

# **Smart Pension Master Trust**

## **TECH 05/20 AAF Assurance Report**

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

**Report for the period 1 January 2022 to 31  
December 2022**

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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 January 2022 to 31 December 2022, in relation to procedures established by the Trustee Board.

This is our seventh report, and it has been prepared having regard to the IAASB Assurance Framework and the International Standards on Assurance Engagement 3000 Revised (ISAE Revised 3000) and the Institute of Chartered Accountants in England and Wales (ICAEW) Technical Release 05/20 AAF (Assurance reporting on Master Trusts). 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.

KPMG LLP did identify two exceptions during the course of their work, and these are summarised in sections five and six. Apart from the two exceptions raised with regards to the IT controls, as set out in section six of this report, all of the control procedures were suitably designed, described and operating in the period from 1 January 2022 to 31 December 2022. 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.

## Significant events during the year

### [Change to the Trustee Sub-Committee structure](#)

Two of the Trustee sub-committees, the Communications Sub-Committee and Operations Sub-Committee were combined with the effect from 1 July 2022. This decision was made in order to achieve some operational efficiencies and allow joined up consideration of these two key Trustee matters. The new sub-committee is named the Operations & Communications Sub-Committee and has already had two successful meetings in 2022.

Upon the merger, consideration was given to a number of operational and governance matters, impacted by this change, including changes to the wording of controls of this report.

### [Acquisition of the Ensign Master Trust](#)

In Q3 2022 The Pensions Regulator approved an Implementation Plan for the Ensign Master Trust to consolidate into the Smart Pension Master Trust. The Ensign Master Trust had at that time 62 employers, over 5,100 members and c£158m in assets. The consolidation is planned to deliver increased efficiencies and improved experience for employers and members. It has also resulted in charges on those members' pots being reduced. The project has been progressing well, with the required notifications rolled out and the first contributions are

expected in April 2023, with a bulk transfer of assets a few months later. The members are being invested into one of our revised default structures.

### Investment strategy and ESG

Following a substantive review of investments, we have introduced a new approach to our Smart defaults. We have moved away from purely focussing on risk to a broader focus on sustainability. We have three sustainable growth funds:

Smart Sustainable Growth Core Fund - Aims to take advantage of Environmental, Social and Governance factors by investing more in companies which score well in these areas. This fund has the lowest fund cost of these growth funds.

Smart Sustainable Growth Fund - As above, and aims to benefit people and the planet by having a moderate allocation to investments contributing to solutions for environmental and social issues.

Smart Sustainable Growth Plus Fund - As above, and aims to benefit people and the planet by having a high allocation to investments contributing to solutions for environmental and social issues. This fund has the highest fund cost of these growth funds.

The Smart Sustainable Growth Funds are entirely invested in funds that promote good Environmental, Social and Governance (ESG) practices. All of the underlying investment funds that now make up our default growth fund are rated as Article 8 or 9 investment funds by the EU's Sustainable Finance Disclosure Regulation, a technical standard recently introduced by the European Commission. Included in this are a recently implemented green bond fund and a biodiversity fund. We therefore want to give members sustainability by default, and not just provide them with a sustainable self-select option. This puts the Smart Pension Master Trust at the forefront of the industry from a sustainability perspective.

### Partnership with Schroders

In the second half of the year the Trustee contracted with Schroders as a Fiduciary Manager to support Smart's new offering that will be made available to Schroders customers.

This uses Mobius Life as the investment platform provider and incorporates a new default arrangement, alternative lifestyle strategies and a range of self-select funds incorporating Schroders Fund range.

The first funds of the first client to use this offering were transferred in December 2022 and therefore both Mobius and Schroders will be in scope of any assurance testing relating to the oversight of investment and platform managers and their reporting in the next assessment period.

### The war in Ukraine

In February Russia invaded the sovereign state of Ukraine in what has become a full-scale war. Governments, institutions and companies across the world have assessed their links to Russia. The war in Ukraine led the Trustee to undertake the following actions:

- Post [a question-and-answer sheet](#) for members who had concerns about the effect on their pension and Smart's holding in Russian assets.
- Discussed the situation with our investment adviser and investment managers, considering our exposures and risks we faced. Our holding was deemed to be very small, and no changes were made to our investments.
- Engaged with Smart Pension to ensure due diligence was in place regarding sanctions and other fraud and money laundering risks.

We continue to monitor the situation, together with other global political risks.

### 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. By the end of December 2022, the Scheme managed the retirement benefits for over one million members with assets of circa £2.6bn.

*Andrew Cheseldine*

Andrew Cheseldine, Chair of Trustee Board

30 March 2023

## 2.0 About the Trustee Board

The Smart Pension Master Trust is overseen by EC2 Master Limited, a trustee company which consisted within the assessment period of five independent and non-affiliated (to Smart Pension Limited) Trustee Directors. As of 25 January 2023, there are four Directors on the Board (see below).

EC2 Master Limited is a subsidiary of Smart Pension Limited.

### **Andy Cheseldine**

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

Andy Cheseldine joined the board in 2017. He's been named as one of the top 25 most influential investment consultants in the past five years - a testament to his reputation. Andy has over 35 years of experience in consulting on defined benefit (DB) and defined contribution (DC) pension schemes.

### **Anna Eagles**

[Trustee Director, representing Law Debenture Pension Trust Corporation plc](#)

Anna joined the board in January 2018. She's a fellow of the Institute and Faculty of Actuaries with over 20 years of experience advising trustees and employers. Before joining Law Debenture, she was with Willis Towers Watson Ltd. Anna's term as a Trustee Director came to an end after the end of the assessment period, in January 2023.

## **David Brown**

### [Trustee Director](#)

David joined the Smart Pension Master Trust Board in October 2018. He is a Fully Accredited Professional Pension Trustee with a range of Board appointments.

David has over 35 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 a Fellow of the Pensions Management Institute and Associate of the Chartered Insurance Institute. He is passionate about ESG and addressing the risks and opportunities arising from Climate Change. He holds the CFA Certificate in ESG Investing.

## **Anna Darnley**

### [Trustee Director](#)

Before joining the Trustee Board in September 2019, Anna was a trustee of the Accenture Retirement Savings Plan (UK). She previously worked as a digital strategy consultant with Oliver Wyman specialising in the design, build and launch of digital banks and retail investment apps in East Asia. She currently works as a Senior Product Manager for a leading payments app. She brings this technological expertise to the Board, along with her passion for great member communications and re-engaging scheme members. In 2019, she was recognised as Trustee of the Year at the Professional Pensions Rising Star Awards.

## **Nikesh Patel**

### [Trustee Director](#)

Nikesh Patel joined the 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.

## 2.0 About the Trustee Board contd.

Strong governance is a key feature of Smart Pension Master Trust. The Trustee operates a detailed governance schedule and maintains a number of processes and controls to help it meet its objectives - Scheme Calendar, Risk Register, Actions List, Decisions Log, etc.

The Trustee has continued to review and develop its governance model to ensure that Trustee meetings remain effective and focused on strategic objectives. The Scheme's current governance model is shown below:





### 3.0 Report of the Trustee Board of EC2 Master Limited

As Trustee of Smart Pension Master Trust, we are responsible for the identification of control objectives relating to the governance of the Master Trust and for establishing governance control activities including oversight of systems and processes that provide reasonable assurance that the control objectives are achieved. Those control 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, we have regard not only to the interest of employers who have entrusted their employees' DC contributions to the Master Trust (or are considering doing so) and members of the Master Trust, but also to the needs of the Pensions Regulator. The Regulator may use this report to help determine whether certain governance procedures, including oversight of systems and processes and relevant Master Trust supervisory requirements, have been met and have been subjected to independent scrutiny. We have evaluated the effectiveness of the Smart Pension Master Trust's governance control activities including oversight of systems and processes having regard to ICAEW's TECH 05/20 AAF and the control objectives set out therein, with the exception of the following:

7. New trustees are recruited and appointed in accordance with a documented procedure approved by the Trustee Board - no new Trustees were recruited or appointed during the period.

8. The fitness and propriety of trustees is assessed prior to appointment and reviewed annually thereafter in accordance with a documented policy. This review is documented and approved by the Trustee Board - no new Trustees were appointed during the period and the triennial Fitness and Propriety Policy (last reviewed in 2021) was not due to be reviewed during the period.

17. Documented due diligence is undertaken by the Trustee Board prior to the appointment of all service providers, including fitness and propriety. Selection criteria is maintained by the Trustee Board to support service provider selection and decision making - no new service providers were appointed during the period. We set out in this report a description of the relevant governance control activities including oversight of systems and processes established by the Trustee of Smart Pension Master Trust together with the related control objectives which operated during the period 1 January 2022 to 31 December 2022 and confirm that:

- a) the report describes fairly the governance control activities established by the Trustee that relate to the control objectives referred to above which were in place throughout the period 1 January 2022 to 31 December 2022;

- b) the governance control activities described were suitably designed throughout the period 1 January 2022 to 31 December 2022 such that there is reasonable assurance that the specified control objectives would be achieved if the described governance control activities were complied with satisfactorily; and
- c) the governance control activities described were operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved throughout the specified period.

Signed on behalf of the Trustee Board of Smart Pension Master Trust on 30 March 2022.

*Andrew Cheseldine*

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Andrew Cheseldine

Chair, Smart Pension Master Trust

## 4.0 Report by reporting accountant



KPMG LLP  
Audit  
15 Canada Square  
London E14 5GL  
United Kingdom

### **Private & confidential**

The Trustees  
Smart Pension Master Trust  
The Smart Building  
136 George Street  
London  
W1H 5LD

30 March 2023

Dear Trustees

### **Independent Service Auditor's assurance report on the governance control activities established by Trustees of the Smart Pension Master Trust (the "Master Trust")**

#### **Use of report**

Our report, subject to the permitted disclosures set out below, is made solely for the use of the trustees of the Master Trust (the "Trustees") and is solely for the purpose of reporting on the control activities of the Master Trust, in accordance with our terms of engagement letter dated 1 September 2022 and attached at appendix 1. Our work has been undertaken so that we might report to the Trustees those matters that we have agreed to state to them in our 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 our report, in full only, to demonstrate to the recipient (being the Pensions Regulator ("TPR"), to employers of the Master Trust ("Employers" or "User Entities") and Smart Pension Limited ("Smart Pension Limited") as funder of the Master Trust), that a report by an independent service auditor has been commissioned by the Trustees and issued in connection with the control activities of the Master Trust without assuming or accepting any responsibility or liability to the recipient on our part. To the fullest extent permitted by law, we do not and will not accept or assume responsibility to anyone other than the Trustees, as a body, for our work, for our report or for the opinions we have formed.

## Scope

We have been engaged to report on the description of governance control activities including oversight of systems and processes established by the Trustees of the Master Trust throughout the period from 1 January 2022 to 31 December 2022 on pages 23 to 152, (the “Description”) and on the suitability of the design and operating effectiveness of those governance control activities to achieve the related control objectives stated in the Description.

The Description indicates that certain governance control objectives specified in the Description can be achieved only if Complementary User Entity Controls contemplated in the design of the Master Trust’s governance control activities are suitably designed and operating effectively, along with related governance control activities at the Master Trust. We have not evaluated the suitability of the design or operating effectiveness of such Complementary User Entity Controls.

While the governance control activities and related control objectives may be informed by the Master Trust’s need to satisfy legal or regulatory requirements, our scope of work and our conclusions do not constitute assurance over compliance with those laws and regulations.

## Trustees’ responsibilities

The Trustees are responsible for: preparing the Description and the accompanying Statement in the Report of the Trustee Board set out on pages 9 and 10, including the completeness, accuracy, and method of presentation of the Description and the Statement; identifying control objectives relating to the governance of the Master Trust; and designing and operating effectively governance control activities including oversight of systems and processes to achieve the related control objectives stated in the Description.

As stated on page 9 of the Statement, the control objectives stated in the Description include those control objectives set out in the Institute of Chartered Accountants in England and Wales (“ICAEW”) Technical Release 05/20 AAF ‘*Assurance Reporting on Master Trusts*’ (“ICAEW TECH 05/20 AAF”) that are considered relevant by the Trustees.

## Our responsibilities

Our responsibility is to form an independent opinion, based on the work carried out in relation to the governance control activities established by the Trustees of the Master Trust as set out in the Description and report this to you.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘*Assurance Engagements Other than Audits or Reviews of Historical Financial Information*’ (“ISAE 3000”) issued by the International Auditing and Assurance Standards Board (“IAASB”), International Standard on Assurance Engagements (UK) 3000 ‘*Assurance Engagements Other than Audits or Reviews of Historical Financial Information*’ (“ISAE (UK) 3000”) issued by the Financial Reporting Council (“FRC”) and with ICAEW TECH 05/20 AAF. Those standards and guidance require, among other things, that we comply with ethical and other professional requirements and that we obtain sufficient, appropriate evidence on which to base our opinion.

We plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the Description is fairly presented and the governance control activities stated therein were suitably designed and operating effectively. The criteria against which the governance control activities were evaluated are the control objectives developed for Master Trusts as set out within ICAEW TECH 05/20 AAF and identified by the Trustees as control objectives to be applied for the purpose of governance.

Our work involved performing procedures to obtain evidence about the presentation of the Trustees' Description of the governance control activities including oversight of systems and processes and the design and operating effectiveness of those governance control activities. Our procedures include assessing the risks that the Description is not fairly presented, and that the governance control activities 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 governance control activities that we considered necessary to obtain reasonable assurance that the control objectives stated in the Description were achieved. An assurance engagement of this type also included evaluating the overall presentation of the Description and the suitability of the control objectives stated therein.

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

### **Our independence and quality control**

We comply with the Institute of Chartered Accountants in England and Wales ("ICAEW") Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the IESBA Code of Ethics. 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 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Inherent limitations**

The Trustees' Description of governance control activities including oversight of systems and processes was prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the governance control activities that may be relevant to each participating Employer or member of the Master Trust. Also, because of their nature, governance control activities may not prevent or detect and correct all errors or omissions in performing governance activities. 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. The projection of any evaluation of the fairness of the presentation of the Description, or opinion about the suitability of the design or operating effectiveness of the governance control activities and systems and processes to future periods would be inappropriate.

The relative effectiveness and significance of specific governance control activities at the Master Trust, and their effect on assessments of control risk at User Entities are dependent on their interaction with the control activities and other factors present at individual User Entities. We have performed no procedures to evaluate the effectiveness of control activities at individual User Entities.

### **Other information**

The information included in page 5 describing the Master Trust's actions following the war in Ukraine is presented by the Trustees to provide additional information and is not part of the Master Trust's Description of governance control activities. Such information has not been subjected to the procedures applied in the examination of the Description of the Master Trust, related to governance control activities including oversight of systems and processes, and accordingly, we express no opinion on it.

### **Non applicable control objectives**

We draw attention to the following control objectives:

- Control Objective 7 *"New trustees are recruited and appointed in accordance with a documented procedure approved by the Trustee Board"* on page 38 of the Description and to the Master Trust's related disclosure on page 9 of the Description that no new Trustees were recruited or appointed during the period from 1 January 2022 to 31 December 2022.
- Control Objective 17 *"Documented due diligence is undertaken by the Trustee Board prior to the appointment of all service providers, including fitness and propriety. Selection criteria is maintained by the Trustee Board to support service provider selection and decision making"* on page 69 of the Description and to the Master Trust's related disclosure on page 9 of the Description that no new service providers were appointed and the triennial review of the selection criteria was not required to be performed during the period from 1 January 2022 to 31 December 2022.

Accordingly, our opinion does not extend to the testing of implementation or operating effectiveness of governance control activities throughout the specified period within these control objectives.

We also draw attention to Control Objective 8 *"The fitness and propriety of trustees is assessed prior to appointment and reviewed annually thereafter in accordance with a documented policy. This review is documented and approved by the Trustee Board"* on page 40 of the Description and to the Master Trust's related disclosure on page 9 of the Description that no new Trustees were appointed during the period from 1 January 2022 to 31 December 2022. Accordingly, our opinion does not extend to the testing of implementation or operating effectiveness of governance control activities in relation to the assessment of trustees prior to appointment throughout the specified period within this control objective.

Our opinion is not modified in respect of these matters.

## Opinion

In our opinion, in all material respects:

(i) the Description on pages 23 to 152 fairly presents the governance control activities established by the Trustees that relate to the control objectives that were designed and implemented throughout the period from 1 January 2022 to 31 December 2022;

(ii) the governance control activities established by the Trustees stated in the Description on pages 23 to 152 were suitably designed to provide reasonable, but not absolute, assurance that the specified control objectives would have been achieved if the described governance control activities operated effectively throughout the period from 1 January 2022 to 31 December 2022 and if User Entities applied the Complementary User Entity Controls referred to in the scope of work section of this assurance report; and

(iii) the governance control activities established by the Trustees that were tested were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the related control objectives stated in the Description were achieved throughout the period from 1 January 2022 to 31 December 2022 if the Complementary User Entity Controls referred to in the scope of work section of this assurance report operated effectively throughout the period from 1 January 2022 to 31 December 2022.

