

Master trust authorisation

# **Fit and proper assessment guide**

September 2018

The Pensions  
Regulator

## Contents

	page
About this guide	3
Introduction	6
Demonstrating honesty, integrity, financial soundness and previous good conduct	6
Demonstrating knowledge, skills and experience (competence)	7
A. Individual trustees	8
B. Trustee board: balance of knowledge, skills and experience	9
Demonstrating the right balance of skills and experience – examples	10
C. Trustee board: maintaining knowledge, skills and experience	11
Demonstrating competence of the trustee board – examples	12
D. Scheme strategist (individual)	16
E. Scheme strategist (collection of individuals)	17
F. Scheme strategist: maintaining knowledge, skills and experience	17
How to contact us	back cover

## About this guide

We have produced this guidance to provide examples of how someone who is subject to assessment can satisfy us that they are fit and proper to perform their role in a master trust.

You should read this guidance alongside our code, which sets out when we are more likely to be satisfied that all relevant persons involved in the master trust are fit and proper.

You should also refer to our '**Guide to identifying persons for the fit and proper assessment**' and our '**Role identification form**'.

### Legislative references used in this guidance

- ▶ Pension Schemes Act 2017 (2017 Act)
- ▶ The Occupational Pensions Schemes (Master trusts) Regulations 2018 (the Regulations)
- ▶ Code of Practice no. 15: Authorisation and supervision of master trusts (the code)

## Forms

The following forms must be submitted to us via the online portal as part of your authorisation application or, in the case of an authorised master trust, before an individual takes up their role in relation to a scheme.

### **Fit and proper – Role identification form (completed by the applicant)**

Use this form to tell us:

- ▶ all of the individuals who fulfil the roles that are subject to a fit and proper assessment
- ▶ how the individual and collective expertise and experience of your scheme's trustees and strategist are appropriate for your master trust, and
- ▶ all connected persons to any of the individuals identified who have the ability to influence the scheme's design or operation through this connection<sup>1</sup>

You may also attach the following documents alongside this form or examples to support your application:

- ▶ Trustee skills matrix, board evaluation, training needs assessment, training plans, performance review, scheme strategist skills matrix

### **Individual fit and proper form (completed by individuals)**

All individuals subject to the fit and proper assessment must complete a form to show us:

- ▶ how they satisfy us that they are fit and proper because they meet the requirements for honesty, integrity, financial soundness and good conduct, and
- ▶ that they possess the relevant knowledge, skills and experience to perform their roles, particularly for trustees and scheme strategists

Individuals must attach the following supporting documents with this form:

- ▶ A basic disclosure criminal conviction certificate and/ or non-UK equivalent if they have spent six months or more in a foreign country within the last five years. The issue date on the certificate must not be older than six months before the date of its submission to us. You can find more information on how to obtain a UK basic criminal conviction certificate on the following link: <https://www.gov.uk/government/publications/basic-checks>

continued over...

<sup>1</sup> Please note that we will not undertake a full fit and proper assessment of connected persons. However, we may look at matters relating to them when conducting the fit and proper assessment of the person to whom they are connected.

Forms continued...

Where an individual is accredited, approved or authorised by any professional and/ or regulatory body, they should include with their individual fit and proper form submission a certificate of good standing or equivalent written confirmation from the appropriate professional body/ regulator. This should state that the individual is:

- ▶ authorised by, or a certified member of, that professional body/regulator
- ▶ entitled to practise (if relevant)
- ▶ not subject to any condition or other restriction, and
- ▶ not currently subject to disciplinary proceedings

The issue date of the certificate or written confirmation must be within three months of the date of application or submission of the form. It must be accompanied by an official translation, if not in English, and notarised.

Individuals who are authorised by the Prudential Regulation Authority (PRA), the Financial Conduct Authority (FCA) or the Solicitors Regulation Authority (SRA) do not need to include this confirmation, although they should clearly specify on the form whether they are authorised by any of those regulatory bodies.

