

# Workers Pension Trust

## AAF 05/20 Assurance Report

Governance Controls for Master Trusts Report

1 January 2021 – 31 March 2022



**Workers Pension Trust**

**143 Malone Road**

**Belfast**

**BT9 6SX**

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# 1. Introduction

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Workers Pension Trust Limited ('the Trustee') is pleased to present its sixth annual AAF controls report which details the governance control activities relating to Workers Pension Trust ('WPT', 'the Master Trust') that were in place and operating throughout the 15-month period from 1 January 2021 to 31 March 2022.

## Background to WPT

WPT is a master trust – a multi-employer workplace pension scheme, which is open to all businesses in the United Kingdom. The Master Trust is based in Belfast, Northern Ireland and is widely regarded as the local, flexible, simple solution for auto-enrolment.

Membership of the Master Trust has grown rapidly since it was established in 2012. There are now over 5,335 employers using the Master Trust across a wide range of sectors, representing 122,806 members. In 2018, WPT accepted a transfer of 16,800 members from Enhance Construction Pension Scheme NI. Combined assets under management are more than £418m.<sup>1</sup>

In August 2019, WPT received master trust authorisation from the Pensions Regulator (TPR). Authorisation is granted only to those master trusts who obtain the highest level of governance. Master trusts who failed to achieve the standard were forced to close. The process of applying for and receiving authorisation, as well as ongoing supervision from the Pensions Regulator, provides assurance that WPT meets rigorous governance standards.

The Trustee has a duty to operate WPT in the best interest of its members. This includes planning ahead of a crisis such as the COVID-19 pandemic. As a result of its comprehensive business continuity plans, the Trustee was well prepared, and WPT has remained fully operational, continuing to provide excellent customer service.

## AAF 05/20 Report

This AAF 05/20 report provides information and assurance on the operation of the governance control activities relating to WPT. The report demonstrates the continued effectiveness of the design and operation of the internal controls structure of WPT.

This report has been prepared in accordance with the framework provided by the Audit and Assurance Faculty of the Institute of Chartered Accountants in England and Wales, entitled Assurance Reporting on Master Trusts (ICAEW technical release TECH 05/20 AAF). The report incorporates the updated control objectives reviewed by the ICAEW with the Pensions Regulator to reflect the post authorisation master trust supervisory systems and controls environment. The previous 27 control objectives have been revised into 32 control objectives, which are outlined in section 5 of this report.

The Master Trust's service auditor (reporting accountant), Azets, has independently assessed WPT against the control objectives relating to the AAF 05/20 master trust assurance framework. Their report confirms that the control objectives set out in the AAF guidance were met throughout the period from 1 January 2021 to 31 March 2022, with no exceptions noted.

Signed



Chair of Workers Pension Trust Limited  
31 March 2022  
Elizabeth Hartree, Director, The Law Debenture Pension Trust Corporation Plc

<sup>1</sup> Information correct as at 31 March 2022 and may be subject to change.

## 2. Statement by the Trustee of WPT

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As Trustee of WPT, 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. The governance of WPT was independently reviewed by Hymans Robertson during 2021/2022. Fortnightly updates were issued to the Regulator, which have since closed as all recommendations have been actioned to their satisfaction.

In carrying out these 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 Pensions Regulator may use this report to help determine whether certain governance procedures, including oversight of systems and processes relevant to master trust supervisory requirements, have been met and have been subjected to independent scrutiny.

We have evaluated the fairness of the description and the design suitability and effectiveness of the Master Trust's governance control activities, having regard to ICAEW's TECH 05/20 AAF and the control objectives set out therein as described in section 6 of this report.

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 WPT, together with the related control objectives which operated during the period 1 January 2021 to 31 March 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 from 1 January 2021 to 31 March 2022.
- b) The governance control activities described in section 6 of this report were suitably designed throughout the period from 1 January 2021 to 31 March 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 in section 6 of this report were operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved throughout the period 1 January 2021 to 31 March 2022.

Signed on behalf of Workers Pension Trust



Chair of Workers Pension Trust  
31 March 2022

Elizabeth Hartree, Director  
The Law Debenture Pension Trust Corporation Plc

## 3. Report by the Service Auditor

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### **Independent Service Auditor's assurance report on the governance control activities established by the Trustees of Workers Pension Trust Limited relating to the Master Trust.**

#### **Use of report**

Our report, subject to the permitted disclosures set out below, is made solely for the use of the Trustee of the Master Trust (Trustee) 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 21 March 2022 and attached as an appendix.

Our work has been undertaken so that we might report to the Trustee those matters that we have agreed to state to them in our report and for no other purpose.

We permit the disclosure of our report, in full only to verify to the recipient that a report by reporting accountants has been commissioned by the Trustee 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 Trustee 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 Workers Pension Trust Limited throughout the period 1 January 2021 to 31 March 2022 and on the suitability of the design and operating effectiveness of those governance control activities stated in the description.

#### **Trustees' responsibilities**

The Trustees' responsibilities and statement are set out on section 2 of this report. The control objectives stated in the description include those control objectives set out in TECH 05/20 AAF that are considered relevant by the Trustee.

#### **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 Workers Pension Trust as described in your report and report this to you. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and with TECH 05/20 AAF. ISAE 3000 (Revised) and TECH 05/20 AAF require, among other things, that we comply with ethical and other professional requirements.

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 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 Trustee 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. 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.

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

We have complied with the independence and other ethical requirements of the 'Code of Ethics for Professional Accountants' issued by the International Ethics Standards Board for Accountants which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1 and accordingly maintains 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.

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.

### **Opinion**

In our opinion, in all material respects:

- (i) the accompanying Master Trust's report fairly presents the governance control activities established by the Trustees that relate to the control objectives referred to above which were in place throughout the period 1 January 2021 to 31 March 2022;
- (ii) the governance control activities established by the Trustees described on section 6 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; 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 were achieved throughout the period 1 January 2021 to 31 March 2022.

**Azets Audit Services Limited**

Chartered Accountants



## 4. Business Overview and Control Environment

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### Organisation overview

WPT was founded by Construction First Limited (CFL) in 2012.

Construction First Limited (CFL) was a wholly owned subsidiary of Construction Holiday Pay Scheme Limited (CHPS) until 31 May 2021. CHPS is a not-for-profit organisation established in 1945 by the Construction Employers Federation (CEF) and trade unions, for the provision of holiday pay and welfare benefits to the construction industry of Northern Ireland. The organisation has been providing financial benefits to its members for over 77 years and has more than 40 years' experience in delivering pension schemes.

On 1 June 2021, Cushon MT Limited ("**Cushon**") purchased 100% of CFL from CHPS. CFL, now CMTNI Limited, continues in its roles as the joint administrator, Scheme Funder and Principal Employer of WPT.

Cushon is largely a technology company. It has developed a state-of-the-art workplace savings system which is used by several major household names in the UK. Workers Pension Trust has well developed capabilities to deliver customer services, pensions governance and other operational support services. The vision is that the Belfast Team will adopt Cushon Technology to assist in delivering these services to the Master Trust and its Members. The intention is that employer and member service and support will remain in Belfast.

WPT is set up under trust law to ensure that members' retirement savings are protected. The Master Trust is run by a corporate Trustee, Workers Pension Trust Limited, which is responsible for the governance of all aspects of the Master Trust. The function of the Trustee is to ensure that the Master Trust is run in the best interest of its members.

The Trustee has regular meetings to oversee the management and governance of the Master Trust, including the oversight of investments, administration, systems and processes and communications relevant to master trust supervisory requirements. The Trustee has the relevant knowledge and understanding of pensions matters to properly run the Master Trust.

Further information can be found in Section 5 of the latest [Chair's Statement](#).

## Trustee of WPT

The Trustee is made up of the following individuals:

	<p><b>Elizabeth Hartree</b> <b>Trustee Director representing Law Debenture Pension Trust Corporation plc</b> <b>Appointed on 27 January 2022 (Chair from 8 April 2022)</b></p> <p>Elizabeth is a Professional Trustee and qualified solicitor with over 20 years' experience in FTSE 100 companies and international law firms, and 6 years as a Trustee. Throughout her legal career Elizabeth advised on all aspects of technology law, including negotiating complex outsourcing arrangements, managing cyber risk and GDPR audits.</p> <p>Elizabeth has appointments on a number of DB and DC pension schemes, both as Chair and co-trustee, and has a particular interest in scheme governance and project execution.</p>
	<p><b>Ciaran Brolly</b> <b>Member Nominated Trustee Director</b> <b>Appointed on 1 July 2018 (Deputy Chair from 1 October 2020)</b></p> <p>Ciaran has over 40 years' experience of trade union involvement. Since 2008, Ciaran has worked as a Project Manager for Unite the Union. He is a Board Member of the Construction Industry Training Board (CITB) NI and is Chair of the Board of Governors of St Brigid's College, Derry. Ciaran has been Head of Department in a Further Education College and a Board Member of the NI Consumer Council, NI Housing Executive and member of their Audit Committee.</p> <p>Ciaran was a Trustee Director of Enhance Construction Pension Scheme NI from 2018 to 2020 and was involved in the restructuring of Enhance and the bulk transfer of members' benefits to WPT.</p>
	<p><b>Billy Foley</b> <b>Member Nominated Trustee Director</b> <b>Appointed on 1 November 2021</b></p> <p>Billy has over 25 years' experience working in newspapers and is currently an Editor for the Irish News, from which he has gained experience in financial management and managing employees.</p> <p>Billy has experience in law, including legal negotiation and copyright breach avoidance.</p>



**Roger Mattingly**  
**Trustee Director representing Ross Trustees**  
**Appointed on 24 January 2022**

Roger is a Professional Trustee and is Chair of three authorised DC Master Trusts. He is a Fellow of the Institute of Directors and is currently on the Occupational Pensions Stewardship Council.

Over his 40 year career, Roger has sat on many committees, forums and panels including the PLSA Multi-Employer DB Committee and Pension Regulators Stakeholder Advisory Panel.

Roger has extensive experience in both pensions and investments including managing changes within both DB and DC pension arrangements, investment strategy, involvement with the DC Master Trust Market and manages investments on a number of occupational pension schemes. Roger also has knowledge of the legal requirements for DC Master Trusts.



**Mark Hedges**  
**Trustee Director representing Capital Cranfield**  
**Appointed on 11 May 2022**

Mark is a Professional Trustee and a member of the Pensions Management Institute and Association of Professional Pension Trustees.

Throughout his career, Mark has gained extensive experience in investment, risk management, finance and governance.

Mark has gained invaluable experience during his career with the Nationwide Building Society as Pension Fund Chief Investment Officer. He is a Trustee of the Scheme, along with the Nationwide International Pension Scheme.

The following Trustees resigned during the period 1 January 2021 to 31 March 2022; Tony Reynolds, David Andrews, Carole Ryden and Shauna Mitchell.

### **Bodies and Sub-Committees**

The Trustee benefits from the support of the following bodies, leads and sub-groups to assist in the efficient day-to-day running of the Master Trust:

#### Scheme Administrators:

WPT is jointly administered by CMTNI Ltd and Mercer.

CMTNI Ltd is responsible for the day-to-day administration of the Master Trust, including communication with employers and members, and processing contributions. CMTNI Ltd is accredited to the ISO 9001:2015 standard for quality management systems and adheres to the '5S' standard, which focuses on an efficient and effective working environment.

Mercer maintains member records, invests contributions received from CMTNI Ltd and makes benefit payments on behalf of members. Mercer is the largest private sector administrator in the UK. Mercer undergoes an annual assessment via their AAF 02/07 and AAF 05/20 reports which includes a review of their internal controls.

#### Scheme Strategist:

The Scheme Strategist comprises of a group of individuals who are responsible for making business and strategic decisions about how the Master Trust is run. These are as follows:

- Duncan Howorth (Chair)
- Troy Clutterbuck
- Julius Pursaill
- Declan McErlean
- Margaret Maynes
- Raymonde Nathan

The Scheme Strategist:

- makes business/strategic decisions relating to WPT. This includes, for example:
  - the strategy for delivering the master trust's business objectives
  - the nature of the operating model
  - the target market for the master trust
  - the benefits that are offered
  - IT solutions
  - service contracts
  - staffing levels needed to operate
- is accountable for producing, approving and maintaining the business plan and continuity strategy and conducting revisions to these at least annually or as and when appropriate.

#### Scheme Funder:

CMTNI Ltd is the Scheme Funder. The Scheme Funder:

- provides funds to enable WPT to continue to operate if it cannot meet its running costs
- is liable to pay for the cost of running WPT or winding up WPT following a continuity option if there is a triggering event
- agrees the Business Plan and Continuity Strategy with the Trustee and Scheme Strategist

#### Trustee Oversight

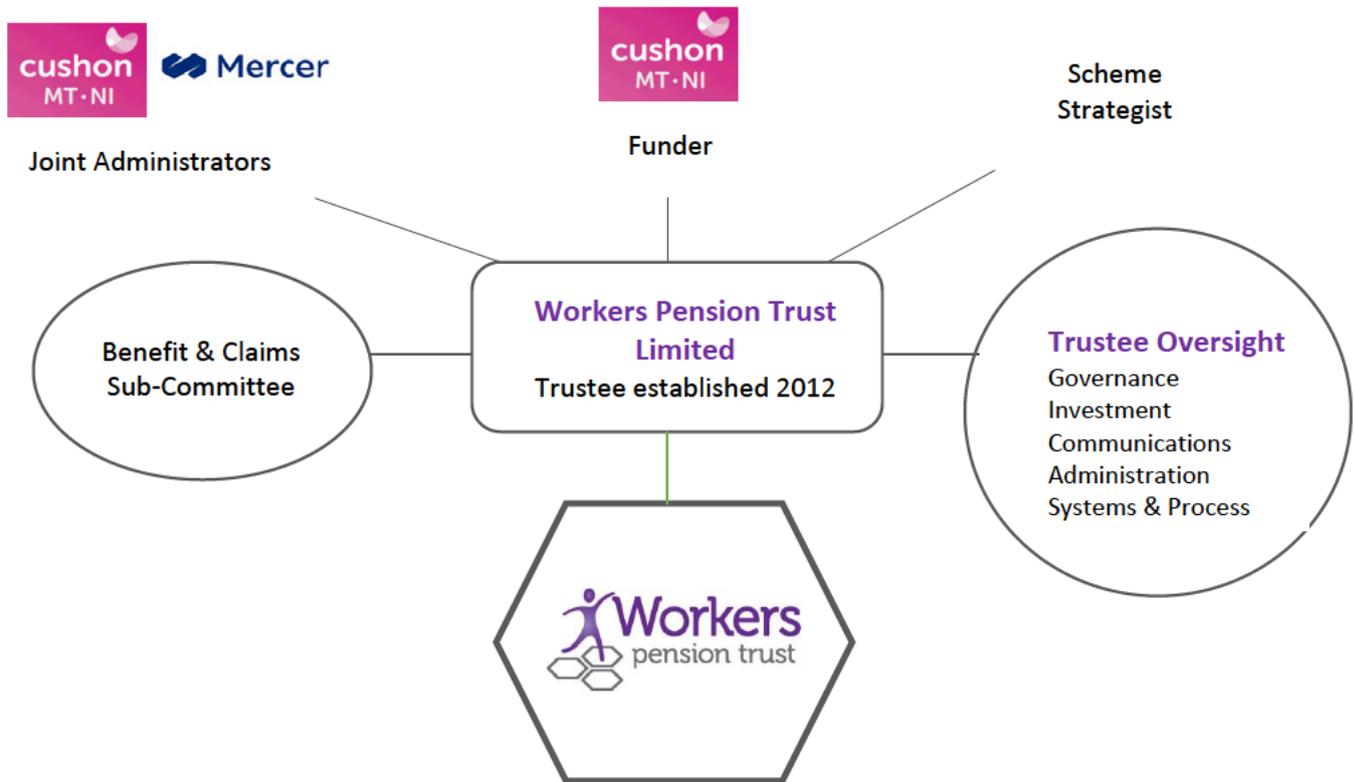
The following Trustees lead the various aspects of the WPT:

- Governance – Elizabeth Hartree
- Investment – Roger Mattingly
- Communications – Ciaran Brolly
- Administration – Mark Hedges
- Systems and Processes – Billy Foley

Benefit & Claims Sub-Committee:

There is also a Benefit & Claims Sub-Committee which reviews and approves death benefit and other claims on behalf of the Trustee.