Yours faithfully

KPMG LLP

KPMG LLP

*Chartered Accountants*

30 March 2023

## 5.0 Exceptions

Control no	Process	Control activities	Tests performed by KPMG LLP and results
20.13	Access to any Smart Pension applications requires a smartpension.co.uk email address that is only issued to an 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, HR or the Platform Service Support team (PaaS Service team) member (for Link employees only) via the Freshservice ticket, prior to being provisioned by IT.	<p>For a selection of new joiners, inspected the Freshservice ticket and noted that this had been generated by HR as approval, prior to IT provisioning Active Directory access.</p> <p>For a selection of new users to the Smart Platform, inspected the Freshservice ticket to determine whether access had been requested and approved by the user's Line Manager, HR or the Platform Service Support team (PaaS Service team) member (for Link employees only) prior to being provisioned by IT.</p> <p><b>Exception noted:</b></p> <p>For 3 out of 25 new users to the Smart Platform selected, there was no evidence of a Freshservice ticket showing request and approval for access.</p>



			<p>For a further 1 out of 25 new users to the Smart Platform selected, the access was created prior to approval for access.</p> <p>Management response: <i>Management recognise the importance of ensuring that onboarding procedures and specifically access management are strictly followed and enforced. Management will ensure that access to internal systems can only be facilitated where a request has been logged in Fresh, confirm that the users are appropriate to have access (HR request) and the request is routed to IT Support / Operations for implementation. All requests are logged for audit purposes.</i></p> <p><i>Inter-departmental (IT Operations &lt;----&gt; HR) agreements will be made to ensure tighter governance in this respect to ensure accurate an audit trail of all access management activity.</i></p> <p><i>For the users identified as exceptions we can confirm that whilst the documented process was not followed, it was concluded that those</i></p>
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			<i>provided access were appropriate individuals and no access rights were rescinded.</i>
20.14	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 and Google Accounts 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 the leaver's Active Directory and Google Accounts access within three working days.</p> <p><b>Exception noted:</b></p> <p>For 2 out of 25 leavers selected, Active Directory and Google Accounts access had not been disabled within three working days.</p> <p>Management response: <i>Management recognise the importance of ensuring that offboarding procedures and specifically access management are strictly followed and enforced.</i></p> <p><i>Management have taken action during Q1 2023 to tighten up process relating to leavers and ensuring access is severed by 18:00 on the leaver's final day of work. This will be closely</i></p>

			<p><i>monitored, and regular consistency checks made as a follow-up.</i></p> <p><i>The audit discovered two users were not offboarded in a timely manner. One was due to a late notification to IT. The other was due to an unusual disruption to the normally reliable process.</i></p>
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## 6.0 Control objectives and control procedures

### 6.1 Complementary user entity controls

The control procedures relating to pension governance and administration activities were designed with the assumption that additional participating employer side controls would be implemented by employers, known as User Organisations (or User Entities). In certain situations, the application of specific controls at User Organisations is necessary to achieve certain control objectives included in this report.

This section highlights those control responsibilities that we believe should be present for each employer and has been considered when developing the control procedures described herein.

The controls described below are intended to address only those controls surrounding the interface and communication between each client and Smart. Accordingly, this list does not purport to be, and is not, a complete listing of the controls which employers may need to have in place. The listed below controls support meeting the following objectives:

20. The Trustee Board monitors and reviews IT systems. - see page 80

23. The Trustee Board has arrangements in place for ensuring that core financial transactions (including decumulation related transactions) are processed promptly. - see page 108

24. The Trustee Board has arrangements in place for ensuring that core financial transactions (including decumulation related transactions) are processed accurately and that payments are authorised and suitably controlled. - see page 115

26. The Trustee Board ensures that transaction errors are identified and rectified in accordance with a documented procedure. - see page 124

27. The Trustee Board ensures that late and inaccurate contributions are pursued and resolved in accordance with documented procedures. Late contributions are reported to the trustees. - see page 127

29. The Trustee Board ensures member data is complete and accurate and is subject to regular data evaluation. - see page 134

Complementary User Entity Controls:

- Employers comply with their auto-enrolment obligations.
- Employers review the completeness and accuracy of data submitted to Smart.
- Employers submit complete and accurate contribution information and funds.
- Employers communicate information to Smart in a timely manner.
- Employers have established authorisation protocols in place.

- Employers communicate access restrictions to add / delete / modify user account access for approved client contacts.
- Employers communicate changes to approved client contacts in a timely manner.
- Employers notify Smart of any errors they have made or identify in a timely manner.

## 6.2 Tests of the Control Environment

The control environment represents the collective effect of various elements in establishing, enhancing or mitigating effectiveness of specific controls. In addition to the tests of specific controls described below, KPMG's tests included tests of relevant elements within the Smart Pension control environment including:

- Smart Pension's organisation structure and approach to assigning authority and responsibility;
- Personnel policies and practices; and
- Management control methods for monitoring and following up and performance, including audit and risk review.

KPMG's tests of the control environment included the following procedures, to the extent they are considered necessary: (a) Smart Pension's organisational structure including the segregation of functional responsibilities, policy statements, accounting and processing manual's, human resource policies and the corporate audit and compliance units' policies. procedures and reports; (b) discussions with management operations, administrative and other personnel who are responsible for developing, helping to ensure adherence to, and applying controls; (c) observations of personnel in the performance of their assigned duties; and (d) reviews actions taken in response to recommendations, to improve controls, if any, made by the internal audit, and compliance units having supervisory oversight over Smart Pension's activities.

The control environment was considered by KPMG in determining the nature, timing and extent or the testing of controls relevant to achievement of the control objectives.

## 6.3 Description of Tests Performed by KPMG

Tests performed in connection with determining the design and operating effectiveness of controls detailed in Section 6 are described below:

Test procedure	Description
Inspection	Inspected documents, reports and electronic files that contain an indication of the performance of the control. This included, among

	other things, examining management reports, operational logs and other relevant documentation.
Enquiry	Enquired of appropriate Smart Pension personnel. Enquiries were used to obtain among other things, knowledge and additional information about the control.
Observation	Observed the application of a specific control.

When using information produced by Smart Pension which included, but was not limited to, management's reports used in the performance of controls and reports generated to facilitate testing of control populations, KPMG evaluated whether the information was sufficiently reliable for their purposes. This included, as necessary, obtaining evidence about the completeness and accuracy of the information and evaluating whether the information was sufficient, precise and detailed for our purposes.

## 6.4 Control Objectives, Related Controls, and Tests Performed by the Service Auditor

The following tables set out the control objectives and control procedures identified by Smart Pension management and the tests which KPMG have undertaken and the results of those tests. In addition, exceptions to those controls identified by KPMG within the Independent Service Auditor's Report are annotated alongside the appropriate control activity.

## 6.4.1 Value for members

1. A documented value for members assessment is undertaken at least annually and is formally approved by the Trustee Board.			
Control no	Process	Control activities	Tests performed by KPMG LLP and results
1.1	<p>Membership of the Smart Pension Master Trust is mostly 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> <p>The VfM assessment is undertaken annually and output from this is included in each annual Trustee Report.</p>	A VfM assessment is produced on an annual basis by the Smart Pension Governance and Regulatory Team using a scorecard which is reviewed for accuracy and completeness by the Trustee and Smart Pension Governance and Regulatory Team. Evidence of this review is through meeting minutes.	<p>For the annual VFM assessment, inspected meeting minutes and noted that it had been reviewed for accuracy and completeness by the Trustee and Smart Pension Governance and Regulatory Team.</p> <p><b>No exceptions noted.</b></p>
1.2	<p>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</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 Head of Governance. This is	For the annual VFM review, inspected Board meeting minutes and noted that it had been conducted within 7 months of the scheme year, reviewed by the Head of Governance and

	management and governance, administration, investment governance and communications.	evidenced by the report reviewed and minuted during the meeting.  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.	reviewed and approved by the Trustee.  <b>No exceptions noted.</b>
<b>2. The Trustee Board ensures disclosure of information to members of transaction costs and charges is complete and accurate and has been disclosed in accordance with regulatory guidelines.</b>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>
2.1	The default charging structure consists of an Annual Management Charge (AMC) of 0.30% and a per member charge of £1.25 per month.  The Information on this default charge arrangement is available on the Scheme website – <a href="https://www.smartpension.co.uk/governance/scheme-information">https://www.smartpension.co.uk/governance/scheme-information</a>	Any changes to member charges are prepared by the Scheme Strategist in the form of a written paper, and discussed with the Trustee. The Scheme Strategist presents the proposal at the full Trustee Board meetings where the Trustee can raise any concerns. This discussion is evidenced in the meeting minutes.	For a selection of changes to member charges, inspected the full Trustee Board meeting minutes and noted that that the proposal from the Scheme Strategist had been presented to and been discussed by the Trustee along with responses to follow up queries.



	Smart offers alternative charging structures to employers, the details of which are disclosed in the Chair's statement, investment guides and in members' accounts.	Any follow up queries are dealt with offline with responses brought to the full Board for discussion, which is evidenced in the meeting minutes.	<b>No exceptions noted.</b>
2.2	Information on default costs and charges is publicly available at: <a href="https://www.smartpension.co.uk/governance/scheme-information">https://www.smartpension.co.uk/governance/scheme-information</a> . The content management is owned by the Smart Communications and Marketing Teams and overseen by the Trustee Operations & Communications Sub-Committee.	Any proposed changes to default charges are agreed by the full Trustee Board during its meeting. Changes are reviewed and agreed as being complete and accurate by the Trustee Communications Sub-Committee (from 1 July 2022 the name was changed to Operations & Communications Sub-Committee) prior to being uploaded onto the Smart Pension website.  This is recorded in the meeting minutes.	For a selection of changes to default charges, inspected full Trustee Board meeting minutes and noted they had been reviewed and agreed as being complete and accurate by the Trustee Communications Sub-Committee (from 1 July 2022, Operations & Communications Sub-Committee) prior to being uploaded onto the Smart Pension website.  <b>No exceptions noted.</b>
2.3	Members have a note concerning their charge structure on their individual Smart Pension account.	Any changes to the charge structure are shared by Smart's Head of Investment Proposition.	For a selection of changes to the charge structure, inspected emails and noted they had been reviewed by the Head of Governance and Regulation and

	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 Operations & Communications Sub-Committee.	Changes are reviewed by the Head of Governance and Regulation and the Legal Counsel. The Communication Manager updates the investment guide with the new charging structure information. This is evidenced by exchanged emails.	the Legal Counsel prior to being updated in the investment guide.  <b>No exceptions noted.</b>
2.4	The information about the performance and charging structures are included in the individual Investment Funds factsheets. 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 structures are reviewed every quarter by the Investment Sub-Committee. The charging structure is reviewed for its accuracy and completeness. 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. This is evidenced by the minutes of the Investment Sub-Committee.	For a selection of quarters, inspected Investment Sub-Committee meeting minutes and noted the performance and charging structure had been reviewed for accuracy and completeness by the Investment Sub-Committee.  <b>No exceptions noted.</b>
2.5	On an annual basis Smart Pension obtains a completed Cost Transparency Initiative template from their platform provider This is summarised by the Investment Team and shared with the Trustee to support its review and	The annual report summarising the Cost Transparency Initiative template is reviewed to verify it supports the accuracy of cost reporting and the meeting of statutory requirements of investment charges. It is shared with	For the annual Cost Transparency Report, inspected full Trustee Board meeting minutes and noted that it had

	<p>understanding of member fees and drive transparency of disclosures. A member of the internal Smart Investment team as well as the Scheme's Investment Adviser are present at the Trustee meeting and support the discussion on the presented report.</p> <p>The report supports the Trustee in their value for members assessment.</p>	<p>the Investment Sub-Committee at the next available 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. If any breach or inaccuracy is noted, it is delegated to the Risk &amp; Governance Sub-Committee for investigation. This is evidenced by the meeting minutes of the full Trustee Board.</p>	<p>been reviewed by the Investment Sub-Committee.</p> <p>For a selection of meetings, inspected Trustee Board meeting minutes and noted that findings were reported back by the Investment Sub-Committee.</p> <p><b>No exceptions noted.</b></p>
2.6	<p>The Trustee Board ensures disclosure of information to members on all charges and transaction costs in the annually prepared Chair's Statement. The Chair Statement is prepared annually and published within 7 months of the Scheme Year end.</p> <p>The Chair Statement is prepared by the Smart Pension Governance and</p>	<p>The annual Chair Statement is reviewed by the Trustee for its accuracy and completeness, including the disclosure of charges and transaction costs. It is approved by the Trustee during the board meeting. This approval is evidenced by the meeting minutes.</p>	<p>For the annual Chair Statement, inspected Trustee meeting minutes and noted that it had been reviewed for accuracy and completeness and approved by the Trustee.</p> <p><b>No exceptions noted.</b></p>

	<p>Regulatory Team with help of the Scheme's advisers.</p> <p>The statement is published publicly on the Scheme's website:  <a href="https://www.smartpension.co.uk/governance/scheme-information">https://www.smartpension.co.uk/governance/scheme-information</a>.</p>		
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## 6.4.2 Investment governance

3. A documented review of the suitability of the default arrangement(s) and range and risk profile of other investment options is undertaken and approved by the Trustee Board.			
Control no	Process	Control activities	Tests performed by KPMG LLP and results
3.1	<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>The annual advice on the continued suitability of all funds and the range and risk profile is reviewed by the Trustee Board.</p> <p>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 meetings. The Trustee Board reviews the advice and where they are content of continued suitability, with no arising concerns from the investment</p>	<p>For the annual advice on continued suitability of funds, inspected Investment Sub-Committee and full Trustee Board meeting minutes and noted that they had been reviewed and approved by the Trustee Board.</p> <p><b>No exceptions noted.</b></p>

	<p>Advice is obtained from the Investment Adviser on at least an annual basis.</p>	<p>advisor, 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>	
3.2	<p>The performance of the default investment options is included in the Investment Manager's reports. The Trustee considers these 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 investment adviser's reports (Hymans Robertson), which include the performance and commentary on the suitability of the investment arrangements, including default investment options, are presented by the Investment Adviser to the Investment Sub-Committee or main Board at least quarterly following the end of each calendar quarter. The Trustee reviews it for the continuous suitability of the arrangements, as well as their range and risk profile.</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</p>	<p>For a selection of quarters, inspected full Trustee Board meeting minutes and noted that the investment advisers' report or the Investment Sub-Committee report had been reviewed for continuous suitability, range and risk profile by the Trustee and any actions added to the Action List were resolved and reported back to the Trustee Board.</p> <p><b>No exceptions noted.</b></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.	meeting minutes and emails sent by the Investment Adviser. Resolved 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.	
<b>4. The Trustee Board undertakes a documented review of the Statement of Investment Principles. This review includes consideration of investment objectives and policies for the default arrangement(s) and all other investment options.</b>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>
4.1	All scheme assets are held under trust. The Trust Deed and Rules specifies the investment powers of the Trustee Board.  The Trustee Board maintains a written Statement of Investment Principles (SIP) that sets out the principles governing	The Trustee, following the advice of its Investment Adviser, reviews the Statement of Investment Principles on at least triennial basis. This review includes consideration of investment objectives and policies for the default arrangement(s) and all other investment options.	For the triennial review of the Statement of Investment Principles, inspected Investment Sub-Committee and full Trustee Board meeting minutes and noted that it had been reviewed and approved by the Trustee.  <b>No exceptions noted.</b>

	<p>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 new legal requirements or changes to the investments/charging structure is continuously monitored and changes are made as and when required.</p> <p>Changes to the Statement of Investment Principles (SIP) are proposed by Smart Pension Governance and Regulatory Team, the Smart Investment Team or the Trustee's Investment Adviser.</p> <p>The current in-force version of the SIP is publicly published on the <a href="https://www.smartpension.co.uk/governance/scheme-information">https://www.smartpension.co.uk/governance/scheme-information</a> website.</p>	<p>The review is carried out 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>	
4.2	<p>Significant changes to the SIP are reported to TPR as Significant Events. Reports are made by the Smart Pension</p>	<p>Details of changes to the SIP and reported as Significant Events since the last Board meeting, are reported at the</p>	<p>For a selection of significant changes to the SIP, inspected the full Trustee Board meeting minutes and noted that the</p>



	<p>Head of Governance and Regulation and are notified to the Trustee.</p> <p>The Head of Governance and Regulation 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>.</p>	<p>next quarterly full Board Meeting. The Trustee reviews these for their completeness. This is documented in the full board Trustee meeting minutes.</p> <p>Under the Trustee's delegation, the Head of Governance and Regulation, or a member of their team, submits the Significant Event reports to TPR.</p> <p>Details of the Significant Event reports made are presented to the Trustee by the Smart Pension Governance and Regulatory Team are recorded in the meeting minutes.</p>	<p>Significant Events form had been reviewed for completeness by the Trustee.</p> <p>For a selection of significant events, inspected the Significant Event reports and noted they had been submitted to TPR by the Head of Governance and Regulation.</p> <p><b>No exceptions noted.</b></p>
4.3		<p>The Trustee keeps a log of changes to the SIP. The log lists the nature of changes made to it.</p> <p>The log is maintained by the Smart Pension Governance and Regulatory Team and presented to the Trustee for review of its completeness after each new version of SIP is approved.</p>	<p>For a selection of changes to the SIP, inspected the Trustee meeting minutes and noted that the log had been reviewed by the Trustee for completeness.</p> <p><b>No exceptions noted.</b></p>

		This is evidenced by the Trustee meeting minutes.	
<b>5. The Trustee Board ensures that the Statement of Investment Principles is made publicly available.</b>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>
5.1	<p>Changes to the Statement of Investment Principles (SIP) are proposed by the Smart Pension Governance and Regulatory Team, the Smart Investment Team or the Trustee's Investment Adviser. The Trustee, following the advice of its Investment 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.</p> <p>The current in-force version of the SIP is publicly published on the <a href="https://www.smartpension.co.uk/governance/scheme-information">https://www.smartpension.co.uk/governance/scheme-information</a> website.</p>	The Trustee's approval of the revised SIP and uploading to the SPMT's websites is documented in the meeting minutes following the Trustee meeting and on the SIP change log.	<p>For a selection of changes to the SIP, inspected the SIP change log and Trustee meeting minutes and noted that the revised SIP had been approved by the Trustee and uploaded to the SPMT's websites.</p> <p><b>No exceptions noted.</b></p>

