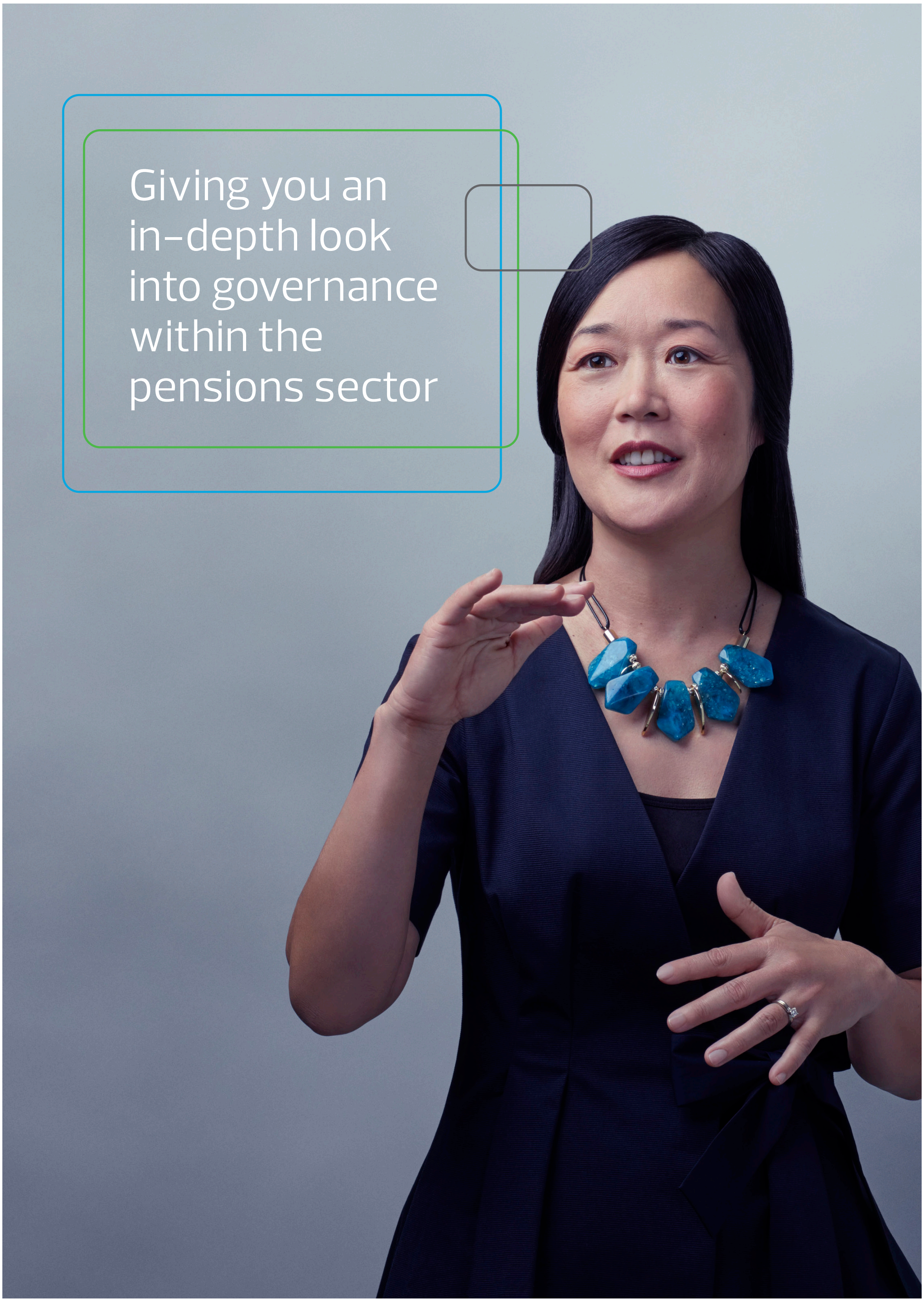
2020



MIND THE EXPECTATION GAP

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM

Contents

Introduction

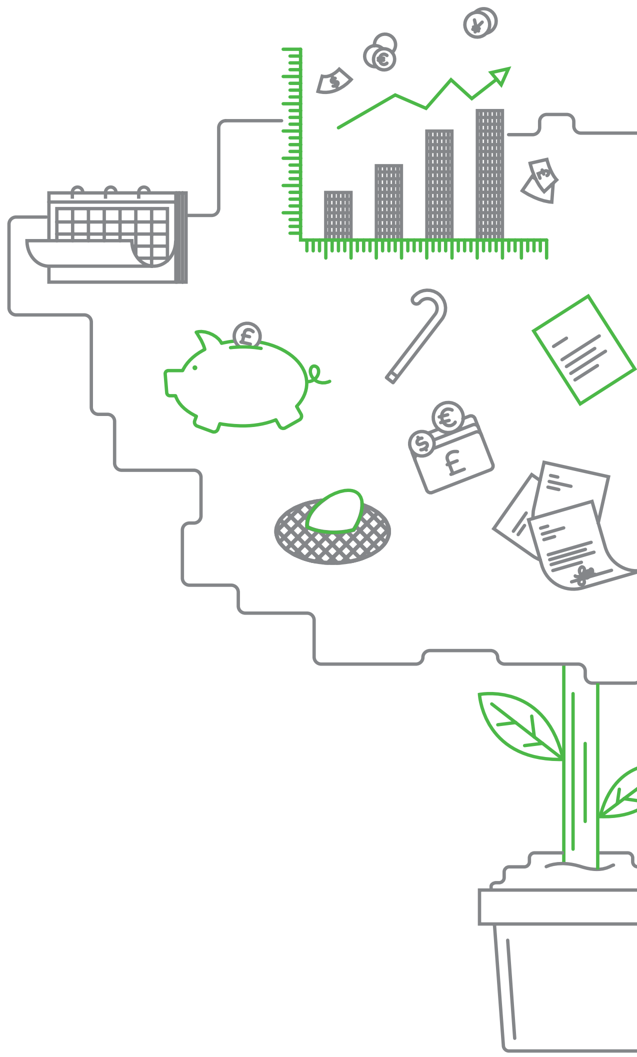
Great expectations, we all have them, but when it comes to running a pension scheme, surely things must be clear-cut and ordered.

Governance must be applied across all aspects of a pension scheme, but what if your expectations of those individuals or organisations who you expect are covering a certain area are unreasonable or not understood? Worse even, what if areas of the scheme you assume are being checked regularly, are actually being left unguarded ie they fall into the 'expectation gap'? Where you have delegated key activities to third parties, do you have effective controls and supervision in place?

