



Institute
and Faculty
of Actuaries

Quality Assurance Scheme: Handbook

June 2015

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INTRODUCTION

The working environment plays an important part in ensuring that actuaries are properly supported in relation to both technical and professional issues and that they feel empowered to carry out their work with confidence. The operation of quality controls within an Organisation is therefore vital in ensuring actuarial quality and maintaining public confidence in the Organisation as well as the actuarial profession in general.

The Quality Assurance Scheme (QAS) recognises that actuaries do not work in isolation from the Organisations within which they work. It recognises, moreover, the importance, firstly, of the working environment in enabling Members to fulfil their professional responsibilities; and secondly, of the validity of appropriate monitoring of quality controls at Organisational level.

The objectives of this initiative include: to promote effective quality assurance at an organisational level and thereby, indirectly the quality of actuarial work; to promote confidence in the work of actuaries; and to provide an important mechanism by which to identify proactively issues affecting the quality of actuarial work.

The additional benefits which we envisage for participant Organisations include: the recognition associated with the award of a quality standard; a direct line of engagement with the Institute and Faculty of Actuaries ('IFoA') as a regulatory body; feedback provided through the monitoring/inspection process (to which participant Organisations subscribe in order to obtain the quality standard); and, in the future, possible relaxation of some of the administrative requirements associated with the IFoA's regulatory framework, for accredited Organisations.

This Handbook is issued by the Regulation Board of the IFoA for the use and benefit of Members, Organisations and others with an interest in understanding the QAS. It is divided into four main sections:

- the first provides a general overview of the QAS and how it works;
- the second provides high level guidance which supports Actuarial Profession Standard (APS) QA1 and sets out the IFoA's expectations of good practice in relation to each of the areas of focus of the APS;
- the third outlines the application process for accreditation under the scheme;
- the fourth provides more detail on how applications are assessed, how decisions on accreditation are made and about the routes for appeal of decisions.

The Handbook also reproduces the text of the following key documents: APS QA1 itself and the Application Form for Organisations seeking accreditation (including the explanatory drafting notes).

We hope that this Handbook will provide a comprehensive guide and insight into the QAS and its objectives.

Des Hudson
Chair, Regulation Board
June 2015

This Handbook imposes no obligations upon Members or Organisations over and above those embodied in APS QA1. It does not constitute legal advice, nor does it necessarily provide a defence to allegations of misconduct. While care has been taken to ensure that it is accurate, up to date and useful, the IFoA will not accept any legal liability in relation to its contents. The defined terms used in APS QA1 apply to this guide.

A. OVERVIEW OF THE IFoA'S QUALITY ASSURANCE SCHEME

1. The QAS

- 1.1 The Quality Assurance Scheme (QAS) is a scheme through which Organisations (or parts of Organisations) may apply for accreditation. In order to obtain QAS status, applicants are required to meet the requirements set out in the Actuarial Profession Standard 'APS QA1 Quality Assurance for Organisations'.¹
- 1.2 The requirements of APS QA1 are explained in more detail in section 2 of this Handbook and focus, in particular, on the quality assurance policies and procedures in place in an Organisation in relation to its actuarial work.
- 1.3 The application and decision making processes are set out in detail in this Handbook at sections C and D and the Application Form that applicants need to complete is set out in **Appendix 2**. The application process will involve an initial assessment visit, as described at section 12 and, if successful in obtaining QAS status, the Organisation will also be required to participate in interim monitoring visits. The decision as to whether the accreditation is granted will be taken by the IFoA's QAS Sub Committee considering recommendations from the Assessment Team.
- 1.4 Where an Organisation (or identifiable part of an Organisation) is successful in their application, then in order for the accreditation to be awarded they will be required to sign up to the Participation Terms and Conditions issued by the IFoA.²
- 1.5 In return, they will be entitled to use the QAS branding to promote their accreditation. They will also be able to participate in the Senior Quality Assurance Representatives Forum. This is a forum with the purpose of discussing matters of mutual interest with the IFoA and other accredited Organisations, which it is envisaged that approved Senior Quality Assurance Representatives ('Senior Representatives') will attend.
- 1.6 It is anticipated that the role of the forum will develop over time in light of experience of its operation and feedback from Senior Representatives. Initially it is intended that there will be meetings of the Forum every six months with additional events, to which Senior Representatives will be invited, being arranged during the course of the year. There will also be an opportunity for Senior Representatives to participate in informal discussion groups (including online groups facilitated by the IFoA via the QAS pages of its website).
- 1.7 The QAS presently relates only to UK Actuarial Work and applications are therefore currently restricted to Organisations (or distinct parts of Organisations) that have their principal place of business or operation in the UK. However, it is anticipated that the geographic scope of the QAS will be reviewed after a period of operation within the UK.

