacity to serve growing demands are made by the DevOps team based on monitoring current and projected loads.</p> <p>(Note: Aurora allocates storage from AWS on an as-needed basis, and does not require storage allocation</p>	Reviews and approvals to the changes to the capacity of the Aurora MySQL database are performed by members of the Engineering team. These are carried out prior to these changes being implemented.	<p>Inspected the Aurora MySQL database to determine whether there had been any changes to the capacity of the database during the period.</p> <p>There were no changes made to the capacity of the Aurora MySQL database during the period. Therefore, we were unable to test the implementation and operating effectiveness of this control.</p>

	procedures. Hence there are no controls listed for storage scalability.)		
19.2	<p>Smart assesses its capacity to take on new business using a four-part process:</p> <ul style="list-style-type: none"> • Create mock pensions data for a Scheme greater in size than any new business forecast during the coming year; • Acquire infrastructure resources (compute and database) appropriate to the chosen size; • Install the mock pensions data into the test infrastructure; and <p>Test that the resulting system operates correctly, and that it meets the performance targets necessary to support the forecast number of members and users.</p>	<p>The Engineering team performs a scalability assessment annually. Following this scalability assessment, a report is produced by the Engineering team members and lessons learnt are noted.</p>	<p>Inspected the annual scalability assessment report and noted that this had been performed by the Engineering team members and lessons learnt had been noted.</p> <p>No exceptions noted.</p>
19.3	<p>Reports on pension administration platform and resourcing requirements are provided at least annually to the Trustee Board. These are recorded in the Trustee Board meeting agendas and minutes.</p> <p>A review of the pension administration platform and resourcing requirements</p>	<p>Administration Team prepares reports on pension administration platform and resourcing requirements at least annually. These are presented to the Trustee Board. The review of the report is carried out by the Operations Sub-Committee.</p>	<p>For the annual pension administration platform and resourcing requirements review, inspected the meeting minutes and noted that it was reviewed by the Trustee at the Operations Sub-Committee and any queries or follow up actions were logged</p>

	<p>are recorded as an annual event in the Trustee Board's Scheme Calendar and is reviewed by the Operations Sub-Committee.</p>	<p>After the Trustee's review, any queries or follow up actions are logged on the Action List. These are subsequently investigated and resolved by the Administration Team and reported back by the Chair of the Operations Sub-Committee to the full Trustee Board at the next available meetings.</p> <p>This is evidenced on the Actions Log and minutes from the Sub-Committee and full Trustee Board meetings.</p>	<p>on the Action List and marked as resolved on the log.</p> <p>For the same selection, inspected the meeting minutes and noted that the findings were reported by the Chair of the Operations Sub-Committee to the Trustee at the full Trustee Board meeting.</p> <p>No exceptions noted.</p>
19.4	<p>As part of the regulatory application for authorisation, the Trustee Board obtained an independent Agreed Upon Procedures report which included independent verification of certain controls relating to system's capacity.</p> <p>The Trustee will carry out a formal triennial review of the administration systems assurance processes or where a significant change to the Smart Platform takes place.</p>	<p>The Independent Agreed Upon Procedures report is subject to review and update every three years or as and when a significant change occurs.</p> <p>The review is undertaken during a full Trustee meeting and evidenced by the meeting minutes.</p>	<p>Inspected the latest Independent Agreed Upon Procedures report to determine whether a review was required by the full Trustee Board in the period.</p> <p>We noted that no such review was required within the reporting period, therefore we were unable to test the implementation or operating effectiveness of this control</p>

20. New business take-ons are properly established in accordance with Master Trust’s rules and contractual arrangements.

Control no	Process	Control	Tests performed by KPMG LLP and results
20.1	<p>The Trust Deed and Rules of Smart Pension Master Trust dated 14 August 2019 are the governing documents by which the Scheme is currently administered and managed. Employers wishing to participate in the Scheme are admitted in accordance with these rules.</p> <p>Information about the Scheme’s set up, investments and costs are publicly available online at www.smartpension.co.uk using the Members, Employers, Advisers and Institutions sections.</p> <p>Contractual arrangements are made between the Trustee Board and the participating employer with responsibilities of each party clearly defined within the Rules, which are referred to in the Participation Agreement signed by employers and approved by the Trustee Board.</p>	<p>Contractual agreements for new employers are reviewed by the Legal Team before they are submitted to the Trustee. This is evidenced by exchange of emails.</p>	<p>For a selection of new employers, inspected emails and noted that contractual agreements had been reviewed by the Legal Team before submitted to the Trustee.</p> <p>No exceptions noted.</p>

	Participating employers agree to be bound by the provisions of the Scheme Rules via an electronic admission process using the Participation Agreement. This is documented in the Systems and Processes questionnaire presented to the Trustee Board.		
20.2	<p>As part of the regulatory application for authorisation, the Trustee Board obtained an independent Agreed Upon Procedures report which included independent verification of certain controls relating to an automated process for new schemes being set up correctly and in accordance with the Scheme Rules.</p> <p>The Trustee carries out a formal triennial review of the administration systems assurance processes or where a significant change to the Smart Platform takes place.</p>	<p>The Independent Agreed Upon Procedures report is subject to review and update every three years or as and when a significant change occurs.</p> <p>The review is undertaken during a full Trustee meeting and evidenced by the meeting minutes.</p>	<p>Inspected the latest Independent Agreed Upon Procedures report to determine whether a review was required by the full Trustee Board in the period.</p> <p>We noted that no such review was required within the reporting period, therefore we were unable to test the implementation or operating effectiveness of this control.</p>
20.3	The Participation Agreement was reviewed and approved by the Trustee at the point of its creation.	The only Participation Agreement for all new employers to sign is subject to the Legal Team's review. Any minor changes are reviewed by the Trustee's	For a selection of transfers into the Scheme, inspected emails and meeting minutes and noted that any minor changes to the

	<p>Transfer Agreements are drafted for all transfers taking place into the Scheme.</p>	<p>legal adviser and approved by a representative of the Trustee Board. This is evidenced via an exchange of emails or documented in the minutes of the Risk & Governance Sub-Committee.</p>	<p>Participation Agreement were reviewed by the Trustee's Legal Adviser and approved by a representative of the Trustee Board.</p> <p>No exceptions noted.</p>
20.4	<p>The Trustee is informed about the number of new participating employers in quarterly Administration Reports.</p> <p>Reports on large new take-ons (either by membership, assets or brought in by an adviser) are provided by the Operations Team to the Operations Sub-Committee and minuted.</p> <p>The Chair of the Operations Sub-Committee reports to the Trustee Board and any operational issues arising are discussed and resolved.</p>	<p>The quarterly Administration report is prepared by the Operations Team and presented to the Operations Sub-Committee for review at quarterly meetings.</p> <p>After the Trustee's review, any queries or follow up actions are logged on the Action List. These are subsequently investigated by the Administration team. Once resolved, they are reported back by the Chair of the Operations Sub-Committee to the full Trustee Board at the next available meeting.</p> <p>This is evidenced by the Actions Log and minutes from the Sub-Committee and full Trustee Board meetings.</p>	<p>For a selection of quarters, inspected the meeting minutes and noted that the quarterly Administration reports, were reviewed by the Trustee at the Operations Sub-Committee and any queries or follow up actions were logged on the Action List and marked as resolved on the log and reported back at the full Trustee Board.</p> <p>No exceptions noted.</p>

