



# The Options Workplace Pension Trust

Controls Report (Type 2) in accordance with AAF 05/20  
and ISAE 3000 for the year ended 31 March 2023

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## Introduction

The Trustee Board of the Options Workplace Pension Trust (OWPT) is pleased to present this report setting out the control environment and internal controls for the Scheme's Master Trust services for the year ending 31 March 2023.

The Options Workplace Pension Trust was established in October 2012 with the primary purpose of offering an Auto Enrolment solution to existing and future clients of Options Pensions UK. The 'scheme funder' is jointly provided by Options Corporate Pensions UK Limited (OCPUK) and STM Group Plc.

Administration of the Scheme is performed by Options Corporate Pensions UK Limited, who are based in Milton Keynes and specialise in providing pension services and products to the UK market.

As at 31 March 2023, the OWPT Trustee Board comprised of MK Corporate Trustees UK Limited (affiliated trustee), Anthony Filbin who is the appointed independent Chair of Trustees, Barry Parr (independent trustee), Align Pensions Ltd (independent trustee) and Gwyneth Lloyd (independent trustee). The current Trustee Board consists of Dinesh Visavadia (as Chair and representing the Independent Governance Group), Barry Parr (independent trustee), Rebecca Cooke (independent trustee) and Martin Ralph (independent trustee). The Trustee Board have a good knowledge of all aspects of pension administration, governance and trusteeship, and have many years of experience working within the Corporate Pensions industry.

The Pensions Regulator (TPR) expects master trust schemes to follow high standards. The quality features set out in TPR's Code of Practice No.13 were incorporated in the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and with TECH 05/20 AAF.

Options Workplace Pension Trust was authorised by TPR on 25 September 2019 and is on the list of approved master trusts. The OWPT Trustee Board has continued to work closely with the Regulator to ensure the Trust is understanding and meeting requirements under the supervisory regime.

Our service auditor, Assure UK, has independently assessed The Options Workplace Pension Trust's key controls and confirmed that they are designed to meet the AAF Master Trust quality control objectives set by The Pensions Regulator with the ICAEW.

Going forward, we will build upon our foundations and continue to strive to provide good member outcomes whilst keeping costs at a minimum.



**Dinesh Visavadia (representing the Independent Governance Group)**  
**Chair of Trustees of The Options Workplace Pension Trust**  
**Date: 02/07/2024**

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# 1. Statement by the Trustee Board of The Options Workplace Pension Trust

As Trustee of The Options Workplace Pension Trust (the Master Trust), we are responsible for the identification of control objectives relating to the governance of the Master Trust and for establishing governance control activities including oversight of systems and processes that provide reasonable assurance that the control objectives are achieved. Those control objectives are derived from standards of governance set out in the Pensions Regulator's DC Code of Practice and DC Guides.

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

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

We have had four exceptions during the period detailed in Section 5 Control Objectives and Control Activities. These are regarding the reporting of core transactions and late contributions to the Trustee Board.

We set out in this report a description of the relevant governance control activities including oversight of systems and processes established by the Trustee of The Options Workplace Pension Trust together with the related control objectives which operated during the period 1 April 2022 to 31 March 2023 and confirm that:

- a. The report describes fairly the governance control activities established by the Trustee Board that relate to the control objectives referred to above which were in place throughout the period from 1 April 2022 to 31 March 2023;
- b. The governance control activities described were suitably designed throughout the period from 1 April 2022 to 31 March 2023 such that there is reasonable assurance that the specified control objectives would be achieved if the described governance control activities were complied with satisfactorily; and
- c. The governance control activities described were operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved throughout the specified period.

Signed on behalf of the Trustee of The Options Workplace Pension Trust



**Dinesh Visavadia (representing the Independent Governance Group)**

**Chair of Trustees of The Options Workplace Pension Trust**

**Date: 02/07/2024**

## 2. Report by the Service Auditor

### **Independent Service Auditor's assurance report on the governance control activities established by the Trustee Board of The Options Workplace Pension Trust (the Master Trust)**

#### Use of report

Our report, subject to the permitted disclosures set out below, is made solely for the use of the Trustee Board of the Master Trust (the Trustees) and is solely for the purpose of reporting on the control activities of the Master Trust, in accordance with our terms of engagement letter dated 22 August 2023 and attached as an appendix. Our work has been undertaken so that we might report to the Trustee those matters that we have agreed to state to them in our report and for no other purpose.