Where an individual fulfils multiple roles subject to the fit and proper assessment across multiple different master trusts, they will need to list their associations with each scheme in the individual fit and proper form. The same form can be linked to different applications.

## Introduction

In order to run a master trust effectively, the people who exert control or influence over the master trust must demonstrate to us that they have integrity, are honest and financially sound.

We expect all persons involved in the running of the master trust to have the right level of knowledge, skills and experience to carry out their roles. However, in particular, those performing trustee or scheme strategist roles must satisfy us that they are competent to exercise their duties in relation to the master trust. This will involve demonstrating that they possess the appropriate level of knowledge and skills to perform their roles, both as individuals and collectively as a group of individuals (ie as the trustee board).

## Demonstrating honesty, integrity, financial soundness and previous good conduct

**Applicable to:** All roles being assessed as fit and proper  
**Relevant form:** Individual fit and proper form

The individual fit and proper form contains a list of questions in relation to honesty, integrity, financial soundness and conduct.

You should answer all questions honestly and openly and include all relevant information. If you are unsure whether to disclose a particular matter, you should disclose it, providing any additional information that you feel is relevant.

We will assess all relevant information including any matters disclosed, taking into account relevance to the role being assessed, impact and how long ago they occurred. In some cases, these matters may mean that an individual is automatically barred under legislation from acting in certain capacities. For example, a person cannot be a trustee if they are currently bankrupt.

Individuals should explain the circumstances of any matters they disclose, together with any steps taken to resolve or address the matter, and any other mitigating factors relevant to a fit and proper assessment.

## Demonstrating knowledge, skills and experience (competence)

**Applicable to:** Trustees and scheme strategists  
**Relevant forms:** Role identification form and Individual fit and proper form

The code<sup>2</sup> sets out where we are more likely or less likely to be satisfied that the trustees and scheme strategist possess the relevant knowledge, skills and experience.

Each individual carrying out the role of trustee and/ or scheme strategist must provide a statement in the individual fit and proper form setting out how they possess the relevant knowledge, skills and experience appropriate for their role in their scheme. We do not expect CVs to be submitted to us as a matter of course, although we may ask for these or other supporting evidence for the purpose of carrying out our assessment.

We need to be satisfied that there is sufficient knowledge, skills and experience shared collectively by the individuals on the trustee board and across those performing the scheme strategist function. This information should be set out in a statement in the role identification form, explaining how the knowledge and skills of the trustee board and group of scheme strategists (where multiple individuals fulfil the scheme strategist role) is appropriate for your master trust. Supporting documentary evidence, for example a skills matrix, should be provided to support the information in the form.

Demonstrating competence is not a one-off event. We expect all those involved in running a master trust scheme to understand their duties and responsibilities, including those introduced by the authorisation and supervision regime. There should be clear plans for developing and maintaining skills and knowledge over time.

We set out below some examples of how trustees and scheme strategists can demonstrate they have the relevant knowledge and skills, both as individuals and when acting together.

<sup>2</sup> Paragraphs 83-93

## A. Individual trustees

**Relevant form:** Individual fit and proper form

To satisfy us that they are competent, all individual trustees must demonstrate that they have attained the required level of knowledge and understanding at the time of assessment and on an ongoing basis. Trustee knowledge and understanding is defined in The Pensions Act 2004<sup>3</sup> and broadly means that trustees must attain a working knowledge of the documents governing their scheme, for example the trust deed and rules. They should also have knowledge and understanding of pensions and trust law as applicable, and the principles of investments<sup>4</sup>.