	The Smart Pension Governance and Regulatory Team forwards the SIP to the internal Marketing Team with a request for the new version to be uploaded to the SPMT's websites by replacing the existing copy.		
<b>6. The performance of all investment options (including the default arrangement(s)) is reviewed and monitored against the investment objectives set out in the Statement of Investment Principles. This review is documented and approved by the Trustee Board.</b>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>
6.1	Fund performance is documented in the investment reports, which are presented in a form of the Investment Consultant's quarterly investment reports at Trustee Board meetings. 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.	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. The Trustee's review includes monitoring whether the funds are performing in line with the set benchmarks.	For a selection of quarters, inspected the Investment Sub-Committee or full Trustee Board meeting minutes and noted that the investment reports had been reviewed by the Trustee and any actions added to the Action List were resolved and reported back to the Trustee Board.  <b>No exceptions noted.</b>

	<p>Commentary is received from fund managers and advice is obtained from the investment consultant (LGIM and Hymans Robertson).</p> <p>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.</p>	<p>This is done quarterly and by reviewing investment reports, which are presented in a form of the Investment Consultant's quarterly investment reports.</p> <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 action owner. This is evidenced by the meeting minutes and Action List updates. 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 the Sub-Committee's quarterly update. This is evidenced by the full Trustee Board meeting minutes.</p>	
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6.2	<p>The Trustee reviews annually suitability of the investment funds against the investment objectives. The review is carried out by the Scheme's investment adviser and presented to the Trustee at the full Board meeting.</p>	<p>The annual review of the suitability of the investment funds, including default ones (considering the range and risk profile), is discussed and approved during the full Trustee meeting.</p> <p>This is evidenced by the Trustee meeting minutes.</p>	<p>For the annual review of the suitability of the investment funds, inspected full Trustee Board meeting minutes and noted that they had been approved by the Trustee Board.</p> <p><b>No exceptions noted.</b></p>
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### 6.4.3 The Trustee Board

7. New trustees are recruited and appointed in accordance with a documented procedure approved by the Trustee Board.			
Control no	Process	Control activities	Tests performed by KPMG LLP and results
7.1	<p>The Trustee has a written policy 'Appointment of Trustee Directors'. The policy sets out the criteria, which the prospective candidates need to meet, and the process, which is followed while recruiting and appointing a new Trustee Director.</p> <p>The ownership responsibility of the 'Appointment of Trustee Directors' policy sits with the Trustee Board. The Trustee Board is sharing the policy with Smart and takes into account any comments and feedback from Smart when setting and agreeing the policy and/or changes to it.</p>	<p>On behalf of the Trustee, the internal Smart Pension Governance and Regulatory Team undertakes a review of the 'Appointment of Trustee Directors' policy on at least a triennial basis and Smart review and presents it to the Trustee at the full Trustee Board meeting. Any comments / proposed changes are resolved / addressed by the same Team. The approval to the policy is given either during the Trustee meeting or offline by quorate (via exchange of emails or approvals on Knowa – online governance tool).</p> <p>This is evidenced by the meeting minutes and emails.</p>	<p>Inspected the 'Appointment of Trustee Directors' policy and noted it was approved in September 2021. We noted that it was not scheduled to occur in 2022, therefore we were unable to test the implementation and operating effectiveness of this control.</p>

7.2	<p>Smart supports the Trustee with the appointment of directors captured in the Rules of the Scheme.</p>	<p>As a part of the appointment process, a 'sub-group' comprising at least one of the existing Trustee Directors plus representative from the Scheme Funder and/or Scheme Strategist interviews shortlisted candidates.</p> <p>The discussions and decisions are made during the meetings and calls, and recorded in the meeting notes.</p>	<p>Inspected Trustee meeting minutes to determine whether there had been any new Trustee Directors appointments during the period. We noted that no appointments had occurred. Since there were no instances, the implementation and operating effectiveness of the control could not be tested.</p>
7.3	<p>There is an induction checklist which is followed at the point of appointment of a new Trustee Director. It sets out a number of requirements, which would allow the Director to familiarise him/herself with the Scheme, Trustee, Business and Teams supporting the Trustee board.</p> <p>The checklist includes both pre and post appointment requirements. The newly appointed Trustee Director is expected to be fit and proper upon appointment</p>	<p>The internal Smart Pension Governance and Regulatory Team shares the checklist with a new appointee by email prior to or on the appointment. The completion of the checklist is also confirmed and is evidenced by exchange of emails / messages on Knowa.</p>	<p>Inspected Trustee meeting minutes to determine whether there had been any new Trustee Directors appointments during the period. We noted that no appointments had occurred. Since there were no instances, the implementation or operating effectiveness of the control could not be tested.</p>

	<p>and has 6 months to complete the checklist actions.</p> <p>All Trustee Directors are expected to complete The Pensions Regulator's Trustee toolkit for DC schemes.</p> <p>The induction checklist is maintained by the internal Smart Pension Governance and Regulatory Team and forms part of the 'Appointment of Trustee Directors' policy. Its continued suitability is reviewed at the same time as the policy.</p>		
<p><b>8. The fitness and propriety of trustees is assessed prior to appointment and reviewed annually thereafter in accordance with a documented policy. This review is documented and approved by the Trustee Board.</b></p>			
Control no	Process	Control activities	Tests performed by KPMG LLP and results
8.1	The Trustee Board includes appointment of both corporate professional and individual professional trustees with strong backgrounds in pension matters and related financial services.	Trustee Directors declare at the start of each Sub-Committee (at least quarterly) 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	For a selection of quarters, inspected the Sub-Committee and full regular Trustee Board meeting minutes and noted that Trustee Directors declared they remained fit and proper.



	<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>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>	<p>may not remain to be the case. This is evidenced by the meeting minutes.</p>	<p><b>No exceptions noted.</b></p>
8.2	The Trustee has the 'Fitness and Propriety' policy, which is managed by	The Trustee Board maintains the Fitness and Propriety Policy which	Inspected the Fitness and Propriety Policy and noted it was approved in December

	<p>the Smart Pension Governance and Regulatory Team and approved by the Trustee as and when reviewed.</p>	<p>is reviewed and approved at least triennially at the full Trustee Board meeting.</p> <p>The review is prepared by the Smart Pension Governance and Regulatory 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 the Smart Pension Governance and Regulatory Team. This is evidenced by the meeting minutes and emails sent by the members of the Smart Pension Governance and Regulatory Team. Resolved actions are reported for noting at the next available meeting.</p>	<p>2021. We noted it was not scheduled to occur in 2022, therefore we were unable to test the implementation and operating effectiveness of this control.</p>
8.3	<p>This fitness and propriety of Trustee Directors is reviewed prior to appointment and regularly thereafter. This process is managed by the Smart</p>	<p>A full external fit &amp; proper check is undertaken prior to a Trustee Director appointment and at the mid-point (after 2.5 years from the</p>	<p>Inspected Trustee meeting minutes to determine whether there had been any new Trustee Directors appointments during the period. We noted that no appointments had</p>

	<p>Pension Governance and Regulatory Team by using an external provider.</p> <p>Trustee Directors complete a formal fit and proper check on appointment or reappointment.</p> <p>Negative findings can disqualify a candidate/current Trustee Director from being appointed / further appointment.</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 &amp; Proper form which is submitted to the Regulator along with a Significant Event form on appointment. (Please refer to</p>	<p>appointment for 5-year term), as well as for reappointments at the end of their tenure.</p> <p>The relevant Trustee Director 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 Board meetings and is evidenced in the meeting minutes. The records are kept on Smart Pension's internal records.</p>	<p>occurred. Since there were no instances, the implementation and operating effectiveness of the control could not be tested.</p>
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	control 4.2 for the process of submitting a Significant Event form to TPR.)		
8.4	<p>Members of the Trustee Board are trustees that 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>	<p>The Trustee Directors update personal training logs whenever the Trustee Director completes / receives training, both internally and externally.</p> <p>They are shared with the Scheme Secretary on at least an annual basis. These are reviewed for completeness by a member of the Governance and Regulatory Team and receipt confirmed to the Board at the full Board Trustee meeting.</p> <p>The Trustee training plan is maintained over the Scheme Year and presented for discussion to the Board at the full Board Trustee meeting.</p> <p>This can be evidenced by the Trustee meeting minutes.</p>	<p>For a selection of training completed/received by Trustee Directors, inspected full Board Trustee meeting minutes and noted that they had been collated into the training record and discussed by the Trustee.</p> <p>For the same selection, inspected full Board Trustee meeting minutes and noted training records and the Trustee training plan were presented to the Trustee for discussion.</p> <p><b>No exceptions noted.</b></p>

8.5	<p>Trustee Board training is 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 skills by completing a self-assessment of their knowledge on a range of requirements.</p> <p>These are collated into a Skills Matrix which assists the Trustee in determining knowledge gaps, succession planning and further training needs. This is evidenced by the meeting minutes.</p>	<p>For the annual training needs self-assessment, inspected Trustee meeting minutes and noted that the Skills Matrix had been reviewed by the Trustee.</p> <p><b>No exceptions noted.</b></p>
<p><b>9. Collective skills and competencies of the Trustee Board as a whole are reviewed on an annual basis. This review is documented and approved by the Trustee Board.</b></p>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>
9.1	Each year an assessment is undertaken to identify knowledge and skill gaps on the Trustee Board and assess whether the Trustee Board has sufficient	The Trustee Directors are required to review their own skills by completing a self-assessment of	For a selection of Trustee Directors, inspected Trustee meeting minutes and noted that the Skills Matrix and further

	<p>collective knowledge and skills for their role, with further training arranged as necessary.</p> <p>The Trustee Board reviews its training needs at least annually.</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>their knowledge on a range of requirements, at least annually.</p> <p>These are collated into a Skills Matrix which assists the Trustee in determining any collective knowledge gaps, succession planning and further training needs.</p> <p>The review and further actions are approved by the Trustee. This is evidenced by the meeting minutes.</p>	<p>actions had been reviewed and approved by the Trustee.</p> <p><b>No exceptions noted.</b></p>
9.2	<p>The Trustee discusses and approves the Trustee's training plan each year.</p> <p>The Trustee's training is recorded and submitted to TPR as a part of the annual Supervisory Return.</p>	<p>The Trustee follows a training plan, which is reviewed and approved by the Trustee during the Main Board Trustee meeting within the relevant Scheme Year.</p> <p>This is evidenced by the Trustee meeting minutes.</p>	<p>For the review of the training plan, inspected the Trustee meeting minutes and noted that it had been reviewed and approved by the Trustee.</p> <p><b>No exceptions noted.</b></p>

**10. Trustee levels of knowledge and understanding are managed and maintained in accordance with an annual training and development plan approved by the Trustee Board.**

Control no	Process	Control activities	Tests performed by KPMG LLP and results
10.1	The Trustee Board undertakes training over the year to support them in meeting their fit and proper obligations and personal development needs.	<p>Personal training logs are maintained by the individual Trustee Directors and shared with the Scheme Secretary on at least an annual basis.</p> <p>Arranged for and pre-agreed online training sessions received by the Trustee are recorded. These are stored on the internal drive with access granted to all the Trustee Directors.</p> <p>Any newly appointed Trustee Director receives access to all the recordings and the induction checklist prompts the Smart Pension Governance and</p>	<p>For a selection of individual Trustee Directors, inspected training logs and noted that they had been maintained and shared with the Scheme Secretary on at least an annual basis.</p> <p>Inspected the internal drive and noted that pre-agreed online training sessions received by the Trustee were recorded.</p> <p><b>No exceptions noted.</b></p> <p>Inspected Trustee meeting minutes to determine whether there had been any new Trustee Directors appointments during the period. We noted that no appointments had occurred. Since there were no instances, the implementation and operating effectiveness of the control could not be tested.</p>

		Regulatory Team to share the latest training sessions for playback.	
10.2	<p>Each year an assessment is undertaken to identify skill gaps on the Trustee Board and assess whether the Trustee Board has sufficient experience and skills for their role, with further training arranged as necessary.</p> <p>An annual assessment is undertaken to identify collective 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 Trustee Board reviews its training needs at least annually.</p> <p>The Trustee Directors are required to review their own skills by completing a self-assessment of their knowledge on a range of requirements.</p> <p>These are collated into a Skills Matrix by a member of the Governance and Regulatory Team. The Trustee Skills Matrix assists the Trustee in determining knowledge gaps, succession planning and further training needs. This is evidenced by the meeting minutes.</p>	<p>For a selection of Trustee Directors, inspected Trustee Board meeting minutes and noted that the Trustee Skills Matrix had been reviewed by the Trustee Board at least annually.</p> <p><b>No exceptions noted.</b></p>
10.3	In alternate years the Trustee carries out an assessment of its Knowledge and	At least every two years a member of the Smart Governance and	For the collation of the Trustee Knowledge and Understanding questionnaires, inspected



	<p>Understanding requirements (as defined by the Pensions Regulator). This covers the areas:</p> <ul style="list-style-type: none"> <li>• pensions and trust law</li> <li>• running a DC pension scheme</li> <li>• investment of assets and funds management</li> <li>• working knowledge of the scheme's relevant documents</li> <li>• ESG and climate change.</li> </ul> <p>The Trustee Directors complete individual questionnaires, which are subsequently collated by a member of the Smart Governance and Regulatory Team and presented to the Trustee at the Main Board meeting in the form of a paper to facilitate further discussion and to identify areas requiring additional training.</p>	<p>Regulatory Team issues the Trustee Knowledge and Understanding questionnaires to Trustee Directors via email.</p> <p>The Trustee directors respond individually, and their responses are collated into a paper by a member of the Governance and Regulatory Team. The paper is discussed at the Main Board meeting and assists the Trustee in determining knowledge gaps and further training needs. This is evidenced by the meeting minutes.</p>	<p>Trustee Board meeting minutes and noted that the Trustee knowledge gaps, and further training needs had been reviewed by the Trustee Board.</p> <p><b>No exceptions noted.</b></p>
10.4	As documented in Trustee Board meeting agendas and minutes, the Trustee Board is provided with technical	The Trustee Board receives a legal update, which includes recent legal changes and developments, at the	For a selection of quarters, inspected Trustee Board meeting minutes and noted

	<p>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.</p> <p>The Trustee receives quarterly legal issues updates from its Legal Adviser during its full Trustee Board meetings.</p> <p>The Trustee receives a quarterly update on investment issues and new development updates during its Investment Sub-Committee meetings.</p>	<p>full meeting on a quarterly basis. The update is prepared and presented by the Scheme's Legal Adviser.</p> <p>This is evidenced by the meeting minutes.</p> <p>The Investment Sub-Committee receives an investments update, which includes recent changes and developments, at the quarterly meetings. It is prepared and presented by the Scheme's Investment Adviser.</p> <p>This is evidenced by the meeting minutes.</p>	<p>that legal updates had been prepared and presented by the Scheme's Legal Advisor.</p> <p>For a selection of quarters, inspected Investment Sub-Committee meeting minutes and noted that investment updates had been prepared and presented by the Scheme's Investment Advisor.</p> <p><b>No exceptions noted.</b></p>
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#### 6.4.4 Financial sustainability and compliance

11. A documented review of financial sustainability (including access to resources to cover running costs and financial reserves in the event of a triggering event) is undertaken by the Trustee Board within required timescales.			
Control no	Process	Control activities	Tests performed by KPMG LLP and results
11.1	<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. The Continuity Strategy is shared and agreed with the Scheme Strategist.</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, including a summary of the reserves available and how those costs were derived, is reviewed, and approved by the Trustee at least annually at the full Trustee Board meeting. It is revised where a 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>Once approved, the reserves are updated and evidenced via a verbal</p>	<p>For the annual Continuity Strategy review, inspected full Trustee Board meeting minutes and noted that it had been reviewed and approved by the Trustee.</p> <p>For the change in capital adequacy requirements, inspected full Trustee Board meeting minutes and noted that changes to reserves were verbally updated to the Trustee.</p> <p><b>No exceptions noted.</b></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 as part of the annual Supervisory Return. Any ad-hoc changes to the strategy (outside the annual review), are shared with TPR within three months from the Significant Event which triggered the change. Responsibility for sharing this with TPR rests with Smart's Head of Governance and Regulations and a copy of the revised Strategy is retained in the Trustee's documentation repository.</p>	<p>update to the Trustee at the Main Board meeting.</p>	
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</p>	<p>Updates on financial sustainability, measured against the agreed business plan milestones are presented to the Trustee at the Risk &amp; Governance Sub-Committee quarterly meetings. Any concerns or</p>	<p>For a selection of quarters, inspected Risk &amp; Governance Sub-Committee meeting minutes and full Trustee Board meeting minutes and noted that findings from the updates on financial sustainability had been resolved and reported to the Trustees.</p>

	<p>holds the power to amend these provisions.</p> <p>A review of the Continuity Strategy is recorded as an annual event in the Trustee Board Scheme Calendar. The Scheme's definitive Trust Deed and Rules dated 27 May 2021 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 &amp; Governance Sub-Committee reviews and monitors the financial position of the Scheme at least on a quarterly basis.</p> <p>The Trustee Directors receive a monthly report against the milestones within the Business Plan. The report is prepared by the Scheme Strategist, who gives an update on the financial position and sustainability of the Scheme during full</p>	<p>queries are logged on the Action List. These are subsequently followed up by a Director, adviser or a member of the Smart Pension Governance and Regulatory 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 &amp; Governance Sub-Committee to the Trustee at the full Trustee Board meetings and is evidenced by the meeting minutes.</p>	<p><b>No exceptions noted.</b></p>
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	<p>Trustee Board meetings. This process is managed by the Smart Governance and Regulatory 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 Governance and Regulation. Copies of any reporting are recorded.</p> <p>The Chair of the Risk &amp; 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>		
11.3	On annual basis the Trustee obtains a report from an external party to perform an independent assessment of the Scheme Funder and the financial reserves support, with the Support Items being the items the Scheme can	The annual assessment of the Scheme Funder and the financial reserves support report is presented to the Trustee Board at the full meeting. The Trustee discusses findings and gives	For the annual assessment of the Scheme Funder and the financial reserves support report review, inspected Action List and full Trustee Board meeting minutes and noted that it had been discussed by the Trustee.

