

Assurance Reporting on Master Trusts

TECH 05/20 AAF Assurance Report  
Trustee Governance Control Procedures  
Report for the period ended 31 March 2021

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## 1. Introduction

Creative Auto Enrolment Limited is a specialist auto enrolment consultancy and part of the Creative group of companies which also includes Creative Benefit Solutions Limited and Creative Benefit Wealth Management Limited.

In late 2014, Creative Auto Enrolment Limited recognised the particular needs of small and micro Small & Medium sized Employers (SMEs) were not being fully met by auto enrolment providers. After extensive research, it designed, built and launched in early 2015 its own fully integrated online compliant solution incorporating Creative Pension Trust; and is the appointed Scheme Sponsor and Manager.

Creative Benefit Solutions Limited is regulated by the Financial Conduct Authority (FCA) and is an award-winning firm of Chartered Financial Planners and Employee Benefits Consultants, most recently winning the Financial Adviser Group Pensions Adviser of the Year award in 2016. Creative Auto Enrolment Limited is not authorised by the FCA.

The Trustees of Creative Pension Trust have adopted the framework provided by the Audit and Assurance Faculty of the Institute of Chartered Accountants in England and Wales entitled Assurance Reporting on Master Trusts Technical Release TECH 05/20 AAF, referred to hereafter as "TECH 05/20 AAF".

This report provides information and assurance on the design, description and operational effectiveness of the performance of governance control activities established by the Trustees of Creative Pension Trust. We believe this assurance demonstrates both Creative's and the Trustees' commitment to strong and effective governance which both parties believe stands Creative Pension Trust in good stead for maintaining the Pensions Regulator (tPR) Authorised status.

This report covers the period from 1 April 2020 to 31 March 2021 and has been prepared in accordance with TECH 05/20 AAF.

## 2. Report of the Trustees of Creative Pension Trust

As the Trustees of Creative Pension Trust, we are responsible for the identification of control objectives relating to the governance of Creative Pension Trust and for establishing governance control activities including oversight of systems and processes that provide reasonable assurance that the control objectives are achieved. Those control objectives are derived from standards of governance set out in the Pensions Regulator's (tPR's) DC (Defined Contribution) 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 Creative Pension Trust (or are considering doing so) and members of Creative Pension Trust, but also to the needs of tPR who may use this report to help determine whether certain governance procedures including oversight of systems and processes relevant to Creative Pension Trust supervisory requirements have been met and have been subjected to independent scrutiny.

We have evaluated the effectiveness of Creative Pension Trust's governance control activities including oversight of systems and processes having regard to ICAEW's TECH 05/20 AAF and the control objectives set out therein.

We set out in section 4 of this report a description of the relevant governance control activities including oversight of systems and processes established by the Trustees of Creative Pension Trust together with the related control objectives which operated during the period from 1 April 2020 to 31 March 2021 and confirm that:

- a) the report describes fairly the governance control activities established by the Trustees that relate to the control objectives referred to above which were in place throughout the period from 1 April 2020 to 31 March 2021;
- b) the governance control activities described were suitably designed throughout the period from 1 April 2020 to 31 March 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
- c) 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 April 2020 to 31 March 2021.

Signed  .... (Trustee Chair)

Date 23/06/2021.....

Signed and dated on behalf of the Trustees of Creative Pension Trust



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### **3. Report by Service Auditor**

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

##### **To the Trustees of Creative Pension Trust**

###### **Use of report**

Our report, subject to the permitted disclosures set out below, is made solely for the use of the Trustees of Creative Pension Trust ("the Trustees") and solely for the purpose of reporting on the governance control activities established by the Trustees, in accordance with the terms of our engagement letter dated 27 July 2020 attached in the Appendix. Our work has been undertaken so that we might report to the Trustees 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 Trustees and issued in connection with the governance control activities established by the Trustees without assuming or accepting any responsibility or liability to the recipient on our part. To the fullest extent permitted by law, we do not and will not accept or assume responsibility to anyone other than the Trustees as a body for our work, for our report or the opinions we have formed.

