

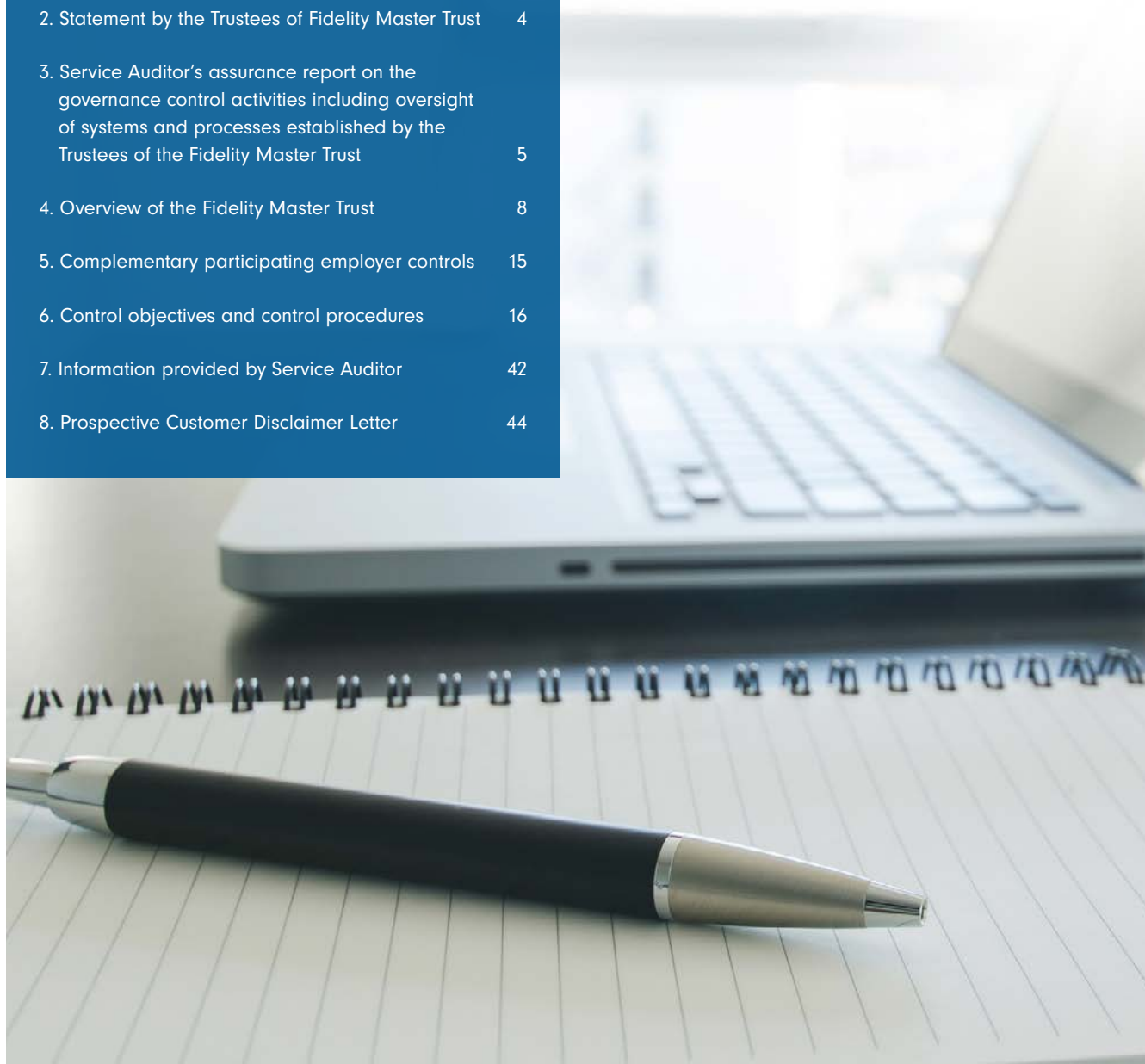
# The Fidelity Master Trust



Report on the governance control activities including oversight of systems and processes established by the trustees of the Fidelity Master Trust under AAF TECH 05/20 for the year to 30 June 2022

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This report is strictly confidential and is intended only for use by Fidelity Master Trust and their participating employers. Unauthorised use of this report in whole or in part is strictly prohibited.

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# 1. Introduction

The Trustees of the Fidelity Master Trust ('the Scheme') are pleased to present our report detailing the control procedures that are in place relating to The Scheme.

The Fidelity Master Trust is designed to provide employers with a well governed, value for money pension scheme. It utilises our administrator, Fidelity's, extensive DC platform and member services to support members in achieving their retirement goals. Since the Scheme was launched in December 2013 and as at the date of this report, we have been entrusted with providing pension savings for more than 132,000 members by 115 contributing employers.

The Scheme's Trust Deed and Rules were updated to incorporate the new Master Trust Requirements introduced under the Pension Schemes Act 2017 via a Deed of Amendment dated 7 February 2019. The Fidelity Master Trust received authorisation from The Pensions Regulator (TPR) with effect from 28 June 2019. The Scheme is now subject to TPR's ongoing supervision to ensure we continue to meet the authorisation criteria set out in the Pension Schemes Act 2017. Subsequent Deeds of Amendment introduced further rule changes from 28 May 2021, 25 October 2021 and 4 May 2022.

This report focuses on the Governance control activities operated by the Master Trust Board over the Scheme, which includes monitoring the operational controls undertaken by Fidelity. We are delighted to now provide our sixth Type 2 report covering the year to 30 June 2022, and the second year under the new TECH 05/20.

The purpose of this report is to help our stakeholders understand how we ensure that not only are we compliant with relevant legislation but that we have the necessary controls in place to deliver high quality services to employers and members. The report outlines the specific control procedures that we have in place to support our objectives and with the Independent Service Auditors Assurance Report independently demonstrates the strength of our control environment.

## Chair of the Fidelity Master Trust

## 2. Statement by the Trustees of Fidelity Master Trust

As the Trustees of the Fidelity Master Trust ('the Scheme'), we are responsible for:

- the identification of control objectives relating to governance of the Scheme; and
- establishing governance control activities including oversight of systems and processes that provide reasonable assurance that the control objectives detailed are achieved.

The control objectives are derived from standards of governance set out in The Pensions Regulator's DC code of practice and DC guides and include the control objectives listed in the ICAEW Technical Release AAF 05/20 "Assurance Reports on Master Trusts" ("TECH 05/20 AAF").

In carrying out these responsibilities, we have regard not only to the interest of employers (who have entrusted their employees' DC contributions to the Scheme or are considering doing so) and members of the Scheme but also to the needs of the Scheme itself and the general effectiveness and efficiency of the relevant operations. In addition, we consider the needs of The Pensions Regulator who may use this report to help determine whether certain governance procedures, including oversight of systems and processes and relevant master trust supervisory requirements, have been met and have been subjected to independent scrutiny. We have evaluated the fairness of the description and suitability of and the effectiveness of the Fidelity Master Trust's governance control activities including oversight of systems and processes having regard to ICAEW's TECH 05/20 AAF and the control objectives set out therein.

We set out in Section 6 of this report a description of the relevant governance control activities including oversight of systems and processes established by the Trustees of the Fidelity Master Trust together with the related control objectives which operated during the year to 30 June 2022. This description has been prepared for employers and members of the Scheme and their auditors, along with other information including information about controls operated by the employers themselves, when assessing the governance control activities of the Scheme. The Trustees confirm that:

- the report describes fairly the governance control activities established by the Trustees that relate to the control objectives referred to above which were in place throughout the year from 1 July 2021 to 30 June 2022; and
- the governance control activities described were suitably designed throughout the year 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 that the participating employers applied the control procedures contemplated; and
- the governance control activities described were operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved during the year from 1 July 2021 through to 30 June 2022.

### Chair of the Trustees

Signed on behalf of the Trustees of the Fidelity Master Trust

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### 3. Service Auditor's assurance report on the governance control activities including oversight of systems and processes established by the Trustees of the Fidelity Master Trust

#### To the Trustees of the Fidelity Master Trust ('the Scheme')

##### **Subject matter**

This report covers solely the internal controls of the Master Trust as described in your report for the year to 30 June 2022. Internal controls are processes designed to provide reasonable assurance regarding the level of control over the governance activities over the procedures of the Master Trust.

We have been engaged to report on the description, design and operating effectiveness for the year from 1 July 2021 through to 30 June 2022, of the Fidelity Master Trust's (the "Scheme") control activities and governance designed to achieve the control objectives as set out in Section 6 of your report.

The description indicates that certain control objectives specified in the description can be achieved only if complementary client controls contemplated in the design of the Scheme's controls are suitably designed and operating effectively, along with related controls at the Scheme. We have not evaluated the suitability of the design or the operating effectiveness of such complementary client controls as set out in Section 5 of your report.

##### **Opinion**

In our opinion, in all material respects:

- the accompanying Master Trust's report in section 6 describes fairly the governance control activities that relate to the control objectives referred to above which were in place through the year from 1 July 2021 to 30 June 2022. The control objectives identified include all of those control objectives listed in TECH 05/20 AAF;
- the governance control activities described in section 6 were suitably designed such that there is reasonable, but not absolute, assurance that the specified control objectives would have been achieved if the described control procedures were complied with satisfactorily and that the participating employers applied the complementary employer controls referred to above; and
- the controls tested, which together with the complementary customer controls referred to above, if operating effectively, were those necessary to provide reasonable assurance that the control objectives stated in the description were achieved and operated effectively throughout the year from 1 July 2021 to 30 June 2022.

##### **Trustee's responsibilities**

The Trustee's responsibilities and assertions are set out in Section 2 of the 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 Trustees.

##### **Service Auditor's responsibilities**

Our responsibility as the Independent Service Auditor is to form an independent opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the governance control activities, based on the work carried out in relation to the control activities of the Master 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 (UK revised) and with ICAEW Technical Release AAF 05/20 AAF, ISAE 3000 and AAF 05/20. These 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 Scheme's report fairly describes the relevant governance control activities and the control procedures are suitably designed and operating effectively.

The criteria against which the control procedures were evaluated are the control objectives developed for Master Trusts as set out within TECH 05/20 AAF and identified by the Scheme as control objectives to be applied for the purpose of demonstrating governance activities over the Scheme.

Our work involved performing procedures to obtain evidence about the presentation of the Scheme's description of its governance control activities, and the design and operating effectiveness of these governance controls. Our procedures include assessing the risks that the description is not fairly presented, that the control procedures were not suitably designed and that they were not 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 activities stated in the description were achieved. An assurance engagement of this type also includes evaluating the overall presentation of the description, and the suitability of the control objectives stated therein.

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

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

In carrying out our work, we complied with the ICAEW Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies International Standard on Quality Control 1 ("ISQC1") 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 company or member of the Scheme.

Also, governance control activities designed to address specified control objectives are subject to inherent limitations and accordingly because of their nature, control procedures of the Master Trust may not prevent or detect and correct all errors or omissions in performing governance activities. Control procedures cannot guarantee protection against (among other things) fraud, especially on the part of those holding positions of authority or trust.

Our opinion is based on historical information. The projection of any evaluation of the fairness of the presentation of the description, or opinion about the suitability of the design or operating effectiveness of the governance control activities and systems and processes, to future periods would be inappropriate.