This detailed look into governance within the pensions industry shows some positive actions and views across the sector, as well as some concerning trends around oversight and compliance which need to be addressed.

RSM's pension survey interviewed almost 200 people involved in the pensions sector across the UK, to gather key market insight into the quality of governance within the sector, and what the future looks like when considering new compliance codes coming into effect in 2020. With the topic of governance and specifically, the quality of a scheme's internal controls firmly on the Pension Regulator's radar, RSM's 'Mind the expectation gap' delves into whether trustee boards are really investing in scheme governance, or if risk prevention is being seen as just a tick box exercise which is low down on a busy meeting agenda.

Who does the buck stop with, and what can the sector expect to face in the years to come? Find out from our in-depth look on the following pages.



Ian Bell
Head of Pensions

Mind the expectation gap

Are trustee boards really investing in scheme governance and how is risk prevention being prioritised?

Scheme governance — whose role is it anyway?

When it comes to assessing scheme governance, the question of responsibility comes into play. According to over half of our survey respondents, they rely on advisors raising or in some cases not raising concerns rather than having scheme governance front and centre on the agenda. In response, advisors would argue that it isn't their job to assess governance, and most advisors don't have the overall view of exactly what the trustees are responsible for. Are you self-assessing your governance standards? Is your board too reliant on advisors?

Interaction with employer – assessing governance standards

Just under half of those surveyed by RSM say they have governance standards on the agenda at their meetings with scheme sponsors, but if the trustees are unaware of their current governance levels how can they produce an accurate account?

Failing to plan is planning to fail

Following a number of high-profile failings of large companies and charitable organisations, it is imperative to plan for the issues that may arise and put appropriate measures in place to combat them. However, our responses indicate this isn't being done and worryingly across pension schemes, trustees are taking a reactive rather than a proactive approach.

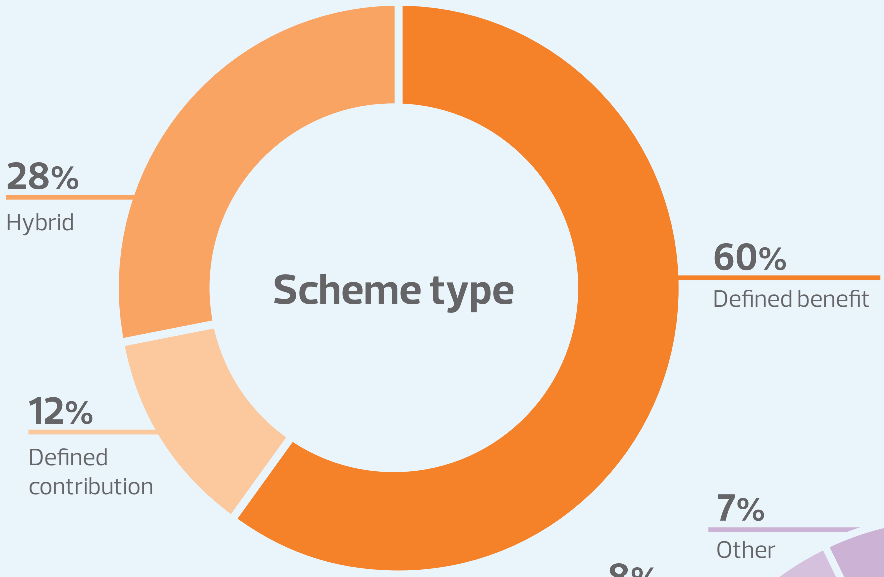
The audit expectation gap

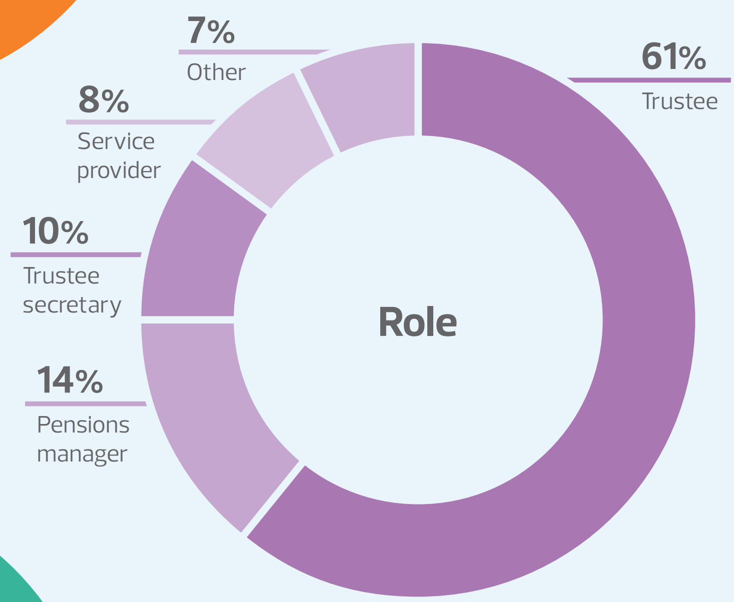
Nearly half of respondents state they expect the statutory auditor to provide assurance that their internal controls are operating. This is simply not the case for controls outside of the financial reporting systems.

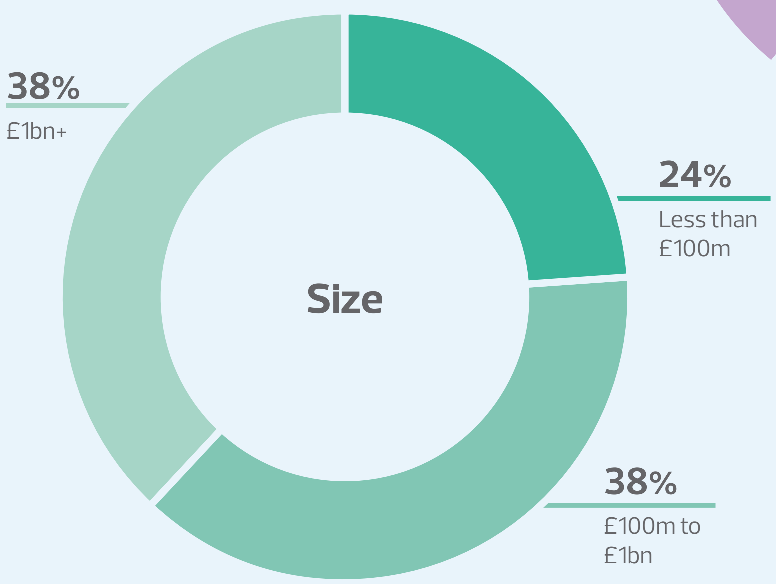
Additional assurance

Over 60 per cent of respondents have asked the auditor to do more work in other areas where trustees have concerns. This is particularly relevant in considering the administration and accounting for individual members within a DC Fund, which are typically outside of the scope of the statutory audit. Our report provides examples of where such additional testing might be performed.

