PMI



Professionalism

STUDY TEXT

MAPPED TO THE OFFICIAL PMI SYLLABUS
AND LEARNING OUTCOMES

QUALIFICATIONS

About the PMI

Founded in 1976, the PMI is the UK's largest and most recognisable professional body for employee benefit and retirement savings professionals, supporting over 7,000 members.

PMI's members, represented throughout the UK, are responsible for managing and advising some of the largest institutions in the world accounting for £1.3 trillion invested in pensions. We promote excellence through a range of services for the benefit of members, the wider economy and with over six million now saving as a result of automatic enrolment, society as a whole.

The mission of the PMI is ***"to deliver exceptional thought leadership, comprehensive education, advanced training, and recognised qualifications in pension management. With this, we are committed to fostering industry collaboration and driving innovation to enhance retirement outcomes".***

To achieve this, the PMI is:

- **Always forward-thinking**
  Our commitment is to support our members and partners in creating better retirement outcomes by leading the way in industry innovation and development. By fostering continuous learning, professional growth, and leadership, we empower our members to drive meaningful improvements and ensure sustainable, high-quality pension outcomes for the future.
- **Preparing the next generation**
  We will continue to ensure that future professionals and leaders in our industry have both the technical and leadership skills necessary to deliver high-quality, transformational pension fund management that adapts to and supports the financial needs of members throughout their lifetimes.
- **Shaping the future of pension outcomes**
  We will continue to collaborate with our members, stakeholders, and Westminster to influence and enhance policies and practices, ensuring sustainable and better outcomes for scheme members
- **Responding quickly to a changing world**
  We continually strive to improve practices within workplace pensions to help build better financial wellness. By setting ambitious standards, building a trusted pensions environment, we support our members in delivering better retirement outcomes and improved financial wellness for today and tomorrow.
- **Focusing on member-centric solutions**
  Scheme members are at the heart of our mission. We will continue to support the industry in developing solutions that adapt to the realities of living longer, retiring later, and our multicultural society – actively promoting a lifetime savings model that meets these evolving needs.
- **Empowering informed decisions**
  We believe it's crucial for scheme members to make informed decisions and engage in planning their financial future. We will collaborate with and encourage our members, partners, and stakeholders to develop innovative and effective strategies that empower scheme members to make informed decisions about their choices up to and at retirement.
- **Promoting excellence and inclusivity**
  We will promote best practices and standards within the pensions industry, prioritising ESG and fostering diverse thinking and inclusive practices.
- **Being committed to your success**
  We are dedicated to our members' success. Through education, guidance, and creating opportunities, we will continue to support career progression and the success of our industry partners. We will champion your personal growth, staying relevant to your present needs and preparing you for the future.

- **Promoting education and qualifications**
  We will strengthen our position as the leader in pensions education and qualifications—championing high-quality professional learning and ensuring our programmes remain relevant and valuable for students and the wider pensions profession.
- **Leading source of knowledge and information**
  We will gather the best and most relevant knowledge and information to keep our members updated and informed, supporting continuous professional and personal growth.
- **Actively facilitating partnership and community**
  We are committed to building inclusive communities that unite a diverse spectrum of professionals from across the industry. Our goal is to support and share best practices, encourage robust debate, foster collaboration, and deliver innovative change.
- **Champion professional standards**
  We will continue to lead, champion, and promote the importance of professional standards, positioning our members and accredited trustees as trusted and respected.

A word about PMI Qualifications

The PMI is the UK's leading professional body for those working in the field of employee benefits and retirement savings. It supports and develops the experts who are responsible for running the UK's pensions industry and is acknowledged as the body for establishing, maintaining and improving professional standards in every area of pension scheme management, consultancy and trusteeship.

PMI qualifications are recognised for both their depth and their standing within the industry. If you choose a single unit, standalone qualification, or a multi-unit qualification over a number of years, it is recognised by the Pensions Industry as having the depth and rigour to demonstrate the knowledge and expertise of those taking them.

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Foreword

Undertaking a rigorous professional qualification requires commitment and ongoing development. The PMI Competency Framework provides a clear structure to help you assess your current skills, identify development needs, and plan your professional development and career progression.

By engaging with the Framework alongside your qualification studies, you can consider how the knowledge and skills you are developing relate to the wider requirements of the pensions profession. It provides a practical way to connect your learning with recognised professional competencies and to identify areas where further development may support your career goals.

Why the Competency Framework?

The PMI Competency Framework sets out the technical and behavioural competencies required for success across different levels of the pensions profession, from Support and Supervisory roles through to Manager, Senior and Strategic leadership roles. Developed in consultation with industry, it covers key functional areas including Strategy and Policy, Operational Management, Leadership, Compliance & ESG, Trusteeship and more.

Benefits include:

Clear career progression:
Understand the expectations associated with different career stages and use these to help plan your professional development.

Targeted skill development:
Identify your strengths and development areas so that you can focus your learning on the competencies most relevant to your role and career aspirations.

Connection to PMI qualifications:
Use the Framework alongside your PMI qualification to understand how your learning can contribute to the development of the knowledge and competencies required within the pensions profession.

Industry recognition:
Developing and demonstrating relevant competencies can strengthen your professional credibility and support your contribution to positive outcomes for pension savers.



The Competency Framework forms an important part of PMI's commitment to lifelong learning, professional development and maintaining high standards across the pensions profession. We encourage you to use it as a practical tool for self-assessment, development planning, performance discussions and continuous improvement throughout your career.

Further information about the competencies and how they relate to PMI qualifications can be found on the **PMI Competency Framework webpage**.

If you have any questions or feedback about the Competency Framework, please contact the PMI Qualifications team at **pmiqualifications@pensions-pmi.org.uk**

Introduction

As a member of the Pensions Management Institute (PMI), professionalism must underpin our conduct in business activity. This course and associated materials is designed to provide you with a greater understanding of how ethics and professionalism are exhibited in business today.

All those conducting business as a member of the PMI are expected to exhibit the highest level of ethics and professionalism. The principles that the PMI values and that all our members should adhere to are set out in the PMI's Professional Code of Conduct (the Code).

It is important that all PMI members abide by the Code and exhibit the highest professional standards. The Code can be summarised as:

- Acting with the highest standards of professionalism and integrity
- Providing a high standard of service
- Acting in the best interests of each client
- Treating people fairly regardless of race or racial group, gender or sexual orientation, religion or belief; age and disability.

The content of the Code is provided within this study text for ease of reference although it can also be found on the PMI website: **https://www.pensions-pmi.org.uk/about/how-we-are-governed/**

"Professionalism" can be defined as "the conduct, aims or qualities that characterise or mark a professional or a professional person." Professionalism plays an important role in how a person is perceived by their employer, colleagues and actually, by every person with whom they interact. It can have a profound impact in only a matter of minutes. Professionalism allows for heightened respect from those you work with, thereby allowing for improved lines of communication and potentially increased trust. A person known for maintaining a level of high ethical and professional standards is typically highly valued.

Confidentiality is critical component to professionalism. This is the case whether dealing with employee investigations, or working with clients. Confidentiality is key to organisational risk management, and both personal and professional liability. Maintaining a confidence can be particularly challenging when and if certain information is required to be shared among many people. A true professional knows the importance of, and liability of maintaining confidential information within the context of every business and/ or personal situation.

The study text contains a number of case studies for you to consider and review to develop your own approach to professionalism and to help you understand how to react in particular situations. They cover a range of different situations and scenarios to reflect the breadth of issues that emerge to confront the pensions professional. Case study notes are available in the Appendix. The case studies are designed to be thought provoking.