The information included in Sections 4 and 5 describing the Scheme's overall control environment and business information is presented by the Trustees to provide additional information and is not part of Scheme's governance control activities. Such information has not been subjected to the procedures applied in the engagement to report on the Master Trust's governance control activities and accordingly, we express no opinion on it.

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## Use of Report

This report is intended solely for and use of the Master Trust (the "Scheme") and their participating employers in accordance with the terms of our engagement letter dated 17 May 2021 (the "agreement"), in order to assist the Scheme to procure such a report, and for no other purpose.

Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission except in accordance with paragraph 3.2(m) of the agreement. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Master Trust and its participating employers for our work, for this report or for the opinions we have formed.

## CLA Evelyn Partners Limited

Service Auditor  
Chartered Accountants  
Bristol

Date: 1st February 2023

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## 4. Overview of the Fidelity Master Trust

The Scheme was set up on 13 December 2013 to provide defined contribution benefits to the current and former employees of the Participating Employers. It may also provide benefits to members who have been transferred to the Scheme by the Trustees of another pension scheme.

The Scheme is a registered pension scheme for tax purposes under the Finance Act 2004 (Registered Pension Scheme number 0081028RS).

The Scheme is governed by a Master Trust Board of Trustees ('the Board'). The Board is responsible for ensuring the Scheme is operating in accordance with the Scheme Trust Deed and Rules dated 13 December 2013 and Deeds of Amendment dated 24 June 2016, 18 May 2018, 7 February 2019, 20 May 2019, 28 May 2021, 25 October 2021, and 4 May 2022, together with the Deeds of Participation for each Participating Employer and the Statement of Investment Principles. Participating Employers are able to vary the rules in certain areas and these are set out in the relevant Deed of Participation.

The Deed of Amendment dated 7 February 2019 updated the Scheme's Trust Deed and Rules to incorporate the new Master Trust Requirements introduced under the Pension Schemes Act 2017. The Fidelity Master Trust received authorisation from The Pensions Regulator (TPR) with effect from 28 June 2019. The Scheme is now subject to TPR's ongoing supervision to ensure the Scheme continues to meet the authorisation criteria set out in the Pension Schemes Act 2017.

During the year to 30 June 2022, the Board consisted of six trustees, four of whom were professional trustee companies represented by individuals and independent; this includes the Chair. The Trustee Board meets the independence requirements as defined by the Department for Work and Pensions.

FIL Life Insurance Ltd, Ltd ('Fidelity') is the Scheme Sponsor and is responsible for setting up the Master Trust. Appointment of new Trustees is undertaken by the Trustee Board, with consent of the sponsor, in line with the Trust Deed and Rules of the Scheme.

During the Scheme year, at the request of the Sponsor, the Trustees agreed to move to a fully independent Board. During the second quarter of 2022, the Trustees ran an open and transparent recruitment process in conjunction with Fidelity, by utilising the services of an executive search agency and advertising in the national pensions press. Five applicants were interviewed by a panel representing the Board and Fidelity. The quality of applicants was extremely high, and, after lengthy discussions, a decision was taken to appoint Jill Mackenzie and Colette Dunn with effect from 26 September 2022.

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The Trustees in place over the Scheme year and those appointed post period end, along with their skills and experience, are listed below.



**ZEDRA Governance Ltd, as represented by Kim Nash**  
**Independent Trustee and Chair of the Board of Trustees of the Scheme**

Kim Nash is a Director at ZEDRA Governance Ltd (ZEDRA), having joined ZEDRA in February 2012. Kim is a qualified Actuary and an accredited Member of the Association of Professional Pension Trustees, and previously worked for Willis Towers Watson as an actuarial benefit consultant. Kim is able to bring her significant DC experience both as a Trustee and a member of Independent Governance Committees to lead the Scheme's Trustee Board in assessing value for money and make comparisons on Fidelity's performance against the wider market.



**Independent Trustee Services Ltd, as represented by Dianne Day**  
**Independent Trustee**

Dianne Day is a Client Director at Independent Trustee Services Ltd (ITS). She joined ITS in 2015, specialising in DC schemes. Dianne holds the PMI Certificate in DC Governance, is a Fellow of the Financial Services Institute of Australasia and is an accredited Member of the Association of Professional Pension Trustees. She has worked for major investment firms in senior communications and management roles. Dianne applies her extensive DC governance and communications experience to help with the evaluation of Fidelity's member service, communications and engagement programmes. Dianne is also the chair of the Communications Sub-Committee.



**Punter Southall Governance Services Limited, as represented by Gerald Wellesley**  
**Independent Trustee**

Gerald Wellesley is a Professional Trustee and Client Director of Punter Southall Governance Services Limited. He has over 35 years' experience in the finance industry, 15 years as a pension trustee and 3 years in HR management. His current portfolio of trusteeships includes chair, sole trustee and sub-committee positions with DB and DC schemes and DC Master Trusts. He brings strengths in the investment and financial management disciplines, together with broader trustee skills. He was previously at BNY Mellon where he led the corporate strategy. Gerald is also the chair of the Investment Sub-Committee.



**BESTrustees Limited, as represented by Roger Breeden**  
**Independent Trustee (appointed 1 October 2021)**

Roger Breeden is a Trustee Executive with independent trustee company BESTrustees and specialises in workplace Defined Contribution and Master Trust pension schemes. His financial services experience spans more than 40 years, the majority of which was with Mercer where most recently as a Partner he led the launch and successful authorisation of a Master Trust establishing operational and governance systems and processes. He started his career as a personal financial adviser which provided him with day to day experience of the needs of pension scheme members while both building and drawing down on their savings. Roger is the chair of the Administration Sub-Committee.



**Marianne Jaekel**  
**Trustee/Fidelity Representative (resigned 26 September 2022)**

Marianne Jaekel is a qualified solicitor and joined Fidelity in 2012. She is the Head of UK Business Legal department and has responsibility for all legal aspects of Fidelity's UK Business. Prior to joining Fidelity, Marianne gained 13 years of experience as a City lawyer, having qualified at Travers Smith and most recently practising as a Senior Associate in the Pensions team of Squire Patton Boggs (previously Hammonds). Marianne is a full member of the Association of Pension Lawyers.



**James Carter**  
**Trustee/Fidelity representative (resigned 26 September 2022)**

James Carter is Head of Pension Products and Policy at Fidelity with 20 years' experience in the workplace pensions market. He is responsible for the product implementation and management of Fidelity's workplace pension products. James also leads Fidelity's engagement with the government, regulators and industry bodies in the development of pension policy and the business analysis of the impact and opportunities of new pensions regulation. Prior to joining Fidelity, James was a Director in Willis Towers Watson's pension consulting business, having also worked for KPMG and Aon, advising trustees and employers operating large DC pension schemes.



**Jill Mackenzie**  
**Independent Member (appointed 26 September 2022)**

Jill Mackenzie has over 25 years of industry experience and more than ten years' experience as a pension scheme trustee, working across DC and DB. She currently chairs four pension Trustee Boards and most recently spent seven years on the board of Nest Master Trust where she was the Senior Independent Director. She is also a Member of the Pensions Management Institute and holds the PMI Diploma in Pension Trusteeship.



**Colette Dunn**  
**Independent Member (appointed 26 September 2022)**

Colette Dunn is a Non-Executive Director, Strategic Adviser and Professional Coach, with over 30 years' strategy consultancy experience in financial services, focussing on consumers and the retirement market. She has worked for KPMG, Accenture, Milliman and Willis Towers Watson and holds a portfolio of roles, including those from the third sector. She is passionate about ESG and creating equity, diversity and inclusion (EDI), and brings her extensive strategy and consumer experience to the Fidelity Master Trust Board.

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## Governance

The Trustees are responsible for the administration and investment policy of the Scheme.

The Trustees meet formally four times a year, and more frequently as required. Under the terms of the Trust Deed, resolutions are passed on a simple majority of those voting, with the Chair having a casting vote when necessary.

The Trustees have a delegation policy covering the payment of retirement benefits, transfers and certain discretionary benefit payments including the authority to make decisions on death, ill-health and serious ill-health cases. The delegation policy is reviewed on a regular basis and delegated decisions are reported at each Trustee meeting.

The Trustees are now subject to TPR's ongoing supervision to ensure the Scheme continues to meet the authorisation criteria set out in the Pension Schemes Act 2017. TPR have published their supervision and enforcement policy which sets out how it will supervise master trusts and use its enforcement powers. All master trusts will be supervised and required to submit an annual supervisory return. The Regulator expects those responsible for running master trusts to be:

- open, honest and transparent in their interactions with TPR, responding promptly to information requests;
- proactively liaise with TPR and volunteer information about material developments, risks and issues in their scheme, which may affect the scheme's ability to continue to meet the authorisation criteria and other obligations;
- satisfy TPR that they continue to meet their obligations and that there is a low risk of them failing to meet their obligations going forward, including providing relevant evidence; and
- proactive in identifying and monitoring risks, and proactive in rectifying any issues that may arise and affect the scheme's ability to continue to meet the authorisation criteria or other obligations.

## Operating model

FIL Life Insurance Ltd, ('Fidelity') is the Scheme Sponsor and is responsible for setting up the Master Trust. Appointment of new Trustees is undertaken by the Trustee Board, with consent of the Sponsor, in line with the Trust Deed and Rules of the Scheme.

The Trustees appointed Fidelity to administer the Scheme and as Scheme Administrator for HMRC purposes on 1 April 2014. Fidelity is responsible for the day-to-day operation of the Scheme including member communications, member and Participating Employer websites, record keeping, allocation of contributions to member funds and payment of benefits.

Under the terms of the Trust Deed, resolutions are passed on a simple majority of those voting, with the Chair having a casting vote when necessary. The Trustees have established three joint sub-committees with the Independent Governance Committee (IGC) of Fidelity which is responsible for oversight of Fidelity's contract-based workplace pension schemes. At 30 June 2022, each Committee comprises of three Trustees, at least two of which are independent Trustees including the independent Chair:

- The joint Communications Sub-Committee (CSC), which allows the Trustees to better understand and influence Fidelity's communication strategy, and to set the strategy for the Trust;
- The joint Investment Sub-Committee (ISC), which allows the Trustees to better understand and influence Fidelity's investment strategy, and to set the strategy for the Trust; and
- The joint Administration Sub-Committee (ASC), which allows the Trustees to better understand, influence and monitor the delivery of Fidelity's administration service.

After the move to a fully independent board, the sub-committees will still comprise of three members, but with a quorum of two.

## Risk management

The Trustees have a Trustee Action Plan which is used to help ensure the Scheme is run efficiently. The Trustees have responsibility for controls and risk management and have identified and logged risks in a risk register. The risk register is used to document the risks to which the Scheme is exposed and to record the likelihood and impact of those risks and the mitigating actions required. The risk register consists of four key areas covering operational, investment, governance and strategic and communication risks, and is updated at least annually or as and when risks are identified or the assessment changes. Details of any changes to the risk register are formally recorded and shared with TPR as part of the annual supervisory return.

The Trustees have completed their own assessment of how the Scheme complies with the DC Code of Practice on the Governance and Administration of Occupational Defined Contribution pension schemes and use this to identify actions and areas of review.