1 Replicated in Appendix 1 and found at <http://www.actuaries.org.uk/research-and-resources/documents/aps-qa1-quality-assurance-scheme-organisations>

2 Found at [UNDER REVIEW]

B. GUIDANCE ON THE REQUIREMENTS OF APS QA1

2. APS QA1

- 2.1 APS QA1 sets out the good practice principles and policies that the IFoA requires accredited Organisations to maintain and apply.
- 2.2 The APS imposes requirements that are intended to cultivate a working environment which assists employees in producing high quality actuarial work, and to ensure that Organisations have in place, and apply, suitable policies and procedures in relation to important areas relating to quality assurance.
- 2.3 APS QA1 is mandatory³ for all Organisations (or parts of Organisations) accredited under the IFoA's QAS, with adoption by Organisations not participating in the scheme strongly encouraged. For the avoidance of doubt, only QAS accredited Organisations are able to use the QAS branding and describe themselves as holding QAS status, Organisations not participating in the scheme but voluntarily adopting it will not be able to hold themselves out as having QAS status. However, it is anticipated that there will be other positive benefits from voluntary adoption of APS QA1 in terms of the quality of actuarial work produced and the positive working environment fostered.
- 2.4 An Organisation, for the purposes of APS QA1, is any legal entity and may be a corporate body; a limited liability partnership; a partnership; a sole trader; or a public body (such as a statutory body, government department or Non Departmental Public Body) as long as it consists of or employs one or more Members. It is also open to part of an Organisation to seek accreditation under the QAS where that part is identifiable and distinct.
- 2.5 Section 1 of the APS includes a general requirement that Organisations must provide appropriate support to Members working for them in complying with the Actuaries' Code and their other professional responsibilities in order to help them achieve high quality work.
- 2.6 Members and Organisations must be aware that the provisions of the Actuaries' Code are applicable to all Members of the IFoA.
- 2.7 In terms of APS QA1 Organisations must also demonstrate their commitment to the quality of actuarial work. This is a general requirement which is intended to clarify that those Organisations with QAS status are expected to take positive steps to show that they are committed to striving for quality in their actuarial work.
- 2.8 In addition to those general requirements, there are also specific requirements imposed upon Organisations with regards to policies and procedures in relation to their actuarial work.⁴

³ Paragraph 1.1 APS QA1

⁴ Section 2 APS QA1

- 2.9 Organisations are required to '*maintain and apply*' procedures and policies designed to achieve outcomes that are listed in the Appendix to APS QA1. Those outcomes relate to the following areas, all of which are relevant to cultivating an environment that is conducive to high quality actuarial work:
- quality assurance (including work review);
 - conflicts of interest;
 - the development and training of Members;
 - speaking up about issues that cause concern;
 - relationships with Users including engagement and communication and the handling and resolution of concerns raised.⁵
- 2.10 Reasonable steps must also be taken by Organisations to ensure that those policies and procedures are applied, appropriately documented and that they meet the following requirements.⁶
- they are delivered within the context of a clearly defined structure of leadership and operational responsibilities in relation to the assurance of actuarial quality;
 - they are clearly communicated and understood across the Organisation;
 - they promote action to remedy deficiencies, where work is found to fall short of relevant quality standards.
- 2.11 Organisations are also required to take reasonable steps to monitor the extent to which the outcomes set out in the Appendix to APS QA1 are achieved, and the effectiveness of the policies and procedures.⁷
- 2.12 It is expected that each Organisation will adopt policies and procedures that are suitable for the size and structure of the Organisation as well as the nature of the work being carried out. Although it imposes general requirements in terms of policies and procedures, APS QA1 is not prescriptive about their form or detailed content and there will be a range of ways in which the outcomes may be achieved. It will be for the Organisations themselves to determine how best to meet the requirements of APS QA1. It is likely that, in many cases, Organisations will already have in place adequate policies and procedures to satisfy those requirements.
- 2.13 Organisations will also be expected to have policies and procedures that are dynamic and capable of responding to changing circumstances and working environments. That may require Organisations to have processes in place that ensure policies and procedures are reviewed when circumstances change. This issue may be particularly relevant in relation to emerging areas of actuarial work.

⁵ Paragraph 2.1 APS QA1

⁶ Paragraph 2.2.1 APS QA1

⁷ Paragraph 2.3 APS QA1

- 2.14 We have included a number of examples of best practice within this guide in order to assist Organisations working to develop policies and procedures in order to gain accreditation, including techniques and processes which may help Organisations to achieve the outcomes contained in the Appendix to APS QA1.

3. Policies and Procedures - Quality Assurance (including work review)

- 3.1 The first outcome in the Appendix relates to quality assurance (including work review). It is that:

- a) There is appropriate supervision of those undertaking Actuarial Work;*
- b) There is compliance with all applicable mandatory actuarial standards and other relevant legal and regulatory requirements;*
- c) There is clear, consistent and effective use, as appropriate and proportionate, of Work Review including Independent Peer Review.*

3.2 Appropriate supervision

- 3.2.1 Organisations are required in terms of APS QA1 to ensure that those undertaking Actuarial Work are subject to appropriate supervision and this can usually be achieved by having in place appropriate management structures and ensuring that managers are adequately trained.

- 3.2.2 The use of a mentoring programme, by which more junior members of staff are partnered with a more experienced member of staff and able to ask questions and obtain their input, can also be a useful way to provide a more informal type of supervision.

