

THE PENSIONS MANAGEMENT INSTITUTE

QUALIFYING EXAMINATION 2017

PROFESSIONALISM AND GOVERNANCE

**Notes:** Three hours are allowed for this paper. Answer all parts of all questions. In a multi-part question when the marks are not equally divided a guide to the available marks for each part is shown. For Question 1, 20% of the total marks for that question will be based on format/communications/presentation elements and the remainder will be based on technical content.

1. You are the Pensions Manager and Secretary to the Trustees for the XYZ Pension Scheme. The Scheme has both defined benefit and defined contribution sections. As part of their governance programme, the Trustees are keen to ensure they are following best practice in controlling and mitigating risk. They want to go beyond the basic guidance of the Pension Regulator.

Prepare a report for the Trustees setting out:

- the specific risks the Scheme faces
- details of the process the Trustees should follow to develop a Risk Register
- a template for a Risk Register that would be appropriate for the XYZ Scheme
  - Include two examples of a specific risk and how it might be controlled and/or mitigated.

(60 marks)

2. At a work related social event an employee from another pensions consultancy is talking loudly about the consultancy's clients and you feel that he is being unprofessional.

- When could you talk in public about a client your organisation works with?
- What should you do to ensure that the information you impart about your client is accurate?
- When is it not appropriate to discuss client issues in public?

(10 marks)

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3. Discuss whether it would be acceptable to take each of the following gifts from a client:

- an initialled diary,
- a case of expensive champagne at Christmas,
- an invitation to join a client in their hospitality suite for a sporting event,
- dinner for you and your partner at the client's home.

(15 marks)

4. A friend, who knows you work in pensions, asks for advice on whether he should opt out of auto enrolment as he doesn't feel he can afford the contributions and wants to save for a holiday instead. How would you respond to this?

(15 marks)

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