

# Compliance Review:

Peer Review of the work of pensions actuaries

Pensions Conference  
Brighton - June 2003

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## **Compliance Review**

- Draft Principles of Guidance to Pensions Actuaries
  - Guidance Note will set out principles rather than be a prescriptive template
  - It will avoid matters of quality which are the responsibility of individual actuaries and their employers
  - It will avoid creating an overly elaborate compliance infrastructure

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## **Compliance Review**

- What GNs are covered
  - GN3
  - GN9
  - GN11
  - GN 16
  - GN19
  - GN27
  - GN28
  - GN29
  - New GN for SSAs

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## **Compliance Review**

### ■ Responsibilities

- Signing Actuary  
(not just scheme actuaries)
- Peer Reviewer
- Audit Reviewer
- Senior Actuary

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## **Compliance Review**

- All statutory work is covered
- Covers work actually carried out
- Advice the responsibility of signing actuary
- Peer reviewer has no responsibility to client
- Can use both peer review and audit

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## **Compliance Review**

- Who can be a peer reviewer
- Reviewer does not have to agree with advice or approve it
- Room for exercise of judgement
- Access to reviewers
- No bar from working with clients covered by the review
- Conflicts of Interest

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## **Compliance Review**

- Principles of Review
  - Compliance with practice standard
  - Not to test accuracy or analysis
  - Not editorial work
  - Comment when unclear
  - Context of advice
  - Qualifications and experience
  - Identity

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## **Compliance Review**

- Peer Review
  - Relationship with Signing Actuary
  - Conflicts of interest
  - Should be undertaken prior to delivery of advice
  - Peer reviewer not carrying out file audits
  - End with peer review statement
  - Termination

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## **Compliance Review**

- Audit Review
  - Is undertaken post delivery of advice
  - Must take place at least every six months
  - May involve submission of work of a group of actuaries
  - Sample size
  - Access to files

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## **Compliance Review**

- Audit Review
  - List of assignments
  - Conflicts of interest
  - Who can be reviewer
  - Termination
  - Written reports

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## **Compliance Review**

- Breach of Professional Guidance
  - Discuss with Signing Actuary
  - Notify Senior Actuary
  - Escalation process consistent with the PCS

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## **Compliance Review**

- Timetable
  - Exposure Draft and consultation - July to September 2003
  - New Guidance Note published November 2003
  - Effective
    - Voluntary from January 2004
    - Mandatory at a later date

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# Questions?

May 2003

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