3.3 Understanding of legal and regulatory requirements (training and development)

- 3.3.1 In order to meet the requirements of APS QA1, Organisations will be expected to be able to demonstrate that they have adopted, and continue to promote, a culture of compliance with applicable mandatory actuarial standards and other relevant legal or regulatory requirements.

- 3.3.2 In particular, Organisations should ensure that their Member employees have a good, up to date understanding of the requirements that are relevant to them and their work, and that these are applied within the Organisation. They should be aware of any relevant legal and regulatory developments and how these will affect their work.

- 3.3.3 The Organisation might consider whether any training is required to support employees' understanding of the legal and regulatory requirements, the actuarial standards and codes that apply to their work and the policies and procedures adopted by the Organisation.

- 3.3.4 An example of how an Organisation might share relevant information to help Member employees' awareness of relevant requirements would be for them to issue or arrange regular technical briefing notes or updates. If the resource to provide this technical input is not available in-house, then an alternative might be to provide access to a third party information service or resource and/or for organisations in regional areas to set up networks to share experiences and information.

3.3.5 Further guidance in relation to the training and development of Members can be found at section 5 of this Handbook.

3.4 **Work Review**

3.4.1 Work Review involves a piece of work, or one or more parts of a piece of work, being considered by at least one other appropriately qualified individual, for the purpose of providing assurance as to the quality of the work in question. A particular type of Work Review is Independent Peer Review, which involves a review undertaken by one or more independent individuals (ie who is, or are, not otherwise involved in the work in question) and who is a 'peer' in the sense that they would have had the appropriate experience and expertise to take responsibility for the work themselves.

3.4.2 In accordance with the IFoA's cross practice standard APS X2: Review of Actuarial Work.⁸ Members are required to consider whether Work Review (including Independent Peer Review) is appropriate and proportionate and if so to apply such a review process. Further guidance on the requirements of APS X2 and on the application of review processes more generally can be found in the Guide⁹ accompanying it.

3.4.3 The IFoA expects Organisations to understand the obligations imposed upon Members in relation to Work Review (including Independent Peer Review) and to foster an environment in which they are able to meet those obligations.

3.4.4 For situations where the Actuarial Work in question does not fall within the scope of the requirements of APS X2, Organisations are still encouraged to require employees to apply an appropriate and proportionate form of Work Review in all appropriate cases, having regard to all of the circumstances of the work in question.

3.4.5 The specific processes for review that an Organisation adopts will depend on the size and structure of the Organisation and the nature of the work being carried out; however, it will ordinarily involve the following key elements:

- there should be at least two people involved in the work review process, ie the person responsible for completing the work and the person reviewing the work;
- there should be agreement with the reviewer as to the scope and nature of the review process;
- the person performing the review should have the appropriate skills and experience to carry out this role (although they need not necessarily be a qualified actuary);
- the timing of the work review should be capable of influencing the outputs of the piece of work.

3.4.6 Many Organisations will have employees that are carrying out significant roles where there is particular risk of harm to the public if the work is not carried out to an acceptable standard (for example Scheme Actuaries in relation to pensions or Chief Actuaries and Chief Risk

⁸ <http://www.actuaries.org.uk/sites/all/files/documents/pdf/20150122-aps-x2-final-version.pdf>

⁹ <http://www.actuaries.org.uk/sites/all/files/documents/pdf/aps-x2guidance-review-actuarial-work.pdf>

Officers under the Solvency II regime). Organisations will be expected to identify such roles and to ensure that there are adequate checking and review processes in place, recognising the particular importance of those roles. It may be that specific policies and procedures are appropriate for such work.

- 3.4.7 Checking that inputs are appropriate as well as outputs is also something that is likely to be important in a robust review process.
- 3.4.8 Ensuring that the reviewing process is appropriately documented and, in particular, that the date and name of the individual carrying out the review is recorded can assist in terms of being able to explain the rationale for review processes applied and also provide an audit trail.
- 3.4.9 Standard forms and templates can also help to ensure that employees consider all relevant aspects of the review; however taking a more superficial tick box approach is unlikely to yield the same positive benefits in terms of quality assurance as applying a more meaningful review process.
- 3.4.10 Internal audit or periodic file reviews may help to highlight matters of concern before they have an adverse impact or, if they are reviewed after work has been completed and issued, to flag up learning points and lessons for the future.
- 3.4.11 Organisations might also find it helpful, in terms of identifying issues, for work to be checked before review so that there is a 'do, check, review' process applied. Depending on the extent to which calculations are automated, this check might include: checking inputs, checking calculations or checking a sample of outputs.

4. Policies and Procedures - Conflicts of Interest

- 4.1 APS QA1 requires Organisations to maintain and apply appropriate policies and procedures in a number of areas, including in relation to conflicts of interest, and the Appendix to APS QA1 sets out the following outcome:

Members employed by the Organisation are able to identify, manage and, where possible and appropriate, reconcile actual and potential conflicts of interest.

