

TECH 05/20 AAF Assurance Report

Governance control procedures
for the Standard Life Master Trusts

Report for the year ended 31 December 2021

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1. Introduction

The Trustee Board of Standard Life Master Trust Co. Ltd (SLMTC or “we”) is pleased to present its report detailing the governance control procedures, established by the Trustee Board, that are in place relating to the Standard Life DC Master Trust and Stanplan A (the “Master Trusts”).

For the purposes of this, and future assurance reports, the Trustee Board has adopted and transitioned to the updated framework provided by the Audit and Assurance faculty of the Institute of Chartered Accountants in England and Wales entitled ‘Assurance reporting on Master Trusts (Technical Release TECH 05/20 AAF), referred to hereafter as “TECH 05/20 AAF”.

This assurance report provides a description of the governance control procedures established by the Trustee Board of SLMTC in relation to the Master Trusts throughout the period from 1 January 2021 to 31 December 2021 and a report on the suitability of the description, design and operating effectiveness of those governance control procedures.

Significant events during the year

COVID-19

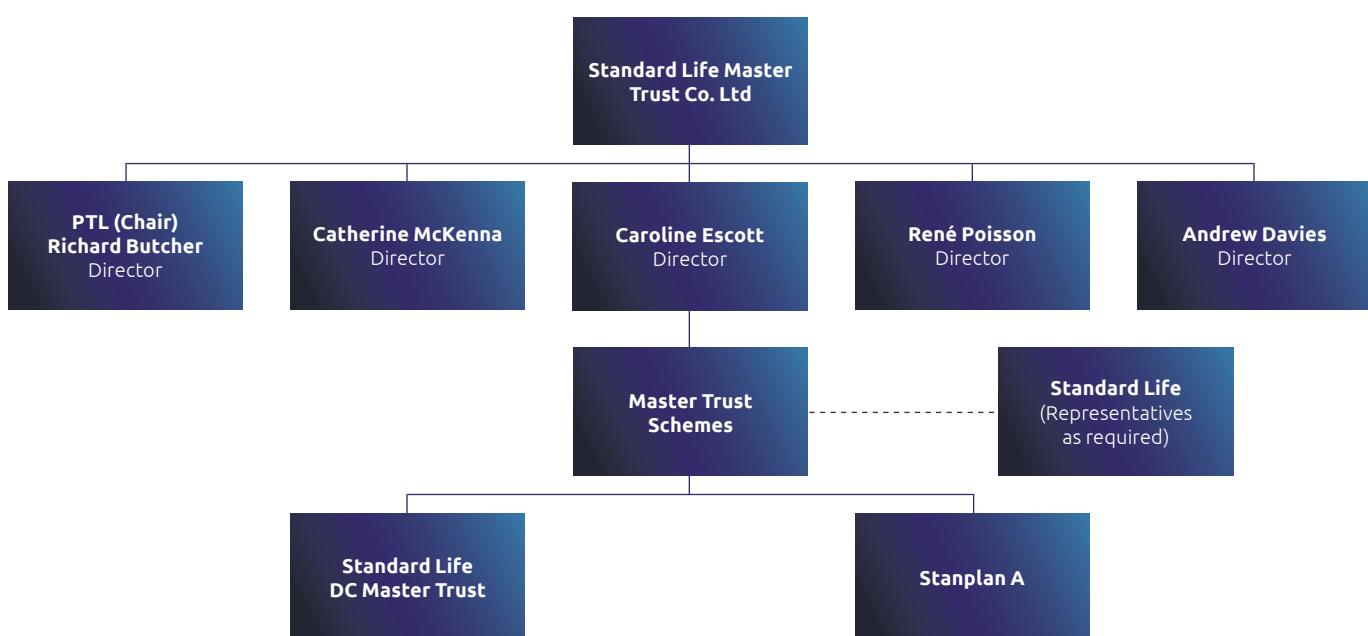
Standard Life Assurance Limited’s (SLAL) continued priority in response to COVID-19 has been the safety and wellbeing of their employees, and their ability to continue to serve our members.

SLAL have taken steps to enhance certain processes to recognise the challenges that some members may face, in particular making it easier for members to do more online. Despite the challenges that COVID-19 has brought, the operational areas have remained open and feedback on the services provided has improved throughout 2020 with over 90% of respondents scoring service 4 or 5 out of 5.

The majority of the administration teams are still working from home. The teams involved with managing members’ assets, the servicing of those assets and the day-to-day servicing of members’ plans have access to the tools they need to perform their roles remotely. Whilst the majority of SLAL employees continue to work from home, the number of employees working in their normal office location is increasing and this will continue to increase over time.

SLAL have also undertaken a review of the way their employees work in terms of location and have confirmed that in future employees will work from a mix of office and home based.

Standard Life Master Trust Co. Ltd Structure



*Standard Life Master Trust Co. Ltd is a subsidiary of Standard Life Assurance Limited

2. About the Trustee Board

The trustee company (SLMTC), effective from April 2015, is managed by five independent directors. PTL Governance Limited (PTL) has been appointed as a director of SLMTC and chair of the Trustee Board of directors. Pension secretarial services are provided to the Trustee by PTL and Standard Life. Standard Life provide company secretarial services to SLMTC.

PTL is a specialist and award winning Independent Pensions Trustee company. Its team delivers expert pensions governance advice to businesses across the UK.



Richard Butcher Managing Director of PTL a market leading and award winning professional independent pension trustee company. Richard joined PTL in 2008 and became Managing Director in 2010. Richard has been involved in pension scheme governance since 1985.

He is a Fellow of the Pensions Management Institute (PMI). Richard is the immediate past Chair of the Pension and Lifetime Savings Association (PLSA), the industry association for pension schemes, completing his term of office in October 2021. He was a member of the FCA's Institutional Disclosure Working Group (IDWG), a body established to create a template for the disclosure of investment costs and charges, until it completed its work. He has also sat on the Investment Associations Cost Disclosure Working Group, the Council of the PMI, the PLSA DC Council (which he chaired for two years), the Pension Regulators DC Practitioners Panel and the Department of Work and Pensions Trustee Panel.

He is a regular contributor to the trade press and has won a number of awards and accolades. Richard is qualified to be a member of a Board by merit of his significant experience in and knowledge of the pensions industry, his expertise in assessing the value for money of arrangements such as this (gathered from his role on similar boards) and his knowledge of underlying investment costs and charges. He is qualified to chair the Board by merit of his significant experience of and positive track record in chairing similar arrangements as well as other boards and committees. Richard is also an Accredited Professional Trustee of the Association of Professional Pension Trustees.



Catherine McKenna is a partner at Squire Patton Boggs (UK) LLP, a global law firm. She has over 30 years' experience in the pensions industry as a qualified solicitor, providing advice to companies, trustees and product providers on a wide range of pension issues and as a trustee and board member. She was the head of Squire Patton Boggs' award winning pension team for a number of years, leading its approach to client service and responsible for its strategic direction. Catherine is actively involved in the development of pensions policy and regulation. She has been a member of the CBI's Pension Panel and is an author of and contributor to pension books, numerous publications and responses to the Government's consultations on pension change. Catherine is a director of Squire Patton Boggs' independent trustee company and is an Associate of the Pensions Management Institute. Catherine is also an Accredited Professional Trustee of the Pensions Management Institute.



Caroline Escott has 15 years' experience of investment and stewardship policy and practice. She currently heads up the global stewardship and corporate governance work for RPAI Railpen, one of the UK's largest Defined Benefit pension schemes.

She previously led on investment and stewardship issues at the Pensions and Lifetime Savings Association (PLSA) and was Head of Public Policy at the UK Sustainable Investment and Finance Association (UKSIF).

She has sat on HM Treasury's Patient Capital – Pensions Investment Taskforce, led the asset owner work-stream of the government-appointed Growing a Culture of Social Impact Investing Taskforce and also contributes to a number of other industry groups including the Pensions Climate Risk Industry Group (PCRIG).

She speaks and contributes press pieces regularly on pensions and investment issues and was recently picked as one of Financial News' 2020 "Top 25 Rising Stars of Asset Management in Europe". She was also awarded Investment Week's "Investment Woman of the Year 2019" for small and medium firms. She holds the CFA UK accredited Investment Management Certificate (IMC) and the PMI's Certificate in DC Governance.

2. About the Trustee Board (continued)

She is passionate about working towards a more diverse pensions industry to better reflect diverse savers' needs. She sits on the board of NextGen, which aims to promote and encourage greater diversity and inclusiveness across every aspect of the pensions and investment sectors.



René Poisson retired in September 2012 after a 30 year career with JP Morgan, latterly as Managing Director and Senior Credit Officer for EMEA. He has extensive experience of pension fund governance of both UK DB and DC pension schemes.

He currently holds a number of non-executive appointments including as an Independent Director and Chair of the Remuneration Committee of the Universities Superannuation Scheme (USS), Chair of the JP Morgan UK Pension Plan and its Investment Committee, Director of the Standard Life Master Trust and Chair of the Advisory Committees of Five Arrows Credit Solutions and Five Arrows Direct Lending. René is also an Accredited Professional Trustee of the Pensions Management Institute.



Andrew Davies is an experienced strategist, marketeer and business development professional. His career of over 35 years spans the breadth of Financial Services covering pensions, wealth management, life, healthcare and general insurance.

Andrew has held a wide range of senior management positions. Most recently he was Director of Marketing Strategy & Customer Insight for AXA UK & Ireland during which he established their first customer centricity strategy. Whilst Head of Strategic Development for AXA Life, Andrew created the initial strategy, and was one of the founder members of the Elevate investment platform (now Standard Life Elevate). Andrew currently runs his own management consultancy business specialising in strategic change and business transformation as well as training and coaching senior managers. Andrew has qualified as a Chartered Insurer and Financial Planner in addition to holding separate professional Project, Process and Proposal Management qualifications. He has recently been accredited as a Professional Trustee by the PMI.

3. Report of the Trustee Board of Standard Life Master Trust Co. Ltd

As the Trustee Board of SLMTC, we are responsible for the identification of control objectives relating to the governance of the Master Trusts and for establishing governance control activities including oversight of systems and processes that provide reasonable assurance that the control objectives are achieved. Those control objectives are derived from standards of governance set out in the Pensions Regulator's DC code of practice and DC guides.

In carrying out those responsibilities, we have regard not only to the interest of employers who have entrusted their employees' DC contributions to the Master Trust (or are considering doing so) and members of the Master Trusts, but also to the needs of the Pensions Regulator who may use this report to help determine whether certain governance procedures including oversight of systems and processes relevant to Master Trust supervisory requirements have been met and have been subjected to independent scrutiny.

We have evaluated the effectiveness of the Master Trusts' 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 this report a description of the relevant governance control activities including oversight of systems and processes established by the Trustee Board of SLMTC together with the related control objectives which operated during the period from 1 January 2021 to 31 December 2021 and confirm that:

1. the report describes fairly the governance control activities established by the Trustee Board of SLMTC that relate to the control objectives referred to above which were in place throughout the period from 1 January 2021 to 31 December 2021;
2. the governance control activities described were suitably designed throughout the period from 1 January 2021 to 31 December 2021 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
3. the governance control activities described were operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved throughout the period from 1 January 2021 to 31 December 2021.

Trustee:



Date:

6 April 2022

Signed on behalf of the Trustee Board of SLMTC

4. Report by service auditor



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Independent Service Auditor's assurance report on governance control activities established by the Trustees of Master Trusts.

To the Trustee Board of Stanplan A and the Standard Life DC Master Trust

Use of report

Our report, subject to the permitted disclosures set out below, is made solely for the use of the Trustee of Stanplan A and the Standard Life DC Master Trust ("the Trustee") and solely for the purpose of reporting on the governance control activities established by the Trustee, in accordance with the terms of our engagement letter dated 9 July 2021 attached in the Appendix. Our work has been undertaken so that we might report to the Trustee those matters that we have agreed to state to it in our report and for no other purpose.

We permit the disclosure of our report, in full only, to verify to the recipient that a report by a Service Auditor has been commissioned by the Trustee and issued in connection with the governance control activities established by the Trustee without assuming or accepting any responsibility or liability to the recipient on our part. To the fullest extent permitted by law, we do not and will not accept or assume responsibility to anyone other than the Trustee as a body for our work, for our report or the opinions we have formed.

Scope

We have been engaged to report on the description of governance control activities including oversight of systems and processes established by the Trustee throughout the period from 1 January 2021 to 31 December 2021 and on the suitability of the design and operating effectiveness of those governance control activities stated in the description.

Trustees' responsibilities

The Trustee's responsibilities and statements are set out in section 3 of the Trustee's report. The control objectives stated in the description include those control objectives set out in TECH 05/20 AAF that are considered relevant by the Trustee.

Our responsibilities

Our responsibility is to form an independent opinion, based on the work carried out in relation to the governance control activities established by the Trustee as described in section 5 of the Trustee's report and report this to the Trustee. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and with TECH 05/20 AAF. ISAE 3000 (Revised) and TECH 05/20 AAF require, among other things, that we comply with ethical and other professional requirements.

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

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

Our independence and quality control

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

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

4. Report by service auditor (continued)

Inherent limitations

The Trustee's 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 employer company or member of Stanplan A or the Standard Life DC Master Trust. Also, because of their nature, governance control activities may not prevent or detect and correct all errors or omissions in performing governance activities.

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

Opinion

In our opinion, in all material respects:

1. section 5 of the Trustee's report fairly presents the governance control activities established by the Trustee that relate to the control objectives referred to above which were in place throughout the period from 1 January 2021 to 31 December 2021;
2. the governance control activities established by the Trustee described in section 5 of the Trustee's report were suitably designed to provide reasonable, but not absolute, assurance that the specified control objectives would have been achieved if the described governance control activities operated effectively throughout the period from 1 January 2021 to 31 December 2021; and
3. the governance control activities established by the Trustee that were tested were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the related control objectives were achieved throughout the period from 1 January 2021 to 31 December 2021.



Crowe U.K. LLP
Chartered accountants
London

Date: 6 April 2022

5. Control objectives and procedures

Each year SLAL produces a Pensions Internal Control Statement (PICS) which addresses a number of key administration and IT controls. As part of the Trustee Board's oversight and monitoring of the controls environment for activities undertaken by SLAL, an annual review of the PICS is undertaken by the Trustee Board to complement other control procedures established by the Trustee Board, particularly in relation to administration and IT.

The 2020 PICS published by SLAL in March 2021 addresses controls maintained in the year ended 31 December 2020. The 2020 PICS was reviewed by the Trustee Board (the 'Board') in March 2021. The 2021 PICS published by SLAL in March 2022 addresses controls maintained in the year ended 31 December 2021. Upon receipt, the Trustee Board reviewed the 2021 PICS in March 2022 and whilst this review was subsequent to the reporting period of this Master Trust assurance report, this monitoring and oversight control of the 2021 PICS, as well as the 2020 PICS which took place during this reporting period, also forms a key aspect of the controls environment for relevant controls objectives referred to throughout section 5.

5.1 VALUE FOR MEMBERS

5.1.1 Assessing value for members

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

Process/activity

Each year the Board carries out a Good Value assessment. The outcome of the assessment is reported in the Chair's Annual Statement within seven months of the Master Trusts' year ends.

The Good Value assessment considers the costs and charges deducted from members' funds and compares them against the benefits delivered to members. The benefits, in this context, include certain prescribed items (for example, the timeliness and accuracy of core financial transaction processing) and other items considered by the Board to be of value to the members.

The process of the review is recorded in the minutes of Board meetings. The Board has formally discussed good value and what it may mean for the Master Trusts. Discussions will continue to ensure that good value and what it means for members of the Master Trusts can be incorporated into the Chair's Annual Statement. Any formal discussions between the Board and SLAL, in this context, are recorded in meeting minutes and/or by letter or email. The outcome of the assessment is documented in the Chair's Annual Statement. The Chair's Annual Statement is approved by the Board before publication.

Control activities	Crowe test description
The Trustee Board carries out a Good Value assessment in accordance with the Scheme Calendar. The review of the assessment is recorded in the minutes of Trustee Board meetings.	We obtained and inspected the Good Value assessment, the Chair's Annual Statement, Scheme Calendar and meeting minutes and confirmed that the Trustee Board had reviewed the Good Value assessment. No exceptions noted.
Any actions for the Trustee Board are recorded in subsequent minutes and matters arising reports.	Through enquiry we discussed whether there were any actions arising from the Good Value assessment review to be recorded in subsequent minutes or detailed in the matters arising report. No exceptions noted.