## COVID-19 Pandemic

The Trustees assessed, and monitored, the consequences of the COVID-19 pandemic for the Scheme considering the following areas in particular:

- The administration of benefits by the Scheme's Administrator, FIL Life Insurance Ltd, including their business continuity planning, operational resilience, cyber/IT security measures and the maintenance of their control environment;
- The financial position of the Participating Employers together with the payment of contributions due;
- The effect on the Trustees' investment strategy, the value of the Scheme's assets and the ability to provide sufficient cashflow to support benefit and other payments.

The Trustees are satisfied having assessed these areas that the risks posed to the operation and management of the Scheme and its investments as a result of the COVID-19 pandemic have been sufficiently understood and mitigated where appropriate.

Although the immediate impact of COVID-19 has now passed, the Trustees are aware that a similar event may occur in the future and, as such, continue to review the potential consequences as part of the wider risk process.

## Conflicts of interest

A conflicts of interest policy is in place to assist the Trustees in identifying, managing, and monitoring any actual or potential conflicts of interest which may arise in relation to the Scheme. The Trustees keep a register of interests, and conflicts are considered at the start of each Trustee and Sub-Committee meeting.

## Fidelity Master Trust investments

The Trustees are required to develop and maintain a Statement of Investment Principles ('SIP'), obtaining advice from a regulated investment adviser to ensure that the investments and default strategy proposed are appropriate, consistent with the Pension Regulator framework and likely to achieve optimum outcomes for members.

The SIP has been prepared in accordance with Section 35 of the Pensions Act 1995 and outlines the Scheme's investment objectives and strategy. The Trustees monitor compliance with the SIP. During the year under review, all investments were in accordance with the SIP. The SIP is available on the following publicly accessible webpage, [www.fidelitypensions.co.uk/costs-charges](http://www.fidelitypensions.co.uk/costs-charges)

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## Standard investment offering

The Master Trust currently offers two default strategies alongside a standard fund range for employers who do not wish to implement a bespoke fund range and whose members have decided not to make an investment choice. For existing employers who onboarded prior to November 2022, the default investment strategy is the FutureWise Working Lifestyle Strategy (WLS). For employers who onboard after November 2022, the default investment strategy is the range of FutureWise Target Date Funds (TDFs). Over 2023, the Master Trust will begin moving members from the FutureWise WLS to the FutureWise TDFs which will be the sole default strategy going forwards. Members who are automatically enrolled are invested in the default strategy for their section until such a time that they make an alternative investment choice. The risk profiles and investment objectives for the default investment strategy funds and all other investment funds can be found on the fund factsheets. The investment objectives of the default strategy funds can also be found in the Scheme literature.

In the early years, the FutureWise WLS aims to generate risk-controlled capital growth. At retirement it is designed to generate a 40% replacement rate (40% of a members' final salary) at retirement over the long-term. In the early years, the FutureWise TDFs are designed to generate capital growth, and at retirement are designed for members who wish to take income drawdown. In addition to the default strategy, there is a range of funds available to members for those who wish to select their own investments. They represent a variety of asset classes including equities, property, multi-asset, fixed income, money market and specialist funds, with both active and passive management. Both strategies use funds managed by Fidelity International and BlackRock.

The Trustees receive advice from their appointed investment adviser regarding the appropriateness of the default strategies and the self-select funds for the membership, including both active and deferred members together with the risk and maturity profile. This advice is reviewed annually, with a full in-depth review carried out at least every three years, or in the event of a significant change, to ensure it remains appropriate. The triennial review was agreed Q3 2022 outside of the Scheme year and the changes noted above were proposed as part of this review.

As part of the trustees' sustainable investing and climate policies, the Trustees believe that the consideration and integration of sustainability factors, including climate change issues, into the investment process for strategies and funds, is likely to lead to improved risk-adjusted returns over the long term, which may lead to better retirement outcomes for members. As such, the trustees work with Fidelity and their advisors to integrate sustainability and climate-related issues into the range of investment options offered to members.

Over 2020 and 2021, the Trustees worked with Fidelity to integrate ESG considerations into the component funds of the FutureWise WLS, using Fidelity's proprietary ESG rating methodology. In designing the range of FutureWise TDFs, Fidelity and BlackRock have integrated their proprietary ESG rating methodologies into the component funds. The FutureWise TDFs are also designed to meet Fidelity's and the Trustees' climate goals of reaching net-zero by 2050 and halving the strategies' carbon footprint by 2030.

There are currently 5 funds with a focus on sustainability available to members:

- Master Trust Sustainable Climate Equity Fund
- Master Trust Sustainable Positive Change Fund
- Master Trust Sustainable Climate Bond Fund
- Master Trust Sustainable Active Equity Fund
- Master Trust Sustainable Passive Equity Fund

## Bespoke investment offering

In addition to the standard fund range, the Scheme can accommodate bespoke default strategies or self-select fund ranges for employers.

Some Participating Employers have introduced bespoke fund ranges and default strategies designed for their section of membership. The Trustees are ultimately responsible for the investment selection for all sections. Where a bespoke range is requested, the Trustees take investment advice to ensure that the proposals are suitable and in accordance with the Scheme's SIP and Investment Framework. Fidelity will also carry out due diligence to ensure that the proposals are deliverable.

If necessary (in conjunction with their investment advisors), the Trustees can remove any investment options that are no longer deemed suitable for Scheme investment, for example where a fund is no longer meeting its objectives or is no longer appropriate for the Scheme's objectives.

The Trustees invest in an insurance policy issued by FIL Life Insurance Ltd, a UK PRA authorised and FCA & PRA regulated life insurance company. The suitability of the insurance policy, and the underlying platform, was confirmed to the Trustees by their independent investment adviser, Isio, in accordance with Section 36 of the Pensions Act 1995.

## Interaction with the Independent Governance Committee

Fidelity has established an Independent Governance Committee (IGC) which is responsible for the interests of policyholders of Fidelity's contract-based workplace personal pension plans. As at 30 June 2022, the independent Trustees of the Master Trust also sit on the IGC. The Trustees have established a joint Communications Sub-Committee with the IGC together with a joint Investment Sub-Committee and Administration Sub-Committee. Each Committee comprises at least three Trustees of whom two must be independent including the independent chair. This enables the Trustees to understand how Fidelity operates across its business and ensure that the service provided to the Master Trust is consistent with best practice in other areas of the business. Any potential conflicts are monitored and reviewed in each quarterly meeting.

After the move to full independence, four members of the Trustee Board also sit on the IGC. The sub-committees will still comprise three members, but with a quorum of two.

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## 5. Complementary participating employer controls

The controls for the Scheme relating to governance were designed with the assumption that certain controls would be placed in operation by the participating employers. This section describes controls surrounding the interface and communication that should be in operation at the participating employers to complement the controls of the Scheme.

Specifically, the Scheme's participating employers should establish controls (including related general computer controls where relevant) to ensure that:

- Clients advise the Scheme appropriately of those individuals who require access to the Scheme's website and systems.
- The Scheme only allows access to individuals who need this access
- For each client that requires a higher level of access, a formal Data Sharing Agreement has been approved setting out key responsibilities and the reasons for requiring access to data.

This list does not represent a comprehensive set of all the controls to be employed by the participating employers. Other controls may be required at these organisations, depending upon each individual circumstance.

Note that the Trustees undertake the following additional controls over these complementary controls.

- The Trustees monitor all access to the Scheme's website and systems on an annual basis.
- An audit has been undertaken on a sample basis of compliance with the Data Sharing Agreements.

## 6. Control objectives and control procedures

Set out below is a summary of the control objectives that the Trustees have identified as being relevant to the governance and administration of the Scheme and the tests that have been undertaken by the Independent Service Auditor.

Where relevant, work was undertaken through a virtual site visit, online screen sharing, or through obtaining transactional documentation for a sample of occurrences.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
<b>A) Value for members</b>			
<b>Control objective: A documented value for members assessment is undertaken at least annually and is formally approved by the Trustee Board.</b>			
1.1	The Trustees have developed a framework to assess value for money, considering the guidelines in The Pensions Regulator's DC regulatory guidance. This is assessed and reviewed by the Trustees annually with agreed follow up actions shared with the strategist and progress to completion monitored by the Trustees.	<p>Inspected the Value for Money Framework and the latest Value for Money assessment and confirmed the framework and assessment consider the guidelines in The Pensions Regulator's DC regulatory guidance.</p> <p>Confirmed that both the Value for Money Framework and the assessment have been reviewed by the Trustees in the year, and that follow up actions for the scheme strategist were noted in the Quarterly Trustee Meeting minutes.</p>	No exceptions noted.
<b>Control objective: The Trustee Board ensures disclosure of information to members of transaction costs and charges is complete and accurate and has been disclosed in accordance with regulatory guidelines.</b>			
2.1	Details of the charges relating to all funds available to that section are provided to the member in the Scheme literature on joining. Costs and charges are also publicly disclosed on Fidelity's website.	<p>For a sample of employers, inspected the information provided to members as part of their joining process ("Your Plan Explained" and "Your Investment Choices") to ensure they contain details of the costs and charges. Confirmed that both these documents are available to the members on PlanViewer.</p> <p>Confirmed by inspection that costs and charges are also publicly available on Fidelity's website.</p>	No exceptions noted.
2.2	Details of the charges for all funds including the annual management charge (AMC) and total expenses ratio (TER) are shown on the fund factsheets. These are available to members online or on request from Fidelity's Workplace Investing Pension Service Centre.	<p>Inspected a sample of fund factsheets available on PlanViewer, across a sample of employers, and ensured that details of the charges were included, specifically the Annual management charge (AMC) and the total expense ratio (TER).</p> <p>Confirmed via inspection that fund factsheets are also available to members online from Fidelity's Workplace Investing Pension Service Centre.</p>	No exceptions noted.



Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
2.3	Any changes to the charges are notified to members via PlanViewer or direct.	<p>Confirmed by enquiry that there have been no significant changes to charges in the year.</p> <p>Confirmed that fund charge information is available to members via fund factsheets. This has been verified via sample testing of factsheets available to members on PlanViewer.</p> <p>We also note that within members' annual benefit statements instructions of how to find fund charge information is provided.</p>	No exceptions noted.

