



Institute
and Faculty
of Actuaries

Individual Professional Responsibility From third party software and the Code via the new QAS

CHIPS - London
25 November 2015



Individual Professional Responsibility

What does this mean?

- Individual?
- Professional?
- Responsibility?

What does this mean in pension working environments?

- Possible tensions
- Commercial
- Contractual
- Time pressures
- Client Relationships
- Employer relationships
- Conflicts of interest

How can IFoA help members navigate through this?

- Actuaries Code, Standards and Guidance
- New ASCPR Guidance
- Quality Assurance Scheme
- Professional Support Service
- Professionalism materials

New Guidance

**Actuarial Software and Calculations –
Professional Responsibility**

“ASCPR Guidance”

ASCPR - Background

- Developments in consulting world
- Needs of clients - both sponsor and trustee
- Provision of third party calculation solutions
- Questions raised with IFoA by tPR
- Establishment of Working Party

Initial Discussions

- Confidence in Profession
- Encourage Innovation
- Legal Responsibilities
- Commercial Factors

Terms of Reference

- The working party's overall purpose is to identify:
 - i. the factors related to the use of models and calculations which enable a Scheme Actuary to properly sign off his/ her work; and
 - ii. any associated issues and make recommendations for any IFoA actions.

The Working Party

Third Party Products

Individual Professional Responsibility

Actuarial Software and Calculations

Volunteers drawn from users, actuaries and software providers

ASCPR guidance

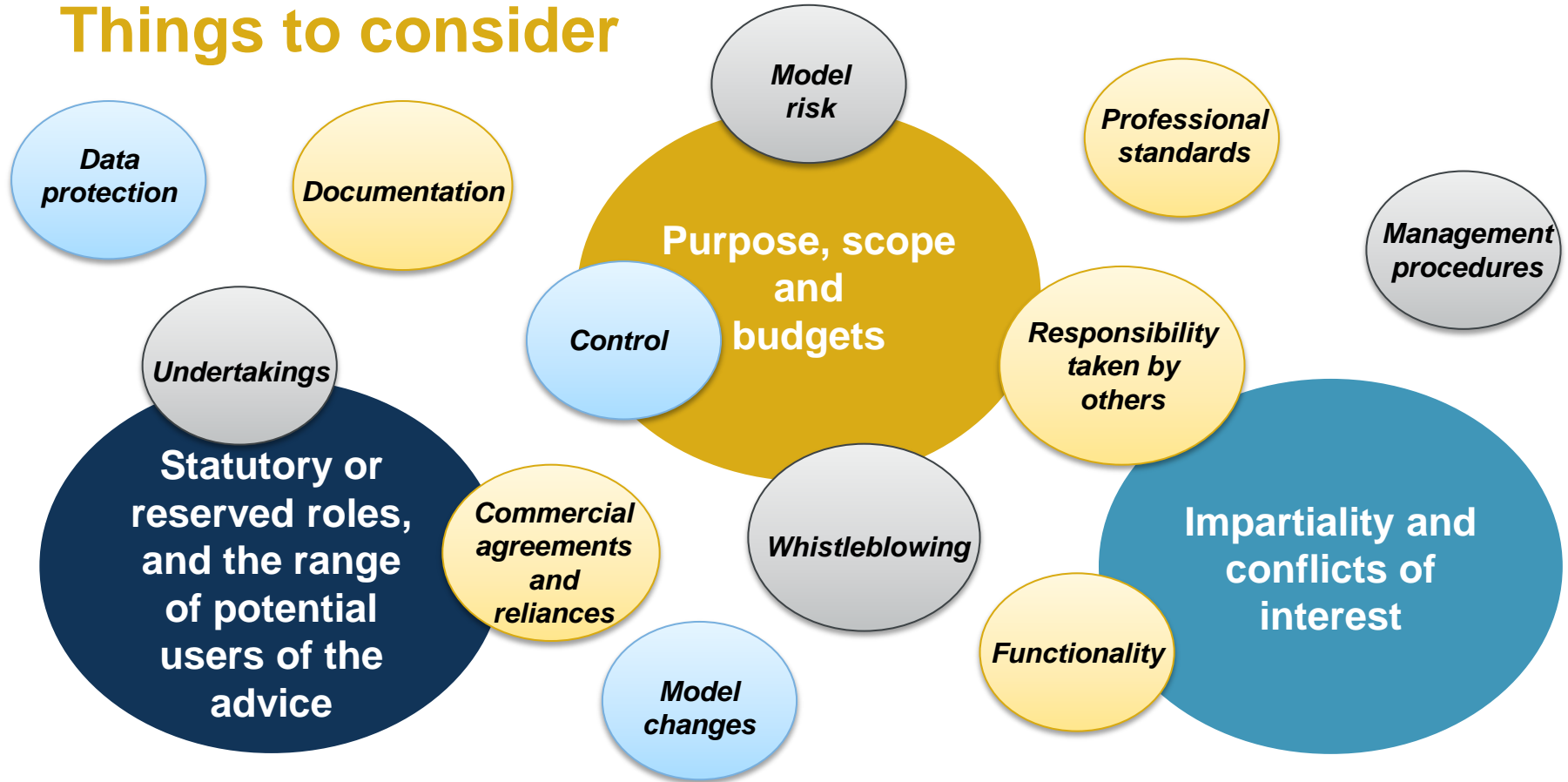
- For trustees and sponsors
- Guidance includes
 - **Precis**
 - **Note to users** – including scenarios, Q&As for users and factors to consider
 - **Separate Q&As for actuaries**
- Explains professional responsibilities of actuaries when they provide advice or actuarial information which relies on data or calculations provided by
 - trustees or scheme sponsors,
 - computer models or software programs
 - third parties, or
 - internal support teams