5. Control objectives and procedures (continued)

5.1.2 Management of costs and charges

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

Process/activity

All of SLAL's Annual Statements adhere to Financial Conduct Authority (FCA) Conduct of Business 16.3 (COBS) rules around periodic reporting. SLAL's Calculations Compliance (Proposition Operations) area meet regularly with the FCA to ensure the latest set of rules / controls are being met. Annual Statements are issued on a minimum annual basis, but can be requested by the member at any stage on an ad-hoc basis.

SLAL's Document Development Services (DDS) team are responsible for ensuring this information is presented to members in a fair, easy to understand and consistent manner. All DDS Document Specifications require full sign-off by Legal, Compliance and business representatives before development can commence. All developments are rigorously tested prior to implementation into production to ensure it matches the signed-off document specification.

Charges can be detailed by Standard Life Assurance Ltd. (SLAL) in either rate (%) or monetary (£) amounts. Generally, if the charge is variable or measured against units, these are shown in % format; however, the newly developed Annual Benefits Statement which is issued to members of the DC Master Trust shows both rate and monetary amount.

In addition to charges being disclosed in both rate and monetary amount in the Annual Benefit Statements, members who view their pension details through the Standard Life Customer Dashboard or the mobile app have the ability to view their charges information in both formats.

The formats in which the charges are shown are in line with standards set out by the Pensions Regulator and the FCA.

All post sale documentation (e.g. fund guides, access to tools which disclose information relating to costs and charges) are produced in accordance with the documented process for customer collateral.

A paper was presented to the Board in 2021, by SLAL, in accordance with the approved Scheme Calendar addressing various aspects of scheme administration and communication in particular around the disclosure of costs and charges. This includes SLAL control procedures relating to Members' fund holdings and costs and charges related to these holdings are accurate. The paper provides the Board with confidence that the controls currently in place are appropriate for Master Trusts and will be reviewed on an annual basis

Transaction Costs

Trustees have an obligation to consider and report to members annually on the value for money of their workplace pension scheme. When assessing value for money they need to look at a range of factors but they must explicitly review costs and charges. Transaction Costs are included in this review.

Transaction Costs are costs incurred as a result of buying, selling, lending or borrowing of investments. These costs mainly arise as a result of delivering a fund's target investment return.

There is an action on the Scheme Calendar for the Board of SLMTC to request transaction cost information.

Regulations that came into effect from November 2018 meant that Trustees must disclose the costs and charges that their members pay within the Chair's Annual Statement; this includes administration charges as well as Transaction Costs. In addition, Trustees must show illustrative examples of the effects of these charges for members.

This information must be made available for free on a publicly available website.

The Trustee published their Chair's Annual Statement, with this information included, in July 2021 for the period ending 31 December 2020.

5. Control objectives and procedures (continued)

Control activities	Crowe test description
<p>Annual Benefit Statements include charges (£) and/or reference to rates (%) available online (in the Universal Strategic Lifestyle Profiles).</p>	<p>We obtained and inspected an Annual Benefit Statement for:</p> <ul style="list-style-type: none"> • Standard Life DC Master Trust to confirm that charges (£) and reference to charges (%) available online are included. • Stanplan A to confirm that reference to charges (%) available online is included. <p>No exceptions noted.</p>
<p>Information on charges is maintained on the Standard Life Customer Dashboard.</p>	<p>We inspected the Standard Life Customer Dashboard to confirm that members can view charges information.</p> <p>No exceptions noted.</p>
<p>In accordance with the Scheme Calendar, SLAL presents a paper addressing various aspects of scheme administration and communication including matters relating to the accurate calculation and deduction of member charges.</p>	<p>We obtained and inspected the paper prepared by SLAL to confirm that it includes matters relating to the accurate calculation and deduction of member charges and meeting minutes to confirm that the Trustee Board has undertaken a review of the paper in accordance with the Scheme Calendar.</p> <p>Exception noted.</p> <p>The paper prepared by SLAL was due to be submitted to the Trustee Board in the December 2021 meeting in accordance with the Scheme Calendar. This paper was not submitted for this meeting and instead was circulated by email to the Trustees on 26 January 2022.</p> <p>Management response</p> <p>The production of the Administration Paper was originally designed to provide the Trustee Board with an additional control which summarises the administrative actions that have occurred throughout the reporting period.</p> <p>The Trustee Board are provided with comprehensive management information covering a variety of administrative processes at each of their quarterly board meetings. The Trustee Board actively monitors this information and holds Standard Life to account where necessary.</p> <p>A review carried out on the controls in the administration paper concluded that all actions have been undertaken in the reporting period and that no failure in the controls has occurred.</p> <p>Additional controls have been implemented to ensure that in future years the paper is submitted for the Trustee Board to review no later than there Q3 Board meeting. These are designed to prevent future exceptions.</p>

5. Control objectives and procedures (continued)

Control activities	Crowe test description
There is an action on the Scheme Calendar for the Trustee Board to request transaction cost information.	We obtained and inspected the Scheme Calendar to confirm that there is an action for the Trustee Board to request transaction cost information. No exceptions noted.
Details of the cumulative effect of costs and charges are disclosed in the Chair's Annual Statement.	We obtained and inspected the Chair's Annual Statement to confirm that disclosure of the cumulative effect of costs and charges is included. No exceptions noted.

5.2 INVESTMENT GOVERNANCE

5.2.1 Protection of assets

3. A documented review of the suitability of the default arrangement(s) and range and risk profile of other investment options is undertaken and approved by the Trustee Board.

Process/activity

The Trustee Board, in conjunction with authorised, regulated investment advisers, regularly reviews the suitability of the default solutions and the Statement of Investment Principles (SIP). The reviews cover all funds for both the Standard Life DC Master Trust and Stanplan A. There are entries in the Trustee Board's Scheme Calendar to carry out the review at least every three years.

In addition, the Trustee Board place reliance on SLAL's investment governance process to ensure that investment options are performing as expected. SLAL carry out a Conduct Risk Review (CRR) for their full fund range on an annual basis. The review assesses the full range against the six outcomes of conduct risk to ensure it remains suitable for the intended customers.

The Trustee Board monitors the results of the Fund Alignment Review at each quarterly meeting by considering the RAG status and, in conjunction with authorised regulated investment advisers, regularly reviews the suitability of the funds. The reviews cover all funds for both the DC Master Trust and Stanplan A.

Conduct risk is an integral part of the operational risk framework. There is a separate conduct risk policy to bring additional focus to ensure that appropriate measures and procedures are put in place across Standard Life in relation to the fair treatment of customers. Conduct risk is assessed as part of the operational risk capital assessment process.

SLAL business units must have in place documented procedures to ensure that reviews are performed for all existing customer propositions to monitor key risks, profitability and ability to meet customer needs.

A paper was presented to the Trustee Board in September 2021 by SLAL, in accordance with the approved Scheme Calendar addressing various aspects of communications and governance. This includes SLAL control procedures relating to the risk profile of investment options available to members. The paper provides the Trustee Board with confidence that the controls currently in place are appropriate for the Master Trusts and will be reviewed on an annual basis.

The responsible investment landscape (often referred to as Environmental, Social and Governance (ESG) funds, is rapidly changing and the Board, in conjunction with Standard Life, made additional responsible investment options available to scheme members of the Standard Life DC Master Trust in Q1 2021.

The Board added the following to the options available to scheme members:

- Standard Life Sustainable Multi Asset Universal Strategic Lifestyle Profile (As a default fund & self-select option).
- SL ASI Sustainable Index UK Equity Pension Fund (As a self-select option).
- SL ASI Sustainable Index World Equity Pension Fund (As a self-select option).

5. Control objectives and procedures (continued)

As the direction of travel of the investment landscape continues towards sustainable investing the Board requested that their Investment Adviser undertake a full review of the investments available to members for both the DC Master Trust and Stanplan A and make a recommendation as to whether changes should be made.

A paper was presented to the Board by the investment adviser in September 2021 detailing their findings of the review and recommendations. The Board accepted the recommendations and are working with Standard Life to develop a plan to implement the changes and update the SIP. The revised SIPs for both DC Master Trust and Stanplan A will be formally adopted in 2022.

Control activities	Crowe test description
<p>The Trustee Board, in conjunction with authorised and regulated investment advisers, formally review the suitability of the funds and default solutions, as set out in the SIP, at least every three years.</p> <p>Note: The formal reviews were scheduled to start in Q2 2021 for Standard Life DC Master Trust and Stanplan A.</p>	<p>We obtained and inspected the review of the suitability of the funds and default solutions strategies within the Trustee Board meeting minutes to confirm that a review undertaken in conjunction with the authorised and regulated investment advisers has been undertaken.</p> <p>No exceptions noted.</p>
<p>There are entries in the Trustee Board's Scheme Calendar to carry out a review of the suitability of the funds and default solutions at least every three years (including the Fund Alignment Review).</p>	<p>We obtained and inspected the Scheme Calendar to confirm that reviews of the suitability of the funds and default solutions has been scheduled.</p> <p>No exceptions noted.</p>
<p>As part of SLAL's governance process (Fund Alignment Review), a review of the default strategies, including bespoke solutions, is carried out annually with the underlying components looked at quarterly.</p> <p>Note: The Fund Alignment Review meeting for December 2020 was postponed until 2021.</p>	<p>We obtained and inspected SLAL's annual review of the default strategies, including bespoke solutions (Fund Alignment Review) to confirm this had been undertaken.</p> <p>No exceptions noted.</p>
<p>The Fund alignment review undertaken by SLAL is reviewed by the Trustee Board.</p>	<p>We obtained and inspected meeting minutes to confirm that the Trustee Board had reviewed SLAL's Fund Alignment Review and the quarterly review of the underlying components.</p> <p>No exceptions noted.</p>
<p>In accordance with the Scheme Calendar, SLAL presents a paper to the Trustee Board which includes various aspects of communications including matters relating to the risk profile of investment options available to members.</p>	<p>We obtained and inspected the paper prepared by SLAL to confirm that it includes various aspects of communications including matters relating to the risk profile of investment options available to members and meeting minutes to confirm that the Trustee Board had undertaken a review of the paper prepared by SLAL, in accordance with the Scheme Calendar.</p> <p>No exceptions noted.</p>

5. Control objectives and procedures (continued)

4. The Trustee Board undertakes a documented review of the Statement of Investment Principles. This review includes consideration of investment objectives and policies for the default arrangement(s) and all other investment options.

Process/activity

Revised SIPs were adopted in Q1 2021 taking into account changes under the Environmental, Social and Governance Stewardship Policy.

The Board, in conjunction with Standard Life, made additional responsible investment options available to scheme members of the Standard Life DC Master Trust.

The Board added the following to the options available to scheme members:

- Standard Life Sustainable Multi Asset Universal Strategic Lifestyle Profile (As a default fund & self-select option).
- SL ASI Sustainable Index UK Equity Pension Fund (As a self-select option).
- SL ASI Sustainable Index World Equity Pension Fund (As a self-select option).

As the direction of travel of the investment landscape continues towards sustainable investing the Board requested that their Investment Adviser undertake a full review of the investments available to members for both the DC Master Trust and Stanplan A and make a recommendation as to whether changes should be made.

A paper was presented to the Board by the investment adviser in September 2021 detailing their findings of the review and recommendations. The Board accepted the recommendations and are working with Standard Life to develop a plan to implement the changes and update the SIP. The revised SIPs for both DC Master Trust and Stanplan A will be formally adopted in 2022.

The SIPs for both the Standard Life DC Master Trust and Stanplan A are scheduled to be reviewed on a triennial basis and this is recorded in the Scheme Calendar.

The Trustee Board, in conjunction with authorised, regulated investment advisers, regularly reviews the suitability of the default solutions and the Statement of Investment Principles (SIP). The reviews cover all funds for both the Standard Life DC Master Trust and Stanplan A. There are entries in the Trustee Board's Scheme Calendar to carry out the review at least every three years.

In addition, the Trustee Board place reliance on SLAL's investment governance process to ensure that investment options are performing as expected. SLAL carry out a Conduct Risk Review (CRR) for their full fund range on an annual basis. The review assesses the full range against the six outcomes of conduct risk to ensure it remains suitable for the intended customers.

The Trustee Board monitors the results of the Fund Alignment Review at each quarterly meeting by considering the RAG status and, in conjunction with authorised regulated investment advisers, regularly reviews the suitability of the funds. The reviews cover all funds for both the DC Master Trust and Stanplan A.

Conduct risk is an integral part of the operational risk framework. There is a separate conduct risk policy to bring additional focus to ensure that appropriate measures and procedures are put in place across Standard Life in relation to the fair treatment of customers. Conduct risk is assessed as part of the operational risk capital assessment process.

SLAL business units must have in place documented procedures to ensure that reviews are performed for all existing customer propositions to monitor key risks, profitability and ability to meet customer needs.

A paper was presented to the Trustee Board in September 2021, by SLAL, in accordance with the approved Scheme Calendar addressing various aspects of communications and governance. This includes SLAL control procedures relating to the risk profile of investment options available to members. The paper provides the Trustee Board with confidence that the controls currently in place are appropriate for the Master Trusts and will be reviewed on an annual basis.

5. Control objectives and procedures (continued)

Control activities	Crowe test description
The SIPs for both the Master Trusts are scheduled to be reviewed on a triennial basis in accordance with the Scheme Calendar.	We obtained and inspected the Master Trust SIPs to confirm in place and meeting minutes to confirm that the Trustee Board had undertaken a review of the SIPs in accordance with the Scheme Calendar. No exceptions noted.
The Trustee Board, in conjunction with authorised and regulated investment advisers, formally review the SIPs, at least every three years. Note: The formal reviews, were scheduled to start in Q2 2021 for Standard Life DC Master Trust and Stanplan A.	We obtained and inspected the review of the SIPs and Trustee Board meeting minutes to confirm that a review undertaken in conjunction with the authorised and regulated investment advisers has been undertaken. No exceptions noted.
There are entries in the Trustee Board's Scheme Calendar to carry out a review of the suitability of the funds and default solutions included in the SIPs at least every three years (including the Fund Alignment Review). Note: The Fund Alignment Review meeting for December 2020 was postponed until Q1 2021.	We obtained and inspected the Scheme Calendar to confirm that reviews of the suitability of the funds, default solutions included in the SIPs and Fund Alignment Reviews has been scheduled. No exceptions noted. We obtained and meeting minutes to confirm that the Trustee Board has undertaken a review of SLAL's Fund Alignment Review in accordance with the Scheme Calendar. No exceptions noted.
SLAL presents a paper to the Trustee Board addressing various aspects of communications including matters relating to the risk profile of investment options available to members.	We obtained and inspected the paper prepared to confirm that it includes matters relating to the risk profile of investment options available to members and meeting minutes to confirm that a review of this paper prepared by SLAL has been undertaken by the Trustees Board. No exceptions noted.

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

Process/activity

The purpose of a Statement of Investment Principles (SIP) is to set out the investment strategy, including the investment objectives and investment policies a scheme adopts.

The law requires the Trustee Board to prepare a SIP and ensure it is reviewed at least every three years and without delay after any significant change in investment policy.

It's also law that the Trustee Board makes the SIP publicly available free of charge on a website.

The Trustee Board host the SIP on their website which can be found via the following link – <https://www.standardlife.co.uk/master-trust-committee>

Control activities	Crowe test description
SLAL have the responsibility for producing communications on behalf of the Trustee Board as detailed in the Roles and Responsibilities document. As part of this process SLAL host the SIP on the SLMTC website.	Crowe test description We inspected the Standard Life's website to confirm that the SIP is publicly available. No exceptions noted.

5. Control objectives and procedures (continued)

Where a participating employer has chosen customised investment options a bespoke SIP, relevant to the investments available to the members of the scheme is hosted on the employer's pension website.	Through enquiry and inspection, we confirmed that where a participating employer has chosen customised investment options a bespoke SIP is hosted on the employer's pension website. No exceptions noted.
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6. The performance of all investment options (including the default arrangement(s)) is reviewed and monitored against the investment objectives set out in the Statement of Investment Principles. This review is documented and approved by the Trustee Board.

Process/activity

The Trustee Board places reliance on SLAL's investment governance process which is designed to monitor the performance of investment options. SLAL provides fund performance data on the available investment options for the Standard Life DC Master Trust and Stanplan A.