Contents

Part 1
Profesisonalism Case Studies 14

Case Study A DB administration service failings 17
Case Study B Actuary advice and past pension increase uncertainties 18
Case Study C DC administration service failings 19
Case Study D Abusive member 20
Case Study E DB derisking project problems 21
Case Study F DB data cleanse and suspect unauthorised payment 22
Case Study G Legal advisor appointment on cost-basis 23
Case Study H Loss of work laptop 24
Case Study I TV out for member who is an IFA 25
Case Study J Auditor appointment tender and inside information 26
Case Study K Unit shortfall resolution between admin and investment manager 27
Case Study L Full-time staff member who is also a home carer 28
Case Study M Trainee with insufficient support on a complex project 29
Case Study N Company appointment tender conflict of interest 30
Case Study O Administrator home working IT failings 31
Case Study P TV out potential failings of proper due diligence 32
Case Study Q Chair of Trustees lack knowledge for ESG Implementation Statement 33
Case Study R GMP equalisation and benefits rectification project 34

Part 2
PMI Code Of Professional Conduct 36

Appendix
Case Study Notes 40

Syllabus

Aim:

To provide candidates with:

- an understanding of the importance of professionalism and ethics
- the importance of continuing their own professional development
- an appreciation of risk and governance issues as they apply to pension schemes,
- the opportunity to demonstrate their ability to apply risk and governance principles in a practical situation
- evidence that they can communicate their knowledge in a way that is relevant to their audience.

1. demonstrate an awareness of the Professional Standards expected of PMI Members as set out in the PMI Code of Professional Conduct.

Explain the importance of the following:

- acting with the highest standards of professionalism and integrity
- providing a high standard of service
- acting in the best interests of each client
- treating people fairly regardless of race or racial group, sex or sexual orientation, religion or belief; age and disability

2. demonstrate an understanding of the importance of continuing personal development (CPD)

Explain each of the following:

- Trustee Knowledge and Understanding (TKU)
- Trustee board requirements for appointment
- Trustee board competence methodologies
- continuing professional development and the requirements of the PMI and other professions

3. demonstrate an understanding of professionalism and business ethics

Explain the importance of the following:

- corporate culture
- dealing with complaints
- conflicts of interest
- ethical dilemmas - identification, implications and appropriate behaviour
- whistle-blowing legislative requirements and the protections given to whistle blowers

4. explain the commercial aspects of operating a workplace pension scheme

Analyse each of the following:

- nature of costs
- cost control
- budgeting
- contracts management and agreements

5. demonstrate an understanding of the management and measurement of service delivery

Explain each of the following:

- selecting, monitoring and changing advisers
- managing client relationships
- service level agreements
- type, role and value of performance measures
- reporting
- contract remedies
- quality management systems and kite marks
- benchmarking
- member and client surveys
- complaint/dispute resolution

6. demonstrate an understanding of the importance of good governance in managing a workplace pension scheme

Explain the features of scheme governance

Outline the roles of the employer, trustees, providers, and employer and provider governance committees

Outline the importance of:

- risk management
- member communication, engagement and feedback
- investment and manager selection

Evaluate each of the following:

- structures/governance committees
- internal controls
- scheme documents including
  - governance statement
  - Chair's annual statement
  - annual business plan
  - trustee assessments and training records
  - statements of investment principles
- documentation and record keeping
- relevant Pensions Regulator Codes of Practice and guidance
- data quality and data security
- selection, management and review of advisers and providers
- recognised industry standards e.g. ICAEW's AAF assurance, ISAE 3000, PASA, ISO 27001

7. outline factors taken into consideration when selecting, monitoring and changing investment managers

Explain each of the following:

- identifying investment requirements
- manager selection processes
- custody and title of assets
- fee structures and fee disclosures
- setting investment performance targets
- ethical and socially responsible investment
- investment management agreements
- administration
- transition management
- monitoring investment performance and governance

8. demonstrate an understanding of internal controls

Describe internal controls

Explain why internal controls are required

Describe the assessment of risk

9. explain the role of the trustees in managing risk

Outline the process of governance review/risk management

Outline preparation and management of risk register

Identify how to mitigate risk

Analyse the nature of de-risking

Analyse the role of the TKU requirement

Assessment Model for Professionalism



Assessment Model for Professionalism and Governance Exam Unit

1. Exam Format

This exam unit uses the following variety of question types:

QUESTION TYPE	QUESTION TYPE DESCRIPTION	MARKS PER QUESTION
A	Short length answer questions where candidates write their answers in freeform	5-10 marks
B	Moderate length answer questions where candidates write their answers in freeform	15-20 marks
C	Full length answer questions where candidates write their answers in freeform	30 to 45 marks
D	"Scenario" type questions where candidates are presented with a scenario and requested to write a short answer to the question presented on the scenario	10 to 15 marks
E	Extended length questions where candidates are presented with a case study and requested to write a detailed answer	60 marks

The Compulsory "Professionalism and Governance" Unit of the Advanced Diploma will be assessed through questions of Types D and E as denoted in bold above.

1. **3 Type D** questions on matters relating to professionalism [syllabus items 1-3]. These questions will be based on the PMI Code of Conduct and illustrative case studies in the Professionalism study text; 40 marks in total. 40% of overall mark
   - Recommended time allocation 1 hour
2. **1 Type E** question based on governance matters [syllabus items 4-9] as covered in the Governance study text. 60 marks in total.60% of overall mark
   - Recommended time allocation 2 hours. Questions to include format / communications presentation element (approximately 20% of total)

2. Exam Duration — 3 hours

3. Pass mark — 55%



Part 1

PROFESSIONALISM CASE STUDIES





The 18 case studies in this Chapter are designed to be thought provoking and help you to consider;

- Responsibility for your own actions, decisions and obligations
- The roles and responsibilities of other stakeholders and parties and your accountability to them
- The additional information required to support informed decision making and the various factors that
- need to be taken in to account
- The actions, policies, and procedures which support high standards for conduct and professionalism
- The impact of compliance whether with legislation or internal policies
- How you interact with other pensions professionals
- Appreciate that risks arising in the pension profession are subject to change and require vigilance

To assist you in your analysis of each case study set out below are some questions for consideration (as appropriate to the case study)

Questions

- What issues do you need to take into consideration?
- What other information might you need to decide how best to progress this?
- Who do you think are the key stakeholders to consider?
- What would you propose as next steps (and timescale) to put things right?
- What do you tell your client/the trustees including your proposed next steps?
- How would you re-plan or engage differently with third parties/suppliers?
- What do you tell your manager or client?
- What compliance related issues are there to take into account?
- What free resources from industry standard-setting bodies can you access from the internet?
- What do you do in relation to compliance issues?
- What considerations you need to identify and manage risk?
- What reputational issues could arise?

CASE STUDY A

You are the Client Relationship Manager for a medium sized firm of Benefit Consultants providing third-party administration, pensioner payroll, actuarial consulting and benefit advice to a range of Defined Benefit (DB) and Defined Contribution (DC) clients. You are responsible for the delivery of some or all of these services to a range of clients of differing benefit structures and sizes.

You are preparing for your regular quarterly meeting with the trustees of your largest client who is one of your employer's most prestigious DB clients.

This client uses all the services your firm provides, including benefit administration and pensioner payroll. In preparing for your meeting you discover that:

- In 13 cases deferred benefit statements have been issued four months after the member left the pension scheme.
- In three cases pensioners have died leaving spouses, no-one from your firm has written to the surviving spouse, nor have benefits been calculated or set up on the payroll. One pensioner died five weeks ago, one six weeks ago and the other eight weeks ago.
- In one case a pension has been calculated incorrectly, and is being paid at the incorrect rate. This has resulted in the pensioner being overpaid by £50 per month (before tax). This over payment has been known about for four months but nothing has been done about it.

NOTES

CASE STUDY B

You are the Benefit Consultant for a Defined Benefit (DB) scheme and have overall responsibility for the delivery of all services to your client including administration, investment consulting and actuarial advice.