Trustees can demonstrate the minimum appropriate level of knowledge and understanding by completing the Trustee toolkit, which covers the key areas of scheme governance and administration. Our online tool guides trustees through the modules and tutorials they need to complete: [www.tpr.gov.uk/trustees/ongoing-learning-and-development.aspx#s21285](http://www.tpr.gov.uk/trustees/ongoing-learning-and-development.aspx#s21285)

If trustees have not completed the Trustee toolkit, they must demonstrate that they have completed an equivalent learning programme or gained equivalent experience. Examples of equivalent learning activities may include, but are not limited to:

- ▶ formal training and assessment, for example from the Pensions Management Institute (PMI) or the Pensions and Lifetime Savings Association<sup>5</sup>
- ▶ a certificate in trusteeship
- ▶ pensions and financial qualifications

Individuals must specify on the form the title of any qualification or accreditation, the awarding body and the date this was attained. This should be supported by a statement setting out how any qualification or accreditation meets the equivalent trustee knowledge and understanding requirement. Evidence of equivalent experience may include:

- ▶ carrying out a trustee role over a number of years
- ▶ holding a senior pensions role within DC, mixed benefit or master trust scheme, for example in relation to pension administration

Professional trustees and individuals who are appointed because they bring specialist expertise (for example, investment, legal or administration) should demonstrate a higher level of knowledge and experience in those areas.

Having the minimum level of knowledge and understanding provides a good starting point to work from. However, it's important that trustees take time to evaluate and develop their skills throughout the course of their appointment to ensure they meet the needs of their master trust. We expect trustees to set out in the individual fit and proper form how they will periodically self-assess and address any skills gaps on an ongoing basis.

<sup>3</sup> Sections 247-249

<sup>4</sup> More information can be found within our Code of Practice no. 7: Trustee knowledge and understanding and also guidance: [www.tpr.gov.uk/trustees/ongoing-learning-and-development.aspx](http://www.tpr.gov.uk/trustees/ongoing-learning-and-development.aspx)

<sup>5</sup> Please note these are examples only and we do not endorse any particular services.

## B. Trustee board: balance of knowledge, skills and experience

**Relevant form:** Role identification form

You must demonstrate on the role identification form that the requirements relating to the composition of the trustee board have been met.

The role identification form must contain a statement, together with supporting evidence, setting out how, collectively, the board possesses the appropriate balance of knowledge, skills and experience appropriate for their scheme and how these are monitored and maintained to run the master trust effectively. Boards should comprise a mix of skills and experience appropriate for governing the master trust, which should include experience gained from relevant senior roles<sup>6</sup> in relation to DC pensions, trusteeship, investment, administration and communications.

Having a mixed and diverse board enables trustees to appropriately challenge each other, and their advisers, and offer different perspectives and solutions to matters that need to be addressed. It is important that a master trust demonstrates that the balance of skills and experience are not concentrated in one or two members.

One way you can evidence this is by using a skills matrix, showing the balance of skills and experience across the trustee board. It's important that this covers the required trustee knowledge and understanding<sup>7</sup>, as well as any scheme-specific skills and experience required by the master trust to meet its business plan objectives. For example, if the master trust plans to integrate a new investment platform or use innovative financial technologies, then the skills matrix should reflect how the knowledge and experience of the trustee board support these objectives.

For more information on producing a skills matrix, including an example template, please see: [www.tpr.gov.uk/5-skills-experience.aspx](http://www.tpr.gov.uk/5-skills-experience.aspx)

<sup>6</sup> By senior role, we mean an individual who has accountability and responsibility for the day-to-day running of a company or organisation, including management, supervisory, technical or compliance oversight roles.

<sup>7</sup> The following guidance sets out the scope we expect in meeting existing trustee knowledge and understanding: [www.tpr.gov.uk/guidance/guidance-trustee-knowledge-and-understanding.aspx](http://www.tpr.gov.uk/guidance/guidance-trustee-knowledge-and-understanding.aspx)

## Demonstrating the right balance of skills and experience – examples

### Board 1

The board is made up of individuals that are all new to the trustee role. They have all completed the Trustee toolkit but none of the trustees have any previous experience of working or acting in finance or a pension capacity.

---

### Our view

In this example, we are less likely to be satisfied that the board overall has the right balance of skills and knowledge to be authorised. This is because the board consists solely of trustees that only have a foundation level of knowledge and understanding. Overall, the board lacks the depth of experience to be able to run the master trust effectively.