This is included in the quarterly meeting packs that are distributed to the Trustee Board in advance of each meeting. The data is reviewed by the Trustee Board and if any areas of concern are identified the appropriate action is taken, e.g. request more detailed reports, request SLAL's attendance at a Trustee Board meeting for face to =face discussions, ask our investment advisers to carry out an independent analysis, etc.

Quarterly Performance Monitoring Reports is a standing agenda item for all quarterly Trustee Board meetings and is tracked through the Scheme Calendar.

Control activities	Crowe test description
The SIPs for both the Master Trusts are scheduled to be reviewed on a triennial basis in accordance with the Scheme Calendar.	We obtained and inspected the Scheme Calendar to confirm that reviews of the SIPs have been scheduled. No exceptions noted.
In accordance with the Scheme Calendar, SLAL produce quarterly investment performance information for the Trustee Board which contains information about the performance of the funds compared with the total return of the relevant benchmark index.	We obtained and inspected the quarterly investment performance reports to confirm they include information about the performance of the funds compared with the total return of the relevant benchmark index and meeting minutes to confirm that the Trustee Board has undertaken a review of quarterly investment performance information in accordance with the Scheme Calendar. No exceptions noted.
As part of SLAL's governance process and Fund Alignment Review, a review of the default strategies, including bespoke solutions is carried out each year, with the underlying components (including investment performance) looked at quarterly. Note: The Fund Alignment Review meeting for December 2020 was postponed until 2021.	We obtained and inspected SLAL's Fund Alignment Review to confirm this includes fund performance of the default strategies, including bespoke solutions and meeting minutes to confirm that the Trustee Board has undertaken a review of the Fund Alignment Review and underlying components. No exceptions noted.

5. Control objectives and procedures (continued)

5.3 THE TRUSTEE BOARD

7. New trustees are recruited and appointed in accordance with a documented procedure approved by the Trustee Board.

Process/activity

SLAL work with the Trustee Board when or if any new directors are being appointed to the Trustee Board.

Standard Life Master Trust Co. Ltd (SLMTC) is a wholly owned subsidiary of Standard Life Assurance Ltd (SLAL) and as long as SLAL holds in excess of 50% of the issued share capital of the company they have the power to:

1. Appoint any person to be a director of SLMTC.
2. Restrict any / all powers of the directors.

This power is documented in the SLAL Policy for the Recruitment of SLMTC trustee director that is maintained by SLAL.

The recruitment policy is designed to outline the steps that need to be taken when recruiting a director and who has responsibility for them.

No new directors can be appointed to SLMTC without the approval of the SLAL Board in liaison with the Chair of the Trustee board.

As documented in the policy, the recruitment process for a new director will consider the experience, skills and knowledge required to fill any potential gaps taking into account the existing directors

As part of the process to recruit any new directors to the Trustee Board consideration is given to appointing directors with the necessary skills to complement the existing directors. This is done as part of the Director Succession planning.

A letter of appointment is provided to each Trustee Board member when they assume their role on the Trustee Board. The letter details what their roles and responsibilities are and provides clarity on their responsibilities whilst a member of the Trustee Board.

As part of the Board's transparency on recruitment a full explanation on the process followed was documented within the Chair's Annual Statement that was published in July 2021. There were no new director appointments during 2021.

Control activities	Crowe test description
SLAL maintains a recruitment policy which documents the responsibility for actions in relation to recruitment of a Trustee Director.	We obtained and inspected the recruitment policy to confirm in place and to confirm that it includes responsibility for actions relating to recruitment of Trustee Board members. No exceptions noted.
The policy is maintained by SLAL CoSec and approved by the Life Co's Nominations Committee.	Through enquiry, we confirmed that the policy is maintained by SLAL CoSec and approved by the Life Co's Nominations Committee. No exceptions noted. We obtained and inspected evidence to confirm that the Trustee Board has undertaken a review of the recruitment policy.
	No exceptions noted. Through enquiry, we confirmed that new Trustee Board members appointed in this reporting period have been appointed in accordance with the recruitment policy. Note: there were no new Trustee Board Members appointed in this reporting period. No exceptions noted.

5. Control objectives and procedures (continued)

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

Process/activity

A "Fitness and Propriety" Policy, included within the Trustee Assessment Policy, is maintained by the Trustee Board and is subject to review on an annual basis in accordance with the scheme calendar. In addition, the Trustee Board operates a Board Effectiveness Policy which is subject to review on an annual basis in accordance with the Scheme Calendar.

An assessment of Trustee Board members' fitness and propriety was carried out on appointment using the Fitness and Propriety - Eligibility to be a Trustee questionnaire. The questionnaire is designed around the requirements of Code of Practice 15, Trust Law and Schedule 1 of the Master Trust Regulations 2018.

All Trustee Board members were appointed following a review process and took part in a skills assessment prior to appointment.

Any identified gaps were addressed as part of the induction training that was delivered to the Trustee Board. Trustee Board members' letters of appointment set out the duties and what is expected of them as Trustee Board members.

In the period from 1 January 2021 to 31 December 2021 there were no new directors appointed to the Trustee Board.

Individual Trustee Board members are expected to comply fully with the "Trustee Knowledge and Understanding" requirements set out in the Pensions Regulator's codes of practice and regulatory guidance.

The Trustee Board monitors for changes to the Pensions Regulator's "Trustee Knowledge and Understanding" requirements set out in the Pensions Regulator's codes of practice and regulatory guidance. Where any changes are identified relevant training, where required, will be supplied to the Trustee Board.

An update was made to the Fitness and Propriety wording included in the Trustee Assessment Policy which has changed the way the Trustee Board monitors their Fitness and Propriety. There is a standing agenda item at the quarterly Board meetings where the Trustee Board are asked – "Have there been any changes in your circumstances that impact negatively on the assessment of you as a fit and proper person?" The outcome of this is recorded in the meeting minutes. The outcome of this is recorded in the meeting minutes.

Fitness and Propriety checks formed part of the Master Trust Supervisory Return that was submitted to TPR in March 2021 for the year ending 31 December 2020.

Control activities	Crowe test description
A "Fitness and Propriety" Policy is reviewed and approved by the Trustee Board on an annual basis in accordance with the Scheme Calendar.	We obtained and inspected the "Fitness and Propriety" Policy to confirm in place and meeting minutes to confirm that a review of "Fitness and Propriety" Policy has been undertaken by the Trustee Board. No exceptions noted.
An assessment of Trustee Board members' fitness and propriety is carried out on appointment using the "Fitness and Propriety - Eligibility to be a Trustee" questionnaire.	We obtained and inspected the "Fitness and Propriety - Eligibility to be a Trustee" questionnaire to confirm in place and to confirm completion by newly appointment Trustee Board members in this reporting period. Note: there were no new Trustee Board Members appointed in this reporting period. No exceptions noted.

5. Control objectives and procedures (continued)

Prior to appointment, a skills assessment is undertaken to determine the suitability of potential Trustee Board members.	We obtained and inspected the skills assessment to confirm in place and to confirm that they have been completed by newly appointment Trustee Board members prior to their appointment during this reporting period. Note: there were no new Trustee Board Members appointed in this reporting period. No exceptions noted.
There is a standing agenda item at the quarterly Board meetings where the Trustee Board are asked " <i>Have there been any changes in your circumstances that impact negatively on the assessment of you as a fit and proper person?</i> ".	We obtained and inspected the quarterly Trustee Board meeting minutes to confirm that there is a standing agenda item at the quarterly Board meetings addressing fitness and propriety. No exceptions noted.
The outcome of this fit and proper person disclosure is recorded in the meeting minutes.	We obtained and inspected quarterly meeting minutes to confirm that fitness and propriety has been considered. No exceptions noted.
Each quarter the Trustee Board completes full Fitness and Propriety checks as part of the Master Trust Supervisory Return that is submitted to TPR.	We obtained and inspected the annual Trustee Board Fitness and Propriety checks to confirm that these have been completed. No exceptions noted.

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

Process/activity

The Board members were selected to ensure they collectively have the right skills to govern the Master Trusts effectively as well as an ability to provide robust challenge both to Standard Life and each other.

The Trustee Board has over 140 years' experience of running, managing and or advising pension schemes – a lot of that experience in senior positions and all Trustee Board members are professionally qualified. The Trustee Board has significant knowledge and understanding of the law relating to pension trusts, of pension funding and investment.

An assessment of the Trustee Board members' skills and knowledge is carried out on appointment using a Skills Matrix which takes into account the guidance as laid out by TPR. The matrix was designed around the requirements of Code of Practice 7 and extended to cover other relevant areas, for example GDPR. In addition, all Trustee Board members have completed the Pension Regulator's Trustee Toolkit. The Scheme Calendar prompts the Trustee Board to re-assess its skills and knowledge annually; this may identify areas for future training.

Training events are organised throughout the year to ensure that the Trustee Board has a working knowledge of SLAL and its products and to enable the Trustee Board to take all necessary decisions with the appropriate knowledge and understanding. The programme of training events is recorded and planned out in a high level Scheme Calendar (which provides an effective training plan) and this includes reports from SLAL in relation to SLAL's administration control procedures, IT control procedures and communication control procedures. Trustee Board training requirements are considered annually and the Trustee Board's training agenda over the year is determined in the light of those requirements, including two Board meetings per year particularly focused on training areas identified as a priority.

Further to this, Trustee Board members are able to request additional training in respect of specific areas that they are dealing with at any given time.

5. Control objectives and procedures (continued)

The Trustee Board operates a Board Effectiveness policy which is subject to review on an annual basis in accordance with the Scheme Calendar. The Board Effectiveness Policy aims to enhance the effectiveness of the Trustee Board by setting out desired standards and behaviours, how Trustee Board effectiveness will be assessed and how the outcomes of assessment will be acted upon.

The Trustee Board also relies on SLAL policies that are in place in terms of director recruitment, remuneration and succession planning. These policies are reviewed on an annual basis in accordance with the Scheme Calendar.

Control activities	Crowe test description
An assessment of Trustee Board members' skills and knowledge is carried out on appointment.	<p>We obtained and inspected the skills and knowledge assessment for the new Trustee Board members appointed in this reporting period.</p> <p>Note: there were no new Trustee Board Members appointed in this reporting period.</p> <p>No exceptions noted.</p>
A documented skills matrix is maintained which is used to assess the suitability of a potential new Trustee Board member appointment and is maintained by the Scheme secretary.	<p>We obtained and inspected the documented skills matrix to confirm in place.</p> <p>No exceptions noted.</p> <p>For Trustee Board members appointed in this reporting period, we obtained and inspected the completed skills matrix.</p> <p>Note: there were no new Trustee Board Members appointed in this reporting period.</p> <p>No exceptions noted.</p>
The programme of Trustee Board training events is recorded and planned out in accordance with the Scheme Calendar. Trustee Board training requirements are considered annually by the Trustee Board.	<p>We obtained and inspected the Scheme Calendar to confirm that it records the programme of Trustee Board training events.</p> <p>No exceptions noted.</p> <p>We obtained and inspected meeting minutes to confirm that Trustee Board training requirements are considered annually by the Trustee Board.</p> <p>No exceptions noted.</p>
The Trustee Board maintains a Board Effectiveness Policy which is subject to review in accordance with the Scheme Calendar.	<p>We obtained and inspected the Trustee Board Effectiveness Policy to confirm in place.</p> <p>No exceptions noted.</p> <p>We obtained and inspected the meeting minutes to confirm that a review of the Board Effectiveness Policy has been undertaken by the Trustee Board in accordance with the Scheme Calendar.</p> <p>No exceptions noted.</p>

5. Control objectives and procedures (continued)

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

Process/activity

The Trustee Board members are selected to ensure they collectively have the right skills to govern the Master Trusts effectively as well as an ability to provide robust challenge both to Standard Life and each other.

The Trustee Board has over 140 years' experience of running, managing and or advising pension schemes – a lot of that experience in senior positions and all Trustee Board members are professionally qualified. The Trustee Board has significant knowledge and understanding of the law relating to pension trusts, of pension funding and investment.

An assessment of the Trustee Board members' skills and knowledge is carried out on appointment using a Skills Matrix which takes into account the guidance as laid out by TPR. The matrix was designed around the requirements of Code of Practice 7 and extended to cover other relevant areas, for example GDPR. In addition, all Trustee Board members have completed the Trustee Toolkit. The Scheme Calendar prompts the Trustee Board to re-assess its skills and knowledge annually; this may identify areas for future training.

Training events are organised throughout the year to ensure that the Trustee Board has a working knowledge of SLAL and its products and to enable the Trustee Board to take all necessary decisions with the appropriate knowledge and understanding. The programme of training events is recorded and planned out in a high level Scheme Calendar (which provides an effective training plan) and this includes reports from SLAL in relation to SLAL's administration control procedures, IT control procedures and communication control procedures. Trustee Board training requirements are considered annually and the Trustee Board's training agenda over the year is determined in the light of those requirements, including two Board meetings per year particularly focused on training areas identified as a priority.

Further to this, Trustee Board members are able to request additional training in respect of specific areas that they are dealing with at any given time.

Control activities	Crowe test description
The programme of Trustee Board training events is recorded and planned out in accordance with the Scheme Calendar.	We obtained and inspected the Scheme Calendar to confirm that it records the programme of Trustee Board training events. No exceptions noted.
Trustee Board training requirements are considered annually by the Trustee Board.	We obtained and inspected meeting minutes to confirm that Trustee Board training requirements are considered annually by the Trustee Board. No exceptions noted.

5. Control objectives and procedures (continued)

5.3.1 Financial sustainability and compliance

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

Process/activity

The financial sustainability of the Master Trust schemes remains the responsibility of the Scheme Funder (SLAL).

There is no requirement for either of the Master Trust schemes to produce accounts, they are exempt as earmarked schemes, however SLAL as the funder produce accounts on an annual basis.

The Trustee Board requested that as part of its review of financial sustainability a scorecard was produced and presented to the Board at its quarterly Board meetings.

SLAL present the scorecard and respond to any queries identified.

Control activities	Crowe test description
The Master Trust schemes are a small part of SLAL's wider pension proposition. SLAL produce accounts on an annual basis which incorporates the Master Trust Schemes.	We obtained and inspected SLAL annual accounts to confirm that they incorporate the Master Trust Schemes. No exceptions noted
The Scheme Funder (SLAL) is responsible for the financial sustainability of the schemes. As part of their responsibility, a Scorecard is presented to the Trustee Board on a quarterly basis on the financial position of the scheme.	We obtained and inspected the Scorecard prepared by SLAL to confirm that it includes financial sustainability of the Master Trust schemes. No exceptions noted. We obtained and inspected meeting minutes to confirm that a review of the quarterly SLAL Scorecard has been undertaken by the Trustee Board. No exceptions noted.

12. A documented review of the Business Plan is undertaken by the Trustee Board within required timescales.

Process/activity

The responsibility for producing and maintaining the Business Plan sits with the Scheme Strategist.

At the start of the process to update the Business Plan a timeline is agreed to make sure that all parties are aware of their responsibility and the timescales by which they need to have provided any updated information.

Once agreed this is then communicated to the schemes' TPR Master Trust Supervisor detailing when the Business Plan will be submitted. It has been agreed that the Business Plan will be submitted in Q2.

Subject matter experts review the Business Plan and determine whether the content remains valid or whether additional revised content is required. If new content is required it is updated and passed back for collation.

As part of the sign off process the updated business plan is reviewed and approved by the following in advance of being submitted to the Pensions Regulator:

1. Business Heads
2. Scheme Strategists
3. Scheme Funder
4. Trustee Board

5. Control objectives and procedures (continued)

Control activities	Crowe test description
The Scheme Strategist is responsible for producing and maintaining the Business Plan.	Through enquiry and inspection, we confirmed that the Business Plan is in place. No exceptions noted.
When the Business Plan has been produced it is reviewed internally and signed off, then it is passed to the Trustee Board for their sign off in advance of being sent to TPR.	We obtained and inspected Trustee meeting minutes and/or Trustee Board email exchanges to confirm that a review of the signed off Business Plan has been undertaken. No exceptions noted.

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

Process/activity

The responsibility for producing and maintaining the Business Continuity Plan sits with the Scheme Strategist.