	<p>utilise in a triggering event scenario. The report focuses on:</p> <ul style="list-style-type: none"> <li>- Assessment of the Scheme Funder's ability to support the Scheme on an ongoing basis and in a triggering event scenario</li> <li>- Understanding of the legal structure of Support Items provided</li> <li>- Assessment of the recoverability of each Support Item.</li> </ul>	<p>additional focus to the recommendations. Any concerns raised are logged on the Action List and subsequently discussed with the Funder by a member of the Governance and Regulatory Team. The Funder's response is presented to the Trustee at the next available full Board meeting.</p> <p>This is evidenced by the meeting minutes.</p>	<p><b>No exceptions noted.</b></p>
<p><b>12. A documented review of the Business Plan is undertaken by the Trustee Board within required timescales.</b></p>			
Control no	Process	Control activities	Tests performed by KPMG LLP and results
12.1	<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>Updates on financial sustainability, measured against the agreed business plan milestones are presented to the Trustee at the Risk &amp; Governance Sub-Committee quarterly meetings. Any concerns or queries are logged on the Action List. These are subsequently</p>	<p>For a selection of quarters, inspected the Risk &amp; Governance Sub-Committee meeting minutes and full Trustee Board meeting minutes and noted that updates on financial sustainability had been reported to the Trustee.</p> <p><b>No exceptions noted.</b></p>

	<p>A review of the Continuity Strategy is recorded as an annual event in the Trustee Board Scheme Calendar. The Scheme's definitive Trust Deed and Rules 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 &amp; Governance Sub-Committee reviews and monitors the financial position of the Scheme at least on a quarterly basis.</p> <p>The Trustee Directors receive a monthly report against the milestones within the Business Plan. The report is prepared by the Scheme Strategist, who gives an update on the financial position and sustainability of the Scheme during full Trustee Board meetings. This process is managed by the Smart Governance and Regulatory Team and recorded.</p>	<p>followed up by a Director, adviser or a member of the Smart Pension Governance and Regulatory 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 &amp; Governance Sub-Committee to the Trustee at the full Trustee Boards meeting and is evidenced by the meeting minutes.</p>	
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	<p>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 Governance and Regulation. Copies of any reporting are recorded.</p> <p>The Chair of the Risk &amp; 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>		
12.2	<p>In accordance with the Pensions Regulator's requirements for authorisation, Smart Pension Master Trust has a three-year Business Plan.</p> <p>The current Plan is ending on 30th June 2025.</p>	<p>The Business Plan is reviewed at least annually and revised (if needed). It is also revised if at any time there is any significant change to the information in it or milestones are not met.</p> <p>The changes are made by the Head of Governance and/or members of</p>	<p>For the annual Business Plan, inspected Action List and full Trustee Board meeting minutes and noted that it had been discussed and reviewed by the Trustee and any actions added to the Action List were resolved and reported back to the Trustee Board.</p>

	<p>The Business Plan is prepared by the Scheme Strategist and approved by the Scheme Trustee and the Scheme Funder. It includes details of Smart's financial sustainability modelling for the Scheme.</p> <p>A copy of any revised Business Plan is provided to the Regulator within 3 months of its revision.</p>	<p>the Smart internal teams on behalf of the Scheme Strategist.</p> <p>The revised Plan is presented to the Trustee at the full Board meeting, reviewed and discussed by it. Any comments and / or changes are logged on the Action List and followed up by the Head of Governance or the Scheme Strategist by email after the meeting.</p> <p>This is evidenced by the meeting minutes and exchange of emails.</p>	<p><b>No exceptions noted.</b></p>
<p><b>13. A documented Continuity Strategy is maintained and reviewed by the Trustee Board.</b></p>			
Control no	Process	Control activities	Tests performed by KPMG LLP and results
13.1	<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.</p>	<p>The Continuity Strategy is reviewed and approved by the Trustee at least annually at the full Trustee Board meeting. It is also revised where a change is required or the capital adequacy requirements are adjusted. The changes are identified</p>	<p>Inspected the Trustee Board meeting minutes and noted that the Continuity Strategy had been reviewed and approved by the Trustee at least annually.</p> <p><b>No exceptions noted.</b></p>

	<p>The Trustee Board agrees with Smart Pension (the Scheme Strategist) 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 as part of the annual Supervisory Return. Any ad-hoc changes to the strategy (outside the annual review), are shared with TPR within three months from the Significant Event which triggered the change. Responsibility for sharing this</p>	<p>by the Scheme Strategist and presented to the Trustee at the meeting. It is evidenced by the meeting minutes.</p>	
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	<p>with TPR rests with Smart's Head of Governance and Regulation and a copy of the revised Strategy is retained in the Trustee's documentation repository. (Please refer to control 4.2 for the process of submitting a Significant Event form to TPR.)</p>		
13.2	<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 Continuity Strategy is recorded as an annual event in the Trustee Board Scheme Calendar. The Scheme's Definitive Trust Deed and Rules, dated 27 May 2021 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>Updates on financial sustainability, measured against the agreed business plan milestones are presented to the Trustee at the Risk &amp; Governance Sub-Committee quarterly meetings. Any concerns or queries are logged on the Action List. These are subsequently followed up by a Director, adviser or a member of the Smart Pension Governance and Regulatory 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 &amp; Governance Sub-Committee to the Trustee at the full Trustee Boards meeting and</p>	<p>For a selection of quarters, inspected the Risk &amp; Governance Sub-Committee meeting minutes and full Trustee Board meeting minutes and noted that updates on financial sustainability and been reported to the Trustee and any actions added to the Action List were resolved and reported back to the Trustee Board.</p> <p><b>No exceptions noted.</b></p>

	<p>The Risk &amp; Governance Sub-Committee reviews and monitors the financial position of the Scheme at least on a quarterly basis.</p> <p>The Trustee Directors receives a monthly report against the milestones within the Business Plan. This process is managed by the Smart Governance and Regulatory 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 Governance and Regulations. Copies of any reporting are recorded.</p> <p>The Chair of the Risk &amp; Governance Sub-Committee reports back to the Trustee Board at a full Board meeting.</p>	<p>is evidenced by the meeting minutes.</p>	
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	This is documented in the Trustee Board meeting agendas and minutes.		
<b>14. A documented procedure is maintained and approved by the Trustee Board for reporting Significant Events and Triggering Events to the Regulator within required timescales.</b>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>
14.1	The Trustee has got an established Policy for the reporting of Triggering Events and Significant Events. This policy sets out definitions and details of the relevant events and actions that need to be taken in circumstances when these occur.	<p>The Policy for the reporting of Triggering Events and Significant Events is reviewed triennially, (approved December 2021) by the Risk and Governance Sub-Committee and subsequently by the full Trustee Board.</p> <p>After review, queries and/or follow up actions are logged on an Action List.</p> <p>Actions are subsequently investigated by the Smart Pension Governance and Regulatory Team. Once resolved, they are reported</p>	Inspected the Policy for the reporting of Triggering Events and Significant Events and noted it was approved in December 2021. We noted that it was not scheduled to occur in 2022, therefore we were unable to test the implementation and operating effectiveness of this control.

		<p>back to the full Trustee Board at the next available meeting.</p> <p>This is evidenced by the Actions List and Minutes from the Sub-Committee and full Trustee Board meetings.</p>	
14.2	<p>In line with the Pensions Regulator's guidance, any events falling into the category of a Significant or Triggering are reported to TPR as Significant or Triggering Events. Reports are made by the Smart Pension Head of Governance and Regulation and are notified to the Trustee within set by TPR timescales.</p> <p>The Head of Governance and Regulation 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.</p>	<p>The Trustee delegated submitting a Significant or Triggering events' reports to the Smart Pension Head of Governance and Regulation. These are submitted to TPR within the Regulator's timescales, and not more than 5 working days.</p> <p>Details of the Significant and Triggering Event reports made are presented for noting to the Trustee by the Head of Governance or Head of Governance and Regulation. The Trustee reviews these for their completeness.</p> <p>It is evidenced by the minutes of the quarterly full Board Trustee</p>	<p>For a selection of Significant or Triggering events' reports, inspected the full Trustee Board meeting minutes and noted that they had been reviewed for completeness by the Trustee and had been submitted to TPR within its timescales of not more than 5 working days and any actions added to the Action List were resolved and reported back to the Trustee Board.</p> <p><b>No exceptions noted.</b></p>

	<p>This is done within 5 working days and is evidenced by email.</p> <p>Details of Significant and Triggering 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>meeting. If the Trustee raises any concerns, these are logged on the Action List, followed up by the Head of Governance and Regulation and reported back to the Trustee at the next Trustee meeting.</p>	
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## 6.4.5 Scheme management skills

15. An annual business schedule/plan is maintained and reviewed by the Trustee Board.			
Control no	Process	Control activities	Tests performed by KPMG LLP and results
15.1	<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 dedicated Scheme Secretary in place to assist with Scheme management.</p> <p>The Trustee Board reviews and approves a Scheme Calendar which schedules key operations throughout the year in order to allocate adequate resources to effectively govern the Scheme.</p> <p>It also acts as a tracker to ensure key governance items are undertaken.</p>	<p>The Sub-Committees' Scheme Calendar is prepared and maintained by the Smart Pension Governance and Regulatory Team and Scheme Secretary.</p> <p>The Sub-Committees' Scheme Calendar is monitored quarterly by the Trustee at the relevant Sub-Committee meeting to ensure that due items have been progressed, it contains key Trustee requirements, and resourcing is appropriate.</p> <p>Any items flagged as red on the calendar would be discussed at the meeting with actions added to the</p>	<p>For the Sub-Committees' Scheme Calendar, inspected the Trustee meeting minutes and noted that it had been reviewed at least annually by the Trustee.</p> <p><b>No exceptions noted.</b></p> <p>Enquired of management to determine whether there had been any changes or additional new entries to the Scheme Calendar.</p> <p>We were informed that no entries to the Scheme Calendar had occurred. Since there were no instances, the implementation and</p>

	The Scheme Calendar is prepared and maintained by the Smart Pension Governance and Regulatory Team and Scheme Secretary.	Action List. The outstanding actions from the Actions List are followed up by the Smart Pension Governance and Regulatory Team, marked as resolved on the list and reported to the Trustee at the next meeting. This is evidenced by the Action List and meeting minutes.	operating effectiveness of the control could not be tested.
15.2		<p>The Scheme Calendar is reviewed by the Trustee at least annually for a relevant Scheme Year to ensure that owners are allocated, due items have been progressed and it contains key Trustee requirements, and resourcing is appropriate.</p> <p>Any items flagged as red on the calendar would be discussed at the meeting with actions added to the Action List. The outstanding actions from the Actions List are followed up by the Smart Pension Governance and Regulatory Team, marked as resolved on the list and reported to the Trustee at the next</p>	<p>For the Scheme Calendar, inspected the Trustee meeting minutes and noted that it had been reviewed at least annually by the Trustee.</p> <p><b>No exceptions noted.</b></p> <p>Enquired of management to determine whether there had been any changes or additional new entries to the Scheme Calendar.</p> <p>We were informed that no entries to the Scheme Calendar had occurred. Since there were no instances, the implementation and operating effectiveness of the control could not be tested.</p>

		meeting. This is evidenced by the Action List and meeting minutes.	
<b>16. Conflicts of interest are subject to ongoing monitoring and are identified, recorded in a conflicts register and managed in accordance with a defined policy which is regularly reviewed by the Trustee Board.</b>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>
16.1	<p>The agendas for all quarterly meetings are issued in advance so that the Trustee Directors and other participants can identify potential conflicts of interest.</p> <p>Knowa issues email notifications to attendees when papers are published. The agreed target for this is five working days before quarterly meetings.</p> <p>The Trustee Directors state details of any changes or new potential conflicts at the start of each Trustee or Sub-Committee Meeting. This is minuted and</p>	<p>The Trustee Directors state details of any changes or new potential conflicts at the start of each Sub-Committee or Trustee meeting.</p> <p>Any conflicts are assessed and resolved in accordance with a written Trustee Policy on managing conflicts of interest.</p> <p>This is evidenced by the meeting minutes</p>	<p>For a selection of Sub-Committee and Trustee meetings, inspected meeting minutes and noted that Trustee Directors stated details of any changes or new potential conflicts at the start of each meeting and any conflicts were assessed and resolved in accordance with the written Trustee Policy on managing conflicts of interest.</p> <p><b>No exceptions noted.</b></p>

	recorded on every meeting agenda as a standing item, with the exception of ad-hoc meetings, where agreed as part of a shortened agenda.		
16.2	<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 Pension Governance and Regulatory 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 written Conflicts of Interest Policy, inspected full Trustee Board meeting minutes and noted that it had been reviewed and approved by the Trustee.</p> <p><b>No exceptions noted.</b></p>
16.3	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 by the Scheme Secretary 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</p>	<p>For the Register of Interests, inspected full Trustee Board meeting minutes and noted that it had been reviewed and noted by the Trustee.</p> <p><b>No exceptions noted.</b></p>

		presented at the next annual Trustee's review for noting.	
16.4	<p>The Trustee maintains a policy for Fitness and Propriety which is reviewed triennially.</p> <p>The Fitness and Propriety policy explicitly addresses the non-affiliation requirements.</p>	The written policy for Fitness and Propriety is reviewed and approved by the full Trustee board on a triennial basis. This is evidenced by the meeting minutes.	Inspected the Fitness and Propriety Policy and noted it was approved in December 2021. We noted that it was not scheduled to occur in 2022, therefore we were unable to test the implementation and operating effectiveness of this control.
16.5	<p>The Trustee maintains a policy for Appointing Trustee Directors which is reviewed at least triennially.</p> <p>This policy helps in managing the potential and existing conflicts of interest risk.</p>	The written policy for Appointing Trustee Directors is reviewed and approved by the full Trustee board on a triennial basis. This is evidenced by the meeting minutes.	Inspected the Appointment of Trustee Directors policy and noted it was approved in September 2021. We noted that it was not scheduled to occur in 2022, therefore we were unable to test the implementation and operating effectiveness of this control.
<b>17. Documented due diligence is undertaken by the Trustee Board prior to the appointment of all service providers, including fitness and propriety. Selection criteria is maintained by the Trustee Board to support service provider selection and decision making.</b>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>
17.1	The Trustee asks the Funder and/or an external or internal consultant to draw	When looking to appoint a new service provider, a paper which includes the review of suitability of	Enquired of management to determine whether there had been any new service provider appointments. We were informed

	<p>up a specification for the appointment of the relevant service provider.</p> <p>Invitations to tender and/or Requests for Proposal are sent out and proposals are received. Where appropriate these, or a 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.</p> <p>The Trustee may meet with representatives of the shortlisted candidates and interview them.</p>	<p>advisers and service providers against set criteria, a recommendation and a summary of calls/documents received is prepared by a member of an internal team. The paper is reviewed by the Trustee, any queries are clarified at the full Trustee Board meeting and the appointment is approved and recorded in the meeting minutes.</p>	<p>that no appointments had occurred. Since there were no instances, the implementation and operating effectiveness of the control could not be tested.</p>
17.2	<p>The Trustee maintains an Appointment and review of Advisers &amp; Service Providers policy. It sets out criteria supporting the Trustee's appointment process.</p>	<p>The written Appointment and review of Advisers &amp; Service Providers policy is reviewed and approved by the full Trustee Board</p>	<p>Inspected the written Appointment and review of Advisers &amp; Service Providers policy and noted it was in December 2021. We noted that it was not scheduled to occur in 2022, therefore we were unable to test the</p>

		on a triennial basis. This is evidenced by the meeting minutes.	implementation and operating effectiveness of this control.
17.3	<p>The Trustee undertakes due diligence checks on any new appointed service providers. Checks are carried out by the internal teams: legal, governance or procurement.</p> <p>Procurement team issues a due diligence checklist to the prospective service provider, which is subsequently reviewed internally. Legal team reviews any terms and conditions, as well as the written contract.</p>	<p>Due diligence is undertaken for all new appointments through the Trustee's selection process.</p> <p>All providers operate under agreed terms and signed contract, which are subject to legal review.</p> <p>Any areas of concern are presented to the Trustee at the full Board meeting. Otherwise, a successful appointment is confirmed at a Trustee meeting. This is evidenced by the meeting minutes.</p>	Enquired of management to determine whether there had been any new service provider appointments. We were informed that no appointments had occurred. Since there were no instances, the implementation and operating effectiveness of the control could not be tested.
<p><b>18. Roles and responsibilities of all advisers and service providers are documented and the performance and quality of their service is subject to documented reviews by the Trustee Board against documented performance criteria.</b></p>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>

18.1	<p>The Trustee maintains the Appointment and review of Advisers &amp; Service Providers policy.</p> <p>The Trustee Board carries out a three yearly performance review of key 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 Trustee Directors are required to provide feedback on each adviser as part of the review. This feedback is either provided in writing or verbally as part of the relevant Trustee or Sub-Committee</p>	<p>The advisers and service providers are subject to a formal review every three years with an interim review undertaken on an annual basis. Each adviser is required to complete a service questionnaire and 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 List. These are subsequently followed up by a Director, adviser or a member of the Smart Pension Governance and Regulatory Team and marked as resolved on the list presented at the following meeting.</p>	<p>For the annual interim review, inspected the Sub-Committee meeting minutes and full Trustee Board meeting minutes and Action Lists and noted that completed service questionnaires and individual Trustee Director feedback had been provided.</p> <p><b>No exceptions noted.</b></p>
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	meeting. Any comments and discussions are recorded and minuted.		
18.2	<p>The Administration is carried out by the Smart Governance Ltd, which has a service agreement in place with Link Pension Administration Limited.</p> <p>The Trustee Board has delegated administrative responsibilities to an Administrator under a service contract including detailed service level agreements.</p> <p>The performance and monitoring of administration tasks is supervised and directed by the Operations &amp;</p>	<p>Smart Governance Ltd (the internal Operations and Legal Teams) review their contract with Link on an annual basis. The outcome of this, including any changes to the service agreement, are shared with the Trustee via Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee).</p> <p>This is evidenced by the meeting minutes and exchange of emails.</p>	<p>For the annual review of the service agreement, inspected Trustee meeting minutes and noted that it had been reviewed for appropriateness and approved by the Trustee.</p> <p><b>No exceptions noted.</b></p>
18.3	<p>Communications 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 advance of each main Trustee Board meeting.</p> <p>The Trustee carries out an annual site visit with the Scheme Administrator.</p>	<p>The Trustee reviews the Service Level Agreement performance via Administration reporting at quarterly Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) and subsequently by the full Trustee Board.</p>	<p>For a selection of quarters, inspected the Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and full Trustee Board meeting minutes and noted that the Service Level Agreement performance had been reviewed by the Trustee and any actions added to the Action List were resolved and reported back to the Trustee Board.</p>

