

**SALVUS MASTER TRUST  
MASTER TRUST ASSURANCE FRAMEWORK**

## Contents

1.	Introduction.....	3
2.	Statement by the Trustees of the Scheme .....	4
3.	Report by the Reporting Accountants .....	7
4.	Business Overview and Control Environments.....	9
5.	Summary of Control Objectives.....	14
6.	Control Objectives and Control Procedures.....	16
7.	Glossary.....	39
8.	Appendix: Letter of Engagement.....	40
	1. Introduction.....	43
	2. The Assurance Report .....	43
	3. Your Responsibilities.....	43
	4. Inherent Limitations of Control Procedures.....	44
	5. Your use of the Assurance Report .....	44
	6. Access to Working Papers .....	45
	7. Limitation of Liability .....	45
	8. Termination .....	46
	Standard Terms and Conditions of Business.....	47
	Prospective Customer Disclaimer Letter .....	58

## Introduction

---

This report describes and gives assurance on the control environment and internal controls for master trust services, and related information technology controls, operating for the year ended 30 November 2018. Our reporting accountant, Rothmans LLP, has independently assessed these key controls and confirmed that they are designed to meet the quality control objectives set by The Pensions Regulator (TPR).

Goddard Perry Consulting Ltd is the sponsor of the Salvus Master Trust (the Scheme), which is a multi-employer workplace Master Trust designed to help employers provide work-place pensions much more cost-effectively than they could do alone. The Scheme is the legal entity into which pension contributions are paid by secure direct debit and which holds member funds. It is overseen by experienced Trustees. Both the Scheme and the Trustees are regulated by TPR. The Trustees employ independent administrators, HS Administrative Services Ltd (HS Admin) to administer the Scheme.

The Scheme was founded by Goddard Perry Consulting Limited, an experienced Employee Benefits Consultancy and Pensions Advisory firm, who designed the Scheme specifically to support UK businesses faced with the challenges of auto enrolment and their administrative obligations.

TPR expects Master Trusts to follow high standards in design and operation. The quality features set out in TPR's Code of Practice No.15 provide a benchmark for defined contribution Master Trusts. They were incorporated in the AAF 02/07 framework, developed by TPR and the Institute of Chartered Accountants in England and Wales (ICAEW), which sets out 27 objectives relating to good governance of a scheme. Reviews demonstrating adherence to this framework lets the Scheme show that it has been independently assessed as to how it meets these objectives.

To achieve Master Trust Assurance, the Scheme has reported 135 control procedures in place to meet these objectives and manage the associated risks.

### **What does this assurance mean for members and employers using the Scheme?**

This report confirms that for the year ended 30 November 2018 the Scheme had appropriate controls and procedures in place to deliver all relevant quality standards set by TPR. It provides details of the controls and procedures in place designed to ensure a high-quality service for members and employers alike.

## Statement by the Trustees of the Scheme

---

As Trustees we are responsible for the identification of control objectives relating to the provision of Master Trust services by the Scheme and the design, implementation and operation of controls to provide reasonable assurance that the control objectives are achieved. These objectives are derived from the DC code of practice and DC regulatory guidance.

In carrying out those responsibilities we have regard not only to the interests of clients but also to those of the owners of the business and the general effectiveness and efficiency of the relevant operations. The accompanying description has been prepared to allow employers and members using the Scheme and their advisers to have a sufficient understanding to consider the description, along with other information including information about controls operated by the Trustees.

We have evaluated the fairness of the description, the design suitability and effectiveness of the Scheme's controls procedures having regard to the International Standard on Assurance Engagements (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board, the Technical Release AAF 02/07 (AAF 02/07), issued by the Institute of Chartered Accountants in England and Wales, and the control objectives for master trusts set out in the ICAEW Technical Release 12/16, 'Assurance Reporting on master trusts (Master Trust supplement to ICAEW AAF 02/07)' as described in section 4 of this report.

### *Summary of controls with one exception*

Each of the internal controls were verified by Rothmans LLP with one exception to one control procedure relating to member statements for control objective 2 (Disclosure of information to members of costs and charges (rates (%) and amounts (£)) are complete and accurate).

<b>Control area</b>	<b>Control objectives</b>	<b>No. of control procedures (Section 5 control references)</b>	<b>Pages</b>	<b>Summary of results</b>
<b>Value for members</b> Assessing value for members Management of costs and charges	1-2	10 (1.1-2.10)	16-17	1 exception (2.3 p16)
<b>Investment Governance</b> Protection of Assets	3-5	20 (3.11-5.30)	17-21	No exceptions
<b>The Trustee Board</b>	6	5 (6.31-6.35)	21-22	No exceptions
<b>Scheme Management skills administration</b> Core financial transactions	7-20	97 (7.36-20.102)	22-34	No exceptions
<b>Administration</b> Data quality and security	21-24	21 (21.103-24.123)	34-37	No exceptions
<b>Communication and Reporting</b>	25-27	12 (25.124-27.135)	37-39	No exceptions

We confirm that:

- I. The accompanying description at section 5 fairly presents the control procedures (that relate to the control objectives referred to above for the Scheme) which were in place throughout the period from 1 December 2017 to 30 November 2018. In addition to the control objectives specified in AAF 02/07, the criteria used in making this assertion were that the accompanying description:
- II. Presents how the services were designed and implemented, including:
  - the types of services provided, including, as appropriate, the nature of transactions processed;
  - the procedures, both automated and manual, by which client transactions were initiated, recorded and processed;
  - the accounting records and related data that were maintained, reported and corrected as necessary;
  - the means by which the systems captured and addressed significant events and conditions, other than client transactions;
  - the security, availability and recovery characteristics of information technology systems and other aspects of our control environment, risk assessment process, monitoring and information and communication systems, that were relevant to our control activities; and
- III. Does not omit or distort information relevant to the scope of the services being described, while acknowledging that the description is prepared to meet the common needs of a broad range of clients and their auditors and may not, therefore, include every aspect of the services that each individual employer may consider important in its own environment.
- IV. The control procedures related to the control objectives stated in the accompanying description were suitably designed throughout the period from 1 December 2017 to 30 November 2018. The criteria used in making this assertion were that:
  - the risks that threatened achievement of the control objectives stated in the description were identified;
  - the identified controls would, if operated as described, provide reasonable assurance that those risks did not prevent the stated control objectives from being achieved; and
  - the controls were applied as designed, including manual controls which were applied by individuals who have the appropriate competence and authority throughout the period from 1 December 2017 to 30 November 2018.

Signed for and on behalf of the Salvus Master Trust Trustees

*A J Blackman*

29 March 2019

29<sup>th</sup> March 2019

## Report by the Reporting Accountants

---

### Reporting accountants' assurance report on the governance and administration control procedures of master trusts to the Trustees of the Scheme

#### Use of report

Our report, subject to the permitted disclosures set out below, is made solely for the use of the Trustees of the Scheme, and is solely for the purpose of reporting on the control procedures of the Scheme, in accordance with our terms of engagement letter dated 1 March 2019 and 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 reporting accountants has been commissioned by the Trustees and issued in connection with the control procedures of the Scheme without assuming or accepting any responsibility or liability to the recipient on our part.

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

#### Scope

We have been engaged to report on the Trustees' description of its governance and administration control procedures in relation to the Scheme throughout the year ended 31 December 2018 and on the design and operating effectiveness of the control procedures stated in the description.

#### Trustees' responsibilities

The Trustees' responsibilities and statement are set out on section 1 of the report. The control objectives stated in the description include those control objectives set out in ICAEW Technical Release 12/16, 'Assurance reporting on master trusts (Master Trusts Supplement to AAF 02/07) that are considered relevant by the Trustees.

#### Our Responsibilities

Our responsibility is to take an independent opinion, based on the work carried out in relation to the control procedures of the Scheme as described in section 5 of the report and report this to the Trustees. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised and with ICAEW Technical Release AAF 02/07 including its Master Trusts Supplement. ISAE 3000 Revised and AAF 02/07 require, among other things, that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the description is fairly presented and the control procedures are suitably designed and operating effectively. The criteria against which the control procedures were evaluated are the control objectives developed for master trusts as set out within the Master Trusts Supplement to AAF 02/07 and identified by the Trustees as control objectives to be applied for the purpose of governance and administration.

Our work involved performing procedures to obtain evidence about the presentation of the Trustees' description of the governance and administration control procedures and the design and operational effectiveness of those control procedures. Our procedures include assessing the risks that the description is not fairly presented, and that the controls procedures were not suitably designed or did not operate effectively. An assurance engagement of this type also includes evaluating the overall presentation of the description and suitability of the control objectives stated therein.

7

**Rothmans**  
Chartered Accountants  
Trinity Court  
34 West Street  
Sutton  
Surrey  
SM1 1SH

### **Inherent limitations**

The Trustees' description of control procedures was prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of control procedures that may be relevant to each employer company or member of the Scheme. Also, because of their nature, control procedures may not prevent, detect or correct all errors or omissions in performing governance or administration 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 procedures to future periods would be inappropriate.

### **Opinion**

In our opinion, in all material respects:

- (i) Section 6 of the Trustees' report fairly presents the control procedures that relate to the control objectives referred to above which were in place throughout the year to 31 December 2018; and
- (ii) the control procedures described in section 6 of this report were suitably designed to provide reasonable, but not absolute, assurance that the specified control objectives would have been achieved if the described control procedures operated effectively throughout the year to 31 December 2018; and
- (iii) the control procedures that were tested were operating with sufficient effectiveness to provide reasonable but not absolute assurance that the related control procedures were achieved throughout the year to 31 December 2018.



**ROTHMAN PANTALL LLP**  
Chartered Accountants

## **Business Overview and Control Environments**

---

### **Our Services**

The Scheme is a multi-employer occupational Master Trust that delivers innovative products and good value for money for Scheme members. The Scheme is sponsored by Goddard Perry Consulting Ltd, a company originally established in 1982.

The Scheme guarantees acceptance to all workplace schemes and occupational DC buyout opportunities. It also holds a contract with the Pension Protection Fund (PPF) to provide support for DB schemes entering the PPF with DC/AVC assets.

In addition to offering a qualifying auto enrolment workplace scheme, the Scheme's technology development team have created a highly secure Administration Platform for Advisers and Employers, to manage full auto enrolment administration obligations from end to end, quickly and simply.

As the sponsor of the Scheme, Goddard Perry Consulting Ltd works closely with payroll software and middleware providers, to provide compatible excel, .csv format, and Application Program Interface (API) methods that exchange employee, payroll and contributions data in a quick and uncomplicated way with the Scheme, maximising scalability and keeping costs low.

Our primary focus is on the auto enrolment market and, because our fast, secure platform is so easy to use, we have already successfully signed up over 3,000 employers since coming to the market in June 2014.

The Scheme is supported by Goddard Perry Consulting Ltd who is 100% owned by Goddard Perry Holdings Ltd.

### **The Scheme structure**

The Scheme is the brand into which pension contributions are made, securely, by direct debit. The Scheme is regulated by TPR and overseen by experienced Trustees and administrators to ensure employees' funds are fully protected at all times.

### **Board of Trustees**

Clark Benefit Consulting leads the Board of Trustees, the majority of whom are independent. The Trustees ensure legislation is followed; act in the interests of the beneficiaries and procure an investment strategy for the Scheme's assets as set out in the Scheme's governing documentation. The Trustees appoint the Scheme's investment consultant, fund manager and its Scheme administrator. The Trustees are also regulated by TPR.

### **Clark Benefit Consulting Ltd– Chair of the Board of Trustees**

Clark Benefit Consulting Ltd, represented by Michael Clark, has been Chair of the trustees for three years and is a professional independent Trustee. He holds a number of appointments with both large DB & DC clients. He is also Trustee of another Master Trust.

### **Able Governance Ltd – Trustee**

Able Governance Ltd, represented by Nick Boyes, is also a professional independent Trustee having previously worked for Alexander Forbes Trustee Services in Nottingham.

### **Andrew Blackman**

Andrew has been a Trustee of the Scheme since January 2018, and is also Deputy MD of the sponsor, Goddard Perry Consulting Ltd, where his primary role is to provide Secretarial, Consultancy and Administration services to occupational pension schemes. Prior to joining Goddard Perry, Andrew was a Senior Consultant at Mercer.

## **Scheme Administration**

### **HS Administrative Services Ltd**

HS Administrative Services Ltd (HS Admin) have been third-party administrators since 1985. They were appointed administrators of the Spinnaker Master Trust in 2010 when Goddard Perry Consulting Ltd won a contract with the PPF. In June 2014 they won the contract to provide administration services to Salvus and in 2016 Spinnaker & Salvus were merged. HS Admin have c200,000 members on their platform which includes another larger Master Trust. They hold the AAF01/06 internal controls award with the most recent version to November 2018.

HS Admin are based in Liverpool and have c65 staff and utilise the Profund oPen2 pension administration system. They have been previous winners of "Third-party Administrator of the Year".

### **Investment Consultant**

#### **River & Mercantile**

River & Mercantile is an advisory and asset management business with a broad range of services, from consulting and advisory to fully-delegated fiduciary and fund management and provides Investment Consultancy services to the Trustees.

### **Investments**

Diversified, low cost investment approach which spreads members' capital across multiple asset types and geographic regions. Over 90% of this investment option is invested in funds which have been selected from BlackRock Asset Management's extensive range of index-tracking funds.

For members wishing their Scheme investments to be investment other than in the default, other funds have been made available on the same investment platform and are detailed on the Salvus website.

To comply with DWP guidelines, all workplace Master Trust providers must offer de-risking before retirement. Salvus Master Trust calls this the 'Lifestyling glidepath'. This automatically switches units between funds towards lower risk investments ahead of a member's chosen or default retirement age.

Members can elect to move away from the lifestyling glidepath to select specific fund combinations that will suit their circumstances.

### **Executive Team – Goddard Perry Consulting Ltd**

#### **Steve Goddard – Managing Director**

Steve joined the company in 1993 (then known as Michael Kirk & Partners Ltd) following advisory roles at Scottish Life and Scottish Equitable. He has over 35 years industry experience and was a founding member of the Master Trust Association.

Following the award of a contract with the PPF in 2010, Steve has built Salvus to what it is today with over 60,000 members and c £140M in funds under management.