To make improvements, the board should obtain a wider range of expertise, for example by appointing additional trustees with experience, over a number of years, of working in DC pensions, trusteeship, investment, administration and communications. They could also consider appointing a professional trustee to the board. Having a wider range of skills and experience shared among the board is more likely to satisfy us overall that the board has the competence to run the master trust.

### Board 2

All trustees are individuals and the majority are new to the trustee role, having only recently completed the Trustee toolkit. Only one of the trustees has significant experience of working in pensions, previously holding a senior role for eight years in a pension administration company.

---

### Our view

In this case, aside from the experienced trustee, the remaining trustees only have a foundation level of trustee knowledge and understanding, which means there is likely to be an overreliance on the one individual with previous experience. For this reason, we are less likely to be satisfied that the board overall has the competence to be authorised.

In order to improve, the board could appoint other trustees to the board with a more diverse range of experience in pensions and financial, for example DC pensions, trusteeship, investment, administration and communications. They could also appoint a professional trustee.

Ensuring that skills are present throughout the board and not concentrated in one individual will mean we are more likely to be satisfied overall.

continued over...

### Board 3

This board is made up of a mixture of individuals who possess a diverse range of skills, knowledge and experience, ranging from 2-12 years, in the areas of investment, administration and finance. They also have a representative from a professional trustee company on the board who has worked with a number of money purchase schemes for 10 years. The board also has seats for Member Nominated Trustees (MNTs), which are regularly refreshed every few years.

### Our view

In this example, we are more likely to be satisfied that the board is competent – there is a broad range of relevant experience, over a number of years, which is not concentrated in any one individual. They are able to use the experience and learning of the professional trustee, as well as have insight from a member's perspective through the representation provided by the MNTs.

## C. Trustee board: maintaining knowledge, skills and experience

**Related form:** Role identification form  
**Related submissions:** Chair's statement, Systems and processes

Ensuring you have the relevant skills, knowledge and experience is a continuous process, and trustee boards should take steps to ensure knowledge and skills are maintained and kept up to date. Our code sets out that we expect boards to have a plan in place for the ongoing maintenance and development of the board's knowledge, addressing how any skills gaps will be tackled.

The way the board achieves this should be summarised in the role identification form, with supporting documents attached, which may include any evaluation of the board's effectiveness, and the board's training and succession plans.

Further guidance on obtaining and improving knowledge and skills, including a board evaluation form, can be found at: [www.tpr.gov.uk/5-skills-experience.aspx](http://www.tpr.gov.uk/5-skills-experience.aspx)

The latest chair's statement or, where this requirement does not currently apply, an equivalent statement to the extent this is possible, must be provided as part of the application for authorisation<sup>8</sup>. The statement must describe how the trustees have met certain governance requirements during the previous year, including how they have maintained trustee knowledge and understanding. Information included in the chair's statement must be aligned with that provided in the role identification form.

8 Regulation 4(3)(a) and (b) of the Occupational Pension Schemes (Master Trusts) Regulations 2018

C. Trustee board: maintaining knowledge, skills and experience continued...

In assessing the overall competence of the board, we will also take into account the evidence submitted about systems and processes. The trustees should ensure they have robust processes in place to ensure that individuals subject to contract, employment or delegation are individuals with relevant skills, knowledge and experience. If they have engaged a service provider, they should also be able to demonstrate how they have assured themselves that the provider has staff with the necessary skills, experience and integrity<sup>9</sup>.

## Demonstrating competence of the trustee board – examples

We have provided two further examples to show how you can demonstrate the overall competence of the board.