	<p>It can be either visit in person or remote. At least the Operations &amp; Communications Sub-Committee Trustee members are attending the meeting. The date and agenda for the day are discussed during the Operations &amp; Communications Sub-Committee meeting and subsequently at the full Board meeting.</p>	<p>After review, queries and/or follow up actions are logged on an Action List.</p> <p>Actions are subsequently investigated by the Smart Pension Governance and Regulatory Team. Once resolved, they are reported back to the full Trustee Board at the next available meeting.</p> <p>This is evidenced by the Actions List and Minutes from the Sub-Committee and full Trustee Board meetings.</p>	<p><b>No exceptions noted.</b></p>
18.4		<p>Trustee approves the agenda and the review of processes for the onsite visit at the Administration provider at the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee)</p>	<p>For the onsite visit at the Administration provider, inspected the Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and full Trustee Board meeting minutes and noted that the agenda and the review of processes had been approved by the Trustee.</p>

		<p>meeting and subsequently at the full Board meeting.</p> <p>This is evidenced by the Sub-Committee and full Board, as well as onsite visit meeting minutes.</p>	<b>No exceptions noted.</b>
18.5	<p>The Trustee reviews performance of the Investment managers at each quarterly Investment Sub-Committee and subsequently, via verbal update, at the full Trustee Board meeting. This is done by review of the quarterly investment reports and commentary received from the Scheme's Investment Advisers.</p>	<p>The Trustee Board monitors and reviews the performance of the Investment managers on an ongoing basis at the Investment Sub-Committee meetings or full Trustee Board meetings. This is done following each quarter end.</p> <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</p>	<p>For a selection of quarters, inspected the Investment Sub-Committee meeting minutes and full Trustee Board meeting minutes and noted that performance of the Investment managers was reviewed by the Trustee Board and any actions added to the Action List were resolved and reported back to the Trustee Board.</p> <p><b>No exceptions noted.</b></p>

		<p>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>	
18.6	The Trustee formally reviews on an annual basis the Investment consultant objectives. The objectives are presented and discussed at the Investment Sub-Committee (ISC) and full Trustee Board meeting with input from the Smart Investment team.	<p>The Investment consultant objectives are presented and discussed by the ISC annually.</p> <p>This is evidenced by the paper presented and the formal review, discussion, findings and follow up actions (if any) are recorded in the Trustee Board meeting minutes.</p>	<p>For the annual review of the Investment consultant objectives, inspected full Trustee Board meeting minutes and noted that it had been discussed by the Trustee.</p> <p><b>No exceptions noted.</b></p>
<b>19. The Trustee Board maintains a risk management framework to identify, evaluate, manage and monitor scheme risks.</b>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>

19.1	<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.</p> <p>The relevant risks are reviewed by each Trustee Board Sub-Committee.</p>	<p>The Risk Register is updated at least quarterly by the Smart Pension Governance and Regulatory Team. Changes and updates are reported to the full Trustee Board for noting 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 evaluation 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 Pension Governance and Regulatory Team manage this review in conjunction with the Trustee. Identified areas requiring updating of the Risk Register are discussed at the Risk and Governance Sub-Committee meeting and subsequently</p>	<p>For a selection of quarters, inspected the full Trustee Board meeting minutes and noted that the Risk Register had been updated.</p> <p>For the annual review of the Risk Register, inspected full Trustee Board meeting minutes and noted that it had been formally evaluated by the Trustee.</p> <p><b>No exceptions noted.</b></p>
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	A copy of the Risk Register and changes to it is shared with the Pensions Regulator (TPR) twice a year. This is evidenced by the meeting documents shared with the Regulator (TPR).	presented to the full Trustee Board at a Trustee meeting for noting. This process is evidenced by meeting agendas, the change summaries, and by minutes of the relevant meetings where updates are shared / approval sought with the Trustee.	
19.2		Each Sub-Committee monitors those risks which they consider to be their 'top 5 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 Governance and Regulatory Team.	<p>For a selection of Sub-Committees and twice-yearly periods, inspected Sub-Committee meeting minutes and noted that risks were monitored and reviewed and recorded changes were made by the Smart Pension Governance and Regulatory Team.</p> <p><b>No exceptions noted.</b></p>

## 6.4.6 Trustee oversight of IT systems and administration processes

20. The Trustee Board monitors and reviews IT systems.			
Control no	Process	Control activities	Tests performed by KPMG LLP and results
20.1	The Trustee Board maintains a written Oversight of monitoring IT systems & administration processes policy (renamed to Policy for the monitoring of IT systems & administration processes from 19 December 2022). 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 &amp; administration processes policy (renamed to Policy for the monitoring of IT systems &amp; administration processes from 19 December 2022) is reviewed by the Trustee on an annual basis at the Risk &amp; 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 Smart Pension Governance and Regulatory Team or a member of another team responsible for the action. Once resolved, they are</p>	<p>For the annual review of the Oversight of monitoring IT systems &amp; administration processes policy (from 19 December 2022, Policy for the monitoring of IT systems &amp; administration processes), inspected Risk &amp; Governance Sub-Committee meeting and full Trustee Board meeting minutes and noted that it had been reviewed by the Trustee and any actions added to the Action List were resolved and reported back to the Trustee Board.</p> <p><b>No exceptions noted.</b></p>

		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 List and minutes from the Sub-Committee and full Trustee Board meetings.	
20.2	<p>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. Any updates to cyber security measures are documented in the annual IT 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.</p> <p>This helps to ensure that regular reporting to the Trustee Board over the functionality of IT systems and procedures is maintained. Controls in place to counter malicious electronic</p>	<p>The representatives of the IT and Engineering Teams attend the Risk and Governance Sub-Committee quarterly meetings to give an update on:</p> <ul style="list-style-type: none"> <li>- IT/ Platform security in relation to SPMT</li> <li>- Disaster recovery testing (twice a year)</li> <li>- response to IT systems &amp; processes questionnaire (once a year).</li> </ul> <p>The Trustee reviews the presented update and requests further information, if required. Any queries are logged on the Action List,</p>	<p>For a selection of quarters, inspected Action List and Risk and Governance Sub-Committee meeting minutes and noted the IT update presentations on:</p> <ul style="list-style-type: none"> <li>- IT/ Platform security in relation to SPMT</li> <li>- Disaster recovery testing (twice a year)</li> <li>- response to IT systems &amp; processes questionnaire (once a year)</li> </ul> <p>had been reviewed by the Trustee and any actions added to the Action List were followed up by a member of the IT and/or Engineering teams and resolved.</p> <p><b>No exceptions noted.</b></p>



	<p>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>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>followed up by a member of the IT and/or Engineering teams and subsequently resolved. This is evidenced by the Sub-committee Trustee meeting minutes and Action List, if appropriate.</p>	
20.3	<p>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.</p> <p>These additional lines of test code (test coverage) are added to Smart's</p>	<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</p>	<p>On a selection of dates, inspected the Continuous Integration / Continuous Deployment pipeline and noted that this had been in place and had been managed by Engineering.</p> <p>On a selection of dates, inspected the pipeline and noted that access to make edits to the pipeline had been restricted to Semaphore users.</p> <p>On a selection of dates, inspected Github and noted that it had been configured so</p>

	<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>other Senior Engineers unless a user is a GitHub Administrator.</p> <p>There are automated statistical code analysers, which 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>that code written needed two approvals by other Senior Engineers, unless a user was a Github Administrator.</p> <p>On a selection of dates, inspected Github and noted that automated statistical code analysers checked that changes had been tested prior to implementation to the production environment.</p> <p>On a selection of dates, inspected Github configuration and noted that 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>On a selection of dates, inspected Github Administrator access and noted that it had been restricted to members of the Engineering team and the CTO.</p> <p><b>No exceptions noted.</b></p>
20.4	<p>The Smart change management process has four phases:</p> <p>1. Discovery – Change requests (from PaaS (Platform As A Service) client or internally by architecture, product,</p>	<p>Changes are requested via a Platform Change Request Form. The Platform Change Board reviews the change requests and provides approval. This is recorded within the change request. Code changes</p>	<p>For a selection of changes, inspected the Platform Change Request Form and noted that the Platform Change Board had reviewed the change requests and provided approval.</p>

	<p>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 Quality Assurance (QA) testing of 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>are tested by the QA team prior to deployment. This is recorded within the Jira Epic.</p>	<p>For a selection of code changes, inspected the Jira Epic and noted that code changes had been tested by the QA team prior to deployment.</p> <p><b>No exceptions noted.</b></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>		
20.5	The process with regards to the emergency changes differs to allow the urgency to be addressed. Account	Emergency Changes: Account Managers submit an emergency change request by	Inspected a list of changes during the period and enquired of management to determine

	<p>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 Chief Delivery Officer (until September 2021 under a title of the Director of Delivery), Technical Architecture, or the Director of Platform (until May 2021 under a title of 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>defining this in the Change Request Form. Each emergency change request is approved by either the Chief Delivery Officer, Technical Architecture, or the Director of Platform 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>whether any emergency changes had been made.</p> <p>There were no emergency changes made during the period. Consequently, we were unable to test the implementation and operating effectiveness of this control.</p>
20.6	<p>Smart conducts at least 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</p>	<p>Platform Application Penetration testing for vulnerabilities is conducted annually by external penetration testers.</p>	<p>Inspected Jira and confluence and noted that the:</p> <ul style="list-style-type: none"> <li>- annual test report had been conducted by external penetration testers; and</li> </ul>

	<p>enhancements as well as testing the infrastructure.</p> <p>Upon receiving results of Pentests, Smart conducts an internal triage. The triage consists of every relevant SME in Smart (Engineers, Developers, Architects, Managers) Actions for remediations are agreed upon. Subsequently, they are tracked through to completion and progress is reported. Review is done via a group triage. Actions are logged in Jira and evidenced via collateral (screenshots, log-dumps, etc.)</p>	<p>Results are reviewed by the relevant SMEs as defined in Confluence. If remediation actions are required, then they are performed by the teams responsible for that domain (IT, Engineering, etc.)</p> <p>This review and the resolution of actions are evidenced in Jira and Confluence.</p>	<p>- results had been reviewed by the relevant SMEs as defined in Confluence.</p> <p><b>No exceptions noted.</b></p> <p>Inspected Jira and Confluence to determine whether remediation actions had been required, and resolution recorded in Jira and Confluence.</p> <p>We noted that due to the timing of the Penetration testing the remediation actions had not been due to be resolved during the period. Consequently, we were unable to test the implementation and operating effectiveness of this element of the control.</p>
20.7	<p>Customer data is stored in the database and object store. There is direct access by those accessing the AWS Aurora MySQL database or AWS S3 and indirect through the web application.</p>	<p>Access to the AWS Aurora database and AWS S3 is logged.</p> <p>User authorisation is required via AWS Identity and Access Manager for both AWS Aurora and S3. The configuration is controlled in</p>	<p>On a selection of dates, inspected the AWS Aurora and S3 databases and noted that access to the databases had been logged.</p> <p>On a selection of dates, inspected the AWS Identity and Access Manager and noted that user authorisation had been required for both AWS Aurora and S3.</p>

	<p>The direct access is limited to privileged individuals (DevOps, Incident Commanders), who maintain the reliability of the infrastructure and Application or are on the rota for investigation production incidents/issues.</p>	<p>Terraform (Infrastructure as code software). The database instance uses build-in authentication.</p> <p>Access to the database is restricted to privileged individuals who require this access to maintain the reliability of the infrastructure and investigate production incidents/issues.</p>	<p>On a selection of dates, inspected Github and noted the configuration had been controlled in Terraform.</p> <p>On a selection of dates, inspected the database instance and noted that it used built-in authentication.</p> <p>On a selection of dates, inspected the AWS Identity and Access Manager access permissions and noted that access had been restricted to privileged individuals who required this access to maintain the reliability of the infrastructure to investigate production incidents/issues.</p> <p><b>No exceptions noted.</b></p>
20.8	<p>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.</p>	<p>A member of the Core Security Team reviews physical access controls within AWS SOC2 (Section CC6.4) reports on a six-monthly basis. This is evidenced via a Jira ticket.</p>	<p>For a selection of six-monthly AWS SOC2 reports, inspected the Jira ticket and noted that a member of the Core Security team had reviewed the physical access controls (Section CC6.4).</p> <p><b>No exceptions noted.</b></p>

	<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>If any exceptions are found these are raised to the respective stakeholders for discussion.</p>	<p>For the same selection of six-monthly AWS SOC2 reports, inspected the Jira tickets to determine whether any exceptions had been identified by management within the physical access controls during the period.</p> <p>We noted that there were no exceptions identified by management in the AWS SOC 2 reports. Consequently, we were unable to test the implementation and operating effectiveness of this element of the control.</p>
20.9	<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"> <li>• Bitdefender EDR – endpoint detection and response and end-point firewall – Antivirus, and;</li> <li>• BitLocker – End device hard drive encryption.</li> </ul>	<p>Bitdefender policy enforces Windows BitLocker on Windows endpoints and Apple Vault on Mac endpoints to enable encryption. Bitdefender Client is installed this enables EDR – endpoint detection and response and end-point firewall (windows) and anti-virus protection</p>	<p>On a selection of dates, inspected the Bitdefender policy and noted that Windows Bitlocker had been enforced on Windows endpoints and Apple Vault had been enforced on Mac endpoints to enable encryption.</p> <p>On a selection of dates, inspected Bitdefender Client and noted that this enabled EDR – endpoint detection and response and end-point firewall and anti-virus protection.</p>



			<b>No exceptions noted.</b>
20.10	<p>The Web-Application is protected by a Web Application Firewall (WAF) through Cloudflare.</p> <p>This is configured by the DevOps team. All inbound 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.</p> <p>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 (XSS), file inclusion, and SQL injection, dDoS among others.</p> <p>Datadog is used as the monitoring tool for the application, integrated tools and</p>	<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 issues resulting in potential incidents from Datadog and Rollbar.</p>	<p>On a selection of dates, observed Cloudflare and noted that it had been configured to protect the web applications.</p> <p>On a selection of dates, inspected Slack and Datadog and noted that there had been an automated built in Slack integration that enabled Engineering team members to monitor issues from Datadog and Rollbar.</p> <p><b>No exceptions noted.</b></p>

	<p>(infrastructure-) 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 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.</p> <p>If an issue is highlighted, the IC on rota is empowered to assemble a team of engineers to tackle P1 issues.</p>		
20.11	Member records maintained on the Scheme's administration system are updated daily through instructions received from Scheme members and payroll files and other information	Access to amend member data on the Employer Application is restricted to the CTO alongside users in the Operations team, Business Development team,	On a selection of dates, inspected the Employer Application and noted that access to amend member data on the Employer Application had been restricted to the CTO alongside users in the Operations team,

	<p>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, bi 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>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>	Marketing team and Engineering team.	<p>Business Development team, Marketing team and Engineering team.</p> <p><b>No exceptions noted.</b></p>
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	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.		
20.12	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 user accounts.	On a selection of dates and for a selection of user accounts, observed the Google configuration settings and noted that Multifactor Authentication had been enabled.  <b>No exceptions noted.</b>
20.13	Access to any Smart Pension applications requires a smartpension.co.uk email address that is only issued to an employee or	For new joiners, HR generates a ticket in Freshservice. This acts as approval for Active Directory access to be set up and is required	For a selection of new joiners, inspected the Freshservice ticket and noted that this had

	<p>contractor after they have signed a contract including a non-disclosure agreement.</p>	<p>prior to IT provisioning the access. New user access to the Smart Platform is requested and approved by the user's Line Manager, HR or the Platform Service Support team (PaaS Service team) member (for Link employees only) via the Freshservice ticket, prior to being provisioned by IT.</p>	<p>been generated by HR as approval, prior to IT provisioning Active Directory access.</p> <p>For a selection of new users to the Smart Platform, inspected the Freshservice ticket to determine whether access had been requested and approved by the user's Line Manager, HR or the Platform Service Support team (PaaS Service team) member (for Link employees only) prior to being provisioned by IT.</p> <p><b>Exception noted:</b></p> <p>For 3 out of 25 new users to the Smart Platform selected, there was no evidence of a Freshservice ticket showing request and approval for access.</p> <p>For a further 1 out of 25 new users to the Smart Platform selected, the access was created prior to approval for access.</p> <p>Management response: <i>Management recognise the importance of ensuring that onboarding procedures and specifically access</i></p>
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			<p><i>management are strictly followed and enforced. Management will ensure that access to internal systems can only be facilitated where a request has been logged in Fresh, confirm that the users are appropriate to have access (HR request) and the request is routed to IT Support / Operations for implementation. All requests are logged for audit purposes.</i></p> <p><i>Inter-departmental (IT Operations &lt;----&gt; HR) agreements will be made to ensure tighter governance in this respect to ensure accurate an audit trail of all access management activity.</i></p> <p><i>For the users identified as exceptions we can confirm that whilst the documented process was not followed, it was concluded that those provided access were appropriate individuals and no access rights were rescinded.</i></p>
20.14	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 and Google Accounts within three working days.	For a selection of leavers, inspected the FreshService ticket to determine whether this had been generated by HR and whether IT had disabled the leaver's Active Directory and Google Accounts access within three working days.