The Trustee remains accountable for all Master Trust functions but can delegate certain work to various individuals and sub-committees. The Master Trust's current governance model is shown below:



## Control Environment

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### Risk Management and Internal Control

The Trustee understands the importance of protecting the interests of members and compliance with industry and statutory requirements.

ISO 9001:2015 certification ensures that staff recognise the importance of procedures and a consistent approach to data handling to ensure consistent delivery of a high quality service. Regular internal auditing against ISO 9001:2015 requirements ensures that all staff are aware of the objectives and responsibilities associated with procedures and controls. ISO 9001:2015 goes beyond administration procedures and includes an analysis of the Political, Economic, Social, Technological, Environmental, Legal and Marketplace (PESTELM) factors impacting WPT. The standard also includes a SWOT analysis and an Opportunities Register.

CMTNI, in its role as Principal Employer seeks to obtain formal feedback from members and their employers regarding the quality of the services provided to them and this information is used to adapt internal controls as necessary.

CMTNI has a variety of accounting and internal controls designed to prevent and detect fraud. These include restricted access to pension systems and databases; segregation of duties between pension administration and finance staff; investment and payment authorisation levels; monthly independently reviewed bank reconciliations; monitoring of contribution receipts; reconciliation of pension system investment records with investment management holdings; data update and amendment controls and review of transfers out regarding potential pension liberation fraud. Fraud risk mitigation and associated controls are also considered as part of internal audit reviews.

The scope of the Risk Register was extensively widened to accommodate TPR's authorisation requirements.

Regular review of the Risk Register by the internal management team, the Trustee Governance Lead, the Trustee Board, the Scheme Strategist and Scheme Funder, aims to identify the need for any changes to procedures and controls.

CMTNI Ltd and the Trustee continue to liaise with The Pensions Regulator to discuss the administrative and governance aspects of the Master Trust.

### Complementary Control operated by Participating Employers

It is not feasible for the control objectives relating to pension services to be achieved solely by CMTNI Ltd. For employers to rely on the controls reported at Section 6, each employer is required to evaluate its own internal controls to determine whether:

- member data and contributions are provided as instructed and on a complete, accurate and timely basis;
- changes to individuals authorised to instruct CMTNI Ltd are communicated in writing and on a timely basis;
- security controls to protect member data are in place;
- records are maintained to demonstrate attempts to trace members who are identified as having an incorrect address; and

- contingency plans have been developed to ensure that information can be consistently communicated to CMTNI Ltd in the event of a system error or other disruption.

### **Communications**

- The Trustee has a documented Communications Policy & Plan to meet the needs of its members.
- The Trustee's policy is that communications are accurate, clear, helpful and relevant to the members and employers. Communications are in plain English, avoid the use of jargon and are standardised where possible.
- An annual Communication Plan is agreed by the Trustee. CMTNI oversees the completion of all actions within the plan throughout the year. In the event that actions fall behind schedule CMTNI will notify the Scheme Secretary who decides whether or not the Trustee should be informed.

## 5. Summary of Control Objectives

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### VALUE FOR MEMBERS CO 1-2

#### Assessing value for members

1. A documented value for members assessment is undertaken at least annually and is formally approved by the Trustee.

#### Management of costs and charges

2. The Trustee ensures disclosure of information to members of transaction costs and charges is complete and accurate and has been disclosed in accordance with regulatory guidelines.

### INVESTMENT GOVERNANCE CO 3-6

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.
4. The Trustee 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.
5. The Trustee ensures that the Statement of Investment Principles is made publicly available.
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.

### THE TRUSTEE BOARD CO 7-10

7. New Trustee Directors are recruited and appointed in accordance with a documented procedure approved by the Trustee.
8. The fitness and propriety of Trustee Directors is assessed prior to appointment and reviewed annually thereafter in accordance with a documented policy. This review is documented and approved by the Trustee.
9. Collective skills and competencies of the Trustee as a whole are reviewed on an annual basis. This review is documented and approved by the Trustee.
10. Trustee levels of knowledge and understanding are managed and maintained in accordance with an annual training and development plan approved by the Trustee.

### FINANCIAL SUSTAINABILITY AND COMPLIANCE CO 11-14

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 within required timescales.
12. A documented review of the Business Plan is undertaken by the Trustee within required timescales.
13. A documented Continuity Strategy is maintained and reviewed by the Trustee.
14. A documented procedure is maintained and approved by the Trustee for reporting Significant Events and Triggering Events to the Regulator within required timescales.

### SCHEME MANAGEMENT SKILLS CO 15-19

15. An annual business schedule/plan is maintained and reviewed by the Trustee.

16. Conflicts of interest are subject to ongoing monitoring and are identified, recorded in a conflict register and managed in accordance with a defined policy which is regularly reviewed by the Trustee.
17. Documented due diligence is undertaken by the Trustee prior to the appointment of all service providers, including fitness and propriety. Selection criteria is maintained by the Trustee to support service provider selection and decision making.
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 against documented performance criteria.
19. The Trustee maintains a risk management framework to identify, evaluate, manage and monitor scheme risks.

#### **TRUSTEE OVERSIGHT OF IT SYSTEMS AND ADMINISTRATION PROCESSES CO 20-28**

20. The Trustee monitors and reviews IT systems.
21. The capacity to take on new business is assessed, approved and regularly monitored by the Trustee.
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.
23. The Trustee has arrangements in place for ensuring that core financial transactions (including decumulation related transactions) are processed promptly.
24. The Trustee 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.
25. The Trustee ensures that member retirement options selected are processed and managed in accordance with documented procedures.
26. The Trustee ensures that transaction errors are identified and rectified in accordance with a documented procedure.
27. The Trustee ensures that late and inaccurate contributions are pursued and resolved in accordance with documented procedures. Late contributions are reported to the Trustee.
28. The Trustee ensures that contributions are invested and allocated in accordance with member instructions or the requirements of the default arrangement.

#### **DATA QUALITY CO 29**

29. The Trustee ensures member data is complete and accurate and is subject to regular data evaluation.

#### **COMMUNICATION AND REPORTING CO 30-32**

30. The Trustee maintains a documented member communications plan which is regularly reviewed.
31. Arrangements are in place for ensuring that the quality and accuracy of member communications are assessed by the Trustee.
32. The Trustee has established a process for reporting member feedback (including issues raised by members) and complaints to the Trustee, including resolution procedures. Member feedback and issues are logged and reviewed by the Trustee.

## 6. Control Objectives and Control Activities

### VALUE FOR MEMBERS CO 1 – 2

<b>Area and Objective 1</b>	
A documented value for members assessment is undertaken at least annually and is formally approved by the Trustee.	
<b>Control Activity</b>	<b>Azets testing</b>
<p>1.1 The approach to conducting a VFM assessment is considered in advance with standard headings approved by the Trustee.</p> <p>Meetings were held between the Trustee and Hymans Pension Consultants in June 2021 to discuss the approach to the VFM assessment and the scoring system.</p> <p>A two-page summary of the VFM Report was compiled and issued to members as part of the Q4 2021 member newsletter.</p> <p>Due to the change in the WPT year end to 31 March the next VFM assessment will cover the period 1 January 2021 to 31 March 2022.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the December 2020 VfM assessment that relevant headings were used and that Hymans Robertson LLP were consulted on the approach which was considered appropriate.</p> <p>Confirmed by inspection that the summary was issued to members as part of the Q4 2021 member newsletter.</p>
<p>1.2 A Value for Members (VFM) summary is included in the Chair's Statement published in the signed WPT Annual Report and Accounts.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection that the Chairman's statement from WPT's annual report and accounts for the year ended 31 December 2020 contained a summary of Value for Members.</p>
<p>1.3 How WPT's charges compare to other Master Trusts is considered annually as part of the VFM assessment, if considered necessary.</p> <p>Appendix 1 of the VFM Report includes a Master Trust Charges Comparison</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection that the December 2020 VfM assessment considers WPT's charges compared to other Master Trusts and that this comparison is detailed in the VfM report.</p>
<p>1.4 This process is recorded in the Trustee Resource Planner under the Value for Members section.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the process for a VfM assessment was recorded as an annual event as item 101 and to conduct the VfM assessment was recorded as an annual event as item 102, all under the Value for Members section.</p>

**Area and Objective 2**

The Trustee ensures disclosure of information to members of transaction costs and charges is complete and accurate and has been disclosed in accordance with regulatory guidelines.

Control Activity	Azets testing
<p>2.1 All relevant information on member costs and charges is made available on the WPT website within the Member Resources area via the following:</p> <ul style="list-style-type: none"> <li>• the 'How much does it cost?' section</li> <li>• the Scheme Booklet with examples of the member contribution charge and annual management charge.</li> <li>• the Chair's Statement</li> </ul> <p>The communication of costs and charges is delegated to CMTNI who make them available to members.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Member Resources area within the WPT website that it holds all relevant information on member costs and charges. The Scheme Booklet and Chair's Statement are also available for access on the WPT website and contained information on member costs and charges.</p>
<p>2.2 WPT complies with the charges cap as required from April 2015.</p> <p>For WPT members the contribution charge is 1.8% and the AMC is 0.3%.</p> <p>For WPT-E members the AMC is 0.75%. In April 2021, the AMC for WPT-E members in the default investment strategy was reduced to 0.74%. This was due to the fact that the Sterling Liquidity Fund had an additional charge of 0.01%. The reduced AMC for these members ensured charges remained within the 0.75% cap.</p> <p>Compliance with the charge cap is confirmed in the Scheme Return to the Pensions Regulator.</p> <p>CMTNI administer and collect the charges.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of sample documentation relating to control checking and reporting for WPT that contribution charges of 1.8% and AMC charges of 0.3% were applied. For WPT-E members, it was confirmed that AMC charges of 0.75% were applied; these were reduced to 0.74% on the Sterling Liquidity fund due to the additional charge of 0.01%. The annual scheme return to the Pension Regulator was inspected and confirmation of compliance with the charge cap was found.</p>
<p>2.3 The Trustee receives an Appendix on costs and charges with the quarterly Trustee Board report.</p> <p>AMC and Administration Charges are included in the Mercer AAF 05/07 Report.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly Trustee Board Reports that the Trustee received 'Appendix 1 Summary of LGIM Investment Costs' relating to costs and charges for review.</p> <p>Confirmed by inspection of the Mercer AAF 05/20 Report that under control objective 2.1 it included AMC and Administration Charges. There were no exceptions noted.</p>
<p>2.4 The Pensions Regulator's Annual Scheme Return is recorded under the Scheme Return section in the Trustee Resource Planner.</p> <p>A review of the Communication Policy &amp; Plan is recorded as an annual event under the Communication section in the Trustee Resource Planner.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that the Pensions Regulator's Annual Scheme Return was recorded as an annual event as item 113 under the Scheme Returns section.</p>

	Confirmed by inspection of the Trustee Resource Planner that a review of the Communication Policy & Plan was recorded as an annual event as item 78 under the Communication section.
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## INVESTMENT GOVERNANCE CO 3-6

<b>Area and Objective 3</b>	
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.	
<b>Control Activity</b>	<b>Azets testing</b>
<p>3.1 The Trustee reviews the suitability of the Master Trust's investment objectives and investment strategy as part of its Trustee meeting activity. Where required a formal review of the default fund, the default fund lifestyle strategy and other investment options takes place. The Trustee receives professional advice from their Investment Consultant when conducting the review.</p> <p>The acquisition of CFL, Scheme Funder, by Cushon MT Ltd in June 2021 has necessitated consideration as to how the WPT investment strategy should align to Cushon.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Implementation Plan for the investment strategy review which outlines the investment objectives and investment strategy for the Master Trust.</p> <p>Confirmed by inspection of the relevant Trustee meeting minutes that a review of the default fund and default fund lifestyle strategy and other investment options was conducted during the period.</p> <p>Confirmed by inspection of the relevant Trustee meeting minutes that an Investment Consultant was used when conducting the review.</p> <p>Confirmed by inspection of the Trustee meeting minutes that the investment strategy has now been agreed to gradually align with Cushon.</p>

<b>Area and Objective 4</b>	
The Trustee 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>Control Activity</b>	<b>Azets testing</b>
<p>4.1 A written Statement of Investment Principles (SIP) is prepared and maintained by the Trustee. In preparing the SIP, the Trustee has obtained and considered professional written advice from the investment consultant.</p> <p>The Trustee reviews the SIP at least every three years to ensure its ongoing suitability and following any</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Statement of Investment Principles (SIP) that it was prepared and maintained by the Trustee, and whilst preparing the SIP, the Trustee obtained and considered professional written advice from the investment consultant. The latest SIP was prepared in</p>

<p>significant change in investment policy or to comply with regulatory requirements.</p> <p>Any changes to the SIP are based on advice from the Trustee's Investment Consultant.</p>	<p>September 2020 and is due for review during Q3 2022.</p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the SIP was recorded as an annual event as item 57 under the Investment section.</p>
<p>4.2 The SIP outlines the principles governing the investment policy of the Master Trust and the activities undertaken by the Trustee to ensure the effective implementation of these principles.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the SIP that it outlined the principles governing the investment policy of the Master Trust, and the activities undertaken by the Trustee to ensure the effective implementation of the investment principles.</p>
<p>4.3 The review of the investment strategy is recorded as an annual event under the Investment section in the Trustee Resource Planner.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the investment strategy was recorded as an annual event as item 72 under the Investment section.</p>
<p>4.4 A review of the investment management performance reports is recorded as a quarterly event under the Investment section in the Trustee Resource Planner.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the investment management performance reports was recorded as a quarterly event as items 64 and 65 under the Investment section.</p>
<p>4.5 A review of fund manager internal control reports is recorded as an annual event under the Managing Service Providers section in the Trustee Resource Planner.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of fund manager internal control reports was recorded as an annual event as item 93 under the Managing Service Providers section.</p>
<p>4.6 A review of the SIP is recorded as an annual event under the Investment section in the Trustee Resource Planner.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the Statement of Investment Principles was recorded as an annual event as item 57 under the Investment section.</p>

**Area and Objective 5**

The Trustee ensures that the Statement of Investment Principles is made publicly available.