The Scheme Actuary recently left your organisation and, after a selection process, the trustees have appointed another actuary from your organisation to fulfil this role. The Trustees are much happier with the new appointment as they fed back that they never felt confident with the previous incumbent.

As part of the due diligence being undertaken by the new Scheme Actuary, he discovers that there is uncertainty as to whether the correct level of pension increases have been applied for a period of almost 15 years.

This potentially has implications for administration but also there is the risk that liabilities have been funded on an incorrect basis in the past.

This comes as a bit of a blow as you feel that the relationship with the client is improving and that a period of stability is required in order to ensure you retain this contract.

NOTES

CASE STUDY C

You are the Client Relationship Manager for a medium sized firm of Benefit Consultants providing third-party administration, pensioner payroll, actuarial consulting and benefit advice to a range of DB and DC clients. You are responsible for the delivery of some or all of these services to a range of clients of differing benefit structures and sizes.

You are preparing for your regular six-monthly meeting with the trustees of your largest client who is one of your employer's most prestigious DC clients. This client uses all the services your firm provides, including benefit administration and member self service via the web. In preparing for your meeting you discover that:

In 13 cases you have not written to members prior to their retirement date.

In three cases members have made a switch online but there has been a system failure and the switch has not happened. One member switched five weeks ago, one six weeks ago and the other eight weeks ago. The change in unit prices means that members may have lost out.

In addition, you are aware that the trustees have recently appointed a new Benefits Manager to replace the previous incumbent who retired some nine months ago and who was very easy going. This is, because of the timing of the new Benefits Manager taking up her post, your first meeting with her. You know that she is an experienced pension manager. The new Benefits Manager has instigated a programme of reviewing the appointment of all the trustees' advisers, and you know that your firm's appointment is the first to be reviewed. At the same time your firm's profitability is being squeezed and you know that if your firm were to lose this client there would be redundancies, although your own position is secure.

You do not have line management responsibility for the team responsible for the errors. There is no Service Level Agreement in place and the trustees have never asked for one. The scheme in question has 3,500 active members and 3,000 deferred members.

NOTES

CASE STUDY D

You are a service delivery manager working on a large scheme. A member of your team comes to you to say that a scheme member whose case they have been working on has been abusive to them on a phone call and ended the call by slamming the phone down. This is not a member that is known to you from past experience and you have been working on this scheme for several years. The administrator concerned has asked that you call the member back and tell them that their behaviour is unacceptable.

NOTES

CASE STUDY E

You are the assistant pension manager for a large DB scheme. The trustees of the scheme have put in place a number of projects to support their derisking strategy and have made you responsible for management and delivery of those projects.

Your employer operates a bonus scheme and the payment and amount of the bonus is conditional on you meeting your objectives. You must meet or exceed the required performance standards to qualify for your bonus.

Your objectives focus on the delivery of these derisking projects.

In your role as project manager you are expected to manage all the suppliers and advisors to timescales and quality.

You are three months into the six-month project and falling behind. Your performance review is due in three months.

Whilst there have been minor delays with some of the stakeholders and providers, you recognise that you have also contributed to the delays.

NOTES

CASE STUDY F

You are a service delivery manager for a large third-party administration provider.

You look after only one client which is your employer's largest scheme and is a large mature DB scheme that was outsourced to you 3 years ago.

The scheme has retained a small in-house team and the assistant pension manager is responsible for managing the outsourced relationship. This individual was previously the administration manager when the scheme was administered in house.

As a consequence of some data cleaning activity you have identified a case that should have given rise to an unauthorised payment charge because of a delay in settling the benefits but was never included on the event report. The error occurred prior to the administration being outsourced.

You have prepared a timeline which shows that the assistant pensions manager was heavily involved in this case, contributed to the delays and also the failure to report to HMRC.

In your discussions with the assistant pension manager they appear to be suggesting that this case be 'swept under the carpet' and implied that there may be some personal gain for you in doing that.

NOTES

CASE STUDY G

You work for a consultancy and appointed as secretary to a board of trustees who are currently going through a process to appoint a new legal adviser.

The process is being managed by the procurement team at the organisation and their focus is solely around cost.

The scheme is long standing and the importance of the historical knowledge which the current incumbent has is not to be underestimated.

You are not part of the decision-making panel but you have identified that there is a risk to the trustee board and the running of the scheme if the decision is made purely on cost.

You raised this concern to a member of the procurement team over lunch at one of the selection meetings and was told not to get involved as the husband of the procurement adviser is employed by the firm of potential legal advisers offering the lowest price.

NOTES

CASE STUDY H

You work for an in-house scheme and are part of a team that processes retirement cases. The team has been really busy and, as a consequence, the senior administrator has been taking cases home to check over the weekend.

The senior administrator comes in on Monday morning looking worried and you ask what is wrong. They explain that the bag they took the work home in was stolen from the pub on their way home on Friday night. They are concerned as the files in the bag contained members' personal data. They have asked you not to tell anyone on the basis that they can create the files from the data on the system.

NOTES

CASE STUDY I

You are a third-party administrator and your client is a large DBscheme where the employer is involved in financial services. As a consequence, the scheme has a number of members who are registered Independent Financial Advisers (IFA).

You have been working with a member who has now elected to transfer out to a Defined Contribution (DC) scheme but their transfer value is in excess of £30,000 so they need to obtain appropriate financial advice before the transfer can proceed.

The member is challenging you as they believe they should be able to effectively meet the advice requirement themselves as they are a registered Independent Financial Adviser.

How would you proceed?

NOTES

CASE STUDY J

You are an evaluator undertaking an exercise to help a group of trustees appoint a new auditor.

They have appointed your organisation as it is important to them that they are seen to have an independent perspective.

You have invited a number of organisations to tender for this work but a friend of yours, who works at one of the organisations on the shortlist, has recently been suspended for misconduct. They have told you about this 'off the record' and, in doing so, have shared information about some company practices that would form part of the services that the trustees are seeking to procure.

NOTES

CASE STUDY K

You are a project manager working on an investment switch project for a large defined contribution scheme.

The project plan includes a step for a global reconciliation of the units held between the investment manager and the administration system. This has been completed and it has been identified that there is a shortfall in the units held by the investment manager with a value of £6500. To date no analysis has been carried out to identify the reason for the discrepancy. You have raised this with the pensions manager and his response has been that this shortfall should be addressed by buying the additional units using money held in the trustee reserve account.

You raise a concern firstly because you think it is important to understand why the discrepancy has come about and secondly because you are aware that the pensions manager only has delegated authority to authorise payments from the trustee reserve account up to the value of £2,000.

NOTES

CASE STUDY L

A junior member of staff has just returned to work after taking special leave to care for her elderly mother. For financial reasons she needs to work full-time. She has been having difficulties with her mother's home care arrangements, causing her to miss a number of team meetings (which usually take place at the beginning of each day) and to leave work early. She is very competent in her work but her absences are putting pressure on her and her overworked colleagues. You are her manager, and you are aware that the flow of work through the organisation is coming under pressure. One of her male colleagues is beginning to make comments about her, and is undermining her at every opportunity, putting her under even greater stress.

NOTES

CASE STUDY M

You are a trainee in your second year of training within a small office. A more senior trainee has been on sick leave, and you are due to go on study leave prior to your exams. You have been told by your manager that, before you go on leave, you must complete a complicated project. The deadline suggested appears unrealistic, given the complexity of the work.

You feel that you are not sufficiently experienced to complete the work alone. You would need additional supervision to complete the project to the required standard, and your manager appears unable to offer the necessary support. If you try and complete the project within the proposed timeframe but fail to meet the expected quality, you could face repercussions on your return from study leave. You feel slightly intimidated by your manager, and also feel pressure to do what you can for the office in what are challenging times.