Data quality and security

21. Member data is complete and accurate and subject to regular data evaluation.			
Control no	Process	Control	Tests performed by KPMG LLP and results
21.1	<p>Member records maintained on the Scheme’s administration system are updated daily through instructions received from Scheme members and payroll files and other information received from employers participating in the Scheme.</p> <p>Administration of member pensions is maintained and can be updated at specific intervals (e.g. daily, by weekly, monthly) by employers using the platform’s administration tool or directly integrating payroll software with the platform’s API. Both interactions use secure communications methods as well as strict security protocols in order to validate the identity of the user as well as access rights and permissions to administer any member data.</p>	<p>Access to amend member data on the Employer Application is restricted to the CTO and Group Managing Director alongside users in the Operations team, Customer Service team and Engineering team.</p>	<p>Inspected the Employer Application and an organisational chart and noted that access to amend member data had been restricted to the CTO and Group Managing Director alongside users in the Operations team, Customer Service team and Engineering team.</p> <p>No exceptions noted.</p>

	<p>Data detailing member and employer contributions is processed and validated by the platform. Errors are communicated to the user of the system in a considerable way (i.e. to the payroll processor or to the logged in user via the user interface).</p> <p>At each significant step in the processing of contributions (receiving payment instructions, drawing down the amount specified, sending trade instructions, and detailing portfolio performance) financial reconciliations take place down to the penny, this is for members and funds. These are detailed in the Employer Application and CRM admin system.</p>		
21.2	<p>The Trustee Board monitors the completeness and accuracy of member data through the Operations Sub-Committee and is recorded within the administration reporting, feedback from the Administrator and Scheme Administration Reports provided to them at each quarterly meeting.</p>	<p>Member data evaluation reports are prepared by the Operations Team and presented to Operations Sub-Committee for review at quarterly meetings.</p> <p>After the Trustee's review, any queries or follow up actions are logged on the Action List. These are subsequently investigated by the Administration</p>	<p>For a selection of quarters, inspected the meeting minutes and noted that the member data evaluation reports were reviewed by the Trustee at the Operations Sub-Committee and any queries or follow up actions were logged on the Action List and marked as resolved on the log.</p>

	<p>These reports also include details of any Data Protection breaches which have occurred during the quarter.</p>	<p>team. Once resolved, they are reported back by the Chair of the Operations Sub-Committee to the full Trustee Board at the next available meeting.</p> <p>This is evidenced by the Actions Log and minutes from the Sub-Committee and full Trustee Board meetings.</p>	<p>For the same selection, inspected the meeting minutes and noted that the findings were reported by the Chair of the Operations Sub-Committee to the Trustee at the full Trustee Board meeting.</p> <p>No exceptions noted.</p>
21.3	<p>Formal arrangements for the monitoring and oversight of data evaluation exercises are undertaken both at an operational level and as part of the standard Operations Sub-Committee reporting through the Smart Pension Administration Reports.</p> <p>Data quality issues are identified quarterly by running the Common Data Score Report, in line with the frequency of the quarterly administration reporting to the Operations Sub-Committee. The Chair of the Operations Sub-Committee will report on any concerns regarding the integrity of data as part of their report to the Trustee Board.</p>	<p>The Common and the Scheme Specific Data Score Report is run by the Operations Team and presented to Operations Sub-Committee for review at quarterly meetings.</p> <p>After the Trustee's review, any queries or follow up actions are logged on the Action List. These are subsequently investigated by the Administration team. Once resolved, they are reported back by the Chair of the Operations Sub-Committee to the full Trustee Board at the next available meeting.</p> <p>This is evidenced by the Actions Log and minutes from the Sub-Committee and full Trustee Board meetings.</p>	<p>For a selection of quarters, inspected the meeting minutes and noted that the Common and the Scheme Specific Data Score Report were reviewed by the Trustee at the Operations Sub-Committee and any queries or follow up actions were logged on the Action List and marked as resolved on the log.</p> <p>For the same selection, inspected the meeting minutes and noted that the findings were reported by the Chair of the Operations Sub-Committee to the Trustee at the full Trustee Board meeting.</p>

	<p>The data issues and gaps are manually fed into the Operations Issue Log. The Operations Sub-Committee reviews the Operations Issue Log quarterly, discusses actions required and assigns a business owner for each issue. The business owners raise the data issues with the employers, who are ultimately responsible for missing or incorrect member data. Any progress made for rectifying the issues / gaps are documented in the Operations Issues Log.</p> <p>The Operations Sub-Committee meeting reviews the quarterly Administration report ahead of the Trustee Board meeting, to ensure data quality is considered prior to Trustee Board consideration and in order to facilitate more effectively any issues that need to be shared at a Trustee Board level, following more detailed operational discussions at the Operations Sub-Committee meeting.</p>		<p>No exceptions noted.</p>
21.4	Plans are maintained for rectifying missing member data or identified member data errors. This is documented	The Operations Team take actions to rectify data via separate exercises. These include:	For a selection of quarters, inspected meeting minutes and noted that actions taken were

	in the Systems and Processes questionnaire presented to the Trustee Board.	<ul style="list-style-type: none"> monthly exercise to identify missing member contribution data; annual address tracing exercises; and in addition, customer service complete ad hoc updates to member details they identify as being incorrect when carrying out data protection checks over the phone or by email. <p>These actions are reported to the Trustee via quarterly Administration Sub-Committee. This is evidenced by the Sub-Committee meeting minutes.</p>	reported to the Administration Sub-Committee. No exceptions noted.
22. Monitoring of operations implemented to support the security of data transmissions and measures implemented to mitigate the threat of malicious electronic attacks are regularly reviewed and documented.			
Control no	Process	Control	Tests performed by KPMG LLP and results
22.1	Encryption is used as required by the Administrator as stated in its Data Protection Policy and the Administrator antivirus software is installed on relevant machines. This is documented in the	The Oversight of monitoring IT systems & administration processes policy is reviewed by the Trustee on annual basis at the Risk & Governance Sub-Committee meeting.	For the annual review of the Oversight of monitoring IT systems & administration processes policy, inspected the meeting minutes and noted that