Control Activity	Azets testing
<p>5.1 The latest version of the Statement of Investment Principles (SIP), is publicly available in the Members' section of the WPT website.</p> <p>The Statement of Investment Principles is uploaded to the WPT website by CMTNI when approved by the Trustee.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the WPT website that the SIP is publicly available in the Members section.</p> <p>Confirmed by inspection of emails received from the Trustees in which they have approved the SIP.</p>

**Area and Objective 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.

Control Activity	Azets testing
<p>6.1 The Trustee reviews the performance of investment funds against benchmarks/target returns at each quarterly Trustee meetings using the fund managers' quarterly investment reports and the Investment Consultant's quarterly monitoring reports.</p> <p>Fund performance is documented in the Trustee meeting agendas and minutes. Commentary is received from fund managers and the investment consultant as deemed appropriate. The investment consultant monitors the performance of the Trust's investment managers against their benchmarks and advises the Trustee of any significant developments relating to investment managers or funds managed.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly fund managers' investment reports that they included benchmarks/target returns.</p> <p>Confirmed by inspection of a sample of quarterly Trustee minutes that the fund managers quarterly investment report is reviewed alongside the quarterly Investment consultants monitoring report.</p> <p>Confirmed by inspection that the quarterly monitoring reports included appropriate commentary including the monitoring of actual performance against their benchmarks as well as advice on any significant developments.</p>
<p>6.2 The Trustee reviews the performance of the default lifestyle strategy at least annually at a meeting which is documented in the Trustee meeting agendas and minutes.</p> <p>The current review was revisited following the acquisition of CFL, Scheme Funder, by Cushon MT Ltd in June 2021.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly Trustee meeting minutes that a review of the performance of the default lifestyle strategy was conducted during the reporting period.</p>
<p>6.3 A review of the investment management performance reports is recorded as a quarterly event under the Investment section in the Trustee Resource Planner.</p> <p>A review of the Investment Consultant's quarterly monitoring reports is recorded as a quarterly event</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the investment management performance reports was recorded as a quarterly event as</p>

under the Investment section in the Trustee Resource Planner.	items 48 and 49 under the Investment section.
6.4 A review of fund manager's internal control reports is recorded as an annual event under the Managing Service Providers section in the Trustee Resource Planner.	<b>Inspection.</b> Confirmed by inspection of the Trustee Resource Planner that a review of the fund manager's internal control report was recorded as an annual event as items 95, 96, 97 under the Managing Service Providers section.
6.5 A review of investment strategy and the SIP are recorded as annual events under the Investment section in the Trustee Resource Planner.	<b>Inspection.</b> Confirmed by inspection of the Trustee Resource Planner that a review of the investment strategy and the SIP were recorded as annual events as items 56 and 57 under the Investment section.

## THE TRUSTEE BOARD CO 7-10

<b>Area and Objective 7</b>	
New Trustee Directors are recruited and appointed in accordance with a documented procedure approved by the Trustee.	
<b>Control Activity</b>	<b>Azets testing</b>
7.1 The Trust Deed & Rules states that the power to appoint and remove Trustees is vested in the Principal Employer. The Principal Employer has direct appointment powers under the WPTL Articles of Association 8a and 8b.	<b>Inspection.</b> Confirmed by inspection that the Principal Employer has the power to appoint and remove Trustees and that this is stated in the Trust Deed & Rules section 6.1(d).  Confirmed by inspection of the WPTL Articles of Association under section 8a and 8b that the Principal Employer has direct appointment powers.
7.2 The Policy for Appointing Trustee Directors and the Chair outlines the process for the recruitment and appointment of Trustee Directors and is reviewed annually by the Trustee.  Prior to their appointment, any new Trustee Director is required to complete a declaration confirming their fitness and propriety and to complete an Individual Fit and Proper Form and a basic level criminal record check. New Trustee Directors undergo comprehensive induction training and are also required to complete TPR's Trustee Toolkit.	<b>Inspection.</b> Confirmed by inspection of the 'Policy for Appointing Trustee Directors and the Chair' that it outlined the process for the recruitment and appointment of new Trustee Directors.  Confirmed by inspection of the Trustee Resource Planner that a review of the Policy for Appointing Trustee Directors and the Chair was recorded as an annual event as item 19.  Confirmed by inspection of the new Trustee Directors during the period that prior to

	<p>their appointment, they completed a fitness and propriety declaration, an Individual Fit and Proper Form and a basic level criminal record check.</p> <p>Confirmed by inspection of the appointment of new Trustee Directors during the period that they underwent comprehensive induction training and completed TPR's Trustee Toolkit</p>
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**Area and Objective 8**

The fitness and propriety of Trustee Directors is assessed prior to appointment and reviewed annually thereafter in accordance with a documented policy. This review is documented and approved by the Trustee.

<b>Control Activity</b>	<b>Azets testing</b>
<p>8.1 The Trustee reviews the Trustee Statement and Declaration of Fitness and Propriety annually, and each individual Trustee Director signs a Declaration of Fitness and Propriety which takes into account paragraphs 71-89 of TPR's Code of Practice No.15: Authorisation and Supervision of Master Trusts. These declarations are reviewed by the Chair and signed off.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the Statement and Declaration of Fitness and Propriety was recorded as an annual event as item 28 under the Fit and Proper section.</p> <p>Confirmed by inspection of the Trustee Resource Planner that the action for Trustee Directors to sign and for the Chair to review Statements and Declarations of Fitness and Propriety was recorded as an annual event as item 29 under the Fit and Proper section.</p> <p>Confirmed by inspection of Declaration of Fitness and Propriety forms that they were completed by individual Trustee Directors annually and took into accounts paras 71-89 of TPR's Code of Practice No 15: Authorisation and Supervision of Master Trusts.</p>
<p>8.2 Individual Fit and Proper forms are reviewed and updated by each individual Trustee annually.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Director's Individual Fit and Proper forms that they were reviewed and updated annually.</p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the Individual Fit and Proper forms was completed as an annual event as item 27 under the Fit and Proper section.</p>

8.3 All fit and proper reviews are scheduled as annual events under the Fit and Proper section in the Trustee Resource Planner.

**Inspection.**

Confirmed by inspection of the Trustee Resource Planner that a review of the Individual Fit and Proper forms was completed as an annual event as item 27 under the Fit and Proper section.

**Area and Objective 9**

Collective skills and competencies of the Trustee as a whole are reviewed on an annual basis. This review is documented and approved by the Trustee.

Control Activity	Azets testing
<p>9.1 The Policy for Appointing Trustee Directors and the Chair outlines the methodology for identifying and monitoring the overall competence of the Trustee. A skills and knowledge audit is conducted annually, addressing the continuing knowledge and understanding of the Trustee and its Directors.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Policy for Appointing Trustee Directors and the Chair that it outlined the methodology for identifying and monitoring the overall competence of the Trustee.</p> <p>Confirmed by inspection of the Trustee Training Needs Analysis Questionnaire that a skills and knowledge audit was conducted annually and addressed the continuing knowledge and understanding of the Trustee and its Directors.</p> <p>Confirmed by inspection of the Trustee Resource Planner that the completion of the Trustee Training Needs Analysis Questionnaire, Skills Matrix and Board Assessment was recorded as an annual event as item 35 under the Fit and Proper section.</p>
<p>9.2 The Trustee Directors use a Skills Matrix as an opportunity to discuss whether the optimal mix of skills, expertise and experience is available on the Trustee Board, and if the balance of skills and experience is spread across the group (not concentrated in only one or two individuals). This is used to inform the annual training plan.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Skills Matrix that the Trustee Directors used the document as an opportunity to discuss whether the optimal mix of skills, expertise and experience was available on the Trustee Board, and if the balance of skills and experience was spread across the group.</p> <p>Confirmed by inspection of the Trustee Training Plan that the completed Trustee Skills Matrix formed the basis of the training plan which was updated annually.</p>
<p>9.3 The Trustee Directors evaluate how effectively the Board is structured and how effectively it operates in relation to Master Trust governance using the Board Assessment which is completed annually.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the 2022 Board Assessment that Trustee directors evaluate</p>

	how effectively the board is structured in relation to Master Trust governance.
9.4 These reviews are recorded as annual events under the Fit and Proper section in the Trustee Resource Planner.	<b>Inspection.</b> Confirmed by inspection of the Trustee Resource Planner that the review/completion of the Trustee Training Needs Analysis and Board Assessment was recorded as an annual event as item 35 under the Fit and Proper section.

#### Area and Objective 10

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

Control Activity	Azets testing
10.1 An annual training plan is compiled based on training needs identified through the Trustee Training Needs Analysis Questionnaire and Board Assessment. This identifies and addresses any ongoing learning needs of Trustee Directors on an individual and collective basis. Induction training is provided for newly appointed Trustee Directors.	<b>Inspection.</b> Confirmed by inspection of the Trustee Training Needs Analysis Summary for 2021 that training needs are identified, compiled, and inform the 2021 Trustee training plan. Training from the plan was seen to be carried out via inspection of the Trustee Training Logs which lists the dates and providers of the training. Slides for the new Trustee induction training were seen and considered appropriate.

### FINANCIAL SUSTAINABILITY AND COMPLIANCE CO 11-14

#### Area and Objective 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 within required timescales.

Control Activity	Azets testing
11.1 The Trustee reviews the financial sustainability of the Master Trust annually. This includes:  i. reviewing the financial reserving by the Scheme Funder to ensure it remains appropriate to support the year-to-date performance of the Master Trust; ii. any necessary changes to financial reserves; iii. updates on the Scheme Funders financial position; and On a quarterly basis the Trustee reviews the objectives and milestones in the Business Plan.	<b>Inspection.</b> The financial sustainability of the Master Trust was seen to be communicated to the Trustees annually via the Business plan. This included the financial reserving by the Scheme Funder, any changes to the financial reserves as well as any updates on the Scheme Funders financial position.  Confirmed by inspection of quarterly Trustee meeting minutes that the objectives and

	milestones included in the business plan are reviewed.
11.2 The review of financial reserving is included in the Trustee Resource Planner as an annual event under the Financial Sustainability section.	<b>Inspection.</b> Confirmed by inspection of the Trustee Resource Planner that a review of the financial reserving was recorded as an annual event as item 14 under the Financial Sustainability section.
11.3 The Strategist reviews the financial sustainability of the Master Trust quarterly. This includes: i. a review of the financial reserving by the Scheme Funder ensuring it remained appropriate to support the year-to-date performance of the Master Trust; ii. any necessary changes to financial reserves; iii. updates on the Scheme Funders financial position; and iv. updates to the Business Plan objectives and milestones.	<b>Inspection.</b> Confirmed by inspection of a sample of quarterly Trustee meeting minutes that a review of the Scheme Strategist Report was conducted.  Confirmed by inspection of a sample of Strategist meeting minutes that a review of the financial sustainability of the Master Trust was conducted quarterly. The review included financial reserves, any necessary changes to the financial reserves, updates on the Scheme Funder's financial position and financial performance against milestones in the Business Plan.
11.4 The financial sustainability of the Master Trust is monitored through the risk register quarterly.	<b>Inspection.</b> Confirmed by inspection of quarterly risk registers that the financial sustainability of the Master Trust is monitored quarterly.

<b>Area and Objective 12</b>	
A documented review of the Business Plan is undertaken by the Trustee within required timescales.	
<b>Control Activity</b>	<b>Azets testing</b>
12.1 The WPT Business Plan is reviewed and updated annually by the Scheme Strategist. The Trustee and Scheme Funder review and approve the Business Plan annually. Discussions, considerations and any required changes are documented and recorded.	<b>Inspection.</b> Confirmed by inspection that the annual WPT business plan was reviewed and signed by the Scheme Strategist, Trustee and Scheme Funder. A summary of key changes was confirmed to have been communicated to the above individuals on an annual basis.
12.2 Any revisions to the Business Plan are issued to the Pensions Regulator within the required timescale.	<b>Inspection.</b> Confirmed by inspection of email documentation that revisions made to the Business Plan were issued to the Pensions Regulator.
12.3 The Trustee receives a quarterly update on the delivery of the Business Plan, including progress against key targets and milestones from the Scheme Strategist.	<b>Inspection.</b> Confirmed by inspection of a sample of Trustee meeting minutes that updates on

<p>The Scheme Strategist have a procedure in place which documents the process for monitoring and managing risks to the delivery of the Business Plan, which is reviewed annually.</p>	<p>the delivery of the Business Plan, including progress against key targets from the Scheme Strategist was presented to the Trustees quarterly.</p> <p>Confirmed by inspection of Scheme Strategists meeting minutes that the Scheme Strategists have a procedure in place which documented the process for monitoring and managing risks to the delivery of the Business Plan, and that an annual review was performed.</p>
<p>12.4 The review of the Business Plan is included as an annual event under the Financial Sustainability section in the Trustee Resource Planner. Risks relating to the delivery of the Business Plan are recorded in the risk register and are reviewed quarterly.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the Business Plan was recorded as an annual event as item 11 under the Financial Sustainability section.</p> <p>Confirmed by inspection of the risk register that it included Business Plan risks under risk ref BP1 - BP10.</p> <p>Confirmed by inspection of a sample of Trustee meeting minutes that the risk register was reviewed quarterly.</p>

**Area and Objective 13**

A documented Continuity Strategy is maintained and reviewed by the Trustee.

