



# Professionalism and Governance

## Mock Examination

*(Recommended Time: 3 hours)*

### 1. Case Study:

You run your own company providing secretarial services to pension schemes, Agenda Secretarial Limited. You have been invited to pitch for an appointment as the secretary to the pension scheme of Pipemakers Limited, a medium sized manufacturing company. The scheme has around £100 million in assets, and it has a funding deficit.

If your company is appointed as the scheme secretary, you will be attending trustee meetings and taking minutes, but you will also be responsible for a wide range of other tasks connected with the running of the scheme. For example, it will be your job to draw up the agenda for each meeting; circulate a list of action points; monitor progress of the action points; act as a contact point for the trustees' advisers and ensure that they provide the advice needed ahead of each meeting; draw up and handle the trustees' budget; monitor compliance with risk procedures, and report to the trustees on any breaches or any improvements needed; and you will be expected to give the trustees the benefit of your knowledge about governance and operation of pension schemes, based on your experience with the other schemes for whom you act as secretary.

You have spoken briefly with the HR manager at Pipemakers Limited. He explained that the scheme is not too badly run, but they are looking at improving the governance, and the appointment of an independent secretary is part of that. The chairman of trustees has served in that role for the last 10 years, and everyone involved agrees that the running of the scheme has perhaps become a bit set in its ways, in terms of how the trustees do things and how they use their advisers. So they are looking to make some improvements in this area.

The invitation to pitch asks for your comments on the following three questions by email. The answers should be relatively concise, and should focus clearly on the practical points that are most likely to be of interest to the trustees, but should also include some explanation of the thinking behind your answers. You should therefore prepare the text of an email to be submitted to the HR manager giving answers to the three questions.

The three questions that you are being asked to answer are:

- (a) If you were appointed as scheme secretary, how would you ensure that the costs of running the scheme are properly monitored?
- (b) How could the programme of trustee meetings for the year be organised, and what areas should the meetings focus on, in order to ensure that the scheme manages its risks properly?
- (c) The trustees are looking at making changes to the composition of the trustee board, to make sure that the board operates effectively and is successful in addressing the various risks for the scheme. What sorts of things should the trustees take into account when they think about this?

**(60 marks)**



2. You are Team Leader and you have a junior colleague that is particularly good at a low level job and you know it would be difficult to replace her. Your colleague has asked for support in studying for exams which would make her eligible for promotion. How do you respond to her request?

**(15 marks)**

3. A friend, who knows you work in pensions administration, 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). What do you say to him?

**(10 marks)**

4. You work for a pensions consultancy. Miss A, who is one of the more senior employees of a company, which your consultancy provides advice to, regularly appears in the press on the television. A journalist has approached you and offered you £10,000 to reveal information about her date of birth and salary. How do you respond?

**(15 marks)**