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

#### Scope

We have been engaged to report on the description of governance control activities including oversight of systems and processes established by the Trustee Board of The Options Workplace Master Trust throughout the period from 1 April 2022 to 31 March 2023 and on the suitability of the design and operating effectiveness of those governance control activities stated in the description.

#### Trustee's responsibilities

The Trustee's responsibilities and statement are set out in section 1 of the report. The control objectives stated in the description include those control objectives set out in TECH 05/20 AAF that are considered relevant by the Trustee Board.

#### Our responsibilities

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

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

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

#### Our independence and quality control

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

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



## 2. Report by the Service Auditor (continued)

### Inherent limitations

The Trustee's description of governance control activities including oversight of systems and processes was prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of governance control activities that may be relevant to each participating employer or member of the Master Trust. Also, because of their nature, governance control activities may not prevent or detect and correct all errors or omissions in performing governance activities.

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

### Opinion

In our opinion, in all material respects:

- i. The accompanying Master Trust's report fairly presents the governance control activities established by the Trustee that relate to the control objectives referred to above which were in place throughout the period from 1 April 2022 to 31 March 2023; and
- ii. The governance control activities established by the Trustee described in section 5 were suitably designed to provide reasonable, but not absolute, assurance that the specified control objectives would have been achieved if the described governance control activities operated effectively throughout the period from 1 April 2022 to 31 March 2023; and
- iii. The governance control activities established by the Trustee that were tested were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the related control objectives were achieved throughout the period from 1 April 2022 to 31 March 2023.

*Assure UK*

**Assure UK**

Chartered Accountants  
London

Date: 03/07/2024.



### 3. Business Overview and Control Environment

#### History

The Options Workplace Pension Trust (OWPT) was established in October 2012 with the primary purpose of offering an Auto Enrolment solution to existing and future clients of Options Corporate Pensions UK Ltd.

The Scheme's membership as at the end of March 2023 consists of 3,331 participating employers and 291,105 members. The scheme's assets under management (AUM) stand at £453m.

The investment strategy of the Trust consists of a main default fund. This default fund is the Alliance Bernstein target dated funds that de-risks towards retirement based upon a member's date of birth. We have sections for key connections which also operate with alternative bespoke default funds namely;

- A target dated fund held with Blackrock for members of the Amber Pension Trust who transferred into the Options Workplace Pension Trust.
- The IndePension's section which utilises model portfolios from Shard Capital, with the Balanced fund used as the default fund;
- The Centralus section which utilises the TAM Focused portfolios, with the Balanced portfolio used as the default fund; and
- The Islamic section which is provided by Wahed Invest and is Sharia compliant.

There is currently a separately advised section of the OWPT utilising Quilter Cheviot model portfolios, with the balanced model being the default. This section is advised by Futura, a regulated financial advisory firm, for specific participating employers of the OWPT.

All defaults which are not target date funds, have a conventional Lifestyling strategy overlay, which de-risks members the closer they get to retirement.

#### Objectives

- To offer a value-added proposition for both employers and members
- To offer diversity in the marketplace recognising one size does not fit all
- To grow the business effectively while always maintaining the quality of the client service being delivered
- To manage the risk of the business
- To ensure that the most effective IT and marketing solutions are adopted and that they are maintained in a secure environment
- To ensure that the OWPT is fully compliant with legislation and requirements of TPR
- To ensure that the OWPT maintains MTAF accreditation
- To ensure that the OWPT continues to meet the objectives as set out in the business plan
- To build an effective retirement pathway for all
- To offer Self-select funds that add diversity and value for the specific needs of members

#### The board of trustees

The Options Workplace Pension Trust is a Master Trust and is governed by a Board of Trustees (Trustee Board). As at the 31 March 2023, the Trustee Board comprised of five trustees; MK Corporate Trustees UK Ltd (affiliated trustee), Anthony Filbin (independent trustee Chair), Barry Parr (independent trustee), Align Pensions Ltd (independent trustee) and Gwyneth Lloyd (independent trustee). The Trustee Board has a broad range of knowledge on all pension matters which provides for independence, corporate governance and expertise.

Since the report was written, the trustee board has gone through a period of change and currently comprises of the following trustees: Independent Governance Group (IGG), (Chair of trustees), Barry Parr (independent trustee), Rebecca Cooke (independent trustee) and Martin Ralph (independent trustee).

The Trustee Board meets on a quarterly basis to enable robust governance standards to be maintained and to ensure member's best interests are at the heart of what we do.