At the start of the process to update the Continuity Plan a timeline is agreed to make sure that all parties are aware of their responsibility and the timescales by which they need to have provided any updated information.

Subject matter experts review the Continuity Plan and determine whether the content remains valid or whether additional revised content is required. If new content is required it is updated and passed back for collation.

As part of the sign off process the updated Continuity Plan is reviewed and approved by the following in advance of being submitted to the Pensions Regulator:

1. Business Heads
2. Scheme Strategists
3. Scheme Funder
4. Trustee Board

Control activities	Crowe test description
The Scheme Strategist is responsible for producing and maintaining the Continuity Plan.	We obtained and inspected the Continuity Plan to confirm in place. No exceptions noted.
When the Continuity Plan has been produced it is reviewed internally and signed off then it is passed to the Trustee Board for their sign off in advance of being sent to TPR	We obtained and inspected emails sent to the trustee board to confirm that a review of the signed off Continuity Plan has been undertaken by the Trustee Board. No exceptions noted.

5. Control objectives and procedures (continued)

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

Process/activity

The Trustee Board has a responsibility, derived from the Pension Schemes Act 2017, to report certain events to the Pensions Regulator (TPR), this responsibility also extends to other parties involved with running the Master Trust scheme, including the Strategist and the Funder.

The events, known as Significant Events or Triggering Events, may occur as a result of a change or a decision being taken when operating the scheme. In extreme circumstances (Triggering Events) this may also result in the scheme being unable to continue to operate.

SLAL considered both the Significant and Triggering events and the circumstances in which they may occur. The intention was to try and deliver, wherever possible, a consistent reporting process.

Papers were considered and approved by the Chair of the Trustee Board under delegated authority of the Trustee Board as to the process for reporting events, including timelines and responsibilities.

Where a potential significant event occurs, the incident is to be assessed to understand the impact and whether there is an effect on the Master Trust schemes.

The Chair of the Trustee Board is to be made aware and a decision is to be taken, in line with TPR guidance, as to whether the event needs to be reported.

There have been no Triggering events which have occurred during the reporting period. If a Triggering Event was to occur the Chair of the Trustee Board would be informed. The Trustee Board would then determine the appropriate steps to take and decide which continuity strategy is required to be put in place.

Control activities	Crowe test description
<p>The Trustee Board maintains a documented procedure for managing and reporting Significant Events and Triggering Events.</p>	<p>We obtained and inspected the documented procedure for managing and reporting Significant Events and Triggering Events to confirm in place.</p> <p>No exceptions noted.</p>
<p>Where a potential Significant Event or Triggering Event has occurred, the incident is assessed to understand the impact and whether there is an effect on the Master Trust schemes.</p> <p>Note: There have been no Triggering Events that have occurred during the reporting period.</p>	<p>Through enquiry and inspection, we confirmed that where a potential Significant Event or Triggering Event has occurred, the incident is assessed to understand the impact and whether there is an effect on the Master Trust schemes.</p> <p>No exceptions noted.</p>
<p>Where a Significant event or Triggering Event occurs, the Chair of the Trustee Board is made aware and a decision is taken, in line with documented procedures and TPR guidance, as to whether the event needs reported.</p>	<p>Through enquiry, we confirmed that where a Significant event or Triggering Event occurs the Chair of the Trustee Board is made aware.</p> <p>No exceptions noted.</p> <p>Through enquiry, we confirmed that Significant events or Triggering Events occurring during this reporting period are managed and reported in accordance with documented procedures.</p> <p>No exceptions noted.</p>

5. Control objectives and procedures (continued)

5.3.2 Scheme management skills

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

Process/activity

There are a number of tools used by the Trustee Board to help ensure that actions that need to be undertaken are completed.

A Scheme Calendar is in place and details key rolling agenda items and provides the Trustee Board with a rolling agenda of governance matters for discussion and approval and is reviewed at all quarterly Trustee Board meetings.

The Scheme Calendar is maintained by the Trustee Board secretary and is regularly reviewed to make sure it includes all key areas of governance that need to be regularly considered by the Board, and to make sure resources are available to produce and present accompanying material to the Trustee Board.

In addition, the Trustee Board maintains a Board Effectiveness Policy which is reviewed annually in accordance with the Scheme Calendar.

The policy provides clarity on the actions that the Trustee Board needs to undertake to make sure that it is operating effectively as the Trustee Board. Included in the policy are actions such as:

- The frequency of board meetings.
- When extraordinary meetings may be called.
- What directors are required to do in relation to meetings.

Control activities	Crowe test description
<p>The Trustee Board maintain a Scheme Calendar which documents in which quarterly meeting the Trustee Board will consider specific areas of governance.</p> <p>The Scheme Calendar is reviewed on a quarterly basis.</p>	<p>We obtained and inspected the Scheme Calendar to confirm that it documents in which quarterly meeting the Trustee Board will consider specific areas of governance and meeting minutes to confirm that the Trustee Board has reviewed the Scheme Calendar.</p> <p>No exceptions noted.</p>
<p>The Scheme Calendar includes standing agenda items.</p>	<p>We obtained and inspected the Scheme Calendar to confirm it sets out standing agenda items.</p> <p>No exceptions noted.</p>
<p>The Trustee Board maintains a Board Effectiveness Policy which is reviewed annually in accordance with the Scheme Calendar.</p> <p>The Board Effectiveness Policy includes actions in relation to:</p> <ul style="list-style-type: none">• The frequency of board meetings.• When extraordinary (additional / emergency) meetings may be called.• What directors are required to do in relation to meetings.	<p>We obtained and inspected the Trustee Board Effectiveness Policy to confirm that it includes actions in relation to:</p> <ul style="list-style-type: none">• The frequency of Trustee Board meetings.• When extraordinary (additional / emergency) meetings may be called.• What Trustee Board members are required to do in relation to meetings. <p>No exceptions noted.</p> <p>We obtained and inspected meeting minutes to confirm that a review of the Board Effectiveness Policy has been undertaken in accordance with the Scheme Calendar.</p> <p>No exceptions noted.</p>

5. Control objectives and procedures (continued)

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

Process/activity

The Trustee Board maintains a "Register of Interests" Policy (formerly referred to as the "Conflicts of Interest" Policy) (RoI) which is reviewed on an annual basis in accordance with the Scheme Calendar.

Conflicts of interest is a standing agenda item that is discussed at each quarterly Trustee Board meeting and any additional conflicts are raised at this point and recorded on the Conflicts of Interest Register. Specifically, reference to quarterly declarations of conflicts of interest has been added to quarterly entries on the Scheme Calendar. The register is reviewed and updated at each quarterly Trustee Board meeting.

Identified conflicts of interest can be managed in a variety of ways including the conflicted director remaining silent during discussions or excusing themselves from the meeting during the discussions.

The appointment documents for Trustee Board members of SLMTC contain a clause pertaining to conflicts of interest. This clause imposes a duty on the Trustee Board member to notify the Trustee Board, in writing, of any conflicts which exist or may arise. A duty is also imposed to disclose any direct or indirect interest in any matter being discussed at a Trustee Board meeting and to abstain from voting on that matter.

The Trustee Board Chairman's approval should be sought before a Trustee Board member accepts any additional external appointments or the terms of an existing appointment are changed and the director believes a conflict of interest will arise. Any conflicts of interest must be authorised by the Trustee Board.

Control activities	Crowe test description
A Register of Interests Policy is in place and is reviewed by the Trustee Board on an annual basis.	We obtained and inspected the Register of Interest Policy to confirm in place and meeting minutes to confirm that a review of the Register of Interests Policy has been undertaken by the Trustee Board in accordance with the Scheme Calendar. No exceptions noted.
Conflicts of interest are a standing agenda item at Trustee Board meetings.	We obtained and inspected Trustee Board meeting minutes to confirm that conflicts of interest are a standing agenda item and have been discussed. No exceptions noted.
Conflicts declared at Trustee Board meetings are recorded in the Conflicts of Interest Register	Through enquiry and inspection, we confirmed that where new conflicts are declared at Trustee Board meetings, these have been recorded in the Conflicts of Interest Register. No exceptions noted.

5. Control objectives and procedures (continued)

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

Process/activity

As part of the due diligence exercise a procurement exercise is undertaken jointly by the Trustee Board and Standard Life to determine the suitability of new adviser appointments.

The Trustee Board framework for a selection process is set out below:

- A service specification is designed by the Trustee Board, its secretary or a working group as considered appropriate with input from others as necessary. The specification will include a description of the service required, an initial due diligence request and may set out a number of factors (including, for example, the expected service standards). A long list of providers is identified based on the knowledge of the Trustee Board.
- An Invitation to Tender is issued (this includes an initial due diligence request) by the secretary or other party delegated the function on behalf of the Trustee Board.
- Tender submissions are analysed by the Trustee Board, its secretary or a working group as considered appropriate and a shortlist recommended to the Trustee Board based on:
 - a. Ability to deliver to service specification
 - b. Initial due diligence
 - c. Price and value for money
 - d. Any other factors considered relevant (including subjective judgement).
- A beauty parade (or other mechanism) of the chosen short list is held. This may involve the full Trustee Board or a working group as considered appropriate.
- A provisional selection decision is made based on any factors considered relevant.
- The closing/negotiation stage with selected provider (repeated with second preference if necessary):
 - a. Contract – for example, durations, indemnities etc.
 - b. Service delivery expectations – for example performance indicators (including SLAs), accountabilities for delivery and how breaches are escalated (the output of this process would be appended as part of (a) or formally adopted using some other mechanism).
 - c. Fees.
 - d. Full due diligence (see evidence attached: Advisor Requirements form).
- In accordance with the relevant clause within the appropriate trust deed, the decision on appointment is made by the Trustee Board.

This process is designed to be consistent with paragraph 126 of Code of Practice 15. There is a scheduled annual review for adviser performance detailed in the Scheme Calendar. This process allows the Trustee Board to comment on the performance of advisers and determine whether improvements or a re-tender would be necessary.

As part of the Trustee Board's normal service provider appointment process each service provider has a defined term of appointment. During the reporting period the term for the existing Service Auditor reached its end date. The Trustee Board considered the service provided and the relationship that had been developed and made the decision to renew the contract with the existing Service Auditor..

SLAL, as the Scheme Administrator, maintains a PICS document for occupational and personal pension schemes. The purpose of the PICS is to describe the activities by Standard Life's UK & Europe business to ensure the administration of its pension business is carried out effectively in accordance with scheme rules, the requirements of the law and good standards of governance and internal control. A paper was presented to the Trustee Board, by SLAL, in accordance with the approved Scheme Calendar addressing various aspects of scheme administration.

The PICS is reviewed by the Trustee Board on an annual basis in accordance with the approved Scheme Calendar.

5. Control objectives and procedures (continued)

Control activities	Crowe test description
A due diligence checklist is in place that requests basic due diligence information from all advisers prior to appointment.	We obtained and inspected the due diligence checklist to confirm in place and to confirm that it requests basic due diligence information from all advisers prior to appointment. No exceptions noted. For a sample of new advisers appointed in this reporting period, we obtained and inspected due diligence checklists to confirm they were completed prior.
As part of the Trustee Board's normal service provider appointment process, each service provider has a defined term of appointment.	Through enquiry, we confirmed that as part of the Trustee Board's normal service provider appointment process, each service provider has a defined term of appointment. No exceptions noted.

18. Roles and responsibilities of all advisers and service providers are documented and the performance and quality of their service is subject to documented reviews by the Trustee Board against documented performance criteria.

Process/activity

There is a scheduled annual review for adviser performance detailed in the Scheme Calendar. This process allows the Trustee Board to comment on the performance of advisers and determine whether improvements or a re-tender would be necessary.

There is also a Roles & Responsibilities document in place that details the specific tasks that take place for the Master Trusts, how these are carried out and by whom.

This document sets out various tasks and responsibilities and assigns an owner to each of those tasks. The owner of these tasks varies between the Trustee Board, SLAL, the Master Trust auditors, etc.

As well as designating an owner for each role and responsibility, each item is given a timescale for completion and, as appropriate, an overseer to monitor progress and compliance. This document is regularly reviewed. The Roles and Responsibilities document sets out accountabilities and includes those relevant to SLAL.

To maintain services levels between the Trustee Board and SLAL, service contracts are in place between the previous trustee (PTL) and SLAL. These were assigned to SLMTC as part of the migration process and the review and amendment of these service agreements is an ongoing process.

Service Level Agreements (SLAs) are in place in respect of the administration service between SLMTC and SLAL. The Trustee Board reviews the performance of SLAL against the SLAs. It also considers member complaints raised by SLAL and remedial action taken as a result. The Trustee Board will undertake annual reviews of the performance of service providers.

As part of the Trustee Board's normal service provider appointment process each service provider has a defined term of appointment. During the reporting period the term for the existing Service Auditor reached its end date. The Trustee Board considered the service provided and the relationship that had been developed and made the decision to renew the contract with the existing Service Auditor.

SLAL, as the Scheme Administrator, maintains a PICS document for occupational and personal pension schemes. The purpose of the PICS is to describe the activities by Standard Life's UK & Europe business to ensure the administration of its pension business is carried out effectively in accordance with scheme rules, the requirements of the law and good standards of governance and internal control. A paper was presented to the Trustee Board, by SLAL, in accordance with the approved Scheme Calendar addressing various aspects of scheme administration.

The PICS is reviewed by the Trustee Board on an annual basis in accordance with the approved Scheme Calendar.

5. Control objectives and procedures (continued)

Control activities	Crowe test description
The Trustee Board maintains a Roles and Responsibilities document. This document is reviewed annually.	<p>We obtained and inspected the Roles and Responsibilities document to confirm in place and meeting minutes to confirm that a review of the Roles and Responsibilities document has been undertaken by the Trustee Board.</p> <p>No exceptions noted.</p>
The Trustee Board reviews the performance of SLAL against the SLAs and undertakes annual reviews of the performance of service providers.	<p>We obtained and inspected meeting minutes to confirm that the Trustee Board undertakes a review of the performance of SLAL against the SLAs and undertakes annual reviews of the performance of service providers.</p> <p>No exceptions noted.</p>
Terms of engagement set out the responsibilities of advisers and service providers to the Master Trusts and are reviewed upon appointment and when subsequently updated.	<p>We obtained and inspected a sample of terms of engagements for advisers and service providers to confirm that they set out the responsibilities.</p> <p>No exceptions noted.</p>
The Trustee Board will review where terms of appointment of advisers and service providers are extended, or where they are asked to undertake additional services.	<p>Through enquiry, we confirmed that terms of engagement of advisers and service providers are reviewed upon appointment and when subsequently updated.</p> <p>No exceptions noted.</p>
There is an entry in the Scheme Calendar to review the PICS annually.	<p>We obtained and inspected the 2020 and 2021 PICS to confirm in place and meeting minutes to confirm that a review of the PICS has been undertaken in accordance with the Scheme Calendar.</p> <p>No exceptions noted.</p>

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

Process/activity

Risk management is a key aspect of the governance of the Master Trust. To allow the Trustee Board to document, monitor, mitigate and control the risks to the Master Trusts, a 'risk register' is maintained. The risk register is a standing agenda item for all quarterly Trustee Board meetings and is tracked through the Scheme Calendar.

The current Scheme risk register was designed in 2017 replacing the 2015 iteration. The Trustee Board began with a clean sheet of paper and a question: "what would the Trustee Board want the Master Trust to provide to them if they were a member?"

The Trustee Board discussed this question, the result of which was the objective "To encourage and support members to achieve benefits which meet their reasonable expectations, by providing exceptionally well managed retirement savings vehicles that offer excellent value" (the plural refers to the two master trusts under the jurisdiction of the Trustee Board).

The Trustee Board and those supporting them were then challenged to consider what matters could impede the delivery of this objective.

Risks that are identified by the Trustee Board, its advisers or SLAL are each documented in the register under a 'risk category'. These categories include financial risks to the Master Trusts and their members as well as operational, regulatory or strategic risks amongst others.

5. Control objectives and procedures (continued)

The impact and likelihood of each risk (before any mitigation is accounted for) is estimated and documented. The register then lists how the risks are mitigated in any way and then provides a second estimation of impact and likelihood. Finally, a post-mitigation score is provided to allow an easy assessment of how exposed to risk the Master Trusts and their members are.

Whilst the risk register is subject to regular review and amendment as required, each risk that is recorded in the register is given an individual review frequency and the next review date is documented.

The risk register is subject to ongoing review.