- 4.2 Good practice is likely to involve the Organisation having in place processes and procedures to assist Members with the following issues:
 - identifying (potential) conflicts of interest which arise and handling those appropriately;
 - reconciling such conflicts where it is possible and appropriate to do so;
 - taking and communicating appropriate decisions in relation to conflicts (or potential conflicts) of interest, once identified including, critically, as to whether it is, in the circumstances, appropriate to act (or to continue to act); and
 - declining to act where it is not possible to reconcile a conflict of interest.

- 4.3 The starting point in relation to the consideration of conflicts of interest, in respect of individual Members, is principle 3 of the Actuaries' Code¹⁰ which imposes requirements on individual members in relation to impartiality and not allowing 'bias, conflict of interest, or the undue influence of others' to override professional judgement. There are also specific conflicts of interest requirements imposed upon certain Members in terms of APS P1: Duties and Responsibilities of Members Undertaking Work in Relation to Pension Schemes.¹¹
- 4.4 It is important that Organisations have in place policies and procedures which support these professional obligations. Assistance with developing such policies and procedures can be found in the separate guidance on conflicts of interest published by the IFoA, to which Organisations are referred. This includes guidance for actuaries,¹² employers¹³ and trustees.¹⁴
- 4.5 In terms of other resources, the Conflicts of Interest Toolkit is a package of material intended to support Organisations' own in-house training and Continuing Professional Development (CPD) in relation to conflicts of interest. The IFoA has additionally published a range of CPD training material in relation to conflicts of interest which is available to Members on its website.¹⁵
- 4.6 In order to achieve the outcomes in APS QA1 in relation to conflicts of interest, Organisations might want to consider organising regular training for employees on conflicts of interest. There is material available from the IFoA to assist with this training.

5. Policies and Procedures - Development and Training of Members

- 5.1 APS QA1 requires Organisations to maintain and apply appropriate policies and procedures in relation to the development and training of Members. In this respect, paragraph 4 of the Appendix to APS QA1 sets out the outcome that those policies and procedures are designed to achieve:

The Organisation supports and facilitates the development and training of Members to maintain competence appropriate to their role and level of responsibility.

¹⁰ <http://www.actuaries.org.uk/research-and-resources/documents/actuaries-code-v-20>

¹¹ http://www.actuaries.org.uk/APS_P1_version_2

¹² http://www.actuaries.org.uk/Conflicts_of_Interest_Guide_for_Actuaries_version_1.1

¹³ <http://www.actuaries.org.uk/research-and-resources/documents/conflicts-interest-guide-employers-actuaries>

¹⁴ http://www.actuaries.org.uk/Conflicts_of_Interest_Note_for_Pension_Scheme_Trustees_version_1.1

¹⁵ <http://www.actuaries.org.uk/members/pages/continuing-professional-development-scheme>

- 5.2 In order to achieve this outcome, there is a range of steps that the Organisation can take in terms of its policies and procedures including:
- dedicating appropriate time and resource to the development of student Members;
 - actively and effectively supporting Members in keeping their competence up to date and in meeting the IFoA's requirements in relation to CPD and Professional Skills Training;
 - having in place an appropriately structured environment which facilitates the identification and fulfilment of individual learning objectives, in relation to:
 - technical knowledge and understanding;
 - professionalism;
 - relevant skill sets.
- 5.3 There is a range of requirements imposed upon individual Members by the IFoA in relation to competence and care, and adequate and appropriate training and development is a key part of ensuring that Members are able to meet those. Principle 2 of the Actuaries' Code states that "*members will perform their professional duties competently and with care*", and that they "*will not act unless:*
- a) *They have an appropriate level of relevant knowledge and skill.*
 - b) *They are acting on the advice of an individual who has the appropriate level of relevant knowledge and skill and all interested parties are aware that this is the case.*
or
 - c) *They are acting under the direct supervision of another member who is taking professional responsibility for that work."*
- 5.4 Further, paragraph 2.7 of the Actuaries' Code requires that, "*Members will keep their competence up to date.*"
- 5.5 The IFoA has published separately its CPD Scheme¹⁶ and Professional Skills Training Handbook,¹⁷ setting out formal requirements in relation to the undertaking of professional development. The Professional Skills Training Handbook applies to all Members, including students, whereas the CPD Scheme does not apply to students, who are subject to the IFoA's examination and Work Based Skills frameworks, as part of the qualification process.
- 5.6 The objective set out in APS QA1 in relation to development and training is focused on the importance of ensuring that Organisations foster and maintain an environment conducive to effective learning and professional development for Members.