Our respondents







Section one

What the experts say – starting afresh

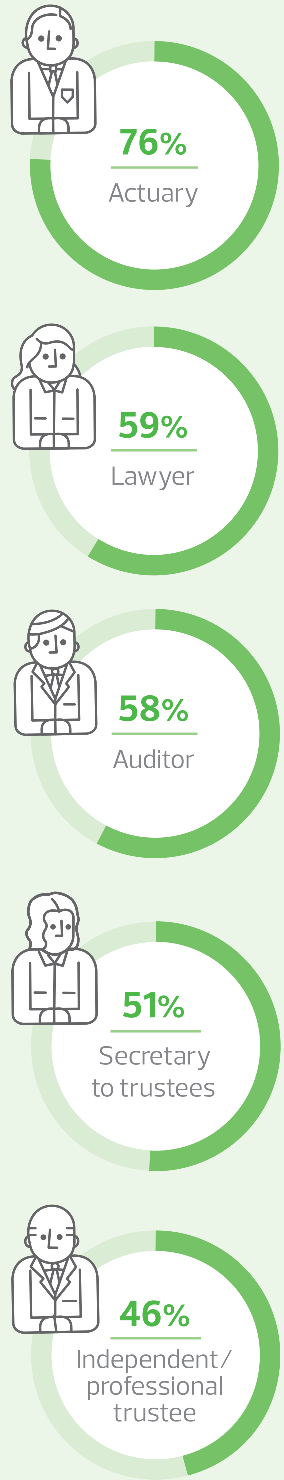
Throughout this report we will discuss the themes of reliance and reaction. There is an unnerving pattern of over-reliance on advisors, lack of useful stewardship information and complacency when considering compliance and governance.

According to over half of our respondents, they rely on advisors raising or in some cases not raising concerns. Although there is some responsibility on advisors, the role of the trustee should encompass strong oversight with bespoke management reporting on areas which the trustees consider to be the key strategic and operational risks faced by their schemes. Yet, most advisors argue that it isn't their job to assess governance and that they can only work with information given to them. Where then is the accountability when there is an over-reliance on others to manage the governance of your own scheme?

Our numbers indicate a worrying reliance on other roles within the scheme to not only outline the scheme's system of governance, but also to ensure compliance with it.

> Some trustees are placing too much reliance on their advisors, they often aren't asking the right questions to delve into or look at what's happening internally, so the picture they paint looks rosy, until you scratch the surface.
>
> **Ian Bell**
> RSM Head of Pensions

When asked to select the top five advisors/providers who helps you most with ensuring effective governance is in place, they respond with;



RSM Head of Pensions Ian Bell explains that having reliance on advisors to assist with scheme governance is usual and in part essential, but the key has to be that trustees need to make advisors aware of their expectations to ensure that nothing falls into the gap. A regular review of service agreements and contracts will clarify what those expectations are and enable delivery to be measured on a regular basis.

With advisors relying on the information they are party to, no one advisor can have a 'helicopter view' of scheme operations and hence cannot be responsible for improving governance for the scheme as a whole.

We were astonished that independent/professional trustee featured outside the top four given the significant experience on governance related matters that they could bring to a board.

Trustees must accept that they are the ones to promote good governance within their scheme and show that they apply recommendations for improvement. Whilst aspects can be delegated to advisors, the overall responsibility remains with the trustees.

What is really surprising, is 21 per cent of respondents admit they don't discuss governance standards with the sponsor, while nine per cent don't know whether or not they do. RSM's Head of Covenant Assessment Services, Guy Mander, explains although discussions with the sponsor may focus on road maps and future funding, demonstrating that the trustee board has a strong grasp on governance and risk management should also appear high on the agenda.

Back to basics

With all of this in mind, our experts believe it is time to look at what can be done to improve pension scheme governance.

Where is the governance benchmark for trustees?

This seems to be a question raised often throughout our analysis of these figures. A precise definition of what represents good governance is also hard to find.

> Much regulatory focus has been geared towards agreeing objectives between trustees and sponsor – such as long-term funding targets or actions to manage changes in the balance of covenant, investment and funding risks. Whilst funding discussions are imperative, being able to demonstrate strong and effective governance of running the scheme adds significantly to sponsor relations.
>
> **Guy Mander**
> Head of Covenant Assessment Services Partner

Corporate sector changes

Over the last few years, the corporate sector has faced public scrutiny regarding the governance it upholds and the level of accountability. Private companies face significant risks when boards are not effective and do not ensure a certain level of control and policies regarding their governance. The Wates Corporate Governance Principles for Large Private Companies provides a tool to help large private companies look at where the business is currently at, what has been done well, and how to improve their corporate governance standards.

To learn more about The Wates Corporate Governance Principles, you can download the PDF:
https://www.frc.org.uk/getattachment/31dfb844-6d4b-4093-9bfe-19cee2c29cda/Wates-Corporate-Governance-Principles-for-LPC-Dec-2018.pdf

What do trustees need to do to lay a strong foundation of governance that can then be built on?

Benchmarking
Our experts recommend that trustees should be able to evidence their evaluation of the stewardship offered by their scheme. Leading back to our previous point that to improve the governance of a scheme, trustees first need to have an accurate assessment of their own scheme to understand its position. While a complete like for like comparison may not be possible, independent benchmarking allows trustees to understand how their scheme compares to others and will provide a valuable dimension to the good value stewardship assessment. Independent benchmarking will also allow any issues to be clearly outlined and highlighted.

Consult with advisors
Advisors can offer a range of information on where a scheme sits and how to combat issues which are on the horizon. Our experts state that often, trustees are not asking the right questions, because they don't have the intimate knowledge they need. Investing in the right advisors and asking them to be involved at different levels is one way of ensuring compliance.

Elisabeth Story RSM Pensions Audit Director notes that 'In our experience, typically trustees have appointed a number of advisors to fulfil various roles for them, and, having done so, a certain amount of complacency or remoteness sets in. Whilst trustees can delegate an activity to advisors, they cannot delegate the responsibility for those tasks. At present, there appears to be a gap between what trustees think is happening and what is actually happening in terms of the testing of governance standards and internal controls. The cyclical review of risks and active testing of controls should ensure that key risks facing pension schemes are being addressed.'