Control Activity	Azets testing
<p>13.1 The WPT Continuity Strategy is reviewed and updated annually by the Scheme Strategist. The Trustee and Scheme Funder review and approve the Continuity Strategy annually. Discussions, considerations, and any required changes are documented and recorded.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of email documentation that the WPT Continuity Strategy was updated annually by the Scheme Strategist and approved by the Trustee and Scheme Funder.</p> <p>Confirmed by inspection of the relevant Trustee meeting minutes that the Continuity Strategy was discussed and sent to the Pensions Regulator detailing any changes.</p>
<p>13.2 Any revisions to the Continuity Strategy are issued to the Pensions Regulator within the required timescale.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Continuity Strategy and email documentation that revisions were issued to the Pensions Regulator.</p>
<p>13.3 The review of the Continuity Strategy is included as an annual event in the Trustee Resource Planner under the Continuity Strategy section.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the</p>

<p>Triggering Events relating to the Continuity Strategy are recorded in the risk register and are reviewed quarterly.</p> <p>These risks are jointly owned by CMTI as Scheme Funder and the Trustee.</p>	<p>Continuity Strategy was recorded as an annual event as item 17 under the Continuity Strategy section.</p> <p>Confirmed by inspection of the Trustee Resource Planner that the monitoring of Triggering Events was recorded as a quarterly event as item 125 under the Supervision section.</p> <p>Confirmed by inspection of the risk register that Triggering Events which related to the Continuity Strategy were recorded.</p> <p>Confirmed by inspection of a sample of Trustee meeting minutes that the risk register was reviewed quarterly.</p>
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**Area and Objective 14**

A documented procedure is maintained and approved by the Trustee for reporting Significant Events and Triggering Events to the Regulator within required timescales.

Control Activity	Azets testing
<p>14.1 There is a documented procedure for reporting Significant Events and Triggering Events to the Pensions Regulator within required timescales. This procedure is reviewed annually by the Trustee and is recorded as an annual event in the Trustee Resource Planner under the Supervision section.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Significant Event Notification procedure that it outlined the required timescales that notifications should be sent to the Pensions Regulator.</p> <p>Confirmed by inspection of email documentation that the Significant Event Notification procedure was reviewed annually.</p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the procedure for reporting Significant Events and Triggering Events to the Pensions Regulator was recorded as an annual event as item 123 under the Supervision section.</p>
<p>14.2 Significant Events are a standard item on Trustee agendas.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of WPT Trustee Board agendas that Significant Events are a standard agenda item.</p>
<p>14.3 During the reporting period, all Significant Events were reported to the Pensions Regulator within the required timescales.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of Significant Event submissions which occurred during the reporting period that they</p>

	were reported to the Pensions Regulator within the required timescales.
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## SCHEME MANAGEMENT SKILLS CO 15-19

<b>Area and Objective 15</b>	
An annual business schedule/plan is maintained and reviewed by the Trustee.	
<b>Control Activity</b>	<b>Azets testing</b>
15.1 The Trustee maintains a procedure for Managing the Trustee Board which includes frequency of Trustee meetings and standing agenda items.	<b>Inspection.</b> Confirmed by inspection of the procedure for Managing the Trustee Board that it was maintained and included the frequency of Trustee meetings and standing agenda items.
15.2 The Trustee meets at least quarterly to discuss key issues affecting the Master Trust. This is documented in Trustee meeting agendas and minutes. There is a Scheme Secretary in place to assist with management of the Master Trust.	<b>Inspection.</b> Confirmed by inspection of Trustee meeting minutes and agendas that they were held at least quarterly and discussed key issues which affected the Master Trust. The minutes included details of the Scheme Secretary who is in place to assist with management of the Master Trust.
15.3 The Trustee maintains a Trustee Resource Planner which schedules key operations throughout the year in order to allocate adequate resources to effectively govern the Master Trust.	<b>Inspection.</b> Confirmed by inspection of the Trustee Resource Planner that it was maintained by the Trustee and scheduled key operations throughout the year in order to allocate adequate resources to effectively govern the Master Trust.
15.4 The Trustee Resource Planner includes 100 plus items covering key documents, procedures, policies and processes relating to the following areas which are reviewed by the Trustee: <ul style="list-style-type: none"> <li>● Financial Sustainability</li> <li>● Continuity Strategy</li> <li>● Fit and Proper</li> <li>● Systems and Processes</li> <li>● Supervision</li> </ul>	<b>Inspection.</b> Confirmed by inspection of the Trustee Resource Planner that it included over 100 plus items covering the various documents, procedures, policies and processes mentioned.
15.5 The Trustee approves the Trustee Resource Planner prepared by the Scheme Secretary.	<b>Inspection.</b> Confirmed by inspection of quarterly Trustee meeting minutes that the Trustee Resource Planner was approved

	by the Trustee annually and reviewed quarterly.
15.6 The Scheme Secretary reviews the Trustee Resource Planner monthly.	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly Trustee meeting minutes that the Trustee Resource Planner was reviewed at each meeting</p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the Trustee Resource Planner was recorded as a monthly event as item 140.</p>

### Area and Objective 16

Conflicts of interest are subject to ongoing monitoring and are identified, recorded in a conflict register and managed in accordance with a defined policy, which is regularly reviewed by the Trustee.

Control Activity	Azets testing
16.1 The Trustee has a written Conflicts of Interest Policy which sets out the process for identifying, monitoring, and managing conflicts of interest.	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Conflicts of Interest Policy that it set out the process for identifying, monitoring, and managing conflicts of interest.</p>
<p>16.2 Conflicts of Interest is a standard item on Trustee meeting agendas.</p> <p>The Conflicts of Interest Policy includes a Conflicts of Interest Register, however, conflicts are recorded in the minutes of Trustee meetings.</p> <p>Trustee Directors are required to review and update their Register of Interest Forms annually or more regularly if a change is required.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a sample of Trustee meeting minutes that Conflicts of Interest is a standard item on Trustee meeting agendas with any conflicts recorded there despite the Conflict of interest policy including a register. The risk register was seen to be reviewed quarterly through inspection of a sample of Trustee meeting minutes.</p>
16.3 Conflicts of Interest is monitored through the risk register quarterly.	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the risk register that Conflicts of Interest is monitored.</p> <p>Confirmed by inspection of a sample of Trustee meeting minutes confirmed that these are reviewed quarterly.</p>

**Area and Objective 17**

Documented due diligence is undertaken by the Trustee prior to the appointment of all service providers, including fitness and propriety. Selection criteria is maintained by the Trustee to support service provider selection and decision making.

<b>Control Activity</b>	<b>Azets testing</b>
<p>17.1 The Policy for Appointing, Managing and Monitoring Service Providers confirms the due diligence that may be applied as part of the pre-appointment process in relation to service providers. The policy is reviewed annually as part of the Trustee’s governance of the Master Trust and ISO certification renewal.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Policy for Appointing, Managing and Monitoring Service Providers that it confirmed the due diligence applied as part of the pre-appointment process in relation to service providers.</p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the Policy for Appointing, Managing and Monitoring Services Providers was recorded as an annual event as item 84 under the Managing Service Providers section.</p>
<p>17.2 Responsibility for due diligence is documented as part of the Roles Summary, which outlines the responsibilities of the Trustee, Scheme Funder (CMTNI) and the Scheme Strategist.</p> <p>The Roles Summary is reviewed and signed by the relevant parties annually.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Roles Summary that it documented the responsibility for due diligence and outlined the responsibilities of the Trustee, Scheme Funder (CMTNI) and the Scheme Strategist. It was reviewed and signed by the relevant parties annually.</p>
<p>17.3 The Trustee maintains a Declaration of Fitness and Propriety which is submitted annually for review by the Chair of the Trustee.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Fitness and Propriety Statement that it included the Declaration of Fitness and Propriety and was reviewed annually.</p> <p>Confirmed by inspection of a sample of individual Trustee Directors’ Declaration of Fitness and Propriety forms that these were completed and submitted annually to the Chair of the Trustee for review.</p>
<p>17.4 The SIP covers the responsibilities of the Trustee, Investment Adviser, Investment Managers, Administrator and Custodian.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the SIP that it covered the responsibilities of the Trustee, Investment Adviser, Investment Managers, Administrator and Custodian.</p>

<p>17.5 The Administration Manual identifies which areas of administration are managed by CMTNI and Mercer.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Administration Manual that it identified which areas of administration were managed by CMTNI and the Mercer.</p>
<p>17.6 Service Level Agreements with each key adviser/service provider details the duties and delegated responsibilities of the Trustee.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Service Providers and Agreements Schedule that it lists the Service Level Agreements with each key adviser/service provider.</p> <p>Confirmed by inspection of a sample of Service Providers written agreements that they detailed the duties and delegated responsibilities of the Trustee.</p>
<p>17.7 A review of service providers and advisers is conducted at least annually.</p> <p>There is a Policy for Appointing, Managing and Monitoring Service Providers and Advisers which confirms that the Trustee considers a market review of service providers every 3 to 5 years taking account of risks, practical issues and costs to members.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of Trustee meeting minutes that a review of the service providers and advisers was conducted annually.</p> <p>Confirmed by inspection of the Policy for Appointing, Managing and Monitoring Service Providers and Advisers that it stated the Trustee considers a market review to be conducted every 3 to 5 years whilst considering risks, practical difficulties, and costs to members.</p>
<p>17.8 The Trustee receives annual internal controls reports from Investment Managers and Mercer which are reviewed in detail by the Trustee.</p> <p>The Trustee receives a quarterly Board report which includes administration governance reports from CMTNI and Mercer over the quarter.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the relevant Governance Sub Committee meeting minutes that the Trustee conducted an annual review of the internal controls reports received from Investment Managers and Mercer.</p> <p>Confirmed by inspection for a sample of quarterly Trustee meeting minutes that they received administration governance reports from CMTNI and Mercer which were reviewed quarterly.</p>
<p>17.9 The Trustee assesses and performs qualitative reviews of the performance of the pensions consultant and investment consultant.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the LGIM AAF 01/06 internal controls report was recorded as an annual event as</p>

	<p>item 97 under the Managing Service Providers section.</p> <p>Confirmed by inspection of the relevant Trustee meeting minutes that a review of the LGIM AAF 01/06 report was conducted. Confirmed by inspection of the L&amp;G AAF 01/06 internal controls report that it was produced annually.</p> <p>Confirmed by inspection of Trustee scorecard and the Policy for Appointing, Managing and Monitoring Service Providers and Advisers that during the period quality reviews of consultants were carried out.</p>
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<p><b>Area and Objective 18</b> 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 against documented performance criteria.</p>	
Control Activity	Azets testing
<p>18.1 The roles and responsibilities of all advisers and service providers are documented in Service Level Agreements.</p>	<p><b>Inspection.</b> Confirmed by inspection of Service Level Agreements with advisers and service providers that they include their roles and responsibilities.</p>
<p>18.2 The Policy for Appointing, Managing and Monitoring Service Providers and Advisers confirms that the performance monitoring involves the appropriate manager and the Trustee.</p>	<p><b>Inspection.</b> Confirmed by inspection of the Policy for Appointing, Managing and Monitoring Service Providers that it includes the delegation of performance monitoring by the Trustee to the appropriate manager.</p>
<p>18.3 Performance indicators and exceptions relating to joint administrators, CMTNI and Mercer, are recorded quarterly and included in the Trustee Board Report. Issues identified are discussed and actions agreed and allocated to owners. Progress is discussed at teleconferences held between CMTNI and Mercer.</p>	<p><b>Inspection.</b> Confirmed by inspection of a sample of Quarterly Board reports that they outlined performance indicators and exceptions in relation to the Master Trust.  Confirmed by inspection of call notes between CMTNI and Mercer where issues were identified.</p>
<p>18.4 Fund managers report on the investment performance of funds against the benchmark. Queries regarding performance are raised with the Investment Consultant, as required.</p>	<p><b>Inspection.</b> Confirmed by inspection of a sample of fund manager quarterly reports that the</p>

	<p>investment performance of funds was benchmarked.</p> <p>Confirmed by inspection of a sample of Trustee meeting minutes that a review of the investment reports was performed and any queries regarding performance were raised with the Investment Consultant.</p>
<p>18.5 The Business Plan performance indicators are reviewed by the Scheme Strategist, Scheme Funder and Trustee on a quarterly basis. All actions relating to performance indicators are delegated to an appropriate nominated individual to ensure actions are progressed in between meetings and tracked to conclusion.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Business Plan that it was in place for the period.</p> <p>Confirmed by inspection of a sample of Trustee meeting minutes that a review of the Scheme Strategist Report, including the Business Plan, was conducted quarterly by the Scheme Strategist, Scheme Funder and Trustee quarterly.</p> <p>Confirmed by inspection of the Scheme Strategist Report that any actions relating to performance indicators were delegated to an appropriate nominated individual, ensuring actions were progressed in between meetings and tracked to conclusion.</p> <p>Confirmed by inspection of the Scheme Strategist Resource Planner that a review of the Business Plan was recorded as an annual event as item 4.</p>
<p>18.6 An annual review of Service Providers and Advisers is conducted by the relevant manager against specific criteria and a scorecard. The Trustee contributes to the scoring criteria of Service Providers and Advisers. Service Providers and Advisers are notified in advance of the review and the Trustee's expectation of an overall percentage score of 80% for standards to be deemed acceptable.</p> <p>The Trustee has agreed that if a score falls below the expected standard, a follow-up meeting will be held to further discuss why this is the case and to agree what action is planned to improve standards.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Service Providers review summary that it was conducted annually against specific criteria and a scorecard.</p> <p>Confirmed by inspection of emails that Service Providers and Advisers are notified in advance of the review as well as the expectations that a minimum percentage score of 80% is deemed acceptable. Where a score fell below 80% actions were put in place to improve standards to the acceptable level.</p>
<p>18.7 The results of the Service Providers and Advisers reviews are communicated at Trustee and Strategist meetings and recorded in minutes. A review of Service Providers and Advisers is conducted at least annually.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee meeting minutes that a review of the results from the annual Service</p>

	Providers and Advisers review was conducted.
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**Area and Objective 19**

The Trustee maintains a risk management framework to identify, evaluate, manage and monitor Scheme risks.