NOTES

CASE STUDY N

You are a sole practitioner who used to provide a range of services for a small local company (Company A) but no longer do so. Following a brief retendering process, Company A has chosen to appoint an alternative firm. Both you and other firms had been asked to tender for a range of services including participation in a due diligence exercise in respect of the intended purchase of another company (Company B) in a nearby town. You believe that you were unsuccessful in the tendering process on the basis of cost alone. Company A is not very profitable and has been suffering from competition from Company B.

You provide cover services for another local sole practitioner who has been seriously ill for a few months and is not expected to return to work for another couple of months. You have been providing services on his behalf to a number of his clients. One of his clients, Client C, has asked you to arrange a meeting to discuss a business venture he is considering. At the meeting Client C discloses that he intends to make an offer for Company B – the same company that Company A is seeking to acquire. Client C is aware that there is another bidder for Company B but is unaware that it is Company A, or that Company A used to be your client.

When the meeting is over, you start to feel uneasy. You want to help Client C and the sole practitioner for whom you are providing cover but you realise that you are also in possession of confidential information concerning Company A's plans, problems and motivation for wishing to acquire Company B.

NOTES

CASE STUDY O

You are working as a pension administrator entirely from home due to Company 'work from home' preferences. Your firm has issued you with a comprehensive set of policies and procedures about cyber security. You realise that with your current working environment you can't do everything that is in the IT policy and procedure document. You have a poor internet connection. The Firm's laptop, you have been issued with, is old and does not seem to handle the volume of administration data you need to look at to do your checks and sign-offs and emails. You also have a heavy workload that means to get the work done, seems to mean, cutting corners like sending out a client's pension member personal details by email rather than through the cumbersome secure portal (which can often freeze and require you to reboot your laptop).

You call your immediate supervisor and tell her the problems you are having. You are told to 'get on with it and do what it takes to get the job done' and if necessary use a family shared laptop that has better processing power and a keyboard that works properly. You refuse to do this and carry on using the Firm's laptop.

Feeling somewhat bothered by this, whilst working on the Firm's laptop you receive an unusual email from your immediate supervisor that you click on the link, and unbeknown to you, you have downloaded malicious software. The next day you open the Firm's laptop and you get a ransomware message stating that unless US$50,000 is paid in bitcoin all access to the Firm's accounting system is locked.

You contact your immediate supervisor about this serious issue, who is very supportive, and makes sure that all the right people in IT and management are informed about the email and the ransomware demand. She also says "to forget the conversation we had previously about being told 'to get on with it and do what it takes to get the job done'".

You realise that you will be reporting in detail the suspicious email and malicious link received from your immediate colleague as the ransomware issue is being sorted by your IT team. However, you don't know what to say to other people in your Firm about the wider circumstances surrounding your previous call with your immediate supervisor. Your dilemma is: 'how much to say and to who or to put it all behind you, and start again from a new page'.

NOTES

CASE STUDY P

You are a pension officer working for a small third-party administration provider. You look after many things – two of which include checking that your client scheme transfers out process and that the annual report and accounts (ARA) are compliant with regulations and scheme rules. One scheme has a small in-house function for its employer for making payments and drafting the accounts for the annual report and accounts. Your old college friend is Nisha who works there as the financial and pension accountant for this employer.

The draft accounts for this client's scheme year end have only just come to you to put together with the annual report. You are left with only a three weeks' window to put into the ARA and have these audited by a firm that also does the employer company accounts. In doing your standard checks you notice that a late accounting journal has been put through by the accountant relating to a transfer-out of £45,000 for a member you were not aware of, and you call Nisha.

Nisha tells you: "'yes' it was a late transfer-out and apologised for not giving you notice beforehand, and could you make the 'admin adjustments'". She knows that the member had signed documentation requesting the transfer, obtained IFA advice and this was agreed by the Trustee Board. On checking the information you get, you suspect that a temporary UK IFA was used an intermediary to cover for the FCA registration/authorisation requirements and allow the transfer to progress, and find that the monies went to an international SIPP. You also are concerned that your own Firm transfer out procedures may not have been followed.

NOTES

CASE STUDY Q

You are the Client Relationship Manager for a small sized firm of Benefit Consultants providing a range of services to Defined Benefit (DB) and Defined Contribution (DC) clients. One of your responsibilities is to help ensure compliance with new governance reporting. You have been giving advice to a new Chair of Trustees of a long-standing DB client who, for the first time, has to create and publish an ESG Implementation Statement and the Chair is not very comfortable doing this.

After a number of prompts to the Chair you receive the Implementation Statement to go with the annual report and accounts (ARA) that are ready for signing and publishing. In reviewing the signed Implementation Statement you have a number of concerns which makes you realise that the Chair has not understood what was required, may have actually quoted figures and information for which there is little or no backing evidence, and is written in an academic style that would confuse members. In addition, there has been no agreement yet with your Benefit Consultancy firm of your additional time fees spent in giving this assistance or for the payment for publishing the Implementation Statement on your firm's website.

NOTES

CASE STUDY R

You are a senior manager in the administration unit of a large benefits consultancy providing a range of services to Defined Benefit (DB) and Defined Contribution (DC) clients. One of your clients is a large DB scheme of over £1billion of assets under management and the sole trustee wants your help for the GMP equalisation and rectification work that needs to be done. Your consultancy took over from a previous administrator seven years ago. Member records are electronic from when your consultancy took over seven years ago and there are paper administration member files from before that. There is the GMP equalisation and rectification project work immediately ahead plus, once completed, a project to get member administration in good shape for a buy-out.

At the first informal meeting with the Chair of Trustee it is implied that although the Trustee must do everything to put right the GMP records for each member, this effort is proportionate to the ability to do this depending on the data available on the individual members. The inference given to you is that you and your consultancy would be 'well rewarded' for the GMP equalisation and rectification and future buy-out projects if it was found that there is not good data available in the older paper records so that these projects could proceed as a quickly as possible at less expense to the client.

NOTES



PART 2

PMI Code Of Professional Conduct

THE CODE

Membership of the Institute is a privilege and the disciplines and standards of behaviour of every Member must uphold the reputation of the profession and the Institute. It is the responsibility of each member to ensure that they personally meet the high standards required and expected of them. Those standards are based upon basic attitudes and morality and underpin this Code.

Content

The Code comprises six principles (which are shown in bold) which Members must observe.

Those six principles are supported by amplifications (not in bold) that clarify specific requirements of the principles for some particular issues. These are not, nor are they intended to be, an exhaustive list of all situations which a Member may encounter.

Compliance

The principles and amplifications, together, form the Code and Members must comply with both the principles and the amplifications. Members must observe the spirit as much as the letter of the Code.

Where a Member is considering whether or not an action would comply with the Code and the answer is unclear, the approach must always be to ensure that it is the action that is adjusted if necessary to fall clearly within the Code, rather than to seek an interpretation of the Code which might seem to permit the action.

The Code uses the word "must" to mean a specific mandatory requirement. In contrast, the Code uses the word "should" to indicate that, while the presumption is that Members comply with the provision in question, it is recognised that there will be some circumstances in which Members are able to justify non-compliance.

Application

The principles and the standards they represent apply equally to all Members. However, their application in respect of one Member may sometimes differ from that in respect of another. This may be where it is appropriate to recognise differences between types and levels of membership and/or respective roles and responsibilities within individual Members' workplaces. For the avoidance of doubt, the principles apply to Student Members, as appropriate to their position in the workplace.

The Code applies at all times to every Member's conduct while performing their job. It also applies to a Member's conduct at other times if that conduct could reasonably be considered to reflect upon the profession and/or the Institute.

If a Member is alleged to have failed to meet the Code's standards in any aspect of their work then their behaviour may be referred to the Institute to be formally considered under the Institute's Disciplinary Regulations.