Have you taken action to comply with new regulations which came into effect in January 2019 which require trustees to establish and operate an effective system of governance, including internal controls?
It is refreshing to see almost 70 per cent of trustee respondents say they are aware of the upcoming changes and will take action to comply with new regulations which came into effect in January 2019. These rules, which require trustees to 'establish and operate an effective system of governance, including internal controls' are an important starting point for those entrusted with the safety and running of a pension scheme. While the results seem positive, until the contents of the forthcoming Singular Modular Code are revealed by the Regulator, it is difficult for trustees to be sure how they are going to be able to comply with the new regime.

Best practice: what are respondents to our survey doing?

'Advisors are invited to rate the board on governance'

'We compare ourselves to other schemes in the group who use alternative advisors'

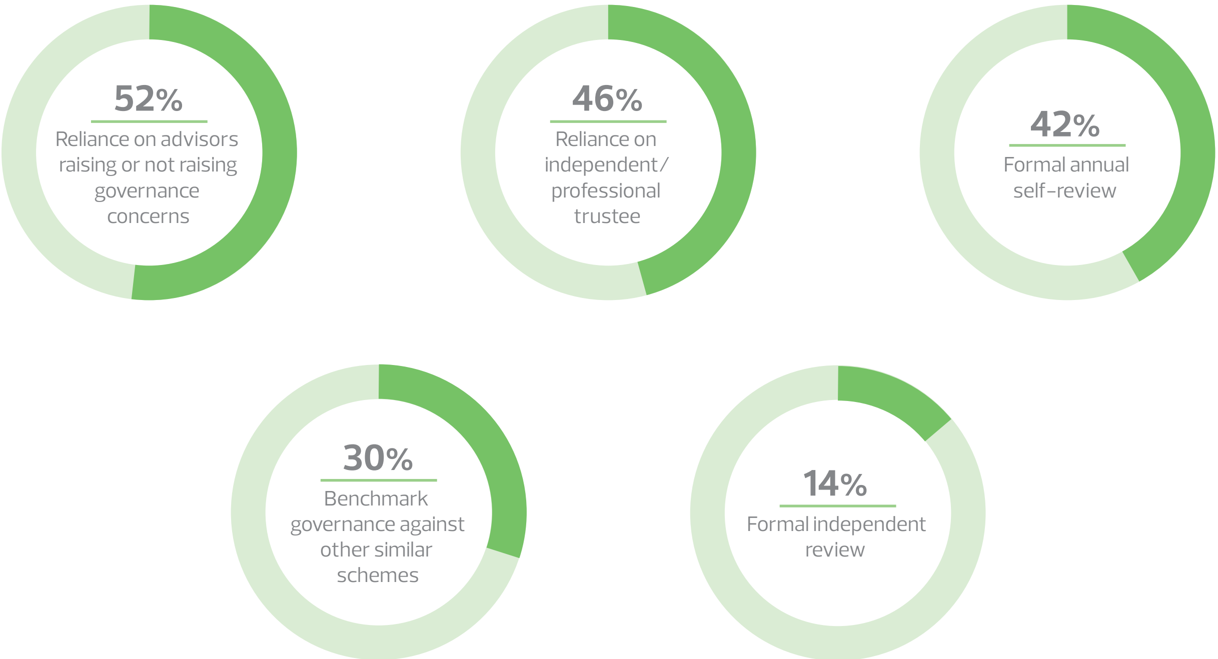
'We undertake an independent governance review from time to time'

'We have a specific internal governance team in place'

'We have a risk and governance subcommittee to assess this area with support from our advisors'

How does a trustee get their assurance that everything is above board?
Our research indicates that too many simply don't. Over reliance is a key theme within our findings.

How does your scheme assess governance? (select all that apply option)



Over a quarter of those who responded to RSM's survey stated that either more time is needed to be devoted to discussing aspects of scheme governance in trustee meetings, or in fact they didn't spend enough time discussing it at all.

Why has governance become a conveyor belt of routine compliance exercises, when in fact it is so important? It is certainly worrying to note the low percentage of respondents who use an independent review, when in fact our experts state it is the best way to monitor and assess board performance.

RSM Pensions Audit Partner Gary Grewal says asking advisors about governance will produce many different answers. 'That in itself is a risk, as too much focus in one area, for example investment governance, could detract from paying member benefits on time. Trustees really appreciate benchmarking their scheme against peers across a range of areas, covering investments, operational risks, relationship with the employer, member communications and advisor relationships. Seeing your scheme on a page compared to your peers really focuses the attention.'

Charity sector changes

The charity sector has recently seen a significant overhaul in terms of governance and compliance. Adopted by the Charity commission, the Charity Governance Code looks at ways in which the sector can improve. This sector has accepted and took on board governance and development while focusing on diversity, leadership and transparency. This Code is a practical tool to help charities and their trustees develop high standards of governance. This is a move which our experts recommend the pensions sector looks into.

To learn more about the Charity Governance Code download our report visit: **https://www.rsmuk.com/ideas-and-insights/decoding-the-charity-governance-code.**

Section two

Failing to plan is planning to fail

Following several high-profile failings of large companies and charitable organisations, it is imperative to think hard about what issues may arise and put the appropriate measures in place to combat them.

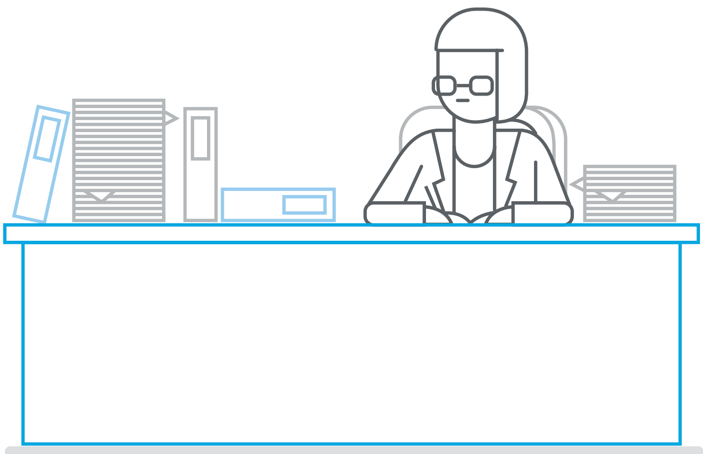
However, our responses indicate this isn't being done and surprisingly across pension schemes, trustees are generally taking a reactive rather than a proactive approach. Risk is a part of everyday life, but it is the way in which we manage it which allows us to protect scheme members and their benefits. Risk management involves understanding, analysing and addressing risk to ensure everything is in place to fight it and ensure that pension scheme trustees are safeguarding their members and their assets.