¹⁶ <http://www.actuaries.org.uk/members/pages/continuing-professional-development-scheme>

¹⁷ <http://www.actuaries.org.uk/regulation/pages/professional-skills-training>

- 5.7 Organisations are required to support and encourage professional development and training in a way which encourages and enables Members of the IFoA to fulfil their formal obligations in relation to CPD, Professional Skills Training and the requirements for obtaining the IFoA's practising certificates.
- 5.8 Part of the effective development and training of Members might also include taking steps to ensure that there are no barriers to progression and development which relate to characteristics such as age, disability, race, sex, religion or belief, sexual orientation, gender reassignment and pregnancy/maternity. This is in addition to legal requirements imposed on Employers in terms of equalities legislation and case law.
- 5.9 There are different ways in which Organisations can meet the requirements in relation to development and training depending on the type of Members involved.
- 5.10 In relation to student Members, employed by Organisations, they are expected to dedicate appropriate time and resource to:
- the identification of learning objectives;
 - the opportunity for development through a range of relevant work experience;
 - the provision of appropriate training and support (whether delivered in-house or sourced externally);
 - regular monitoring, appraisal and feedback;
 - specific support to students in developing their understanding of professional ethics, including in undertaking applicable elements of the IFoA's Professional Skills Training regime.
- 5.11 In relation to the development of qualified Members they employ Organisations are expected to have in place a structure that allows for:
- development needs to be identified;
 - development opportunities to be provided;
 - the progress and development of individuals against their objectives to be monitored;
 - professional development and training appraised and objectives reviewed at regular intervals.
- 5.12 These principles are intended to complement the more formal Work Based Skills accreditation programme, in terms of which Organisations may seek separate accreditation.¹⁸

¹⁸ see <http://www.actuaries.org.uk/students/pages/work-based-skills-accreditation-employers> for more information

- 5.13 The IFoA operates a practising certificates regime applicable to those undertaking, or wishing to undertake, certain reserved roles.¹⁹ Organisations are expected to provide appropriate support to Members undertaking reserved roles, or who wish to do so, in ensuring that:
- they are properly prepared for and have appropriate experience before applying for a practising certificate;
 - once practising certificate holders, they continue to receive appropriate support in relation to their ongoing development and that they continue to have the relevant experience and skills necessary to undertake these roles;
 - their individual (and sometimes statutory) responsibilities as practising certificate holders are recognised within the Organisation. This may include, for example, ensuring that they are appropriately supported with professional issues which may be more likely to arise in that role such as the potential for conflicts of interest between the responsibilities of a practising certificate holder and the interests of his or her Organisation.
- 5.14 Organisations might find it helpful to include consideration of training needs and opportunities when reviewing employees' personal development plans. In particular, this might include consideration of whether professional development and CPD requirements have been met.
- 5.15 Organisations are also encouraged to support Members who wish to become involved in volunteer activities of the IFoA. This might include activities in relation to research or thought leadership, to the development and/or delivery of training for other Members, or to serving on a relevant committee responsible for the development of policy or a particular practice area.

6. Speaking Up

- 6.1 APS QA1 requires that Organisations maintain and apply appropriate policies and procedures in relation to Members speaking up where they identify issues of concern. Those policies and procedures must be designed to achieve the following outcome:

An environment is fostered in which Members feel able to speak up where they have concerns of a professional nature in relation to Actuarial Work.

- 6.2 In order to attain this outcome, it will be important that Organisations communicate and apply a clear and appropriate mechanism by which Members may raise concerns of a professional nature in relation to work undertaken by the Organisation, its staff or customers/clients.
- 6.3 By promoting a safe and supportive environment in which employees feel able to raise concerns, Organisations can seek to ensure that they will become aware of any issues, and

¹⁹ <http://www.actuaries.org.uk/regulation/pages/statutory-roles-and-criteria-practising-certificates>

have an opportunity to put them right, before they have an adverse impact on the Organisation, employees, clients or others.

- 6.4 Principle 4 of the Actuaries' Code²⁰ sets out specific obligations in relation to speaking up and Organisations should ensure that the working environment is such that Members are able to comply with those requirements.
- 6.5 Good practice is likely to involve Organisations ensuring that there is a clear and easily accessible procedure in place for employees to follow when raising concerns and that there is a good understanding of this among employees. It would also include taking steps to help employees feel empowered and encouraged to raise concerns, with the expectation that any issues raised will be treated seriously, confidentially and fairly.
- 6.6 It is important that policies are embedded in the culture of the Organisation. In particular, Organisations should consider whether there are training needs that need to be addressed or whether an independent survey of employee attitudes to whistleblowing, undertaken from time to time, may assist with measuring the effectiveness of their procedures.
- 6.7 Further guidance in relation to maintaining and applying appropriate policies and procedures in relation to speaking up can be found in the IFoA publication *Whistleblowing: A guide for employers of actuaries*.²¹
- 6.8 Senior Representatives who are Members of the IFoA have obligations under the Actuaries' Code to raise and/or report concerns, as set out above. Non-members who belong to a panel of people who fulfil the Senior Representative role within an Organisation or on behalf of a group of Organisations are not subject to those requirements (although they may be subject to similar requirements of other professional bodies).
- 6.9 While it is a matter for the individual to consider whether it is appropriate to raise any concerns relating to compliance with the requirements of APS QA1 internally within their Organisation, there is an expectation that those who have the status of Senior Representative within an accredited Organisation will be more active in terms of promoting compliance with the requirements of APS QA1.

7. Clear and Appropriate Engagement and Communication

- 7.1 There is also a requirement in APS QA1 that Organisations have policies and procedures designed to achieve the outcome of:

Clear and appropriate engagement and communication with Users.

