

## **DIPLOMA IN INSURANCE**

**Unit Name: Retirement Benefits Practise, Law and Taxation**

**Unit Code: DIP 305**

### **SAMPLE QUESTION**

Peter has recently been appointed a trustee of Huduma Pension Scheme. After attending the Trustee Development Programme at the College of Insurance, he discovered the following unusual occurrences in his scheme.

- i. The scheme trust deed and rules had not been amended for a long time.
- ii. The contract term of the scheme auditor had expired.
- iii. The sponsor had not been remitting both his contribution and the employee contributions.
- iv. Some members had not been given their benefits statements despite demanding for them.
- v. The scheme had not complied with the NSSF Act 2013 despite its enactment on February 2023.

Peter was concerned of all these unusual occurrences in the scheme and he raised them by making a presentation during board of trustees meeting. During the board of trustees meeting the board unanimously agreed and approved the procurement of a new auditor as proposed by Peter. However, Peter is asked to develop a criterion to help in the selection of a new auditor.

- a) Discuss the liabilities in peter's presentation in regard to the non-compliances noted above. (10 mks)
- b) Discuss ways in which peter and his colleagues can remedy each of the above unusual occurrences (10 mks)
- c) Explain five items Peter is likely to capture in the selection criteria. (5 mks)