Risk Management Framework

The Group's Risk Management Framework (RMF) embeds proactive and effective risk management across the Group. It seeks to ensure that all material risks are identified, assessed, controlled, monitored, and managed within approved risk appetites, and reported through agreed governance routes in line with delegated authorities.

The Risk Management Framework is fully documented in PICS which the Trustee Board review annually.

Control activities	Crowe test description
The Trustee Board maintains a risk register. Risks are allocated to risk owners	We obtained and inspected the risk register to confirm in place and to confirm that risks are allocated to nominated risk owners. No exceptions noted.
The risk register is a standing agenda item for all quarterly Trustee Board meetings and is reviewed by the Trustee Board in accordance with the Scheme Calendar.	We obtained and inspected meeting minutes to confirm that the risk register is a standing agenda item at all quarterly Trustee Board and that a review of the risk register has been undertaken by the Trustee Board in accordance with the Scheme Calendar. No exceptions noted.
There is an entry in the Scheme Calendar to review the PICS annually.	We obtained and inspected the 2020 and 2021 PICS to confirm in place and meeting minutes to confirm that a review of the PICS has been undertaken in accordance with the Scheme Calendar. No exceptions noted. We inspected the 2020 and 2021 PICS document to confirm that it includes the Risk Management Framework. No exceptions noted.

5. Control objectives and procedures (continued)

5.3.3 Trustee oversight of IT systems and administration processes

20. The Trustee Board monitors and reviews IT systems.

Process/activity

A paper was provided to the Trustee Board, by SLAL, in accordance with the approved Scheme Calendar, on its IT controls. The paper provides the Trustee Board with confidence that the controls currently in place are appropriate for Master Trusts.

This is provided on an annual basis and includes reference to the SLAL's Information Security Policy (formally called Protection of Information and Resilience policy (PIR)) which covers information security, physical security and business continuity; it also includes data protection and records management. This policy, in combination with SLAL's sub policies of their Group Operational Risk Framework, provides a clear structure for an effective internal control system to manage risks to the confidentiality, integrity and availability of information. The policy covers information held, processed and transmitted in electronic form.

This policy requires SLAL's business units to:

- Have an organisational framework for protection of information and resilience.
- Comply with all legal and regulatory requirements for the protection of information and resilience including managing records and complying with data protection legislation.
- Identify, understand and manage information and resilience risks and non-compliance with policy, controls and standards.
- Identify, understand and manage their control environment including:
 1. Incident management.
 2. Security of staff.
 3. Secure systems development and delivery.
 4. Access to information and systems.
 5. Business continuity management.

Policy owners within each SLAL business unit are responsible for implementation and compliance with the PIR policy.

IT Changes

All changes to IT systems are recorded, including details of testing performed, back out plans, risk levels etc. These changes are submitted and approved by a different individual. SLAL has Change Advisory Boards for each business unit to understand the potential impact of changes and if necessary make changes to their Change schedule. SLAL also has a Global Change Board that has an overview of the complete change schedule.

SLAL's System Development Life Cycle

Each stage in the lifecycle requires the previous stages tasks to be completed and signed off as accepted or has action plans before proceeding to the next stage. For a move to production any outstanding actions require an action plan to be included in the change management request.

System Development is analysed by Fortify (a tool designed to highlight any systems vulnerability), all high findings are resolved and medium findings are audited. SLAL's internal standards are based on ISO27001.

SLAL's System Maintenance

SLAL's security patches management process currently pre assesses and tests patches released by vendors, e.g. Microsoft. Alerts on known vulnerabilities are issued to the platform owners through various channels.

Cyber Security

In recognition that cyber is an Omni present risk area facing the Master Trust schemes the Trustee Board requested regular updates to be provided to them detailing the controls in place as well as the actions being taken to try and mitigate the risk of impact.

5. Control objectives and procedures (continued)

As part of the updates SLAL have provided the Trustee Board with information relating to the most significant cyber threats being faced by SLAL, the assessment of these threats as well as trend analysis of the threats compared to the previous year.

Malware protection is run on all desktops, servers (Windows and Linux), browser and email proxies. SLAL also use software to block known malware sites and block certain attachment types e.g. exes. There is an ongoing education program advising users not to click on links from untrusted sources.

SLAL encrypt any sensitive data they need to transmit. They have a range of controls in place to prevent unauthorised data disclosure the key aspects being:

- Two layer firewall model in place, supplemented by a managed intrusion prevention system;
- Web applications firewall in blocking mode;
- Static code analysis; and
- Penetration testing.

Physical & Logical Access

Within SLAL access to various systems and transactions is controlled. A local systems administrator (LSA) has responsibility for maintaining and coordinating systems/transaction access. A business justification must be provided for all requests for systems/transaction access and must be authorised by the user's direct manager.

SLAL's physical security measures are designed to control access to and egress from SLAL's premises and access to designated assets and materials. This includes but is not limited to: information, records, physical assets and Information Communications Technology (ICT) which enable or support SLAL's business operations and customer services.

Premises access and egress - SLAL ensure that access to and from any of their premises and designated secure areas, including but not limited to areas accommodating ICT assets, within these premises are protected from unauthorised access:

- Perimeter and site security measures including but not limited to Intruder Detection Systems (IDS), Closed Circuit Television (CCTV), lighting and guarding.
- Building access security controls including but not limited to ID cards, physical and electronic access mechanisms, CCTV, lighting and guarding.
- Opening and lockdown procedures.
- IT Network Security Services response.
- SLAL employs physical access controls across all their buildings which are identity card based. These identity cards also limit access to sensitive areas such as machine halls and communication rooms for those staff who have valid reasons for such access. SLAL employs Role Based Access Control as a means to limit staff to only the resources necessary to perform their role. SLAL also employs logging and monitoring for access to sensitive data and functions and they have an automated movers, leavers and joiners process.

High Security areas (e.g. server halls) are restricted to designated staff only. All server components are racked and located within SLAL's datacentre and continuity sites. Access to computer rooms are limited to authorised staff via the swipe card system. All access is reviewed / granted in advance. All external contract staff/companies are required to submit the appropriate security and health and safety pre-requisites prior to being granted access to SLAL's premises.

Logical access to SLAL computer systems, programs, data and parameters is restricted to properly authorised individuals based on their role and responsibilities. Users are required to maintain complex passwords to access applications and SLAL operate a "forced" requirement for these to be changed periodically.

Access for leavers is revoked on termination date or request from management, followed by removal of access to all systems and deletion of their user account.

Systems Back Up & Disaster Recovery

Data for critical business services is synchronised across two data centre sites instantaneously to storage disk. The Storage Disk is then backed up nightly to virtual tape.

There are additional servers in each location that provide file and print services, email and Internet services. Different technologies are used for backups to protect against any external attacks. Backups of data on databases are held for 14 days and all other data back up's are held for 30 days.

5. Control objectives and procedures (continued)

Systems Back Up & Disaster Recovery (continued)

SLAL control procedures relating to the integrity and availability of client data and processing interruptions are considered in SLAL's annual PICS document, including procedures addressing data and systems backup. The PICS is reviewed by the Trustee Board on an annual basis in accordance with the approved Scheme Calendar.

A BCP is in place which is reviewed and approved annually by the Trustee Board in accordance with the Scheme Calendar.

There is an entry in the Scheme Calendar to review the PICS annually.

SLAL presents a paper to the Trustee Board on its IT controls including those related to:

- Data and systems back up procedures.
- Business continuity.
- Security of data transmissions and measures implemented to mitigate the threat of malicious electronic attack (cyber risk).
- Physical and logical access to computer systems and restrictions to member data.
- Physical Security and Environmental Control (including change management).

This is reviewed by the Trustee Board on an annual basis in accordance with the Scheme Calendar.

Control activities	Crowe test description
A BCP is in place which is reviewed and approved annually by the Trustee Board in accordance with the Scheme Calendar.	<p>We obtained and inspected the BCP to confirm in place and meeting minutes to confirm that a review of the BCP has been undertaken by the Trustee Board in accordance with the Scheme Calendar.</p> <p>No exceptions noted.</p>
There is an entry in the Scheme Calendar to review the PICS annually.	<p>We obtained and inspected the 2020 and 2021 PICS to confirm in place and meeting minutes to confirm that a review of the PICS has been undertaken in accordance with the Scheme Calendar.</p> <p>No exceptions noted.</p>
SLAL presents a paper to the Trustee Board on its IT controls including those related to: <ul style="list-style-type: none">• Data and systems back up procedures.• Business continuity.• Security of data transmissions and measures implemented to mitigate the threat of malicious electronic attack (cyber risk).• Physical and logical access to computer systems and restrictions to member data.• Physical Security and Environmental Control (including change management).	<p>We obtained and inspected the SLAL paper to confirm that it includes IT controls related to:</p> <ul style="list-style-type: none">• Data and systems backup procedures• Business Continuity• Security of data transmission and measures implemented to mitigate the threat of malicious electronic attack (cyber risk)• Physical and logical access to computer systems and restrictions to member data• Physical Security and Environmental Control (including change management) <p>No exceptions noted.</p>
This is reviewed by the Trustee Board on an annual basis in accordance with the Scheme Calendar.	<p>We obtained and inspected meeting minutes to confirm that a review of the Trustee Board had reviewed the SLAL paper on IT controls has been undertaken by the Trustee Board in accordance with the Scheme Calendar.</p> <p>No exceptions noted.</p>

5. Control objectives and procedures (continued)

21. The capacity to take on new business is assessed, approved and regularly monitored by the Trustee Board

Process/activity

Stanplan A is closed to new schemes although new members can still join existing schemes. As a result, overall membership of Stanplan A is gradually reducing. It is administered on a legacy administration platform; there haven't been any recorded concerns of capacity challenges for Stanplan A.

The Master Trust products are currently serviced through SLAL's Life and Pension Administration Platform (LPAS). This platform is the strategic platform for SLAL products and was developed in 2010. The LPAS platform was built to accommodate a large volume of business.

SLAL reviews capacity use every quarter across their entire estate to ensure growth is clearly understood and additional capacity is added in time to avoid service impact (this aligns to ISO20000 Capacity Management controls). All new services being added to the estate are required to state their capacity requirements and then test against these in a development area before they are promoted into the production environment.

As part of the quarterly submission of administration reporting to the Trustee Board, information is supplied in relation to matters relating to capacity, e.g. participating employers joining or leaving the scheme.

Control activities	Crowe test description
<p>Management Information (M) is supplied to the Trustee Board via Employer Pipeline Documents in relation to matters relating to capacity e.g. participating employers joining or leaving the scheme.</p> <p>This information is provided at all quarterly Trustee Board meetings.</p>	<p>We obtained and inspected quarterly Trustee Board papers to confirm they include Employer Pipeline Documents in relation to matters relating to capacity e.g. participating employers joining or leaving the scheme and meeting minutes to confirm that a review of Employer Pipeline Documents has been undertaken by the Trustee Board.</p> <p>No exceptions noted.</p>

22. Signed administration agreements are in place with service providers and include provisions for the rectification of maladministration. The agreements are approved by the Trustee Board.

Process/activity

Through the Trust Deed and General Rules for the DC Master Trust and Stanplan A schemes the Trustee Board has authority to appoint the administrator of the scheme.

The Trustee Board has delegated the administration of both the DC Master Trust and Stanplan A schemes to SLAL; this is a continuation of administrator from the previous sole trustee for the scheme PTL Governance Ltd.

To maintain services levels between the Trustee Board and SLAL, service contracts are in place between the previous trustee (PTL) and SLAL. These were assigned to SLMTC as part of the migration process and the review and amendment of these service agreements is an ongoing process.

Work has started with SLAL Legal Team and the Trustee Board to review the contracts and update accordingly.

Service Level Agreements (SLAs) are in place in respect of the administration service between SLMTC and SLAL. The Trustee Board reviews the performance of SLAL against the SLAs. It also considers member complaints raised by SLAL and remedial action taken as a result.

Where maladministration or a financial transaction is not processed promptly, due to an error by the administrator, business rules are in place to ensure that there is no loss to the member.

The member's position, as a result of error or delays, is corrected by creating units within each earmarked pot impacted equivalent to the financial detriment or updating the member records and reconciling 'rolling back/forward' the unit records. This is in line with SLAL's remediation policy.

The administrator manages the process for error rectification for and on behalf of the trustees using an established Remediation Policy.

5. Control objectives and procedures (continued)

Control activities	Crowe test description
<p>The Trustee Board has in place a signed administration agreement which included clauses for addressing liability in the event of maladministration.</p>	<p>We obtained and inspected the administration agreement to confirm that it has been signed by the Trustee Board and Phoenix Group.</p> <p>No exceptions noted.</p> <p>We inspected the administration agreements to confirm that it includes a liability clause for addressing maladministration.</p> <p>No exceptions noted.</p>
<p>SLAL operate a defined Remediation Policy which details the actions that need to be taken to correct members' plans.</p>	<p>We obtained and inspected the SLAL Remediation Policy to confirm in place and to confirm that it sets out the actions that need to be taken to correct member plans.</p> <p>No exceptions noted.</p>

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

Process/activity

SLAL operates a number of control processes which are designed to ensure that core financial transactions are processed in line with expectation.

The processes for contribution, investment allocation and data reconciliations are automated. Core financial transactions are controlled through automated system validations and processing, SLAL's documented processes and overseen by their control framework.

High level descriptions of the processes in place are documented in the PICS which is reviewed by the Trustee Board on an annual basis in accordance with the Scheme Calendar. This includes procedures in relation to the following areas of administration:

- Automated systems are designed to ensure consistent, timely and accurate receipt and allocation to the correct funds for regular and single payments.
- Authorised switches between investment options and changes to investment instructions are processed accurately and in a timely manner (including Lifestyle profiles).
- Transfer values are calculated in accordance with policy provisions and are paid on a timely basis.
- Benefits are calculated on the basis of accurate fund values and are set up and paid on a timely basis. Benefits are terminated correctly and in a timely manner on the basis of valid information.

These processes are reviewed regularly to ensure that they remain fit for purpose and are supported by Standard Life's automated workflow system which allows for work to be enabled, tracked and managed.

A dedicated controls team, within SLAL, actively manages manual payments (including automation failures) and the reporting of missed contributions to the Pensions Regulator where appropriate.

Quality Assuring is also in operation within SLAL to give confidence that the core financial transactions are processed in line with the defined processes and service levels.

A Core Financial Transactions (CFT) report was developed in conjunction with SLAL and is presented to the Trustee Board at its quarterly meetings along with other management information. The management information (MI) and CFT report is discussed at the meeting with representatives from SLAL providing commentary on any anomalies that are identified.

5. Control objectives and procedures (continued)

Business Financial Services (BFS) Operations area, within SLAL, manages operation controls over financial transactions within the following areas;

- Money in – premiums received in bank accounts are reconciled to the amounts recorded on the administration systems.
- Allocation / deallocation – premium unit allocations/claim unit deallocations are correct as per the data held on the administration systems.
- Money out – claims paid out are reconciled to the claim value raised on the administration systems.

The Trustee Board does not operate a scheme bank account however SLAL reconcile all money in and out of their bank accounts on a regular basis. The actual frequency of reconciliations is defined as part of the Reconciliation Policy which is maintained by SLAL.

Member data is reconciled when members are joined to the Master Trust through SLAL's automated systems. The data collected includes information on whether the member makes an investment decision or uses a Scheme default strategy. The system application uses batch processing to complete member set-up. The batch process runs sequentially and completes step-by-step tasks until it is successful. Automatic systems validation is performed after each step, and if necessary (in the event of failure) the system refers to a critical business service function to establish root cause and complete or restart the batch. Each step of the batch validation process must be successful to progress to the next step. The systems validation uses suitable checks and balances to check the required data is present and on the data itself; number of characters (size), format of characters (numeric or written) and character recognition (recognised or erroneous).

The Trustee Board has an action in its Scheme Calendar to receive a paper from SLAL on the processing of core financial transactions on an annual basis. A paper was presented to the Trustee Board, by SLAL, in accordance with the Scheme Calendar addressing various aspects of scheme administration. This included SLAL control procedures relating to how core scheme transactions are completely and accurately processed in a timely manner and recorded in the proper period. The paper provides the Trustee Board with confidence that the controls currently in place are appropriate for Master Trusts and will be reviewed on an annual basis.