²⁰ <http://www.actuaries.org.uk/research-and-resources/documents/actuaries-code-v-20>

²¹ <http://www.actuaries.org.uk/research-and-resources/documents/professional-regulation-executive-committee-2011-whistleblowing-g-2>

- 7.2 This outcome is vital in achieving client satisfaction, safeguarding the Organisation's reputation and maintaining public confidence in Actuarial Work. Even when difficulties arise, timely communications and managing expectations can help to ensure that Users remain happy with the work being carried out and the risk of complaints and litigation is minimised.
- 7.3 There are a number of steps which Organisations can take to help achieve this outcome, including:
- putting in place monitoring systems to test the effectiveness of communications with Users;
 - dealing appropriately with the management, retention and destruction of files and data relating to Actuarial Work;
 - ensuring that Actuarial Work is only undertaken in circumstances where the Organisation has at its disposal the relevant skills, knowledge and resource necessary to satisfy the reasonable expectations of the User;
 - respecting client confidentiality.
- 7.4 When contracting to carry out Actuarial Work, the Organisation is expected to have a clear understanding of who the client is.
- 7.5 This outcome is likely to require mutual understanding, from the outset, of the scope of the relationship with the client including, importantly, any limitations on it. If possible, prior to commencing work, this should be set out in writing, together with the terms of business with the Organisation satisfied that the client understands the terms of the engagement. This is important in managing client expectations, in particular in relation to fees, the frequency of communications and the outputs of the work. It may also help in terms of ensuring that the work carried out doesn't go beyond what the user requires or expects. It also reflects the requirements of principles 2.5 and 2.6 of the Actuaries' Code in relation to individual Members.
- 7.6 If it is necessary to withdraw from acting for the client, Organisations will be expected to communicate this to the client orally and, ideally, also in writing, with an explanation for the withdrawal. It is important that the Organisation is satisfied that there is good reason for withdrawing from the engagement and this is communicated to the client as soon as is reasonably practicable. A particular issue for Organisations to consider is whether it is appropriate to continue to act for the client until the client is able to instruct an alternative Organisation.
- 7.7 Before accepting or undertaking a piece of work, it will be important that Organisations have considered whether they have the relevant skills, knowledge and resource to complete the piece of work in line with the scope agreed and within the timeframe expected by the User. Principle 2.2 of the Actuaries' Code states that Members will not act unless they have an appropriate level of relevant knowledge and skill. It is good practice also to have a process in place to review this during the course of the instruction to ensure that remains the case.

- 7.8 Principle 5.1 of the Actuaries' Code also requires Members to ensure that their communications, both oral and written, are clear and timely and that the method of communication is appropriate. This is a principle that the Organisation would also be expected to apply in achieving the outcome noted above. Some examples of good practice for communications are:
- avoiding language that is unclear;
 - ensuring communications are appropriate for the intended audience and that the User is able to understand their contents;
 - keeping information relevant and concise but also complete.
- 7.9 Principle 5.3 of the Actuaries' Code states that communication should be "*accurate and not misleading, and contain[s] sufficient information to enable its subject matter to be put in proper context.*"
- 7.10 Organisations might consider whether the User is vulnerable and be aware of any language barriers or comprehension difficulties. Providing Users with appropriate contact details in the event that they have any queries regarding the work being carried out might also assist in promoting good communication and engagement.
- 7.11 Organisations should be open to receiving feedback from Users and should have a process in place to allow comments received from Users to be considered and, if appropriate, acted upon. Regular file reviews may be implemented to help to ensure that communications with Users are timely and appropriate.
- 7.12 It is important that Organisations are also aware of their obligations in relation to confidentiality. Further guidance in relation to confidentiality can be found in the IFoA's Conflicts of Interest Guide.²²

8. The Handling of Issues Raised in relation to Members or Actuarial Work

- 8.1 No matter how high an Organisation's standards of competence and care, it is likely that concerns will be raised at some point about work or about particular individuals. APS QA1 includes the following outcome:

Any concerns raised with the Organisation or the IFoA in relation to Members or Actuarial Work are appropriately identified, addressed and where possible resolved.

- 8.2 In many cases, clear and timely communication can help to avoid issues being raised at all but where they are, it is important that Organisations have in place processes which ensure that they are managed effectively in order to minimise the risk of further regulatory or legal action, and that appropriate engagement and responsiveness are demonstrated to the client.

²² http://www.actuaries.org.uk/Conflicts_of_Interest_Guide_for_Actuaries_version_1.1

8.3 A number of steps can be taken by Organisations to achieve this outcome:

- create a clear and appropriate mechanism by which complaints about Actuarial Work are considered and addressed;
- maintain and apply policies and procedures in relation to handling complaints about matters regarding Members or Actuarial Work;
- take clear and appropriate action to address any deficiencies or shortcomings that are identified in relation to its Actuarial Work;
- report professional issues promptly to the IFoA, and/or other relevant regulatory bodies;
- seek to provide assurance to Users that appropriate safeguards are in place to protect their interests in the event of the Organisation's negligence, for example by maintaining Professional Indemnity Insurance.

8.4 Effective complaints handling procedures can also help to improve business practices ensure client satisfaction and enhance the Organisation's reputation. As such, Organisations are encouraged to seek feedback and to resist viewing any complaints as a personal attack on an individual or the business.