During the period to 31 March 2023, the Trustee Board also operated as an Investment sub-committee that focuses on the investments offered within the OWPT. The sub-committee meets at least quarterly and is attended by the appointed Investment Advisers to the Trustee Board - Dean Wetton Advisory. There was also a regular Communications sub-committee and a Risk & Compliance sub-committee to focus on the Risk Register and maintain good governance over the risks to both the scheme and its members.

### 3. Business Overview and Control Environment (continued)

#### The board of trustees (continued)

Details of the trustees is set out below

#### Anthony Filbin - Independent trustee

Anthony Filbin joined Legal & General in 1979 where he held a number of senior positions rising to Managing Director Workplace Savings.

In his various roles he was responsible for Legal & General's suite of retail pension and annuity products including the development and implementation of their award-winning auto-enrolment proposition.

Since leaving Legal & General in 2014, he has taken up a number of pension trustee board positions and non-executive director roles with Quai Administration Services, Capital Cranfield Trustees and Mattioli Woods.

He is a regular speaker at pension conferences and has held committee positions with the Institute of Actuaries and the Pensions Management Institute.

In 2013 he was named by Financial News as one of the Top 10 Most Influential People In Pensions.

#### Barry Parr - Independent trustee

Barry Parr has been a trustee since 1993 and a professional trustee since 2012.

Barry has been an independent trustee and chair of the DC committee for the Pensions Trust (master trust) with AUM of £7bn as well as working on many other pension schemes throughout his career. He is a regular columnist in pensions journals including Professional Pensions. Barry has also previously judged the Professional Pensions Awards.

#### Align Pensions Ltd (represented by Bhavna Kumar) - Independent trustee

Bhavna has over twenty years of experience in the pensions industry. She has been a professional independent trustee for a number of years and prior to that, was a Scheme Actuary. In 2019, Bhavna established Align Pensions along with two other individuals. As a wholly director owned business, Align Pensions provides independent pension trustee and advisory services.

Bhavna works with a range of schemes including defined benefit, defined contribution and hybrid schemes and has experienced the full range of pension scheme matters. Bhavna is an accredited independent professional trustee with the Association of Professional Pension Trustees and is a fully qualified member of the Institute and Faculty of Actuaries.

#### Gwyneth Lloyd - Independent trustee

Gwyneth is a Fellow of the Pensions Management Institute with nearly 40 years' pensions industry experience. Her roles have included UK Pensions Operations Manager and Pension Trust Secretary for the Zurich Insurance Group, Scheme. UK and Ireland Pensions Manager and Pension Trust Secretary for Fujitsu and Associate/Client Relationship Manager Barnett Waddingham. Since 2018, she has been a Trustee Director for the Fujitsu Comparable Pension Scheme. She is also a member of the joint Audit and Risk Committees for Fujitsu's DB pension Schemes.

#### MK Corporate Trustees UK Limited

MK Corporate Trustees UK Ltd (MKCTUK) was established in December 2014 following a company restructure of Options Pensions UK LLP, replacing the previous trustees Options Pension Trustees UK Ltd. MKCTUK consists of three trustee directors who are employed within the Options Group.

Delegation is provided to one of the directors to act on behalf of MKTUK on the Trustee Board for the Options Workplace Pension Trust.

Other parties involved in the Scheme are:

#### Christine Hallett (CEO - Options Pensions UK)

Christine has over 30 years' experience within the pensions industry including both Self-Investment Personal Pension Schemes (SIPP) and corporate pensions. She has been CEO of Options Pensions UK since its establishment in 2009. Christine is the Scheme Strategist for the Scheme.

#### David Hatch (Operations Director)

David represents MK Corporate trustees on the Board and has worked in the financial services arena since 2000 originally qualifying as a financial adviser. In 2007 David moved into the Self-Invested Pension market focusing on UK regulated schemes such as Small Self-Administered Schemes and Self-Invested Personal Pension Schemes. David has extensive knowledge of the Self-Invested Pension market and has had experience of working in the financial services industry for over 17 years in various management and project roles.

All professional fees in respect of services provided to the Trustee Board are paid by the Sponsor Options Corporate Pensions UK Ltd.