### Board example 1

Trustee	Biography
Person A	<ul style="list-style-type: none"><li>▶ Appointed by the scheme strategist and has been in post for the last 10 years</li><li>▶ Has in-depth pensions knowledge and a career history spanning 20 years in various roles involving pension scheme administration</li><li>▶ Is also the chair of the board and is seen as the 'go-to expert' on trustee matters</li></ul>
Person B	<ul style="list-style-type: none"><li>▶ Appointed as a trustee by the scheme strategist a year ago</li><li>▶ Currently works for the scheme strategist under the corporate arm, 'Admin Limited Company'</li><li>▶ Person B's employment background is working in communications – no previous pensions experience</li></ul>
Person C	<ul style="list-style-type: none"><li>▶ Appointed as trustee by the scheme strategist a year ago</li><li>▶ Person C also currently works for the scheme strategist under the corporate arm, 'Admin Limited Company'</li><li>▶ Their background is in developing and testing financial technology</li><li>▶ No previous pensions experience</li></ul>

Persons B and C were expected to complete the Trustee toolkit before being formally appointed. Person B completed the toolkit shortly before being appointed, but Person C didn't have the time and was keen to learn on the job.

The trustee annual planner includes refresher training, which involves redoing the money purchase modules of the Trustee toolkit.

In relation to succession planning, the scheme strategist will look to replace the trustee from the Admin Limited Company payroll.

<sup>9</sup> See paragraphs 99-124 of the code

### **Matters to consider for board example 1**

**Is there the right balance of skills, knowledge and experience of the board?**

Person A exerts more control and influence, along with the scheme strategist, and this is not appropriately balanced with the other two trustees (Persons B and C).

While Person A has significant experience related to pension administration, the lack of wider knowledge possessed by the board means this may be too narrow in scope to be effective.

**Is it clear how any skills gaps will be identified and addressed?**

It is not clear how skills gaps are identified or addressed. While it was expected that Persons B and C would complete the Trustee toolkit before joining, only Person B has been able to achieve this. In this example, there has been a breakdown in controls, given that it was intended for Person C to complete the toolkit before their appointment and this was not checked before they started acting as trustee.

There is no periodic evaluation on the overall effectiveness of the board, or individual self assessment, in an effort to identify and address skills gaps.

**Are there suitable training and succession plans in place, including how progress will be tracked against the plan?**

The Trustee toolkit is part of annual refresher training. However, without completing a training needs analysis or board evaluation, it is difficult to be sure that completing the toolkit will meet the needs of the individual trustees and the board as whole. Other learning activities could have been scheduled over the scheme year to tie in with key business activities on the trustees' plan. This could have included activities such as seminars, guest speakers, webinars, online forums, conferences and networking.

It is not always technical knowledge gaps that need to be addressed. Soft skills, such as negotiating, public speaking and presenting are all skills that support the development of an effective board.

In terms of succession planning, the intention to backfill a trustee from the Admin Limited Company does not say anything about the quality of the skills, knowledge or experience the board will look for in a potential candidate.

Overall, in this case, we are unlikely to be satisfied that the board has the right balance of knowledge, skills and experience.

Matters to consider for board example 1 continued...

### How to improve

The board could take the following steps to improve the overall competence of the board:

- ▶ Ensure Person C completes the Trustee toolkit or equivalent
- ▶ Set up periodic evaluation on the effectiveness of the board to identify skills gaps, taking into account specific needs for their master trust
- ▶ Create a training plan to address those gaps, monitoring progress against the plan
- ▶ Increase the number of appointments to the board, seeking candidates with wider range of experience and skills
- ▶ Appoint a professional trustee

### Board example 2

There are five trustees on the board.

Trustee	Biography
Professional trustee	A representative from a professional trustee company has been on the board for the last two years and acts as the chair.
MNT	Recently appointed to the board. MNT vacancy is refreshed every 3 years.
Appointed by scheme strategist (SS)	Previously a senior manager for a third party administrator, held role for 15 years. Has been on the board for the last three years.
Appointed by SS	17 years previous experience as an investment adviser. Was appointed to the board within the last year.
Appointed by SS	22 years in various senior marketing and communication roles. Was appointed to the board 6 months ago.