Conclusions of Working Party

- Every case will be different
- It is incumbent on each actuary to reach their own conclusions
- Actuaries' Code provides the framework, and
- no new regulation needed

Case Studies

Things to consider



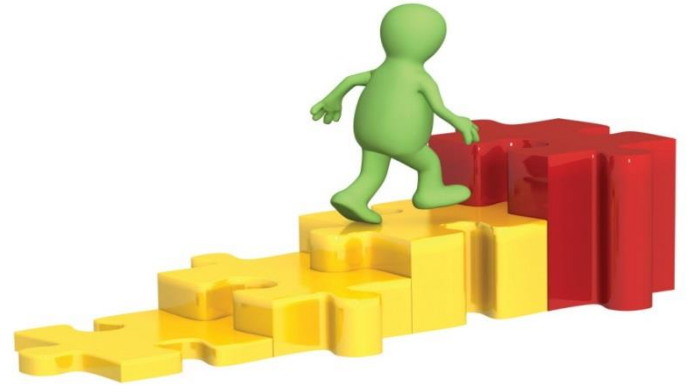
Quality Assurance Scheme



- Another way to navigate through the tensions...
- Accreditation scheme for organisations that employ members
- Aims to create a direct link between the IFoA and those that employ its members
- Recognising:
 - The importance of culture and the working environment to Members' ability to meet their professional responsibilities
 - That the support of employers is required to meet the requirements of standards
- Outcomes based and linked to professional requirements

Quality Assurance Scheme – key areas

- Quality Assurance (including Work Review)
- Conflicts of Interest
- Development/Training of Members
- Speaking Up
- Relationship with Users
 - Engagement and communication
 - Handling and appropriate resolution of concerns



Quality Assurance Scheme

- Senior Quality Assurance Representatives (SQAR) forum
- Launched 1 September 2015
- First accreditations due to be announced spring 2016



Professional Support Service

- Panels of experienced members can answer your questions
- Any issue relating to professional ethical or technical matters
- Submit an online query form
- www.actuaries.org.uk/regulation/pages/professional-support-service

Questions and comments ?