### 3. Business Overview and Control Environment (continued)

#### The board of trustees (continued)

##### Options Corporate Pensions UK Ltd (OCPUK) - The Sponsor

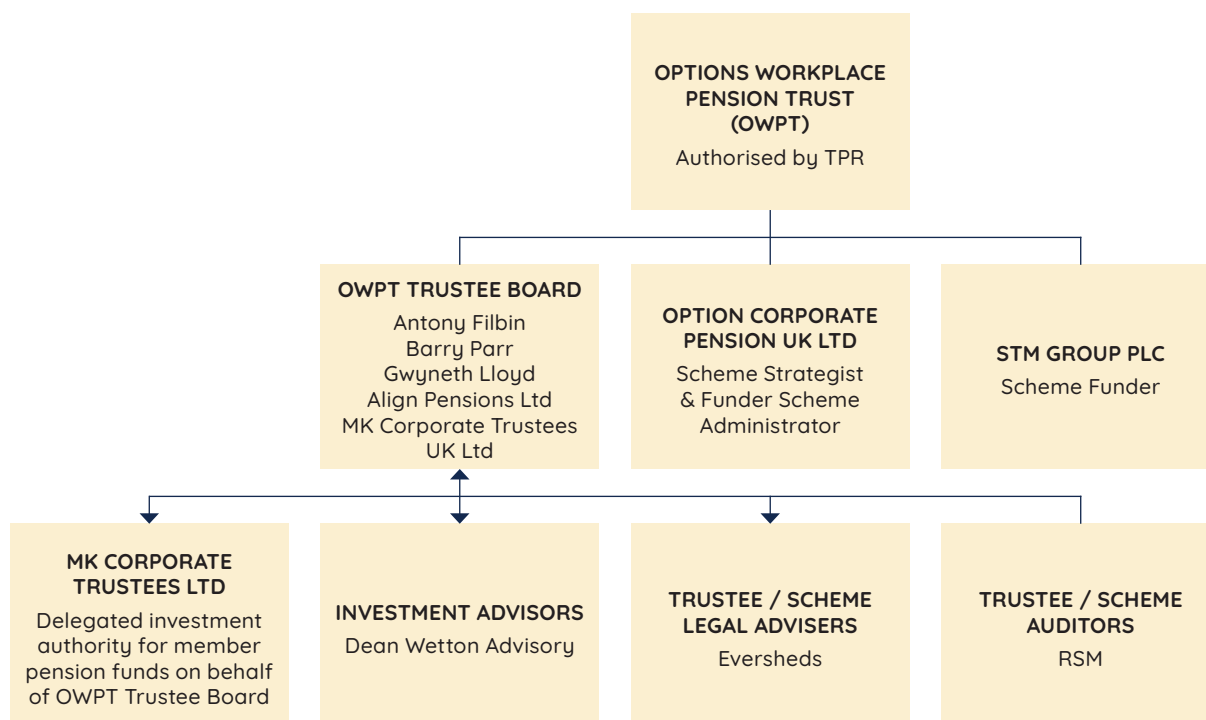
Options Corporate Pensions UK Ltd was established in December 2014.

In February 2019, the company was acquired by STM Group Plc, an international financial services company focused on providing international and UK pension and trustee services. STM Group Plc are co-founders of the OWPT and supports it when required with additional funding and investment. They provide the capital required in a blocked bank account to the order of the Trustee Board of the OWPT in the event of a wind-up being triggered.

##### Options Corporate Pensions UK Limited (Scheme Administrator) - OCPUK

Options Corporate Pensions UK Limited is the Scheme Administrator and are based in Milton Keynes. It provides administration services, including collecting and investing contributions and paying benefits as and when members leave or retire. It provides communication materials including member booklets and delivers an on-line portal for each participating member. OCPUK have a dedicated administration team dealing with the day to day administration relating to the Workplace Pension.

OCPUK Limited charge members a flat fee, together with an Annual Management Charge (AMC) dependent upon investment fund chosen. Default funds are charged in accordance with the combination charge structures allowed under the Auto Enrolment Charge Cap Regulations.



#### Investment managers

The Alliance Bernstein target date funds provide the default funds for the Trust. These are target dated funds that manage the risk as members move closer towards retirement. AEGON Blackrock also provide a target date fund for members of the Amber Workplace Pension Section.

The Trust also provides for other sections with different bespoke default arrangements. These investment managers include Quilter Cheviot, TAM and Shard Capital. Quilter Cheviot has a conventional Lifestyling overlay strategy de-risking members as they approach retirement. Lifestyle overlays for TAM and Shard Capital are being developed.

There is a Sharia default section utilising Sharia portfolios with Wahed Invest, which also uses a lifestyle overlay.