For the avoidance of doubt, nothing in this Code is intended to require a Member to act in breach of any legal requirement. In the event that a relevant legal requirement conflicts with the Code, Members must comply with that legal requirement.

Guidance

If, following careful consideration, a Member is unsure of whether a situation is or is not contrary to the letter or spirit of the Code, they may seek guidance on a confidential basis from the Chair of the Regulation Committee.

THE PRINCIPLES

Integrity

1. Members must act honestly and with integrity.

- **i** Members must show dignity and respect to everyone and treat others fairly.
- **ii** Members should respect confidentiality.

Competence and Care

2. Members must carry out work competently and with care.

- **i** Members must ensure they have a level of relevant knowledge and skill appropriate to their role in carrying out a piece of work.
- **ii** Each Member must continue to develop their knowledge and skills in a manner appropriate for their role and comply with the Institute's Continuing Professional Development requirements as applicable to them.
- **iii** Members must ensure that their work is appropriate to the needs and, where applicable, instructions of intended user(s).
- **iv** Members must consider whether input (including peer review) from other professionals or specialists (including colleagues) is necessary to assure the relevance and quality of work and, where necessary either seek it themselves or advise the user to do so, as appropriate.

Impartiality

3. Members must ensure that neither their professional judgment nor any other aspect of their work is compromised, and that it cannot reasonably be seen to be compromised, by bias, conflict of interest, or the undue influence of others.

- **i** Members must take reasonable steps to ensure that they are aware of any relevant interests that might create a conflict.
- **ii** Members must disclose any constraints that could affect or appear to affect the nature or scope of their advice or other work.
- **iii** Members must not act where there is an unreconciled conflict of interest.

Compliance

4. Members must comply with all relevant legal, regulatory and professional requirements.

- **i** Members must take reasonable steps to ensure they are not placed in a position where they are unable to comply.
- **ii** Members must, as soon as reasonably possible, disclose to the Institute any conviction, adverse finding, judgment or determination or disqualification that could reasonably be considered relevant to their status as a Member and/or which might otherwise adversely impact their ability to comply with any aspect of this Code.

PART 2

PMI Code Of Professional Conduct

Speaking up

5. **Members should speak up if they believe, or have reasonable cause to believe, that a course of action in which they are involved or of which they become aware is unethical or unlawful.**

   i Members should challenge any perceived non-compliance with relevant legal, regulatory and professional requirements.

   ii Members should speak up if they believe that others are being excluded or being treated unfairly.

   iii In making a challenge under i or ii above, a Member should utilise existing procedures in their workplace where possible, unless on a reasonable interpretation it would be inappropriate to do so. In the event that the utilisation of those procedures is not considered appropriate in a particular case, or that despite the procedures having been followed the matter remains without a reasonable resolution, the Member should seek guidance on a confidential basis from the Chair of the Regulation Committee. Nothing in this should be taken as restricting the duty of a Member to make a complaint to the Institute at any time under the Disciplinary Regulations, where appropriate.

   iv Where legal or regulatory requirements require, Members must report any non-compliance to relevant regulators or other authorities (including the Institute) as appropriate.

Communication

6. **Members must communicate appropriately.**

   i Members must communicate in a timely manner, clearly, and in a way that takes into account the users.

   ii Members must ensure it is clear to users that they are professionally responsible for any advice which they give or services they provide and that they can be identified as the source of the advice or services.

   iii Members must take reasonable steps to ensure that any communication for which they are responsible or in which they have a significant involvement is accurate, not misleading, and contains an appropriate level of information.

   iv Where Members identify that a user of their work has, or is reasonably likely to have, misunderstood or misrepresented the information or advice provided by them in a way which could have a material impact, Members should draw the user's attention to this.

APPENDIX
Case Study Notes

CASE STUDY A
DB ADMINISTRATION SERVICE FAILINGS

- Check with the team providing the services that there are no other cases affected by these issues
- Check whether the issues that you have been made aware of are indicative of problems on the team and that there may be other work that is known to be late/incorrect
- Ensure any internal process for complaints, errors and omissions is followed and notify your manager and also the operational management of the team providing the services
- Inform the client as soon as you are aware and explain that you are investigating the position to ensure that no other members are affected
- Provide a timescale when you will go back to the client with your findings
- If for any reason that deadline cannot be met inform the client and keep them updated on progress
- Be prepared to cover this in the quarterly meeting – having as many facts at your fingertips in preparation for that meeting will be important.
- The team may be defensive so it will be important to help and support them through the process to ensure that any report to the client includes all the known service issues. Coming back with additional issues shortly afterwards could potentially be more damaging to the relationship
- In the report highlight any known compliance issues e.g. if disclosure has been breached in the case of the late deferred benefit statements or if continuing to knowingly overpay a pension has given rise to an unauthorised payment
- Your report should, as a minimum set out the following for each issue identified:
  - Why the problem has occurred
  - The scope of the problem e.g. how many members are affected, amounts if appropriate, current status
  - Your proposed solution taking into account the perspectives of all stakeholders. Points to consider are:
- The circumstances of the members
- Appropriate apologies and the impact on the individual members
- The response of the trustees and whether any breaches should be considered reportable
- Any potential loss, whether to reclaim and responsibility for making good any loss
- Any contractual obligations that may have been breached
- Possible reputational damage
  - What steps have been or are being taken to prevent recurrence
  - How you will keep your client informed of progress with any rectification, change to processes and so on.
- Depending on the past history of service on the scheme and your own organisation's approach to risk management it may be necessary to add the client to any risk register
- You realise that service performance are under scrutiny and check on internet for any published guidance by industry bodies such as the PASA guidance

The relevant standards of the Code of Professional Conduct are:

2 Members must carry out work competently and with care

6 Members must communicate appropriately

CASE STUDY B

ACTUARY ADVICE AND PAST PENSION INCREASE UNCERTAINTIES

- The potential implications of this are significant and can impact on all stakeholders:
  - **Members** – may be receiving the wrong amount of pension
  - **Beneficiaries** – death benefits (lump sums/ pensions) may have been incorrectly calculated and over/under paid
  - **Trustees** – not meeting their duty to pay members the correct level of benefit
  - **Trustees** – may have been making their funding decisions based on an incorrect assessment of the liabilities
  - **The employer** – may have been over or under funding the scheme
- A first important step is to report the issue and seek guidance from the individual or team in your organisation responsible for compliance and errors and omissions
- You should also alert your line manager at the same time
- As part of the reporting process it will be important to understand why you believe the problem has occurred e.g. is it an error in a computer program or incorrect interpretation of scheme rules
- The initial analysis should also seek to identify if all scheme pensioners are affected or only one or more discreet groups
- An audit of the scheme documentation, past practice and the calculations by someone independent may be useful as potentially would a discussion with the team
- The steps to be followed thereafter will depend on the outcome of that review, the advice from any internal legal or compliance department, the reason for the issue and the extent to which your organisation is responsible
- Taking all the above into consideration, it will be important to inform your client that there may be an issue however you should do this only when advised to do so by your compliance team or line manager and be prepared for the fact that you may be asked to manage this is a specific way depending on the potential severity of the issue
- It is important to bear in mind that you may need the help of the client in resolving this, for example, they have an important piece of documentation which is missing from your archives but which in fact confirms that past practice is correct,

The relevant standards of the Code of Professional Conduct are:

4 Members must comply with all relevant legal, regulatory and professional requirements.

CASE STUDY C

DC ADMINISTRATION SERVICE FAILINGS

- Check with the team providing the services that there are no other cases affected by these issues
- Check whether the issues that you have been made aware of are indicative of problems on the team and that there may be other work that is known to be late/incorrect
- Ensure any internal process for complaints, errors and omissions is followed and notify your manager and also the operational management of the team providing the services (you are not their line manager)
- Inform the client as soon as you are aware and explain that you are investigating the position to ensure that no other members are affected. Although you want to create a good first impression with the new Benefits Manager it is important that you are open and honest with her.
- Provide a timescale when you will go back to the client with your findings
- If for any reason that deadline cannot be met inform the client and keep them updated on progress
- Be prepared to cover this in the forthcoming meeting – having as many facts at your fingertips in preparation for that meeting will be important.
- It may be appropriate to review your organisation's draft Service Level Agreement (SLA) in anticipation of an SLA being requested by the new Benefits Manager
- The team may be defensive so it will be important to work with their line manager to help and support them through the process to ensure that any report to the client includes all the known service issues. Coming back with additional issues shortly afterwards could potentially be more damaging to the relationship.
- In the report highlight any known compliance issues e.g. if disclosure has been breached. In this case members retiring have not received details of their retirement options
- Check with the team providing the services that there are no other cases affected by these issues
- Check whether the issues that you have been made aware of are indicative of problems on the team and that there may be other work that is known to be late/incorrect
- Ensure any internal process for complaints, errors and omissions is followed and notify your manager and also the operational management of the team providing the services (you are not their line manager)
- Possible reputational damage :
  - What steps have been or are being taken to prevent recurrence
  - How you will keep your client informed of progress with any rectification, change to processes and so on
- Depending on the past history of service on the scheme and your own organisation's approach to risk management it may be necessary to add the client to any risk register
- You realise that service performance are under scrutiny and check on internet for any published guidance by industry bodies such as the PASA guidance
- You re-check relevant service provider administration areas on TPR website eg general code and document library for administration and governance to note areas you are performing well and areas where you can improve

The relevant standards of the Code of Professional Conduct are:

1 Members must act honestly and with integrity.

4 Members must comply with all relevant legal, regulatory and professional requirements.



CASE STUDY D

ABUSIVE MEMBER

- At this stage it is probably not sensible to call the member back – you only have one side of the story
- Ask the member of the team to talk you through the call and provide you with background to the case in question
- Ask them to write down as many details of the call as they can remember so you can reference these
- If your organisation operates call recording ask for the recording of the call to be made available to you as soon as possible
- You should ensure any internal process for complaints (actual or potential) has been followed and notified as appropriate
- As soon as you have gathered as many facts as you can, call the member back. If email contact details are held, in the interim it may be helpful to send the member an email explaining that you are aware that there were issues with the call but that you are investigating and will come back to them.
- When returning the call, unless you have been able to hear a recording and form a view, it is important to be detached and non-judgemental. You may need to make the member aware of the complaints process if they believe that they have a grievance
- The content of the call will be specific to the circumstances and depend on your findings
- You check your Firm's policy on treatment of staff such as Diversity and Inclusion policy to make sure your approach is following Firm procedures, and in what circumstances this is reported to the Trustees of the Scheme regarding one of their members

The relevant standards of the Code of Professional Conduct are:

1 Members must act honestly and with integrity.

3 Members must ensure that neither their professional judgment nor any other aspect of their work is compromised, and that it cannot reasonably be seen to be compromised, by bias, conflict of interest, or the undue influence of others.

4 Members must comply with all relevant legal, regulatory and professional requirements.

CASE STUDY E

DB DERISKING PROJECT PROBLEMS

- The first consideration must be to your client in preference to considering your own personal position
- Take stock of the current status of the projects and compare this to the anticipated position at this time. This may well necessitate conversations with all the stakeholders to the project
- Working with them identify the reasons for the delays, what the next steps are and whether anything can do done to mitigate the impact of the delays
- Acknowledge to those involved with the project that you have contributed to the delays and ask for their help and support in re-planning
- Tell your manager now what the position is, explain why the projects are delayed, acknowledge that you are part of the issue and explain what you have done as a consequence
- If there is something your manager needs to do to help you succeed for example if you have been too busy with other work to focus on these projects, take the opportunity to make them aware of this
- Inform your client of the position and talk them through your plans to complete the project including the impact on any timescales
- It will be important to reassure your client that you are not sacrificing quality for speed
- Demonstrate what additional resources you are bringing in to resolve the problem
- Offer to provide regular updates to both the client and your manager so that they have visibility of progress and can help remove barriers

The relevant standard of the Code of Professional Conduct is:

4 Members must comply with all relevant legal, regulatory and professional requirements.

CASE STUDY F

DB DATA CLEANSE AND SUSPECT UNAUTHORISED PAYMENT

- Whilst your relationship with the assistant pension manager, as client contact, is important, it should not impact on you dealing correctly with this case
- Ask someone independent to the team and this scheme to carry out an audit of the case including the timeline and prepare a report detailing any compliance issues, how they have been dealt with and how they should have been dealt with.
- Make your line manager aware of the issue and the facts of the case, ensuring that you also tell them about the assistant pension manager's preferred approach to dealing with this
- Ensure that you follow any internal processes in relation to reporting errors and omissions to the appropriate team
- Agree with your line manager and any other internal stakeholders how you should respond to the assistant pension manager including who should be involved in the discussions
- Rectify compliance issues that have not been handled in the past
- Consideration may also need to be given to any financial issues such as payment of unauthorised payment and/or scheme sanction charges.
- The Trustees as client should be informed and advice taken as to which other parties should be informed
- It is important that any report to the Trustees is factual and not perceived as biased against the assistant pension manager
- There is also the possibility that you may need to revert to the member or beneficiaries as there may also be financial implications for them
- You check your Firm's handbook on anti-bribery to check if there are any specific procedures you should follow

The relevant standards of the Code of Professional Conduct are:

1 Members must act honestly and with integrity.

3 Members must ensure that neither their professional judgment nor any other aspect of their work is compromised, and that it cannot reasonably be seen to be compromised, by bias, conflict of interest, or the undue influence of others.

4 Members must comply with all relevant legal, regulatory and professional requirements.

CASE STUDY G

LEGAL ADVISOR APPOINTMENT ON COST-BASIS

- This is clearly a sensitive situation to deal with but it has to be addressed
- The first step would be to discuss this with your line manager
- In tandem you should discuss it with any compliance team within your organisation
- Whilst you should not discuss the situation with procurement, it would still be valid for you to make the trustees aware of your concerns regarding the historical scheme knowledge which would be lost
- Any subsequent actions will be based on the advice received from your manager and/or compliance team
- You obtain details on TPR website of Value for Members and trusteeship and service provider reviews to use in your argument that 'cost' is only one consideration when appointing a legal adviser

The relevant standard of the Code of Professional Conduct is:

3 Members must ensure that neither their professional judgment nor any other aspect of their work is compromised, and that it cannot reasonably be seen to be compromised, by bias, conflict of interest, or the undue influence of others.

4 Members must comply with all relevant legal, regulatory and professional requirements.

CASE STUDY H

LOSS OF WORK LAPTOP

- As a first step you need to explain to your colleague that you cannot ignore this issue and that it will need to be reported
- Ask your colleague to document details of all the member related information that they believe was in the stolen bag
- Either your colleague or you should alert your line manager to the situation and ask for their help in referring this to your data protection officer
- Check whether the stolen bag has been reported to the police and ensure that this is done if this was not dealt with at the time
- Check your Data Protection Policy to understand where your colleague was in breach of that policy
- As this is a serious breach of GDPR regulations you prepare to put together the key information that will go into the report to the Information Commissioner's Office, and to inform the trustees of the schemes affected. You check what the tight reporting deadlines are. Working with your Data Protection Officer agrees the message to be given to the trustees and the timing of that message. In view of the seriousness of the situation you should also agree who should deliver the message.