###### **Scope**

We have been engaged to report on the description of governance control activities including oversight of systems and processes established by the Trustees throughout the period from 1 April 2020 to 31 March 2021 and on the suitability of the design and operating effectiveness of those governance control activities stated in the description.

###### **Trustees responsibilities**

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

###### **Our responsibilities**

Our responsibility is to form an independent opinion, based on the work carried out in relation to the governance control activities established by the Trustees as described in section 4 of the Trustees' report and report this to the Trustees. 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 Trustees as control objectives to be applied for the purpose of governance.



Our work involved performing procedures to obtain evidence about the presentation of the Trustees' description of the governance control activities including oversight of systems and processes and the design and operating effectiveness of those governance control activities. Our procedures 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.

### **Inherent limitations**

The Trustees' description of governance control activities including oversight of systems and processes was prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the governance control activities that may be relevant to each employer company or member of Creative Pension 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:

- (i) section 4 of the Trustees' report fairly presents the governance control activities established by the Trustees that relate to the control objectives referred to above which were in place throughout the period from 1 April 2020 to 31 March 2021;
- (ii) the governance control activities established by the Trustees described in section 4 of the Trustees' 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 April 2020 to 31 March 2021; and
- (iii) the governance control activities established by the Trustees that were tested were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the related control objectives were achieved the throughout the period from 1 April 2020 to 31 March 2021.

A handwritten signature in black ink that reads "Crowe U.K. LLP".

Crowe U.K. LLP  
Chartered accountants  
**London**

Date: 23 June 2021

## 4. Control objectives and activities

### CONTROLS MATRIX MASTER (FOR INCLUSION IN THE FIRST DRAFT FULL AAF REPORT)

Upon receipt the Trustees schedule a review of the latest Pensions Administration AAF report prepared by their third-party administrator HS Administrative Services Limited (HS Admin). During the latest reporting period the Trustees have been unable to review the latest AAF 01/06 report prepared for HS Admin as it has been delayed due to the COVID-19 pandemic and resulting lockdowns. The last AAF 01/06 report prepared by HS Admin covered the period from 22 December 2018 to 10 January 2020. The minutes of the Trustees' meetings on 27 May 2020 and 10 June 2020 note that this was reviewed by the Trustees. This monitoring and oversight control forms a key aspect of the controls environment for relevant control objectives referred to throughout section 4.

This is further supplemented by a bridging letter requested by the Trustees to help validate the operational effectiveness of controls in the intervening period and subsequently (the bridging letter covered the period from 11 January 2020 to 31 March 2021). Whilst this bridging letter was received and reviewed by the Trustees subsequent to the reporting date of this report, it forms a key part of the Trustees' monitoring and oversight of administration and IT related controls included in HS Admin's AAF 01/06 report. This bridging letter was received and reviewed by the Trustees prior to the approval of this report. Since the end of the latest reporting period the Trustees have received and reviewed the latest HS Admin AAF 01/06 report covering the period from 11 January 2020 to 30 April 2021. The minutes of the Trustee meeting on 7 June 2021 will note that this was reviewed by the Trustees.

<b>Control Objectives</b>	<b>Test Result Outcome</b>
<b>Value for Members</b>	
1. A documented value for members assessment is undertaken at least annually and is formally approved by the Trustee Board.	<b>No exceptions noted.</b>
2. The Trustee Board ensures disclosure of information to members of transaction costs and charges is complete and accurate and has been disclosed in accordance with regulatory guidelines.	<b>No exceptions noted.</b>
<b>Investment Governance</b>	
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.	<b>No exceptions noted.</b>
4. The Trustee Board undertakes a documented review of the Statement of Investment Principles. This review includes consideration of investment objectives and policies for the default arrangement(s) and all other investment options.	<b>No exceptions noted.</b>
5. The Trustee Board ensures that the Statement of Investment Principles is made publicly available.	<b>No exceptions noted.</b>
6. The performance of all investment options (including the default arrangement(s)) is reviewed and monitored against the investment objectives set out in the Statement of Investment Principles. This review is documented and approved by the Trustee Board.	<b>No exceptions noted.</b>
<b>The trustee board</b>	
7. New trustees are recruited and appointed in accordance with a documented procedure approved by the Trustee Board.	<b>No exceptions noted.</b>

