



**Pensions
Management
Institute**

Professionalism and Governance

October 2021

Centre Name	<input type="text"/>
-------------	----------------------

This contains several short answer questions. Attempt **ALL** questions.

The total marks for this paper are 100.

Question Number: 1

You are the Pension Manager for a company with a defined benefit scheme which is closed to future accrual and has 5,000 members. Four new trustees have been appointed in the last six months and as part of their initial training you are giving a presentation at the next Trustee Meeting on the principles and technical considerations for selecting and replacing investment managers.

Your presentation should include:

- a) Factors trustees should consider when selecting an investment manager (8 marks)
- b) Risks involved in using investment managers, and how those risks can be mitigated (7 marks)
- c) Documentation required to ensure good governance of investment managers (13 marks)
- d) Role of custodians and investment banks in investment governance (12 marks)
- e) Role of transition management in moving assets from one investment manager to another (5 marks)
- f) Examples of good administration practices by investment managers (3 marks)

(you are not expected to prepare the presentation slides)

48 technical marks/12 communication marks (60 marks in total)

Question Number: 2

You are the Pension Manager for a large scheme with an in-house administration department. You've all been working remotely since the first lockdown. Your Team is now beginning to come back into the office on a flexible working basis. Although everyone was supplied with secure laptops, you've learned your Team Leader has been using an unsecure personal laptop to check member calculations. This has involved transferring personal data onto the laptop. She has come into work and informed you she lost the personal laptop, but she doesn't know where or if it was stolen. She has asked you to keep quiet as she feels no one would be interested in the 'work' files.

- a) What are the relevant section(s) of the Code that could apply (4 marks)
- b) How should you respond and what, if any, action should you take? (10 marks)

14 marks

Question Number: 3

You are the Administration Manager for a small third party administrator. Your clients are mainly defined benefit schemes with complex benefit structures and there is little automation. This has put pressure on the team and as a result half of your team has left. You know the remaining team members will struggle to keep up with their work, service levels are already beginning to slip and you know this will get worse. The business manager has suggested contracting temporary employees from outside the industry to make up resource.

- a)** What are the relevant section(s) of the Code that could apply (2 marks)
- b)** How do you respond and what do you do? (12 marks)

14 marks

Question 4

You are a governance consultant at an Employee Benefit Consultancy and one of your client schemes has produced an ESG Implementation Statement to go with the Annual Report & Accounts. You are appointed to review the document prior to signature and publication, but you realise there are a number of issues with the Statement. Some of the content is unsubstantiated and you believe a number of figures are incorrect. Its style is also out of line with the agreed approach.

- a)** What are the relevant section(s) of the Code that could apply (4 marks)
- b)** Describe actions should you take with the client? (8 marks)

Total 12 marks