The relevant standards of the Code of Professional Conduct are:

1 Members must act honestly and with integrity.

4 Members must comply with all relevant legal, regulatory and professional requirements.

CASE STUDY I

TV OUT FOR MEMBER WHO IS AN IFA

- This is potentially a tricky case as it may depend on the interpretation of the legislation
- Firms who wish to carry out pension transfer business must have FCA transfer permissions. Otherwise they cannot undertake this activity.
- The first step is to check on the FCA website whether the firm has transfer permissions.
- As the transfer is in excess of £30,000 any advice must be authorised by a pension transfer specialist.
- The next step is to check on the FCA website whether the member is a pension transfer specialist. They may be an IFA but if they are not a pension transfer specialist they are not permitted to advise on such transfers.
- If they are a pension transfer specialist then the issue is whether they can advise themselves?
- The next step in that scenario would be to refer this case to your technical team if your organisation has one
- The next step would be to refer the case to the trustees/client irrespective of the advice although the content of the referral will depend on the guidance provided by your technical team.
- The trustees/client may choose to take their own legal advice but in any event you should only act once you have instruction from the trustee/client
- As you go through this it would be very important to keep the member informed of the reasons why the case may be taking a little longer that normal to progress
- As there will be additional steps in this process it will also be important to ensure that disclosure timescales are monitored to ensure that these are not breached
- You check the TPR website for any updates to transfer out documentation and expected processes

The relevant standards of the Code of Professional Conduct are:

3 Members must ensure that neither their professional judgment nor any other aspect of their work is compromised, and that it cannot reasonably be seen to be compromised, by bias, conflict of interest, or the undue influence of others.

4 Members must comply with all relevant legal, regulatory and professional requirements.

CASE STUDY J

AUDITOR APPOINTMENT TENDER AND INSIDE INFORMATION

- On the basis that the individual you know has been suspended for misconduct, they may be holding a grudge against their employer and therefore you should not allow their feedback to sway your recommendations as to who should be on the shortlist that you would put forward
- Nonetheless, an important part of an evaluator's job is to take into account feedback they receive in the market and therefore there are some possible options available to you:
  - Seek counsel from others in your team to see if they have heard similar feedback
  - Refer the issue to your line manager but stressing you understand the need to remain objective and impartial
- If, as a conclusion to the above you decide that obtaining clarity on the approach to specific processes would be helpful then these questions should be posed equally to all tendering organisations
- Key however is to remain impartial and professional at all stages in the process and, as such, the anecdotal feedback should not be allowed to influence the outcome of the review process

The relevant standards of the Code of Professional Conduct are:

1 Members must act honestly and with integrity.

3 Members must ensure that neither their professional judgment nor any other aspect of their work is compromised, and that it cannot reasonably be seen to be compromised, by bias, conflict of interest, or the undue influence of others.

CASE STUDY K

UNIT SHORTFALL RESOLUTION BETWEEN ADMIN AND INVESTMENT MANAGER

- The value of the discrepancy is quite substantial and this needs to be taken into consideration as part of any subsequent actions
- A discrepancy of this amount should be referred internally for help and guidance to the line manager responsible and also any internal compliance team as this may give rise to a claim to compensate the scheme
- In particular, as a project manager you are likely to operate outside the normal day to day practice and administration of the scheme and so there is likely to be value in a discussion with those responsible for operational delivery of the administration
- Whilst making up the shortfall from the trustee reserve might the right solution to the issue it will be important to understand how the shortfall has come about in case this is a consequence of:
  - Some systemic issue such that, even if the shortfall is rectified on this occasion a similar problem may, or is likely to arise again in the future
  - Fraud or some other form of misconduct
- In view of the above it is important to satisfy yourself of the reason for the discrepancy. This might give rise to some challenges internally as investigating reasons for discrepancies in DC reconciliations can be time consuming and therefore expensive
- It is important to consider the requirements of the DC Governance regulations and any relevant matters in a a code of practice from the Pensions Regulator
- Having established the reason for the discrepancy a report should be prepared setting out:
  - The reasons for the discrepancy
  - Any impact on members
  - What needs to be done to address the shortfall (it should be noted that if, as a part of the investigation it is identified that the issue has arisen as a consequence of issues with the administration then the trustees may look to the administrator to make good any losses)
  - What needs to be done (if anything) to correct records for individual members and, if necessary to communicate any changes to them noting that some adjustments may be immediately visible to them if they have access to their fund values via the web
- Prior to going through the above process it will be important to explain to the pensions manager why it is not possible for you to simply make good the shortfall from the trustee reserve account, firstly because it is not within his authority to authorise that payment and secondly because it is important to understand the reason for the discrepancy to prevent recurrence
- If the conclusion is that the right course of action is to make up the shortfall from the trustee reserve account, the decision will need to be ratified by either the trustees or someone who has delegated authority to authorise a payment of this level.

The relevant standards of the Code of Professional Conduct are:

3 Members must ensure that neither their professional judgment nor any other aspect of their work is compromised, and that it cannot reasonably be seen to be compromised, by bias, conflict of interest, or the undue influence of others.

4 Members must comply with all relevant legal, regulatory and professional requirements.

CASE STUDY L

FULL-TIME STAFF MEMBER WHO IS ALSO A HOME CARER

- Prior to any discussions you need to evaluate the situation
- As a consequence of the significance of employment law it will be important to consult your colleagues in HR before speaking to anyone
- The case study does not state your role but in any event you should make your own line manager aware and ensure that they support any proposed solution as this may necessitate you receiving support from them.
- It will also be important to evaluate the impact that the situation is having on the team and the workload as part of your preparation for one to one meetings
- Once you have completed your assessment you should consider proposed solutions to the issue so that any discussions you have are focussed on not only understanding the position but also resolving it – could you alter the timings of your team meetings?
- In terms of the colleague allegedly making inappropriate comments you should also check your disciplinary procedure in case his behaviour falls within the scope of that
- It is likely that you will need to hold meetings with the affected individuals, certainly your colleague with the elderly mother and the one deemed to have been making the inappropriate comments but you are likely to need to speak to others to validate the information that you have been given.
- You should ensure that you are accompanied by a colleague (possibly a member of the HR department) to those meetings, that one of you takes notes and that you make the attendee(s) aware that you are going to be taking notes.
- You check your Firm's policy on home-working and what could be done working flexibly from home
- You look at your staff member's work roles and given that she will need to learn a number of skills what alternative roles she could be given to ease the situation whilst continuing to develop her career at your Firm
- At this stage it is not possible to be prescriptive about the possible next steps as it will depend on the outcome of the meetings.

The relevant standards of the Code of Professional Conduct are:

1 Members must act honestly and with integrity.

4 Members must comply with all relevant legal, regulatory and professional requirements.

CASE STUDY M

TRAINEE WITH INSUFFICIENT SUPPORT ON A COMPLEX PROJECT

- This can only be resolved by having an initial discussion with your line manager
- Key to a successful outcome will be preparing thoroughly in advance. Your preparation could include:
  - Demonstrating that you understand why this is important – it could be because a commitment has been made to a client, there are financial consequences if the project is not delivered on time, other projects are dependent on this one and so on. This list is not exhaustive and there could be other considerations or it could be a combination of these issues
  - Explaining why you believe you are not qualified to take on this project but in doing so consider why you may have been asked and what role you could lay or support you could provide to support a successful outcome
  - Clarify the position in relation to your exams, when they are, what you still need to do and so on. Give your line manager the opportunity to explore your role in the project and the timing of any involvement you may have.
  - Be prepared to also cover any potential impact on your current work and what support and help you may need from other members of the team.
- Preparation along the lines outlined above should prompt a useful discussion and give you confidence to deal with your line manager dispassionately.
- It is possible that, at the end of the meeting, you will not have reached a satisfactory conclusion. If that is the case be clear on agreed next steps. It will probably be useful to take notes, write these up and send an email with the agreed points so that everyone is clear what has been discussed and agreed actions

The relevant standards of the Code of Professional Conduct are:

2 Members must carry out work competently and with care (particularly **2.1** Members must ensure they have a level of relevant knowledge and skill appropriate to their role in carrying out a piece of work.)