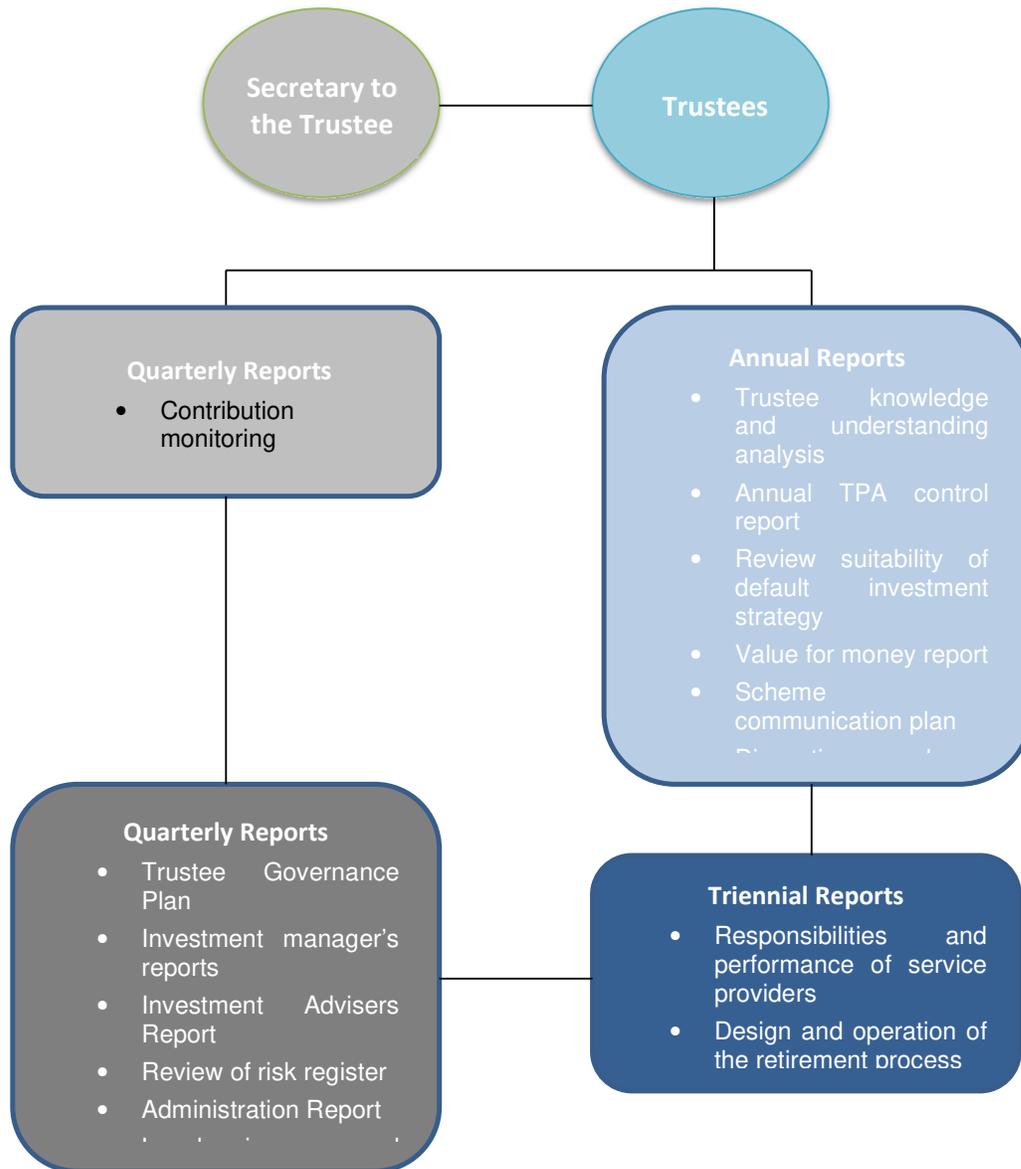
#### **Andrew Blackman – Deputy Managing Director**

Andrew has over 30 years experience in the industry, during which time he was a Senior Consultant at one of the leading employee benefit consultancies in the UK, Mercer. He joined the company in 2005. He is also a shareholder and is on the Main Board of Goddard Perry Holdings Ltd which owns 100% of Goddard Perry Consulting Ltd.

#### **Bob Perry - Chairman**

Bob joined the industry in the mid 70's and worked for many years with Standard Life in their City office. In 1982 he launched a financial services business in conjunction with City accounting firm McHale Heaney. In 2009 McHale Heaney Brokers and Michael Kirk & Partners Ltd merged to form Goddard Perry.

# Reporting Framework



## **The Scheme strives to adhere to robust governance standards**

The majority of Trustees are independent of Goddard Perry Consulting Ltd, and are the legal owners of funds held within the Scheme, holding them in trust for the members. They appoint the Scheme's administrator and Scheme investment managers.

The Trustees meet formally on a quarterly basis, to discuss and monitor the Scheme's on-going objectives, performance, projects and risks.

The Trustees work with Goddard Perry Consulting Ltd to deliver on a number of strategic objectives and responsibilities. Any areas requiring a report or a decision by the Trustees are escalated via the Secretary to the Trustees, with a representative from Goddard Perry Consulting Ltd attending Trustee meetings.

The Executive Board of Goddard Perry Consulting Ltd meets on a regular basis to consider operational issues, business strategy, funding, HR matters and other relevant topics. The Executive Board is primarily responsible for funding the business, sourcing and signing up employers participating in the Scheme, and advising the Trustees on outsourced services.

Internal controls within the Scheme apply, where possible, the best practice 'three layers of defence' approach as follows:

- i) each process is operated by an approved and trained person in line with agreed policy and controls;
- ii) a second person checks that policy and controls have been properly applied; and
- iii) a third and independent person gives assurance that policies and controls have been properly designed and applied.

The prime records of member holdings are maintained on the systems of the administrator (HS Admin). They also apply the 'three layers of defence' approach and have provided us with a copy of their most recent AAF01/06 assurance report on their conduct of business, control and management of risks. The Trustees will seek updates to this report on an annual basis.

The Scheme's own systems and communications processes (provided by HS Admin) incorporate high-quality protection and controls to safely collect, maintain and process data as intended without external interference or loss. There are also robust controls in place over program development and release to live use, and strong measures to ensure the availability of these systems and processes to meet member and employer needs.

The Scheme's website and email service gives members and employers access to a wide range of information on the operation of the Scheme, and facilitate prompt answers to problems and queries with an extensive FAQ section and online 'chat' facilities.

Members have access to information on the current value of their pension pot by way of a 'member portal', via HS Admin. The Portal provides information on contributions paid and current fund value, together with other functions designed to support a member's pension contribution decisions.

## **Responsibility to Clients and Members**

### Communication and Education Tools

The Scheme understands the importance of supporting the Advisers, Employers and Employees/Members who engage with and use the Scheme. In order to provide transparency around the Scheme, and help employers and their employees understand auto enrolment and their administration obligations in a jargon-free way, the Scheme has created a range of brochures, fact sheets, guides, and webinars to educate and enable, some of which are listed below:

#### **Educate**

- Webinars given by Business Development staff to clients are available on the website
- Videos about auto enrolment are available in our Employer Portal
- Presentations on request

#### **Empower**

- AE Planner tools
- Fund fact sheets on Investment Performance/Strategy
- Letter Template via our Employer Portal for Advisers to tailor and send to clients
- Competitor Comparison Table with supporting models
- MAF AAF 02/07 Report & Defaqto Rating - 3rd Party approvals

#### **Enable**

- Employer Portal
- Employer Sign up processes
- Administration Platform providing the ability to assess employees, calculate contributions, take contributions via direct debit, and automatically generate compliant communications
- Member Portal
- Adviser Support (email, online 'chat' and telephone)
- Employer Support (email, online 'chat' and telephone)
- Employee/Member Support (email, online 'chat' and telephone)
- Online Chat Support
- Help Menu

## Summary of Control Objectives

---

### VALUE FOR MEMBERS

#### Assessing value for members

1. A value for money assessment is undertaken annually and the process followed is documented and approved. The assessment should include value to members derived from scheme management and governance, administration, investment governance and communications.

#### Management of costs and charges

2. Disclosure of information to members of costs and charges (rates (%) and amounts (£)) are complete and accurate.

### INVESTMENT GOVERNANCE

#### Protection of Assets

3. Scheme and member assets or entitlements are safeguarded from loss, misappropriation and unauthorised use. Financial protection and compensation available to members in the event of a default is assessed and documented.
4. The design and on-going suitability of the default arrangement and range and risk profile of other investment options are regularly reviewed and monitored. This review is documented and the investment aims and objectives for the arrangement and investment policies for all investment options are included in an approved Statement of Investment Principles.
5. The performance of each investment option including the default arrangement(s) in which member funds are invested are regularly reviewed and monitored against objectives in the Statement of Investment Principles. This review is documented and approved.

### THE TRUSTEE BOARD

6. Fitness and propriety requirements for trustees are recorded and managed in accordance with a policy which is regularly reviewed and approved. The fitness and propriety of trustees is reviewed prior to appointment and annually thereafter. This review is documented and approved.

### SCHEME MANAGEMENT SKILLS

7. Conflicts of interest are subject to ongoing monitoring and are identified, recorded and managed in accordance with a defined policy which is regularly reviewed and approved.
8. Trustee levels of knowledge and understanding are managed and maintained in accordance with an approved training and development plan. This plan is regularly reviewed and updated.
9. A business/resource plan is maintained that sets out when scheme related activities are due to take place or be completed, and regularly reviewed to ensure that resources are available and allocated.
10. Roles, responsibilities and duties of all trustees, advisers and service providers are documented and the performance and quality of their service is subject to regular documented reviews. The suitability of advisers and service providers is reviewed against criteria before appointment and this review is documented.
11. Discontinuance plans, which address how member assets or entitlements are safeguarded in the event of the Scheme or any key service provider failing, defaulting or transferring ownership, are documented, approved and maintained.
12. A risk management framework is established to identify, evaluate and treat scheme risks. Risks are recorded in a risk register which is reviewed at least annually.

## **ADMINISTRATION**

### **Core financial transactions**

13. Core financial transactions are processed promptly and accurately.
14. Contributions are invested and allocated in accordance with member instructions or the requirements of the default arrangement.
15. Transaction errors are identified and rectified.
16. Cash is safeguarded and all payments are suitably authorised and controlled.
17. Late and inaccurate contributions are pursued and resolved.
18. Data and systems are backed up regularly, retained offsite and regularly tested for recoverability.
19. Business and information systems recovery plans are documented, approved, tested and maintained.
20. The capacity of an administration system to take on new business is assessed, approved and regularly monitored.
21. New business take-ons are properly established in accordance with Scheme's rules and contractual arrangements.

### **Data quality and security**

22. Member data is complete and accurate and is subject to regular data evaluation.
23. Monitoring of operations implemented to support the security of data transmissions and measures implemented to mitigate the threat of malicious electronic attack are regularly reviewed and documented.
24. Physical and logical access to computer systems, and member and Scheme records and data, is restricted to authorised persons.
25. IT equipment is maintained in a controlled environment and the maintenance and development of systems, applications and software is authorised, tested, approved and implemented.

## **COMMUNICATION AND REPORTING**

26. Retirements are managed in accordance with a documented process which is regularly reviewed and approved.
27. Member communications are accurate, clear and understandable and are produced in accordance with a communications plan. The plan is regularly reviewed and monitored.
28. Member communications contain information to support the decisions members need to make at retirement.

## Control Objectives and Control Procedures

This Master Trust Supplement to AAF 02/07 focusses on how the Scheme conducts its business and controls and manages its risks.

<p><b>Safety of Assets and Records (C01)</b></p>	<p>1. <b>A value for money assessment is undertaken annually and the process followed is documented and approved. The assessment should include value to members derived from scheme management and governance, administration, investment governance and communications.</b></p>
<p><b>Control Procedures</b></p>	<p>1.1 Membership of the Scheme is comprised mainly of low to medium earners and therefore costs and charges are a prime consideration for the Trustees.</p> <p>1.2 A Value for Members (VFM) review is conducted annually and summarised in the Scheme's annual Chair's Statement published in the Scheme's Annual Report and Accounts. The most recent VFM assessment was completed in July 2018.</p> <p>1.3 The Trustees have a VFM process planned for completion by Q3 2019. The scope of this VFM review will include absolute and relative cost, considering the scope, quality, and the frequency and fitness for purpose of the service provided, taking into account scheme management and governance, administration, investment governance and communications.</p> <p>1.4 Following TPR's guidance there will be a formal VFM assessment at least every three years, which will be shown within the Governance Plan.</p>
<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by inspection of VFM review (made in July 2018) that the costs and charges are a prime consideration for the Trustees. An annual review of costs and charges are considered by the Trustees.</p> <p>Confirmed by inspection of Chair's Statement that there was a VFM review</p> <p>Confirmed by inspection of the Trustees Quarterly Meeting minutes that there is a VFM process discussed by the Trustees.</p> <p>Confirmed by inspection of the Trustees Governance Plan that the next VFM review is scheduled to be completed 6 months from the year end.</p>
<p><b>Safety of Assets and Records (C02)</b></p>	<p>2. <b>Disclosure of information to members of costs and charges (rates (%) and amounts (£)) are complete and accurate.</b></p>
<p><b>Control Procedure</b></p>	<p>2.1 Information on the charge specific to each member is available on the Member Portal.</p> <p>2.2 The Scheme has now integrated members from another Master Trust and has reduced terms for these members to 0.29%.</p> <p>2.3 The appropriate pricing for each member will be confirmed on their annual member statement from 31 December 2018.</p> <p>2.4 The charge cap is adhered to by having all expenses paid by Goddard Perry as sponsor, and then charging the gross fees via the AEGON investment platform (at TER level) are deducted from the AMC paid to Goddard Perry, so there is no additional cost to members of either section.</p> <p>2.5 The Scheme complies with the charge cap as required from April 2015 and is evidenced in the Chair's Statement.</p>

<b>Reporting Accountants' testing</b>	<p>Confirmed by inspection of the Scheme's website that the charges are publicly available</p> <p>Confirmed by inspection and re-calculation of a sample of months of AMC reports</p> <p>Confirmed by inspection of Member Portal that the charging structure is made available to members</p> <p>Confirmed by inspection of a sample of transfers in from another Master Trust that all were placed onto a 0.29% charge</p> <p>Confirmed by enquiry that the annual member statements will include an accurate cost disclosure of each member</p> <p>Confirmed by inspection of Trustee Meeting minutes that Trustees were informed of compliance matters including the charge cap for AMC</p> <p>Confirmed by inspection of the Chair's Statement that none of the default funds are subject to charges in excess of the statutory maximum</p>
<b>Safety of Assets and Records (C03)</b>	<p><b>3. Scheme and member assets or entitlements are safeguarded from loss, misappropriation and unauthorised use. Financial protection and compensation available to members in the event of a default is assessed and documented</b></p>
<b>Control Procedures</b>	<p>3.1 All Scheme assets are held under trust. The Trust Deed and Rules specify the investment powers of the Trustees.</p> <p>3.2 The Trustees have produced a written Statement of Investment Principles (SIP) that sets out the principles governing how decisions about investments must be made. The Trustees formally review the SIP each year, and it was last updated in July 2017.</p> <p>3.3 The investment funds, which make up the default strategy are invested in mainstream-pooled investment funds managed by BlackRock Asset Management on the AEGON investment platform. Both BlackRock Asset Management and AEGON are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. All funds used by the Scheme invest in liquid securities, and use structures set up as separate legal entities that are separated from the fund managers' own funds. In addition, they are each protected by the FSCS. There are other funds provided by the Scheme outside of the default strategy and the Scheme's assets in those funds are held in the same way on the AEGON investment platform.</p> <p>3.4 The Trustees review the default fund, its underlying funds and the additional funds available at each quarterly Trustee Board meeting.</p> <p>3.5 Only authorised HS Admin personnel are permitted to instruct fund managers to disinvest units, and the operation of this and other key controls at HS Admin are monitored by Trustees via their regular Administration Reports.</p> <p>3.6 HS Admin receives data from employers by Web API. The contributions are collected from employers' bank accounts by Direct debit and are received in a dedicated HS Admin bank account. Upon receipt the contributions are transferred to the Trustees bank account within 48 hours.</p> <p>3.7 HS Admin sends automated electronic transaction instructions to the investment managers via Straight Through Processing (STP) via Altus. HS Admin checks the instructions before sending these to the investment managers. The investment manager responds via STP and the number of units purchased in each fund is returned. The process ends with checks confirming funds and unit</p>