Control Activity	Azets testing
<p>19.1 The Trustee maintains a risk management framework to identify, evaluate, manage and monitor Master Trust risks. Risks are recorded in a risk register in line with TPR's Code of Practice No. 15 'Authorisation and Supervision of Master Trusts'.</p> <p>Risks relating to the Scheme Funder and Scheme Administrator are monitored quarterly by the CMTNI management team in accordance with a documented procedure.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Policy for Monitoring and Reviewing the Risk Register that the Trustee maintained a risk management framework to identify, evaluate, manage and monitor Master Trust risks.</p> <p>Confirmed by inspection of a sample of quarterly risk registers that all risks are recorded in line with TPR's Code of Practice No. 15 'Authorisation and Supervision of Master Trusts'. Evidence of quarterly monitoring seen.</p>
<p>19.2 Nominated individuals internally review risks on a quarterly basis which includes consideration of risk rating changes, mitigation control changes, closed risks, new risks, refinement of scope of a particular risk, changes to action plans driven by the risk register and any other key changes.</p> <p>Any amendments are recorded in a log of changes within the risk register. A peer review of the changes is conducted.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Policy for Monitoring and Reviewing the Risk Register that it outlined the steps for monitoring and reviewing the risk register.</p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the Policy for Monitoring and Reviewing the Risk Register was recorded as an annual event as item 43 under the Systems and Processes section.</p> <p>Confirmed by inspection of the relevant Trustee meeting minutes that a review of the Policy for Monitoring and Reviewing the Risk Register was conducted and approval given.</p> <p>Confirmed by inspection of the risk register meeting minutes that a thorough review was conducted.</p>
<p>19.3 The results of the internal review conducted by nominated individuals are reviewed by the Trustee.</p> <p>The review includes consideration of risk rating changes, mitigation control changes, closed risks, new risks, refinement of scope of a particular risk, changes to action plans driven by the risk register and any other key changes.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of Governance Sub Committee meeting minutes that risks were reviewed quarterly. These included the consideration of risk rating changes, mitigation control changes, closed risks,</p>

<p>The Trustee Board reviews key risks quarterly.</p> <p>The Scheme Strategist, Scheme Funder and Scheme Administrator also review risks relating to their function quarterly</p>	<p>new risks, refinement of scope of a particular risk, changes to action plans driven by the risk register and other key changes.</p> <p>Confirmed by inspection of a sample of quarterly risk registers that they were updated and reviewed by the Trustee. Confirmed by inspection of the Trustee Resource Planner that the Monitoring of the Risk Register was recorded as a quarterly event as item 40 under the Systems and Processes section.</p> <p>Confirmed by inspection of the CMTNI Resource Planner that the monitoring of the risk register was recorded as a quarterly event as item 41.</p> <p>Confirmed by inspection of the Scheme Strategist Resource Planner that the monitoring of the risk register was recorded as a quarterly event as item 20.</p>
<p>19.4 There is a documented policy for monitoring and reviewing the risk register which is reviewed annually</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Policy for Monitoring and Reviewing the Risk Register.</p> <p>Confirmed by inspection of the Trustee meeting minutes that the policy is reviewed annually.</p>

## TRUSTEE OVERSIGHT OF IT SYSTEMS AND ADMINISTRATION PROCESSES CO 20-28

<p><b>Area and Objective 20</b></p> <p>The Trustee monitors and reviews IT systems.</p>	
<p><b>Control Activity</b></p>	<p><b>Azets testing</b></p>
<p>20.1 The Trustee has appointed CMTNI and Mercer as joint administrators.</p> <p>CMTNI has a contract with Equiniti for the bespoke employer portal for the collection of contributions. Data is backed up and secured at a separate data centre.</p> <p>There is a contract with CEF for the internal network which is managed by NITEC.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the WPT Backup and Disaster Recovery Plan that CMTNI data was backed up and secured at a separate data centre.</p> <p>Confirmed by inspection of the Equiniti contract and ISO 27001 certification that data was backed up and secured at a separate data centre.</p>

	Confirmed by inspection of the contract with CEF.
<p>20.2 CMTNI maintains an approved Business Continuity and Disaster Recovery Plan (BCDRP) which is reviewed annually. The BCDRP has roles assigned and testing takes place annually and at such times as a significant change has occurred. The results of the review and testing are reported to the Trustee.</p> <p>CEF maintains an approved BCDRP which is reviewed annually. The BCDRP has roles assigned and testing takes place annually and at such times as a significant change has occurred. The results of the review and testing are reported to the Trustee.</p> <p>The Trustee maintains a WPT Business Continuity Plan which is reviewed annually.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the CMTNI Business Continuity and Disaster Recovery Plan that it was maintained during the period.</p> <p>Confirmed by inspection of the Disaster Recovery Plan that it had roles assigned and testing took place during the period which included risks being managed.</p> <p>Confirmed by inspection of the CEF Business Continuity and Disaster Recovery Plan that it was maintained during the period.</p> <p>Confirmed by inspection of the Disaster Recovery Plan that it had roles assigned and testing took place during the period which included risks being managed.</p> <p>Confirmed by inspection of the relevant Trustee meeting minutes that a review of the Business Continuity Plan and Disaster Recovery Plan was conducted during the period.</p> <p>Confirmed by inspection of the GSC meeting minutes that a review of the WPT Business Continuity Plan was conducted.</p>
<p>20.3 A review of BCDRPs for CMTNI and CEF is recorded as an annual event under the IT Security/Disaster Recovery section in the Trustee Resource Planner.</p> <p>A review of the WPT Business Continuity Plan is recorded as an annual event under the IT Security/Disaster Recovery section in the Trustee Resource Planner.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of CMTNI's BCP and test report was recorded as an annual event as item 73 under the IT Security/Disaster Recovery section.</p> <p>Confirmed by inspection of the WPT Business Continuity Plan that there was an approved plan covering the operations of WPT at its Belfast office and that this was noted in the latest Trustee Resource Planner as an annual event as item 74 under the IT Security/Disaster Recovery section.</p>
<p>20.4 At CMTNI offices:</p> <p>(1) external links, including via the internet, to the internal systems are routed through firewalls, and all external mail is virus scanned;</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of CMTNI IT documentation and Cyber Essential</p>

<p>(2) anti-virus software is installed on servers and workstations. The anti-virus software and updates are set to run automatically, and PCs are reviewed to ensure there are no exceptions</p> <p>(3) security patches are applied to servers and workstations in accordance with established risk/priority-based timescales.</p>	<p>certification and the Mercer Adequacy Statement that:</p> <p>(1) external links, including via the internet, to the internal systems were routed through firewalls, and all external mail was virus scanned;</p> <p>(2) anti-virus software and updates were set to run automatically, and PCs were reviewed ensuring there were no exceptions.</p> <p>(3) security patches were applied to servers and workstations in accordance with established risk/priority-based timescales.</p>
<p>20.5 Staff at CMTNI receive Data Protection and Cyber Security training.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample CMTNI staff training certificates for Data Protection in the Northern Ireland Workplace.</p>
<p>20.6 CMTNI have an Intrusion Detection System deployed to counter the threat from malicious activities.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of CMTNI Adequacy Statement that it had an Intrusion Detection System deployed to counter the threat from malicious activities.</p>
<p>20.7 The IT Manager for CMTNI, responsible for data quality and security, compiles a report annually, which sets out a review of the internal security procedures and processes.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of CMTNI data reports that they included data quality and security which was provided to the Trustee annually.</p>
<p>20.8 Equiniti carry out cybercrime security testing on an annual basis and provide a report to CMTNI.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Equiniti December 2021 penetration test results that the Trustee engaged Equiniti to carry out cybercrime security testing.</p> <p>Confirmed by inspection of the CMTNI Resource Planner that a review of the Cybercrime Review/Penetration Testing for Equiniti was recorded as an annual event as item 35.</p>
<p>20.9 A review of the Information Security Policy is provided to the Trustee by CMTNI.</p> <p>The review is recorded as an annual event under the IT Security/Disaster Recovery section in the Trustee Resource Planner.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the Information Security Policy was recorded as an annual event as item 71 under the IT Security/Disaster Recovery.</p>

<p>20.10 Access to computer systems and member data is restricted to authorised persons at CMTNI.</p> <p>Access to all network and applications systems, programs and data is restricted and controlled by a combination of usernames and passwords and multi factor authentication.</p> <p>Automated network controls force users to change their complex passwords at predetermined intervals.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the CMTNI password policy that it outlined the complexity requirements.</p> <p>Confirmed by inspection of portal, along with seeing a sample of users who have different access to parts of the site.</p> <p><b>Enquiry.</b></p> <p>Confirmed by enquiry that users need a multi factor to log onto Office 365.</p>
<p>20.11 All electronic data is held on servers in a secure, locked room with only authorised members of the CMTNI team having access.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection that all electronic data was held on servers in a secure, locked room within the CMTNI offices.</p>
<p>20.12 Business requirements for the employer portal are documented and agreed.</p> <p>Development environments are logically separate from production environments.</p> <p>Code changes and new system developments are unit tested by the developers in the test environment. User acceptance testing is performed by the CMTNI IT staff.</p> <p>Software is deployed to the live environment by authorised personnel in line with change management procedures.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of Equiniti software system process updates.</p> <p>Confirmed by inspection of email chains by which changes to the employer portal had to be agreed and approved by certain CMTNI staff before going live.</p> <p>Confirmed by inspection of the development environment which has a different log in from the original site. approval.</p> <p><b>Enquiry.</b></p> <p>Confirmed by enquiry that users can only access system developments while in their offices.</p>
<p>20.13 Changes are only deployed to the live environment with relevant sign-offs following an agreed changed methodology procedure.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of email chain by which the system was being updated and signed before going live.</p> <p>Confirmed by inspection of contract between CMTNI and Equiniti, that a procedure is in place by which the change is notified with a plan in place to implement which is then reviewed at meetings before going live.</p>
<p>20.15 At CMTNI's offices, controls over the IT environment are reported in the CMTNI's AAF internal controls report.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the CMTNI AAF 05/20 Report that under area and</p>

A review of CMTNI’s AAF internal controls report is recorded as an annual event under Managing Service Providers section in the Trustee Resource Planner.

objective 20 it included controls over the IT environment.

Confirmed by inspection of the Trustee Resource Planner that a review of the CMTNI's AAF internal controls reports were recorded as annual event as item 100 under the Managing Service Providers section.

<b>Area and Objective 21</b>	
The capacity to take on new business is assessed, approved, and regularly monitored by the Trustee.	
<b>Control Activity</b>	<b>Azets testing</b>
<p>21.1 Capacity for new growth of employer and member numbers is reviewed quarterly by the IT Manager at CMTNI along with Equiniti. The review looks at capacity, current volumes and forecast growth over the next quarter and beyond to ensure smooth take-on of new business. Minutes of meetings are maintained and key issues are reported to the Trustee.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly CMTNI Board Reports that they included active membership levels, targets for the month and actual new employers.</p> <p>Confirmed by inspection of a sample of Trustee meeting minutes that it included an overview of membership statistics which was reviewed by the Trustee.</p> <p>Confirmed by inspection of a sample of monthly Equiniti and CMTNI meeting minutes that they included a review of capacity, current volumes and forecast growth.</p> <p>Confirmed by inspection of a sample of WPT Trustee Reports that a review of capacity was included as a standard item.</p> <p>Confirmed by inspection of the CMTNI and Equiniti Systems Process updates that there is the capacity and availability to ensure smooth take-on of new business.</p>
<p>21.2 Mercer, CMTNI and Equiniti provide 'systems and processes' updates to the Trustee twice per year which are included with the Trustee quarterly report.</p> <p>These statements confirm that there is adequate capacity and resources in place.</p> <p>If there are any material changes to systems, people, or requirements with a perceived increased risk of failure, these would be reported as required.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Mercer, CMTNI and Equiniti 'systems and processes' updates that they were provided to the Trustee at least twice a year. They confirmed that there was adequate capacity and resources in place with any material changes to systems, people or requirements with a</p>

	perceived increased risk of failure being reported to the Trustee quarterly.
21.3 Trustee quarterly reports are recorded under the Governance Report section in the Trustee Resource Planner.	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that the review of the Trustee Board Reports was recorded as an annual event as item 104 under the Governance Reports section.</p>
21.4 Reports on new take-ons are provided to the Trustee in their quarterly reports. Mercer Administration Reports contain a compliance statement that the Master Trust is administered in accordance with the Trust Deed and Rules and key relevant legislation.	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly WPT Trustee Reports that it includes a report on new take-ons.</p> <p>Confirmed by inspection of a sample of quarterly CMTNI Board Reports that they included active membership levels, targets for the month and actual new employers. This was provided to the Trustee for review.</p> <p>Confirmed by inspection of a sample of quarterly Mercer Administration Reports that they included a compliance statement that the Master Trust had been administered in accordance with key relevant legislation.</p>

**Area and Objective 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.

Control Activity	Azets testing
<p>22.1 The following signed administration agreements are in place between the Trustee and the Scheme Administrators, CMNTI and the Mercer:</p> <p>1) Service Level Agreement with CMTNI dated 20 March 2018</p> <p>Clause 14.2.9 (Liability) states that CMTNI will notify the Trustee if it becomes aware of an act or omission and will work with the Trustee to try to resume proper performance of services as soon as possible.</p> <p>The Service Level Agreement, previously with CFL was scheduled for review in 2021. Following the acquisition of CFL by Cushon the agreement requires further consideration in terms of the Cushon operating model.</p> <p>CMTNI has an agreement in place with Equiniti. Clause 18 refers to Indemnity and Liability.</p> <p>2) Client Service Agreement with Mercer dated 26 March 2021.</p> <p>The agreement is for a three year period until December 2022. The following sections in Schedule 1 specifically relate to rectification of maladministration;</p> <ul style="list-style-type: none"> <li>- Item 1.18 Rectifications</li> <li>- Item 2.1 Administration</li> </ul> <p>The Trustee approve agreements with Service Providers.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the CMTNI Pension Administration Agreement, which was dated 20 March 2018, that Clause 14.2.9 states that CMTNI will notify the Trustee if it becomes aware of an act or omission and will work with the Trustee to try to resume proper performance of services as soon as possible.</p> <p>Confirmed by inspection of the contract between CMTNI and Equiniti that clause 18 refers to indemnity and liability.</p> <p>Confirmed by inspection of the Client Service Agreement with the Mercer, dated March 2021, that in Schedule 1, the following specifically relate to the rectification of maladministration:</p> <ul style="list-style-type: none"> <li>- Item 1.18 Rectifications</li> <li>- Item 2.1 Administrations</li> </ul> <p>Confirmed by inspection of email chain when a service provider is being added that this is approved by the Trustee.</p>

**Area and Objective 23**

The Trustee has arrangements in place for ensuring that core financial transactions (including decumulation related transactions) are processed promptly.