	<p>Systems and Processes questionnaire presented to the Trustee Board.</p> <p>A review of IT Security is recorded as an annual event in the Scheme Calendar. The Trustee board implemented the Policy for the Oversight of monitoring of IT systems and administration processes in December 2020.</p> <p>This ensures that regular reporting to the Trustee Board over the functionality of IT systems and procedures is maintained. Controls in place to counter malicious electronic attack at the Administrator also include physical and software-based access restrictions and continuous reconciliations that would rapidly highlight any resulting data corruption. This is documented in the Systems and Processes questionnaire presented to the Trustee Board.</p> <p>An external party was engaged to carry out an assessment of the pension application and underlying Application Programming Interface with malicious input being handled gracefully.</p>	<p>Following the Trustee's review, any queries or follow up actions are logged on the Action List. These are subsequently investigated by the Financial Services team or a member of another team responsible for the action. Once resolved, they are reported back by the Chair of the Risk & Governance Sub-Committee to the full Trustee Board at the next available meeting. This is evidenced by the Actions Log and minutes from the Sub-Committee and full Trustee Board meetings.</p>	<p>it was reviewed by the Trustee at the Risk & Governance Sub-Committee meeting.</p> <p>No exceptions noted.</p>
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22.2	The Trustee carries out a formal triennial review of the administration systems assurance processes or where a significant change to the Smart Platform takes place.	<p>The Independent Agreed Upon Procedures report is subject to review and update every three years or as and when a significant change occurs.</p> <p>The review is undertaken during a full Trustee meeting and evidenced by the meeting minutes.</p>	<p>Inspected the latest Independent Agreed Upon Procedures report to determine whether a review was required by the full Trustee Board in the period.</p> <p>We noted that no such review was required within the reporting period, therefore we were unable to test the implementation or operating effectiveness of this control.</p>
22.3	There is a documented laptop build list in Google Docs, which is reviewed and updated at least annually by the IT Infrastructure team.	There is a documented laptop build list in Google Docs, which is reviewed and updated at least annually by the IT Infrastructure team.	<p>Inspected the laptop build list in Google Docs and noted that it had been reviewed and updated by the IT Infrastructure team on an annual basis.</p> <p>No exceptions noted.</p>
22.4	Smart conduct annual penetration tests on our platform using third parties to test for vulnerabilities in both our software and hardware. These tests carry out tests to help ensure that the application suite that our customers use is up to date with the latest security	Platform Application Penetration testing for vulnerabilities is conducted annually by external penetration testers. Results are reviewed by the Architects Guild and actions are performed by the IT and Engineering teams if required.	Inspected the annual Platform Application Penetration test report and noted that it had been reviewed by the Architects Guild and actions had been performed by the IT and Engineering teams.

	enhancements as well as testing the infrastructure.		No exceptions noted.
22.5	<p>Amongst Smart's IT cyber security systems in place, and part of its security tool suite, are:</p> <ul style="list-style-type: none"> • Bitdefender EDR – end-point detection and response and end-point firewall – Antivirus, and; • BitLocker – End device hard drive encryption. 	Bitdefender policy enforces Windows BitLocker on Windows endpoints and Apple Vault on Mac endpoints.	<p>Inspected the Bitdefender policy to determine whether Windows Bitlocker had been enforced on Windows endpoints and Apple Vault had been enforced on Mac endpoints.</p> <p>Exception noted: Management were unable to provide evidence that the Bitdefender policy had been enforced during the period. As such, we were unable to test the implementation and operating effectiveness of this control in the reporting period.</p> <p>Management response: <i>During testing performed in March and April 2021 (post period end), we provided KPMG with evidence that the Bitdefender policy had enforced Windows Bitlocker had been enforced on Windows endpoints and Apple Vault had been</i></p>

			<i>enforced on Mac endpoints at this point-in-time.</i>
22.6	By using AWS, Smart leverages their industry-recognised security architecture, intrusion detection, intrusion prevention, encryption, server access management, data replication and business continuity services to help ensure our infrastructure and data warehousing is safe, reliable, scalable and robust.	A member of the IT team reviews physical and logical access controls within AWS SOC2 reports on a six-monthly basis. This is evidenced via email sign off.	For a selection of six-monthly AWS SOC2 reports, inspected the email sign off and noted that a member of the IT team had reviewed the physical and logical access controls. No exceptions noted.
22.7	The application is protected by a Web Application Firewall (WAF) through Cloudflare. This is configured by the DevOps team. All API calls such as those from Web portals, payroll partners, Payment tools (such as GoCardless), Investment tools (such as Calastone) and any other to the backend application are routed through the WAF. This is intended to help protect the web applications by filtering and monitoring HTTP traffic between the web application and the Internet. It is intended to protect from attacks such as cross-site forgery, cross-site-scripting	Cloudflare is used as a Web Application Firewall (WAF) to protect the web applications. There is an automated built in Slack integration that enables Engineering team members to monitor errors or issues from Datadog and Rollbar.	On a selection of dates, observed CloudFlare to determine whether it had been configured to be used as a WAF to protect the web applications. On a selection of dates, observed Slack and noted that there had been an automated built in Slack integration that enabled Engineering team members to monitor errors or issues from Datadog and Rollbar.

	<p>(XSS), file inclusion, and SQL injection, among others.</p> <p>Datadog is used as the monitoring tool for the application, integrated tools and services. Applications and tools such as Cloudflare, databases and the web app are monitored using Datadog. The DevOps team manages this along with configuring dashboards, and monitoring of all applications.</p> <p>There is a built-in Slack integration that enables the Engineering team to monitor any errors or issues from any of the integrated apps/tools to Datadog. Combination of DevOps On Call Engineers and the Incident Commander (Senior Engineer) are responsible for monitoring issues. There is a rota in Engineering maintained by the Platform Senior Engineering Manager). If an issue is highlighted, the IC is empowered to assemble a team of engineers to tackle P1 issues.</p>		<p>Exception noted: Management were unable to provide evidence that Cloudflare had been configured to be used as a WAF to protect the web applications during the period. As such, we were unable to test the operating effectiveness of this element of the control in the reporting period.</p> <p>Management response: <i>During testing performed in March and April 2021 (post period end), we provided KPMG with evidence that Cloudflare had been configured to be used as a WAF to protect the web applications at this point-in-time.</i></p>
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23. Physical and logical access to computer systems, and member and Master Trust records and data, is restricted to authorised persons.