	<p>movements agree with the overall valuation totals. Each month a reconciliation of units is performed.</p> <p>3.8 Each quarter, HS Admin submits a report to the Scheme Trustees confirming the contributions paid and invested.</p> <p>3.9 The Trustees and Goddard Perry have consulted with AEGON to assess the financial protection open to members. The Scheme does not offer unregulated investments and there are appropriate compensation arrangements in place in respect of the regulated investments offered to members.</p> <p>3.10 Upon joining the Scheme, new members are provided with a Welcome Letter. This directs new members to the Salvus website for further details about the financial protection to members. A Member Protection Statement is available to Scheme members upon request.</p>
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by Inspection that the Statement of Investment Principles was last updated in July 2017, and confirmed by Inspection of Trustee meeting minutes the SIP is routinely monitored by the Trustees and reviewed in detail on an ongoing basis to ensure that it remains appropriate. Confirmed by enquiry and inspection of the Business Plan that there is a tri-annual review scheduled in Q2 2019.</p> <p>Confirmed by inspection of written SIP that there is a default investment strategy established by Trustees.</p> <p>Confirmed by inspection of the Scheme Investment Performance Report for Q4 that investment performance information is made available for each Lifestyle Default Option and the freestyle funds.</p> <p>Confirmed by inspection of Trustee Meeting minutes that a review of quarterly investment reports is made by the Trustees.</p> <p>Confirmed by inspection of the HS Admin Trustee Bank Accounts Policy Statement that a Financial Management Policy is in place.</p> <p>Confirmed by inspection of Scheme Bank Authorisation Level Form that for each payment stage there are different persons assigned and the payments and authorisations can be made only by key management.</p> <p>Confirmed by inspection of Trustee Meeting minutes that the Trustees and Salvus Master Trust manage and monitor the HS Admin and review the HS Admin AAF01/06 report.</p> <p>Confirmed by inspection that contributions are collected by Direct Debit and transferred to the Trustee bank account upon receipt.</p> <p>Confirmed by inspection of a sample of members from contribution reports that contributions have been recorded into the member administration system and member units purchased recorded.</p> <p>Confirmed by enquiry and inspection of contribution documentation and contract notes and other Scheme investment documentation that HS Admin checks the instructions before sending these to the investment managers, and the investment manager responds with the number of units purchased.</p> <p>Confirmed by inspection of a sample of unit reconciliations these are performed timely.</p> <p>Confirmed by inspection that there is a Members Guide dated 2017 that is accessible on Salvus Master Trust's website: <a href="https://www.salvustrust.com/employees-documents">https://www.salvustrust.com/employees-documents</a></p> <p>Confirmed by inspection that Salvus Master Trust's website refers to FSCS for members and the financial protection</p>
<p><b>Safety of Assets and Records (C04)</b></p>	<p><b>4. The design and on-going suitability of the default arrangement and range and risk profile of other investment options are regularly reviewed and monitored. This review is documented and the investment aims and objectives for the arrangement and investment policies for all investment options are included in an approved Statement of Investment Principles.</b></p>

<p><b>Control Procedures</b></p>	<p>4.1 The default lifestyle strategy is decided by the Trustees based on professional investment advice and is designed to be appropriate for the majority of Scheme members. It is designed to meet the changing investment needs of a typical Scheme investor as they progress through life towards retirement. The default lifestyle strategy consists of a traditional growth phase, a balanced phase and a defensive phase.</p> <p>4.2 A written SIP is prepared and maintained by the Trustees. The investment strategy is reviewed on an annual basis taking into account the membership profile of the Scheme. In preparing the SIP, the Trustees have obtained and considered professional written advice from the investment consultant River &amp; Mercantile.</p> <p>4.3 The SIP outlines the principles governing the investment policy of the Trust and the activities undertaken by the Trustees to ensure the effective implementation of these principles.</p> <p>4.4 The Trustees are legally required to review both the default lifestyle strategy and its performance:</p> <ul style="list-style-type: none"> <li>a) at least every three years; and</li> <li>b) without delay after any significant change in investment policy, or the demographic profile of relevant members.</li> </ul> <p>4.5 A review of the investment management performance reports is recorded as a quarterly event on the Trustee Governance Plan.</p> <p>4.6 A review of investment strategy and the SIP is recorded as an annual event on the Trustee Governance Plan.</p>
<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by inspection of written SIP that there is a default lifestyle strategy established by the Trustees consisting of a Traditional Growth phase, Consolidation phase and pre-retirement phase.</p> <p>Confirmed by inspection of most recent written SIP that it was prepared and revised in July 2017.</p> <p>Confirmed by inspection of the Trustee minutes that considered professional written advice from the investment consultant River &amp; Mercantile was in place for SIP wording.</p> <p>Confirmed by inspection that the written SIP outlines the principles governing the investment policy of the Trust and the activities undertaken by the Trustee.</p> <p>Confirmed by inspection of Trustees Governance Plan that the default life strategy and its performance is reviewed annually, and a review of the investment management performance reports is recorded as a quarterly event.</p> <p>Confirmed by enquiry that review of investment strategy and the SIP is scheduled as a future annual event on the Trustee Business Plan.</p>

<b>Safety of Assets and Records (C05)</b>	<b>5. The performance of each investment option including the default arrangement(s) in which member funds are invested are regularly reviewed and monitored against objectives in the Statement of Investment Principles. This review is documented and approved</b>
<b>Control Procedures</b>	<p>5.1 The Trustee Board reviews the performance of investment funds against benchmarks/target returns at each quarterly Trustee meeting using the fund managers' quarterly investment reports. Fund performance is documented in the Trustee meeting agendas and minutes. Commentary is received from fund managers and advice from the investment consultant as deemed appropriate. The Trustees monitor the performance of the Trust's investment managers against their benchmarks and any significant developments relating to investment managers or funds managed.</p> <p>5.2 The Trustees review the performance of the default lifestyle strategy at least annually at a meeting, which is documented in the Trustee meeting agendas and minutes.</p> <p>5.3 A review of the investment management performance reports is recorded as a quarterly event in the Trustee Governance Plan.</p> <p>5.4 A review of investment strategy and the SIP is recorded as an annual event in the Trustee Governance Plan.</p>
<b>Safety of Assets and Records (C06)</b>	<b>6. Fitness and propriety requirements for trustees are recorded and managed in accordance with a policy, which is regularly reviewed and approved. The fitness and propriety of trustees is reviewed prior to appointment and annually thereafter. This review is documented and approved.</b>
<b>Control Procedures</b>	<p>6.1 The existing Trustees include CBC &amp; Able Governance, both leading professional Trustee firms, together with one individual with a strong background in Master Trust matters and related financial services.</p> <p>6.2 The Trustee Board maintains a Fitness and Propriety Policy, in compliance with which individual Trustee fitness is reviewed annually and tabled for review in Q4 of in the Trustee Governance Plan. Trustees are encouraged to bring any issue that may call their fitness or propriety into question to the Chair, who will then determine and take any action necessary.</p> <p>6.3 Knowledge and experience of Trustee responsibilities and issues are checked through interview on appointment and all Trustees are required to complete TPR's Trustee Toolkit within 6 months of appointment to the Trustee Board. Additional training requirements are discussed and actioned at each Trustee Board meeting, with an ongoing record of training undertaken.</p> <p>6.4 Trustee contracts are subject to tri annual review and are staggered over the period to aid maintenance of a stable Board.</p> <p>6.5 There are ongoing discussions on suitable Board structures as the Scheme continues to grow, which have resulted in the introduction of a strategist group dealing with operational and funding topics, with decisions reserved by the Trustee Board.</p>

<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by inspection that the existing Trustee structure includes Able Governance represented by Nick Boyes the Chair of the Board of Trustees.</p> <p>Confirmed by inspection of Trustee Meeting Minutes that the Fitness and Propriety Policy was reviewed and agreed. Inspected the Trustees <b>Governance</b> Plan for 2019 and confirmed that the Fitness and Propriety Policy is reviewed annually and tabled for review each February.</p> <p>Confirmed by inspection that all trustees have completed training in the Master Trust Regulator's Trustee Toolkit. Inspected the Trustee Board Meeting minutes and confirmed that additional training requirements are discussed and actioned.</p> <p>Confirmed by inspection of scheme documentation for a sample, Trustee dated 5 Jan 2019, that the Trustee contracts are subject to annual review and are staggered over the year.</p> <p>Confirmed by inspection the Trustees Meeting minutes and confirmed that SALVUS has introduced a strategist group dealing with operational and investment topics.</p>
<p><b>Safety of Assets and Records (C07)</b></p>	<p><b>7. Conflicts of interest are subject to ongoing monitoring and are identified, recorded and managed in accordance with a defined policy, which is regularly reviewed and approved.</b></p>
<p><b>Control Procedures</b></p>	<p>7.1 The Trustees have a written Conflicts of Interest Policy which sets out the process for identifying, monitoring and managing conflicts of interest.</p> <p>7.2 Agendas for meetings are issued at least a week in advance of the Trustee Board Meeting, giving Trustees plenty of time to identify any potential conflicts of interest.</p> <p>7.3 Trustees maintain and update the Register of Interests at each Board meeting.</p> <p>7.4 CBC, the independent Trustee company that supplies SALVUS with its Chair of the Board, complies with the non-affiliation requirements of the OPS (Charges and Governance) Regulations 2015.</p> <p>7.5 The Trustees review their Conflicts of Interest policy and Conflicts of Interest log each year to ensure ongoing effectiveness.</p>
<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by inspection that there is a Conflicts of Interest Policy in place updated in January 2018.</p> <p>Confirmed by inspection of Scheme correspondence that the agendas for the quarterly Trustees Meetings are issued at least a week in advance of the Trustee Board Meetings</p> <p>Confirmed by inspection of Trustees Meeting minutes that there is a Scheme Secretary appointed from a professional Secretarial company to assist with Scheme management for each quarterly meeting.</p> <p>Confirmed by inspection that the Register of Declared Interests is in place for November 2017- November 2018.</p> <p>Confirmed by inspection of the Trustees Governance Plan and Trustee Meeting minutes that the Conflicts of interest policy is reviewed annually, and that a declaration of conflicts is undertaken and recorded as a standard procedure</p>

<b>Safety of Assets and Records (C08)</b>	<b>8. Trustee levels of knowledge and understanding are managed and maintained in accordance with an approved training and development plan. This plan is regularly reviewed and updated.</b>
<b>Control Procedures</b>	<p>8.1 Trustee training is a standing agenda item. Formal Trustee training records are maintained. All Trustees have completed TPR's Trustee Toolkit for DC schemes. As documented in Trustee meeting agendas and minutes,</p> <p>8.2 At each quarterly Trustee meeting, the Trustees also consider whether there are any other matters that they would like training on or on which they have received training. This is documented in the Trustee meeting agendas and minutes.</p> <p>8.3 Each year an assessment is undertaken to identify knowledge and skill gaps on the Trustees and assess whether Trustees have sufficient knowledge and skills for their role, with further training arranged as necessary. This is documented in the Trustees Governance Plan and is recorded in the Trustee meeting agendas and minutes.</p>
<b>Reporting Accountants' Testing</b>	<p>Confirmed by enquiry each year an assessment is undertaken to identify knowledge and skill gaps of each Trustee. Inspected the Trustees Governance Plan and confirmed that an annual review is scheduled</p> <p>Confirmed by Inspection the Trustee Meeting minutes and confirmed that additional training requirements is discussed and actioned.</p> <p>Confirmed by inspection of the Trustees Governance Plan that an annual programme for the implementation of training needs is scheduled.</p> <p>Confirmed by inspection of Trustee Meeting minutes and enquiry that a review of training needs is considered at each meeting.</p>
<b>Safety of Assets and Records (C09)</b>	<b>9. A business/resource plan is maintained, that sets out when scheme related activities are due to take place or be completed, and regularly reviewed to ensure that resources are available and allocated.</b>
<b>Control Procedures</b>	<p>9.1 The Trustees meet regularly to discuss key issues affecting the Scheme; this is documented in Trustee meeting agendas and minutes. There is a Scheme Secretary in place to assist with Scheme management.</p> <p>9.2 The Trustees approve a Governance Plan prepared by the Scheme Secretary to schedule key operations throughout the year in order to allocate adequate resources to effectively govern the Scheme.</p> <p>9.3 The Trustees review the Trustee Governance Plan each quarter.</p>
<b>Reporting Accountants' Testing</b>	<p>Confirmed by inspection of Trustees Meeting minutes that there is a Scheme Secretary appointed from a professional consulting company to assist with Scheme management for each quarterly meeting.</p> <p>Confirmed by inspection of Trustee Meeting minutes and other documentation that there is a Trustees Governance Plan in place and this is reviewed annually.</p>
<b>Safety of Assets and Records (C10)</b>	<b>10. Roles, responsibilities and duties of all trustees, advisers and service providers are documented and the performance and quality of their service is subject to regular documented reviews. The suitability of advisers and service providers is reviewed against criteria before appointment and this review is documented.</b>

<p><b>Control Procedures</b></p>	<p>10.1 The Trust Deed and Rules of the Scheme are the governing documents by which the Scheme is currently administered and managed and they outline the responsibilities of the Trustees. The Trust Deed and Rules are kept under continuing review to ensure their compliance with legal requirements and the ongoing needs of the Scheme.</p> <p>10.2 The Trustees have delegated administrative responsibilities to HS Admin under a service contract including detailed service level agreements. Other tasks relating to onboarding and the determination and collection of contributions are managed by Goddard Perry as sponsor of the Scheme. The performance of these tasks is supervised and directed by the Strategists with summaries and decision-making at the main Trustee board meetings.</p> <p>10.3 The Trustees have scheduled to carry out an annual review of each of the advisers and service providers. This is documented in the Trustees Managing Service Providers Policy.</p> <p>10.4 The Trustees maintain a Fitness and Propriety Policy and reviews compliance annually. It also checks regularly for any conflicts of interest on the Trustee board.</p> <p>10.5 The Statement of Investment Principles (SIP) covers the determination of appropriate investments for members of the Scheme.</p>
<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by inspection of the Services Agreement between SALVUS, Goddard Perry and TPA that the Trustee has delegated administrative responsibilities to HS Admin and established required services and service levels terms</p> <p>Confirmed by inspection of Trustee Meeting minutes that all the administration matters with the TPA are discussed at the Trustees Board Meeting (under Administration section).</p> <p>Confirmed by inspection of the Trustees Governance Plan that a three-yearly review of each of the advisers and service providers is scheduled</p> <p>Confirmed by inspection of Trustee Meeting minutes that the Fitness and Propriety Policy was reviewed and agreed.</p> <p>Confirmed by inspection of the Statement of Investment Principles (SIP) that the determination of appropriate investments for members of the trust is in place by presenting the Scheme default strategy.</p>
<p><b>Safety of Assets and Records (C11)</b></p>	<p><b>11. Discontinuance plans, which address how member assets or entitlements are safeguarded in the event of the Master Trust or any key service provider failing, defaulting or transferring ownership, are documented, approved and maintained</b></p>