The master trust has in place an induction programme for new trustees, which includes:

- ▶ A scheme-initiated fit and proper check on candidates before they are formally appointed.
- ▶ New trustees are expected to complete the Trustee toolkit and completion is checked before starting their new role. New trustee details are updated in the board's skills matrix and overall board competency is assessed.
- ▶ Trustee knowledge and understanding is acquired from the date of appointment and every new trustee is assigned a mentor to embed newly acquired knowledge and skills in practice.

Board example 2 continued...

Each scheme year, the chair conducts a board evaluation assessment. Trustees complete their own self-assessment on knowledge and skills based on their performance for previous 12 months.

Towards the end of the scheme year, training needs and skills gaps are identified and suitable training activities are agreed and planned for the next scheme year. These include the following:

- ▶ Various types of learning activities at the end of each board meeting- guest speakers covering upcoming topics and matters of business upcoming on the annual plan.
- ▶ The board has scheduled a learning day in the calendar to develop soft skills, such as negotiating, debating, and providing constructive feedback, in response to skill gaps identified in the board evaluation.
- ▶ Individual training needs are supported through access to additional learning, such as accredited training events, seminars and conferences.
- ▶ Training is evaluated and monitored in mid-year board evaluation assessment and individual self assessments. Updates to the skills matrix take place and new gaps are identified.

**Succession planning:** The board maintains a skills matrix, which outlines the key knowledge and expertise needed for the board and the scheme. Candidates are selected according to essential and desired skills that need strengthening on the board to support the objectives in the business plan and to act in the interests of members.

### **Matters to consider for example 2**

Is there the right balance of skills, knowledge and experience of the board?

The board has an appropriate blend of skills and experience, which is spread throughout the board.

Is it clear how any skills gaps will be identified and addressed?

Yes. This is reviewed annually, both at board and individual trustee level. Gaps are addressed in scheduling of additional learning activity over the scheme year and monitored in the next evaluation.

Are there suitable training and succession plans in place, including how progress will be tracked against the plan?

There is an induction programme and suitable controls in place to ensure new trustees acquire trustee knowledge and understanding. This prompts a review of the skills matrix, which highlights any gaps or additional training needs of the board. Mentoring is provided to all new trustees. Training is scheduled throughout the scheme year and progress is monitored and captured on the board's skills matrix and feeds into the annual board evaluation.

The approach to succession planning is clearly articulated and new candidates are considered based on the needs of the board and the master trust.

In this example, we are more likely to be satisfied that there is the appropriate balance of knowledge, skills and experience present within the board, which are monitored and maintained.

## D. Scheme strategist (individual)

**Relevant form:** Individual fit and proper form

The scheme strategist should state their relevant knowledge and skills to perform the strategist role in the individual fit and proper form. This should include a summary of all relevant professional qualifications and business experience obtained from pension, financial or insurance business.

Our code<sup>10</sup> sets out that we are more likely to be satisfied where the scheme strategist can demonstrate that they have the relevant business experience attained over a number of years. A qualification may not always be necessary as long as the strategist can demonstrate that they have relevant experience, but only having a qualification is unlikely to satisfy us that the competence requirement has been met.

Relevant professional qualifications may include:

- ▶ a degree or equivalent in business, economics or finance
- ▶ certification in business management, financial analysis and/ or business improvement
- ▶ accreditation in business administration and/ or management consultancy , and/or
- ▶ a qualification in accountancy and registered with appropriate professional body, eg ACCA, ICAEW, AIA or CIMA.

Relevant experience may include:

- ▶ business advisory or management consultancy experience over a number of years, in relation to pensions, finance and/ or insurance business of various sizes
- ▶ business or management consultancy experience in relation to large corporate business, eg FTSE 100, and/or
- ▶ senior management, consultancy or advisory role in relation to commercial enterprise or new business acquisition.

The scheme strategist must produce and maintain the master trust's business plan and continuity strategy<sup>11</sup>. These documents must be consistent with the statements and evidence provided as part of the fit and proper submission. We will take into account the quality and the extent to which the business plan and continuity strategy meet the requirements in assessing the competency of the scheme strategist<sup>12</sup>.