			<p><b>Exception noted:</b></p> <p>For 2 out of 25 leavers selected, Active Directory and Google Accounts access had not been disabled within three working days.</p> <p>Management response: <i>Management recognise the importance of ensuring that offboarding procedures and specifically access management are strictly followed and enforced.</i></p> <p><i>Management have taken action during Q1 2023 to tighten up process relating to leavers and ensuring access is severed by 18:00 on the leaver's final day of work. This will be closely monitored, and regular consistency checks made as a follow-up.</i></p> <p><i>The audit discovered two users were not offboarded in a timely manner. One was due to a late notification to IT. The other was due to an unusual disruption to the normally reliable process.</i></p>
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20.15	<p>Smart Pension maintains a Password Policy, which is reviewed annually by the Risk and Governance Team. If the Policy requires more frequent updates, the Policy owner raises a ticket via Freshservice ticketing platform, which is approved by the Risk and Governance Team.</p> <p>Password configurations for the Smart Platform are configured in line with the Password Policy.</p>	<p>The Password Policy is reviewed annually by a member of the Engineering team. Changes within the policy to the password process are requested by the Policy owner by raising a ticket via Freshservice ticketing platform.</p> <p>The request is reviewed, and which is approved by the Risk and Governance Team.</p> <p>Password configurations for the Smart Platform are configured in line with the Password Policy.</p>	<p>Inspected the Password Policy and noted that it had been reviewed in the last 12 months by the Director of Engineering.</p> <p>On a selection of dates, inspected the password configurations for the Smart Platform and noted that they had been configured in line with the Password Policy.</p> <p><b>No exceptions noted.</b></p> <p>Inspected the Password Policy and enquired of management to determine whether there had been any changes within the policy to the password process during the period.</p> <p>We noted that there had been no changes within the policy to the password process within the period. Consequently, we were unable to test the implementation and operating effectiveness of this element of the control.</p>
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20.16	Okta Single Sign-On (SSO) is used with Multifactor Authentication to verify the user credentials prior to allowing access to all integrated SaaS applications.	Okta accounts are linked to Active Directory, and enforce Multifactor Authentication.	On a selection of dates, inspected Okta and noted that accounts had been linked to Active Directory and enforced Multifactor Authentication.  <b>No exceptions noted.</b>
20.17	<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>Member records are held by the Administrator with data and IT backups maintained as part of the IT security architecture.</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</p>	<p>The Disaster Recovery Process is reviewed and tested internally by the Engineering team every year.</p> <p>The Disaster Recovery Test results are reported to the Trustee Board via quarterly Administration Reports and / or via the Risk and Governance Sub-Committee.</p> <p>After the review of 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</p>	<p>Inspected the Disaster Recovery Process and noted that it had been reviewed and tested internally by the Engineering team within the last 12 months.</p> <p>Inspected the Administration Report and noted that the Disaster Recovery Test results had been reported to the Trustee board via the quarterly Administration Reports and, also via Risk and Governance Sub-Committee.</p> <p><b>No exceptions noted.</b></p> <p>Inspected the Disaster Recovery Test results to determine whether there had been any queries and/or follow up actions identified.</p>

	<p>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>reported back to the full Trustee Board at the next available meeting.</p> <p>This is evidenced by the Actions List and Minutes from the Sub-Committee and full Trustee Board meetings.</p>	<p>We noted that there were no queries and/or follow-up actions identified actions following the annual Disaster Recovery Test. Consequently, we were unable to test the implementation and operating effectiveness of this element of the control.</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.		
20.18	<p>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 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</p>	<p>Documented Disaster Recovery procedures contain rules and requirements that engineers must follow to recover the database in the event of P1 (critical) failure.</p> <p>Disaster Recovery reports are prepared by the DevOps team on a yearly 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 Governance and Regulatory and</p>	<p>Inspected the Disaster Recovery Procedures and noted that they contained the rules and requirements that engineers had to follow to recover the database in the event of P1 (critical) failure.</p> <p>Inspected the Disaster Recovery report and the audit trail of edits made and noted Disaster Recovery reports had been prepared by the DevOps team within the last 12 months and reviewed by the Engineering team.</p> <p><b>No exceptions noted.</b></p> <p>Inspected the Disaster Recovery report to determine whether there had been any critical issues identified.</p>

	<p>resiliency, Smart has two ways to recover the database from a backup:</p> <ul style="list-style-type: none"> <li>• the most recent version can be obtained from the AWS (Amazon Web Services) RDS snapshot; and</li> <li>• if that fails for any reason, there are also weekly backups saved to AWS S3 bucket.</li> </ul> <p>Smart also checks the Business Continuity and Disaster Recovery 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 Smart Pension Governance and Regulatory Team. Trustee meetings are minuted.</p>	Compliance teams and the Trustees are informed.	We noted that there had been no critical issues identified in the Disaster Recovery report. Consequently, we were unable to test the implementation and operating effectiveness of this element of the control.
20.19	Data is stored on the managed database service Aurora MySQL.	Snapshots and a backup of the Aurora MySQL database are taken	On a selection of dates, observed the Aurora MySQL database configuration and noted

	<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 alert to the DevOps team for resolution.</p>	<p>nightly automatically. If there are any failures in creating the backups, the Aurora MySQL database automatically sends an alert to the DevOps team for resolution. A Jira ticket is created to fix a problem with a given backup for documentation purposes.</p>	<p>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 and noted that 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><b>No exceptions noted.</b></p> <p>Inspected the Aurora MySQL database and enquired of management to determine whether there had been any failures in creating backups during the period.</p> <p>We noted that there had been no failures in creating backups during the period. Consequently, we were unable to test the implementation and operating effectiveness of this element of the control.</p>
20.20	<p>Smart achieved ISO 27001 accreditation in 2021.</p>	<p>The Trustee satisfies itself that valid ISO27001 certification is in place</p>	<p>Inspected the Risk &amp; Governance Sub Committee quarterly meeting minutes and</p>

	By achieving and maintaining the accreditation, the Platform provider shows that it is dedicated to following the best practices of information security as well as evidencing that it has received an expert evaluation of whether the organisation's information security controls meet a defined standard.	<p>on an annual basis. This is confirmed to the Trustee at the Risk &amp; Governance Sub Committee quarterly meeting.</p> <p>This is evidenced by the Trustee meeting minutes.</p>	<p>noted that the valid ISO 27001 certification had been confirmed to the Trustees.</p> <p><b>No exceptions noted.</b></p>
<b>21. The capacity to take on new business is assessed, approved and regularly monitored by the Trustee Board.</b>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>
<b>21.1</b>	<p>Smart assesses its capacity to take on new business using a four-part process:</p> <ul style="list-style-type: none"> <li>• Create mock pensions data for a scheme greater in size than any new business forecast during the coming year;</li> </ul>	<p>Interim updates on resourcing and capacity confirmation are shared with the Trustee by the Scheme Strategist at the quarterly Main Board meetings.</p> <p>Any questions or follow up actions are logged on the Action List. These are subsequently investigated and</p>	<p>For a selection of quarters, inspected the Actions List and full Trustee Board meeting minutes and noted that actions logged on the Action List had been investigated and resolved by the Engineering and governance teams.</p> <p><b>No exceptions noted.</b></p>

	<ul style="list-style-type: none"> <li>• Acquire infrastructure resources (compute and database) appropriate to the chosen size;</li> <li>• Install the mock pensions data into the test infrastructure; and</li> <li>• Test that the resulting system operates correctly, and that it meets the performance targets necessary to support the forecast number of members and users.</li> </ul> <p>Following the scalability assessment, a report is produced by the Engineering team members and lessons learnt are noted.</p> <p>The Trustee receives an update on the SPMT platform's future scalability, testing and reporting.</p> <p>The update includes details of any tests or proposed changes planned to address capacity and scalability of the UK Trust's ability to onboard new clients.</p>	<p>resolved by the Engineering and governance teams and reported back to the full Trustee Board at the next available meetings.</p> <p>This is evidenced on the Actions List and minutes from the full Trustee Board meetings.</p>	
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21.2	<p>On an annual basis the Trustee issues an IT Systems and Process Questionnaire to S</p> <p>mart. The questionnaire covers the following areas:</p> <ul style="list-style-type: none"> <li>● Technology solution</li> <li>● Cyber security</li> <li>● Disaster recovery</li> <li>● Future scalability / testing / reporting</li> </ul> <p>This is reviewed by the Governance &amp; Regulatory Team and presented as a paper including observations and recommended actions.</p> <p>This paper is presented to the Risk &amp; Governance Sub-Committee and subsequently to the Main Board at the quarterly meeting.</p>	<p>A written response to the IT Systems and Processes questionnaire is presented to the Trustee at both the Risk &amp; Governance Sub-Committee meeting and full Trustee Board.</p> <p>Any questions or follow up actions are logged on the Action List. These are subsequently investigated and resolved by internal IT, Engineering and governance teams and reported back at the next available meetings.</p> <p>This is evidenced on the Actions List and minutes from the full Trustee Board meetings.</p>	<p>For the annual response to the IT Systems and Processes questionnaire, inspected the Actions List and Trustee meeting minutes and noted that actions logged on the Action List had been investigated and resolved by internal IT, Engineering and governance teams and had been reviewed by the Trustee.</p> <p><b>No exceptions noted.</b></p>
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21.3	<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 are recorded as an annual event in the Trustee Board's Scheme Calendar and is reviewed by the Operations &amp; Communications Sub-Committee.</p>	<p>The quarterly administration report has standing updates on new business support and resources. The reports are prepared by the Administration Team. These are presented to the Trustee Board. The review of the report is carried out by the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications 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 (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) to the full Trustee Board at the next available meetings.</p>	<p>For a selection of quarters, inspected the Actions List, Sub-Committee meeting minutes and full Trustee Board meeting minutes and noted that actions logged on the Action List had been investigated and resolved by the Administration Team.</p> <p><b>No exceptions noted.</b></p>
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		This is evidenced on the Actions List and minutes from the Sub-Committee and full Trustee Board meetings.	
<b>22. Signed administration agreements are in place with service providers and include provisions for the rectification of maladministration. The agreements are approved by the Trustee Board.</b>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>
22.1	<p>The Administration is carried out by Smart Governance Ltd, which also has a service agreement in place with Link Pension Administration Limited.</p> <p>The agreement includes provisions with regards to any performance standards set out in it and requires the service provider to:</p> <ul style="list-style-type: none"> <li>- investigate and report on the causes of the relevant failures;</li> <li>- propose and, subsequently, execute an appropriate corrective action.</li> </ul>	<p>The original agreement with Smart Governance Limited includes provisions for maladministration through negligence, wilful default or fraud. SGL are also responsible for any errors and omissions of any sub-contractor.</p> <p>The Trustee carries out an annual review of providers and uses it to identify any service issues in relation to administration. This also allows the Trustee to update the legal contract, if necessary.</p>	<p>For the annual review of the service agreement, inspected Trustee meeting minutes and noted that it had been reviewed for appropriateness and approved by the Trustee.</p> <p><b>No exceptions noted.</b></p>

	<p>The Trustee Board has delegated administrative responsibilities to an Administrator under a service contract including detailed service level agreements.</p> <p>The performance and monitoring of administration tasks is supervised and directed by the Operations &amp; Communications 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 advance of each main Trustee Board meeting.</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>The annual interim review requires the provider to complete a service questionnaire. The nominated Trustee Directors provide feedback as well. This feedback is provided either in writing or verbally during the Trustee meeting (full Board or Sub-Committee) or offline. Any decisions are minuted and further actions logged on the Action List. These are subsequently followed up by a Director, adviser or a member of the Smart Pension Governance and Regulatory Team and marked as resolved on the list presented at the following meeting.</p>	
<p><b>23. The Trustee Board has arrangements in place for ensuring that core financial transactions (including decumulation related transactions) are processed promptly.</b></p>			

Control no	Process	Control activities	Tests performed by KPMG LLP and results
23.1	<p>The Administrator maintains documented financial and non-financial reconciliation procedures, which take place on at least monthly basis, in relation to:</p> <ul style="list-style-type: none"> <li>- DC Unit Reconciliation.</li> <li>- Bank reconciliations.</li> <li>- Investment reconciliations.</li> </ul> <p>The following reconciliations are automated:</p> <ul style="list-style-type: none"> <li>- Reconciling member data at the point contribution payroll files are uploaded.</li> <li>- Validating contributions.</li> </ul> <p>The Operations &amp; Communications Sub-Committee of the Trustee Board meets at least quarterly to discuss any issues and review any administration processing incidents.</p>	<p>To help ensure that the core financial transactions are processed promptly and accurately, the Trustee reviews key documented procedures for the Administration Team to follow. Standard Operating Procedures are prepared by the internal teams including the Finance Team and Operations Team. They are reviewed internally by one of the following:</p> <ul style="list-style-type: none"> <li>• Head of Technical Operations and Implementation</li> <li>• Head of Governance and Regulation</li> <li>• Director of Operations Governance</li> <li>• Data Protection Officer</li> </ul> <p>and Legal Counsel and/or Head of Governance and Regulation.</p>	<p>For the formal triennial review of the Standard Operating Procedures review, inspected full Trustee Board meeting minutes and noted that that it had been reviewed internally by one of the following:</p> <ul style="list-style-type: none"> <li>• Head of Technical Operations and Implementation</li> <li>• Head of Governance and Regulation</li> <li>• Director of Operations</li> <li>• Data Protection Officer</li> </ul> <p>and Legal Counsel and/or Head of Governance and Regulation.</p> <p>and reviewed by the Trustee.</p> <p>For a selection of quarters, inspected Operations Sub-Committee Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and Action List and noted that external administration</p>

	<p>The Trustee reviews significant changes to the documented procedures where they take place.</p>	<p>The review history is recorded on the documents themselves.</p> <p>The formal triennial review of SOPs is initiated by the Smart Pension Governance and Regulatory Team with assistance of the Administration Team. The findings of the review are presented to the Trustee's Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) which reports to the next full Trustee Board meeting.</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 Smart Pension Governance and Regulatory Team. Once resolved, they are reported back by the Chair of the Operations Sub-Committee (from 1 July 2022</p>	<p>processing had been reviewed by the Trustee.</p> <p><b>No exceptions noted.</b></p>
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		<p>the name was changed to Operations &amp; Communications 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>	
23.2	<p>The Trustee commissions an Internal Audit on any areas which they consider were not tested sufficiently by other audit assurance reports or are an area of risk.</p> <p>The draft report is presented to the Risk &amp; Governance Sub-Committee and subsequently to the Main Board meeting with the findings and recommendations.</p>	<p>The draft version of the Internal Audit report is presented for review and comments at the quarterly Risk &amp; Governance Sub-Committee meeting.</p> <p>The final report is presented at the quarterly Main Board meeting for discussion and approval. Identified actions are logged on a separate actions delivery plan. The updated actions delivery plan is reviewed by the Risk &amp; Governance Sub-</p>	<p>For a selection of quarters, inspected the Risk &amp; Governance Sub-Committee meeting minutes and full Trustee Board meeting minutes and noted that actions logged on the actions delivery plan had been reviewed by the Risk &amp; Governance Sub-Committee and approved by the Trustee Board.</p> <p><b>No exceptions noted.</b></p>

	<p>The Risk &amp; Governance Sub Committee are responsible for monitoring the progress against any findings.</p>	<p>Committee at the subsequent meeting.</p> <p>This is evidenced by the minutes from the Sub-Committee and full Trustee Board meetings.</p>	
23.3	<p>The Trustee Board monitors the Administrator's performance of core scheme transactions.</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 &amp; Communications 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 &amp; Communications Sub-Committee</p>	<p>Core scheme transactions, as well as any exceptions to the SLAs, are included in the quarterly administration reports, which are prepared by the Administration team. The reports present the following for the Trustee's review and approval:</p> <ul style="list-style-type: none"> <li>- unit reconciliations and valuations</li> <li>- transfer payments</li> <li>- contributions received</li> <li>- late payment reports</li> <li>- SLAs</li> </ul>	<p>For a selection of quarterly administration reports, inspected Actions Log, Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and full Trustee Board meeting minutes and noted that the Trustee reviewed and approved:</p> <ul style="list-style-type: none"> <li>- unit reconciliations and valuations</li> <li>- transfer payments</li> <li>- contributions received</li> <li>- late payment reports</li> <li>- SLAs</li> </ul> <p>and actions logged on the Action List had been investigated and resolved by the</p>

	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>The reports are presented to the Trustee for noting at the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications 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 Smart Pension Governance and Regulatory Team and reported back by the Chair of the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications 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>Administration or Smart Pension Governance and Regulatory Team.</p> <p><b>No exceptions noted.</b></p>
23.4		Incident log, which include transaction errors and omissions, are included in the quarterly administration reports, which are	For a selection of quarterly administration reports, inspected Actions Log, Operations Sub-Committee (from 1 July 2022, Operations & Communications Sub-



		<p>prepared by the Administration team.</p> <p>The reports are presented to the Trustee for noting at the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications 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 Smart Pension Governance and Regulatory Team and reported back by the Chair of the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications 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-</p>	<p>Committee) meeting minutes and full Trustee Board meeting minutes and noted that actions logged on the Action List had been investigated and resolved by the Administration or Smart Pension Governance and Regulatory Team.</p> <p><b>No exceptions noted.</b></p>
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		Committee and full Trustee Board meetings.	
<p><b>24. The Trustee Board has arrangements in place for ensuring that core financial transactions (including decumulation related transactions) are processed accurately and that payments are authorised and suitably controlled.</b></p>			
Control no	Process	Control activities	Tests performed by KPMG LLP and results
24.1	<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 delegations are detailed in the documented Standard Operating</p>	<p>The Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) reviews the controls and authorised personnel list for its appropriateness annually.</p> <p>Any changes are recorded in the meeting minutes, communicated by Finance Team to the Bank via it's Connect administration.</p>	<p>For the annual review of the controls and authorised personnel list, inspected Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and noted that it had been reviewed for appropriateness by the Trustee and any changes recorded in the minutes.</p> <p><b>No exceptions noted.</b></p>