<p><b>Control Procedures</b></p>	<p>11.1 The Trustee Board has agreed with Goddard Perry a Discontinuance Plan for the orderly windup of the Scheme in the event of financial or regulatory failure of Goddard Perry and any major provider, and of any other events that withdrew or limited Goddard Perry's access to sufficient funds with which to operate the Scheme. This plan was to create a segregated and protected reserve fund to cover the costs of orderly transfer to another scheme and winding up should the Trustee Board decide to terminate the Scheme, or should any service provider to the Scheme be unable to continue to provide services. The review of this plan is recorded in the Trustee Board's meeting agendas and minutes. Whilst the plan has progressed significantly in design, it has now to take into account the requirements of the Pensions Act, which came into law with regulations in 2018. It requires that master trusts will have access for a number of months' operating costs in secure funding. The Trustees are also in discussion with Goddard Perry (our investor) on provision of a suitably committed guarantee from them in the event of financial difficulties. Given the uncertainties as to amount and methodology, the Trustees have agreed for now to rely on Goddard Perry's confirmation that it has sufficient funds to cover discontinuance. The adequacy of these funds is monitored by regularly by the Trustees.</p> <p>11.2 A review of the Discontinuance Plan is recorded as an annual event in the Trustee Governance Plan. The Scheme's definitive Trust Deed and Rules, dated 15 February 2016 and reconfirmed in the Trust Deed dated 3 February 2017 includes provisions for the eventuality of the termination and winding up of the Scheme. Only the Board of the sponsoring Employer holds the power to amend these provisions.</p> <p>11.3 The Trustees review and monitor the financial position of the Scheme and the Scheme risk register at each quarterly Trustee Board meeting. This is documented in the Trustee meeting agendas and minutes.</p> <p>11.4 The assets owned by members are held as unitised investments by independent corporate custodians and are reviewed by external auditors annually. They are also structured within pooled investment vehicles that carry protection from the FSCS in the case of failure of AEGON as the fund manager.</p> <p>11.5 The cash contributions of the Scheme that arise through contributions not yet invested are held as client money by HS Admin in a segregated bank account by Barclays and so would not be imperilled in the event of HS Admin failing.</p>
<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by enquiry and inspection of Trustee Meeting minutes that Discontinuance Plan and updates required in light of new events, including new regulations are reviewed regularly and are to be updated when new regulations come into force</p> <p>Confirmed by inspection of the Trustee Meeting minutes' inspection that the Trustees review and monitor the financial position of the Scheme and the Scheme risk register at each quarterly Trustee Board meeting.</p> <p>Confirmed by inspection of Scheme signed Annual Report and Accounts that Scheme member assets are unitised investments held by independent corporate custodians and are reviewed by external auditors annually.</p> <p>Confirmed by inspection of Scheme bank account mandate and bank statement that there is a segregated bank account for cash contributions.</p>
<p><b>Assessing Value (C12)</b></p>	<p><b>12 A risk management framework is established to identify, evaluate and treat scheme risks. Risks are recorded in a risk register, which is reviewed at least annually.</b></p>

<b>Safety of Assets and Records</b>	<p>12.1 The Trustees identify the risks applying to the Scheme, assess them by considering the impacts and likelihood of their occurrence, and manage them by identifying suitable controls and counter-measures to mitigate the risks.</p> <p>12.2 The Trustees maintain, review and discuss the Scheme risk register at each Trustee meeting, together with annual consideration of the appropriateness and currency of its content. The Trustees' review is documented in the agenda and minutes. A review of the Scheme risk register is recorded as an annual event in the Trustees' Governance Plan. The register has been updated to consider TPR's DC Code of Practice on Governance and Administration and the DC guides issued in 2016.</p>
<b>Reporting Accountants' Testing</b>	<p>Confirmed by inspection that the risks are identified and assessed by the Trustees by having a risk register computed (dated July 2018). Inspected the risk register dated July 2018 and confirmed that the risk is assessed by establishing a risk score with proposed actions attached</p> <p>Confirmed by inspection of the Trustee Meeting minutes that the risk register is documented at each quarterly meeting</p> <p>Confirmed by inspection of the Trustees Governance Plan that a risk register review is scheduled for November 2018,</p>
<b>Assessing Value (C13)</b>	<p><b>13 Core financial transactions are processed promptly and accurately.</b></p>
<b>Control Procedures</b>	<p>13.1 The Trustees monitor the Administrator's performance of core Scheme transactions. This is reviewed at each quarterly Trustee meeting and documented in the Trustee meeting agendas and minutes.</p> <p>13.2 There are monthly calls between HS Admin and the Trustees to discuss the administration of the Scheme and HS Admin provides a quarterly Administration Report. The Administration Reports are discussed and reviewed at each quarterly Trustee meeting.</p> <p>13.3 The Administrator has processes and procedures in place for carrying out core Scheme transactions and to ensure that related income and expenditure are completely and accurately processed in a timely manner and recorded in the proper period. The review of HS Admin's AAF 01/06 Report is recorded as an annual event in the Trustees' Governance Plan.</p> <p>13.4 A report on external auditor findings arising from the annual audit of the Scheme is received by the Trustees and reviewed. Approval and signature of the Scheme's Annual Report &amp; Accounts is recorded as an annual event in the Trustees' Governance Plan.</p>

<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by Inspection of the Trustee Meeting minutes and agendas held quarterly, that the Administrator's performance is monitored and discussed.</p> <p>Confirmed by inspection of documentation of monthly review calls between HS Admin and the trustees.</p> <p>Confirmed by inspection of the Trustee Meeting minutes that the administration management reports are presented and reviewed.</p> <p>Confirmed by inspection that an AAF 01/06 Report for the TPA was performed by Rothmans LLP covering the 1 December 2017- 30 November 2018 period.</p> <p>Confirmed by inspection of Trustee Meeting minutes that the AAF 01/06 Report for the TPA is reviewed by the Trustees.</p> <p>Confirmed by inspection of the Trustee Meeting minutes and by enquiry that the Scheme's Annual Report and Accounts were reviewed, the audit process monitored and findings reviewed by the Trustees.</p> <p>Confirmed by inspection of the Trustees Governance Plan that the Scheme's Annual Report and Accounts is recorded as an annual event</p>
<p><b>Assessing Value (C14)</b></p>	<p><b>14 Contributions are invested and allocated in accordance with member instructions or the requirements of the default arrangement.</b></p>

<p><b>Control Procedures</b></p>	<p>14.1 The administrator has built in 'API' (application program interface) to work with payroll software providers to enable employee, payroll and contribution data to be submitted directly to the administration platform via the Employer Portal. The design of this process minimises any reconciliations needed by HS Admin and enables contributions to be collected from the employer by direct debit; the amount collected being derived from the contribution data uploaded by the employer. This ensures that the correct contribution value is received from the employer.</p> <p>14.2 All contributions are added to member records using automated functionality with the oPen2 pension administration system. Reporting is available that enables data to be extracted for any employer and pay period showing the value of contributions, date of receipt and date of investment.</p> <p>14.3 Contributions for new members are automatically invested in the Scheme's default investment. The oPen2 administration system has the functionality to hold the member's investment allocation which is populated automatically when the member data is received on the file received through API from the employer. The oPen2 administration system automatically applies contribution data received in line with the latest investment allocation held on the member record.</p> <p>14.4 A member's investment choice is only updated when we receive a signed investment choice form from the member. Investment switches must be authorised by the member and are processed through an automated workflow. The workflow has an authorisation step, which requires sign-off by a senior member of the team. These switches are processed in line with the timescales laid out in the relevant service level agreements.</p> <p>14.5 Lifestyle switches are made quarterly in accordance with the timeline agreed with the trustees and using the functionality included in the oPen2 administration system. The process is controlled by a detailed work instruction setting out all necessary steps and checks in the process. The process is reviewed and signed off at the appropriate steps in the process by a senior member of the Administration team to make sure switching is accurate and timely.</p> <p>14.6 The Trustees monitor investment of contributions and other administration areas through quarterly administration reports. This is reviewed at each Trustee meeting and documented in the Trustee meeting agendas and minutes. These reports show the Administrator's performance against the service levels agreed with the Trustee. They also include details of contributions received by the Scheme in the period and the value of investments.</p>
<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by inspection of a sample of contribution months that HS API and Employer Portal operate to collect contribution data from employers with the corresponding contribution values collected by direct debit.</p> <p>Confirmed by inspection that investment allocations in line with the default investment strategy are automatically created on the member record for all new members.</p> <p>Confirmed by inspection that member investment allocations are only updated on completion of a signed investment choices form by the member.</p> <p>Confirmation by inspection that all amendments to a member's investment allocation are authorised by a senior member of the administration team.</p> <p>Confirmed by inspection that lifestyle switches were carried out quarterly and that these were appropriately authorised by a senior member of the team.</p> <p>Confirmed by inspection of the Trustee Meeting minutes that administration reports presented and discussed.</p>
<p><b>Assessing Value (C15)</b></p>	<p><b>15. Transaction errors are identified and rectified.</b></p>

<p><b>Control Procedures</b></p>	<p>15.1 In the event of any transaction errors occurring, HS Admin provides Goddard Perry and the Trustees with details of the errors and how they are being rectified. The HS Admin management regularly review a central register of complaints, errors and omissions, and steps are taken to ensure that transaction errors identified are corrected promptly and reported to Goddard Perry through exception reporting. The Trustees are updated on any significant issues arising and their resolution.</p> <p>15.2 The Trustees review the annual AAF 01/06 report on HS Admin's operations and operation of its key controls, and discuss plans for resolution of any significant shortfalls relevant to its support of Goddard Perry. This is documented in the Trustees' Governance Plan and actions agreed are followed up.</p> <p>15.3 In parallel to the above, Goddard Perry maintains a log of the incidence and resolution of complaints, and this is routinely considered by the Strategists with commentary on any patterns and unresolved issues escalated to the Trustee board as appropriate.</p>
<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by inspection of the Salvus Complaints log that details of notifiable events are maintained assigned to a responsible person and confirmed by inspection of folder held by Salvus that there is a central location for the management of complaints cases.</p> <p>Confirmed by inspection that the Trustee are updated quarterly in the Trustee Meetings, under the Governance section.</p> <p>Confirmed by inspection of the Trustee Meeting minutes the review of the annual AAF 01/06 report on HS Admin's operations and any issues are noted.</p> <p>Confirmed by inspection of the Trustees Governance Plan that the AAF report is documented and reviewed</p>
<p><b>Assessment of Investment Options (C16)</b></p>	<p><b>16 Cash is safeguarded and all payments are suitably authorised and controlled.</b></p>
<p><b>Control Procedures (CO16)</b></p>	<p>16.1 The Scheme bank account used by HS Admin was set up and is controlled by Trustees, with day to day responsibilities delegated to named persons at HS Admin.</p> <p>16.2 All bank account transactions are reconciled daily. Any reconciling differences are investigated promptly. Instructions are checked, authorised and released by appropriate staff; Scheme expenses are only paid if they have been suitably authorised.</p> <p>16.3 Staff who administer the Scheme have sufficient skills, experience and qualifications required to the size of the Scheme; and there is a formal programme in HS Admin for staff training.</p> <p>16.4 There are regular meetings between HS Admin and Strategists to discuss any issues arising, supplemented by meetings of the Trustees at least quarterly. Any material issues or concerns are reported to the Trustee board for discussion and decision-making as needed.</p> <p>16.5 A review of the TPA's AAF 01/06 internal controls report is recorded as an annual event on the Trustees Governance Plan.</p>

<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by inspection of the Trustee Meeting minutes, bank account mandate, and bank statement that the SALVUS bank account used by HS Admin was set up and is controlled by the Trustees, with day to day responsibilities delegated to named persons at HS Admin;</p> <p>Confirmed by inspection of a sample of bank reconciliations these were performed timely.</p> <p>Bank reconciliations are now reported on the HS Admin monthly administration report.</p> <p>Confirmed by inspection of HS Admin staff training programme and staff list that there is a formal programme for staff training.</p>
<p><b>Assessment of Investment Options (C17)</b></p>	<p><b>17 Late and inaccurate contributions are pursued and resolved</b></p>
<p><b>Control Procedures</b></p>	<p>17.1 Employers are provided with clear guidance on auto-enrolment, their obligation to remit contributions within the required timescales and use of the online system. The Participation Agreement with employers outlines the employer's duties. Employers are supported by way of a telephone helpline, website and email support.</p> <p>17.2 Direct debits are collected on receipt of data from the employer and invested within 5 days of receipt of the contribution payment. Direct Debits that cannot be collected are followed up with the employer and repeat failures escalated to the Salvus Contribution Monitoring team.</p> <p>17.3 HS Admin checks the contribution cash received directly into the Scheme bank account from Direct Debits and reconciles it to the cash it was expecting to receive, which is broken down to employer and member level in a data file from the Scheme's contribution systems. Once reconciled, the contributions are allocated to members' accounts on HS Admin's systems.</p> <p>17.4 HS Admin's Contribution Monitoring team follows up late or inaccurate contribution payments and reporting to TPR is triggered once the payments are more than 90 days overdue or if an employer is consistently late in paying contributions.</p> <p>17.5 The Trustee board receives reports on late and missing contributions, and on cases reported to TPR, with escalation to the main Trustee board as necessary. Agreed actions are then followed up.</p>

