**Professionalism and Governance**

**Governance Assignment 2 Notes**

(Part 2–Commercial Aspects of Operating a Workplace Pension Scheme)

(Recommended Time: 2 hours)

1. **Case Study:**

**You are an in-house Pensions Manager and Secretary to the Corporate Trustee of the Company’s defined benefits scheme.**

**The Trustee is keen to manage the scheme’s costs more efficiently, and has asked you to prepare a paper outlining how the scheme’s costs can be controlled, the importance of a budget and the various factors to consider when deciding on the type of budget to be used.**

**Prepare a paper to present at the next Trustee meeting.**

See Part 2 Chapter 2.3 and 2.4 of the manual.

Your answer should be presented as a well-structured and organised paper with proper introduction, relevant headings, a conclusion and a recommendation, and should include the following:

1. Cost control:
   1. Key elements of cost control;
   2. Authorisation procedures;
   3. Money laundering risk;
2. What a budget is, why they are prepared and the key elements of a budget;
3. The role and the benefits of a budget;
4. The various options for creating a budget;
5. Types of budget
6. Reporting and reviewing budgets;
7. Variance reports.

**60 marks**