Outsourcing administration, payroll and investment management activities doesn't mean that complete reliance can be placed on others. Such delegation can sometimes lead to a dissociation from the risks and may mean that trustees are relying too heavily upon their outsourced providers and as a result are not themselves focussing on proactive risk management. To proactively manage these relationships and critically evaluate the information being reported by these third parties would enhance the strength of scheme governance and ensure that risks are identified before something goes wrong. So why are boards seemingly reactive and not proactive? Because risk and governance can be seen as 'dull and unimportant until something happens'.

While The Pensions Regulator states that trustees 'should regularly (eg annually) undertake risk assessment exercises to identify whether their existing system of internal controls is still fit for purpose', we asked in our survey whether they are effective in preventing and detecting errors in current scheme operations, and will they help mitigate new risks?

While almost half of the respondents stated they were completely confident that strong systems were in place and working when it came to the robustness of their internal controls, with all we have discussed this far, it is concerning that 34 per cent saw no reason to believe internal controls were not in place and working.

> A survey respondent commented, 'So why are boards seemingly reactive and not proactive? Because risk and governance can be seen as boring, and unimportant until something happens'.



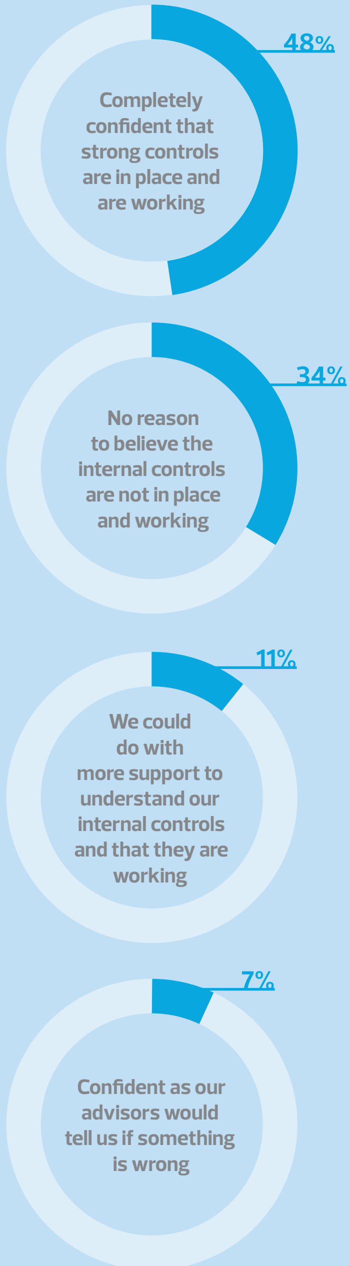
Yet correlate this with the fact that almost all only reviewed the risk register either when something happened or only once a year. With few checks, there is no way to know what is being done and whether the controls in place are fit for purpose.

Jed Turnbull, Head of Risk Assurance Services at RSM comments "Risk management is an ongoing process. Trustees should continually review exposure to new and emerging risks, including significant changes in or affecting the scheme. This is where risk registers come in, they are imperative to understanding your scheme and the effect different problems may have."

Whilst our survey respondents have for the first time confirmed that they all have a risk register in place, the question remains, how many pension scheme trustees have an effective risk register? One that is adaptable and responsive to changing risks? One that is regularly tested to ensure that the stated controls are operating effectively?

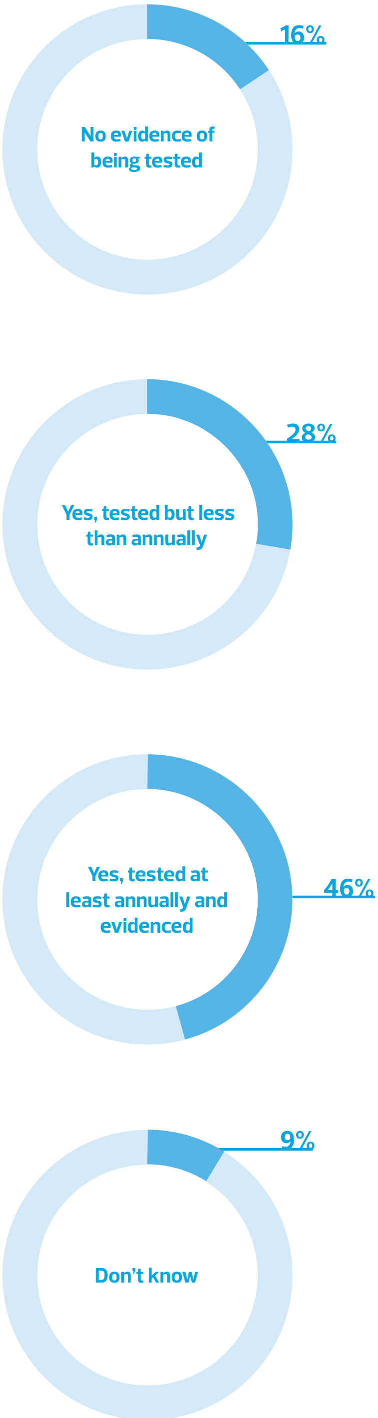
> We are becoming ever more reliant on data to manage and administer schemes. In today's fast evolving interconnected world, data is being shared across an increasing number of digital channels, often in real time. The challenge is that data in transit and at rest can be readily intercepted or stolen. Data has become one of our most valuable assets and the value of information assets has never been greater. Cyber risk management should be an active process, commissioned by the trustees to establish how scheme data is being safeguarded to provide assurance to members that their data is secure from unauthorised access and theft. Given the speed at which the cyber threat landscape is evolving, trustees should consider commissioning annual independent assessments to provide assurance.
>
> **Shelia Pancholi**
> Technology Assurance Partner

How confident do you feel about the robustness of internal controls which support your scheme?



Interesting that over half of respondents do not feel completely confident that strong internal controls are in place and working.

Are the internal controls included within the register tested and evidenced?



What is a risk register?
The risk register is a tool used to effectively identify, prioritise, manage and monitor risks. It assists the trustees by:

- identifying managed and unmanaged risks;
- providing systematic approach for managing risks; and
- implementing effective and efficient controls.

How trustees manage risk?