8. The fitness and propriety of trustees is assessed prior to appointment and reviewed annually thereafter in accordance with a documented policy. This review is documented and approved by the Trustee Board.	<b>No exceptions noted.</b>
9. Collective skills and competencies of the Trustee Board as a whole are reviewed on an annual basis. This review is documented and approved by the Trustee Board.	<b>No exceptions noted.</b>
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.	<b>No exceptions noted.</b>
<b>Financial sustainability and compliance</b>	
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.	<b>No exceptions noted.</b>
12. A documented review of the Business Plan is undertaken by the Trustee Board within required timescales.	<b>No exceptions noted.</b>
13. A documented Continuity Strategy is maintained and reviewed by the Trustee Board.	<b>No exceptions noted.</b>
14. A documented procedure is maintained and approved by the Trustee Board for reporting Significant Events and Triggering Events to the Regulator within required timescales.	<b>No exceptions noted.</b>
<b>Scheme management skills</b>	
15. An annual business schedule/plan is maintained and reviewed by the Trustee Board.	<b>No exceptions noted.</b>
16. Conflicts of interest are subject to ongoing monitoring and are identified, recorded in a conflicts register and managed in accordance with a defined policy which is regularly reviewed by the Trustee Board.	<b>No exceptions noted.</b>
17. Documented due diligence is undertaken by the Trustee Board prior to the appointment of all service providers, including fitness and propriety. Selection criteria is maintained by the Trustee Board to support service provider selection and decision making.	<b>No exceptions noted.</b>
18. Roles and responsibilities of all advisers and service providers are documented and the performance and quality of their service is subject to documented reviews by the Trustee Board against documented performance criteria.	<b>No exceptions noted.</b>
19. The Trustee Board maintains a risk management framework to identify, evaluate, manage and monitor scheme risks.	<b>No exceptions noted.</b>
<b>Trustee oversight of IT systems and administration processes</b>	
20. The Trustee Board monitors and reviews IT systems.	<b>No exceptions noted.</b>
21. The capacity to take on new business is assessed, approved and regularly monitored by the Trustee Board.	<b>No exceptions noted.</b>
22. Signed administration agreements are in place with service providers and include provisions for the rectification of maladministration. The agreements are approved by the Trustee Board.	<b>No exceptions noted.</b>

23. The Trustee Board has arrangements in place for ensuring that core financial transactions (including decumulation related transactions) are processed promptly.	<b>No exceptions noted.</b>
24. The Trustee Board has arrangements in place for ensuring that core financial transactions (including decumulation related transactions) are processed accurately and that payments are authorised and suitably controlled.	<b>No exceptions noted.</b>
25. The Trustee Board ensures that member retirement options selected are processed and managed in accordance with documented procedures.	<b>No exceptions noted.</b>
26. The Trustee Board ensures that transaction errors are identified and rectified in accordance with a documented procedure.	<b>No exceptions noted.</b>
27. The Trustee Board ensures that late and inaccurate contributions are pursued and resolved in accordance with documented procedures. Late contributions are reported to the trustees.	<b>No exceptions noted.</b>
28. The Trustee Board ensures that contributions are invested and allocated in accordance with member instructions or the requirements of the default arrangement.	<b>No exceptions noted.</b>
<b>Data quality</b>	
29. The Trustee Board ensures member data is complete and accurate and is subject to regular data evaluation.	<b>No exceptions noted.</b>
<b>Communications and reporting</b>	
30. The Trustee Board maintains a documented member communications plan which is regularly reviewed.	<b>No exceptions noted.</b>
31. Arrangements are in place for ensuring that the quality and accuracy of member communications are assessed by the Trustee Board.	<b>No exceptions noted.</b>
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.	<b>No exceptions noted.</b>



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Creative Pension Trust is an occupational pension scheme governed by a group of Independent Trustees including PAN Trustees UK LLP. (Company No. OC333840) of The Annex, Oathall House, Oathall Road, Haywards Heath, West Sussex, England RH16 3EN. The scheme is sponsored by Creative Auto Enrolment (Company No. 8554978), trading as Creative. Registered office: Cannon Place, 78 Cannon Street, London, EC4N 6A