<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by inspection that Scheme's Website provide a clear guidance for employers and employers are supported by a telephone helpline, website and email support.</p> <p>Confirmed by inspection of a sample of contribution files that direct debit collections are raised as soon as possible after receipt of data from the employer. Contributions collected are broken down into employer and member level data files, and once reconciled allocated to members' accounts on HS Admin's systems.</p> <p>Confirmed by inspection of sample communications, and database records made by the Contribution Monitoring team that late contribution follow up and reporting are performed.</p> <p>Confirmed through inspection that the Contribution Monitoring team has a clear scope assigned regarding late or missing contributions.</p> <p>Confirmed by inspection of contribution monitoring meeting notes that the Trustee Board receives reports on late and missing contributions agreed actions are then followed up.</p>
<p><b>Assessment of Investment Options (C18)</b></p>	<p><b>18 Data and systems are backed up regularly, retained offsite and regularly tested for recoverability. Business and information systems recovery plans are documented, approved, tested and maintained.</b></p>
<p><b>Control Procedures</b></p>	<p>18.1 Member records are held by the Scheme administrator (HS Admin) with data and IT backups maintained as part of HS Admin's Information Security Policy. These records are backed up to secure media and stored securely off-site. HS Admin's controls for security of data are subject to an annual AAF 01/06 assurance report, which is reviewed by the Trustees of the Scheme.</p> <p>18.2 HS Admin has its own local Disaster Recovery Plans (DRP). The DRP is reviewed, updated and tested annually. HS Admin's controls for disaster recovery are subject to an annual AAF01/06 assurance report, which is reviewed by the Trustees of the Scheme.</p> <p>18.3 A review of HS Admin's disaster recovery policy and testing are recorded as an annual event in the Trustees' Governance Plan.</p>
<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by inspection of documentation that backup testing is recorded in the TPA AAF 01/06 report and reported to the Trustees, and TPA DRP is reviewed regularly.</p> <p>Confirmed by inspection of documentation that Disaster Recovery Plans are place and tested. This testing is recorded in HS Admin's 01/06 report and reported to the Trustees.</p> <p>Confirmed by inspection of Trustee agendas, minutes and Business Plan that a review is made of the Salvus Master Trust's disaster recovery document and TPA disaster recovery plan at least annually.</p>
<p><b>Assessment of Investment Options (C19)</b></p>	<p><b>19 The capacity of an administration system to take on new business is assessed, approved and regularly monitored.</b></p>

<p><b>Control Procedures (CO19)</b></p>	<p>19.1 HS Admin reviews the capacity of its administration systems and resources quarterly in line with forecasts of Scheme membership from Goddard Perry.</p> <p>19.2 The administration system at HS Admin can upload employee and payroll data in large volume and bulk uploads.</p> <p>19.3 HS Admin reports to Trustees any issues with either systems capacity or resources at the quarterly Trustee meetings. These are recorded in the Trustee meeting agendas and minutes.</p> <p>19.4 A review of HS Admin's administration system resourcing requirements are recorded as annual events in the Trustees' Governance Plan.</p>
<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by observation onscreen the hosting of AWS, website usage and capacity availability in real time.</p> <p>Confirmed by inspection of the Salvus Master Trust DR document the scalability and redundancy of AWS.</p> <p>Confirmed by inspection of the Rollbar and New Relic audit trail that capacity was being monitored regularly.</p> <p>Confirmed by inspection of statistics dashboard total web monthly usage over the year and page views monitored.</p>
<p><b>Assessment of Investment Options</b></p>	<p><b>20 New business take-ons are properly established in accordance with Master Trust's rules and contractual arrangements.</b></p>
<p><b>Control Procedures (CO20)</b></p>	<p>20.1 The Scheme is a multi-employer Master Trust scheme specifically tailored to deal with legacy DC (for PPF cases) and auto-enrolment with its online Employer Portal and is available to all employers from any sector of any size.</p> <p>20.2 The Scheme's Trust Deed and Rules are the governing documents by which the Scheme is currently administered and managed. Employers wishing to participate in the Scheme are admitted in accordance with these rules.</p> <p>20.3 Contractual arrangements are made between the Trustees and the participating employer with responsibilities of each party clearly defined within the Rules, which are referred to in the Participation Agreement signed by employers and approved by the Trustees.</p> <p>20.4 The employer agrees to be bound by the provisions of the Scheme Rules via an electronic admission process using the Participation Agreement. Information about the Scheme set up, investments and costs are publicly available online at <a href="http://www.Salvustrust.com">www.Salvustrust.com</a> using the Employers, Members, Advisers sections.</p> <p>20.5 Reports on new take-ons are provided to the Trustees for review quarterly, and any operational issues arising in the area discussed with them and resolved.</p>

<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by observation and re-performance that the Scheme has a dedicated online Employer Portal, Members and Advisers, and the use of electronic sign-up procedures for employers and members applying a standard electronic admission process using the Participation Agreement.</p> <p>Confirmed by inspection information about the Scheme set up, investments and costs are publicly available online at <a href="http://www.Salvustrust.com">www.Salvustrust.com</a> using the Employers, Members and Advisers sections.</p> <p>Confirmed by inspection of Scheme documentation that reports on new take-ons are provided to the Trustees for review quarterly.</p>
<p><b>People</b></p>	<p><b>21 Member data is complete and accurate and is subject to regular data evaluation.</b></p>
<p><b>Control Procedures (CO21)</b></p>	<p>21.1 SALVUS's computer system records at HS Admin are updated daily through instructions received from Scheme members and payroll feeds and other information received from employers participating in the Scheme.</p> <p>21.2 As part of its Data Protection Policy, Salvus Master Trust uses encryption to protect the contents of files being transmitted via email and electronically to HS Admin.</p> <p>21.3 Salvus Master Trust regularly reviews the completeness and accuracy of the Common data and Conditional data it holds for members of the Scheme. Should any breach of data protection regulations occur, Salvus Master Trust will inform the Trustees as soon as reasonably possible or at their next quarterly meeting, depending upon the nature of the breach.</p> <p>21.4 The Trustees monitor the completeness and accuracy of member data via meetings with HS Admin and the Scheme Administration reports provided to them at each meeting. These reports also include details of any Data Protection breaches which have occurred during the quarter.</p>
<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by inspection SALVUS's computer system records at both HS Admin and Salvus Master Trust are updated daily through instructions received from Scheme members and payroll files and other information received from employers participating in the Scheme.</p> <p>Confirmed by inspection of systems the use of encryption to protect the contents of files being transmitted via email and electronically to HS Admin.</p> <p>Confirmed by enquiry data validation checks are performed on receipt of data to minimise the risk of incomplete or inaccurate data it holds for members of the Scheme.</p> <p>Confirmed by enquiry that where a breach of data protection regulations occurs, the Trustees would be informed as soon as reasonably possible and in the next quarterly administration report.</p> <p>Confirmed by inspection of documentation the monitoring and completeness and accuracy of member data through, feedback from Salvus Operations meetings with HS Admin and Scheme Administration reports provided to Trustees at each meeting.</p>
<p><b>People</b></p>	<p><b>22 Monitoring of operations implemented to support the security of data transmissions and measures implemented to mitigate the threat of malicious electronic attack are regularly reviewed and documented.</b></p>

<p><b>Control Procedures (CO22)</b></p>	<p>22.1 Encryption is used as required by Salvus Master Trust and HS Admin to protect the contents of large or sensitive files being transmitted via email. At Salvus Master Trust's and HS Admin's offices, antivirus software is installed on relevant machines. Salvus Master Trust has also deployed licensed software that manages the roll out of antivirus updates on user PCs. Virus definitions are downloaded daily on first boot to user systems.</p> <p>22.2 Controls for maintaining the security of data are included with HS Admin's AAF 01/06 report. A review of IT Security is recorded as an annual event in the Trustees Governance Plan.</p> <p>22.3 HS Admin's computer system records are updated daily through ad hoc instructions received from members and information received from participating employers.</p> <p>22.4 Salvus Master Trust regularly reviews the completeness and accuracy of the data it holds for members of the Scheme. Should any breach of data protection regulations occur, Salvus Master Trust will inform the Trustees as soon as reasonably possible or at their next quarterly meeting, depending upon the nature of the breach</p> <p>22.5 The Trustees monitor the completeness and accuracy of member data through the Scheme Administration Reports provided to them at each meeting.</p> <p>22.6 Controls in place to counter malicious electronic attack at HS Admin also include physical and software-based access restrictions.</p>
<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by enquiry that encryption is used as required by HS Admin to protect the contents of large or sensitive files being transmitted via email.</p> <p>Confirmed by inspection of documentation that Salvus Master Trust has anti-virus installed with roll out of antivirus software through its managed office environment.</p> <p>Confirmed by observation of sample desktop at TPA that antivirus software is installed on relevant machines.</p> <p>Confirmed by inspection of Trustee minutes' that data completeness and accuracy is reviewed regularly.</p> <p>Confirmed by inspection of the Trustee minutes and TPA AAF 01/06 report that Trustees review the controls in place to mitigate the threat of malicious electronic attack.</p>
<p><b>People</b></p>	<p><b>23 Physical and logical access to computer systems, and member and Master Trust records and data, is restricted to authorised persons.</b></p>

<p><b>Control Procedures (CO23)</b></p>	<p>23.1 Salvus Master Trust's Croydon office is protected by a CCTV system, a guard during the hours of 7am and 7pm and an alarm. All staff need an electronic security pass to access the building and office.</p> <p>23.2 Electronic data in the form of email and shared documents is held on remote servers, each account is protected by two-factor authentication.</p> <p>23.3 Salvus Master Trust's administrators using its in-house system are allocated user accounts that are linked to their Salvus Master Trust email account therefore incorporating two-factor authentication per user. This also means system wide access can be revoked promptly should an employee leave the business.</p> <p>23.4 User functionality within Salvus Master Trust's in-house system is restricted using appropriate permissions. Functional groups of users are maintained, each with appropriate levels of access permissions based upon their job function.</p> <p>23.5 Only authorised IT staff can define user and user group policies, rights and permissions, which are enforced by the system. Updates to system records have an audit trail, showing the user ID, date and timestamp.</p> <p>23.6 Salvus Master Trust uses on site IT security to carry out regular IT security testing on hardware used by staff. The same security protocols described above also permit remote access with the same access permissions and restrictions.</p> <p>23.7 Salvus Master Trust records and data are held by HS Admin as our TPA. Their physical and logical access controls are covered in the AAF 01/06 report that is received and reviewed annually by SALVUS Trustees.</p>
<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by observation Salvus Master Trust's Croydon office is protected by a CCTV system, a guard and an alarm. All staff need an electronic security pass to access the building and office.</p> <p>Confirmed by observation electronic data in the form of email and shared documents is held on remote servers, and each account is protected by two-factor authentication.</p> <p>Confirmed by inspection of HS Admin and Salvus Master Trust – Admin CRM documentation how restricted access is maintained for new starters and leavers working at Salvus Master Trust.</p> <p>Confirmed by inspection of Salvus Master Trust – Admin CRM how restricted and permission based roles are applied and maintained.</p> <p>Confirmed by inspection and observation at TPA site at TPA how restrictions are applied to TPA officers responsible for the Scheme.</p> <p>Confirmed by inspection of Trustee minutes that a yearly report is provided, reviewed and followed up relating to Salvus Master Trust's IT procedures and processes, and TPA AAF01/06 report.</p>

<b>People</b>	<b>24 IT equipment is maintained in a controlled environment and the maintenance and development of systems, applications and software is authorised, tested, approved and implemented.</b>
<b>Control Procedures (CO24)</b>	<p>24.1 Salvus Master Trust regularly updates its applications using a controlled development framework. New code is written, tested and signed off in segregated development and testing environments. All new releases are fully tested and signed off by appropriately qualified staff prior to be promoted to the production environment.</p> <p>24.2 Key controls at HS Admin are: (a) the environment within the data processing server room is controlled with air conditioning units; (b) the data servers are equipped with uninterruptible power supplies; (c) development and testing environments are logically separate from production environments. Code changes and new system developments are unit tested by the developers in a test environment. User acceptance testing is then undertaken. Changes cannot be deployed to the live environment without relevant sign offs.</p> <p>24.3 Adherence to HS Admin's IT operation standards are covered in its annual AAF 01/06 review and internal controls report, which is reviewed for adequacy by SALVUS Trustees.</p>
<b>Reporting Accountants' Testing</b>	<p>Confirmed by inspection that Salvus Master Trust regularly updates its applications using a controlled development framework, with new code being developed, tested in separate environments and signed off appropriately before being released to the production environment.</p> <p>Confirmed by on-site inspection that the data centre environmental controls are in place.</p>
<b>People</b>	<b>25 Retirements are managed in accordance with a documented process which is regularly reviewed and approved.</b>
<b>Control Procedures (CO25)</b>	<p>25.1 The Scheme's definitive Trust Deed and Rules, dated 16 February 2016 and subsequent Deeds of Amendment are the governing documents by which retirements are managed. They include provisions for the commencement of benefits and ways of providing a Master Trust, through the purchase of an annuity in the name of the member, transfer to a scheme providing drawdown or cash payment under small pot rules.</p> <p>25.2 Salvus Master Trust provides members with Pension Freedoms from the Scheme. Scheme members can also use their Open Market Option to shop around for their retirement income product.</p> <p>25.3 The retirement process is documented through our Retirement Bridge Options that sets out communications and responses beginning from six months before set retirement ages 55, 65, 70 and 75.</p> <p>25.4 The TPA procedures for managing the retirement process are in accordance with the Master Trusts Regulators DC guidance on retirement. A 15-year communication plan is in place which starts 15 years before members' Target Retirement Age.</p> <p>25.5 The Trustees have reviewed retirement communications and discussed the options taken up by members. In order to continually improve the communications and outcomes for retirement, the Scheme encourages member feedback through its Welcome Pack for new entrants, website contact form, email and call enquiries.</p>

<b>Reporting Accountants' Testing</b>	Confirmed by inspection of the Retirement Bridge Options and documentation HS Admins procedures for managing the retirement process are in accordance with the Master Trusts Regulators DC guidance on retirement and a 15-year communication plan is in place which starts 15 years before members' Target Retirement Age.
<b>People</b>	<b>26 Member communications are accurate, clear and understandable and are produced in accordance with a communications plan. The plan is regularly reviewed and monitored.</b>
<b>Control Procedures (CO26)</b>	<p>26.1 The TPA uses communications drafted and approved by Salvus Master Trust to maintain quality control and currency with legislative change.</p> <p>26.2 Trustees have reviewed scheme communications to cover the whole member journey from joining the scheme through to the payment of member benefits.</p> <p>26.3 An annual review of communications to members and employers is recorded as an event in the Trustee Governance Plan. The review will be discussed at the Trustee Board and any agreed actions minuted and followed up.</p>
<b>Reporting Accountants' Testing</b>	<p>Confirmed by inspection of Trustee meeting minutes and sample documents that communications are reviewed and cover the whole member journey from joining the scheme through to the payment of member benefits</p> <p>An annual review of communications to members and employers is recorded as an event in the Trustee Governance Plan. The review will be discussed at the Trustee Board and any agreed actions minuted and followed up</p>
<b>People</b>	<b>27 Member communications contain information to support the decisions members need to make at retirement.</b>
<b>Control Procedures (CO27)</b>	<p>27.1 The Scheme enables members to build up their own individual Master Trust pot from which they can use their Open Market Option to find a retirement income arrangement to most suit them. A suite of retirement communications according to age profile and type are sent by the HS Admin with the aim to educate members on their options including the ability to leave their accrued income in the Scheme up to their 75th birthday.</p> <p>27.2 The Trustee has an approved Communication Policy &amp; Plan and documented procedures that are designed to provide members with communications that support their decisions at retirement.</p> <p>27.3 Retirement communications meet regulatory requirements including the Master Trust Regulator's DC regulatory guidance. A communication is issued to members aged 50 to remind them of the Life styling Strategy and the need to review their investment options if appropriate. Members are provided with an indication of their Master Trust pot six months before their retirement date. The member Retirement Pack is reviewed following any Government budget changes and includes the risks associated with each retirement option given.</p> <p>27.4 Members are pointed to guidance available through TPAS and Master Trust Wise, warned in Scheme communications about Master Trust scams and reminded in correspondence to consult an IFA where they need advice.</p>