Control Activity	Azets testing
<p>23.1 Each quarter Mercer provides a Administration Report on work completed during the period. This includes the number of work items for each category completed within the service standard, outside the service standard, and the percentage within service standard. The administration report includes a table of service standards for common tasks completed with further detail included in the Administration Agreement.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of Trustee meeting minutes that a review of the Mercer Administration Report was conducted quarterly.</p> <p>Confirmed by inspection of a sample of quarterly Mercer Administration Reports that they included the number of work items</p>

	for each category completed within the service standard, outside the service standard, and the percentage within service and it also included a table of each type of work item and the number of working days.
23.2 Each quarter, CMTNI reports to the Trustee on the delivery of core services and whether they have been met. If a target is not met an explanation is provided.	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly CMTNI Board Reports that they outlined the delivery of core services and whether they had been met. Where a target was not met an explanation was provided.</p> <p>Confirmed by inspection of a sample of Trustee meeting minutes that a review of the CMTNI Board Reports was conducted quarterly.</p>
23.3 CMTNI collects member data and contributions from employers each month. The data is transferred to Mercer via a secure portal. Payment for the contributions is made to Mercer by CMTNI by no later than the 19 <sup>th</sup> of the month. Confirmation of the date of receipt of the contributions is included in the Mercer Quarterly Administration Report.	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of Mercer Quarterly Administration Reports that confirmation of the date that contributions are received is included. This date is consistently on or before the 19th of each month.</p> <p><b>Enquiry.</b></p> <p>Confirmed by enquiry that the portal by which this is transferred to Mercer is secure.</p>
23.4 CMTNI maintains 'Control Books' which is a record of all claims received, sent to Mercer and paid. CMTNI staff regularly review control books and complete follow up checks on claims in progress with Mercer.	<p><b>Inspection.</b></p> <p>Confirmed by inspection that 'control books' are prepared and include a record of all claims received, sent to Mercer and paid.</p>
<p>23.5 Each quarter Mercer confirms the following via the Quarterly Administration Report:</p> <ul style="list-style-type: none"> <li>• date contributions were received</li> <li>• date sent to investment</li> <li>• date invested by fund manager</li> <li>• date contract note received</li> <li>• date units allocated to member records</li> </ul>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly Mercer Administration Reports that the following was confirmed:</p> <ul style="list-style-type: none"> <li>• date contributions were received</li> <li>• date sent to investment manager</li> <li>• date invested by fund manager</li> <li>• date contract note received</li> <li>• date units allocated to member records.</li> </ul>
<p>23.6 Each quarter Mercer reports via the Quarterly Administration Report on core financial transactions, including whether the following timescales have been met:</p> <ul style="list-style-type: none"> <li>• Investment of Contributions (2 days)</li> <li>• Transfer of assets (disinvestment instructions within 10 working days)</li> <li>• Lifestyle switches (quarterly)</li> </ul>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly Mercer Administration Reports that the following was confirmed:</p> <ul style="list-style-type: none"> <li>• Investment of Contributions (2 days)</li> </ul>

<ul style="list-style-type: none"> <li>• Payments from or to the Master Trust in respect of members (10 working days)</li> </ul>	<ul style="list-style-type: none"> <li>• Transfer of assets (disinvestment instructions within 10 working days)</li> <li>• Lifestyle switches (quarterly)</li> <li>• Payments from or to the Master Trust in respect of members (10 working days)</li> </ul>
<p>23.7 An Administration Manual is in place with Mercer which is reviewed annually by CMTNI and Mercer. CMTNI is accredited to the ISO 9001:2015 standard for quality management systems.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of Mercer Administration Manual that it states the dates it is updated.</p> <p>Confirmed by inspection of the CMTNI Resource Planner that a review of the WPT Administration Manual was recorded as an annual event as item 13 under the Systems &amp; Processes section.</p> <p>Confirmed by inspection of certification for ISO 9001:2015 for both Mercer and CMTNI.</p> <p>Confirmed by inspection of the email chain between CMTNI and Mercer that a combined review is adopted.</p>
<p>23.8 Each quarter Mercer reports via the Quarterly Administration report on Complaints and Dissatisfactions, Disclosure Breaches and Errors and Omissions. This report includes the issue and the action taken to rectify. Root Cause Analysis (RCA) reports are provided for systemic issues.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of Mercer Quarterly Administration reports that Complaints and Dissatisfaction, disclosure breaches and significant events and errors and omissions were disclosed.</p> <p>Confirmed by inspection of incident report that root cause analysis is performed and actions taken to rectify.</p>
<p>23.9 Mercer’s AAF internal controls report is received and reviewed annually. This is recorded as an annual event under the Managing Service Providers section in the Trustee Resource Planner.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Mercer AAF 05/20 internal controls reports that they were produced annually.</p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the Mercer AAF 01/06 internal controls report was recorded as an annual event as item 95 under the Managing Service Providers section.</p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the Mercer AAF 02/07 internal controls report was recorded as an annual event as item 96 under the Managing Service Providers section.</p>

<p>23.10 A review of Mercer’s Quarterly Administration Reports is recorded as a quarterly event in the Trustee Resource Planner under the Governance Reports section.</p> <p>The review of the Administration Manual is recorded as an annual event in the CMTNI Annual Planner.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of Mercer’s Administration and Governance Reports was recorded as a quarterly event as item 103 under the Governance Reports section.</p> <p>Confirmed by inspection of the CMTNI Annual Planner that a review of the Administration Manual was recorded as an annual event as item 13.</p>
<p>23.11 A review of the WPT Annual Accounts (inc. Chair's Statement)' is recorded as an annual event in the Trustee Resource Planner under the Financial Sustainability section.</p> <p>A review of the ISO 9001:2015 audit report and actions is recorded as an annual event in the CMTNI Annual Planner.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the WPT Annual Accounts (inc. Chair's Statement) was recorded as an annual event as item 6 under the Financial Sustainability section.</p> <p>Confirmed by inspection of the CMTNI Annual Planner that a review of the ISO 9001:2015 audit report and actions was recorded as an annual event as item 18.</p>

<p><b>Area and Objective 24</b></p> <p>The Trustee 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.</p>	
<p style="text-align: center;"><b>Control Activity</b></p>	<p style="text-align: center;"><b>Azets testing</b></p>
<p>24.1 Each month CMTNI collects member data and contributions from employers. The data is transferred to Mercer via a secure portal. Payment for the contributions is made to Mercer by CMTNI by no later than the 19<sup>th</sup> of the month. Confirmation of date of receipt of the contributions from CMTNI is included in the Mercer Administration Quarterly report.</p> <p>A reconciliation is completed to ensure that the contribution file matches the payment allocated during the month. All payments require dual approval.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of Mercer Quarterly Administration Reports that confirmation of the date contributions are received is included. This date is consistently on or before the 19th of each month.</p> <p>Confirmed by inspection of a sample of monthly reconciliations for contributions received and paid out.</p> <p>Confirmed by inspection of a sample of monthly reconciliations of the DD.</p> <p>Confirmed by inspection of a sample of dual approval documents, of which two signatories are required.</p>
<p>24.2 The Trustee receives a quarterly Board Report which includes the delivery of CMTNI's core services, including the collection of contributions and transfer to Mercer.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly CMTNI Board reports that they outlined the delivery of core services,</p>

	including the collection of contributions and transfer to the Mercer.
<p>24.3 CMTNI staff check all claims including retirement claims for completeness before sending to Mercer for payment. CMTNI staff maintain 'Control Books' which is a record of all claims received, sent to Mercer and paid. Mercer advise CMTNI staff of payments made and these are recorded on the 'control books'.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of 'Control Books' that they record all claims received, sent to Mercer and paid, including timescales.</p> <p>Confirmed by inspection of 'Control Books' that amount advised by Mercer is recorded for each claim.</p>
<p>24.4 Each quarter Mercer confirms via the Quarterly Administration Report that the following have been completed in accordance with documented procedures:</p> <ul style="list-style-type: none"> <li>• Contribution Reconciliations (monthly)</li> <li>• Bank account Reconciliations (daily)</li> <li>• Investment and Member Unitisation Reconciliations (monthly)</li> </ul> <p>The Report confirms if there have been any significant changes to the procedures and/or controls currently in place.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly Mercer Administration Reports that the following had been completed in accordance with documented procedures:</p> <ul style="list-style-type: none"> <li>• Contribution Reconciliations (monthly)</li> <li>• Bank account Reconciliations (daily)</li> <li>• Investment and Member Unitisation Reconciliations (monthly).</li> </ul> <p><b>Enquiry.</b></p> <p>Confirmed by enquiry with the Business Operations Manager that there were no significant changes to the procedures and/or controls during the period.</p>
<p>24.5 Each quarter Mercer confirms the following via the Quarterly Administration report:</p> <ul style="list-style-type: none"> <li>• date contributions were received</li> <li>• date sent to investment manager</li> <li>• date invested by fund manager</li> <li>• date contract note received</li> <li>• date units allocated to member records</li> </ul>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly Mercer Administration Reports that they included the following:</p> <ul style="list-style-type: none"> <li>• date contributions were received</li> <li>• date sent to investment manager</li> <li>• date invested by fund manager</li> <li>• date contract note received</li> <li>• date units allocated to member records</li> </ul>
<p>24.6 Each quarter Mercer provides, via the Quarterly Administration report, a summary report on core financial transactions including;</p> <ul style="list-style-type: none"> <li>• Investment of contributions</li> <li>• Transfer of assets relating to members into and out of WPT</li> <li>• Transfer of assets between investments (switches)</li> <li>• Payments from the Master Trust to, or in respect of members</li> </ul>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly Mercer Administration Reports that they included a summary report on Core Financial Transactions outlining:</p> <ul style="list-style-type: none"> <li>• Investment of contributions</li> <li>• Transfer of assets relating to members into and out of WPT</li> <li>• Transfer of assets between investments (switches)</li> <li>• Payments from the Master Trust to, or in respect of members</li> </ul>

	<p>Confirmed by inspection of the quarterly Mercer Administration Reports that the work completed over the period and the percentage completed was within the Service standard.</p>
<p>24.7 A report is made to the Trustee quarterly on the delivery of CMTNI’s core services, including the collection of contributions and transfer to Mercer.</p> <p>In addition, regular video calls are held with Mercer as required and an action log is in place.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly CMTNI Board reports that they outlined the delivery of core services, including the collection of contributions and transfer to the Mercer.</p> <p>Confirmed by inspection of a sample of call notes between CMTNI and Mercer Administration calls that an action log was maintained.</p>
<p>24.8 A detailed Administration Manual is in place which is reviewed annually. Both administrators (CMTNI and Mercer) are accredited to the ISO 9001:2015 standard for quality management systems. Adequate checking and peer reviews are incorporated into procedures.</p> <p>A review of the ISO 9001:2015 audit report and actions are recorded as an annual event in the CMTNI Annual Planner.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Administration Manual that it was in place for the period and reviewed annually.</p> <p>Confirmed by inspection of the CMTNI Resource Planner that a review of the WPT Administration Manual was recorded as an annual event as item 13 under the review of Policies, Processes and Procedures section.</p> <p>Confirmed by inspection of the CMTNI and Mercer ISO 9001:2015 certification that they were accredited for quality management systems.</p> <p>Confirmed by inspection of the CMTNI Resource Planner that a review of the ISO audit report and actions was recorded as an annual event as item 18 under the review of Policies, Processes and Procedures section.</p>
<p>24.9 Mercer’s AAF internal controls reports are received and reviewed annually. They are recorded as an annual event in the Trustee Resource Planner.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the Mercer’s AAF 01/06 and AAF 02/07 internal controls report was recorded as annual events as items 95 and 96 under the Managing Service Providers section.</p>
<p>24.10 A report on external auditor findings arising from the annual audit of the WPT Annual Report and Accounts is received by the Trustee.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the external auditor findings report that it was provided to the Trustee upon completion of WPT’s Annual Report and Accounts.</p> <p>Confirmed by inspection of the relevant Trustee meeting minutes that a review of</p>

	the external auditors' findings report was conducted during the period.
24.11 A review of WPT's Annual Report and Accounts is recorded in the Trustee Resource Planner under the Financial Sustainability section.	<b>Inspection.</b> Confirmed by inspection of the Trustee Resource Planner that a review of WPT's Annual Report and Accounts was recorded as an annual event as item 6 under the Financial Sustainability section.
24.12 Mercer has a documented set of controls for the authorisation of payments which are tested and reported in Mercer's AAF 05/20 internal controls report.  Key controls at Mercer are: <ul style="list-style-type: none"> <li>• The CASHFAC payment system forces a 3 stage authorisation process to ensure payment security is controlled and adhered to</li> <li>• Information is input by one person, checked by another, and then must be released by a third person before the payment is made.</li> </ul> The system does not permit staff to either authorise or release payments that exceed their specific monetary authority limits.	<b>Inspection.</b> Confirmed by inspection of the Mercer AAF 05/20 Report that under control 24.1, it outlined the CASHFAC payment restrictions and there were no exceptions noted.

#### Area and Objective 25

The Trustee ensures that member retirement options selected are processed and managed in accordance with documented procedures.

Control Activity	Azets testing
25.1 The Administration manual documents the process and procedure for managing retirements. The administration manual is reviewed annually.	<b>Inspection.</b> Confirmed by inspection of the Administration manual that it documented the process and procedure for managing retirements.  Confirmed by inspection of the CMTNI Resource Planner that a review of the Administration manual was recorded as an annual event as item 13.
25.2 CMTNI staff check all claims including retirement claims for completeness before sending to Mercer for payment. The claim paperwork is gathered and checked by an Administrator and checked and approved for submission to Mercer for payment by a Senior Administrator and Manager. CMTNI staff maintain 'Control Books' which is a record of all claims received, sent to Mercer and paid.	<b>Inspection.</b> Confirmed by inspection of claim paperwork being sent in an email and approved digitally on an excel spreadsheet by a Senior Administrator and Manager.  Confirmed by inspection that 'control books' are prepared and include a record of all claims received, sent to Mercer and paid.