It appears from our research they aren't doing this proactively through their risk registers. This vacuum of governance practices, and lack of insight into what could come their way, means those involved in a pension scheme may not have a full understanding of all the risks and issues out there, and neither will their members. Simply recording risks doesn't result in those risks being mitigated. As part of the management process, trustees need to ensure that controls are suitably designed and implemented. Trustees will need to consider a number of areas including:

- how the control is performed and the skills of the person performing the control;
- what level of reliance can be placed on IT solutions if processes are automated;
- whether or not a control is preventative or detective, ie whether it would stop something from happening or merely detect something that has already happened;
- the frequency and timeliness of a control process, eg daily/weekly reconciliations;
- the process (or reporting mechanism) for flagging errors or control failures; and
- how change management is controlled.

On first glance, our research indicates that 68 per cent of trustees review the risk register annually, or when a significant issue occurs. Yet when we look deeper, this is concerning for a number of reasons. Firstly, checking the register once a year is not enough to assess the issues on the horizon, and secondly, only reviewing it when an issue occurs is reactive, not proactive, as we have seen throughout this research. Adding to this, 34 per cent admitted to having between 15 and 24 risks recorded and a staggering 41 per cent had over 25 risks recorded. RSM's Ian Bell explains that 'swamping a risk register with a multitude of risks makes management of it very difficult and the outcome isn't proactive. It is far better to have fewer more appropriate risks that can then be monitored easily. These are then reassessed on a regular basis for any new risks arising'.

While having strong internal controls in place is the first step, the controls need to be measurable, and they need to be tested, and this is just not being seen across the sector. Less than 50 per cent of our survey respondents felt confident about the robustness of their scheme's internal controls.

If risk is measured correctly, then it can be a critical, key part of a stewardship role. Yet it is purely seen as boring and time consuming. This follows the thread from RSM's previous report on 'The Future of Trusteeship' which found 32 per cent of trustees don't feel they have enough time to do their job effectively. Unfortunately, what we see is time constrained trustees will move what appears to be a mundane area to the bottom of an already loaded agenda.

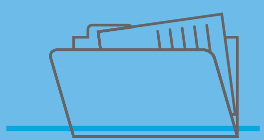
> A survey respondent commented, 'Trustees see the risk register as a tick box exercise, it's in the too mundane basket'.

Best practice: which registers add value?

The best risk registers are:

- concise;
- split between DB and DC (where relevant);
- clear in setting strategic and operational risks apart – strategic for the board and operational for management and advisors; and
- linked to the business plan.

Importantly, the controls in place to mitigate the risks identified should be capable of being tested and it follows that they are regularly tested and reported on.



Section three

What role does audit play in governance?

Of the respondents in our survey, 45 per cent state they expect the statutory auditor to provide assurance that their internal controls are operating.

RSM's Rob Gordon, Financial Services Regulation and Compliance Partner argues, this is simply not the case. A statutory audit is only designed to consider those internal controls relevant to the production of the annual financial statements and the transactions therein. A statutory audit will not therefore look at a scheme's internal controls that don't directly impact the financial statements. This is the role of internal audit.

New guidance for internal control reports from service providers

The environment for transparency and effectiveness of internal controls continues to face increased scrutiny from different stakeholders. As a result this places increasing demands on trustees and service providers to understand and assess the effectiveness of controls and obtain independent assurance that controls are effective. Within the pensions sector both the AAF02/07 and AAF01/06 (shortly to be superseded by AAF01/20 which is effective for reporting periods starting on or after 1 July 2020 with early adoption encouraged) are key to this when used effectively.

The AAF01/20 which affects pension administrators, investment managers and other services providers alike, enhances requirements on organisations and auditors, aligns with international standards on controls assurance, and should bring greater consistency in controls assurance reporting in the sector. This includes:

- **clarity of senior management responsibilities for defining and assessing control effectiveness prior to audit testing;**
- **changes and updates to illustrative control objectives and wording thereof;**
- **greater clarity on IT controls and expectations of depth of IT control assessment;**
- **additional guidance on user entity controls and subservice organisations;**
- **more guidance on dealing with exceptions and modifying opinions;**
- **greater alignment with international SOC 1 and ISAE 3402 reporting standards for consistency;**
- **removal of stewardship supplement; and**
- **addition of some illustrative templates or examples.**

Service organisations and auditors alike need to consider the implications of AAF01/20 on the control framework and auditor tests in meeting stakeholder expectations.

Jed Turnbull
Risk Assurance Partner

What is internal audit?
Internal audit can have a much wider scope than the statutory audit, covering non-financial processes and controls that are not directly relevant to financial reporting for example, strategic planning and cyber resilience. The scope and nature of internal audit work can be tailored to meet trustee requirements.

Source: ICAEW Occupational Pension Scheme Governance: Assurance about Internal Controls

Assurance mapping

Assurance mapping links assurance from a number of sources to a scheme's risks. Take your top 10 risks from the risk register and look at the controls which mitigate those risks, then ask yourself "how does the board know that these controls are working effectively?"

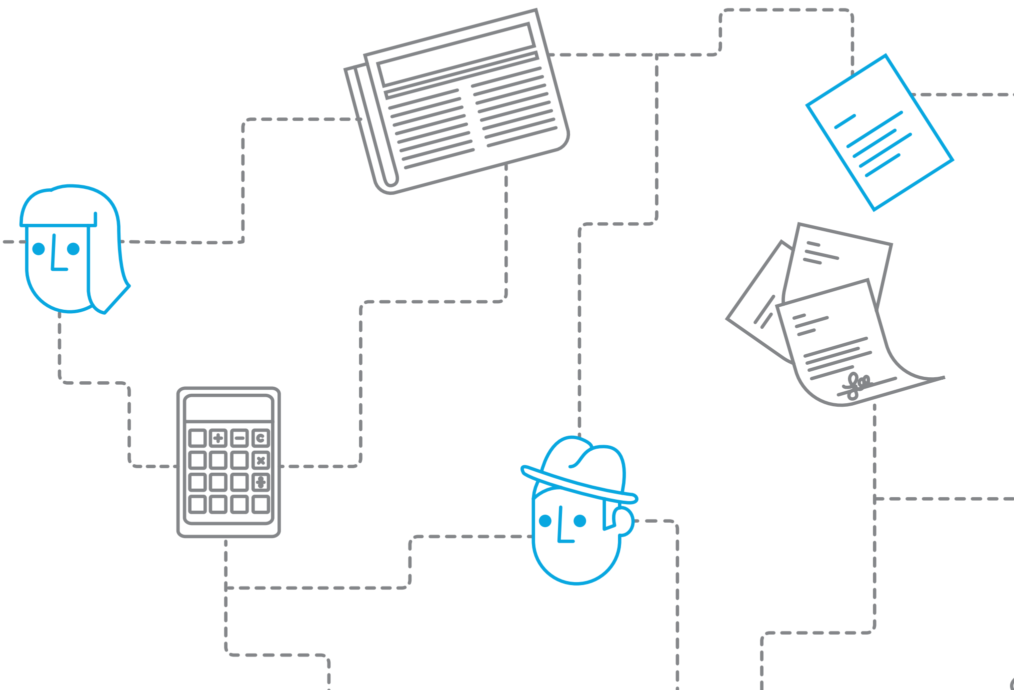
A common concept for identifying the different sources of assurance is the 'Four Lines of Defence' model.