<p><b>Reporting Accountants' Testing</b></p>	<p>Confirmed by inspection of documentation that the TPA sends a suite of retirement communications according to age profile and type to members on their options.</p> <p>Confirmed by inspection of 'Retirement Option Brief and Procedures' and retirement flow chart and website the application of a Trustee Communication Plan and documented procedures that are designed to provide members with communications that support their decisions at retirement, and communications are issued to members aged 50 to remind them of the Life styling Strategy and the need to review their investment options if appropriate. Members are provided with an indication of their Master Trust pot six months before their retirement date.</p> <p>Confirmed through inspection of Salvus Master Trust website members are pointed to guidance available through TPAS, warned in Scheme communications about Master Trust scams and reminded in correspondence to consult an IFA where they need advice.</p>
----------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

## Glossary

Term	Description
AAF 02/07	A form of assurance report provided by the ICAEW
Aegon	Investment platform provider
AMC	Annual Management Charge
API	Application program interface
Salvus Master Trust	The Scheme
AWS	Amazon Web Services
BlackRock Asset Management	Main investment manager
Defaqto	An award rating for automatic enrolment
Default fund	The investment fund that Scheme Trustee offers for members who do not make an active fund choice
DR	Disaster Recovery
DRP	Disaster Recovery Plan
DWP	Department for Work and Pensions
HS Admin	The Third Party Administrator
ICAEW	Institute of Chartered Accountants in England & Wales
IFAC	Institute of Federation of Accountants
ISAE 3000 Revised	A form of assurance report provided by the IFAC
ISAE 3402	A form of assurance report provided by the IFAC
Lifestyling glidepath	The method of switching investments automatically into funds as a member approaches their target retirement age
MAF	Master Trust Assurance Framework
Member	A person who is a beneficiary of the Scheme
Member Portal	The online method by which members access certain information about their funds in the Scheme
PAPDIS	The Master Trusts and Payroll Data Interface Standard
Profund	The name of the third party administration system used by HS Admin
Salvus	Salvus Master Trust
Scheme	Salvus Master Trust
Sharia Fund	An investment fund which meets the requirements of Sharia law and the principles articulated for Islamic finance
SIP	Statement of Investment Principles
SSD	Solid State Disks
TPA	Third Party Administrator/ Administrator, (currently HS Admin)
TPR	The Master Trusts Regulator
VfM	Value for Money

## Appendix: Letter of Engagement

The Trustee Board of the Salvus Master Trust  
C/O Goddard Perry Consulting Limited  
Corinthian House  
17 Lansdowne Road  
Croydon  
CR0 2BX

1 March 2019

FAO: Chair of Trustees

Dear Sirs

Assurance reporting: AAF02/07

Thank you for appointing Rothman Pantall LLP as assurance reporting Accountants. This engagement letter and our Terms of Business set out in the Schedule to this engagement letter (together, "**Agreement**") set out the terms on which Rothman Pantall LLP ("**Rothman**", "**we**", "**our**" or "**us**"), are instructed. We should be grateful if you would confirm in writing your agreement to these terms by signing and returning the enclosed copy of this letter.

### Our Instructions

We are instructed by the Board of Trustees of The Salvus Master Trust, ("**Service Organisation**", "**you**" or "**your**") to provide professional services to report to you on your internal controls with respect to the master trust services that you offer to your clients ("**Assurance Report**").

The Assurance Report will review the control procedures in place in the Service Organisation and the design, description and operational effectiveness of these control procedures for the year ending 31 December 2018 in accordance with the International Standard on Assurance Engagements 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' issued by the International Auditing and Assurance Standards Board ("**ISAE 3000 (Revised)**") and Technical Release TECH 12/16AAF "Assurance reporting on master trusts" - Master Trust Supplement to ICAEW AAF 02/07 ("**AAF 02/07**").

Further details regarding the Assurance Report can be found in the attached Schedule.

Subject to the Permitted Disclosures set out in this Agreement (see clause 5 of our Terms of Business), the Assurance Report will be made solely for the benefit of the Service Organisation and its Trustee Board ("**Trustees**") and solely for the purpose of reporting on the Service Organisation's controls, in accordance with this Agreement ("**Purpose**").

### Special arrangement

We understand that you may wish to make a copy of our Report available on your website. We give consent on the basis that you agree to the wording in appendix 3 to be included on your website and on the basis that our report can only be viewed to those website visitors who confirm they have read and agree the wording set out in appendix 3.

**Terms of Business**

Our Terms of Business are attached in the Schedule. Any work already performed in connection with this engagement before the date of this letter will also be governed by this Agreement.

We draw your attention to clause 7 of our attached Terms of Business which amongst other things limits our total liability to you under this Agreement to our fee for this work.

This Agreement may only be varied or modified in accordance with clause 9 of the Terms of Business and we draw your attention to clause 8 which sets out the provisions for terminating this Agreement.

**Fees**

Our fees will be agreed separately in writing prior to the commencement of our work.

**Agreement of Terms**

Please confirm you accept this Agreement by signing the enclosed copy letter and returning it to us but, if you do not do so, your continuing to instruct us will signify your acceptance of this Agreement.

If you have any questions, please contact Andy Miller on 020 8642 1048. We are very much looking forward to working with you.

Yours faithfully,



**Rothman Pantall LLP**

**Copy letter to be returned to Rothman Pantall LLP**

The terms and conditions contained in this letter and attached terms of business are agreed and accepted.

*Nick Boyes*

.....

Signature of authorised person on behalf of the Trustees of the Salvus Master Trust

Print name: NICK BOYES .....

Position: Chair of Trustees .....

Date: 1 March 2019 .....

In these terms of business any defined terms not otherwise defined shall have the meaning given to them in the engagement letter so that their meaning is consistent throughout the Agreement.

## **1. Introduction**

- 1.1. These terms apply to the services we are instructed to provide under this Agreement. If anything in these terms of business is inconsistent with the engagement letter, the terms of business shall take precedence unless the engagement letter specifically amends them.
- 1.2. This Agreement will start on the earlier of the date of the attached engagement letter or the commencement of the services described in this Agreement.

## **2. The Assurance Report**

2.1 In providing the Assurance Report we shall review the Trustee Board's written report on the control procedures at specified business units for the relevant period in accordance with ISAE 3000 (Revised) and AAF 02/07 ("**Trustee Board's Control Report**"), enquiries of the management at the specified business units, review the relevant documentation prepared by the Service Organisation and observe and test specific control procedures as identified in the Trustee Board's Control Report. The tests we perform shall be itemised in an appendix to our Assurance Report.

2.2 To complete our Assurance Report we may seek written representations from the Trustee Board and others about the internal controls identified in the Trustee Board's Control Report. We may request the Trustee Board to provide written confirmation of oral representations received as part of these enquiries.

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

2.4 The results of our review and the written representations will comprise the evidential matter on which we shall reach our independent conclusions of the description, design and suitability of the internal controls identified to us in relation to the provisions of master trust services as set out in the Assurance Report.

2.5 If for any reason we are unable to complete our review we may decline to issue the Assurance Report.

2.6 Where the Assurance Report is made available to you in electronic format as well as hard copy format, and multiple copies and versions of the Assurance Report exist in different media, the signed hard copy should be regarded as definitive.

## **3. Your Responsibilities**

3.1 The Trustee Board is responsible for the design, implementation and operation of control procedures that provide an adequate level of control over the master trust services they provide, including, but not limited to:

- acceptance of responsibility for internal controls;
- evaluation of the effectiveness of the Service Organisation's control procedures using suitable criteria;
- supporting their evaluation with sufficient evidence, including documentation; and
- providing in the Trustee Board's Control Report an assertion as to the effectiveness of the Service Organisation's internal controls for the relevant period.

3.2 In drafting the Trustee Board's Control Report, the Trustee Board shall have regard to, as a minimum, the criteria specified within ISAE 3000 (Revised) and control objectives specified in AAF 02/07 but they may add to these criteria to the extent reasonably necessary.

3.3 The Trustee Board shall make available to us, on a timely basis, all information which we consider reasonably necessary for performing our review and testing and to enable us to contact Service Organisation personnel to whom we may direct enquiries. The Trustee Board is responsible for ensuring that the information provided to us, whether by the Trustee Board or any other person working for or on behalf of the Service Organisation, is accurate and complete. We will not verify any information given to us relating to this engagement.

3.4 Subject to clause 7, you hereby release and shall indemnify us from all liabilities, costs, claims and expenses (including without limitation, reasonable legal fees) on a full indemnity basis relating to our Assurance Report which relates to any misrepresentations or information which is withheld or concealed from us except where liability or costs arise from our knowing disregard.

#### 4. **Inherent Limitations of Control Procedures**

4.1 You acknowledge that controls designed to address specific control objectives are subject to inherent limitations and accordingly, errors or irregularities may occur and not be detected. Such controls cannot guarantee protection against (amongst other things) fraudulent collusion especially on the part of those holding positions of authority or trust. If any such matters come to our attention we may communicate these matters to the Trustee Board or other personnel as appropriate.

4.2 The Trustee Board's Control Report and our Assurance Report will be based on historical information and the projection of any information or conclusions in these reports to any future periods would be inappropriate. In addition this Assurance Report is prepared in respect of the relevant period to which it relates. As such, any reliance upon it should be tempered accordingly.

4.3 The effectiveness of specific controls at the Service Organisation is dependent on how these controls interact with the controls and other factors present at individual client organisations. We will not review the effectiveness of controls at individual client organisations.

#### 5. **Your use of the Assurance Report**

5.1 Subject to clause 5.3, the Assurance Report will be issued on the understanding that you may not recite, refer to or disclose the whole document or part of it, whether in electronic format or otherwise, to any party without the prior written permission of one of our Partners or Directors. Permission from any other person shall not constitute valid consent.

5.2 Subject to clause 5.3, the Assurance Report will be issued solely for the purpose of reporting on the Service Organisation's controls, in accordance with this Agreement.

5.3 We permit the disclosure of the Assurance Report in the following circumstances ("**Permitted Disclosures**") provided there is no change to the wording, form, content, context or presentation of the Assurance Report:

5.3.1. As a complete document, in electronic format or otherwise, to existing clients using the Service Organisation's master trust services, the UK Master Trusts Regulator and other regulatory bodies as requested, and to the auditors of the Service Organisation and such existing clients ("**Permitted Recipients**") pursuant to 5.4 and 5.5 for the sole purpose of verifying that the Assurance Report has been commissioned. In permitting this disclosure we do not accept responsibility or liability to the Service Organisation's clients or their respective auditors.

5.3.2. As a complete document, in electronic format or otherwise, to the Service Organisation's prospective clients only where this disclosure is made with the attached Disclaimer Letter (appendix 2) published in the appendix to the Assurance Report and that this Disclaimer Letter is brought to the attention of the prospective client by the inclusion of a prominent disclaimer at the front of the Assurance Report. In permitting this disclosure we do not accept any responsibility or liability to the Service Organisation's prospective clients.

5.4 We will allow the Permitted Disclosures in 5.3.1 provided that the Permitted Recipients first accept in writing, in the form of the attached Acknowledgment Letter at appendix 1, the relevant terms of this Agreement as if the Client had signed the Agreement when originally issued, including the provisions limiting our liability in respect of the Assurance Report, usage restrictions, limitations and exclusions in return for the opportunity to verify that the Assurance Report has been commissioned. Each Client who signs the acknowledgment letter shall be a party to this Agreement unless we, in our absolute discretion, decide otherwise.

5.5 In the alternative to clause 5.4, we will allow the Permitted Disclosures in 5.3.1 without the Permitted Recipients having first accepted in writing the terms of this Agreement in the form of the acknowledgement letter at appendix 1 provided that you hereby indemnify and shall keep indemnified Rothman LLP, its directors and employees against all losses, damages, and expenses (including, without limitation, reasonable legal expenses) suffered or incurred by any of the same as a result of any claim or action brought by the Permitted Recipients following the Permitted Disclosure at 5.3.1.

5.6 We may request amendments to the electronic version of the Assurance Report if we are not satisfied with the proposed wording or its presentation or the manner in which it is published. If requested you shall promptly provide us with full cooperation and assistance to make such amendments and shall withdraw any previous or existing versions of the Assurance Report from circulation and shall promptly ensure that the same are no longer available for download or other review or access.

5.7 Where the Trustee Board or the Service Organisation prepare marketing literature referring either to us or the Assurance Report you will make reasonable efforts to obtain our prior written consent before publishing such literature.

5.8 Subject to clause 7, we accept no responsibility for any changes that may occur to our Assurance Report made after a permitted disclosure or a disclosure in breach of this Agreement. If we do become aware of any amendments we will notify the Trustee Board that the report no longer corresponds to the Assurance Report issued by us.

## **6. Access to Working Papers**

6.1 Our working papers and other internal documentation created for the purpose of carrying out our engagement under this Agreement belong solely to Rothman Pantall LLP and will not be provided to you.

6.2 We may be required to give access to our working papers for regulatory purposes or because of other statutory obligations. Unless we are prevented from doing so by legislation, regulation, court order or other professional or legal requirement, we will notify you prior to giving access to our working papers.

## **7. Limitation of Liability**

7.1 The following provisions set out our entire financial liability to the Service Organisation and the Trustee Board during the course of our engagement under the Agreement or otherwise (including, without limitation, any liability for the acts or omissions of our employees, agents and sub-contractors) in respect of (a) any breach of the Agreement howsoever arising; and (b) any representation, misrepresentation (whether innocent or negligent), statement or tortious act or omission (including, without limitation, negligence) arising out of or in connection with the Agreement.

7.2 All warranties, representations, conditions and other terms implied by statute or common law are excluded from the Agreement to the fullest extent permitted by law.

7.3 Nothing in this Agreement excludes or limits our liability for (a) death or personal injury caused by our negligence; or (b) fraud or fraudulent misrepresentation or (c) anything else that

may not be excluded or limited under applicable law.

7.4 Subject to clause 7.2 and clause 7.3:

7.4.1. We shall not in any circumstances be liable, whether in tort (including, without limitation, for negligence or breach of statutory duty howsoever arising), contract, misrepresentation (whether innocent or negligent) or otherwise for any special, indirect, consequential or pure economic loss, costs, damages, charges or expenses.

7.4.2. Our total liability in contract, tort (including, without limitation, negligence and breach of statutory duty howsoever arising), misrepresentation (whether innocent or negligent), restitution or otherwise, arising in connection with the performance or contemplated performance of the Agreement or otherwise shall be limited to our fee for this work.