**Area and Objective 26**

The Trustee ensures that transaction errors are identified and rectified in accordance with a documented procedure.

<b>Control Activity</b>	<b>Azets testing</b>
<p>26.1 Mercer and CMTNI provide the Trustee with details of transaction errors if applicable and how they are being corrected promptly via the Quarterly Administration Report.</p> <p>At Mercer, a central register of complaints, errors and omissions is maintained and regularly reviewed.</p> <p>At CMTNI, a register of Non-Conformances and a Complaints Log are maintained.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly CMTNI Reports that it included errors and omissions as a standard agenda item and there were none reported during the period, therefore, none were presented to the Trustee for review.</p> <p>Confirmed by inspection of a sample of quarterly Mercer Administration Report that it included errors and omissions as a standard agenda item which were presented to the Trustee for review.</p> <p>Confirmed by inspection of the register for Non-Conformances and Complaints Log which is maintained by CMTNI.</p>
<p>26.2 Mercer provides the following via the Quarterly Administration Report</p> <ul style="list-style-type: none"> <li>• Complaints and Dissatisfactions - including date of complaint, status and comments</li> <li>• Disclosure breaches or significant events</li> <li>• Report on Errors and omissions, action taken to resolve and whether a Root Cause Analysis has been completed</li> </ul>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of Mercer Quarterly Administration Reports that they provided the following information to the Trustee:</p> <ul style="list-style-type: none"> <li>• Complaints and Dissatisfactions - there were none to report during the period</li> <li>• Disclosure breaches or significant events - there were none to report during the period</li> <li>• Reports on Errors and Omissions, action taken to resolve and whether a Root Cause Analysis has been completed.</li> </ul>
<p>26.3 CMTNI provides a quarterly report to the Trustee of Errors and Omissions and Complaints</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly CMTNI reports provided to the Trustee that there were no Errors and Omissions and Complaints during the period.</p>
<p>26.4 CMTNI has a documented process for rectifying any errors identified and has a documented complaints procedure.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Control of Non Conformances, Root Cause Analysis &amp; Corrective &amp; Preventative Action procedure that it included the process for rectifying any errors identified.</p>

<p>26.5 Mercer’s AAF 05/20 report documents the quality assurance processes in place for dealing with non-conformances and taking corrective action. The Errors and Omissions (E&amp;O) rectification team deal with E&amp;Os at a scheme level. Dedicated Professional Champions manage a 4-stage process for any complaints received.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Mercer AAF 05/20 report that it documented the quality assurance processes in place for dealing with non-conformances and taking corrective action.</p> <p>Confirmed by inspection of the Mercer AAF 05/20 Report that under control 22.3 the E&amp;O rectification team dealt with E&amp;Os at a scheme level and dedicated Professional Champions managed a 4-stage process for any complaints received.</p>
<p>26.6 Mercer’s AAF 05/20 report includes 'Control Objective 26 - Transaction errors are identified and rectified' and confirms the processes, control procedures and tests performed.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Mercer AAF 05/20 report that under control objective 26 - 'Transaction errors are identified and rectified' that the process, control procedures and tests performed were confirmed and there were no exceptions noted.</p>
<p>26.7 Controls over transaction errors and rectification are tested and reported in Mercer’s AAF 05/20 internal controls report under control objective 26. This includes assurance testing of the controls concerning the rectification of transaction errors.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Mercer AAF 05/20 report that under control objective 26 - 'Transaction errors are identified and rectified' that the process, control procedures and tests performed were confirmed and there were no exceptions noted.</p>
<p>26.8 A review of Mercer’s AAF internal controls report is recorded as an annual event under the Managing Service Providers section in the Trustee Resource Planner.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Mercer AAF 05/20 internal controls reports that these were produced annually.</p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the Mercer AAF 01/06 and AAF 02/07 internal controls reports were recorded as annual events as items 95 and 96 under the Managing Service Providers section.</p>
<p>26.9 The Trustee will review and agree plans to address widespread and systemic transaction errors.</p> <p>The CMTNI procedure ‘Control of Non-Conformances, Root Cause Analysis &amp; Corrective &amp; Preventative Action’ confirms that widespread and systemic transaction errors will be reported to the WPT Scheme Secretary, as required.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Control of Non Conformances, Root Cause Analysis &amp; Corrective &amp; Preventative Action procedure that it states that it is the responsibility of the Scheme Secretary to report to the Trustee on any identified systematic errors.</p>

	<p><b>Enquiry.</b></p> <p>Confirmed by enquiry with the Business Operations Manager that there were no instances required to be reported to the Trustee during the period.</p>
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<b>Area and Objective 27</b>	
<p>The Trustee ensures that late and inaccurate contributions are pursued and resolved in accordance with documented procedures. Late contributions are reported to the Trustee.</p>	
<b>Control Activity</b>	<b>Azets testing</b>
<p>27.1 There is a documented Policy on Monitoring Contributions and Reporting to TPR and Members, a Procedure for applying the policy, and a procedure for shell accounts.</p> <p>A formal review to ensure that the policies and procedures are reasonable is completed annually and are recorded in the Trustee Resource Planner</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Policy on Monitoring Contributions and Reporting to TPR and Members that it outlined the procedure for applying the policy and a procedure for shell accounts.</p> <p>Confirmed by inspection of the Trustee Resource Planner that it outlines the policies and procedures which require to be reviewed throughout the period and identify each of these policies with a unique number.</p>
<p>27.2 A review of late and/or inaccurate contributions is included in CMTNI’s governance report and a report is made quarterly to the Trustee. Shell accounts are reported quarterly to the Trustee.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the late payment of contributions procedure and the Policy for Monitoring Contributions and Reporting to TPR and members that these were in place and reviewed annually.</p> <p>Confirmed by inspection of a sample of quarterly CMTNI Board Reports that they include the monitoring of contributions including late and/or inaccurate contributions, which was provided to the Trustee.</p> <p>Confirmed by inspection of a sample of quarterly WPT Trustee Reports that the monitoring of contributions was included.</p> <p>Confirmed by inspection of the Shell Accounts log that it was maintained and presented to the Trustee quarterly.</p>
<p>27.3 There is a separate set procedure for ‘shell accounts’ from employers who have initially joined the Master Trust and have not provided member data. These are reported separately by CMTNI to TPR’s Compliance and Enforcement team.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Removal of Shell Accounts &amp; Dormant Accounts Procedure that it was in place for employers who had initially joined the Master Trust and had not provided member data.</p>

	Confirmed by inspection of the Shell Accounts log that it was maintained and presented to the Trustee quarterly. It also included the data reported to TPR.
<p>27.4 There is a new employer procedure which includes a requirement to send a welcome email to new employers. The welcome email includes information on how to use the Master Trust, where to find support on auto-enrolment and confirms to the employer that it is their responsibility to ensure that pension contributions are deducted correctly and paid to the Master Trust on time.</p> <p>The Employer Application Form includes a Deed of Adherence outlining the employer's duties.</p> <p>Employers are supported by way of a telephone helpline and website.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Mercer's WPT Administration Guide that it included the 'New Entrants' procedure. This ensured that employers were provided with clear guidance on auto-enrolment, their obligation to remit contributions within the required timescales and the online web portal system, which is also available through communications.</p> <p>Confirmed by inspection of the Employer Declaration document that it included a Deed of Adherence and outlined the employer's duties.</p> <p>Confirmed by inspection of the WPT website that a telephone helpline was available to Employers.</p>

#### Area and Objective 28

The Trustee ensures that contributions are invested and allocated in accordance with member instructions or the requirements of the default arrangement.

Control Activity	Azets testing
28.1 Mercer confirms via the Quarterly Administration Report the dates contributions were received, invested, and allocated to member records.	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly Mercer Administration Reports that they included the dates contributions were received, invested, and allocated to member records.</p>
28.2 A report to confirm if core financial transactions have been completed within required timescales is provided to the Trustee quarterly.	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly Mercer Administration Reports that it includes performance on core financial transactions and states that they had been completed within the required timescales.</p>
28.3 Mercer confirms via the Quarterly Administration report that a reconciliation of contributions has been completed monthly and confirms whether there have been any significant changes to the procedures or controls in place.	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of quarterly Mercer Administration Reports that they state a reconciliation of contributions had been performed monthly.</p>

	Confirmed by enquiry with the Business Operations Manager that there had been no significant changes to the procedure or controls in place during the period.
28.4 The Client Services Agreement with Mercer confirms the timescales for the investment of contributions (2 days).	<b>Inspection.</b> Confirmed by inspection of the Client Services Agreement between the Trustee and the Mercer that it confirmed the timescales for the investment of contributions (2 days).

### Area and Objective 29

The Trustee ensures member data is complete and accurate and is subject to regular data evaluation.

Control Activity	Azets testing
29.1 Member data is updated daily through instructions received by CMTNI from members and/or from information received via the online portal from participating employers. Postcode verification software is in place. In addition, data checks are made when post is returned with an unknown address for a member.	<b>Inspection.</b> Confirmed by enquiry that the postcode verification software was in place and checks are performed for the employer when a new employee is added.  Confirmed by inspection of the WPT Administration Manual that it included the process for CMTNI updating member data.
29.2 Formal data validation exercises are carried out by Mercer; every year for Common data and every three years for Scheme Specific data. The last Common data exercise took place in Q4 2021. The last Scheme Specific data exercise took place in Q3 of 2020.  The Trustee assesses the results of each data verification exercise at the next Trustee meeting following the publication of the data report.	<b>Inspection.</b> Confirmed by inspection of the Mercer Common and Scheme Specific Data Quality Certificates that they were completed in October 2021 and August 2020 respectively.  Confirmed by inspection of Trustee meeting minutes that the Trustee reviewed the data validation summary which was included within the Scheme Administrator Report.
29.3 Data validation reviews are recorded in the Trustee Resource Planner under the Data Validation section; for Common data, as an annual event, and for Scheme Specific data, a three yearly event.	<b>Inspection.</b> Confirmed by inspection of the Trustee Resource Planner that a review of the Common Data Validation Score was recorded as an annual event as item 65 under the Data Validation section.  Confirmed by inspection of the Trustee Resource Planner that the monitoring of the progress of Common data corrections and Scheme Specific data corrections were recorded as quarterly events as items 66 and 68 under the Data Validation section.

	Confirmed by inspection of the Trustee Resource Planner that the review of the Scheme Specific Data Validation Score was recorded as a triennial event as item 67 under the Data Validation section.
<p>29.4 Following the annual Common data review and three yearly Scheme Specific review, an action plan is agreed by the Trustee and put in place to address gaps (e.g., tracing exercise for missing addresses).</p> <p>CMTNI works closely with Mercer on the action plans. CMTNI undertakes regular tracing exercises using the Lexis Nexis Smart Link tracing service.</p> <p>Progress updates are provided to the Trustee in the Trustee quarterly Board Report.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Mercer Common and Scheme Specific Data Quality Certificates that they were completed in October 2021 and August 2020 respectively.</p> <p>Confirmed by inspection of the Common and Scheme Specific data action plan that they included the actions to be taken to address gaps, the timescale and owner.</p> <p>Confirmed by inspection of the relevant Trustee meeting minutes that the Common and Scheme Specific data action plans were reviewed outlining any progress made.</p>

## COMMUNICATION AND REPORTING 30-32

<b>Area and Objective 30</b>	
The Trustee maintains a documented member communications plan which is regularly reviewed.	
<b>Control Activity</b>	<b>Azets testing</b>
<p>30.1 The Trustee approves the Communication Policy &amp; Plan annually. The Communication Policy &amp; Plan includes a declaration of communication standards, communication channels, intended audience and schedule for when key communications are to be issued to members.</p> <p>CMTNI oversees the completion of all actions within the plan throughout the year.</p> <p>In the event that actions fall behind schedule, CMTNI will notify the Scheme Secretary who decides whether or not the Trustee need to be informed.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the relevant Trustee meeting minutes that the Communication Policy &amp; Plan was reviewed and approved annually.</p> <p>Confirmed by inspection of the Communication Policy &amp; Plan that it included a declaration of communication standards, communication channels, intended audience and schedule for when key communications were to be issued to members.</p> <p>Confirmed by inspection of the Trustee Resource Planner that a review of the Communication Policy &amp; Plan was recorded as an annual event as item 78 under the Communication section.</p> <p>Confirmed by inspection of the Trustee Policy on Assessing Communications that it included communication types and standard</p>

	communications. This was overseen by the Business Operations Manager and the progress is reviewed by the Scheme Secretary.
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### Area and Objective 31

Arrangements are in place for ensuring that the quality and accuracy of member communications are assessed by the Trustee.