8.5 The investigation of issues or complaints raised can also be used as a tool for identifying deficiencies or shortcomings in relation to the Organisation's practices and determining whether policies or procedures need to be amended or whether there are any training and development needs that should be addressed.

8.6 Examples of good practice attributes in relation to complaints include:

- easily accessible and well publicised complaints procedure, to ensure that potential complainants know how they can raise issues;
- employees with a good understanding of the procedures;
- thorough, expedient and objective investigations;
- adequate resource available to deal with complaints that are raised;
- involvement of a senior employee with appropriate experience and competence in the investigation of the matter;
- the details of the client and/or any employees handled sensitively;
- a final response with details of the complaint, an outline of the investigation and its findings and, if appropriate, an offer of remedy and how the client can accept this;
- where possible, remedies capable of meeting the needs of the person raising the issue;
- further avenues of appeal highlighted (including any internal appeals process, mediation, a regulator, including referral to the IFoA, or an ombudsman service, such as the Financial Ombudsman Service or the Pensions Ombudsman).

- 8.7 Principle 5.1 of the Actuaries' Code places requirements on Members in relation to communication. Effective communication can help to resolve issues quickly and reassure the person raising concerns that they are being properly addressed. Correspondence with clear and straightforward language that is tailored to the individual issue may assist with this outcome as can keeping those who raised the issue advised of progress and provided with an explanation if the matter is taking longer than anticipated.
- 8.8 If someone wishes to complain about the conduct of a Member, they may refer an allegation to the IFoA's Disciplinary Investigation Team (disciplinaryenquiries@actuaries.org.uk). Members have obligations under the Actuaries' Code to report any matter which appears to constitute misconduct or a material breach of any relevant legal, regulatory or professional requirements under the relevant disciplinary schemes. This includes an obligation on a Member to self report where they are responsible for the breach. Organisations will be expected to support their employees in such circumstances.
- 8.9 Organisations will also be expected to bring the matter to the attention of the relevant authority in the event that the Member fails to do so. Section 1.1.3 of APS QA1 requires Organisations to cooperate with any reasonable request for information and explanation from relevant regulatory bodies, including the IFoA.

9 Professional Indemnity Insurance (PII)

- 9.1 PII is insurance that covers civil liability claims arising from the work undertaken by professionals, including actuaries. These claims most commonly involve allegations of professional negligence.
- 9.2 PII increases Organisations' and individual Members' financial security and serves an important public interest function by covering civil liability claims, including certain defence costs and civil awards (damages) made against an Organisation or individual arising from professional negligence claims.
- 9.3 PII additionally provides assurance to the public that it should not suffer loss arising from professional negligence, for which compensation might not otherwise be available. This in turn helps to reinforce public confidence in Actuarial Work and the profession as a whole.
- 9.4 For these reasons, where not already in place, Organisations may wish to consider taking out PII.

C. APPLICATION PROCESS FOR ACCREDITATION

10 Introduction

- 10.1 Organisations (or parts of Organisations) that wish to seek accreditation under the QAS can do so by completing the application form.²³ Receipt of that form will lead to the commencement of an assessment process as to whether the applicant is suitable for accreditation. Once accredited, Organisations will be subject to a monitoring programme.
- 10.2 The purpose of the assessment and monitoring function is to assess the extent to which Applicants are achieving the requirements contained in sections 1 and 2 of APS QA1 and the outcomes set out in its Appendix, and to provide feedback to Applicants as to how they might achieve, or continue to achieve, those outcomes.

11 Initial Application Form

- 11.1 Applicants will be required to submit a completed application form in order to be considered for QAS status. They will be asked to describe how they consider that they achieve the outcomes set out in section 2 and the appendix of APS QA1 and invited to produce appropriate documentary evidence in support of their application, which might include copies of written policies and procedures.
- 11.2 The application form for accreditation under the QAS is designed to capture the information about the Organisation (or relevant part of the Organisation) considered relevant to the demonstration of the outcomes set out in APS QA1.
- 11.3 The Institute and Faculty of Actuaries (IFoA) has engaged an independent body to conduct the assessment and monitoring activities for the QAS (the Assessment Team). The basic information requested at section 1 of the application form is designed to inform the IFoA about the Applicant and to help the Assessment Team to tailor the assessment visit appropriately.
- 11.4 Further information on how to complete that application is contained in the Explanatory Drafting Notes contained within the application form itself.
- 11.5 Applicants are invited to include details of other relevant marks or accreditations held by them at the time of the application and that information may be considered when the Assessment Team is carrying out their assessment. In providing this information, applicants should include evidence of their relevant mark or accreditation award, with complete information regarding the findings or conclusions from their last relevant assessment and/or, where applicable, inspection or assessment visit.
- 11.6 The Organisation must make clear whether accreditation is sought for the Organisation in its entirety, or for a clearly defined part of the Organisation. The QAS is currently only available in respect of Actuarial Work carried out in relation to the UK.