7.4.3. We shall not be liable for any losses which are due to the provision of false, misleading or incomplete information or documentation or due to the acts or omissions of any person other than us, except where, on the basis of the enquiries normally undertaken by us within the scope set out in this Agreement, it would have been reasonable for us to discover such defects.

7.5 Where we agree in writing to accept liability to more than one party, the limit on our liability in clause 7.4.2 will be shared between the parties and it will be for those parties to decide how to share it.

7.6 Where any loss is suffered by you for which Rothman Pantall LLP and any other person are jointly and severally liable, the loss recoverable by you from us shall be reduced so as to be in proportion to our relative contribution to the overall fault of Rothman Pantall LLP, the Service Organisation and any other person in respect of the loss in question. In determining the extent of the contribution to the overall fault of any other person no account shall be taken of any limit or exclusion placed on the amount that person will pay or any shortfall in recovery from that person (for whatever reason).

7.7 To the fullest extent permissible by law, you hereby indemnify and shall keep indemnified Rothman Pantall LLP, its partners and employees against all losses, damages, and expenses (including reasonable legal expenses) suffered or incurred by any of the same as a result of any breach of this Agreement by the Service Organisation, its Trustee Board, employees, contractors or agents including without limitation clause 5 relating to your use of our Assurance Report.

7.8 To the fullest extent permissible by law, you agree to bring any claim (including negligence) in connection with this Agreement against Rothman Pantall LLP and not against any individual employed by us.

7.9 You shall ensure that none of the Service Organisation's group companies, including any subsidiary, associated or holding company (unless a party to this Agreement), while they are a group company or at any time after, bring a claim against Rothman Pantall LLP (or its partners or employees) or our subcontractors in respect of any liability relating to the services provided under this Agreement.

## **8. Termination**

8.1 Our appointment under this Agreement may be terminated immediately by you or us by giving notice in writing where (a) there is a material breach of the Agreement that is not rectified within 14 days of the breach (b) the performance of the Agreement may breach a legal or regulatory requirement (c) you or we appear likely to be unable to pay debts or become insolvent.

8.2 Our Appointment under this Agreement may be terminated by you or us by giving 30 days' notice in writing.

## **STANDARD TERMS AND CONDITIONS OF BUSINESS**

### **General**

These Standard Terms and Conditions of Business ('Terms') apply to the services which Rothman Pantall LLP supplies to its clients. In these Terms, references to 'Rothman Pantall', 'we', 'us' or 'our' are references to Rothman Pantall LLP and any successor or assignee. Rothman Pantall LLP is a limited liability partnership incorporated in England and Wales with registered number OC342585 and registered office at Avebury House, St Peter Street, Winchester, Hampshire SO23 8BN.

When you instruct us in relation to a new matter or case, we will normally send you a letter confirming your instructions (an "**engagement letter**"). The terms of an engagement letter (if any) and these Terms will together form the contract between us in relation to that matter or case. If you are arranging for any other person to pay our fees and expenses on a matter you must ensure that they are aware of the Terms and the arrangements agreed in your engagement letter.

These Terms supersede any earlier terms of business we may have provided to you.

Your contract is a contract with Rothman Pantall LLP. A limited liability partnership is a body corporate which has 'members'. However, it is more usual for senior professionals to be referred to as 'Partners'. We have decided to retain the traditional title of 'Partner' to describe members of the LLP. There is, however, no partnership between the members or employees or between the members or the employees and the LLP. A reference in these Terms or otherwise in the course of your dealings with us, to a person being a 'Partner', is a reference to that person in his capacity as a member or employee of the LLP. We also use the descriptions 'Director' and 'Manager' to refer to senior employees of the LLP. Such references are not intended to refer to or infer the existence of any business or company other than Rothman Pantall LLP.

There is no contract between you and any member, employee or consultant of the LLP. Any advice given to (or other work done for) you by a member, employee or consultant of the LLP is given (or done) by that person on behalf of the LLP and not in his or her individual capacity and no such person assumes any personal responsibility to you for the advice or other work.

You agree that, to the extent permitted under any applicable law, if, as a matter of law, a duty of care, or any other duty, liability or obligation would otherwise be owed to you by any member, employee or consultant of the LLP, such duty is hereby excluded and you agree that you will not bring any claim – whether on the basis of breach of contract, tort (including, without limitation, negligence), breach of statutory duty or otherwise howsoever (including for contribution or indemnity) – against any member, employee or consultant of the LLP in respect of any loss or damage that you or any person or company associated with you suffer or incur, directly or indirectly, in connection in any way with any advice given to or other work done for you. Accordingly, any claim that you wish to make can only be made against the LLP and not against a member, employee or consultant of the LLP.

Each member, employee and consultant of the LLP shall be entitled to the benefit of these provisions under the Contracts (Rights of Third Parties) Act 1999, but LLP's contract with you may be varied from time to time or terminated without the consent of any such person.

### **Professional Obligations**

As required by the Provision of Services Regulations 2009 (SI 2009/2999) details of the firm's professional registrations can be found at [www.rothmansllp.com](http://www.rothmansllp.com) in the EU Services Directory – Rothman Pantall LLP

We will observe and act in accordance with the bye-laws and regulations of the Institute of Chartered Accountants in England and Wales together with their code of ethics. We accept instructions to act for you on this basis. In particular you give us authority to correct errors made by HMRC where we become aware of them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.

### **Professional Indemnity Insurance**

In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our professional indemnity insurer can be found at [www.rothmansllp.com](http://www.rothmansllp.com) in the EU Services Directory – Rothman Pantall LLP. The territorial coverage is worldwide however additional terms, conditions and exclusions will apply in respect of claims made or legal proceedings made in the United States of America and/or Canada.

### **Data Protection**

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/your business/company/partnership/its officers and employees and shareholders ('personal data').

#### Data Controller and Data Processor

In the course of providing services to you and processing personal data, we may disclose personal data to other firms in our network, a regulatory body or a third party. We may export personal data you supply to us outside the EU/EEA/UK if necessary (subject to your prior written consent, which will not be unreasonably withheld where we are a processor). We will ensure all such data disclosure/export is compliant with relevant data protection legislation in the EU/EEA/UK and will use our reasonable endeavours to ensure that any agreement entered into with sub-processors include similar terms to those set out here. Where cloud-based services are to be used you may be subject to our cloud services terms and conditions, and cloud storage may be outside the EU/EEA/UK.

We confirm we have adequate security measures in place to protect personal data provided to us, including administrative, physical and technical safeguards.

We will notify you within 10 working days if an individual asks for copies of their personal data, makes a complaint about the processing of personal data or serves a notice from a relevant data protection authority where this relates to you. You and we will consult and cooperate with each other when responding to any such request, complaint or notice. If an individual whose data you have supplied to us or which we are processing on your behalf asks us to remove or cease processing that data, we shall be entitled to do so where required by law.

We will answer your reasonable enquiries to enable you to monitor compliance with this clause. We will also allow for, and contribute to, audits or inspections conducted by the ICO or their auditor to demonstrate compliance with this clause.

#### Data Controller

We confirm that we are each considered an independent data controller in relation to personal data and that we will each comply with the relevant provisions of applicable data protection legislation.

You will also ensure that any disclosure of personal data to us complies with such legislation. If you supply us with any personal data or confidential information you shall ensure you have a lawful basis to pass it to us and will fully indemnify and hold us harmless if you do not have such a basis and that causes us loss. If you are supplying us with personal data on the basis of a power of attorney for anyone, you must produce to us

an original or certified power of attorney on demand. You must ensure you have provided the necessary information to the relevant data subjects regarding its use. You may refer to our privacy notice at the web address <https://rothmansllp.com/privacy/>

#### Data Processor

Applicable data protection legislation places express obligations on you as a data controller where we as a data processor undertake the processing of personal data on your behalf. An example would be where we operate a payroll service for you. We therefore confirm that we will at all times use our reasonable endeavours to comply with the requirements of applicable EU/EEA/UK data protection legislation when processing data on your behalf. In particular we confirm that we will aim to comply with any obligations equivalent to those placed on you as a data controller. You will also comply with applicable data protection legislation, including but not restricted to, ensuring that you have all appropriate consents and notices or another lawful basis in place to enable the lawful transfer of personal data to us. You will fully indemnify and hold us harmless if you do not have a lawful basis that that causes us loss.

As the data processor we shall:

- process personal data only on written instruction from you;
- restrict data access to authorised personnel only, and who are bound by confidentiality;
- disclose the personal data to courts, government agencies and other third parties as and to the extent required by law;
- maintain a written record of all categories of personal data processing carried out on your behalf, including details of transfers of personal data outside of the EU/EEA/UK and a general description of the technical and organisational security measures in place in relation to personal data; and
- delete or return all personal data to you at the completion of our engagement requiring personal data processing, subject to legal requirements to retain data.

#### Investment services

Since we are not authorised by the Financial Conduct Authority to conduct Investment Business then we may have to refer you to someone who is authorised if you need advice on investments. However, as we are licensed by the Institute of Chartered Accountants in England and Wales, we may be able to provide certain investment services that are complementary to, or arise out of, the professional services we are providing to you.

Such advice may include:

- advise you on investments generally, but not recommend a particular investment or type of investment;
- refer you to a Permitted Third Party (PTP) (an independent firm authorised by the FCA), assist you and the PTP during the course of any advice given by that party and comment on, or explain, the advice received (but not make alternative recommendations). The PTP will issue you with his own terms and conditions letter, will be remunerated separately for his services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000;
- advise you in connection with the disposal of an investment, other than your rights in a pension policy or scheme;
- advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange;
- assist you in making arrangements for transactions in investments in certain circumstances; and

- manage investments or act as trustee (or donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person.

For corporate clients, we may also, on the understanding that the shares or other securities of the company are not publicly traded:

- advise the company, existing or prospective shareholders in relation to exercising rights, taking benefits or share options, valuations and methods of such valuations;
- arrange any agreements in connection with the issue, sale or transfer of the company's shares or other securities;
- arrange for the issue of new shares; and
- act as the addressee to receive confirmation of acceptance of offer documents, etc.

The LLP may receive commission from any introduction to an associated company or a PTP in connection with the above, in which case you will be fully informed of the expected size and nature of such commission at the time of the introduction. Such commission will be held in our clients' account until we receive instructions from you as to how it should be treated.

In the event of no such instructions being received, we may use such monies against any fees that have been outstanding for 30 days or more and concerning which you are not in dispute with us.

When we reduce the fees that we would otherwise charge by the amount of commission retained, we will apply the HMRC concession which allows VAT to be calculated on the net fee after deduction of the commission.

We may also request that you allow us to retain such commissions to cover our costs in connection with the above, but permission will be sought separately from you in these circumstances. If you are dissatisfied in any way about our services described in this section, you should follow the procedures set out in the 'Help us to give you the right service' section of this letter and, if in the unlikely event that we cannot meet our liabilities to you, you may be able to claim compensation under the Chartered Accountants Compensation Scheme in respect of exempt regulated activities undertaken.

Where the firm is providing insurance mediation services (including fee protection) we are not authorised by the Financial Conduct Authority. However, we are included on the Register maintained by the Financial Conduct Authority so that we can carry on insurance mediation activity, which is broadly the advising on, selling and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by The Institute of Chartered Accountants in England and Wales. The register can be accessed via the Financial Conduct Authority website at <https://www.fca.org.uk/register>.

### **Other services**

There are many other areas where we can be of assistance and we shall be pleased to discuss any matters with you. These other services include:

- a) reports in support of returns or claims, e.g. insurance company certificates, Government claims, etc.;
- b) advice on financial matters;
- c) management accounting, including such matters as cash flow statements, costing systems, etc., and advice on management;
- d) advice on the selection and implementation of computer systems;

- e) investigations for special purposes, e.g. acquisitions of other businesses or examination of specific aspects of your business; and
- f) advice on the selection and recruitment of staff.

### **Retention of and access to records**

During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following the preparation of your financial statements. You should retain these records for at least 6 years from the end of the accounting year to which they relate.

Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store which are more than 6 years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must notify us of that fact in writing.

### **Clients' monies**

We may, from time to time, hold money on your behalf. Such money will be held in trust in a client bank account, which is segregated from the LLP's funds. The account will be operated in accordance with the Clients' Money Regulations of the Institute of Chartered Accountants in England and Wales.

In order to avoid an excessive amount of administration, interest will only be paid to you where the amount of interest that would be earned on the balances held on your behalf in any calendar year exceeds £25. Any such interest would be calculated using the prevailing rate applied by HSBC for small deposits subject to a minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.

If the total sum of money held on your behalf is enough to give rise to a significant amount of interest or is likely to do so, then the money will be placed in an interest-bearing client bank account. All interest earned on such money will be paid to you. Subject to any tax legislation, interest will be paid gross.

We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. In the unlikely event of us holding any unclaimed monies we reserve the right to pay such monies to a registered charity in line with the guidelines set out in the Clients' Money Regulations referred to above. We will not do this unless we have been unable to contact you for at least five years and we have taken reasonable steps to trace you and return the monies.

### **Fees**

Our fees are computed on the basis of time spent on your affairs by ourselves and on the level of skill and responsibility involved.

Disbursements represent travel, accommodation and other expenses incurred in dealing with your affairs.

If it is necessary to carry out work outside the responsibilities agreed with you for each service, we will advise you in advance. Any additional work will involve additional fees. Accordingly we would like to point out that it is in your interests to ensure that your records etc. are completed to the agreed stage.

We reserve the right to terminate our engagement and cease acting if payment of any fees billed is unduly delayed.

Fee invoices will be rendered at appropriate intervals during the course of the year and will be due on presentation. We reserve the right to charge interest on any balances not paid within 30 days. The rate of interest applicable will be that determined from time to time by the Late Payment of Commercial Debts (Interest) Act 1998. Any query in relation to a fee that has been rendered to you must be raised in writing within 21 days from the date shown thereon.

Certified copies of your accounts will be supplied to you and third parties upon settlement of all outstanding fees, including fees rendered to you with your draft accounts for approval.

It is our normal practice to request that clients make arrangements to pay a proportion of their fee on a monthly standing order or by monthly direct debit. These standing orders or monthly direct debit payments will be applied to fees arising from work agreed in this Letter of Engagement for the current and ensuing years. Once we have been able to assess the amount of work and time involved we would be grateful if you would agree to pay an amount to us on a regular basis.

In consideration of our providing a credit facility to you in respect of our fees the signatories of this document accept joint and several personal liability for any of our fees not settled within 60 days from the invoice date.

As directors you guarantee to pay personally any fees (including disbursements) for services provided to the company that the company is unable to pay. This clause shall become effective in the event of a receiver or liquidator being appointed to the company or the company otherwise being wound-up.

If it becomes necessary for us to withdraw from the engagement, our fees for work performed up to that date will be payable by you irrespective of any agreement in place with regard to the settlement of any outstanding balances.

Insofar as we are permitted to do so by law or by professional guidelines, we reserve the right to exercise a lien over all funds, documents and records in our possession relating to all engagements for you until all outstanding fees and disbursements are paid in full.