Control no	Process	Control	Tests performed by KPMG LLP and results
23.1	Electronic data in the form of email and shared documents is held on remote servers, each account is protected by Multifactor Authentication. Smart Pension's Administrators using its in-house system are allocated user accounts that are linked to their Smart Pension email account therefore incorporating Multifactor Authentication per user. This also means system wide access is revoked promptly when an employee leaves the business.	Multifactor Authentication is enabled via Google on all user accounts.	On a selection of dates, observed the Google configuration settings and noted that Multifactor Authentication had been enabled on all user accounts. No exceptions noted.
23.2	Access to any Smart Pension applications requires a smartpension.co.uk email address that is only issued to employee or contractor after they have signed a contract including a non-disclosure agreement.	For new joiners, HR generates a ticket in FreshService. This acts as approval for Active Directory access to be set up and is required prior to IT provisioning the access. New user access to the Smart Platform is requested and approved by the user's Line Manager or HR via the FreshService ticket, prior to being provisioned by IT.	For a selection of new joiners, inspected the FreshService ticket and noted that this had been generated by HR prior to IT provisioning Active Directory access. For a selection of new user access on the Smart Platform, inspected the FreshService ticket

			<p>to determine whether access had been requested and approved by the user's Line Manager or HR prior to being provisioned by IT.</p> <p>Exception noted: For 4 out of 25 new users on the Smart Platform, access had not been requested and approved by the user's Line Manager of HR prior to being provisioned by IT.</p> <p>Management response: <i>Additional workflows have been configured within the ITSM tool for New Joiners and Service Requests to improve the process for request and gain line manager authorisation for access to Smart Admin/CRM.</i></p> <p><i>No access should be granted by the IT / Eng / Operations resources unless an ITSM SR ticket has been raised and approved.</i></p>
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			<p><i>The process exceptions identified have been reviewed and retrospective line manager approval gained to confirm appropriate access had been granted for two of the four individuals. Access for the other two individuals has been deactivated with no issues.</i></p>
23.3	All access is revoked on a system wide basis.	For leavers, HR generates a ticket in FreshService. IT then disables the leaver's Active Directory access within three working days.	<p>For a selection of leavers, inspected the FreshService ticket to determine whether this had been generated by HR and whether IT had disabled their Active Directory access within three working days.</p> <p>Exception noted: For 5 out of 25 leavers selected, Active Directory access had not been disabled within three working days.</p> <p>Management response: <i>Following IT Operations Dept resource changes in late 2020 and the appointment of a new IT Support Manager in January</i></p>

			<p><i>2021, the HR teams for both UK and Europe mainland have been engaged in reviewing the Joiner/Mover/Leaver process to help ensure that Off-Boarding tickets are being raised by HR and processed consistently by IT with the ITSM toolset. Inconsistencies had been identified whereby Incident tickets were being raised via email for leavers by either Line Manager or HR rather than Service Requests providing a consistent workflow.</i></p> <p><i>Off-Boarding Service Request catalogue items must now be raised by HR for consistency with appropriate workflow to capture the details required for IT to manage the off-boarding process and tasks in an efficient and timely manner. Off-boarding tasks are automatically added to the ticket to help ensure that all compliance steps are taken. Adding off-boarding tickets to a Leavers Calendar for IT team</i></p>
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			<p><i>visibility of upcoming leavers so they are processed on or as close to their leaving date has also been implemented.</i></p> <p><i>For the five leavers identified:</i></p> <p><i>Three off-boarding requests were received late but actioned within one day by the IT team.</i></p> <p><i>Two off-boarding requests were delayed in actioning by the IT team.</i></p> <p><i>For all five leavers, we provided evidence to confirm that there was no log-on activity identified between the HR leave date and the IT account deactivation date. One of the five leavers has since returned to work at Smart and the account has been reactivated.</i></p>
23.4	Smart Pension maintains a Password Policy, which is reviewed every six months by the Head of IT Security and approved by the Audit and Risk Committee.	<p>The Password Policy is reviewed every six months by the Head of IT Security and approved by the Audit and Risk Committee.</p> <p>Password configurations for the Smart</p>	Inspected the Smart Pension Password Policy and noted that it had been reviewed every six months by the Head of IT Security and approved by the Audit and Risk Committee.

		Platform are configured in line with the Password Policy.	<p>Inspected the Smart Platform password configuration and noted that it had been configured in line with the Password Policy.</p> <p>No exceptions noted.</p>
23.5	Only authorised IT Administrators can define user and user group policies, rights and permissions, which are enforced by the system. Updates to system records have an audit trail, showing the user ID, date and timestamp.	Access to change user permissions and user group policies on Active Directory is restricted to Domain Administrators.	<p>Inspected Active Directory access permissions to determine whether changes to user permissions and user group policies on Active Directory had been restricted to Domain Administrators.</p> <p>Exception noted: Management were unable to provide evidence that access to change to user permissions and user group policies on Active Directory had been restricted to Domain Administrators. As such, we were unable to test the implementation and operating effectiveness of this control in the reporting period.</p> <p>Management response:</p>

			<p><i>During testing performed in March and April 2021 (post period end), we provided KPMG with evidence that Active Directory access permissions and demonstrated that it had been configured to restrict access to change user permissions and user group policies to Domain Administrators at this point-in-time.</i></p>
23.6	<p>The Trustee Board/Administrator obtains security accreditations for AWS which addresses controls in relation to physical and logical access to Smart's IT systems.</p>	<p>A member of the IT team reviews physical and logical access controls within AWS SOC2 reports on a six-monthly basis. This is evidenced via email sign off.</p>	<p>For a selection of six-monthly AWS SOC2 reports, inspected the email sign off and noted that a member of the IT team had reviewed the physical and logical access controls.</p> <p>No exceptions noted.</p>
23.7	<p>By using AWS we leverage their industry-recognised best-in-class security architecture, intrusion detection, intrusion prevention, encryption, server access management, data replication and business continuity services to ensure our infrastructure and</p>	<p>Pre-defined roles are automatically set via the AWS Identity and Access Management tool.</p>	<p>On a selection of dates, observed the AWS Identity and Access Management tool configuration and noted that pre-defined roles had been automatically set.</p> <p>No exceptions noted.</p>

	data warehousing is safe, reliable, scalable and robust.		
23.8	<p>Amongst Smart's IT cyber security systems in place, and part of its security tool suite, are:</p> <ul style="list-style-type: none"> • Bitdefender EDR – end-point detection and response and end-point firewall – Antivirus, and; • BitLocker – End device hard drive encryption. 	Bitdefender policy enforces Windows BitLocker on Windows endpoints and Apple Vault on Mac endpoints.	<p>Inspected the Bitdefender policy to determine whether Windows Bitlocker had been enforced on Windows endpoints and Apple Vault had been enforced on Mac endpoints.</p> <p>Exception noted: Management were unable to provide evidence that the Bitdefender policy had been enforced during the period. As such, we were unable to test the implementation and operating effectiveness of this control in the reporting period.</p> <p>Management response: <i>During testing performed in March and April 2021 (post period end), we provided KPMG with evidence that the Bitdefender policy had enforced Windows Bitlocker had been enforced on Windows endpoints and Apple Vault had been</i></p>

			<i>enforced on Mac endpoints at this point-in-time.</i>
23.9	Okta Single Sign-On (SSO) is used with Multifactor Authentication to verify the user credentials prior to allowing access to all accounts and applications.	<p><u>01/10/2019 – 31/12/2020</u> Okta Global policies enforce Multifactor Authentication.</p> <p><u>13/03/2020 – 31/12/2020</u> Okta accounts are linked to Active Directory, and enforce Multifactor Authentication.</p>	<p><u>01/10/2019 – 31/12/2020</u> Inspected Okta Global policies to determine whether Multifactor Authentication had been enforced.</p> <p><u>13/03/2020 – 31/12/2020</u> Inspected the Smart Control panel and noted that Okta accounts had been linked to Active Directory.</p> <p>Exception noted: Management were unable to provide evidence that Okta Global policies had enforced MFA during the period. As such, we were unable to test the operating effectiveness of this element of the control in the reporting period.</p> <p>Management response: <i>During testing performed in March and April 2021 (post period end), we provided KPMG</i></p>