	Procedures. The standard limits indicated within each administration report are reviewed within the Operations & Communications Sub-Committee. Any discussions are minuted and updates provided by the Chair of the Operations & Communications Sub-Committee to the Trustee board at the next meeting.		
24.2	The Finance Team reconciles the Scheme bank account at least monthly in accordance with the documented standard operation procedure.	<p>The Finance Team Reconciles the Trustee's bank account at least monthly. A member of the Finance Team downloads and saves bank statements, as well as 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 account statements and noted that they had been reconciled by the Finance Team.</p> <p><b>No exceptions noted.</b></p>
24.3		Core scheme transactions are included in the quarterly administration reports, which are	For a selection of quarters, inspected the administration report, Actions List, Operations Sub-Committee (from 1 July

	<p>The Trustee Board monitors the Administrator's performance of core scheme transactions.</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 &amp; Communications 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 &amp; Communications 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>prepared by the Administration team. They also show late payments, payment errors and missed SLAs payments.</p> <p>The reports are presented to the Trustee at the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) quarterly meetings. After their review by the Trustee for their completeness and any persisting errors, any queries or follow up actions are logged on the Action List. These are subsequently investigated and resolved by the Administration or Smart Pension Governance and Regulatory Team and reported back by the Chair of the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee)</p>	<p>2022, Operations &amp; Communications Sub-Committee) meeting minutes and full Trustee Board meeting minutes and noted that actions logged on the Action List had been investigated and resolved by the Administration or Smart Pension Governance and Regulatory Team.</p> <p><b>No exceptions noted.</b></p>
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		<p>to the full Trustee Board at the next available meetings.</p> <p>This is evidenced by the Actions List and minutes from the Sub-Committee and full Trustee Board meetings.</p>	
24.4		<p>Incident log, which include transaction errors and omissions, are included in the quarterly administration reports, which are prepared by the Administration team.</p> <p>The reports are presented to the Trustee for noting at the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications 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 Smart Pension</p>	<p>For a selection of quarters, inspected the administration reports, Actions Log, Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and full Trustee Board meeting minutes and noted that actions logged on the Action List had been investigated and resolved by the Administration or Smart Pension Governance and Regulatory Team.</p> <p><b>No exceptions noted.</b></p>

		<p>Governance and Regulatory Team and reported back by the Chair of the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) to the full Trustee Board at the next available meetings.</p> <p>This is evidenced by the Actions List and minutes from the Sub-Committee and full Trustee Board meetings.</p>	
<p><b>25. The Trustee Board ensures that member retirement options selected are processed and managed in accordance with documented procedures.</b></p>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>
25.1	The Trustee Board ensures that member retirement options selected are processed and managed in accordance with documented procedures.	The Standard Operating Procedures are developed and are maintained by the Administration Team (Link). These are reviewed within the Operations Team annually or whenever there is a change,	For the annual review of the Standard Operating Procedures, inspected Operations Sub-Committee (from 1 July 2022, Operations & Communications Sub-Committee) meeting minutes and

		<p>and approved by the Smart's Pension Technical Team:</p> <ul style="list-style-type: none"> <li>- Pension Technician,</li> <li>- Senior Pension Technician, or</li> <li>- Head of Technical Operations.</li> </ul> <p>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 Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee). These exclude standard changes to tax thresholds.</p> <p>This is evidenced by the Sub-Committee meeting minutes.</p>	<p>noted that it had been reviewed by the Operations Team.</p> <p><b>No exceptions noted.</b></p>
25.2	The Scheme's definitive Trust Deed and Rules dated 27 May 2021 and subsequent Deeds of Amendment are the governing documents by which	<p>The following documents are developed and maintained by the Operations Teams:</p> <ul style="list-style-type: none"> <li>- Smart Retire Guide</li> </ul>	For the annual review of the Smart Retire Guide and Retirement Options Guide, inspected Operations Sub-Committee (from 1 July 2022, Operations &

	<p>retirements are managed. They include provisions for the commencement of benefits and ways of providing a pension, through the purchase of an 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>- Retirement Options Guide</p> <p>These documents are reviewed annually, but 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 Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee). These exclude standard changes to tax thresholds.</p> <p>This is evidenced by the Sub-Committee meeting minutes.</p>	<p>Communications Sub-Committee) meeting minutes and noted they had been reviewed by the Committee.</p> <p><b>No exceptions noted.</b></p>
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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 Trustee Board reviews retirement communications and discusses the options taken up by members via its Operations &amp; Communications Sub-Committee and its reports to the Board.</p>	<p>The Trustee, via Communications Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) reviews, approves and implements changes to the members' communication delivery plan. It is carried out on an annual basis at the meeting and recorded in the minutes.</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 the full Trustee Board and the Sub-Committee meeting minutes.</p>	<p>For the annual review of the members communication delivery plan, inspected Communications Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and full Trustee Board meeting minutes and noted that it had been reviewed and approved by the Trustee.</p> <p><b>No exceptions noted.</b></p>
25.4	<p>Member guide and Retirement options guide are 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 reviewed at least annually by the Communications Team, but only 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 (from 1 July 2022 the name was changed to</p>	<p>For the annual review of the member guide, inspected Communication Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and emails and noted that it had been approved by the Trustee.</p>

		<p>Operations &amp; Communications Sub-Committee).</p> <p>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>	<b>No exceptions noted.</b>
25.5		<p>The Retirement Options guide is reviewed at least annually by the Communications Team, but only 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 (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee).</p> <p>The changes are reviewed by the Scheme's legal adviser and internal legal and compliance teams. They are presented to the Communications Sub-Committee (from 1 July 2022 the name was changed to Operations &amp;</p>	<p>Enquired of management to determine whether there had been any Trustee review of the Retirement Options guide. We were informed that no reviews had occurred. Since there were no instances, the implementation and operating effectiveness of the control could not be tested.</p>

		Communications Sub-Committee) and approved at the meeting or via email after the meeting. This is evidenced by the meeting minutes and / or emails.	
<b>26. The Trustee Board ensures that transaction errors are identified and rectified in accordance with a documented procedure.</b>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>
26.1	<p>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.</p> <p>An incident log (including transaction errors) is maintained by the Administrator and shared with the Operations &amp; Communications Sub-Committee via the monthly or quarterly Administration Reports.</p> <p>The relevant Sub-Committee or Main Trustee Board is notified and updated on any significant issues arising and</p>	<p>An incidents log is included in the quarterly administration reports, which are prepared by the Administration Team.</p> <p>The reports are presented to the Trustee at the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications 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</p>	<p>For a selection of quarters, inspected the administration reports, Actions List, Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and full Trustee Board meeting minutes and noted that actions logged on the Action List had been investigated and resolved by the Administration Team.</p> <p><b>No exceptions noted.</b></p>

	<p>their resolution. All discussions are minuted.</p>	<p>the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) to the full Trustee Board at the next available meeting.</p> <p>This is evidenced by the Actions List and minutes from the Sub-Committee and full Trustee Board meetings.</p>	
26.2	<p>The Operations &amp; Communications 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 an 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. IDRP has a version history record showing the date of the document being signed off by the Trustee.</p>	<p>For the annual review of the Internal Dispute Resolution Procedure, inspected full Trustee Board meeting minutes and noted that it had been approved by the Trustee.</p> <p><b>No exceptions noted.</b></p>
26.3	<p>The Operations Team maintains the Trustee's Remediation policy, which addresses how the member's account</p>	<p>The escalation form 'Remediation cases – referral form' is prepared by administrators, technical overseers,</p>	<p>For a selection of cases inspected the 'Remediation cases – referral form' and noted that it had been prepared by</p>

	<p>need to be corrected should there be detrimental effect on it due to processing investment / disinvestment outside the agreed Service Level Agreements.</p> <p>Reasons for these can be:</p>	<p>team leaders, QC team and complaints team whenever they identify a case of the processing not being carried out in accordance with the service levels and potential detriment to a member. The CRM member's details and a brief description of circumstances is included on the form.</p>	<p>administrators, technical overseers, team leaders, QC team and complaints team.</p> <p><b>No exceptions noted.</b></p>
26.4	<ul style="list-style-type: none"> <li>- platform operator errors,</li> <li>- system errors causing delays in investment, or</li> <li>- where an employer or adviser makes an error and wishes it to be rectified.</li> </ul> <p>The result of any detriment calculation will be that the member will then be put back in the position they would have been in, had there been no delay.</p>	<p>The completed referral form information is picked up by the technical support team who reviews this log and carry out the calculations required to identify any detriment and, if detriment has occurred, carry out the required steps to address the detriment.</p>	<p>For a selection of referrals, inspected the referral form and noted that it had been reviewed and the detriment addressed by the technical support team.</p> <p><b>No exceptions noted.</b></p>
26.5	<p>Where the member is better off as a result of this delay, no corrective action to the account is needed and the member benefits from the advantage.</p>	<p>The positive unit adjustments process is automated and there is no need to monitor the adjustments, unless they have been rejected.</p> <p>The process to create the adjustment requires approval from another member of the Operations Team.</p>	<p>For a selection of positive unit adjustments, inspected trade instructions and noted that they had been approved by another member of the Operations Team.</p>

	<p>Smart is responsible for undertaking detriment calculations where the error is caused by the platform or where an employer needs an error rectified. Where an employer needs an error to rectify the work, plus the cost of any remediation units, may be chargeable. Any referrals from Link from the employer should be assessed to determine if charges are payable.</p> <p>The Technical Support Team will aim to complete all calculations within a maximum of 7 business days.</p>		<b>No exceptions noted.</b>
<p><b>27. The Trustee Board ensures that late and inaccurate contributions are pursued and resolved in accordance with documented procedures. Late contributions are reported to the trustees.</b></p>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>
27.1	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	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 (a data visualisation software) which provides a list of	For a selection of months, inspected system generated reports from Tableau and noted that they had been verified by a senior team member before submission to TPR.

	<p>of a telephone helpline, website and email support.</p> <p>The process for pursuing and resolving late payments is documented in the procedures used by the Operations team, which were approved by the Trustee at the point of Master Trust authorisation.</p> <p>The Trustee Board reviews key documents such as the Standard Operating Procedures for monitoring late payments.</p>	<p>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 (see control 27.3 - row 8). 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><b>No exceptions noted.</b></p>
27.2	<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>Direct debits are collected on the 7th day of the month and sent to the fund manager by the 22nd day the following</p>	<p>The process for pursuing and resolving late payments is documented in the procedures used by the Operations team.</p> <p>Significant changes to process are raised by the Head of Governance and Regulation verbally during the Operations and Risk &amp; Governance Sub-Committee meetings and documented via meeting minutes.</p>	<p>For a selection of changes, inspected the Operations and Risk &amp; Governance Sub-Committee meeting minutes and noted they had been verbally provided to the Trustee.</p> <p><b>No exceptions noted.</b></p>
27.3		<p>In respect of the late payments reporting to TPR, the Late Payments</p>	<p>For a selection of late payments, inspected the late payment report and</p>

	<p>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>The 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>Team Supervisor or another nominated team member completes a number of manual checks, to ensure that the required report has been formatted correctly and all excluded companies have been removed.</p> <p>Operations Data Analyst performs a final check on the formatted report.</p> <p>The Late Payments Team submits the report to TPR via Exchange.</p> <p>The submission occurs within 10 working days of the material payment failure being identified.</p>	<p>noted that it had been manually checked by the Late Payments Team Supervisor or another nominated team member and final checked by the Operations Data Analyst before submission to TPR within 10 working days of the identified material payment failure.</p> <p><b>No exceptions noted.</b></p>
27.4	<p>Administration Reports presented to the Trustee Board include details of late payments of contributions.</p> <p>The Trustee Board receives the Administration Reports which include</p>	<p>Late Payments reporting is prepared by the Operations Team and included in the quarterly administration reports.</p> <p>The reports are presented to the Trustee at the Operations Sub-</p>	<p>For a selection of quarterly administration reports, inspected Actions List, Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and full Trustee Board</p>



	<p>information on late and missing contributions. Reporting on late and missing contributions is dealt with by the Operations &amp; Communications 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 the Smart Pension Governance and Regulatory Team.</p>	<p>Committee (from 1 July 2022 the name was changed to Operations &amp; Communications 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 (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) or full Trustee Board at the next available meeting.</p> <p>This is evidenced by the Actions List and minutes from the Sub-Committee and full Trustee Board meetings.</p>	<p>meeting minutes and noted that actions logged on the Action List had been investigated and resolved by the person assigned in the Action List.</p> <p><b>No exceptions noted.</b></p>
<p><b>28. The Trustee Board ensures that contributions are invested and allocated in accordance with member instructions or the requirements of the default arrangement.</b></p>			
<b>Control no</b>	<b>Process</b>	<b>Control activities</b>	<b>Tests performed by KPMG LLP and results</b>

28.1	<p>The Trustee reviews unit reconciliation data as well as an incident log at each quarterly Operations &amp; Communications Sub-Committee meeting via the monthly or quarterly Administration Reports.</p> <p>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 incident log, which contains transaction errors, is maintained by the Administrator.</p> <p>Transaction errors recorded in the log are presented by the Chair of the Operations &amp; Communications 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>An incident log, as well as rectification of errors, are included in the quarterly administration reports, which are prepared by the Administration Team.</p> <p>The reports are presented to the Trustee at the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) quarterly meetings.</p> <p>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 Sub-Committee to the full Trustee Board at the next available meeting.</p>	<p>For a selection of quarterly administration reports, inspected Actions List, Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and full Trustee Board meeting minutes and noted that actions logged on the Action List had been investigated and resolved by the Administration Team.</p> <p><b>No exceptions noted.</b></p>
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		This is evidenced by the Actions List and minutes from the Sub-Committee and full Trustee Board meetings.	
28.2	<p>The Trustee ensures that contributions are invested and allocated in accordance with member instructions or the requirements of the default arrangement.</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 &amp; Communications 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 &amp; Communications Sub-Committee reports on key matters arising at the next full ordinary Trustee Board meeting. This is</p>	<p>The Trustee verifies that contributions are invested and allocated. Quarterly administration reports include details of contributions and unit reconciliations for all Scheme sections.</p> <p>The reports are presented to the Trustee for noting at the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) quarterly meetings.</p> <p>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 the Smart Pension Governance and Regulatory Team and reported back by the Chair of the Sub-Committee to the full Trustee</p>	<p>For a selection of quarterly administration reports, inspected Actions List, Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and full Trustee Board meeting minutes and noted that actions logged on the Action List had been investigated and resolved by the Administration or Smart Pension Governance and Regulatory Team.</p> <p><b>No exceptions noted.</b></p>

	recorded in the agenda and any discussion is minuted.	Board at the next available meetings. This is evidenced by the Actions List and minutes from the Sub-Committee and full Trustee Board meetings.	
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### 6.4.7 Data quality

29. The Trustee Board ensures member data is complete and accurate and is subject to regular data evaluation.			
Control no	Process	Control activities	Tests performed by KPMG LLP and results
29.1	The Trustee Board ensures member data is complete and accurate and is subject to regular data evaluation.	<p>Member data breaches reports are prepared by the Data Privacy Team based on the breaches reported to the Data Protection Officer. The reports are presented to the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications 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 Sub-</p>	<p>For a selection of quarterly administration reports, inspected Actions List, Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and full Trustee Board meeting minutes and noted that actions logged on the Action List had been investigated and resolved by the Administration Team.</p> <p><b>No exceptions noted.</b></p>

		<p>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>	
29.2	<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 &amp; Communications 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 &amp; Communications Sub-Committee. The Chair of the Operations &amp; Communications Sub-Committee will report on any concerns regarding the</p>	<p>The Common and the Scheme Specific Data Score Report is run by the Operations Team and presented to the Trustee via Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) for review of its completeness and accuracy at quarterly meetings.</p> <p>After the Trustee's review of the data's accuracy and completeness, 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 Sub-Committee to the full Trustee Board at the next available meeting.</p>	<p>For a selection of quarterly Administration reports, inspected Actions List, Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and full Trustee Board meeting minutes and noted that actions logged on the Action List had been investigated and resolved by the Administration team.</p> <p><b>No exceptions noted.</b></p>

	<p>integrity of data as part of their report to the Trustee Board.</p> <p>The data issues and gaps are manually fed into the Operations Issue Log. The Operations &amp; Communications 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 &amp; Communications 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</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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	issues that need to be shared at a Trustee Board level, following more detailed operational discussions at the Operations & Communications Sub-Committee meeting.		
29.3	Plans are maintained by the Operations Team for rectifying missing member data or identified member data errors. These are presented in the quarterly administration reports, via Data Cleanse Projects section, to the Operations & Communications Sub-Committee. The Chair of the Operations & Communications Sub-Committee reports on any concerns regarding the integrity of data as part of their report to the Trustee Board.	<p>The Operations Team takes actions to rectify data via separate exercises. These include:</p> <ul style="list-style-type: none"> <li>• monthly exercise to identify missing member contribution data;</li> <li>• annual address tracing exercises;</li> <li>• 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.</li> </ul> <p>Plans and actions are reported to the Trustee for its review via quarterly Administration reports (via Data Cleanse Projects section) to the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee). The Trustee confirms its agreement with the</p>	<p>For a selection of quarterly Administration reports, inspected Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and noted that plans and actions had been reviewed by the Trustee.</p> <p><b>No exceptions noted.</b></p>



		<p>proposed actions by noting the report and raising queries, if necessary.</p> <p>This is evidenced by the Sub-Committee meeting minutes.</p>	
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### 6.4.8 Communication and reporting