1 **First line of defence:**
Functions that own, manage and mitigate risks ie those who are delivering on a day-to-day basis. This will include the operational management team, administrator, investment managers, accountant, payroll.

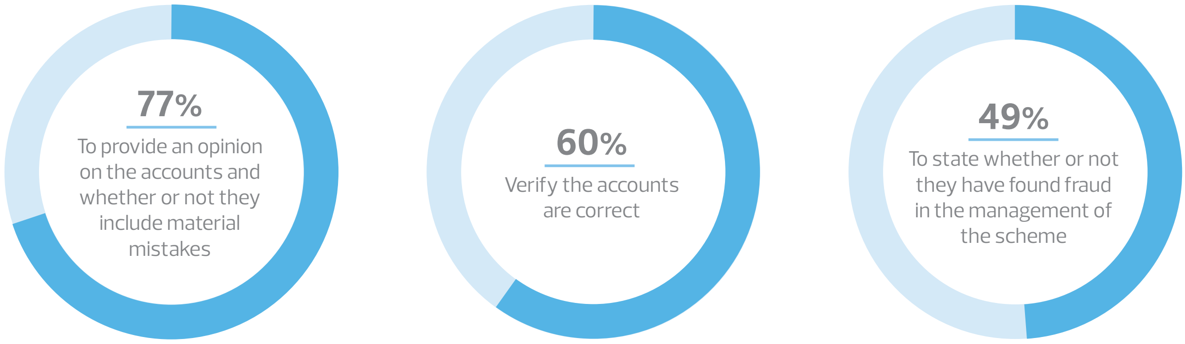
2 **Second line of defence:**
To ensure that the first line of defence is operating effectively. This could include the board, audit committee, compliance team or those who review and challenge quarterly SLA reporting.

3 **Third line of defence:**
Specialist internal audit services who 'deep dive' into specific controls, provide assurance on the effectiveness of risk management and all internal controls including the way in which the first and second lines of defence are functioning.

4 **Fourth line of defence**
Your independent auditor who provides the trustees with assurance on internal financial controls supporting the accounts and importantly can highlight areas which require attention for the above lines of defence to probe further.



What best describes the role of a statutory auditor from a trustee perspective? (select all that apply option)

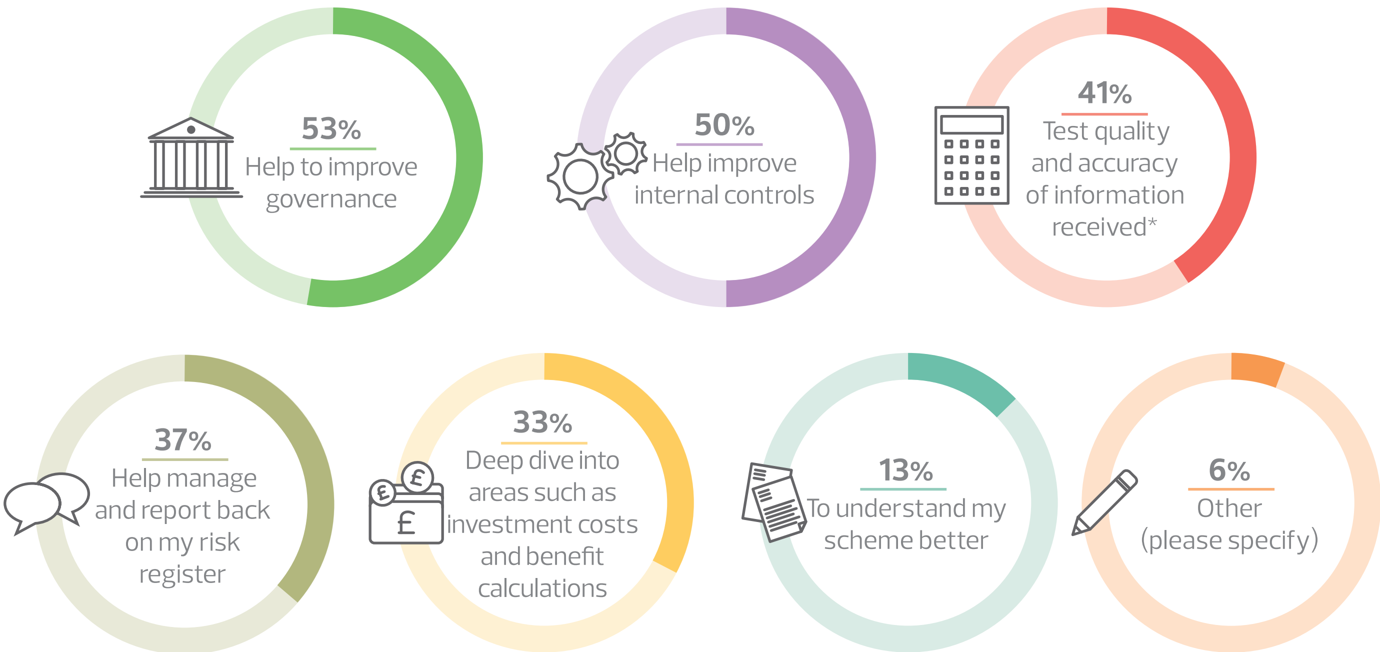


Most occupational pension schemes in the UK have to produce annual financial statements for the trustees every year. As part of that, they have to appoint a scheme auditor to report on the financial statements and on the payment of contributions to the scheme. 77 per cent of respondents therefore correctly responded to the main role that an auditor plays.

60 per cent of respondents do have a misconception that the auditor will verify that the accounts are "correct". Auditors simply cannot and do not test every transaction in the accounting records and work to a materiality level. To conclude that a set of accounts is completely correct would require far greater (and more expensive) scrutiny of the financial statements. A second common misconception is that statutory auditors are actively looking for fraud and will provide a clean bill of health if they don't find any. Whilst auditors are alert to such a risk and will take appropriate action if fraud is detected during the audit, this is a by-product of the audit process, rather than its primary purpose.

The focus of the trustees must be on ensuring that the correct financial reporting and other internal controls are in place in the first place, which will reduce the risks that the accounts contain errors or that frauds are being perpetrated against the scheme.