			<i>with evidence that the Okta Global policies enforced Multifactor Authentication at this point-in-time.</i>
23.10	Access to CRM applications is restricted to routing through Netskope (CASB) or IP whitelisting.	Access to the CRM application is restricted to users with a whitelisted IP address.	Inspected the CRM application code and noted that access had been restricted to users with a whitelisted IP address. No exceptions noted.
24. IT equipment is maintained in a controlled environment and the maintenance and development of systems, applications and software is authorised, tested, approved and implemented.			
Control no	Process	Control	Tests performed by KPMG LLP and results
24.1	Smart utilises Test Driven Development (TDD) in its change process. As a feature or change is implemented within the platform, code is written to make that change, but additional lines of code are also written to perform tests against the new executable code to validate that it functions as intended. These additional lines of test code (test coverage) are added to Smart's	A Continuous Integration / Continuous Deployment pipeline is in place that is managed by Engineering. Access to make edits to the pipeline is restricted to Semaphore admins. Github is configured so that code written needs two approvals by other Senior Engineers, unless a user is a Github Administrator.	Inspected the Continuous Integration / Continuous Deployment pipeline to determine whether access had been restricted to Semaphore admins. Inspected Github configuration to determine whether it had been configured so that code written needed approvals by two

	<p>automated test suite that is held in the Continuous Integration server.</p> <p>When a new feature is completed and the new tests have been added to the CI server, the developer(s) working on the feature runs the entire test suite across the new build they have been working on. This confirms if the new code passes all previous tests and is therefore fit to move to the next stage of being reviewed.</p> <p>The GitHub software change control system deploys only software that has passed the testing and approvals processes, unless a GitHub administrator overrides this restriction.</p>	<p>Automated statistical code analysers for Ruby, Ember, Typescript, CSS check that changes are tested prior to implementation to the production environment.</p> <p>Failure on any of the above stops code going into the production environment, unless a user is a Github Administrator.</p> <p>Github Administrator access is restricted to members of the Engineering team and the CTO.</p>	<p>other Senior Engineers, unless the user had been a Github Administrator.</p> <p>Inspected Github and Semaphore configurations to determine whether automated statistical code analysers for Ruby, Ember, Typescript, CSS had been configured to check changes had been tested prior to implementation to the production environment.</p> <p>Inspected Github configuration to determine whether it had been configured to prevent code from going into the production environment if approvals and testing had not been performed, unless the user had been a Github Administrator.</p> <p>Inspected Github access permissions to determine whether Administrator access had been restricted to members of the Engineering team and the CTO.</p>
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			<p>Exception noted: Management were unable to provide evidence of this control in operation during the period. As such, we were unable to test the implementation and operating effectiveness of this element of the control in the reporting period.</p> <p>Management response: <i>During testing performed in March and April 2021 (post period end), we provided KPMG with evidence that at this point-in-time, the following was in place:</i></p> <ul style="list-style-type: none">• <i>Access to the Continuous Integration/Continuous Deployment pipeline had been restricted to Semaphore admins;</i>• <i>Github had been configured so that code written needed approvals by two other Senior Engineers, unless the user</i>
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			<p><i>had been a Github Administrator;</i></p> <ul style="list-style-type: none"> <i>• The automated statistical code analysers for Ruby, Ember, Typescript, CSS had been configured to check changes had been tested prior to implementation to the production environment;</i> <i>• Github had been configured to prevent code from going into the production environment if approvals and testing had not been performed, unless the user had been a Github Administrator; and</i> <i>• Administrator access had been restricted to members of the Engineering team and the CTO.</i>
24.2	The Smart change management process has four phases:	<p>Standard Changes: <u>01/10/2019 – 31/12/2019</u> Changes are requested via a change request form. Change requests are</p>	<p><u>01/10/2019 – 31/12/2019</u> For a selection of changes, inspected the change request</p>

	<p>1. Discovery – Change requests (from PaaS (Platform As A Service) client or internally by architecture, product, operations, trustees of other parties) are submitted for discussion to approve/reject, if approved the change request is triaged and owner is assigned.</p> <p>2. Definition – Change request is evaluated to determine whether it is minor, major or emergency (if emergency - fast track process is followed), cost estimate is produced for approval internally or by a client, if accepted scheduling and prioritisation within the backlog is initiated. Detail requirements are produced.</p> <p>3. Delivery – build and QA the change (this follows the existing engineering process), UAT phase - if required and then deployment to production.</p> <p>4. Service – Release notes are produced (if change request is delivered as a feature). The release is handed over to Operations and the client is invoiced for the work.</p>	<p>discussed at the 'Feature Backlog - Product weekly meeting' held by the Project Delivery Group, where a Go/No decision is provided, this is recorded within the change request. Changes are tested by the QA team prior to deployment. This is recorded within the Jira Epic.</p> <p><u>01/01/2020 – 12/06/2020</u> Changes are requested via a change request form. The Platform Change Board reviews the change requests and provides approval, this is recorded within the change request. Changes are tested by the QA team prior to deployment. This is recorded within the Jira Epic.</p> <p><u>13/06/2020 – 31/12/2020</u> Changes are requested via a platform change request form. The Platform</p>	<p>form and noted that the change had been discussed by the Product Delivery Group at the 'Feature Backlog - Product weekly meeting' and a Go/No decision had been provided.</p> <p>For a selection of changes, inspected the Jira Epic record and noted that changes had been tested by the QA team prior to deployment.</p> <p><u>01/01/2020 – 12/06/2020</u> For a selection of changes, inspected the change request form and noted that approval had been provided by the Platform Change Board.</p> <p>For a selection of changes, inspected the Jira Epic record and noted that changes had been tested by the QA team prior to deployment.</p> <p><u>13/06/2020 – 31/12/2020</u> For a selection of changes, inspected the change request</p>
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	<p>The Platform Change Board reviews the change requests and provides approval. This is recorded within the change request.</p> <p>Following approval, the change is classified as a minor change (under 20 days effort) or major change (over 20 days effort) and a cost estimate is produced. This is recorded within the change request.</p> <p>Changes are tested by the QA team prior to deployment. This is recorded within the Jira Epic.</p> <p>Client-initiated change requests are also approved by the client before scheduling and build.</p>	<p>Change Board reviews the change requests and provides approval. This is recorded within the change request. Following approval, the change is classified as a minor change (under 20 days effort) or major change (over 20 days effort) and a cost estimate is produced, this is recorded within the change request. Changes are tested by the QA team prior to deployment. This is recorded within the Jira Epic. Client-initiated change requests are also approved by the client before scheduling and build.</p>	<p>form and noted that approval had been provided by the Platform Change Board.</p> <p>For a selection of changes, inspected the change request and noted that the changes had been classified as either a minor change (under 20 days effort) or major change (over 20 days effort) and a cost estimate had been produced.</p> <p>For a selection of changes, inspected the Jira Epic record and noted that the changes had been tested by the QA team prior to deployment.</p> <p>For a selection of client-initiated changes, inspected the change request form and noted that client-initiated requests had been approved by the client before scheduling and build.</p> <p>No exceptions noted.</p>
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24.3	<p>The process with regards to the emergency changes differs to allow the urgency to be addressed. Account Managers submit an emergency change request by defining this in the change request form.</p> <p>Each emergency change request is approved by either the Director of Delivery, Technical Architecture, or the Head of Technology Product before being actioned by the Engineering team, this is recorded within the change request.</p> <p>Emergency changes are tested by the QA team prior to deployment. This is recorded within the Jira Epic.</p>	<p>Emergency Changes: Account Managers submit an emergency change request by defining this in the change request form. Each emergency change request is approved by either the Director of Delivery, Technical Architecture, or the Head of Technology Product before being actioned by the Engineering team, this is recorded within the change request. Emergency changes are tested by the QA team prior to deployment. This is recorded within the Jira Epic.</p>	<p>Inspected a system-generated list of changes during the period to determine whether any emergency changes had been made.</p> <p>There were no emergency changes made during the period. Therefore, we were unable to test the implementation and operating effectiveness of this control.</p>
24.4	<p>Smart conduct annual penetration tests on our platform using third parties to test for vulnerabilities in both our software and hardware. These tests carry out tests to help ensure that the application suite that our customers use is up to date with the latest security enhancements as well as testing the infrastructure.</p>	<p>Platform Application Penetration testing for vulnerabilities is conducted annually by external penetration testers. Results are reviewed by the Architects Guild and actions are performed by the IT and Engineering teams if required.</p>	<p>Inspected the annual Platform Application Penetration test report and noted that it had been reviewed by the Architects Guild and actions had been performed by the IT and Engineering teams.</p> <p>No exceptions noted.</p>