30. The Trustee Board maintains a documented member communications plan which is regularly reviewed.			
Control no	Process	Control activities	Tests performed by KPMG LLP and results
30.1	<p>The Administrator uses communications drafted and approved by Smart Pension to maintain quality control and currency with legislative changes and recommended practices.</p> <p>A communications plan is maintained and reviewed by the Operations &amp; Communications Sub-Committee and reported back to the Trustee Board. The communication delivery plan is a continually evolving document.</p>	<p>The Communications Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) reviews and implements changes to the members' communication delivery plan on behalf of the Trustee. The review is carried out on an annual basis at the meeting.</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 the full Trustee Board and the Communications Sub-Committee (from 1</p>	<p>For the annual review of the members communication plan, inspected Communications Sub-Committee (from 1 July, Operations &amp; Communications Sub-Committee) meeting minutes and full Trustee Board meeting minutes and noted that it had been reviewed and approved by the Trustee.</p> <p><b>No exceptions noted.</b></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 Operations &amp; Communications Sub-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 for review on their behalf to the Communications Team. The Communications Team drafts and updates members communications to maintain quality, accuracy and currency with legislative changes.</p>	<p>July 2022 the name was changed to Operations &amp; Communications Sub-Committee) meeting minutes.</p>	
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30.2	<p>The Trustee Board maintains a written Communications Policy allowing the Trustee to keep an overview of the member communication.</p> <p>Communication materials are produced, maintained and issued by Smart. The Pensions Communications Team at Smart operates to its own communications policy, which is a sub-policy to this Policy.</p>	<p>Communication materials are produced, maintained and issued by Smart. The Pensions Communications Team at Smart operates to its own communications policy, which is a sub-policy to this Policy.</p> <p>The Communications Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) reviews and approves the Communication Policy triennially. Any changes are logged on the Action List, followed up by a member of the Smart Pension Governance and Regulatory Team and marked as resolved and presented to the Trustee at the next available meeting.</p>	<p>Inspected the Communications Policy and noted it was approved in April 2021. We noted that it was not scheduled to occur in 2022, therefore we were unable to test the implementation and operating effectiveness of this control.</p>
<p><b>31. Arrangements are in place for ensuring that the quality and accuracy of member communications are assessed by the Trustee Board.</b></p>			

Control no	Process	Control activities	Tests performed by KPMG LLP and results
31.1	<p>The Trustee Board maintains a Communication Delivery Plan that is designed to ensure members are provided with communications that support their decisions at retirement.</p> <p>The Trustee has delegated responsibility for oversight of communications to the Communications Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee). This Sub-Committee operates under its agreed Terms of Reference.</p>	<p>The Communications Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) reviews changes to the members' communication delivery plan.</p> <p>It is carried out on an annual basis at the meeting and recorded in the minutes.</p>	<p>For the annual review of the members' communication delivery plan, inspected Communications Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and noted that it had been reviewed by the Committee.</p> <p><b>No exceptions noted.</b></p>
31.2		<p>The Communications Team drafts and updates members communications to maintain quality, accuracy and currency with legislative changes. There is an established procedure, as well as standard template for drafting member communications. Both the procedure and the template are approved by the Trustee. The template contains a change version log, is</p>	<p>For a selection of changes to the template, inspected Communications Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and noted that it had been signed off by a member of the Smart</p>

		<p>prepared by the Head of Client Communications, and signed off by a member of the Smart Pension Governance and Regulatory Team.</p> <p>The Trustee reviews and approves the communications via the Communications Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; 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 the full Trustee Board and the Communications Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) meeting minutes.</p>	<p>Pension Governance and Regulatory Team.</p> <p><b>No exceptions noted.</b></p>
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31.3	<p>There is a Benefits Statements Committee (BSC) set up to overview the preparation, production and issuing of the annual statements. BSC consists of members of the Technical, Operations, Compliance and Engineering Teams. BCS follows the Annual Statement Planner, the project timeline.</p>	<p>Benefits statements are checked against Benefits Statements Operational Readiness Checklist. The checklist is prepared by the Operations manager, signed off by the Operations Director and the Compliance Team (ID) and is approved by the Trustee via Communications Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee). The Checklist includes a testing for accuracy stage.</p> <p>The completed checklist is shared with the Trustee at the Trustee meeting. This is evidenced by the meeting minutes.</p>	<p>For the Benefits Statements Operational Readiness Checklist, inspected Communications Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and Trustee meeting minutes and noted that it had been approved by the Trustee.</p> <p><b>No exceptions noted.</b></p>
31.4	<p>There is a Bulk Communications Requests Standard Operating Procedure in use.</p> <p>This document outlines the principles for organising the bulk send of communications to users, customers and employees via email and post.</p>	<p>The Bulk Communications Requests Standard Operating Procedure (SOP) is prepared by the Operations Team, reviewed by the Operations Development Manager and signed off by the Head of Technical Operations.</p> <p>The Trustee reviews the list of existing SOPs on an annual basis. This is evidenced by the Trustee meeting minutes.</p>	<p>For the annual review of the Bulk Communications Requests Standard Operating Procedure (SOP), inspected Trustee meeting minutes and noted that it had been reviewed by the Trustee.</p> <p><b>No exceptions noted.</b></p>

31.5	<p>The Member booklet includes relevant information about scams and provides 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 Operations &amp; Communications Sub-Committee.</p>	<p>The member guide is reviewed and updated by the Communications Team at least annually and only 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 (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee). The changes are reviewed by the Sub-Committee and approved at the meeting or via email after the meeting.</p> <p>This is evidenced by the meeting minutes and / or emails.</p>	<p>For the annual review of the member guide, inspected Communication Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and emails and noted that it had been approved by the Sub-Committee.</p> <p><b>No exceptions noted.</b></p>
31.6	<p>The Client Communication dashboard is shared with the Trustee at the Operations &amp; Communications Sub-Committee meeting. The dashboard contains information on key highlights of:</p> <ul style="list-style-type: none"> <li>- the statutory and standard communications</li> <li>- insights of communications delivered</li> <li>- ad hoc communications activity</li> </ul>	<p>The Trustee reviews the Client Communication dashboards. Any concerns are raised, logged on the Action List and subsequently dealt with by a member of the internal Teams. Once resolved, these are reported back to the Trustee at the next Communications Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) meeting.</p>	<p>For a selection of Client Communication dashboard concerns, inspected Action List and Communications Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and noted that they had been dealt with and resolved by a member of the internal Teams.</p>



			<b>No exceptions noted.</b>
31.7	The Trustee Board maintains a written Communications Policy that is designed to ensure that the Trustee has an overview of the member communication.	<p>Communication materials are produced, maintained and issued by Smart. The Pensions Communications Team at Smart operates to its own communications policy, which is a sub-policy to this Policy.</p> <p>The Communications Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) reviews and approves the Communication Policy triennially. Any changes are logged on the Action List, followed up by a member of the Smart Pension Governance and Regulatory Team and marked as resolved and presented to the Trustee at the next available meeting.</p>	Inspected the Communications Policy and noted it was approved in April 2021. We noted that it was not scheduled to occur in 2022, therefore we were unable to test the implementation and operating effectiveness of this control.

**32. The Trustee Board has established a process for reporting member feedback (including issues raised by members) and complaints to the trustees, including resolution procedures. Member feedback and issues are logged and reviewed by the Trustee Board.**

Control no	Process	Control activities	Tests performed by KPMG LLP and results
32.1	<p>Smart Pension Master Trust has the TOR Voice of the Customer forum. The forum is responsible for reviewing, understanding and acting on SPMT customer feedback received from a number of internal and external sources, with the key objective of driving forward improvement to, and recognising what are already good customer outcomes.</p> <p>The forum reviews feedback from a number of sources, based on current availability, and these sources evolve as the forum/operation matures:</p>	<p>Meetings of the TOR Voice of the Customer forum are held at least monthly. Members of the forum may request an ad hoc meeting should they consider it necessary to protect business priorities.</p> <p>Any actions from the meeting are recorded on the Action List and subsequently dealt with by a member of the forum and reported back to the full forum at the next available meeting.</p> <p>The meetings are recorded.</p> <p>The customer forum reports back to the Operations Sub-Committee (from 1 July 2022</p>	<p>For a selection of monthly TOR Voice of the Customer forums, inspected the Action Log and Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and noted that it had been recorded and dealt with by a member of the forum.</p> <p><b>No exceptions noted.</b></p>

	<ul style="list-style-type: none"> <li>● External - consumer review websites (e.g., Google review, Trustpilot, Google Play)</li> <li>● External - PIR feedback from new employer implementations</li> <li>● External - key account management</li> <li>● External - complaints; volume, type and root causes</li> <li>● External - call reviews</li> <li>● External - call volume trends (demand analysis)</li> <li>● Internal - quality results; success areas and error trends and root causes</li> <li>● Internal - platform insights (e.g., contribution file fails which impact late reporting effort)</li> <li>● Internal - user research insights</li> </ul> <p>The forum prepares the following reporting and outputs:</p>	<p>the name was changed to Operations &amp; Communications Sub-Committee) at their quarterly meetings via administration report. This is evidenced by the Sub-Committee meeting minutes.</p> <p>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 Sub-Committee. This is evidenced by meeting papers and the meeting minutes.</p>	
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	<ul style="list-style-type: none"> <li>● A pack detailing analysis and action plan is circulated to the Forum at least 3 days in advance of meetings.</li> <li>● A summary of each VoC output including any scores, analysis and actions is circulated via the usual Executive and Trustee committee reporting process.</li> <li>● An action log tracks progress of activity undertaken by the forum and may cross reference into other continuous improvement initiatives.</li> <li>● The forum, at least once a year, reviews its own performance and terms of reference to ensure it is operating effectively.</li> <li>● Emerging risks and issues are logged on the Operations risk and issue log.</li> <li>● Where appropriate escalations are made into other Forums e.g., Executive, Scheme Strategist (SPMT only), Trustee Committee (SPMT only), customer Governance Forums to solve risk and issues.</li> </ul>		
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	<ul style="list-style-type: none"> <li>● Change requests into Ops Development team for evaluation and management.</li> </ul> <p>The forum consists of a number of stakeholders from across the whole Scheme and Smart teams - Operations, Administration, Product, Customer Proposition, Payroll, UX and other.</p>		
32.2	<p>Customers' feedback in the form of member activity, reviews and compliments, as well as complaints 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 &amp; Communications Sub-Committee via quarterly update.</p>	<p>The quarterly Administration reports are reviewed by the Trustee at the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee) meeting in respect of the previous quarter. This enables the Trustee and the Administration Provider to identify any wider issues that have not been spotted yet.</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 next Trustee meeting.</p>	<p>For a selection of quarters, inspected the administration reports, Actions List, Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and full Trustee Board meeting minutes and noted that queries or concerns logged on the Action List had been followed up and resolved by the Smart Pension Administration Team.</p> <p><b>No exceptions noted.</b></p>

		<p>This is evidenced by the Sub-Committee meeting minutes.</p> <p>Any issues or complaints in respect of the members' retirement options not being processed and managed in accordance with the documented procedures are reported in the quarterly administration reports and reviewed at the following Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications 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 Sub-Committee. This is evidenced by meeting papers and the meeting minutes.</p>	
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32.3	<p>The Trustee operates a formal Internal Dispute Resolution Procedure.</p> <p>Any complaints that cannot be resolved / are not resolved to the complainant's satisfaction by the Smart Pension's customer service team, can be referred to the Trustee of the Smart Pension Master Trust.</p>	<p>The Internal Dispute Resolution Procedure is prepared by Smart Pension internal team, reviewed by the legal and governance teams and shared with the Trustee for its annual review, feedback and approval.</p> <p>This is evidenced by the Trustee meeting minutes and exchange of emails.</p>	<p>For the Internal Dispute Resolution Procedure, inspected Trustee meeting minutes and noted that it had been reviewed and approved by the Trustee.</p> <p><b>No exceptions noted.</b></p>
32.4	<p>A complaint is initially investigated by Smart Pension and referred to the Trustee for a decision. The complaint is reviewed by at least two members of the Trustee board, usually members of the Operations &amp; Communications Sub-Committee. Depending on the complexity of the complaint, if necessary, a decision may be referred to the whole Trustee board for review.</p>	<p>Smart Pension's customer service team investigates the complaint and refers it to the Trustee for a decision. At least two members of the Trustee board, usually members of the Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications Sub-Committee), review the complaint. Depending on the complexity of the complaint, a decision may be referred to the whole Trustee board for review.</p> <p>This is evidenced by communications (an email or approval sought via Knowa) sent to Trustee Directors by the Smart Complaints Handling Team.</p>	<p>For a selection of complaints, inspected the emails and Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and noted that they had been reviewed and a decision made by the Trustee.</p> <p>For a selection of IDRPs cases, inspected quarterly administration reports and Operations Sub-Committee (from 1 July 2022, Operations &amp; Communications Sub-Committee) meeting minutes and</p>

		<p>The IDRPs are reported in the quarterly administration reports and reviewed at the following Operations Sub-Committee (from 1 July 2022 the name was changed to Operations &amp; Communications 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 Sub-Committee.</p> <p>This is evidenced by meeting papers and the meeting minutes.</p>	<p>noted that they had been reviewed by the Trustee.</p> <p><b>No exceptions noted.</b></p>
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## Appendix 1 - Letter of engagement



KPMG LLP  
15 Canada Square  
London E14 5GL  
United Kingdom

**Private & confidential**  
Trustees of the Smart Pension Master  
Trust  
c/o EC2 Master Limited  
The Smart Building  
136 George Street  
London  
W1H 5LD

1 September 2022

Dear Trustees

### Engagement letter – report on internal controls

We are writing to confirm your instructions and set out the terms of the engagement by the Trustees ("you") of the Smart Pension Master Trust (the "Trust") of KPMG LLP ("KPMG" or "we") to deliver services to you in connection with a report on the internal controls environment of the Trust for the reporting period 1 January 2022 until 31 December 2022.

Any work performed in connection with this engagement before the date of this letter will 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 (the "Services").

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 you.

We will conduct our work in accordance with the procedures set out in the Technical Release AAF 05/20, *Assurance reporting on Master Trusts* 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 activities.

In reaching our conclusion, the criteria against which the control activities are to be evaluated are the control objectives developed for Master Trusts as set out within Technical release 05/20.

We may seek written representations from the Trustees in relation to matters on which independent corroboration is not available. We shall seek confirmation from the Trustees that any significant matters of which we should be aware have been brought to our attention.

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 00201560  
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.co.uk](http://www.kpmg.co.uk)

**Document Classification - KPMG Confidential**



1 September 2022

Our engagement to provide the services imposes a duty on us to report breaches of the law under s70 Pensions Act 2004 as a scheme professional advisor, as detailed in the attached Additional Terms (Reports under AAF 05/20 - Master Trusts).

2 Inherent limitations

The Trustees acknowledge that control activities designed to address specified control objectives are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Such activities 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 Iryndee Kaur-Delay and day to day operation will be the responsibility of Paul Bradley. We will involve others in the work as appropriate.

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).

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.

Circumstances may arise when matters need to be considered or reported in relation to our statutory duty to report to the Pensions Regulator ("TPR") and costs, and consequently fees, will be incurred in considering each matter and communicating with you and / or TPR. Such fees cannot be estimated in advance and will be based on the time and hourly rates of the individuals involved. We will advise you of any costs arising in this regard as soon as we become aware of such circumstances.



1 September 2022

6 Onward Disclosure of report

We permit the disclosure of our Service Auditor's Assurance Report (the "Report"), in full only, to TPR, to employers of the Trust ("Employers") and Smart Pension Limited ("Smart Pension Limited") as funder of the Trust, to enable any of them to verify that a report by a service auditor has been commissioned by the Trustees and issued in connection with the internal controls of the Trust, and to help TPR, the Employers and Smart Pension Limited to obtain a better understanding of the governance and administration of the Trust, without assuming or accepting any responsibility or liability to TPR or to the Employers or to Smart Pension Limited on our part.

We understand that, in addition to release to TPR, Employers and Smart Pension Limited as referred to above, you wish to make a copy of the Report available to "Prospective Employers" (meaning any potential client or clients who have approached the Trust in respect of the Trust 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), which is not envisaged by the standards to which we refer in section 1 above, Scope of the Services.

We agree to your disclosure of the Report to Prospective Employers, provided that you obtain our approval for the form of disclosure and its context, subject to the following conditions.

You accept any risk associated with the disclosure, and will not hold KPMG responsible, if the disclosure of the Report to a Prospective Employer or any public reference to us or our work results in or leads to (i) alteration to your relationship with that Prospective Employer, (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.

You may disclose the Report (in full only) to a Prospective Employer, to enable the Prospective Employer to verify that a report on the matters discussed has been commissioned by you and issued by KPMG. The basis on which we consent is that the Report is released to the Prospective Employer under cover of a transmittal letter in the form of Appendix 1, which should be issued on your letterhead.

You shall retain a copy of each such transmittal letter and provide us with a copy on request.

We draw your attention to clause 6 of the attached Additional Terms (Reports under AAF 05/20 - Master Trusts), which sets out your agreement to indemnify us in respect of claims by third parties arising out of this engagement.

7 Limitation of liability

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





1 September 2022

limited, on the basis set out in our General Terms of Business, to a maximum aggregate of £300,000.

8 Agreement

The Additional Terms: KPMG Clara for clients apply to a service coordination tool, our provision of which is incidental to the Services we provide under this Engagement Letter. The Additional Terms: Technology Tools – Acceptable Use Policy apply to each of your nominated users of KPMG Clara for clients.

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

Yours faithfully

KPMG LLP

KPMG LLP

Attached:

- 1 Form of transmittal letters
- 2 General Terms of Business
- 3 Additional Terms: Reports under AAF 05/20 - Master Trusts
- 4 Additional Terms: KPMG Clara for clients
- 5 Additional Terms: Technology Tools – Acceptable Use Policy

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

Signed:

David Brown

Name: David Brown

Position: Trustee Director

Date: 14 September 2022

Duly authorised, for and on behalf of the Smart Pension Master Trust.