Nest Corporation AAF 02/07 report summary 2019

1 April 2018 to 31 March 2019
About Nest Corporation’s Master Trust assurance report

We’ve published our fifth independent Master Trust assurance report. Nest Corporation’s key controls have been independently assessed by our reporting accountant, KPMG LLP.

They have reviewed and reported on Nest Corporation’s internal controls and have confirmed that they meet the quality standards set by The Pensions Regulator (TPR). In addition, they have confirmed that the operation of the processes and procedures in place for the governance and administration of the scheme have operated effectively over the period of the report (between 1 April 2018 and 31 March 2019).

What is a Master Trust assurance report?

The Pension’s Regulator (TPR) expects Master Trust schemes, like Nest, to produce independently assessed assurance reports. TPR’s quality features, set out in its Code of Practice No.13, provide a benchmark for DC pension schemes. The AAF 02/07 framework, developed by TPR and the Institute of Chartered Accountants in England and Wales (ICAEW), sets out 27 objectives relating to good governance and administration of a scheme. They’re designed to provide a mechanism for Master Trusts to show that they’ve been independently assessed on how they meet these requirements.

To achieve the assurance, Nest Corporation reported on the processes and controls we have in place to meet these objectives and manage any associated risks. We provided evidence of these controls being operated over a period of a year. Each of our internal controls was then independently assessed by KPMG LLP.

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What does this assurance mean for members or employers using Nest?
This report confirms that between 1 April 2018 and 31 March 2019, Nest Corporation’s internal controls and procedures were designed appropriately to meet, and operated effectively in line with, the quality standards set by the regulator. It also provides an extract of the controls and procedures we have in place which are designed to ensure we deliver high quality services to members and employers alike.

What’s in our report?
The report outlines the controls we have in place as of 31 March 2019. It focuses on:

The structure of our internal governance and reporting mechanisms
how we make sure that we’re doing the right things for our members, at the right time.

The stability of our operations
how we manage growth in volumes of our members and employers without impacting the quality of service we deliver.

Managing our relationship with outsourced providers
how our outsourced business model enables us to manage risk and provide excellent levels of service at a fixed price for our members. It also shows how we obtain adequate assurance on the key controls in the areas identified in the AAF 02/07 framework that we’ve outsourced to them.

What other assurances are there that Nest is a quality scheme?
The assurance report is just one of the ways that Nest Corporation has been independently assessed as being a quality scheme in the auto enrolment pensions market. Others include:

Defaqto 5 Star Rating
Nest has been awarded a 5 Star Rating in the auto enrolment pension category from the leading independent financial research company, Defaqto. This indicates that Nest provides a high quality offering in the auto enrolment market.

Award-winning scheme
we’ve won awards for our market leading approach to communications and our innovative Nest Connect and Nest web services.

Award-winning investments
Nest’s investment strategy has won awards for its high quality and innovative approach to looking after members’ money.

See an extract of our independent assurance report (PDF).
If you would like to discuss any aspects of the report, please contact media@nestcorporation.org.uk.