24.5	Critical IT equipment held onsite is maintained in an environmentally controlled area.	A hardware register is configured to automatically update in the FreshService ticketing platform.	<p>Inspected the hardware register configuration and noted that it had been configured to automatically update in the FreshService ticketing platform.</p> <p>No exceptions noted.</p>
24.6	Customer / individual data is stored in the database. There is direct access by those accessing the MySQL database and indirect through the web application. The direct access is limited to DevOps Engineers and the CTO who maintain the reliability of the infrastructure or are on the rota for investigation production incidents/issues.	<p>Access to the AWS Aurora database is logged and user authorisation is performed via coding in Terraform (Infrastructure as code software).</p> <p>Access to the database is restricted to DevOps Engineers and the CTO who require this access to maintain the reliability of the infrastructure and investigate production incidents/issues.</p>	<p>On a selection of dates, observed the AWS Aurora database and noted that access to the database had been logged.</p> <p>On a selection of dates, observed the AWS Aurora database and noted that user authorisation had been performed via coding in Terraform (Infrastructure as code software).</p> <p>Inspected the AWS Aurora database access permissions and noted that access had been restricted to DevOps Engineers and the CTO.</p> <p>No exceptions noted.</p>

24.7	<p>Access to the database is logged and authorisation to users is done through coding in Terraform (Infrastructure as code software) with the history of this change/action being stored in the relevant GitHub Repo.</p> <p>The direct access is limited to DevOps Engineers and the CTO who maintain the reliability of the infrastructure or are on the rota for investigation production incidents/issues.</p> <p>Changes are built to a common standard, tested, and approved in a development environment before being deployed to the production/customer facing environment.</p>	Separate database instances exist for development, testing and production.	<p>On a selection of dates, observed the database environment and noted that separate database instances for development, testing and production existed.</p> <p>No exceptions noted.</p>
24.8	By using AWS, Smart leverage their industry-recognised security architecture, intrusion detection, intrusion prevention, encryption, server access management, data replication and business continuity services to help ensure our infrastructure and data warehousing is safe, reliable, scalable and robust.	A member of the IT team reviews physical and logical access controls within AWS SOC2 reports on a six-monthly basis. This is evidenced via email sign off.	<p>For a selection of six-monthly AWS SOC2 reports, inspected the email sign off and noted that a member of the IT team had reviewed the physical and logical access controls.</p> <p>No exceptions noted.</p>

	The Trustee Board/Administrator obtains security accreditations for AWS which addresses controls in relation to physical and logical access to Smart's IT systems.		
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6.6 Communications and reporting

25. Retirements are managed in accordance with a documented process which is regularly reviewed and approved.			
Control no	Process	Control	Tests performed by KPMG LLP and results
25.1	Documented procedures to be followed in response to a member's request at retirement in relation to OMO (Open Market Option) Claims procedure, Non Origo Applications and Small Fund Commutation and UFPLS Claims are maintained.	<p>The procedures are developed and are maintained by the Operations Team. These are reviewed within the Operations Team annually or whenever there is a change.</p> <p>Trustee only reviews and approves a new procedure or whenever there is a significant change at the Operations Sub-Committee. This is evidenced by the meeting minutes.</p>	<p>For the annual review of the procedures, inspected the meeting minutes and noted that they were reviewed and approved by the Trustee at the Operations Sub-Committee.</p> <p>No exceptions noted.</p>
25.2	The Scheme's definitive Trust Deed and Rules dated 14 August 2019 and subsequent Deeds of Amendment are the governing documents by which retirements are managed. They include provisions for the commencement of benefits and ways of providing a pension, through the purchase of an	The retirement process and Retirement Options Flow Charts are developed and are maintained by the Operations Teams and reviewed annually. Only changes dictated by the changes in legislation and/or set up of the Scheme (introduction of a new retirement option) are brought to the Trustee's	For the annual review of the retirement process and Retirement Options Flow Charts, inspected the meeting minutes and noted that they were reviewed by the Trustee at the Communications Sub-Committee.

	<p>annuity in the name of the member, transfer to a scheme providing drawdown or cash payment under small pot rules.</p> <p>The Trust Deed and Rules are amended to take into account any developments and changes in which retirement benefits can be taken.</p> <p>The end-to-end retirement process is documented through a Retirement Options Flow Chart that sets out communications and responses beginning from six months before set retirement ages 55, 65 and 75.</p> <p>The Trustee reviewed the decumulation options available to the members (Smart Retire).</p>	<p>attention at the Communication Sub-Committee. These exclude standard changes to tax thresholds.</p> <p>This is evidenced by the Sub-Committee meeting minutes.</p>	<p>No exceptions noted.</p>
25.3	<p>The Trustee Board reviews retirement communications and discusses the options taken up by members. In order to continually improve the communications and outcomes for retirement, the Scheme encourages member feedback through its Welcome Pack for new entrants, website contact form, email and call enquiries.</p>	<p>The Communications Sub-Committee reviews and implements changes to the members' communication plan. It is carried out on an annual basis at the meeting and recorded in the minutes.</p> <p>The Communications Sub-Committee reviews retirement communications. It</p>	<p>For the annual review of the members' communication plan, inspected the meeting minutes and noted that it was reviewed by the Communications Sub-Committee.</p> <p>For the same selection, inspected the meeting minutes</p>