In the event that this firm ceases to act in relation to your company's affairs you agree to meet all reasonable costs of providing information to the company's new advisers. In particular you agree to meet these costs where we are required by law to provide information to a successor firm.

#### **Client Identification**

In common with other professional services firms, we are required by the Proceeds to Crime Act 2002 and the Money Laundering Regulations 2017 to:

- maintain identification procedures for clients and beneficial owners of clients;
- maintain records of identification evidence and the work undertaken for the client; and
- report, in accordance with the relevant legislation and regulations.

We have a statutory obligation under the above legislation to report to the National Crime Agency (NCA) any reasonable knowledge or suspicion of money laundering. Any such report must be made in the strictest confidence. In fulfilment of our legal obligations, neither the firm's principals nor staff may enter into any correspondence or discussions with you regarding such matters.

If we are not able to obtain satisfactory evidence of your identity, and where applicable that of the beneficial owners, we will not be able to proceed with the engagement.

#### **Help us to give you the right service**

We are committed to providing you with a high-quality service that is both efficient and effective. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know, by contacting **Graham Hindley at Rothmans, Trinity Court, 34 West Street, Sutton, Surrey SM1 1SH** or email [grahamhindley@rothmansllp.com](mailto:grahamhindley@rothmansllp.com)

We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. If we do not answer your complaint to your satisfaction, you may of course take up the matter with the Institute of Chartered Accountants in England and Wales.

In order for us to provide you with a high-quality service on an ongoing basis it is essential that you provide us with relevant records and information when requested and reply to correspondence in a timely manner and otherwise follow the terms of the agreement between us set out in this Standard Terms and Conditions of Business and associated Engagement Letters.

We therefore reserve the right to cancel the engagement between us with immediate effect in the event of:

- your insolvency, bankruptcy or other arrangement being reached with creditors;
- failure to pay our fees by the due dates;
- either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.

### **Contact**

We may from time to time contact you regarding services that we feel could be of value to you.

### **Confidentiality**

We confirm that where you give us confidential information, we shall at all times keep it confidential, except that we may disclose such confidential information to those of our members, employees, partners, directors, managers, agents and subcontractors who need to know it for the performance of any contract we enter into with them or you, as required by law or as provided for in regulatory, ethical or other professional statements relevant to our engagement.

Where we disclose confidential information to those of our members, employees, partners, directors, managers, agents and subcontractors (for example tax or accounting professionals) we shall ensure that they comply with these confidentiality obligations as though they were a party to this Standard Terms and Conditions of Business and associated Engagement Letters.

You agree that, if we act for other clients who are or who become your competitors, to comply with our duty of confidentiality it will be sufficient for us to take such steps as we think appropriate to preserve the confidentiality of information given to us by you, both during and after this engagement. These may include taking the same or similar steps as we take in respect of the confidentiality of our own information.

In addition, if we act for other clients whose interests are or may be adverse to yours, we will manage the conflict by implementing additional safeguards to preserve confidentiality. Safeguards may include measures such as separate teams, physical separation of teams, and separate arrangements for storage of, and access to, information.

You agree that the effective implementation of such steps or safeguards as described above will provide adequate measures to avoid any real risk of confidentiality being impaired.

If we use external or cloud-based systems, we will ensure confidentiality of your information is maintained.

We reserve the right, for the purpose of promotional activity, training or other business purposes, to mention that you are a client. As stated above, we will not disclose any confidential information.

### **Quality control**

As part of our ongoing commitment to providing a high-quality service, our files are periodically subject to an independent regulatory or quality review. Our reviewers are highly experienced and professional people and are, of course, bound by the same requirements of confidentiality as our Partners and Staff.

### **Dealing with HM Revenue & Customs**

When dealing with HMRC on your behalf we are required to be honest and to take reasonable care to ensure that your returns are correct. To enable us to do this, you are required to be honest with us and to provide us with all necessary information in a timely manner. For more information about 'Your Charter' for your dealings with HMRC, see <https://www.gov.uk/government/publications/a-charter-for-business> To the best of our abilities, we will ensure that HMRC meet their side of the Charter in their dealings with you.

We will take into account of the steps and checks suggested by HMRC in their 'Agent Toolkits'. While use of the Toolkits is voluntary, we will ensure that our quality control procedures match or enhance the suggestions in the Toolkits so that, in the unlikely event that HMRC consider any of your tax returns with which we assist to be inaccurate, we will be able to help you demonstrate to HMRC that reasonable care has been taken in the preparation of the return, thereby significantly reducing the possibility of an inaccuracy penalty being imposed. To further reduce the possibility of an inaccuracy penalty, you will remain responsible for maintaining good quality supporting records for each return, for providing us with all relevant information and explanations and for acting on any advice that we give you.

### **Applicable law**

This engagement letter shall be governed by, and construed in accordance with, the law of England and Wales. The Courts of England and Wales will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those Courts, to claim that the action has been brought in an inappropriate forum, or to claim that those Courts do not have jurisdiction.

If any provision in this Standard Terms and Conditions of Business or any associated Engagement Letter or Schedule of Services, or its application, is found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provision shall not in any way be affected or impaired.

### **Changes in the Law, in practice or in public policy**

We will not accept responsibility if you act on advice previously given by us without first confirming with us that the advice is still valid in light of any change in the law, public policy or your circumstances.

We will accept no liability for losses arising from changes in the law or the interpretation thereof, practice, or public policy that are first published after the date on which the advice is given.

### **Internet communication**

Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. However, internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their despatch. It may therefore be inappropriate to rely on advice contained in an email without obtaining written confirmation of it. We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending commercially sensitive information relating to your business are borne by you. If you do not agree to accept this risk, you should notify us in writing that email is not an acceptable means of communication.

We will never change our bank details without confirming this to you by posted letter. Any emailed or telephoned communications appearing to be from us which are not confirmed by post are fake and we

accept no liability for any loss caused to you through accepting such communications as genuine. Similarly, always give us by hand or by post (as well as by email) details of your bank account.

It is the responsibility of the recipient to carry out a virus check on any attachments received.

### **Limitation of third party rights**

Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

The advice we give you is for your sole use and is confidential to you and will not constitute advice for any third party to whom you may communicate it. We will accept no responsibility to third parties including any group company to whom the engagement letter is not addressed, your spouse nor any family member of yours or your employer, for any aspect of our professional services or work that is made available to them.

### **General Limitation of liability**

We will provide services as outlined in this letter with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses caused by our negligence or wilful default. However, to the fullest extent permitted by law, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities where you or others supply incorrect or incomplete information, or fail to supply any appropriate information, or where you fail to act on our advice or respond promptly to communications from us or the tax authorities. Further, we will not be liable to you for any delay or failure to perform our obligations if the delay or failure is caused by circumstances outside our reasonable control.

You will not hold us, our Partners/Directors and Staff, responsible, to the fullest extent permitted by law, for any loss suffered by you arising from any misrepresentation, intentional or unintentional, supplied to us orally or in writing. This applies equally to fraudulent acts, misrepresentation or wilful default on the part of any party to the transaction and their directors, officers, employees, agents or advisers. However, this exclusion shall not apply where such misrepresentation, withholding or concealment is or should (in carrying out the procedures which we have agreed to perform with reasonable care and skill) have been evident to us without further enquiry.

You agree that you will not bring any claim in connection with services we provide to you against any of our partners or employees personally.

Our work is not, unless there is a legal or regulatory requirement, or a requirement by a Bank or financial institution, to be made available to third parties without our written permission and we will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them. You agree to indemnify us and our agents in respect of any claim (including any claim for negligence) arising out of any unauthorised disclosure by you or by any person for whom you are responsible of our advice and opinions, whether in writing or otherwise. This indemnity will extend to the cost of defending any such claim, including payment at our usual rates for the time that we spend in defending it and our legal fees on an indemnity basis.

### **Intellectual property rights and use of our name**

We will retain all intellectual property rights in any document prepared by us during the course of carrying out the engagement except where the law specifically states otherwise. You may only use such rights to the extent we agreed when engaged to provide services to you and may not resell or sublicense such rights without our further prior consent.

You are not permitted to use our name in any statement or document that you may issue unless our prior written consent has been obtained. The only exception to this restriction would be statements or documents that in accordance with applicable law are made public.

### **Draft/interim work or oral advice**

In the course of our providing services to you we may provide advice or reports or other work products in draft or interim form, or orally. However, final written work products will always prevail over any draft, interim or oral statements. Where you request it, we will provide you with written confirmation of matters stated orally.

### **Non-solicitation**

Neither Rothman Pantall LLP nor the client shall offer employment to any member, officer or employee working on the engagement or induce or solicit any such person to take up employment with the party, nor shall either party use the services of any member of the other party's staff as a consultant, either independently or via a third party, during the engagement or for a period of six months following the end of the involvement by the individual concerned with any work pursuant to the engagement without the written consent of the other.

Where employment is offered in breach of this term within six months following the end of the involvement by the individual, the party in breach will be liable to pay the other party damages equal to four months gross salary of the person concerned in his/her new position. This provision shall not restrict the right of either Rothman Pantall LLP or the client to solicit or recruit generally in the media.

### **Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards**

Unless agreed specifically in a separate engagement letter, we are not responsible for your compliance with the International Tax Compliance (United States of America) Regulations 2013, produced as a result of FATCA. In particular, we are not responsible for the categorisation of any UK entity into either a Financial Institution (FI) or an active or passive Non-Financial Foreign Entity (NFFE) nor, if a Financial Institution, for its registration with the US Internal Revenue Service (IRS) and subsequent submission of the required annual returns to HMRC.

However, if requested to do so we can provide advice on the completion of the forms supplied by Financial Institutions under these Regulations, or under Common Reporting Standards, and used by them to determine the status of an entity. We can also provide advice on setting up the appropriate systems to identify and report on your clients or beneficiaries who are foreign citizens affected by FATCA or Common Reporting Standards.

### **Interpretation**

If any provision of our engagement letter or terms of business is held to be void for whatever reason, then that provision will be deemed not to form part of this contract, and no other provisions will be affected or impaired in any way. In the event of any conflict between these terms of business and the engagement letter or appendices, the relevant provision in the engagement letter or schedules will take precedence.

### **Internal disputes with a client**

If we become aware of a dispute between the parties who own the business, or who are in some way involved in its ownership and management, it should be noted that our client is the business (unless we have agreed otherwise) and we would not provide information or services to one party without the express knowledge and permission of all parties. Unless otherwise agreed by all parties, we will continue to supply information to the registered office/normal place of business for the attention of the directors/proprietors. If

conflicting advice, information or instructions are received from different directors/principals in the business, we will refer the matter back to the board of directors/the partnership and take no further action until the board/partnership has agreed the action to be taken. In certain cases we reserve the right to cease acting for the business/client entity.

### **Provision of probate-type services**

As we are not licensed or authorised for the reserved legal activity of non-contentious probate, any work we do for you on closely aligned activities, such as estate administration or inheritance tax advice, will not be covered by the ICAEW Probate Compensation Scheme and you will not have access to the Legal Ombudsman, nor is our advice covered by legal professional privilege.

### **Conflicts of interest and independence**

We reserve the right during our engagement with you to deliver services to other clients whose interests might compete with yours or are or may be adverse to yours, subject to the Confidentiality paragraph above. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you unless we are unable to do so because of our confidentiality obligations. We have safeguards that can be implemented to protect the interests of different clients if a conflict arises. Where conflicts are identified which cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services.

During and after our engagement you agree that we reserve the right to act for other clients whose interests are or may compete with or be adverse to yours, subject, of course, to our obligations of confidentiality and the safeguards set out in the paragraph on confidentiality below.

### **Disengagement**

If we resign or are asked to resign, we may issue a disengagement letter to ensure that our respective responsibilities are clear

## Prospective Customer Disclaimer Letter

---

The Trustees of Salvus Master Trust  
Salvus Master Trust  
C/O Goddard Perry Consulting Limited  
Corinthian House  
17 Lansdowne Road  
Croydon  
CR0 2BX

Dear Sirs

The December 2018 report on control procedures in accordance with ISAE 3000 Revised and AAF 02/07 which relates to the master trust services provided to: Salvus Master Trust ("Service Organisation") for the year ended 31 December 2019 (2018 Trustees' Control Report) has been prepared by the Trustees of the Service Organisation principally for the purposes of providing information to organisations who were clients at 31 December 2018. You have asked us to agree to you providing to prospective clients, i.e. organisations that were not clients at 31 December 2018, a copy of the 2018 Trustees' Control Report which includes our assurance report on master trust controls (Assurance Report) dated 31 December 2018. We confirm that we are agreeable to you so doing on the clear understanding that our Assurance Report was addressed to you and was prepared on your instructions as set out in our engagement letter dated 1 March 2019. The Assurance Report was not prepared for the benefit of any prospective clients or other third parties and therefore items of possible interest to prospective clients or third parties may not have been specifically addressed.

To the fullest extent permissible by law, Rothman Pantall LLP makes no warranty or representation that the information in the Assurance Report is appropriate for the interests or purposes of prospective clients, or as to the truth and accuracy of the contents, including without limitation, as to whether the information has changed in any way since the date of the Assurance Report. Therefore the Assurance Report cannot in any way serve as a substitute for enquiries and procedures that prospective clients would (or should) undertake for the purpose of satisfying themselves regarding any matters relating to the Service Organisation's controls procedures of for any matter arising in the Assurance Report. Rothman Pantall LLP, its members, employees and agents neither owe nor accept any duty or responsibility to prospective clients or third parties whether in contract or in tort (including, without limitation, negligence and breach of statutory duty) or however so arising. Rothman Pantall LLP shall not be liable, and prospective clients and third parties shall not bring any action, proceeding or claim in respect of any loss damage or expense of whatsoever nature which results from any use prospective clients or third parties choose to make of the Assurance Report, or any reliance they may seek to place on it.

The 2018 Trustees' Control Report and our Assurance Report contained within it are not to be copied in whole or in part in any document and may not be distributed without our prior written permission. To ensure that prospective clients have a clear understanding of the terms under which our Assurance Report is being provided to them, a copy of this letter should accompany our Assurance Report.

Yours faithfully



Rothman Pantall LLP  
Chartered Accountants

**Rothmans**  
**Chartered Accountants**  
Trinity Court  
34 West Street  
Sutton  
Surrey  
SM1 1SH

"Rothmans" is a trading style of Rothman Pantall LLP.  
The trading style "Rothmans" is used by other associated Rothmans entities.  
Rothman Pantall LLP is a limited liability partnership.  
Registered in England & Wales: No 0C342585.  
Registered office: Anebury House, St Peter Street, Winchester, SO23 8BN.  
A list of members of the LLP can be obtained from the registered office.

**T** +44 (0) 20 8642 1048  
**F** +44 (0) 20 8643 6160  
**E** [sutton@rothmansllp.com](mailto:sutton@rothmansllp.com)  
**W** [www.rothmansllp.com](http://www.rothmansllp.com)