Control Activity	Azets testing
31.1 The Trustee approves all non-standard member communications (e.g. member newsletters, surveys and e-mails) prior to issue.	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of approvals by Trustees that all non-member communications have to be approved before they are sent out.</p>
<p>31.2 Standard day-to-day communications to members (such as retirements, transfers, leavers, deaths etc) adhere to Mercer templates. Mercer has its own compliance department for communications.</p> <p>CMTNI staff review communications for general formatting before being issued.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of email updates to Mercer templates for retirements, transfers and deaths received on 20 May 2022.</p> <p><b>Enquiry.</b></p> <p>Confirmed by enquiry with Business Operations Manager that general comms are reviewed and changes made to layout and format. If changes to the content are required, this would be sent back to Mercer.</p>
31.3 Mercer's AAF 05/20 report (Control objective 31.1) evidences that the Business Improvement Team issues a monthly email detailing changes to legislation, regulations or processes. The Team Manager reviews any changes required to the Master Trust letter templates and evidence this by the completion of the Team Manager Planner.	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Mercer AAF 05/20 Report that under control objective 31.1 it evidenced that Mercer issued a monthly email which detailed all changes made to standard letter templates. This was reviewed by the Team Manager and there were no exceptions noted.</p>
<p>31.4 Annually, the member benefit statements are produced by Mercer. The template statements and test packs (for a selection of members) are checked for general accuracy by CMTNI, on behalf of the Trustee.</p> <p>In addition, Mercer's AAF 05/20 report (Control objective 31.5) confirms that Statutory Money Purchase Illustration (SMPI) statements are produced annually, which provide a projection of the member's fund value and the annuity available at their Normal Retirement Date (NRD). Checks are performed to check that all members have either successfully had their SMPI calculated or are identified as exceptions. Samples of the SMPI statements are reviewed</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the 'Mercer WPT Annual Event Planner' that the production and review of the member benefit statements were recorded as annual events as item 8.</p> <p>Confirmed by inspection of the CMTNI Resource Planner that a review of the WPT Annual Benefit Statements was recorded as an annual event as item 44.</p> <p>Confirmed by inspection of the Mercer AAF 05/20 report under control objective 31.5</p>

for reasonableness. This is evidenced by a completed and signed checklist.	that SMPI statements were produced annually, and no exceptions were noted.
<p>31.5 All retirement quotations provided to members include wording on:</p> <ul style="list-style-type: none"> <li>• scams with a link to the FCA’s website</li> <li>• website link to Pension Wise</li> <li>• Citizens Advice Bureau</li> <li>• Money Advice Service</li> </ul> <p>The pack also includes the following enclosures:</p> <ul style="list-style-type: none"> <li>• Risk Warnings</li> <li>• Retirement Option Form</li> <li>• Bank Mandate Form</li> <li>• Retirement Information Form</li> <li>• Money Advice Service ‘Your pension: your choice’ booklet</li> </ul>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a template retirement pack that it includes wording on scams with a link to the FCA’s website, website link to Pension Wise, Citizens Advice Bureau and Money Advice Service. The pack also includes the following enclosures, Risk Warnings, Retirement Option Form, Bank Mandate Form, Retirement Information Form and Money Advice Service ‘Your pension: your choice’ booklet.</p>

**Area and Objective 32**

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

<b>Control Activity</b>	<b>Azets testing</b>
<p>32.1 Member feedback is encouraged through the following means:</p> <ul style="list-style-type: none"> <li>• Email and phone call enquiries</li> <li>• Annual Member Survey sent to a sample of members asking for their views on the WPT website, online portal, customer service</li> <li>• Survey to members who have claimed a retirement benefit asking them to rate our written and phone communication, accuracy and timeliness and ask for suggestions for providing a better service.</li> <li>• Welcome letter to new entrants has a paragraph on “We welcome your views” and provides details on how to get in touch</li> <li>• Website contact form states that we would be happy to hear from members and would welcome their feedback</li> </ul> <p>Feedback from members is reviewed to identify any recurring themes or new issues that may have arisen.</p> <p>A report on customer feedback and any complaints received is provided quarterly to the Trustee via the Quarterly Trustee Report.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Welcome Letter to new entrants that it stated, "We welcome your views" and included an email address and telephone number to get in touch.</p> <p>Confirmed by inspection of the WPT website 'contact' page that it welcomed members feedback within the contact form.</p> <p>Confirmed by inspection of the annual Member Survey that it was sent to a sample of members in May 2021 asking for their views on the WPT website, online portal, and customer service.</p> <p>Confirmed by inspection of retirement surveys sent to a sample of retired members that they asked for a rating on written and phone communication, accuracy and timeliness, and suggestions to provide a better service.</p> <p>Confirmed by inspection of the WPT Annual Report and Accounts that included detail within the Chair’s Statement about member</p>

	<p>feedback which was reviewed by the Trustee.</p> <p>Confirmed by inspection of a sample of quarterly CMTNI Board Reports that customer contact, feedback and complaints was a standard item which was reviewed by the Trustee.</p>
<p>32.2 The Chair's Statement includes a report on how the Trustee is pleased to hear the views of members and encourages them to make their views about WPT known. It also outlines that arrangements are in place to allow the Trustee to monitor the perceived quality and service that members are receiving and to identify areas for improvement.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the December 2020 WPT Annual Report and Accounts that it included the Chair's Statement which stated that the Trustee was pleased to hear the views of members and encouraged them to make their views about WPT known. It outlined that arrangements were in place allowing the Trustee to monitor the perceived quality and service that members were receiving and to identify areas for improvements.</p>
<p>32.3 The Trustee has an Internal Dispute Resolution Procedure to deal with member complaints. The procedure is reviewed annually.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of the Internal Dispute Resolution Procedure that it was operated by the Trustee to deal with member complaints.</p>
<p>32.4 CMTNI operates a documented complaints procedure on behalf of the Trustee. Any complaints are reported to both the CMTNI Board and the WPT Trustees via quarterly reports.</p>	<p><b>Inspection.</b></p> <p>Confirmed by inspection of a sample of CMTNI Board Reports that 'complaints' was a standard item.</p>

**Workers Pension Trust Ltd**

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**Strictly Private and Confidential**

The Trustees  
Workers Pension Trust  
143 Malone Road  
Belfast  
BT9 6SX

21 March 2022

Our Ref: W22133

Your Ref: ADM/PN/2022

Dear Sir/Madam

**LETTER OF ENGAGEMENT FOR WORKERS PENSION TRUST****PROVISION OF PROFESSIONAL SERVICES**

Thank you for engaging us for the provision of professional services. This letter and its appendices, together with our standard terms of business on our website, set out the basis on which we will provide those services.

We are bound by the code of ethics of the Institute of Chartered Accountants in England and Wales and accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines.

You have instructed us to provide you with the following services:

**Services provided**

Assurance engagement - agreed upon procedures

**Fees**

We refer you to our standard terms of business for an explanation of our normal basis of charging (where fees have not otherwise been agreed) and other matters related to our fees and invoicing arrangements.

**Data protection**

We are committed to ensuring the protection of the privacy and security of any personal data which we process. Your attention is drawn to clause 16 of our standard terms of business which details how we treat personal data received by us in the provision of our services during our engagement with you.

We are an accounting, tax, audit, advisory and businesses services group that delivers a personal experience both digitally and at your door.

**Accounting | Tax | Audit | Advisory | Technology**

**Our service team**

Andrew Miller will be the Partner in overall charge of the work we perform for you and will keep you informed of who is undertaking the day-to-day management of each service we are providing you with.

It is the responsibility of this individual to ensure that you receive first class service from us. Andrew Miller will call upon other individuals with specialist knowledge within our firm as necessary.

**Quality of our service**

We hope to obtain direct feedback from you, either formally or informally, to assess our performance and we welcome any suggestions as to how our services or performance can be improved.

If you are dissatisfied with the service you are receiving, please let us know by contacting the Sutton managing partner. Further details are set out in the standard terms of business.

**Your right to cancel**

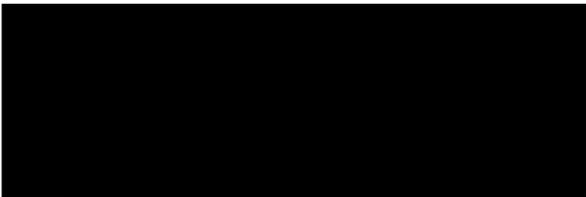
Your rights to terminate this agreement are set out in our standard terms of business.

**Confirmation of your agreement**

Please confirm your agreement to the terms of this letter and the attached appendices by signing the copy of the Client Response section and returning this to us, at which point our agreement will commence. Once it has been agreed, this letter will remain effective until it is replaced.

If this letter and the attached appendices are not in accordance with your understanding of our terms of appointment, please contact us.

Yours faithfully



**Andrew Miller**  
**Partner**  
**For and on behalf of Azets Audit Services Limited**

21 March 2022

**WORKERS PENSION TRUST**

**W22133**

**CLIENT RESPONSE**

We acknowledge receipt of this audit entity engagement letter and confirm we have read and understood the contents of this letter, the attached appendices and Standard terms of business (version 20-07) which can be viewed at <https://www.azets.co.uk/terms-of-business>. In particular, we confirm that we have read and understood clause 16 of your standard terms of business and your privacy notice referred to therein.

We can confirm that this fully records the agreement between us concerning your appointment.

[Redacted Name]

Signed

[Redacted Signature]

Date

6/4/22

Trustee

For and on behalf of Workers Pension Trust

## **ASSURANCE ENGAGEMENT – AGREED UPON PROCEDURES**

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act in respect to the limited assurance review engagement you have requested us to carry out and to clarify our respective responsibilities in respect of that work.

### **SERVICES AND RELATED REPORT**

We will examine the description of the internal controls of the Company applicable to the provision of pension administration services to customers of the organisation carried out at the Company's business unit located in Belfast, as of 4th April 2022 to 7th April 2022 and perform tests of related specific control procedures operating between 1st January 2021 and 31st March 2022.

Upon completion of our work, we will issue our assurance report (the "Reporting Accountants Assurance Report") stating whether in our opinion, in all material respects, the description of the internal controls of the company applicable to pension administration services provided to customers describes fairly the relevant aspects of the company's control procedure that were in operation between 1st January 2021 and 31st March 2022.

Further, we will report whether the control procedures described were suitably designed such that there is reasonable, but not absolute assurance, that the control objectives defined by management would have been achieved if the described control procedures were complied with satisfactorily, and the control procedures that were tested by us were operating with sufficient effectiveness for us to obtain reasonable, but not absolute, assurance that the related control objectives were achieved between 1st January 2021 and 31st March 2022.

### **RESPONSIBILITIES OF SENIOR MANAGEMENT**

Those charged with governance ('Senior Management') of Workers Pension Trust ('the Service Organisation') in relation to which the Service Auditor's Report is to be provided, are and shall be responsible for the design, implementation and operation of Control Activities that provide adequate level of control over.

Senior Management's responsibilities are and shall include:

- acceptance of responsibility for internal controls;
- evaluation of the effectiveness of the Service Organisation's Control Activities using suitable Control Objectives;
- supporting their evaluation with sufficient evidence, including documentation; and
- providing a written report ('Management Statement') of the effectiveness of the Service Organisation's internal controls for the relevant financial period.

In drafting this report Senior Management have regard to, as a minimum, the Control Objectives specified within Technical Release AAF 01/20 issued by ICAEW but they may add to these to the extent that this is considered appropriate in order to meet User Entities' expectations.

### **RESPONSIBILITIES OF THE SERVICE AUDITOR**

It is our responsibility to form an independent conclusion, based on the work carried out in relation to the Control Activities of the Service Organisation's pension administration services carried out at the specified business units of the Service Organisation as described in the Management Statement and report this to Senior Management.

### **SCOPE OF THE SERVICE AUDITOR'S WORK**

We conduct our work in accordance with the procedures set out in AAF 01/20, issued by 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 internal Control Objectives developed for Service Organisations as set out in the AAF 01/20 issued by ICAEW.

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

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

### **INHERENT LIMITATIONS**

Senior Management 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. Control 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 the Service Auditor's Report will be based on historical information and the projection of any information or conclusions in the Service Auditor's Report to any future periods will be inappropriate.

### **USE OF THE SERVICE AUDITOR'S REPORT**

The Service Auditor's Report will, subject to the permitted disclosures set out in this letter, be made solely for the use of Senior Management of the Service Organisation, and solely for the purpose of reporting on the internal controls of the Service Organisation, in accordance with these terms of our engagement.

Our work will be undertaken so that we might report to Senior Management those matters that we have agreed to state to them in the Service Auditor's Report and for no other purpose.

The Service Auditor's Report will be issued on the basis that it must not be recited or referred to or disclosed, in whole or in part, in any other document or to any other party, without the express prior written permission of the Service Auditor. We permit the disclosure of the Service Auditor's Report, in full only, to User Entities of the Service Organisation using the Service Organisation's pension administration services and to the auditors of such User Entities, to enable User Entities and their auditors to verify that the Service Auditor's Report has been commissioned by Senior Management of the Service Organisation and issued in connection with the internal controls of the Service Organisation without assuming or accepting any responsibility or liability to them on our part.

To the fullest extent permitted by law, we do not and will not accept or assume responsibility to anyone other than Senior Management as a body and the Service Organisation for our work, for the Service Auditor's Report or for the opinions we will have formed.

### **LIABILITY PROVISIONS**

We will perform the engagement with reasonable skill and care and acknowledge that we will be liable to Senior Management as a body and the Service Organisation for losses, damages, costs or expenses ('losses') suffered by Senior Management as a body and the Service Organisation as a result of our breach of contract, negligence, fraud or other deliberate breach of duty. Our liability shall be subject to the following provisions:

- We will not be so liable if such losses are due to the provision of false, misleading or incomplete information or documentation or due to the acts or omissions of any person other than us, except where, on the basis of the enquiries normally undertaken by us within the scope set out in these terms of engagement, it would have been reasonable for us to discover such defects;
- We accept liability without limit for the consequences of our own fraud or other deliberate breach of duty and for any other liability which it is not permitted by law to limit or exclude;
- Subject to the previous provisions of this Liability paragraph, our total aggregate liability whether in contract, tort (including negligence) or otherwise, to Senior Management as a body and the Service Organisation, arising from or in connection with the work which is the subject of these terms (including any addition or variation to the work), shall not exceed the amount of three times the amounts paid or payable to us by the company under this contract.

To the fullest extent permitted by law, the Service Organisation agrees to indemnify and hold harmless Azets Audit Services Limited and its partners and staff against all actions, proceedings and claims brought or threatened against Azets Audit Services Limited or against any of its partners and staff by any persons other than Senior Management as a body and the Service Organisation, and all loss, damage and expense (including legal expenses) relating thereto, where any such action, proceeding or claim in any way relates to or concerns or is connected with any of Azets Audit Services Limited's work under this engagement letter.

Senior Management as a body and the Service Organisation agree that they will not bring any claims or proceedings against any of our individual partners, members, directors or employees. This clause is intended to benefit such partners, members, directors and employees who may enforce this clause pursuant to the Contracts (Rights of Third Parties) Act 1999 ('the Act'). Notwithstanding any benefits or rights conferred by this agreement on such partners, members, directors or employees by virtue of the Act, we and Senior Management as a body may together agree in writing to vary or rescind the agreement set out in this letter without the consent of any such partners, members, directors or employees. Other than as expressly provided in this paragraph, the provisions of the Act are excluded.

Any claims, whether in contract, negligence or otherwise, must be formally commenced within three years after the party bringing the claim becomes aware (or ought reasonably to have become aware) of the facts which give rise to the action and in any event no later than three after any alleged breach of contract, negligence or other cause of action. This expressly overrides any statutory provision which would otherwise apply.

#### **AGREEMENT OF TERMS**

Once it has been agreed, this letter will remain effective until it is replaced. We shall be grateful if you could confirm the contents of this letter by signing the enclosed copy and returning it to us immediately. If the terms are not in accordance with your understanding, please let us know.