## B) Investment Governance

### **Control objective: A documented review of the suitability of the default arrangement(s) and range and risk profile of other investment options is undertaken and approved by the Trustee Board**

3.1	<p>The ISC received investment advice from Isio regarding the standard default strategy and standard fund range for the core section of the Scheme and the Statement of Investment Principles (SIP).</p> <p>The ISC take advice from regulated investment advisors, appointed alongside the specific employers, on the design of bespoke fund ranges and default strategies. The advice is provided in line with the Trustee Action Plan.</p>	<p>Confirmed through inspection of ISC meeting minutes and meeting reporting packs that the investment advisor, Isio, undertook an annual investment review for the year ended 30 June 2021. This review included consideration of standard fund ranges within the default strategy and self-select funds.</p> <p>Confirmed through review of ISC meeting minutes that a review of the SIP was also undertaken by Isio in May 2022.</p> <p>Confirmed through inspection that both reviews also included consideration of the design of bespoke and default strategies.</p> <p>For a sample of directly appointed advisors confirmed that reviews have been undertaken in the year, and that advice from the advisors was considered in the ISC meeting minutes in the year.</p>	No exceptions noted.
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Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
3.2	<p>The ISC, in conjunction with the relevant authorised appointed regulated investment adviser for each section, review the ongoing suitability of the default strategy and the fund range. This applies to the standard default and self-select fund range and any bespoke fund range and default arrangement offered to a participating employer. The advice takes into account membership profile and the appropriateness for active and deferred members is considered. The investment advice received ensures that a suitable range of investments are provided to members wishing to make an active investment choice.</p> <p>Investment advice is reviewed at least triennially or more frequently in the event of a significant change to ensure it remains appropriate.</p> <p>All investment advisors are expected to confirm that funds are still appropriate on an annual basis.</p>	<p>Inspected that the annual investment reviews conducted by the authorised, regulated investment advisors. Confirmed by inspection of a sample of Trustee meeting minutes, ISC meeting minutes and related meeting papers that the ongoing suitability of the standard default, self-select and bespoke fund range was discussed during the year as planned. Ensured the advice provided by Isio considers membership profile and appropriateness for members and the suitability of the range provided to members. Ensured that the review of the ongoing suitability of investment funds is scheduled on the Trustee Action Plan.</p> <p>Confirmed by inspection that the last triennial review was undertaken by KPMG in 2018 and confirmed by enquiry that the planned triennial review for 2021 has been postponed due to a new default strategy being agreed and established throughout the 2022 AAF year. Confirmed by enquiry that advice in respect to the year ended 30 June 2022 will be presented to the Trustees post year end.</p> <p>For a sample of investment advisors inspected, confirmation that funds are still appropriate within the period.</p>	<p>No exceptions noted.</p>
3.3	The next review dates for investment reviews are recorded in the Trustee Action Plan.	Confirmed by inspection that the next investment reviews are scheduled in the Trustee Action Plan.	No exceptions noted.
<b>Control objective: The Trustee Board undertakes a documented review of the Statement of Investment Principles. This review includes consideration of investment objectives and policies for the default arrangement(s) and all other investment options</b>			
4.1	The Trustees have prepared a Statement of Investment Principles (SIP) after taking advice from their appointed investment advisors. The review takes into account the investment objectives and policies for default arrangements and fund range.	<p>Inspected the latest SIP and confirmed that it covers the investment objectives and policies for the default fund range. Inspected a sample of Trustee meeting minutes and Sub-Committee minutes and confirmed that the SIP updates had been reviewed and updated in the year.</p> <p>As noted in control 3.1, confirmed that Isio undertook a review of the SIP in May 2022.</p>	No exceptions noted.
4.2	The SIP is reviewed every three years or on material change. The timing of the next review is documented in the Trustee Action Plan.	<p>Confirmed that the Triennial review of the SIP took place in the prior year. The latest SIP was reviewed by the Trustees' investment advisor, Isio, and by the Trustees in the period, see control 4.1.</p> <p>Confirmed through inspection of the Trustee action plan that reviews were performed as scheduled.</p>	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
4.3	A SIP reportable events policy (Significant Events Policy) is in place having been agreed by the Trustees. The policy outlines the circumstances when it is required to report changes of the SIP to The Pensions Regulator.	Inspected the SIP reportable events policy (Significant Events Policy) that has been agreed by the Trustees. Confirmed by inspection that the policy outlines when it is required to report changes of the SIP to The Pensions Regulator.	No exceptions noted.
<b>Control objective: The Trustee Board ensures that the Statement of Investment Principles is made publicly available</b>			
5.1	The Trustees host the Statement of Investment Principles on a publicly available webpage and members are directed to this page through annual benefit statements.	Confirmed by inspection that the SIP is available to members on a publicly available website. Inspected a sample of annual benefit statements and confirmed that the statements provide members with direction to the SIP webpage.	No exceptions noted.
<b>Control objective: The performance of all investment options (including the default arrangement (s)) is reviewed and monitored against the investment objectives set out in the SIP. This review is documented and approved by the Trustee Board</b>			
6.1	Fidelity provides the ISC with quarterly investment reporting showing the investment performance for each fund compared with the fund specific benchmark and other objectives as set out in the SIP.	For a sample of quarterly investment reports and for a sample of funds, inspected the performance reporting ensuring that both specific performance and relevant benchmarks, as set out in the SIP, were provided to the Trustees. Inspected a sample of ISC meeting minutes and ensured the Trustees had reviewed the Investment reporting.	No exceptions noted.
6.2	Investment performance is reviewed at quarterly Investment Sub-Committee meetings and a summary of the highlights of the ISC meeting is reported to the full Trustee Board at their quarterly meeting. Documented minutes are produced. A Fidelity Senior Manager of WI Investment Proposition is invited to attend the Trustees Investment Sub-Committee meeting to comment on how the investment strategy has performed compared with the objective and risk target. This is recorded in the meeting minutes.  Investment performance is RAG rated and any funds which flag red are considered and discussed by the ISC and actions agreed for next steps.	Confirmed by inspection on a sample basis, that within the ISC meeting minutes, quarterly Trustee meeting minutes and relevant meeting pack papers that the Trustees reviewed investment performance information on a quarterly basis in the year. We noted the attendance and discussion undertaken at the sampled meetings regarding performance and strategy with appropriate staff from WI Investment Propositions.  Confirmed by inspection that in the sampled meeting minutes that any red flag funds were identified, discussed and actions proposed.	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
<b>C) The Trustee Board</b>			
<b>Control objective: New trustees are recruited and appointed in accordance with a documented procedure approved by the Trustee Board</b>			
7.1	<p>The Trustees have a Trustee Appointment and removal policy which documents the process for appointing new Trustees. The policy is reviewed in line with the Trustee Action Plan.</p> <p>If a new Trustee(s) has been appointed over the year, then the Trustee appointment and removal policy was followed or a rationale for departure was discussed and agreed.</p>	<p>Confirmed by inspection that a Trustee Appointment and removal policy is in place dated December 2021 and confirmed that the policy was reviewed in the year in line with the Trustee Action Plan. Confirmed by inspection that this policy includes the process required for appointment of new Trustees.</p> <p>Inspected a sample of newly appointed Trustees appointments in the period and confirmed through inspection that the policy was followed.</p>	No exceptions noted.
<b>Control objective: The fitness and propriety of trustees is assessed prior to appointment and reviewed annually thereafter in accordance with a documented policy. This review is documented and approved by the Trustee Board</b>			
8.1	The Trustees have a defined policy which outlines fitness and propriety requirements. The next review date is documented in the Trustee Action Plan.	<p>Inspected the policy and confirmed that fitness and propriety requirements are included within it. Confirmed by inspection of Trustee meeting minutes and relevant meeting papers that the policy was reviewed and documented in the year.</p> <p>Confirmed through inspection of the Trustee action plan that the next review date has been scheduled.</p>	No exceptions noted.
8.2	Trustees are required to complete an annual fit and proper declaration. As part of the authorisation, a comprehensive consideration was undertaken of the fitness and propriety of the Trustee Board as a whole and this fitness and propriety review will be repeated annually. The next due date is recorded in the Trustee Action Plan.	<p>Inspected a sample of annual declarations completed by the Trustees in the year. Confirmed that the date for the next review of the Trustee Board, as a whole, is scheduled in the Trustee Action Plan.</p> <p>Agreed that the annual review of fitness and propriety for each Trustee Board member is scheduled in the Trustee Action Plan.</p>	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
<b>Control objective: Collective skills and competencies of the Trustee Board as a whole are reviewed on an annual basis. This review is documented and approved by the Trustee Board</b>			
9.1	<p>The Trustees have a Trustee Training and Standards Policy which documents the Trustees approach to assessing skills, fitness and proprietary and approach to training. The next review date is documented in the Trustee Action Plan.</p> <p>An annual assessment of the Trustees' skill set is undertaken by the Chair of the Trustees using the Skills Matrix considering The Pensions Regulator's framework. This takes place during Q3. Following the outcome of this, the scores are collated for the Trustee Board as a whole and presented in the Q4 Trustee meeting.</p> <p>Any training requirements identified are then highlighted and agreed by the Board and scheduled in the Trustee Action Plan for the coming year.</p>	<p>Inspected the latest Trustee Training and Standards policy dated April 2022.</p> <p>Confirmed by inspection that this policy outlines the Trustee Training approach to assessing skills, fitness and proprietary and the approach to training.</p> <p>Confirmed by inspection that a review of the Trustee Training and Standards Policy was undertaken the year.</p> <p>Confirmed by inspection that the next review is scheduled in the Trustee Action Plan in the next period.</p> <p>Confirmed by inspection of the Trustee meeting minutes that the annual assessment was carried out by the Chair of Trustees in Q3 2021, including a review of the Skills Matrix.</p> <p>Confirmed by inspection that training requirements have been identified in the Trustee Action Plan and the Trustee meeting minutes. Confirmed that the training identified has been included in the Trustee Action Plan for the next period.</p>	No exceptions noted.
<b>Control objective: Trustee levels of knowledge and understanding are managed and maintained in accordance with an annual training and development plan approved by the Trustee Board</b>			
10.1	An annual assessment of the Trustees' skill set is undertaken by the Chair of the Trustees using the Skills Matrix considering The Pensions Regulator's framework.	Confirmed by inspection of the Trustee meeting minutes that the annual assessment was carried out by the Chair of Trustees in October 2021 and confirmed that it included a review of the Skills Matrix.	No exceptions noted.
10.2	Trustee skills and knowledge are managed and maintained in accordance with an agreed training programme within the Trustee Action Plan. The outcome of the skills reviews, along with discussion with the Trustee Board, inform what is included in the Trustee Action Plan under training. The training programme is regularly reviewed and updated.	<p>Confirmed by inspection that the Trustee Training programme is managed within the Trustee Action Plan, which is regularly updated.</p> <p>Confirmed by inspection that a Trustee skills assessment has been undertaken in the year, with updates included on the Action Plan.</p> <p>Confirmed by inspection that discussion of the Trustee Skills Assessment and the Action Plan in the year was included in the Trustee meeting minutes.</p>	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
10.3	Each Trustee must provide a copy of their CPD record to the Master Trust Secretary annually. The timing to provide this is recorded in the Trustee Action Plan, and confirmation of provision is provided to The Pensions Regulator as part of the annual Supervisory Return.	<p>Inspected the training logs for a sample of Trustees and ensured that they were updated in the year. Confirmed by inspection that the records were submitted as part of the annual Supervisory Return covering the year from 1 July 2021 to 30 June 2022.</p> <p>Confirmed by enquiry and inspection that timing of the CPD record submission was not included in the action plan but CPD records were all provided to the Master Trust Secretary. It was also confirmed that post year end the Trustee Action Plan has been updated with a submission date now included for May 2023.</p>	No exceptions noted.
10.4	A Scheme Trustee training log is maintained by the Trustee where training is undertaken by the Trustee Board.	Confirmed by inspection that a Scheme Trustee training log is maintained and that it records the training undertaken by the Trustee Board in the year.	No exceptions noted.
10.5	Where a training session is incorporated in the Trustee meeting, this is documented in the meeting minutes and the scheme trustee training log.	Confirmed by inspection on a sample basis that training conducted within Trustee meetings is recorded in the Trustee meeting minutes and the scheme trustee training log.	No exceptions noted.