In which of the following areas would you like to see auditors do more? (select all that apply option)

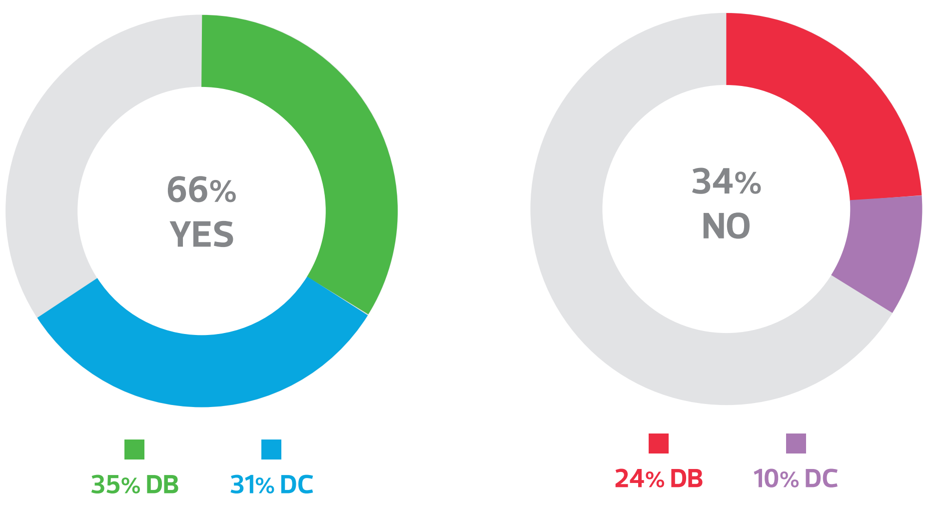


* from my investment consultant, administrator and actuary.

Auditors are able to assist with governance however this is not their principal role. They will interact with trustees and service providers which puts them in a prime position to assist with improving governance. RSM tend to benchmark schemes to peers across a range of governance areas including:

- trustee board effectiveness;
- assessment of advisors;
- fraud risk mitigation;
- relationship with the employer;
- member administration, communication and record keeping;
- risk management compliance and controls;
- management of investments; and
- DC governance.

Does the board ask your statutory auditor to do more work in other areas where trustees have concerns?



An example of additional assurance work is when considering the administration and accounting for individual members within a DC fund. It is therefore encouraging to note that 75 percent of trustees of larger DC arrangements say they have requested additional testing, while only around 50 percent of DB trustees have.

Checklist of additional testing for DC trustees:

- Do you or your advisors regularly test the 'charges and transaction cost' information in your DC Chairs statement?
- Do you or your advisors monitor the promptness and efficiency of the processing of financial transactions?
- How frequently? And how do you define these two measures? Are they contained within your SLA's?
- Do you or your advisors routinely check whether investments are in line with member instructions?
- Do you or your advisors routinely check whether any life-styling matrices are being applied correctly?
- Does the board receive good quality management information to be certain that this is the case?
- Do you test the accuracy of the reported level of attainment in your SLA's to ensure the control is working as expected? TPR's Guide to Administration encourages extending the remit of the auditor to include sample checks for timings etc.
- Do you monitor the investment of contributions against TPR's Code of Practice 13 expectation of three-five working days from receipt?
- Do you check the accuracy of individual member pots following any default fund or investment fund changes?
- Do you check the accuracy of individual member pots following the transition of DC administrator?

> In my experience I have to agree that DC trustees are predominantly continuing to rely on the audit process to provide them with comfort over their member pots.
>
> **Karen Tasker**
> RSM Head of DC

Karen goes on to explain, "in practice", we are finding that when trustees do engage in additional testing the results in each case have added tremendous value. By identifying weaknesses in the operational procedures, trustees have subsequently enhanced their monitoring and reporting hence strengthening the governance and security of their DC member's assets.

For example, for one scheme we analysed 100 per cent of the 30,000+ DC population using data analytics software to verify that members were investing in the right investment funds for their age bracket. There were 14 outliers including one member who had invested in a fund which wasn't a self-select fund and a 25 year old investing in a pre-retirement phase fund.

If this issue had been left unacknowledged there could have been future detriment to the member and a costly exercise for the trustee to rectify some years in the future.

My recommendation would be for DC trustees to refamiliarise themselves with TPR's DC Guides and to consider some form of member level testing to provide them with the confidence that they are acting in the member's best interest.'

Your RSM team

Ian Bell
Head of Pensions
T +44 (0)203 201 8608
ian.bell@rsmuk.com

Gary Grewal
Pensions Audit Partner
T +44 (0)121 214 3215
gary.grewal@rsmuk.com

Shelia Pancholi
Technology Assurance Partner
T +44 (0)116 282 0550
shelia.pancholi@rsmuk.com

Jed Turnbull
Risk Assurance Partner
T +44 (0)203 201 8697
jed.turnbull@rsmuk.com

Rob Gordon
Financial Services Regulation and Compliance
T +44 (0)203 201 8068
rob.gordon@rsmuk.com

Karen Tasker
Head of DC
T +44 (0)129 359 1752
karen.tasker@rsmuk.com

Elisabeth Storey
Audit Director
T +44 (0)203 201 8314
elisabeth.storey@rsmuk.com

Guy Mander
Head of Covenant Assessment Services Partner
T +44 (0)121 214 3304
guy.mander@rsmuk.com

Conclusion

Mind the expectation gap may sound like purely a punchy title, in reality, it gives an insight into what the pension sector is experiencing in terms of governance, transparency and expectations, and what we are seeing is a sector which could be more proactive. There are clear expectation gaps across the sector, which are not only concerning but critical when we consider the significant amounts of members' money which trustees are responsible for. While the sector is highly regulated, it is difficult to pinpoint the exact checks and balances when it comes to measuring governance, internal controls and best practice. Why is this crucial aspect of the pension sector left open to interpretation? Is it because there isn't enough information around what's expected, or are sound governance and risk management procedures not given the time and attention they need.

How are success, governance and support measured around the trustee board table? If these issues are not given the right amount of air time – 30 per cent of respondents admitted that governance during meetings could be discussed more – does this point to a distinct lack of engagement with proper governance processes?

What can you do to develop and improve the governance and compliance in a pension scheme? There are a number of options. It is important to take stock and assess where your gaps may be, which is where a proactively managed risk register can come in handy. From here, using benchmarking and information from advisers, trustees can build up a good understanding of where improvements can be made and what further measures can be implemented to ensure the smooth running of a scheme and importantly to manage and mitigate risks to protect the scheme's members.

Notes