10 Paragraphs 90-93 of the code

11 Sections 9(1) and 12(3) of the Pension Schemes Act 2017

12 See code paragraphs 308-360 (business plan) and paragraphs 130-176

## E. Scheme strategist (collection of individuals)

**Relevant form:** Role identification form

Where the master trust has two or more individuals performing the role of scheme strategist, they must demonstrate that they possess the collective skills, knowledge and experience to perform the role and that this is not concentrated in only one or two individuals. This may be evidenced through the use of a skills matrix, showing how the balance of skills and experience is spread across the group. A skills matrix is also useful in identifying areas for ongoing training and development.

## F. Scheme strategist: maintaining knowledge, skills and experience

**Related submission:** Business plan

Having the right skills and knowledge is a continuous process and the scheme strategist should set out in the business plan how they will ensure that their knowledge and skills are kept up to date. This should also include how they will manage succession planning.

Our code<sup>13</sup> sets out that the scheme strategist should include a declaration in the business plan about the experience, knowledge, professional qualifications and competence of the scheme strategist together with an approach for maintaining competence. This may include:

- ▶ how the scheme strategist will assess and evaluate performance in identifying skills and knowledge gaps, including how and when this review take place
- ▶ any annual refresher training
- ▶ ongoing professional qualification or accreditation, and
- ▶ continuing professional development

13 See paragraphs 340-343

### Example 1

The master trust's scheme strategist function is carried out by a single individual who has recently achieved a 2:1 business management degree. They have no previous experience of working in a pensions or financial environment. They have completed a number of work placements in the retail sector for a number of small local businesses.

Within the business plan, they have set out that they have subscribed to the news by email services for a number of business-focused websites to keep their knowledge up to date.

---

#### In this example

We are less likely to be satisfied that the scheme strategist has the depth of experience to perform their role effectively. To make improvements, the scheme could look to appoint additional person(s) to act as the scheme strategist that can demonstrate possessing relevant experience over a number of years.

### Example 2

The master trust has two individuals performing the scheme strategist role. One of the strategists, Person Green, has a 20 year background in management consultancy and can demonstrate working with a number of different businesses of all sizes, including large corporate businesses. They have demonstrable experience in establishing appropriate business models, identifying and mitigating risks within existing business plans and setting out plans for growth within budgetary constraints. The second scheme strategist, Person White, recently attained certification in business management. They have some previous experience of working in the financial sector, although not at a senior management level.

In the statement provided in the business plan on how they will maintain knowledge and skills, they have set out the following:

- ▶ Person Green will act as a mentor for Person White, with periodic performance reviews and appraisals
- ▶ They have developed a skills matrix and they will self-assess their previous year's performance to identify gaps and improvements
- ▶ They both have active membership of CPD programs and use the methodology to identify and address additional learning needs
- ▶ They're ABI members and actively participate in forum discussions and events

---

#### In this example

We are more likely to be satisfied that persons performing the scheme strategist role have the knowledge and experience appropriate to their role. There is a relevant qualification held by Person White and substantive business experience held by Person Green. The plan for ongoing training and development is more detailed, clearly showing how they will identify skills gaps and address these on an ongoing basis.

## How to contact us

Napier House  
Trafalgar Place  
Brighton  
BN1 4DW

[www.tpr.gov.uk](http://www.tpr.gov.uk)

[www.trusteetoolkit.com](http://www.trusteetoolkit.com)

Free online learning for trustees

Master trust authorisation

### **Fit and proper assessment guide**

© The Pensions Regulator September 2018

You can reproduce the text in this publication as long as you quote The Pensions Regulator's name and title of the publication. Please contact us if you have any questions about this publication. This document aims to be fully compliant with WCAG 2.0 accessibility standards and we can produce it in Braille, large print or in audio format. We can also produce it in other languages.

**The Pensions  
Regulator**