3 Members must ensure that neither their professional judgment nor any other aspect of their work is compromised, and that it cannot reasonably be seen to be compromised, by bias, conflict of interest, or the undue influence of others.

CASE STUDY N

COMPANY APPOINTMENT TENDER CONFLICT OF INTEREST

- Key affected parties are you, the sole practitioner, Client C, Company A and Company B
- The issue of confidentiality is a sensitive one and you should not involve any parties in the resolution process without good reason. Discussion of this ethical dilemma, in itself, risks breaching confidentiality.
- If the other sole practitioner is well enough you should inform them of the dilemma and the actions you decide to take.
- You must not disclose to Client C any confidential information gained from your former relationship with Company A.
- The first step would be for you to evaluate the extent of the conflict of interest and whether it can be managed. What would a third party think?
- It is likely that you will conclude that you should not act for Client C regarding the purchase of Company B.
- The next step would be for you to declare your conflict of interest to Client C without disclosing the name of Company A. Take care to document this conflict of interest disclosure.
- If Client C tries to pressurise you to disclose the name of your former client it may be necessary to disengage entirely from Client C (not just in relation to the purchase of Company B).This should be a last resort and you should keep the other sole practitioner informed.
- In any event you should document in detail the steps you take in resolving your dilemma, in case your judgement is challenged in the future.

The relevant standards of the Code of Professional Conduct are:

1 Members must act honestly and with integrity (particularly **1.ii** Members should respect confidentiality).

4 Members must comply with all relevant legal, regulatory and professional requirements.

CASE STUDY O

ADMINISTRATOR HOME WORKING IT FAILINGS

- Prior to any discussions you need to evaluate the situation
- You need to give the immediate circumstances relating to the email ransomware so that the technical issues relating to the ransomware demand can be interrogated by your IT colleagues
- You should recognise this will be an emotional and stressful time as ransomware demands and locking down the Firm's entire Administration system is clearly an extra-ordinary event
- The issues prior to the suspicious email are of great concern
- It will be important to talk to your colleagues in HR as these events are relevant circumstances to your behaviour, and your immediate supervisor may also have put other people into a similar situation
- You also recognise that your immediate supervisor may also have been put into very difficult circumstances with home-working and this could a mitigating reason why she said such things, and should be given the opportunity to give her own explanation of events
- Make notes of the incidences of where you were struggling with poor IT connections and how long it took to get your normal administration process work done
- Make notes of what you think could be done to make the working environment from home easier to colleagues
- At your meeting with HR, ask:
  - To what extent you can share what you have done with your immediate supervisor and to any other
  - trusted colleagues
  - If you could change teams and report to another immediate supervisor to give some distance between you both
  - If there are any coaching or counselling services available through the Firm, or recommendations about physical or mental exercises to manage your health and sleep patterns
- At this stage it is not possible to be prescriptive about all the possible next steps as it will depend on the outcome of the meeting with HR and further discussions

The relevant standards of the Code of Professional Conduct are:

1 Members must act honestly and with integrity (particularly **1.ii** Members should respect confidentiality).

4 Members must comply with all relevant legal, regulatory and professional requirements.

CASE STUDY P

TV OUT POTENTIAL FAILINGS OF PROPER DUE DILIGENCE

- Transfer out are difficult to evaluate due to court judgement interpretations of legislation and previous cases, and increased good practice from the pensions' legislation
- Clearly firms who wish to carry out pension transfer business must have the required FCA transfer permissions to undertake this activity.
- The steps are like those for CASE STUDY I starting with a check on the FCA website whether the firm has transfer permission, and that as the transfer is in excess of £30,000 any advice must be authorised by a pension transfer specialist.
- There are other alarm bells though, you have a close association with Nisha who is an old college friend
  - the response should be to tell her and your own Firm reporting manager that you have a potential conflict of interest given your relationship and take steps for this work to go to another person in your Firm to check the proper TV out documentation and sign-offs have taken place
- You should speak to the Client Relationship Manager for the Scheme who can explain why these additional steps have taken place
- You can recommend that the trustees/client may choose to take their own legal advice on whether all the required TV-Out steps have been made for this to be a valid TV-Out payment
- An action point arising is for training to be given to trustees of the Scheme on the latest TV Out guidance from the Pensions Regulator
- You should explain to your college Nisha that you are not allowed by the Firm's conflict of interest procedures to discuss the case any further with her.
- The person standing in for you would need to make sure that the auditors of the annual report and accounts are made aware of the work being done to check the TV-Out. This may result in increasing the risk assessment of the scheme audit and additional work being required, to which the trustees would have to be briefed on

The relevant standards of the Code of Professional Conduct are:

1 Members must act honestly and with integrity.

2 Members must carry out work competently and with care

3 Members must ensure that neither their professional judgment nor any other aspect of their work is compromised, and that it cannot reasonably be seen to be compromised, by bias, conflict of interest, or the undue influence of others.

4 Members must comply with all relevant legal, regulatory and professional requirements.

CASE STUDY Q

CHAIR OF TRUSTEES LACK KNOWLEDGE FOR ESG IMPLEMENTATION STATEMENT

- Alert a colleague in your Firm of the situation and find out if there are any other performance issues relating to the Chair of Trustees to be aware of, and discuss how strong your own personal working relationship is with the Chair for you to speak directly together
- Evaluate the changes needed to make the Implementation Statement compliant and, if decided with your own senior manager, call the Chair of Trustees to discuss what amendments are needed to resolve
- Amend with track changes the ESG Implementation Statement to make it compliant. Where there is more information to check out, put these amendments in square brackets.
- Give an example template ESG Implementation Statement to the Chair such as that produced by the PLSA with its high level press release (www.plsa.co.uk/Press-Centre/Press-Releases/Article/PLSA-launches-guide-on-new-trustee-investment-disclosure-duties)
- Offer to create a template checklist for your Firm from your learning experience to circulate to all trustees as a means of demonstrating the value your Firm offers
- Offer to have a specific trustee training workshop that your client will pay for as part of the Trustee Knowledge and Understanding work
- Discuss with your senior manager how the time on your code will be charged to the client and may have to be written off as part of the relationship management consideration
- Check with the auditor's what is the timeline for signing off the report and accounts
- Confirm in writing with the Chair the publication requirements and your fee for publishing the Implementation Statement on your Firm's website, and suggest alternatives and estimated costs for these alternatives

The relevant standards of the Code of Professional Conduct are:

2 Members must carry out work competently and with care

4 Members must comply with all relevant legal, regulatory and professional requirements.

CASE STUDY R

GMP EQUALISATION AND BENEFITS RECTIFICATION PROJECT

- Alert a colleague in your Firm of the situation regarding the informal meeting with the Chair
- Make sure that the draft minutes of any formal meeting held are circulated to everyone at the meeting and that everyone has the opportunity to reflect the complexity of the work involved
- Review the draft minutes of the meeting so that it reflects the viewpoint that more information is available from the member records before any key decisions can be made on which members to exclude, and how to proceed
- Have an Action Log set up for the project that shows all the individual actions discussed to date and who has responsibility for each action with an agreed timeline
- Request to the Scheme Secretary that agenda items for any formal meeting record the key steps required for the project to proceed, such as, scanning the paper records in the cohort member groups and estimated costs for doing so
- Involve other peer and senior colleagues in the formal and informal meetings where possible
- Request to the Trustees and Scheme Secretary that the minutes of the formal meetings record clearly the Scheme legal opinion given on the steps being taken on who to include or exclude in the benefits rectification and equalisation work

The relevant standards of the Code of Professional Conduct are:

1 Members must act honestly and with integrity.

2 Members must carry out work competently and with care

4 Members must comply with all relevant legal, regulatory and professional requirements.



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