Professionalism and Governance

Professionalism Assignment 2 Notes

(Recommended Time: 1 hour)

1. **You are a senior member of an in-house pensions administration team. The Team Leader has gone on sickness absence and is expected to be off for several weeks. You are required to cover for the Team Leader. You discover that the annual pension increase exercise, is significantly behind schedule and the Team Leader had led you and the Pensions Manager that it was on track to be completed by the deadline. You discover that the calculations have not yet been finalised and the cut-off date for the pensioner payroll is in 2 weeks’ time.**

**How should you proceed?**

Your answer should consider the following:

1. The first consideration must be to the impact on the scheme’s pensioner members if this exercise is not completed on time. Take stock of the status of the exercise and consider the various conversations you will need to have with the various stakeholders (payroll team, Pensions Manager etc).
2. Identify the reasons for the delay, what can be do done to mitigate the impact of the delay, and what immediate actions are required to ensure the increased pension payments can be processed in the upcoming payroll run.
3. Prioritise the desired outcomes i.e. paying the increase pensions on time is the priority. For example, if letter were normally issued before the payment date, would it be acceptable for these to be issued after the payments have been processed so that there is more resource to concentrate on making the payments on time?
4. Tell the Pensions Manager immediately what the position is, explain why the exercise is delayed, and explain what you are considering the next steps to be.
5. If there is something your manager needs to do to help you succeed, for example, allocating your other work to colleagues so that you can concentrate on this exercise.
6. Consider that members will need to be informed if the revised pension amounts cannot be processed in time.
7. Demonstrate what additional resources you need in to resolve the problem.
8. Ensure the payroll team and the Pensions Manager have full visibility of progress until the matter is resolved.

The relevant standard of the Code of Professional Conduct is:

3.6 conducting their professional work with proper regard to the technical and professional standards of them.

**15 marks**

1. **You work as a Pensions Consultant in the private sector. Your husband, who is an active member of a public sector pension scheme, has a longstanding colleague and friend who is shortly due to retire from the same scheme. Your husband wants you to give this friend advice about the best way to take his benefits from the scheme.**

**How do you respond?**

Your answer should consider to the following:

Your husband is asking you to give his friend/colleague Regulated advice. Unless you are qualified and regulated, you are not allowed to do this.

Explain to your husband what regulated advice is and why his friend needs it e.g., taking account of all their financial affairs, and ask that your husband passes that information on to his friend/colleague.

You can help to explain the facts and figures in the retirement paperwork so that the friend/colleague understands these, and you can recommend he takes up any offer from their employer for Independent Financial Advice.

The relevant standards of the Code of Professional Conduct are:

3.3 acting in compliance with all relevant statutory, regulatory, and other legal requirements.

3.11 not act in situations where they have insufficient relevant experience except in co-operation or with the guidance of a suitably qualified and competent person.

**10 marks**

1. **You are the Chair of the Trustee Board for a small, closed DB scheme, and are leading a Trustee project to appoint an new Investment Consultant. Various consultancies have been invited to tender. A former colleague, who works for one of the consultancies who has intimated its intention to tender, invites you as his guest to VIP hospitality at a high profile rock concert, for which tickets are extremely sought after.**

**Do you accept the invitation?**

Your answer should consider the following:

a. Is it material/appropriate scale for you to accept?

b. Would it cause offence to reject? Why?

c. Is it personal to you or your family (initials do not count as personal)?

d. Would you be embarrassed to tell peers or your line manager about it

To a certain extent, professional conduct depends on basic attitudes and morality. No code can cover every set of facts and circumstances. Moreover, one danger of attempting to set a code is that anything that is not specifically forbidden may come to be regarded as permissible - this is not the case. One of the fundamental principles applying to a member is that s/he observes the spirit as much as the letter of the Code of Professional Conduct. The hallmark of a true professional is his/her honesty, integrity, independence, and impartiality Could it be perceived as inappropriate, or influential on the business relationship. Members must always conduct themselves in a manner consistent with the good reputation of the profession.

The relevant standards of the Code of Professional Conduct are:

3.3 acting in compliance with all relevant statutory, regulatory, and other legal requirements.

3.7 not accepting or offering gifts, hospitality or services which could, or may appear to, imply an improper obligation.

**15 marks**