	<p>The Trustee Board reviews retirement communications and discusses the options taken up by members via its Communications Sub-Committee and its reports to the Board.</p>	<p>is carried out on an annual basis at the meeting.</p> <p>The Chair of the Sub-Committee provides an update to the Trustee at the next full Trustee meeting.</p> <p>This is evidenced by full Trustee Board and the Communications Sub-Committee meeting minutes.</p>	<p>and noted that the findings were reported by the Chair of the Communications Sub-Committee to the Trustee at the full Trustee Board meeting.</p> <p>No exceptions noted.</p>
25.4	<p>Member guide is maintained and updated as and when changes are required. These include changes to the Annual Allowance, Lifetime Allowance, etc. These changes are driven by the Communications Team.</p>	<p>The member guide is updated by the Communications Team and only significant changes (changes dictated by the changes in legislation and/or set up of the Scheme) are brought to the attention of the Trustee via Communications Sub-Committee. The changes are reviewed by the Sub-Committee and approved at the meeting or via email after the meeting. This is evidenced by the meeting minutes and / or emails.</p>	<p>For a selection of changes to the Communications Team, inspected emails and meeting minutes and noted that they were reviewed by the Communications Sub-Committee.</p> <p>No exceptions noted.</p>

26. Member communications are accurate, clear and understandable and are produced in accordance with a communications plan. The plan is regularly reviewed and monitored.

Control no	Process	Control	Tests performed by KPMG LLP and results
26.1	<p>The Administrator uses communications drafted and approved by Smart Pension to maintain quality control and currency with legislative changes and recommended practises.</p> <p>A communications plan is maintained and reviewed by the Communications Sub-Committee and reported back to the Trustee Board.</p> <p>The communication plan is a continually evolving document.</p> <p>The Trustee Board reviews Scheme communications to cover the whole member journey from joining the Scheme through to the payment of member benefits.</p> <p>An annual review of communications to members and employers is scheduled in the Scheme Calendar. The review is discussed at the Communications Sub-</p>	<p>The Communications Sub-Committee reviews and implements changes to the members' communication plan. It is carried out on an annual basis at the meeting and recorded in the minutes.</p> <p>The Communications Team drafts and updates members communications to maintain quality, accuracy and currency with legislative changes.</p> <p>The Trustee reviews and approves the communications via Communications Sub-Committee.</p> <p>The Chair of the Sub-Committee provides an update on the reviewed communications to the Trustee at the next full Trustee meeting.</p> <p>This is evidenced by full Trustee Board and the Communications Sub-Committee meeting minutes.</p>	<p>For the annual review of the members' communication plan, inspected the meeting minutes and noted that it was reviewed and approved by the Communications Sub-Committee.</p> <p>For the same selection, inspected the meeting minutes and noted that the findings were reported by the Chair of the Communications Sub-Committee to the Trustee at the full Trustee Board meeting.</p> <p>No exceptions noted.</p>

	<p>Committee meeting and any agreed actions minuted and followed up.</p> <p>The Trustee Board determines within its policy on communicating with members which types of documents they will expect to review, and which documents will be delegated to Smart Pension Limited to review on their behalf.</p>		
27. Member communications contain information to support the decisions members need to make at retirement.			
Control no	Process	Control	Tests performed by KPMG LLP and results
27.1	<p>The Scheme enables members to build up their own individual pension pot from which they can use their Open Market Option to find a retirement income arrangement to most suit them. A suite of retirement communications according to age profile and type are sent with the aim to educate members on their options including the ability to leave their accrued income in the Scheme up to their 75th birthday.</p> <p>The Retirement Wake Up process is followed:</p>	<p>The retirement process and Retirement Options Flow Charts are developed and are maintained by the Operations Teams and reviewed annually. Only changes dictated by the changes in legislation and/or set up of the Scheme (introduction of a new retirement option) are brought to the Trustee's attention at the Communication Sub-Committee. These exclude standard changes to tax thresholds.</p> <p>This is evidenced by the Sub-Committee meeting minutes.</p>	<p>For the annual review of the retirement process and Retirement Options Flow Charts, inspected the meeting minutes and noted that they were reviewed by the Trustee at the Communications Sub-Committee.</p> <p>No exceptions noted.</p>

	<p>Retirement wake-up information is sent to the member when they approach 6 months to either their selected retirement date or, if one has not been selected, the Scheme retirement date. Valuation is provided.</p> <p>Retirement options are provided at 4 months before the retirement date. Valuation is provided.</p> <p>We will act upon instructions given by member in response, this could be to trigger the retirement claim (including ill health) process or extend their retirement date.</p> <p>If the member has not engaged during that timeline then a reminder is sent 2 months before the retirement date and again at 2 weeks after the retirement date, stating the next steps, if the member does not take any action, being the member's retirement date is being moved forward by 5 years</p> <p>The Scheme maintains a suite of retirement communications according to age profile and type are sent with the aim to educate members on their</p>		
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	options including the ability to leave their accrued income in the Scheme up to their 75th birthday.		
27.2	The Trustee Board maintains a Communication Plan that is designed to ensure members are provided with communications that support their decisions at retirement.	<p>The Communications Sub-Committee reviews and implements changes to the members' communication plan. It is carried out on an annual basis at the meeting and recorded in the minutes.</p> <p>The Communications Team drafts and updates members communications to maintain quality, accuracy and currency with legislative changes. The Trustee reviews and approves the communications via Communications Sub-Committee.</p> <p>The Chair of the Sub-Committee provides an update on the reviewed communications to the Trustee at the next full Trustee meeting.</p> <p>This is evidenced by full Trustee Board and the Communications Sub-Committee meeting minutes.</p>	<p>For the annual review of the members' communication plan, inspected the meeting minutes and noted that it was reviewed and approved by the Communications Sub-Committee.</p> <p>For the same selection, inspected the meeting minutes and noted that the findings were reported by the Chair of the Communications Sub-Committee to the Trustee at the full Trustee Board meeting.</p> <p>No exceptions noted.</p>
27.3	The Member booklet includes relevant information about scams and provides	The member guide is updated by the Communications Team and only	For a selection of changes to the Communications Team,

	<p>useful contact details should a member require further assistance.</p> <p>Operations and Communications Teams work together, and only significant changes are brought to the attention of the Trustee via Communications Sub-Committee.</p>	<p>significant changes (changes dictated by the changes in legislation and/or set up of the Scheme) are brought to the attention of the Trustee via Communications Sub-Committee. The changes are reviewed by the Sub-Committee and approved at the meeting or via email after the meeting. This is evidenced by the meeting minutes and / or emails.</p>	<p>inspected emails and meeting minutes and noted that they were reviewed by the Communications Sub-Committee.</p> <p>No exceptions noted.</p>
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Appendix 1 - Letter of engagement



KPMG LLP
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Snow Hill Queensway
Birmingham B4 6GH
United Kingdom

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Private & confidential
EC2 Master Limited
40 Eastbourne Terrace
London
W2 6LG

27 January 2021

Dear Directors

Smart Pension Master Trust - Engagement letter – report on internal controls

We are writing to confirm your instructions and set out the terms of the engagement by EC2 Master Limited ("EC2 Master Limited" or "you") of KPMG LLP ("KPMG" or "we") to deliver services to you in connection with a report on the Master Trust operations of Smart Pension Master Trust for the reporting period 1 October 2019 until 31 December 2020.