#### D) Financial sustainability and compliance

**Control objective: A documented review of financial sustainability (including access to resources to cover running costs and financial reserves in the event of a triggering event) is undertaken by the Trustee Board within required timescales**

11.1	<p>In each quarterly Trustee meeting, the Trustees review the financial sustainability of the Scheme Funder including progress against the Business Plan (including metrics) and the level of financial reserving in place.</p> <p>There are documented triggers if the level of reserves fall below a certain level whereby the Trustees are then notified.</p> <p>On an annual basis, the Business Plan and Continuity Strategy are reviewed, agreed, and submitted to The Pensions Regulator. This review and confirmation is documented in Trustee meeting minutes. The timing of the review is documented in the Trustee Action Plan.</p>	<p>On a sample basis, confirmed that at quarterly Trustee meetings reviews are undertaken of the financial sustainability of the Scheme Funder. This includes reviews against the Business Plan and consideration of the levels of financial reserve in place.</p> <p>Confirmed by inspection that the documented triggers are recorded in the Continuity Strategy which was updated in March 2022. We have not identified any Triggering events being identified in the Trustee meeting minutes.</p> <p>Confirmed by inspection that the Continuity Strategy was updated in March 2022 and the Business Plan was also updated in March 2022. Confirmed that review of both documents has been documented in the Trustee meeting minutes.</p> <p>Confirmed by inspection that the Continuity Strategy and the Business Plan are next scheduled for review in February 2023 in the Trustee Action Plan.</p>	No exceptions noted.
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Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
<b>Control objective: A documented review of the Business Plan is undertaken by the Trustee Board within required timescales</b>			
12.1	<p>Progress against the Business Plan is considered in each quarterly Trustee meeting</p> <p>On an annual basis, the Business Plan is reviewed and amended where required and agreed by Funder, Strategist and Trustees, before submission to The Pensions Regulator.</p>	<p>On a sample basis confirmed by in that the Business Plan was considered at quarterly Trustee Meetings.</p> <p>Confirmed by inspection that the Business Plan has been reviewed and updated in the year and has been submitted to The Pensions Regulator.</p>	No exceptions noted.
<b>Control objective: A documented Continuity Strategy is maintained and reviewed by the Trustee Board.</b>			
13.1	The Trustees have prepared and approved a Continuity Strategy to document the events that could potentially trigger the discontinuance of the Scheme and how the Trustees will ensure that member entitlements are safeguarded.	<p>Inspected the latest Continuity Strategy and confirmed that the Strategy includes consideration of events which could trigger discontinuance.</p> <p>Confirmed by inspection that the Continuity Strategy also includes how the Trustees will safeguard member entitlements.</p>	No exceptions noted.
13.2	The Trustees review the Continuity Strategy annually and the next planned review is recorded in the Trustee Action Plan.	<p>Inspected the Trustee Action Plan and ensured the next review of the Continuity Strategy is scheduled for the next period.</p> <p>Confirmed through inspection of the Trustee meeting minutes and relevant meeting papers that the Continuity Strategy has been reviewed in the year.</p>	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
<b>Control objective: A documented procedure is maintained and approved by the Trustee Board for reporting Significant Events and Triggering Events to the Regulator within required timescales</b>			
14.1	<p>The Trustees have a documented procedure for the process of recognising and notifying Significant events and triggering events.</p> <p>The controls within the process are reviewed on an annual basis.</p> <p>Fidelity maintain a log of all administration process and system failures which is monitored and colour coded. Where an event is reviewed and coded grey, this is presented to the Trustees for consideration whether to be notified to TPR. Where an event is reviewed and coded red, this is immediately submitted to TPR and the Trustees notified.</p> <p>The process for monitoring triggering events is outlined in the continuity strategy.</p>	<p>Confirmed by inspection of a sample of quarterly meeting minutes that a significant events executive summary is reviewed by the Trustees</p> <p>Confirmed by inspection that the significant events executive summary includes lists of detective and preventative controls.</p> <p>Confirmed by inspection and enquiry that significant event controls were annually reviewed in the year.</p> <p>Confirmed by inspection that Fidelity maintain a significant and triggering events log which is monitored and colour coded. Confirmed by enquiry and inspection that no 'red instances' have been logged and as such no events reported to the regulator in the year.</p> <p>Confirmed via inspection that a Continuity strategy is upheld which includes process for recognising and notifying significant and triggering events.</p>	No exceptions noted.



Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
<b>E) Scheme Management</b>			
<b>Control objective: An annual business schedule/plan is maintained and reviewed by the Trustee Board</b>			
15.1	<p>The Trustees use the following documents to plan key activities and ensure resources are properly allocated:</p> <ul style="list-style-type: none"> <li>■ A detailed Trustee Action Plan records key planned activities and considerations, which is used to plan the agenda for each Trustee meeting and identify upcoming activities.</li> <li>■ Trustee Action Plan is reviewed in each quarterly meeting.</li> <li>■ Progress against Business Plan is reviewed at each quarterly meeting.</li> <li>■ Business Plan produced and maintained by the Scheme Strategist, produced in and subject to annual review and submission to The Pensions Regulator.</li> </ul>	<p>Inspected the Trustee Action Plan (including the Business Plan) and confirmed it includes all planned activities and considerations.</p> <p>Inspected a sample of quarterly Trustee meeting minutes and confirmed that the Trustee Action Plan was reviewed.</p> <p>Inspected a sample of quarterly Trustee meeting minutes and confirmed that progress against the Business Plan was reviewed.</p> <p>Confirmed by inspection that the Business Plan has been reviewed in the period and is scheduled for an updated review in February 2023 per the Trustee Action Plan.</p> <p>Confirmed by enquiry and inspection that the Business Plan was submitted to The Pensions Regulator in March 2022.</p>	No exceptions noted.
<b>Control objective: Conflicts of interest are subject to ongoing monitoring and are identified, recorded in a conflicts register and managed in accordance with a defined policy which is regularly reviewed by the Trustee Board</b>			
16.1	The Trustees have a Conflicts of Interest policy which sets out their approach to identifying and managing conflicts together with a Conflict of Interest Register.	<p>Obtained the latest Conflicts of Interest policy agreed in April 2022. Confirmed by inspection that the policy sets out the approach to identifying and managing conflicts together with a Conflicts of Interest Register.</p> <p>Inspected a sample of Trustee meeting minutes and confirmed by inspection that the Conflicts of Interest Register and policy has been reviewed in the period.</p>	No exceptions noted.
16.2	The review of Conflicts of Interest is a standing agenda item set out on the Trustee Action Plan which is used for meeting agenda planning.	Inspected a sample of Sub-Committee and Trustee meeting minutes and confirmed that conflicts of interest are raised as a standing agenda item at each meeting. Inspected the Trustee action plan and ensured that conflicts of interest discussions are scheduled as a standing agenda item for each meeting.	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
16.3	<p>Trustee conflicts are raised at the start of each quarterly Trustee meeting and quarterly Sub-Committee meeting and the Register is updated as changes occur, and all changes are recorded in the meeting minutes.</p> <p>The Conflict of Interest Register is updated with any identified conflicts relating to service providers to the Scheme.</p>	<p>Inspected a sample of quarterly Trustee and Sub-Committee meeting minutes and ensured that conflicts of interest are raised at the start of the meetings.</p> <p>Inspected the conflicts of interest register and for a sample of conflicts which have been added to the register, traced these back to the Trustee meeting minutes at which they were raised.</p> <p>Inspected the conflicts of interest register and ensured that conflicts related to service providers of the Master Trust had been included.</p>	No exceptions noted.
16.4	The Conflicts of Interest Policy is reviewed annually. The next formal review is detailed in the Trustee Action Plan.	Confirmed by inspection that an annual review of the Conflicts of Interest policy occurred in the year. Confirmed the next formal review is scheduled in the Trustee Action Plan for the next period.	No exceptions noted.
<b>Control objective: Documented due diligence is undertaken by the Trustee Board prior to the appointment of all service providers, including fitness and propriety. Selection criteria is maintained by the Trustee Board to support service provider selection and decision making.</b>			
17.1	Activities undertaken by Scheme advisors and service providers are detailed in a formal agreement.	Confirmed by inspection the formal agreements in place for a sample of scheme advisors and service providers. For the sample selected, ensured that activities required to be undertaken were included.	No exceptions noted.
17.2	The roles and responsibilities of service providers are documented in the relevant letters of appointment. Details of the roles and responsibilities for each participating employer section are summarised in the administration manual.	<p>Inspected the letters of appointment for a sample of existing and newly appointed advisors and ensured that they include details of the roles and responsibilities of service providers.</p> <p>Inspected a sample of participating employer administration manuals and ensured that they include details of the roles and responsibilities.</p> <p>Confirmed by enquiry that changes to participating employer admin manuals are communicated to the employers as part of the annual scheme review process.</p>	No exceptions noted.
17.3	A review of roles and responsibilities are reviewed and undertaken annually, and the next review is scheduled on the Trustee Action Plan.	Confirmed by inspection of the Q3 2021 meeting pack and Trustee meeting minutes that a review of roles and responsibilities was performed in the year.	No exceptions noted.
17.4	The Trustees have a Managing Service Providers Policy which documents due diligence process and ongoing monitoring. The next review date is set out in the Trustee Action Plan.	<p>Inspected the managing service provider policy and ensured that it includes due diligence processes and ongoing monitoring. Inspected the Trustee Meeting minutes and confirmed that it was reviewed in the year.</p> <p>Confirmed that the next annual review is scheduled in February 2023 per the Trustee Action Plan.</p>	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
<b>Control objective: Roles and responsibilities of all advisors and service providers are documented and the performance and quality of their service is subject to documented reviews by the Trustee Board against documented performance criteria</b>			
18.1	The Trustees have prepared a Balance of Powers document together with a summary of roles and responsibilities including delegations.	<p>Inspected the Balance of Powers document and confirmed it covers roles, responsibilities, and delegations. Confirmed that roles and responsibilities are also captured in the roles and responsibilities summary and also delegations summary which have both been reviewed in the year.</p> <p>Inspected Trustee Meeting minutes and confirmed by inspection that a review of the Balance of Powers has been undertaken in the year. Inspected the Trustee Action Plan and confirmed that an updated review is scheduled for the next period.</p>	No exceptions noted.
18.2	Roles and responsibilities of all advisors and service providers are documented and the performance and quality of their service is subject to documented reviews by the Trustee Board against documented performance criteria which is relevant to their role.	<p>Inspected a sample of documented service provider reviews by the Trustees and confirmed that the reviews were undertaken against the documented performance criteria.</p> <p>Inspected a sample of Trustee Meeting minutes and confirmed performance and quality service reviews were undertaken in the year.</p>	No exceptions noted.
18.3	<p>The ASC receive quarterly management information reports from Fidelity which include:</p> <ul style="list-style-type: none"> <li>■ a summary of active and deferred members.</li> <li>■ details of assets under management, contributions received and payments out.</li> <li>■ Fidelity's performance against service levels agreed with the Trustees.</li> <li>■ a summary of any complaints and breaches during the quarter.</li> </ul>	For a sample of quarterly management information reports, inspected the reporting and ensured its inclusion of all the detailed information noted, and that these areas were considered and documented within the sample of ASC committee meetings inspected.	No exceptions noted.
18.4	Legal and investment advisors provide advice on request. Advice received is reviewed by the Trustees and the review documented in the meeting minutes.	Confirmed through inspection of a sample of Trustee meeting minutes and associated meeting packs that legal and investment advice is provided and reviewed when required.	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
<b>Control objective: The Trustee Board maintains a risk management framework to identify, evaluate, manage and monitor scheme risks</b>			
19.1	The Trustees maintain a risk register which forms part of their internal risk management and governance framework. The risk register documents the risks to which the Scheme is exposed. Each risk is evaluated to record the likelihood and impact of the risk and a risk score allocated. The register also details the internal controls that are designed to detect, mitigate and manage risk.	<p>Obtained and inspected the risk register.</p> <p>Confirmed by inspection that the risk register documents and considers risk exposures, impacts, and internal controls that are designed to detect, mitigate and manage risk.</p>	No exceptions noted.
19.2	Any changes required to the various categories set out on the risk register are considered at each quarterly Sub-Committee or Trustee meeting (dependent on category) and the recorded in the meeting minutes.	On a sample basis, confirmed through inspection of Trustee meeting minutes, that consideration of the risk register was undertaken in the year. Confirmed by inspection that the consistent updates to the risk register are logged via tracked changes.	No exceptions noted.
19.3	The risk register is reviewed on an annual basis and is also updated as and when risks are identified or the assessment changes. The next review date is documented in the Trustee Action Plan.	<p>Confirmed via Trustee meeting minutes that a review of the risk register took place in the year, and changes were made where necessary.</p> <p>Confirmed by inspection that the review of the risk register is scheduled on the Trustee Action Plan.</p>	No exceptions noted.
19.4	The Trustees have created a Risk Framework Policy which will be reviewed annually.	Inspected the latest Risk Framework Policy which was reviewed in Q4 2021. Ensured that this policy is scheduled for annual review in the Trustee Action Plan.	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
F) Trustee Oversight of IT systems and administration process			
<b>Control objective: The Trustee Board monitors and reviews IT systems</b>			
20.1	<p>The Trustees have access to the Fidelity International WI AAF 01/20 Report which covers the design of pension administration and corresponding technology controls as at 31 January 2022.</p> <p>In addition, the Trustees have access to the Fidelity International Report on Internal Controls AAF 01/20 ("AAF report") for the year to 30 June 2021 covering investment management and related information technology services. This report is reviewed annually by the Trustees and covers the following areas.</p> <ul style="list-style-type: none"> <li>■ the organisation wide information technology controls and the overall IT environment as well as the investment management controls.</li> <li>■ the information technology controls over electronic security.</li> <li>■ information technology controls covering computer equipment and a controlled environment, maintenance and development of system applications and software over the organisation as a whole.</li> </ul>	<p>Confirmed by inspection of Trustee meeting minutes that the Trustees have access to the Fidelity International WI AAF 01/20 report. Confirmed by inspection that the most recent report is a Type 1 report as at 31 January 2022 covering the design of pension administration and corresponding technology controls. As the Trustees do not yet have visibility of a Type 2 AAF 01/20 over Fidelity Administration activities and as a consequence the following detailed controls from 20.1 to 20.9 have been included and tested in this report.</p> <p>Inspected the latest Fidelity International AAF report covering investment management and related information technology services for the year ended 30 June 2021. Confirmed by enquiry that none of the four exceptions noted in this report relate to the Master Trust.</p> <p>In addition, inspected the Fidelity International AAF which was completed post year end. Confirmed by enquiry that none of the six exceptions in this report relate to the Master Trust.</p> <p>Confirmed by inspection of the Trustee meeting minutes that the Trustees reviewed the Fidelity International AAF report for the year ended 30 June 2021 in December 2021 and noted that no actions were required by Fidelity or the Trustees.</p> <p>Confirmed by enquiry that the Fidelity International AAF report for the year ended 30 June 2022 report will be reviewed post period end by the Trustees in Q4 2022.</p> <p>Confirmed by inspection that the 2021 and 2022 Fidelity International AAF Report does not include controls regarding malicious attack in its testing scope. Confirmed through inspection of a sample of meeting minutes that the Trustees, however, receive quarterly reporting at ASC Trustee meetings covering malicious attack controls at Fidelity and that this is also presented annually to the Board.</p>	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
20.2	Regular backups of Master Trust data are performed. All backups are secured and replicated between disk storage units housed in secure UK data centres.	<p>Confirmed by enquiry that data and systems are backed up daily.</p> <p>For a sample of dates during the year, obtained and inspected backup reports and ensured backups of data relevant to Master Trust administration were successful.</p> <p>The external data centre facility could not be visited in the year due to COVID-19 restrictions, however, this location is covered by an independent ISAE 3402. The report for the year ended 28 October 2021 and the bridging letter to 30 June 2022 has been reviewed with no exceptions noted.</p> <p>Confirmed by inspection that a SOC 2 Type II independent report has been completed post year end for the year ended 31 August 2022. This report has yet to be presented to the Trustees.</p>	No exceptions noted.
20.3	<p>Business continuity plans are in place for all business areas. Tests are conducted no less frequently than annually in accordance with the function or the application criticality rating.</p> <p>The ASC review the Business Continuity approach annually in line with the Trustee Action Plan.</p>	<p>Inspected the overall Fidelity Business Continuity Strategy.</p> <p>Confirmed by enquiry that for Fidelity UK-based operations no business continuity tests were undertaken in the year as the plan was "live and operational" as a consequence of changes required following the outbreak of COVID-19. Confirmed by inspection of evidence that tests were undertaken on the Fidelity India operations team in the year in Q1 &amp; Q2 2022.</p> <p>Confirmed that this was reviewed in the year by the Trustees in line with the Trustee Action Plan. The next review is scheduled for September 2022.</p>	No exceptions noted.
20.4	All data sharing with employers is undertaken within the confines of tripartite agreements giving contractual protections.	<p>Enquiry was undertaken with a sample of employers in the year to confirm that they adhere to the Data Sharing Agreement in place.</p> <p>A sample of employers were tested via observation and enquiry as part of additional agreed upon procedures testing. This has been reported to the Trustees.</p>	<p>Exception:</p> <p>For one out of three employers tested it was confirmed that PlanViewer access passwords were being shared between two members of staff.</p> <p>No other exceptions noted.</p>