In the 2020 Chair's Annual Statement (published July 2021) the Trustee confirmed the following:

"We are satisfied that Standard Life has robust systems and the capability to process core financial transactions promptly and accurately in line with the agreed service levels and the requirements of the law. We are satisfied that the vast majority of core financial transactions during the year were processed promptly and accurately. In those few cases where errors or delays occurred and Standard Life were at fault for this, any material losses to members were made good within a reasonable period of time."

Control activities	Crowe test description
There is an entry in the Scheme Calendar to review the PICS annually.	<p>We obtained and inspected the 2020 and 2021 PICS to confirm in place and meeting minutes to confirm that a review of the PICS has been undertaken in accordance with the Scheme Calendar.</p> <p>No exceptions noted.</p> <p>We inspected the 2020 and 2021 PICS document to confirm that it includes procedures in relation to the following areas of administration:</p> <ul style="list-style-type: none">• Automated systems are designed to ensure consistent, timely and accurate receipt and allocation to the correct funds for regular and single payments.• Authorised switches between investment options and changes to investment instructions are processed accurately and in a timely manner (including Lifestyle profiles).• Transfer values are calculated in accordance with policy provisions and are paid on a timely basis.

5. Control objectives and procedures (continued)

Control activities	Crowe test description
	<ul style="list-style-type: none"> • Benefits are calculated on the basis of accurate fund values and are set up and paid on a timely basis. Benefits are terminated correctly and in a timely manner on the basis of valid information. <p>No exceptions noted.</p>
The Trustee Board reviews the performance of SLAL administration against SLAs.	<p>We obtained and inspected meeting minutes to confirm that the Trustee Board reviews the performance of SLAL administration against SLAs.</p> <p>No exceptions noted.</p>
Information relating to how long core financial transactions take to be processed is detailed in the quarterly MI that is provided to the Trustee Board by SLAL.	<p>We obtained and inspected the quarterly MI provided to the Trustee Board to confirm they include information relating to how long core financial transactions take to be processed and meeting minutes to confirm that MI has been reviewed by the Trustee Board.</p> <p>No exceptions noted.</p>
A Core Financial Transactions (CFT) report is presented to the Trustee Board at quarterly meetings.	<p>We obtained and inspected CFT reports and meeting minutes to confirm they have been reviewed by the Trustee Board.</p> <p>No exceptions noted.</p>
In accordance with the Scheme Calendar, SLAL presents a paper addressing various aspects of administration including matters relating to the prompt processing of core scheme transactions.	<p>We obtained and inspected the paper prepared by SLAL to confirm that it includes matters relating to the prompt processing of core scheme transactions meeting minutes to confirm that the Trustee Board has undertaken a review of the paper in accordance with the Scheme Calendar.</p> <p>Exception noted.</p> <p>The paper prepared by SLAL was due to be submitted to the Trustee Board in the December 2021 meeting in accordance with the Scheme Calendar. This paper was not submitted for this meeting and instead was circulated by email to the Trustees on 26 January 2022.</p> <p>Management response.</p> <p>The production of the Administration Paper was originally designed to provide the Trustee Board with an additional control which summarises the administrative actions that have occurred throughout the reporting period.</p> <p>The Trustee Board are provided with comprehensive management information covering a variety of administrative processes at each of their quarterly board meetings. The Trustee Board actively monitors this information and holds Standard Life to account where necessary.</p>

5. Control objectives and procedures (continued)

Control activities	Crowe test description
In accordance with the Scheme Calendar, SLAL presents a paper addressing various aspects of administration including matters relating to the prompt processing of core scheme transactions.	A review carried out on the controls in the administration paper concluded that all actions have been undertaken in the reporting period and that no failure in the controls has occurred. Additional controls have been implemented to ensure that in future years the paper is submitted for the Trustee Board to review no later than there Q3 Board meeting. These are designed to prevent future exceptions.

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

Process/activity

SLAL operates a number of control processes which are designed to ensure that core financial transactions are processed in line with expectation.

The processes for contribution, investment allocation and data reconciliations are automated. Core financial transactions are controlled through automated system validations and processing, SLAL's documented processes and overseen by their control framework.

Payment authorisations operate within SLAL's administration team and follow delegated authority limits. The delegated authorities have been formally approved by the Board.

High level descriptions of the processes in place are documented in the PICS which is reviewed by the Trustee Board on an annual basis in accordance with the Scheme Calendar. This includes procedures in relation to the following areas of administration:

- Automated systems are designed to ensure consistent, timely and accurate receipt and allocation to the correct funds for regular and single payments.
- Authorised switches between investment options and changes to investment instructions are processed accurately and in a timely manner (including Lifestyle profiles).
- Transfer values are calculated in accordance with policy provisions and are paid on a timely basis.
- Benefits are calculated on the basis of accurate fund values and are set up and paid on a timely basis. Benefits are terminated correctly and in a timely manner on the basis of valid information.
- Payments and transfers of assets are suitably authorised and controlled

These processes are reviewed regularly to ensure that they remain fit for purpose and are supported by Standard Life's automated workflow system which allows for work to be enabled, tracked and managed.

A dedicated controls team, within SLAL, actively manages manual payments (including automation failures) and the reporting of missed contributions to the Pensions Regulator where appropriate.

Quality Assuring is also in operation within SLAL to give confidence that the core financial transactions are processed in line with the defined processes and service levels.

A Core Financial Transactions (CFT) report was developed in conjunction with SLAL and is presented to the Trustee Board at its quarterly meetings along with other management information. The management information (MI) and CFT report is discussed at the meeting with representatives from SLAL providing commentary on any anomalies that are identified.

Business Financial Services (BFS) Operations area, within SLAL, manages operation controls over financial transactions within the following areas;

5. Control objectives and procedures (continued)

- Money in – premiums received in bank accounts are reconciled to the amounts recorded on the administration systems.
- Allocation / deallocation – premium unit allocations/claim unit deallocations are correct as per the data held on the administration systems.
- Money out – claims paid out are reconciled to the claim value raised on the administration systems.

The Trustee Board does not operate a scheme bank account however SLAL reconcile all money in and out of their bank accounts on a regular basis. The actual frequency of reconciliations is defined as part of the Reconciliation Policy which is maintained by SLAL.

Member data is reconciled when members are joined to the Master Trust through SLAL's automated systems. The data collected includes information on whether the member makes an investment decision or uses a Scheme default strategy. The system application uses batch processing to complete member set-up. The batch process runs sequentially and completes step-by-step tasks until it is successful. Automatic systems validation is performed after each step, and if necessary (in the event of failure) the system refers to a critical business service function to establish root cause and complete or restart the batch. Each step of the batch validation process must be successful to progress to the next step. The systems validation uses suitable checks and balances to check the required data is present and on the data itself; number of characters (size), format of characters (numeric or written) and character recognition (recognised or erroneous).

The Trustee Board has an action in its Scheme Calendar to receive a paper from SLAL on the processing of core financial transactions on an annual basis. A paper was presented to the Trustee Board, by SLAL, in accordance with the Scheme Calendar addressing various aspects of scheme administration. This included SLAL control procedures relating to how core scheme transactions are completely and accurately processed in a timely manner and recorded in the proper period. The paper provides the Trustee Board with confidence that the controls currently in place are appropriate for Master Trusts and will be reviewed on an annual basis.

The processes and controls around reconciliations were documented and reviewed by the Trustee Board as part of both schemes' successful application for Authorisation.

A full review of the Systems and Processes that support the Master Trust schemes was carried out as part of the 2020 Supervisory Return. As part of this evaluation the reconciliation processes, controls and evidence were reviewed and no changes were identified. The Trustee Board considered and approved the output of the supervisory return evaluation in March 2021.

An additional action has now been added to the scheme calendar which states that during each year's Q2 board meeting the Trustee must be presented with a report, for its approval, regarding the successful operation of the schemes' reconciliation processes and controls.

In the 2020 Chair's Annual Statement (published July 2021) the Trustee confirmed the following:

"We are satisfied that Standard Life has robust systems and the capability to process core financial transactions promptly and accurately in line with the agreed service levels and the requirements of the law. We are satisfied that the vast majority of core financial transactions during the year were processed promptly and accurately. In those few cases where errors or delays occurred and Standard Life were at fault for this, any material losses to members were made good within a reasonable period of time."

Control activities	Crowe test description
Payment authorisations operate within SLAL's administration team and follow delegated authority limits.	Through enquiry and inspection, we confirmed that payment authorisations operate within SLAL's administration team and follow delegated authority limits. No exceptions noted.

5. Control objectives and procedures (continued)

Control activities	Crowe test description
<p>There is an entry in the Scheme Calendar to review the PICS annually.</p>	<p>We obtained and inspected the 2020 and 2021 PICS to confirm in place and meeting minutes to confirm that a review of the PICS has been undertaken in accordance with the Scheme Calendar.</p> <p>No exceptions noted.</p> <p>We inspected the 2020 and 2021 PICS document to confirm that it includes procedures in relation to the following areas of administration:</p> <ul style="list-style-type: none"> • Automated systems are designed to ensure consistent, timely and accurate receipt and allocation to the correct funds for regular and single payments. • Authorised switches between investment options and changes to investment instructions are processed accurately and in a timely manner (including Lifestyle profiles). • Transfer values are calculated in accordance with policy provisions and are paid on a timely basis. • Benefits are calculated on the basis of accurate fund values and are set up and paid on a timely basis. Benefits are terminated correctly and in a timely manner on the basis of valid information. • Payments and transfers of assets are suitably authorised and controlled. <p>No exceptions noted.</p>
<p>The Trustee Board reviews the performance of SLAL administration against SLAs</p>	<p>We obtained and inspected meeting minutes to confirm that the Trustee Board reviews the performance of SLAL administration against SLAs.</p> <p>No exceptions noted.</p>
<p>Information relating to how long core financial transactions take to be processed is detailed in the quarterly MI that is provided to the Trustee Board by SLAL.</p>	<p>We obtained and inspected the quarterly MI provided to the Trustee Board to confirm they include information relating to how long core financial transactions take to be processed and meeting minutes to confirm that MI has been reviewed by the Trustee Board.</p> <p>No exceptions noted.</p>
<p>A Core Financial Transactions (CFT) report is presented to the Trustee Board at quarterly meetings.</p>	<p>We obtained and inspected CFT reports and meeting minutes to confirm they have been reviewed by the Trustee Board.</p> <p>No exceptions noted.</p>

5. Control objectives and procedures (continued)

<p>SLAL presents a paper addressing various aspects of administration including matters relating to the accurate processing of core scheme transactions</p>	<p>We obtained and inspected the paper prepared by SLAL to confirm that it includes matters relating to the accurate processing of core scheme transactions meeting minutes to confirm that the Trustee Board has undertaken a review of the paper in accordance with the Scheme Calendar.</p> <p>Exception noted.</p> <p>The paper prepared by SLAL was due to be submitted to the Trustee Board in the December 2021 meeting in accordance with the Scheme Calendar. This paper was not submitted for this meeting and instead was circulated by email to the Trustees on 26 January 2022.</p> <p>Management response.</p> <p>The production of the Administration Paper was originally designed to provide the Trustee Board with an additional control which summarises the administrative actions that have occurred throughout the reporting period.</p> <p>The Trustee Board are provided with comprehensive management information covering a variety of administrative processes at each of their quarterly board meetings. The Trustee Board actively monitors this information and holds Standard Life to account where necessary.</p> <p>A review carried out on the controls in the administration paper concluded that all actions have been undertaken in the reporting period and that no failure in the controls has occurred.</p> <p>Additional controls have been implemented to ensure that in future years the paper is submitted for the Trustee Board to review no later than there Q3 Board meeting. These are designed to prevent future exceptions.</p>
<p>The Trustee Board has implemented formalised arrangements to monitor the frequency and suitability of reconciliation procedures undertaken by SLAL.</p>	<p>Through enquiry and inspection, we confirmed that the Trustee Board has implemented formalised arrangements to monitor the frequency and suitability of reconciliation procedures undertaken by SLAL.</p> <p>No exceptions noted.</p> <p>We obtained and inspected meeting minutes to confirm that reconciliations undertaken by SLAL are monitored by the Trustee Board.</p> <p>No exceptions noted.</p>

5. Control objectives and procedures (continued)

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

Process/activity

The Trustee Board reviewed SLAL's retirement proposition as part of its induction day in April 2015. This covered:

- The product solutions offered.
- The investment solutions to support the retirement proposition.
- Member engagement.
- The support provided for members.

In addition, the Trustee Board received a presentation on SLAL's retirement proposition at a training event on 12 January 2016, and this subject forms part of an annual "deep dive" training session undertaken by the Trustee Board. In addition, the Trustee Board also started a review of the retirement proposition in December 2019 which continued into January 2020.

There are documented procedures in place within SLAL to manage all retirements, including In-Scheme Drawdown which was launched for the DC Master Trust scheme in 2020. As part of the procedures:

- Scheme rules and policy provisions are coded within automated systems that have been built and tested to established project management practices.
- Benefits processes have been developed with oversight by Compliance and Legal departments to ensure legislative requirements are met.
- A quality assurance framework is in place to give assurance that benefits are processed in line with the defined processes and service levels.
- Implementation of the new In-Scheme Drawdown procedures have been reviewed by the Trustee and its take up is being monitored.
- Processes for managing payment of death benefits have been reviewed and agreed improvements are in the process of being implemented.
- Support for vulnerable customers has been reviewed.

A paper was presented to the Trustee Board, by SLAL, in accordance with the approved Scheme Calendar addressing various aspects of communication. This included SLAL control procedures relating to the retirement process and associated member communications in the lead up to retirement. The paper provides the Trustee Board with confidence that the controls currently in place are appropriate for Master Trusts and will be reviewed on an annual basis.

Control activities	Crowe test description
There are documented procedures in place within SLAL to manage all retirements.	We obtained and inspected the retirement procedure documents to confirm in place. No exceptions noted.
In accordance with the Scheme Calendar, SLAL presents a paper addressing various aspects of communications including matters relating to the retirement process and associated member communications in the lead up to retirement.	We obtained and inspected the paper prepared by SLAL to confirm that it includes matters relating to the retirement process and associated member communications in the lead up to retirement transactions and meeting minutes to confirm that the Trustee Board has undertaken a review of the paper in accordance with the Scheme Calendar. No exceptions noted.

5. Control objectives and procedures (continued)

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

Process/activity

Where a financial transaction is not processed promptly, due to an error by the administrator, business rules are in place to ensure that there is no loss to the member.

The member's position, as a result of error or delays, is corrected by creating units within each earmarked pot impacted equivalent to the financial detriment or updating the member records and reconciling 'rolling back/forward' the unit records. This is in line with SLAL's remediation policy.

The PICS, which is reviewed by the Trustee Board on an annual basis in accordance with the approved Scheme Calendar, provides a high level summary of the controls that are in place to ensure that any errors are rectified promptly. These include (but not limited to):

- The SLAL controls team identify automation failures in key processes (such as contribution allocation, Annual Benefit Statements and new business documentation) and manage them through to completion of the original request so that members are treated fairly.
- All complaints are dealt with by trained complaint handlers within the Customer Relations Department who follow established processes that adhere to the FCA's DISP rules.
- Complaints are subject to root cause analysis which is designed to ensure systemic issues are resolved.

Complaints are handled by a team of experienced complaint handlers and analysts - the analysts check and assess the root causes of complaints and analyse data looking for patterns and trends using a risk based approach. The team follow a robust process, which involves sign off and oversight within an established quality assurance framework designed to ensure complaint handling regulations are met. All complaints are quality assured e.g. check the checker.

The process follows logical steps. The complaint is;

- assessed for material distress, material inconvenience or financial loss and logged on date of receipt
- is acknowledged verbally within 5 days and further information is obtained, if appropriate, to understand any areas of dispute - following this up with a formal written acknowledgement
- investigated, pulling in subject matter expertise if required, by considering the evidence and findings documented
- reviewed to consider process, procedure and propositions (and whether these are fit for purpose and fair)
- reviewed against legislation, scheme rules, contract and literature
- concluded by making a decision and a formal response is issued (with referral rights), root cause actions are taken and where possible a call to follow up with the member

The Trustee Board receives reporting on complaints quarterly via the administrators' Service Review report. The report is reviewed with senior representatives from SLAL Customer Operations at quarterly meetings and the Trustee Board provides direction on any further information required or action to be taken, including in relation to the appropriate level of any mitigation payments which are to be made to members.

