



# **NEST Corporation AAF 02/07 report**

Internal controls of the master trust  
as at 31 July 2015



# About NEST's master trust assurance report

We've published our first independent master trust assurance report. Our reporting accountant, KPMG, have independently assessed NEST's key controls and confirmed that they've been designed to meet the quality standards set by The Pensions Regulator (TPR).

## What is a master trust assurance report?

TPR expects master trust schemes, like NEST, to produce independently assessed assurance reports.

TPR's quality features, set out in TPR's Code of Practice No.13, provide a quality benchmark for defined contribution pension schemes. The AAF02/07 framework, developed by TPR and the Institute of Chartered Accountants in England and Wales (ICAEW), sets out 38 objectives relating to good governance and administration of a scheme. It provides a mechanism for master trusts like NEST to show that they have been independently assessed on how they meet these requirements.

To achieve the assurance, NEST reported on the processes and controls we have in place to meet these objectives and manage any associated risks. Each of our internal controls was then verified by KPMG.

## What does this assurance mean for members or employers using NEST?

This report confirms that as at 31 July 2015 the NEST scheme had appropriate controls and procedures in place to deliver the quality standards set by the regulator. It also provides details 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 at 31 July 2015. It focuses on:

- › The structure of our internal governance and reporting mechanisms – how we make sure that we are 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 AAF02/07 framework that we've outsourced to them.

[See our independent assurance report \(PDF\)](#)

## What other assurances are there that NEST is a quality scheme?

The assurance report is just one of the ways that NEST has been independently assessed as being a quality scheme in the auto enrolment pensions market. Others include:

- › Pension Quality Mark READY – we've been independently assessed by the National Association of Pension Funds (NAPF) and meet their quality standards on good scheme governance, low charges and clear member communications.
- › 4 Star Defaqto Rating - NEST has been awarded a 4 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 NEST Connect service for professionals helping employers with auto enrolment.
- › Award-winning investments - NEST's investment approach has won awards for its high-quality and innovative approach to looking after members' money.