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
20.5	Fidelity employs tools to control information sent via secure email or secure file transfer protocol (SFTP). While transport layer security (TLS) is preferred, other secure email technologies are available for use once it is determined that the data needs to be sent for a business reason.	Observed the secure email and SFTP in action and also confirmed existence of TLS in place between Fidelity and some service suppliers in the year.	No exceptions noted.
20.6	Fidelity operates a role-based access control model linked to unique ID which enforces the principles of Segregation of Duties, least privilege and avoids conflicts of interests. Staff are only permitted to be in one role at a time. Role owners and data owners are required to review access on a regular basis and all processes are reviewed by the Identity and Access Management Team.	Confirmed via enquiry and observation that staff access recertification is undertaken annually and was performed in the year.  Inspected a sample of the access reviews and joiners and leaver processes undertaken in the year.	No exceptions noted.
20.7	Participating employers and Scheme Members have access to PlanViewer, which enables employees and employers to manage their pension accounts online. PlanViewer access requirements are agreed with the employer as part of the take-on process and PlanViewer access levels and authorised callers are detailed in section specific administration manuals. Employer approved staff who leave have their employer removed in a timely manner.  On an annual basis, the ASC reviews the PlanViewer access report and the review is minuted.	For a sample of Employers, agreed a sample of PlanViewer access changes in the year, ensuring relevant authorities were completed prior to access being granted.  Inspected a sample of Employer take-ons to ensure that PlanViewer access requirements were agreed.  For a sample of Employers, tested that approved staff who left their roles in the year had access removed in a timely manner.  Confirmed by inspection that a review of PlanViewer access and users was undertaken in the ASC Trustee meeting undertaken in December 2021.  Confirmed by inspection that a review is scheduled for 2022 per the Trustee Action Plan.	No exceptions noted.
20.8	All Fidelity systems used for the Master Trust are developed within a documented, standard development methodology, which governs all aspects of the system's development lifecycle.	Confirmed via enquiry that there were no significant changes in the year, apart from an update to the administration system.  For a sample of changes made during the year, inspected evidence to confirm that changes were made using the change process and were approved appropriately.	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
20.9	<p>Fidelity maintain a log of all administration and regulatory breaches which is monitored. In addition, Fidelity maintains a log of all process and system failures which are colour coded for significant event J reporting purposes. This log is reviewed by the Trustees on a quarterly basis or, in the event of a significant event being identified, the Master Trust Operations Manager is notified immediately.</p> <p>Where an event is reviewed and coded grey, this is presented to the Trustees for consideration whether to be notified to TPR. Where an event is reviewed and coded red, this is immediately submitted to TPR and the Trustees notified.</p> <p>The full breaches log is presented to the ASC in the Q1 ASC meeting, and the significant event J log quarterly updates are provided to the Master Trust Board in their quarterly meetings.</p>	<p>Confirmed by enquiry and inspection that Fidelity maintain a log of all administration and regulatory breaches covering up to the period end. This is colour coded depending on the relevant significant event and potential action which is required.</p> <p>Confirmed by enquiry that this Master Trust Operations Manager is notified immediately when a significant event is identified.</p> <p>Confirmed by inspection of a sample of quarterly meetings and packs that the log is discussed and reviewed by the Trustees.</p> <p>In the log covering up to 30 June 2022 confirmed that there were no incidents coded in grey or red. It was also confirmed by enquiry that no events were reportable to TPR.</p> <p>Confirmed via inspection of Trustee minutes that a full breaches log review was undertaken in the year and verified on a sample basis that quarterly breach updates are provided to the MTB at quarterly meetings.</p>	No exceptions noted.
<b>Control objective: The capacity to take on new business is assessed, approved and regularly monitored by the Trustee Board</b>			
21.1	<p>The Trustees request that end-to-end capacity checks are completed periodically or upon significant change. Fidelity carries out incremental performance tests on a regular basis in parallel with scheduled releases to ensure that any new functionality does not impact system performance.</p>	<p>Confirmed by enquiry with administration team staff, during a virtual pre-year end site visit, that capacity and incremental checks have been undertaken throughout the year.</p> <p>Confirmed by enquiry that end to end capacity checks are undertaken periodically, or upon significant change. Reviewed the significant change reports undertaken in the period.</p> <p>Inspected evidence of checks undertaken upon updates to the administrator system in the year.</p> <p>Inspected a sample of incremental performance tests undertaken in the year with any necessary follow up actions reviewed. In addition, reviewed system updates undertaken as scheduled releases during the year with any necessary follow up actions.</p>	No exceptions noted.



Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
21.2	Quarterly throughout the year, the Trustees monitored new business using the Master Trust Sections Monthly Report covering implementations and corporate actions provided by Fidelity, the review of which was recorded in quarterly Trustee Meeting minutes.	<p>Inspected, on a sample basis, the Master Trust Governance Monthly Reporting and confirmed inclusions in respect of implementations and corporate actions.</p> <p>Inspected on a sample basis Quarterly Trustee meeting minutes and confirmed that the minutes contain evidence of review of the WI Master Trust Governance Monthly Reporting and consideration of any necessary actions.</p> <p>Confirmed in our sample tested that no capacity issues were identified as part of the WI Master Trust Governance Monthly Reporting. Noted that within a sample of the ASC meetings, resourcing and capacity updates from Fidelity were provided quarterly.</p>	No exceptions noted.
21.3	An annual review of the Master Trust's business plan will be undertaken annually and will contain consideration of the future capacity of the administration operation.	<p>Confirmed by inspection of the business plan and Trustee meeting minutes that an annual review of the business plan was undertaken in the year.</p> <p>Confirmed that the updated business plan includes consideration of confirmed capacity within Fidelity's administration operation.</p> <p>Confirmed by inspection of the business plan that a review of the Business Plan has been scheduled next for February 2023.</p>	No exceptions noted.
<b>Control objective: Signed administration agreements are in place with service providers and include provisions for the rectification of maladministration. The agreements are approved by the Trustee Board</b>			
22.1	<p>The Trustees have a signed administration agreement in place with Fidelity and expect members to be rectified where Fidelity have made an error.</p> <p>The quarterly administration reports presented to the ASC document where member rectifications have been completed and major projects are tracked to completion by the Trustee Board or ASC as appropriate.</p>	<p>Confirmed that a signed administration agreement is in place with Fidelity.</p> <p>Confirmed by inspection of administration reports and ASC Trustee meeting minutes that member adjustments and rectifications are reported to the Trustees. Any major issues are either raised through this reporting or in the significant events log.</p> <p>Confirmed through discussion in Trustee meeting minutes and ASC minutes that any issues identified through the quarterly administration reports are discussed by the Trustees and actions raised if required.</p>	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
<b>Control objective: The Trustee Board has arrangements in place for ensuring that core financial transactions (including decumulation related transactions) are processed promptly.</b>			
23.1	The Trustees monitor core scheme transactions through the quarterly administration report which is discussed at each quarterly ASC meeting and documented in the meeting minutes.	Confirmed on a sample basis that administration reports presented to the ASC include updates on core scheme transactions. These reports are then reviewed and discussed at quarterly ASC Trustee meetings.  We note that ahead of the Fidelity administration AAF 01/20 report being available to the Trustees, a sample of daily and monthly unit reconciliations have been inspected in the year to ensure that they are undertaken appropriately.	No exceptions noted.
23.2	The Trustees monitor performance against agreed service levels at each quarterly ASC meeting.	Inspected quarterly ASC meeting minutes on a sample basis and confirmed monitoring of performance against service levels is undertaken at each quarterly meeting.	No exceptions noted.
23.3	An automated daily sales and redemptions report is also used to check transactions placed the previous day. The report captures the sale type, date and details of units sold to check for accuracy and completion.	For a sample of days across the year inspected the automated daily sales and redemptions report to ensure that they have been checked and authorised and include the elements	No exceptions noted.
<b>Control objective: The Trustee Board has arrangements in place for ensuring that core financial transactions (including decumulation related transactions) are processed accurately and that payments are authorised and suitably controlled</b>			
24.1	Fidelity has documented procedures and controls to ensure all payments are suitably authorised.	Inspected the documented procedures in place for staff processing core financial transactions and ensured that they are appropriately controlled and maintained.  For a sample of payments across a sample of employers ensured that the payments followed all the required authorisation procedures. See control 24.2.  It has been confirmed by enquiry that process manuals are saved onto shared drive and read only access available.	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
24.2	Fidelity has a documented process to ensure all payments are suitably authorised. Once a payment has been authorised, a second authorisation process begins within Fidelity's DC Banking Team which involves dual authorisation. Authorisation levels are in place dependent on the value of the payment.	<p>Inspected, as per control 24.1, that Fidelity has a documented process for all payments to ensure they are suitably authorised.</p> <p>For a sample of payment types, across a sample of employers, ensured that the payments followed all the required authorisation procedures.</p> <p>Confirmed via observation and enquiry the payment control processes in place with the Fidelity DC banking team.</p> <p>Confirmed by inspection that the payment control process includes dual authorisation.</p>	<p>Exception:</p> <p>For 3 out of 30 cases sampled (retirements) authorisation was not completed in line with the authorisation matrix. It was confirmed by enquiry that for all three cases a training exercise to upskill new authorisers had been undertaken, however, this was not evidenced.</p> <p>No other exceptions noted</p>
24.3	<p>Fidelity has processes in place for each core scheme transaction to ensure that all scheme transactions are processed in a timely manner and accurately. All processes are version controlled and reviewed in the event of a significant change.</p> <p>The Trustees have oversight of core transactions via the quarterly administration reports provided to the ASC.</p>	<p>Confirmed by inspection that core financial processes are in place via inspection of operation manuals as sampled above in control 24.1. Within the sample tested, confirmed that manuals also show recording of version control.</p> <p>For our sample tested in control 24.2, also confirmed that cases selected were completed in a timely manner.</p> <p>On a sample basis, confirmed that the Trustees are provided quarterly administration reports at the quarterly ASC Trustee Meetings. Confirmed in the sample of meetings reviewed that these reports are discussed and considerations documented.</p>	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
<b>Control objective: The Trustee Board ensures that member retirement options selected are processed and managed in accordance with documented procedures</b>			
25.1	<p>Fidelity has procedures in place for managing each retirement option and ensuring this meets regulatory requirements including The Pensions Regulator's guidance.</p> <p>The Trustee reviews the member retirement journey on an annual basis through the CSC and Fidelity confirm at each quarterly Trustee meeting if there have been any changes to systems and processes.</p> <p>At retirement management information is provided to quarterly ASC meetings in terms of Investment Pathway usage.</p> <p>The Fidelity breach log and significant event J log is monitored to determine any themes of administration issues.</p>	<p>Confirmed as per testing on control 24.1 that Fidelity has retirement process guides in place, covering differing retirement options. Confirmed by inspection that these documents are subject to version control.</p> <p>Confirmed via inspection of the CSC Trustee meeting minutes that the Trustees have reviewed the retirement journey in the year. Confirmed via inspection of a sample of the quarterly meeting minutes that Fidelity update the Trustees on any changes to systems and processes.</p> <p>Confirmed via inspection that the Investment Pathway usage was presented in the quarterly administration reports from Q4 2021 and on a sample basis confirmed review and consideration at the ASC Meetings.</p> <p>Confirmed through inspection of a sample of quarterly Trustee meeting minutes that the significant event J log is reviewed in conjunction with the quarterly administration packs. Subject to this any administration issue themes are then considered.</p>	No exceptions noted.
<b>Control objective: The Trustee Board ensures that transactions errors are identified and rectified in accordance with a documented procedure</b>			
26.1	Operational processes and controls include procedures for part deals, rectification and remediation built into transactions controls.	For a sample of transaction errors reported, confirmed that actions were taken for remediation.	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
26.2	<p>In the event of a transaction error occurring, Fidelity will provide the Trustees with details of the error together with the actions that have been taken to correct the situation. Fidelity will also identify the reason for the error and take action to remedy this to avoid any repetition occurring.</p> <p>Serious issues are reported to the Trustees and a project of rectification and resolution established. There are regular updates to the Trustees during the project in respect of rectification progress. If the matter is deemed Significant according to the supervisory regime, the Trustees also report the issue and provide updates to The Pensions Regulator as appropriate.</p>	<p>For a sample of quarterly Trustee meeting minutes, inspected the Trustees review of quarterly administration reports and the relevant subsequent discussions to ensure that any errors are communicated to the Trustees, and any actions taken have been reported.</p> <p>Confirmed through enquiry that there were no significant errors in the period. Confirmed by inspection that there were no significant errors reported on the significant event J log.</p> <p>Confirmed by enquiry that the significant event identified in the previous year that was reported to the regulator has yet to be finally closed off. It has been confirmed that ongoing individual member remediation is ongoing.</p>	No exceptions noted.
26.3	<p>In accordance with the administration agreement, the Trustees will be updated immediately or at regular meetings in the event of any significant errors.</p>	<p>Inspected the administration agreement and confirmed that it requires the Trustees to be updated in the event of a significant error.</p> <p>Confirmed by enquiry and by inspection of the significant events log that there were no significant errors in the year.</p>	No exceptions noted.
<b>Control objective: The Trustee Board ensures that late and inaccurate contributions are pursued and resolved in accordance with documented procedures. Late contributions are reported to the Trustees</b>			
27.1	<p>The Trustees monitor contributions on an ongoing basis in accordance with the Regulator's code on reporting late payment of contributions. The Trustees review late contributions at each quarterly ASC meeting and this is documented in the meeting minutes.</p>	<p>On a sample basis, confirmed via inspection of Trustee meeting minutes and quarterly management information that late contributions are communicated to the Trustees and considered for reporting where necessary.</p>	No exceptions noted.
27.2	<p>The quarterly management information reports show details of any late payments and any employers reported to The Pensions Regulator for material breaches.</p> <p>The Trustees consider any late payments and agree on the actions to be taken against Employer's who are consistent late payers.</p>	<p>Confirmed by inspection that the quarterly management information reports which are presented to the Trustees show details of any late payments and include narration of any reporting to the regulator where necessary. No instances of reporting to the regulator were noted in the quarterly management information reports. It has also been confirmed by enquiry that there were no reportable instances in the year.</p> <p>On a sample basis, confirmed that the quarterly management information reports and the quarterly Trustee minutes consider late payment events and agreement of ongoing actions.</p>	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
27.3	Fidelity carries out an annual check at renewal on contributions for all members to test the accuracy and identify any discrepancies which are then resolved with the employer.	For a sample of the accuracy checks undertaken in the year, examined the discrepancy report, the investigation undertaken and evidence of the resolution or confirmation that no discrepancies were identified.	No exceptions noted.
<b>Control objective: The Trustee Board ensures that contributions are invested and allocated in accordance with member instructions or the requirements of the default arrangement</b>			
28.1	Fidelity has processes and procedures in place for ensuring contributions are invested in accordance with member instructions.	For a sample of member contributions across a sample of employers, ensured that contributions were processed and invested in line with member instructions and in line with the documented processes.	Exception:  For 1 out of 25 cases sampled, for one employer, we noted that the table presented in the 'Your investment choices guide' which is accessible on PlanViewer was presenting an incorrect default fund table. This was notified to Fidelity and has been resolved.  No other exceptions noted.
28.2	The quarterly management information received by the Trustees report details the contributions received, amounts invested and also ongoing contribution renewal monitoring. This is reviewed at each quarterly ASC meeting.	Inspected a sample of quarterly administration reports and confirmed discussion at the relevant ASC Trustee meeting regarding contributions received and contribution renewal monitoring.  Confirmed through inspection of a sample of combined quarterly reports that the reports include the contributions and invested in the period and show the ongoing monitoring of renewal monitoring.	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
<b>G) Data Quality</b>			
<b>Control objective: The Trustee Board ensures member data is complete and accurate and is subject to regular data evaluation</b>			
29.1	Fidelity's computer systems are updated daily with data changes received from both members and participating employers. Fidelity operates straight through processing (STP). Validation checks are performed on incoming data to ensure that any discrepancies are reconciled before the file is uploaded onto the system.	For a sample of employers, inspected PlanViewer to ensure that straight through processing (STP) had been completed as part of the validation checks performed on incoming data and ensured that discrepancies had been reconciled before the file was uploaded.	No exceptions noted.
29.2	Fidelity's record keeping and governance over scheme specific (conditional) data is highly automated with system controls in place to ensure accuracy of data. Daily checks and controls are in place to ensure that all contributions and investments are placed in a timely manner and processed correctly and can be reconciled to individual member records. Daily checks include data input checks, process validation checks and exception reporting.	For a sample of scheme submissions, inspected and confirmed all of the sample were successfully submitted or confirmed that post rectification submissions were processed.  For a sample of days during the year, inspected the daily checks and reports for contribution and investment processing and ensured that they include data input, process validation and any relevant exception reporting.	No exceptions noted.
29.3	The Trustees review the completeness and accuracy of the data annually through the administration reports which are discussed and recorded in the ASC meeting minutes. The reports show the percentage of scheme membership where common and scheme specific data is present.	Inspected a sample of the Trustee meeting minutes and administration reports and confirmed the administration reports include the relevant information in respect of completeness and accuracy of data. Confirmed in the sample tested that the Trustees discussed and considered and that any relevant follow up action was taken. Confirmed that a data quality summary report is included in a sample of the quarterly administration reports reviewed at quarterly Trustee meetings.	No exceptions noted.
29.4	Fidelity carry out daily checks as part of normal BAU when mail is returned, and the CSC receive data on a six monthly basis on the proportion of members without an address. Where mail is returned from an active member, the employer is contacted to obtain the correct address.	Confirmed by enquiry that Fidelity carry out daily checks as part of BAU as part of workflow items raised.  Inspected a sample of returned mail items and ensured the members' addresses had been removed from the system. Confirmed by inspection that via the MI dashboard a six-monthly member address check has been undertaken at the Q3 2021 CSC meeting.	No exceptions noted.

Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
29.5	An annual tracing exercise with an external tracing agency is carried out for members with missing addresses to ensure common data is kept up to date. The next review date is recorded in the Trustee Action Plan.	<p>Confirmed by enquiry that no annual tracing exercise was completed in the period. This was as a consequence of a change to engaged tracing provider.</p> <p>Confirmed by enquiry that a new tracing agency has been appointment post year end, and an exercise has been ongoing since August 2022 which is expected to be concluded and reported to the Trustees in Q1 2023.</p>	No exceptions noted.

#### H) Communication and reporting

##### **Control objective: The Trustee Board maintains a documented member communications plan which is regularly reviewed**

30.1	The Communications policy and communications plan sets out the communications over the member lifetime from the employer signing up to participate in the Scheme through to the payment of member benefits. This is reviewed by the CSC on an annual basis and the next review date is recorded in the Trustee action plan.	Inspected the Communications Policy and accompanying communications plan. Confirmed by inspection that a review was performed in the year, and a following review is scheduled on the Trustee Action Plan.	No exceptions noted.
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##### **Control objective: Arrangements are in place for ensuring that the quality and accuracy of member communications are assessed by the Trustee Board**

31.1	Material changes to scheme literature are approved by the CSC in line with the Terms of Reference for the CSC.	<p>Confirmed by inspection of a sample of quarterly CSC minutes that changes to literature in the year have been reviewed and approved by the Trustees.</p> <p>Confirmed by inspection that the term of reference for the CSC was updated in September 2021 and sets out the categories of documents that the CSC can review.</p>	No exceptions noted.
31.2	Scheme literature is reviewed by the CSC to ensure that it is compliant, including whether they are clear, fair and not misleading.	On a sample basis, confirmed by inspection of quarterly CSC meetings that scheme literature has been reviewed and covering the stated requirements.	No exceptions noted.



Ref.	Controls Specified by Fidelity	Tests Performed	Results of Tests Performed
<b>Control objective: The Trustee Board has established a process for reporting member feedback (including issues raised by members) and complaints to the Trustees, including resolution procedures. Member feedback and issues are logged and reviewed by the Trustee Board</b>			
32.1	<p>The Trustees obtain feedback from members through several mechanisms:</p> <ul style="list-style-type: none"> <li>■ central mailbox which is included on member communications including the annual newsletter</li> <li>■ NPS which is reported quarterly to ASC</li> <li>■ Member complaints and feedback provided to Fidelity</li> <li>■ Any surveys issued by the Master Trust Board</li> <li>■ Employer meetings which are attended by Trustees and feedback provided.</li> <li>■ Member forums</li> </ul> <p>Fidelity have developed communications MI which allows the CSC to monitor the engagement of the membership following specific campaigns</p>	<p>Confirmed by enquiry and observation that the central mailbox is operational and that feedback is received through a designated email address.</p> <p>Confirmed from inspection of the Trustee meeting minutes that a NPS survey was undertaken in the year.</p> <p>Confirmed from review of a sample of quarterly meeting minutes that complaints reporting was considered in Quarterly ASC Trustee meetings.</p> <p>Confirmed by enquiry that the Trustees met with a number of participating Employers in the year.</p> <p>Confirmed by enquiry that no member forums have not been undertaken in the year. Confirmed by inspection of the CSC June 2022 meeting packs that a MI communications dashboard has been drafted. Confirmed by enquiry that this dashboard will be shared in the CSC meeting and used to profile the Master Trust members' engagement as well as allowing change to be monitored over time. Reporting will be on a 6-month cycle.</p>	No exceptions noted.

## 7. Information provided by Service Auditor

The following information includes details of the tests performed by CLA Evelyn Partners Limited on the control procedures documented within this report relating to the Scheme's governance activities.

### Control environment

The control environment represents the collective effect of various factors on establishing, enhancing or mitigating the effectiveness of specific control procedures. In addition to the specific tests described below, our procedures included tests of, or considered the relevant elements of, the Master Trust's control environment including:

- The organisational structure and approach to segregation of duties;
- The functioning of the Trustees and executive management;
- Risk assessment and monitoring activities;
- Personnel policies and practices; and
- Oversight by regulatory authorities.

Tests of the control environment included the following procedures, to the extent that we considered necessary: (a) a review of the Master Trust's organisational structure, including the segregation of functional responsibilities; (b) discussions with management, operations, administrative and other personnel who are responsible for developing, ensuring adherence to and applying control procedures; (c) observations of personnel in the performance of their assigned duties and (d) review of documentation in place.

The control environment was considered in determining the nature, timing and extent of the testing of the operating control procedure relevant to the achievement of the control objectives.

### Controls

We have tested the operating effectiveness of control procedures and have undertaken such tests as we considered necessary in the circumstances to evaluate whether those control procedures, and the extent of compliance with them, were sufficient to provide reasonable, but not absolute, assurance that the specified control objectives were in place and operating effectively throughout the year to 30 June 2022.

Our tests of the operating effectiveness of control procedures were designed to cover a representative number of transactions and procedures throughout the year from 1 July 2021 to 30 June 2022, which were designed to achieve the specified control objectives. In selecting particular tests of the operating effectiveness of the control procedures, we considered: (a) the nature of the control procedures being tested; (b) the types and competence of available evidential matter; (c) the nature of the control objectives to be achieved; (d) the assessed level of control risk; (e) the expected efficiency and effectiveness of the test; and (f) the testing of control procedures relevant to the stated control objective.

Our tests of controls always involve at least one site visit during the year, attendance to at least one Trustee Board meeting and discussions with several of the administration operation team.

### Tests of effectiveness

Tests performed of the design and operating effectiveness of the controls detailed in Section 6 were undertaken on a judgemental basis and are described below:

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## Inquiry

Enquired of appropriate personnel seeking relevant information or representation to obtain, among other things:

- Knowledge and additional information regarding the control procedures
- Corroborating evidence of the control procedures
- Inspections of systems documentation, such as operations manuals, flow charts and job descriptions

## Observation

Observed the application of the specific control procedures as represented.

## Inspection

Inspected documents and records indicating performance of the control procedures. This included, among other things:

- Inspection of reconciliations and management reports that age or quantify reconciling items to assess whether balances and reconciling items are properly monitored, controlled and resolved.
- Examination of source documentation and authorisations to verify propriety of transactions processed.
- Examination of documents or records for evidence of performance such as the existence of initials or signatures.
- Inspections of systems documentation, such as operations manuals, flow charts and job descriptions.

## Reperformance

Reperformed the control or processing application of the control to ensure the accuracy of its operation. This includes, among other things:

- Obtained evidence of the arithmetical accuracy and correct processing of transactions by performing independent calculations; and
  - Reperforming the matching of various system records by independently matching the same records and comparing reconciling items to the business group's prepared reconciliations.
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## 8. Prospective Customer Disclaimer Letter

The Trustees  
Fidelity Master Trust  
ZEDRA Governance Limited  
New Penderel House  
4th Floor,  
283-288 High Holborn  
London  
WC1V 7HP

Dear Sirs

### **Release of the 30 June 2022 AAF 05/20 Report to prospective participating employers of the Fidelity Master Trust (2022 AAF 05/20 report)**

The 30 June 2022 AAF 05/20 report which covers the internal controls relating to the governance and administration of the Fidelity Master Trust (the "Scheme") for the year to 30 June 2022 has been prepared by the Trustees of the Scheme principally for the purposes of providing information to organisations who were participating employers during the year from 1 June 2021 to 30 June 2022. You have asked us to agree to you providing to prospective participating employers, i.e., organisations that were not participating employers during the year to 30 June 2022, a copy of the 2021 AAF 05/20 report which included our service auditor's assurance report ("our assurance report") dated 18 January 2022.

We confirm that we are agreeable to you so doing on the clear understanding that our service auditor's assurance report was addressed to you and was prepared on your instructions as set out in our engagement letter dated 17 May 2021. The report was not prepared for the benefit of any prospective participating employers and therefore items of possible interest to prospective participating employers may not have been specifically addressed by the 2022 AAF 05/20 report or the work supporting our service auditor's assurance report. Nor does CLA Evelyn Partners Limited warrant or represent that the information in the 2022 AAF 05/20 report or the work done in connection with our service auditors assurance report is appropriate for the interests or purposes of prospective participating employers. For the foregoing reasons the 2021 AAF 05/20 report cannot in any way serve as a substitute for enquiries and procedures that prospective participating employers would (or should) undertake and judgements they should make for the purpose of satisfying themselves regarding any matters of interest to them. Furthermore, we (CLA Evelyn Partners Limited) accept no duty or responsibility (whether in contract or in tort, and including, without limitation, negligence or breach of statutory duty) and deny any liability to prospective participating employers or to any other third party in relation to our service auditor's assurance report or otherwise, whether or not the 2022 AAF 05/20 report or our independent practitioner's assurance report therein influence the decision or action of any prospective participating employer or any other party.

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Prospective participating employers are also bound by a duty of confidentiality to CLA Evelyn Partners Limited, as well as to you. Consequentially the 2022 AAF 05/20 report and information obtained from it, must not be made available or copied in whole or in part to any other person without our written permission which we may, at our discretion, grant, withhold or grant subject to conditions (including conditions as to legal responsibility or absence thereof).

Notwithstanding our consent to the release of the 2022 AAF 05/20 report to prospective participating employers, our service auditor's assurance report remains addressed to you and it is a matter for you to decide whether the release of the 2022 AAF 05/20 report is appropriate in the circumstances.

To ensure that prospective participating employers have a clear understanding of the terms under which our assurance report is being provided to them, a copy of this letter should accompany our assurance report.

**For and on behalf of CLA Evelyn Partners Limited**

Chartered Accountants  
Registered Auditors  
Bristol

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T: 020 7189 2400

evelyn.com

**Evelyn Partners Group Limited**

**45 Gresham Street, London EC2V 7BG**

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This document and its contents are confidential to the Fidelity Master Trust.

We have taken great care to ensure the accuracy of this publication. However, the publication is written in general terms and you are strongly recommended to seek specific advice before taking any action based on the information it contains. No responsibility can be taken for any loss arising from action taken or refrained from on the basis of this publication.

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