The Trustee Board has a robust Internal Dispute Resolution Process (IDRP).

The narrative above describes the first stage of the IDRP which is delegated to SLAL. If the complainant is not satisfied with the response to their complaint then they can invoke stage 2 of the IDRP. This involves their complaint being escalated to the Trustee Board for further consideration.

The IDRP is reviewed by the Trustee Board on an annual basis in accordance with the Scheme Calendar.

A paper was presented to the Trustee Board, by SLAL, in accordance with the approved Scheme Calendar addressing various aspects of scheme administration. This included the processes in place to ensure that any errors are rectified promptly. The paper provides the Trustee Board with confidence that the controls currently in place are appropriate for Master Trusts and will be reviewed on an annual basis.

5. Control objectives and procedures (continued)

Control activities	Crowe test description
<p>There is an entry in the Scheme Calendar to review the PICS annually.</p>	<p>We obtained and inspected the 2020 and 2021 PICS to confirm in place and meeting minutes to confirm that a review of the PICS has been undertaken in accordance with the Scheme Calendar.</p> <p>No exceptions noted.</p> <p>We inspected the 2020 and 2021 PICS document to confirm that it includes:</p> <ul style="list-style-type: none"> • The SLAL controls team identify automation failures in key processes (such as contribution allocation, Annual Benefit Statements and new business documentation) and manage them through to completion of the original request so that members are treated fairly. • All complaints are dealt with by trained complaint handlers within the Customer Relations Department who follow established processes that adhere to the FCA's DISP rules. • Complaints are subject to root cause analysis which is designed to ensure systemic issues are resolved. <p>No exceptions noted.</p>
<p>Any errors and/or complaints are identified and provided to the Trustee Board in the quarterly MI.</p>	<p>We obtained and inspected the quarterly MI Packs provided to the Trustee Board to confirm they include identified errors and/or complaints.</p> <p>No exceptions noted.</p>
<p>Member errors are corrected in accordance with a SLAL Remediation Policy.</p>	<p>We obtained and inspected the SLAL Remediation Policy to confirm that it sets out policies for error corrections (through unit adjustments).</p> <p>No exceptions noted.</p>
<p>In accordance with the Scheme Calendar, SLAL presents a paper to the Trustee Board addressing various aspects of administration including matters relating to the rectification of transaction errors.</p>	<p>We obtained and inspected the paper prepared by SLAL to confirm that it includes matters relating to the rectification of transaction errors and meeting minutes to confirm that the Trustee Board has undertaken a review of the paper in accordance with the Scheme Calendar.</p> <p>Exception noted.</p> <p>The paper prepared by SLAL was due to be submitted to the Trustee Board in the December 2021 meeting in accordance with the Scheme Calendar. This paper was not submitted for this meeting and instead was circulated by email to the Trustees on 26 January 2022.</p>

5. Control objectives and procedures (continued)

<p>In accordance with the Scheme Calendar, SLAL presents a paper to the Trustee Board addressing various aspects of administration including matters relating to the rectification of transaction errors.</p>	<p>Management response. The production of the Administration Paper was originally designed to provide the Trustee Board with an additional control which summarises the administrative actions that have occurred throughout the reporting period. The Trustee Board are provided with comprehensive management information covering a variety of administrative processes at each of their quarterly board meetings. The Trustee Board actively monitors this information and holds Standard Life to account where necessary. A review carried out on the controls in the administration paper concluded that all actions have been undertaken in the reporting period and that no failure in the controls has occurred. Additional controls have been implemented to ensure that in future years the paper is submitted for the Trustee Board to review no later than there Q3 Board meeting. These are designed to prevent future exceptions.</p>
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27. The Trustee Board ensures that late and inaccurate contributions are pursued and resolved in accordance with documented procedures. Late contributions are reported to the Trustees

Process/activity

SLAL operates a control process to deal with contributions that are outside of the permitted timescales as communicated by the Pensions Regulator (TPR). TPR has reviewed the process and no issues were raised as a result.

The monitoring of contributions is completed using SLAL's automated systems reporting to identify those contributions not paid and allocated in line with regulatory timescales e.g. monthly TPR dates. The reports are produced automatically on a fixed day each pay period and are reviewed by the administrators audit management team on an ongoing basis within their operation.

Action is taken to chase overdue contributions by contacting employers about late or unpaid contributions as appropriate for and on behalf of the Trustee Board. The employer is always made aware of its duties to pay contributions accurately in line with regulatory timescales. Contact with the employers can result in system updates for contributions which are legitimately not due, payment of the outstanding contributions or other further action e.g. an employer insolvency issue.

The monitoring process and related action is summarised as follows:

- Monthly checking of outstanding / late contributions shortly after 22nd of each month for TPR date.
- Review to validate missing contribution, action taken to update administration systems using established processes, contact employer or report as required under legislation.
- Report sent to the Trustee Board to confirm late or outstanding payment as applicable.
- Further review of payments outstanding and reporting at 90 days, which may result in writing to scheme members.

A report detailing all Master Trust outstanding payments is produced automatically on a monthly basis and is uploaded to enable the Trustee Board to identify any trends / issues that may arise.

If payment is not received by the latest date possible it will be reported to the Pensions Regulator via their online portal.

A communication will be issued and brought to the Trustee Board's attention, informing it of any payment failure.

5. Control objectives and procedures (continued)

Information relating to employers of the Master Trusts who have been reported to the Pensions Regulator is included within the suite of management information that is presented to the Trustee Board on a quarterly basis.

SLAL have already introduced a range of controls to help try and monitor inaccurate or insufficient payments, these include:

- Remind the employer of their obligation regarding contribution payments on behalf of the member and certify their accuracy.
- Ask employees to review the accuracy of contributions amounts received on an annual basis.

Any Master Trust employers who are deemed to be a Persistent Late Payer are recorded and reported on to TPR; the Trustee Board would also be made aware of these cases.

These enhancements have been discussed with TPR who have indicated that they would be appropriate.

The PICS, which is reviewed by the Trustee Board on an annual basis, provides high level summary of the controls that are in place to try and ensure that:

- Contributions are received in accordance with scheme rules and relevant legislation.
- Contributions are received and allocated accurately and in a timely manner.

These processes are reviewed regularly to ensure that they remain fit for purpose.

A paper was presented to the Trustee Board, by SLAL, in accordance with the approved Scheme Calendar addressing various aspects of scheme administration. This included SLAL control procedures around ensuring contributions are received in accordance with scheme rules and relevant legislation. The paper provides the Trustee Board with confidence that the controls currently in place are appropriate for Master Trusts and will be reviewed on an annual basis.

Control activities	Crowe test description
Reports are run each month based on prior month contributions and summarise payments that are late within the month and paid after the 22nd of following month.	We obtained and inspected a sample of monthly contribution reports to confirm that they summarise payments that are late within the month and paid after the 22nd of following month and monthly Trustee Board Packs to confirm that late payments are notified to the Trustees. No exceptions noted. Through enquiry we confirmed that monthly contribution summaries were uploaded to Board Packs. No exceptions noted.
There is an entry in the Scheme Calendar to review the PICS annually.	We obtained and inspected the 2020 and 2021 PICS to confirm in place and meeting minutes to confirm that a review of the PICS has been undertaken in accordance with the Scheme Calendar. No exceptions noted. We inspected the 2020 and 2021 PICS document to confirm that it includes: <ul style="list-style-type: none">• Contributions are received in accordance with scheme rules and relevant legislation.• Contributions are received and allocated accurately and in a timely manner. No exceptions noted.

5. Control objectives and procedures (continued)

Control activities	Crowe test description
In accordance with the Scheme Calendar, SLAL presents a paper to the Trustee Board addressing various aspects of administration including matters relating to the collection of contributions.	<p>We obtained and inspected the paper prepared by SLAL to confirm that it includes matters relating to the collection of contributions meeting minutes to confirm that the Trustee Board has undertaken a review of the paper in accordance with the Scheme Calendar.</p> <p>Exception noted.</p> <p>The paper prepared by SLAL was due to be submitted to the Trustee Board in the December 2021 meeting in accordance with the Scheme Calendar. This paper was not submitted for this meeting and instead was circulated by email to the Trustees on 26 January 2022.</p> <p>Management response.</p> <p>The production of the Administration Paper was originally designed to provide the Trustee Board with an additional control which summarises the administrative actions that have occurred throughout the reporting period.</p> <p>The Trustee Board are provided with comprehensive management information covering a variety of administrative processes at each of their quarterly board meetings. The Trustee Board actively monitors this information and holds Standard Life to account where necessary.</p> <p>A review carried out on the controls in the administration paper concluded that all actions have been undertaken in the reporting period and that no failure in the controls has occurred.</p> <p>Additional controls have been implemented to ensure that in future years the paper is submitted for the Trustee Board to review no later than there Q3 Board meeting. These are designed to prevent future exceptions.</p>

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

Process/activity

Contribution allocation is fully automated with no manual intervention in terms of buying units. Automated systems are designed to ensure consistent, timely and accurate receipt and allocation to the correct funds of regular and single payments.

The PICS, which is reviewed by the Trustee Board on an annual basis in accordance with the Scheme Calendar, provides high level summary of the controls that are in place to ensure that:

- Contributions are received and allocated accurately and in a timely manner.
- Authorised switches between investment options and changes to investment instructions are processed accurately and in a timely manner (including Lifestyle profiles).

These processes are reviewed regularly to ensure that they remain fit for purpose.

5. Control objectives and procedures (continued)

Reconciliations are carried out between Standard Life's Finance and Customer Operations areas to ensure contributions are accurately recorded.

Members of the Master Trusts are made aware of where their contributions are invested as well as in what proportion through the annual benefit statements that they receive.

The processes and controls around reconciliations were documented and reviewed by the Trustee Board as part of both schemes' successful application for Authorisation.

A full review of the Systems and Processes that support the Master Trust schemes was carried out as part of the 2020 Supervisory Return. As part of this evaluation the reconciliation processes, controls and evidence were reviewed and no changes were identified. The Trustee Board considered and approved the output of the supervisory return evaluation in March 2021,

An additional action has now been added to the scheme calendar which states that during each year's Q2 board meeting the Trustee must be presented with a report, for its approval, regarding the successful operation of the schemes' reconciliation processes and controls.

A paper was presented to the Trustee Board, by SLAL, in accordance with the approved Scheme Calendar addressing various aspects of scheme administration. This included SLAL control procedures relating to how contributions are received and allocated accurately and in a timely manner. The paper provides the Trustee Board with confidence that the controls currently in place are appropriate for Master Trusts and will be reviewed on an annual basis.

Control activities	Crowe test description
The Trustee Board has implemented formalised arrangements to monitor ongoing suitability of automated procedures for contribution allocation.	<p>Through enquiry and inspection, we confirmed that the Trustee Board has implemented formalised arrangements to monitor ongoing suitability of automated procedures for contribution allocation.</p> <p>No exceptions noted.</p> <p>We obtained and inspected meeting minutes to confirm that automated procedures for contribution allocations undertaken by SLAL are monitored by the Trustee Board.</p> <p>No exceptions noted.</p>
There is an entry in the Scheme Calendar to review the PICS annually.	<p>We obtained and inspected the 2020 and 2021 PICS to confirm in place and meeting minutes to confirm that a review of the PICS has been undertaken in accordance with the Scheme Calendar.</p> <p>No exceptions noted.</p> <p>We inspected the 2020 and 2021 PICS document to confirm that it includes:</p> <ul style="list-style-type: none">• Contributions are received and allocated accurately and in a timely manner.• Authorised switches between investment options and changes to investment instructions are processed accurately and in a timely manner (including Lifestyle profiles). <p>No exceptions noted.</p>

5. Control objectives and procedures (continued)

Control activities	Crowe test description
<p>Members of the Master Trusts are made aware of where their contributions are invested as well as in what proportion through the annual benefit statements that they receive.</p>	<p>We obtained and inspected a sample of annual benefits statements to confirm that members are made aware of where their contributions are invested as well as in what proportion.</p> <p>No exceptions noted.</p>
<p>In accordance with the Scheme Calendar, SLAL presents a paper to the Trustee Board addressing various aspects of administration including matters relating to the investment of contributions.</p>	<p>We obtained and inspected the paper prepared by SLAL to confirm that it includes matters relating to the investment of contributions and meeting minutes to confirm that the Trustee Board has undertaken a review of the paper in accordance with the Scheme Calendar.</p> <p>Exception noted.</p> <p>The paper prepared by SLAL was due to be submitted to the Trustee Board in the December 2021 meeting in accordance with the Scheme Calendar. This paper was not submitted for this meeting and instead was circulated by email to the Trustees on 26 January 2022.</p> <p>Management response.</p> <p>The production of the Administration Paper was originally designed to provide the Trustee Board with an additional control which summarises the administrative actions that have occurred throughout the reporting period.</p> <p>The Trustee Board are provided with comprehensive management information covering a variety of administrative processes at each of their quarterly board meetings. The Trustee Board actively monitors this information and holds Standard Life to account where necessary.</p> <p>A review carried out on the controls in the administration paper concluded that all actions have been undertaken in the reporting period and that no failure in the controls has occurred.</p> <p>Additional controls have been implemented to ensure that in future years the paper is submitted for the Trustee Board to review no later than there Q3 Board meeting. These are designed to prevent future exceptions.</p>

5. Control objectives and procedures (continued)

5.3.4 Data quality

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

Process/activity

All Master Trust member records are established with all common and conditional data and certain conditional data (including investment instruction) via GroupPensionzone (GPz) using the operating systems application batch software, which also manages all member and scheme record maintenance.

Master Trust records are tested for the existence of common data. The output is reviewed by SLAL's Customer Operations Technical team, any issues are fully investigated and where necessary data obtained/cleaned. The results are provided to the Trustee Board on an annual basis.

SLAL control procedures relating to whether member records consist of up to date and accurate information are documented in SLAL's annual PICS. In particular:

- Members' records (including financial) are set up and altered in accordance with documented procedures.
- The quality assurance framework gives assurance that member records are accurately updated in line with client requests.

The PICS is reviewed by the Trustee Board on an annual basis in accordance with the approved Scheme Calendar.

Control activities	Crowe test description
<p>Master Trust records are tested for the existence of common and conditional data on an annual basis.</p> <p>The results of this exercise are scheduled to be provided to the Trustee Board on an annual basis.</p>	<p>We obtained and inspected the results of the common and conditional data existence exercise and meeting minutes to confirm that results of the data evaluation exercise were reviewed by the Trustee Board.</p> <p>No exceptions noted.</p>
<p>There is an entry in the Scheme Calendar to review the PICS annually.</p>	<p>We obtained and inspected the 2020 and 2021 PICS to confirm in place and meeting minutes to confirm that a review of the PICS has been undertaken in accordance with the Scheme Calendar.</p> <p>No exceptions noted.</p> <p>We inspected the 2020 and 2021 PICS document to confirm that it includes:</p> <ul style="list-style-type: none">• Members' records (including financial) are set up and altered in accordance with documented procedures.• The quality assurance framework gives assurance that member records are accurately updated in line with client requests. <p>No exceptions noted.</p>

5. Control objectives and procedures (continued)

5.3.5 Communication and reporting

30. The Trustee Board maintains a documented member communications plan which is regularly reviewed.

Process/activity

The Trustee Board has delegated the production of its member engagement communications to SLAL.

SLAL sees insight and segmentation as key enablers throughout a member's journey, up to, through and into retirement. SLAL have commissioned several research projects, including Moments that Matter research to inform the communication programme. This programme uses information known about each member and actions that they have taken to ensure the next automated communication to them is timely and relevant.

This was launched with a welcome communication and revamped retirement communications are now live. These communications are primarily email or mail if the administrator doesn't have an email address for the member.

As part of the communication programme, an email newsletter (MoneyPlus) is issued monthly and provides members with insight and expert opinion to help with their finances.

SLAL is continuously looking to improve the communications they send to members, on behalf of the Trustee Board, by listening to member feedback, completing in-depth research and analysing behaviours driven by the communications they send. Any mandatory or regulatory changes are made using a proven and robust process.

SLAL operates to a marketing governance framework for the creation and updating of marketing communications.

Whilst communication responsibility has been delegated to the administrator, the Trustee Board plays an oversight role in the communications that are produced for members and approve any major changes to existing communications.