Any work performed in connection with this engagement before the date of this letter will also be governed by the terms and conditions of this letter and its attachments.

1 Scope of the Services

We set out below details of the services to be delivered.

It is our responsibility under this letter to form an independent conclusion, based on the work carried out by us, and to report this to the Directors of EC2 Master Limited (the "Directors").

We will conduct our work in accordance with the procedures set out in the Technical Release AAF 02/07, issued by the Institute of Chartered Accountants in England & Wales (the "ICAEW"). Our work will include enquiries of management, together with tests of certain specific control procedures.

In reaching our conclusion, the criteria against which the control procedures are to be evaluated are the internal control objectives developed for service organisations as set out within the Technical Release AAF 02/07 issued by the ICAEW.

We may seek written representations from the Directors in relation to matters on which independent corroboration is not available. We shall seek confirmation from the

KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Registered in England No. OC301540
Registered office: 15 Canada Square, London, E14 5GL
For full details of our professional regulation please refer to Regulatory Information under 'About' at www.kpmg.com/uk

Document Classification - KPMG Confidential



Directors that any significant matters of which we should be aware have been brought to our attention.

2 Inherent limitations

The Directors acknowledge that control procedures designed to address specified control objectives are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Such procedures cannot guarantee protection against fraudulent collusion especially on the part of those holding positions of authority or trust. Furthermore, the opinion set out in our report will be based on historical information and the projection of any information or conclusions in our report to any future periods will be inappropriate.

3 Timetable

A provisional timetable for the delivery of our services will be agreed with you before the commencement of our work. The timing of our work and its performance will be dependent on all relevant information and documentation and access to personnel being made available to us promptly as and when required by us. We shall use all reasonable endeavours to meet any agreed timetable.

4 Engagement team and contact

This engagement will be led by Iryndeeep Kaur and the day to day operation and contact point will be the responsibility of Paul Bradley.

The relationship partner is Nadia Dabbagh-Hobrow who will be available to discuss any feedback about the Services.

5 Our fees

We will agree our fees for these services with you separately in a fee letter (which shall form part of this Engagement Letter).

Invoices will be presented on a periodic basis.

If the timetable slips because of your or your agents' delays in making information or documentation or personnel available to us, we may charge additional fees for any work performed as a result and on the basis of our normal hourly rates in force when the relevant work is done.



6 Terms of Business

We accept this engagement on the basis that our General Terms of Business, as set out in Appendix 2, will apply to this work and govern our relationship with you, together with the Additional Terms: Reports under AAF 02/07 in Appendix 3. This letter is the "Engagement Letter" mentioned in our General Terms.

In accordance with our General Terms of Business, our liability to you in connection with the provision of the Services and all claims arising in connection to it shall be limited, on the basis set out in our General Terms of Business, to a maximum aggregate of £300,000.

We draw your attention to the following clauses of our Additional Terms (Appendix 3):

Clause 4: This sets out the basis on which we consent to your release of our report to your "Customers" (meaning clients of EC2 Master Limited who have signed contracts in place as users of the Services which are the subject of the Report) and their auditors, Smart Pensions Limited and Smart Pension Limited's affiliates and the Pensions Regulator (tPR) on condition that our report is released under the cover of a transmittal letter in the form of Appendix 1, which should be issued on your letterhead. We set out in the section below, *Onward Disclosure of report*, the basis on which we consent also to your release of our report to "Prospective Customers" (meaning any potential client or clients who have approached EC2 Master Limited in respect of you taking on business that is the subject of the Report and for whom a signed contract is not yet in place in relation to that business).

Clause 6: This sets out your agreement to indemnify us in respect of any claims by third parties arising out of this engagement.

7 Disapplications and amendments

The following clauses of our General Terms of Business are amended for the purposes of this engagement:

Clause 5 of the Additional Terms is here amended by adding the following:

"You may also refer or publish the report on our website, however such access to report can be gained only once visitors have accepted the terms and conditions of the agreement, form of which is appended as Appendix 4."

8 Onward Disclosure of report

We understand that, in addition to release to Customers as referred to above, you wish to make a copy of our report (the "KPMG Report") available to Prospective Customers,



which is not envisaged by the standards to which we refer above, under *Scope of the Services*.

We are willing to agree to disclosure of the KPMG Report to Prospective Customers as well as to Customers, to enable Prospective Customers to verify that a report on the matters discussed has been commissioned by you and issued by KPMG in connection with the internal controls of EC2 Master Limited without assuming or accepting any responsibility or liability to them on our part, and subject to the further conditions detailed below.

KPMG's consent for release of our report to Prospective Customers is given on condition that our report is released under the cover of a transmittal letter in the form of Appendix 1, which should be issued on your letterhead.

We should not be identified on the transmittal letter itself as receiving a copy (that is, there should be no "cc KPMG" or similar).

You accept any risk associated with the disclosure, and will not hold KPMG responsible, if the disclosure of the Report to a Recipient or any public reference to us or our work results in or leads to (i) alteration to your relationship with that Recipient, (ii) the termination or alteration to the terms of any transaction or proposed transaction involving you, (iii) any action or claim against you, or (iv) any other adverse consequences for you.

In addition, to the fullest extent permitted by law, EC2 Master Limited agrees to indemnify and hold harmless KPMG and all other KPMG Persons (as defined in our General Terms of Business) against any and all actions, proceedings and claims brought or threatened against any KPMG Person by any persons other than EC2 Master Limited, and all loss, damage and expense (including legal expenses) relating thereto, where any such action, proceeding or claim in any way relates to or concerns or is connected with the KPMG Report and its disclosure to any Prospective Customers.



9 Agreement

This Engagement Letter, together with the appendices and General Terms of Business and any attached Additional Terms, form the Agreement between us for provision of the Services.

Yours faithfully

KPMG LLP

KPMG LLP

Attached:

- 1 Form of transmittal letter
- 2 General Terms of Business
- 3 Additional Terms: Reports under AAF 02/07
- 4 Click through agreement

I have read and understood the terms and conditions of this letter and attachments and I agree to them.

Signed: _____

Andrew Cheseldine (Jan 28, 2021, 3:46pm)

Name: A J Cheseldine

Position: for Capital Gained Trustee Ltd, Chair of Trustees

Date: 28 Jan 2021

Duly authorised, for and on behalf of EC2 Master Limited.