**Professionalism and Governance**

**Mock Examination**

(Recommended Time: 3 hours)

1. **Case Study:**

**You are an in-house Pensions Manager and Secretary to the Trustee of the Company’s DB pension scheme. You have been asked to lead the tender and appointment of a new third-party administration service provider, on behalf of the Trustee.**

**The incumbent administration provider has failed to meet its service level agreement targets for over 12 months. As a result, scheme members have lost faith in the scheme’s administration service, resulting in a number of complaints being raised under the scheme’s Internal Dispute Resolution Procedure. In addition, reporting and visibility of costs has been poor, The Trustee has concluded that the provider has failed to carry out its responsibilities in a number of areas and that the service being provided to both the Trustee and the scheme membership is no longer effective.**

**Although you will be responsible for arranging the process to select and appoint a new administration provider, the Trustee is responsible for making the decision regarding which provider to appoint. Two of the Trustee Directors are newly appointed, and none of the Trustee Directors have detailed knowledge of administration service operations.**

**The Trustee has asked you to prepare a report, outlining the importance having a robust Service Level Agreement in place and how that Agreement can give the Trustee confidence that the governance requirements of the administration service delivery are being met.**

**60 marks**

1. **You are the Client Manager for a third-party administration provider. While preparing the quarterly Stewardship Report for your client, you discover that several disclosure breaches have occurred in the quarter, all relating to the provision of Cash Equivalent Transfer Value quotations.**

**What do you do?**

**15 marks**

1. **You lead a team providing actuarial support to the Trustee Board of a DB pension scheme You have recently been promoted to Team Leader but you have not yet gained any experience in leading and delivering client projects. As part of the scheme’s GMP equalisation project, your team is preparing the preliminary calculations, which you will be required to present to the Board at the next Trustee meeting. Preparation of the calculations is behind schedule, mainly because you have failed to effectively monitor the progress of the work being carried out by your team.**

**The Chair of the Trustee Board has called you and made it clear that he expects the information to be presented at the meeting, with no excuses.**

**How do you react?**

**15 marks**

1. **You are a member-nominated trustee and a deferred member of a DB scheme. The Trustee is reviewing the scheme’s transfer value basis, and the Scheme Actuary has prepared a report outlining and recommending two appropriate calculation methods. In her report, she has asked the Trustee to choose it’s preferred methods, which will form the new transfer value basis going forward.**

**As a deferred member, you are considering transferring your benefits out of the scheme, and you are aware that one of the two methods being recommended will result in your transfer value being significantly higher than if the other method is applied.**

**What do you do?**

**10 marks**