The Trustee Board has actions on the Scheme Calendar to review a range of communications including member booklet / guide / annual benefit statements and general communication material.

The process for generating all statutory communications is undertaken by SLAL. Individual participating employers have plans in place for communicating to members and the content of specific member communications in the lead up to retirement are set out in detailed wake up pack and logic specification process documentation. As part of SLAL's processes when producing communications all content is reviewed to ensure accuracy and there is an audit trail to support all communication sign offs.

A paper was presented to the Trustee Board, by SLAL, in accordance with the approved Scheme Calendar addressing various aspects of communication to members. This included detail around the drafting and presentation of communications to members. This paper provides the Trustee Board with confidence that the controls currently in place are appropriate for Master Trusts, in terms of communicating clearly key messages and will be reviewed on an annual basis.

The Trustee Board also reviewed the re-designed Annual Benefits Statement towards the end of 2017 which was drafted following direct member feedback and has considered it again in October 2020 following additional amendments to it.

Control activities	Crowe test description
The Trustee Board has actions on the Scheme Calendar to review a range of communications including the member booklet, guide, annual benefit statements and general communication material.	We obtained and inspected the Scheme Calendar to confirm there are actions to review a range of communications including member booklet, guide, annual benefit statements and general communication material No exceptions noted.
A SLAL communications plan is presented to the Trustee Board. This sets out delegated duties undertaken by SLAL covering a range of communication activities.	We obtained and inspected the SLAL Communications Plan to confirm in place and meeting minutes to confirm that this has been reviewed by the Trustee Board. No exceptions noted.

5. Control objectives and procedures (continued)

Control activities	Crowe test description
In accordance with the Scheme Calendar, SLAL presents a paper to the Trustee Board addressing various aspects of communications including matters relating to drafting and presentation of communications to members.	We obtained and inspected the paper prepared by SLAL to confirm that it includes matters relating to drafting and presentation of communications to members and meeting minutes to confirm that the Trustee Board has undertaken a review of the paper in accordance with the Scheme Calendar. No exceptions noted.

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

Process/activity

The Trustee Board has delegated the production of its member engagement communications to SLAL.

SLAL is continuously looking to improve the communications they send to members, on behalf of the Trustee Board, by listening to member feedback, completing in-depth research and analysing behaviours driven by the communications they send. Any mandatory or regulatory changes are made using a proven and robust process.

SLAL operates to a marketing governance framework for the creation and updating of marketing communications.

Whilst communication responsibility has been delegated to the administrator, the Trustee Board plays an oversight role in the communications that are produced for members and approve any major changes to existing communications.

The Trustee Board has actions on the Scheme Calendar to review a range of communications including member booklet / guide / annual benefit statements and general communication material.

A paper was presented to the Trustee Board, by SLAL, in accordance with the approved Scheme Calendar addressing various aspects of communication to members. This included detail around the drafting and presentation of communications to members. This paper provides the Trustee Board with confidence that the controls currently in place are appropriate for Master Trusts, in terms of communicating clearly key messages and will be reviewed on an annual basis.

The Trustee Board also reviewed the re-designed Annual Benefits Statement towards the end of 2017 which was drafted following direct member feedback and has considered it again in October 2020 following additional amendments to it.

Control activities	Crowe test description
The Trustee Board has actions on the Scheme Calendar to review a range of communications including the member booklet, guide, annual benefit statements and general communication material.	We obtained and inspected the Scheme Calendar to confirm there are actions to review a range of communications including member booklet, guide, annual benefit statements and general communication material No exceptions noted.
A SLAL communications plan is presented to the Trustee Board. This sets out delegated duties undertaken by SLAL covering a range of communication activities.	We obtained and inspected the SLAL Communications Plan to confirm that it addresses various aspects of communications including matters relating to drafting and presentation of communications to members. No exceptions noted.
In accordance with the Scheme Calendar, SLAL presents a paper to the Trustee Board addressing various aspects of communications including matters relating to drafting and presentation of communications to members.	We obtained and inspected the paper prepared by SLAL to confirm that it includes matters relating to drafting and presentation of communications to members and meeting minutes to confirm that the Trustee Board has undertaken a review of the paper in accordance with the Scheme Calendar. No exceptions noted.

5. Control objectives and procedures (continued)

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

Process/activity

The Trustee Board has delegated the production of communications to SLAL, as agreed in the Roles and Responsibilities document, which is reviewed and approved by the Board.

SLAL believes that customer insight / feedback is critical to understanding the needs and feelings from members. The more members engage with their pension the more likely they are to make the right decisions and achieve better outcomes so gathering feedback from them is vital to support that.

The communications framework, which members of the Master Trust schemes benefit from, consists of three key methods for collecting this customer insight on a regular basis:

1. Voice of the Customer Feedback
2. Quest
3. Customer Outcomes Survey

The frequency of when these feedback methods are issued varies and ranges from quarterly, annually and ad-hoc with the results presented back to the Trustee Board at their quarterly board meetings.

Control activities	Crowe test description
SLAL have processes in place to monitor customer feedback.	Through enquiry we confirmed that the SLAL have processes in place to monitor customer feedback. No exceptions noted.
The SLAL Proposition team undertake regular feedback requests with members and report back to the Trustee Board at their quarterly meetings.	We obtained and inspected quarterly meeting minutes to confirm that SLAL report feedback requests received from members to the Trustee Board. No exceptions noted.
Any complaints received during the reporting period are reported on as part of the Service Review reports that are presented to the Trustee Board on a quarterly basis at their meetings.	Through enquiry, we confirmed that complaints received during the period have been reported through the Service Review. No exceptions noted. We obtained and inspected quarterly meeting minutes to confirm that complaints received have been reported to the Trustee Board. No exceptions noted.

Appendix – Letter of engagement



Crowe U.K. LLP
Chartered Accountants
Member of Crowe Global

Our ref: AP/PS/LOS00099

Date: 9 July 2021

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Standard Life Master Trust Co. Ltd
C/O The Directors of the Corporate Trustee
Standard Life House
30 Lothian Road
Edinburgh
EH1 2DH

Dear Sirs

This letter sets out the basis on which we are to act for you and includes your and our respective responsibilities. This letter is to be read in conjunction with Terms and Conditions for Financial and Business Advisory Services dated 22 May 2015.

1. Scope of our work

1.1 You have asked us to act as Service Auditor to deliver services to you in connection with the governance control activities established by the Trustee of Stanplan A and the Standard Life DC Master Trust ("the Master Trusts") for the period from 1 January 2021 to 31 December 2021 (the Specified Period) and annually thereafter until further notice in writing.

2. Responsibilities of the Trustee

2.1 The Trustee of the Master Trusts (Standard Life Master Trust Co. Ltd - "the Trustee") in relation to which the Service Auditor's assurance report is to be provided is and shall be responsible for the design, implementation and operation of governance control activities at the Master Trusts. The Trustee's responsibilities are and shall include:

- a) acceptance of responsibility for governance control activities;
- b) evaluation of the effectiveness of the governance control activities established by the Trustee using suitable criteria; and
- c) supporting its evaluation with sufficient evidence, including documentation.

2.2 The Trustee acknowledges and accepts its responsibility for providing a written statement ("the Trustee's Report") about whether in all material respects, and based on suitable criteria:

- a) The Trustee's Report describes fairly the governance control activities established by the Trustee that relate to control objectives which were in place throughout the Specified Period;
- b) The governance control activities described were suitably designed throughout the Specified Period 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

Appendix – Letter of engagement (continued)

- c) The governance control activities described were operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved during the Specified Period.
- 2.3 This written statement will be included in, or attached to, the Trustee's description of the Trustee's governance control activities in the Trustee's Report and provided to user entities as part of the final Trustee's Report issued by the Trustee.
- 2.4 In drafting this report the Trustee has regard to, as a minimum, the criteria specified within TECHNICAL RELEASE TECH 05/20 ASSURANCE REPORTING ON MASTER TRUSTS issued by the Institute of Chartered Accountants in England and Wales.
- 3. Responsibilities of the Service Auditor**
- 3.1 It is our responsibility to form an independent opinion, based on the work carried out in relation to the governance control activities established by the Trustee as described in the Trustee's Report and report this to the Trustee.
- 4. Scope of the Service Auditor's work**
- 4.1 We conduct our work in accordance with the procedures set out in TECHNICAL RELEASE TECH 05/20 ASSURANCE REPORTING ON MASTER TRUSTS. Our work will include enquiries of key individuals at the Master Trusts.
- 4.2 In reaching our conclusion, the minimum criteria against which the governance control activities are to be evaluated are the control objectives developed for assurance reporting on Master Trusts as set out within TECHNICAL RELEASE TECH 05/20 ASSURANCE REPORTING ON MASTER TRUSTS, together with additional governance control activities as considered appropriate
- 4.3 Any work already performed in connection with this engagement before the date of this letter will also be governed by the terms and conditions of this letter.
- 4.4 We may seek written representations from the Trustee in relation to matters on which independent corroboration is not available. We shall seek confirmation from the Trustee that any significant matters of which we should be aware have been brought to our attention.
- 4.5 Our objective will be to conduct an examination that will include procedures to obtain reasonable assurance, in all material respects and based on suitable criteria, to enable us to express an opinion as to whether:
 - a) The Trustee's Report fairly presents the governance control activities established by the Trustee that relate to the control objectives specified in the Trustee's Report which were in place throughout the Specified Period;
 - b) The governance control activities established by the Trustee described in the Trustee's Report were suitably designed to provide reasonable, but not absolute, assurance that the specified control objectives would have been achieved if the described governance control activities operated effectively throughout the Specified Period; and
 - c) The governance control activities established by the Trustee that were tested were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the related control objectives were achieved throughout the Specified Period.
- 4.6 In conducting our work we will examine on a test basis, evidence supporting the Trustee's description of controls, including the operating effectiveness of the related controls, and perform other procedures as we consider necessary in the circumstances to provide a reasonable basis for our report. Our examination will not include other systems, controls, operations or services not specified herein including internal control at user organisations and, accordingly, we will express no opinion on such items.

Appendix – Letter of engagement (continued)

5. Inherent limitations

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

6. Use of our report

6.1 Our report will, subject to the permitted disclosures set out in paragraph 6.3 below, be made solely for the use of the Trustee and solely for the purpose of reporting on the governance control activities established by the Trustee, in accordance with these terms of our engagement.

6.2 Our work will be undertaken so that we might report to the Trustee those matters that we have agreed to state to it in our report and for no other purpose.

6.3 We permit the disclosure of our report, in full only, to verify to the recipient that a report by a Service Auditor has been commissioned by the Trustee and issued in connection with the governance control activities established by the Trustee without assuming or accepting any responsibility or liability to the recipient on our part.

6.4 To the fullest extent permitted by law, we do not and will not accept or assume responsibility to anyone other than the Trustee as a body for our work, for our report or for the opinions we will have formed.

7. Fees

7.1 The amount of our fee to provide Type 2 Service Auditor assurance services for periods beyond the 2017 AAF reporting period have been agreed with you. We shall charge in addition any disbursements and VAT, and reserve the right to charge interest on unpaid bills and suspend work until they are paid.

8. Data protection

8.1 This section supersedes our data protection requirements included in the Terms and Conditions for Financial and Business Advisory Services dated 22 May 2015.

8.2 When acting for you, we are a data controller in respect of any personal data you provide to us or to which we have access. This is because accountants and similar providers of professional services work under a range of professional obligations which oblige them to take responsibility for the personal data they process. For example, if we detect malpractice whilst performing our services we may, depending on its nature, be required under our regulatory obligations to report to relevant authorities. In doing so we would not be acting on your instructions but in accordance with our own professional obligations and therefore as a data controller in our own right.

8.3 Where we and you are deemed in accordance with the data protection laws to be joint data controllers, you shall be liable for the personal data you process and we shall only be liable for the personal data we process.

8.4 You confirm that you have the right to supply personal data to us and you will not breach applicable data protection laws. Where you are providing personal data to us about a third party, for example a family member, a partner, a director (including a non-executive director), and/or any other type of member, business associate or third party, you confirm that you have their authority and express permission to provide us with their personal data.

8.5 Neither of us will by our act or omission put the other in breach of the applicable data protection laws.

8.6 Where we and you are joint data controllers, you should provide all relevant information to data subjects relating to the processing of their personal data (including the processing carried out by us) and to the exercise of their rights in relation to the

Appendix – Letter of engagement (continued)

processing of their personal data as required by the data protection laws in a written notice ("Fair Processing Notice") and you will act as the contact point for the data subject.

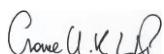
- 8.7 To enable us to discharge the services agreed under our engagement, and for other related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance, we may obtain, use, process and disclose personal data about you or your entity, its officers and employees, as applicable. We confirm when processing data on your behalf we will comply with the relevant provisions of the applicable data protection laws.
- 8.8 Where we act as a data processor in relation to your personal data, we will:
 - process personal data:
 - for the purpose of performing our services and obligations to you; and
 - for such other purposes as may be instructed by or agreed with you as otherwise notified in writing from time to time; and
 - in accordance with the applicable data protection laws;
 - implement appropriate technical and organisational measures to protect the personal data against unauthorised or unlawful processing and against accidental loss, destruction, damage, alteration or disclosure;
 - not otherwise modify, amend, remove or alter the contents of the personal data or (unless legally obligated to, as specified above) disclose or permit the disclosure of any of the personal data to any third party without your prior written authorisation;
 - adopt measures to maintain up to date records of our processing activities performed on your behalf which shall include the categories of processing activities performed, information on cross border data transfers and a general description of security measures implemented in respect of processed data;
 - unless otherwise required by data protection laws, or our own retention policy, we will return or delete all personal data upon the termination of the our relationship with you;
 - adopt measures to ensure that only those personnel who need to have access to your personal data are granted access to it and that all of the personnel required to access your personal data are reliable and have been informed of its confidential nature;
 - not appoint a sub-processor without your prior written consent, not to be unreasonably withheld, and ensure an agreement is entered into with the relevant sub-contractor which includes terms which are substantially the same as the terms set out in these clauses;
 - where we transfer your personal data to a country or territory outside the European Economic Area, to do so in accordance with data protection laws (including for the avoidance of doubt entering into standard form contracts);
 - notify you without undue delay if we receive (i) a request from a data subject to access your personal data, or (ii) a complaint or request relating to the data protection laws;
 - assist you should you need to carry out a privacy impact assessment;
 - notify you without undue delay in the event of becoming aware of any breach of the data protection laws; and
 - permit without charge, on an annual basis, and / or where you become aware of a data breach or alleged breach of the data protection laws by us, reasonable access to the relevant information for the purposes of appropriately reviewing compliance with the data protection laws.
- 8.9 Each of you and us shall indemnify and keep indemnified the other in full from and against all claims, proceedings, actions, damages, costs, fines, expenses and any other liabilities which may arise out of, or in consequence of the indemnifying party's breach of the data protection laws or the performance or non-performance by its sub-

Appendix – Letter of engagement (continued)

processor(s) and personnel of its obligations in connection with these Engagement Terms in relation to the data protection laws, including loss of or damage to property, financial loss arising from any breach of the data protection laws or any other loss which is caused directly or indirectly by any act or omission arising from any breach of the data protection laws.

- 8.10 When acting for you in a personal capacity how we process your personal data is described in our privacy notice. This is available on our internet page.
 - 8.11 We will tell you if, in our opinion, your instructions may breach the applicable data protection laws.
- 9. Confirmation of your agreement**
- 9.1 This letter supersedes any previous engagement letter for these services for the period covered. Once agreed, this letter will remain effective from the date of signature until it is replaced. You or we may agree to vary or terminate our authority to act on your behalf at any time without penalty. Notice of variation or termination must be given in writing.
 - 9.2 Please confirm your agreement to the terms of this letter and the attached terms of business by signing and returning one of the enclosed copies.

Yours faithfully

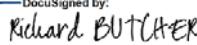


Crowe U.K. LLP

AGREEMENT OF TERMS

I acknowledge receipt of this letter which together with the terms of business fully records the agreement between us concerning your appointment to carry out the work described in it.

Name Richard Butcher Signed

DocuSigned by:

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Position for PTL, Director SLMTC Date 2 December 2021

For and on behalf of the Trustee.

Standard Life Assurance Limited is registered in Scotland (SC286833) at Standard Life House, 30 Lothian Road, Edinburgh, EH1 2DH.
Standard Life Assurance Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority
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