The Investment Managers are remunerated for their services through charges (Annual Management Charge and Fund Management Charge) deducted at source as an adjustment to unit pricing, or from members' pension pots on a quarterly in arrears basis.

### 3. Business Overview and Control Environment (continued)

#### Control environment, risk management and internal control

The Board of Trustees understand the importance of protecting the interests of members and compliance with industry and statutory requirements.

Regular review of the Trustee Board's Risk Register aims to identify the need for any changes to procedures and controls. Options Corporate Pensions UK Limited have a variety of accounting and internal controls designed to prevent and detect fraud. These include restricted access to pension systems and databases; segregation of duties between pension administration and finance staff; investment and payments authorisation levels; monthly, independently reviewed bank reconciliations; monitoring of contribution receipts; reconciliation of pension system investment records with investment management holdings; data update and amendment controls and review of transfers out regarding potential pension liberation fraud.

The Trustees, Sponsor and Options Corporate Pensions UK Limited have regular liaison meetings with the Pensions Regulator to discuss the administrative and governance aspects of the Scheme.

#### Complementary control activities of customers

It is not feasible for the control objectives relating to pension services to be achieved solely by The Options Workplace Pension Trust. Each employer is required to evaluate its own internal controls to determine whether:

- member data and contributions are provided as instructed and on a complete, accurate and timely basis
- security controls to protect member data are in place
- records are maintained to demonstrate attempts to trace members who are identified as having an incorrect address
- contingency plans have been developed to ensure that information can be consistently communicated to Options Corporate Pensions UK Limited in the event of a system error or other disruption

#### Communications

- The Options Workplace Pension Trust has a documented Communications Plan to meet the needs of its members
- The Trustees' policy is that communications are accurate, clear, helpful and relevant to the customer. Communications are in plain English, avoid the use of jargon and standardised where possible
- The Trustees provide the scheme member with the information they need to help them plan for their retirement. Communications are tailored, where appropriate, to different groups such as deferred members and those approaching retirement
- An annual Communication Plan is agreed by the Trustees. The plan is reviewed annually by the Trustee Board

Options Corporate Pensions UK Ltd have invested heavily in a new administration system that will deliver long term benefits for Members and employers and is consistent with the Government's desire to provide a "dashboard" so it is easier to keep track of and manage Members' pension savings.

### 4. Summary of Control Objectives

#### Value for members

##### Assessing value for members

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

##### Management of costs and charges

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

#### Investment governance

3. A documented review of the suitability of the default arrangement(s) and range and risk profile of other investment options is undertaken and approved by the Trustee Board.
4. The Trustee Board undertakes a documented review of the Statement of Investment Principles. This review includes consideration of investment objectives and policies for the default arrangement(s) and all other investment options.
5. The Trustee Board ensures that the Statement of Investment Principles is made publicly available.
6. The performance of all investment options (including the default arrangement(s)) is reviewed and monitored against the investment objectives set out in the Statement of Investment Principles. This review is documented and approved by the Trustee Board.

## 4. Summary of Control Objectives (continued)

### The trustee board

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

### Financial sustainability and compliance

11. A documented review of financial sustainability (including access to resources to cover running costs and financial reserves in the event of a triggering event) is undertaken by the Trustee Board within required timescales.
12. A documented review of the Business Plan is undertaken by the Trustee Board within required timescales.
13. A documented Continuity Strategy is maintained and reviewed by the Trustee Board.
14. A documented procedure is maintained and approved by the Trustee Board for reporting Significant Events and Triggering Events to the Regulator within required timescales.

### Scheme management skills

15. An annual business schedule/plan is maintained and reviewed by the Trustee Board.
16. Conflicts of interest are subject to ongoing monitoring and are identified, recorded in a conflicts register and managed in accordance with a defined policy which is regularly reviewed by the Trustee Board.
17. Documented due diligence is undertaken by the Trustee Board prior to the appointment of all service providers, including fitness and propriety. Selection criteria is maintained by the Trustee Board to support service provider selection and decision making.
18. Roles and responsibilities of all advisers and service providers are documented and the performance and quality of their service is subject to documented reviews by the Trustee Board against documented performance criteria.
19. The Trustee Board maintains a risk management framework to identify, evaluate, manage and monitor scheme risks.

### Trustee oversight of IT systems and administration processes

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

## 4. Summary of Control Objectives (continued)

### Data quality

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

### Communication and reporting

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

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

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