²³ Found at Appendix 2

- 11.7 Applications will not be judged solely on the basis of the information submitted in the application form and, indeed, a lack of documented policies or procedures would not necessarily of itself preclude an Organisation (or part of it) from gaining accreditation under the QAS.
- 11.8 Given the differing sizes and structures of Organisations which may seek accreditation, we consider that assessment visits offer the best opportunity to assess the effectiveness of the measures employed to achieve the outcomes set out in APS QA1.
- 11.9 The application will be reviewed, to ensure it is complete, by the Executive team at the IFoA and the QAS Executive team will be able to discuss any queries you may have in relation to your application.²⁴ If there are any issues identified in relation to the application at this stage, the Executive team may contact the Applicant to obtain further clarification or discuss those issues before the application is progressed further.
- 11.10 Otherwise provided that the relevant fee has been paid, the application will be referred to the Assessment Team.

²⁴ Contact details can be found at section 21

D. ASSESSMENT OF APPLICATIONS, DECISIONS AND APPEALS

12 The Assessment of Applications

- 12.1 The Assessment Team is an independent entity engaged by the IFoA to conduct the assessment and monitoring function of the QAS. It will review the application and any supporting documentation produced and contact the Organisation to organise a planning meeting (which may take between half a day and a full day or may be done by conference call, where appropriate) at which they will:
- arrange a mutually convenient time for the assessment visit;
 - agree which office(s), where applicable, will be visited;
 - discuss, and where appropriate agree, which individuals will be interviewed (selected at the discretion of the Assessment Team with input from the Organisation);
 - request any further information necessary following the Assessment Team's review of the application.
- 12.2 The assessment process will be tailored to each Organisation by the Assessment Team. In particular, the length of the assessment visit and the specific process followed, including the choice of individuals interviewed and offices visited, will be a matter for the judgement of the Assessment Team and agreed with the Organisation.
- 12.3 Normally, however, the initial accreditation assessment visit might be expected to take between one and five days depending upon the size of the Organisation (or relevant part of the Organisation) seeking accreditation. Organisations will be able to discuss the likely length of the visit at the planning meeting.
- 12.4 The focus of the assessment visit will be on interviews conducted with relevant staff. The individuals selected for interview will be determined by the Assessment Team following discussions with the Organisation during the planning meeting (or call).
- 12.5 These might include a combination of any or all of the following categories of staff:
- the nominated Senior Representative (or one or more of the group, if applicable);
 - the person with overall responsibility for the Actuarial Work undertaken by the Organisation or relevant part of the Organisation;
 - actuaries with direct client responsibility;
 - actuarial and/or non-actuarial staff supporting the delivery of Actuarial Work.
- 12.6 These interviews will be consultative in tone and aim to help Organisations to demonstrate achievement of the outcomes set out in APS QA1. The Assessment Team will be open-minded as to the variety of ways in which those outcomes might reasonably be achieved, as befitting the circumstances of the Organisation in question. The emphasis will be on the existence of appropriate policies and procedures in accordance with section 2 of APS QA1 as well as the extent to which those policies and procedures are properly understood and consistently and effectively applied.

- 12.7 Evidence may be sought and produced as to the application of those policies and procedures, including evidence from client files. The purpose will, however, be to obtain evidence of the application of the policies and procedures, not to audit the quality of the work itself. The Assessment Team will not require evidence to be produced from files where confidentiality or the terms of business with the client in question would prohibit you from doing so. Confidentiality is dealt with in more detail in the Participation Terms and Conditions.
- 12.8 The Assessment Team are under obligations in relation to confidentiality and will treat any information received as confidential and where evidence of the application of policies and procedures is provided from client files, only the fact of the evidence, not the detail of the file or client name, will be included in the report of the visit.

13 Feedback Report

- 13.1 On completion of the assessment visit, the Assessment Team will produce a written report of the visit, and of their findings. The report will include feedback directed at the Organisation and a recommendation to the IFoA as to whether the Organisation is ready to attain accreditation, with reasons for that recommendation.
- 13.2 This report, setting out findings, feedback and the recommendation will be shared in draft and discussed with the applicant. The applicant will have the opportunity to provide further information or clarification which may be taken into account by the Assessment Team in finalising the report.
- 13.3 In general, Organisations will only be considered to be eligible for accreditation where they are substantively fulfilling the requirements and outcomes set out in APS QA1. Where the recommendation is that the Organisation is not yet ready for accreditation, the report will seek to specify the steps which it is envisaged will need to be undertaken in order to obtain accreditation.
- 13.4 In addition to assessing whether the Organisation is meeting the requirements of APS QA1, the feedback provided by the Assessment Team is also intended to add value for the Organisation by providing useful suggestions in relation to its policies and procedures and providing helpful suggestions for any areas for development. For that purpose, the Assessment Team might provide an opportunity for an additional, more informal feedback session where that would be helpful.

14 Decision (including appeals process)

- 14.1 The final report in relation to an initial application for accreditation or an application for re-accreditation will be submitted to the QAS Sub Committee, which will consider the report and recommendation and determine whether or not to grant accreditation. The QAS Sub Committee may seek further information or clarification from the Assessment Team and/or the applicant Organisation.

- 14.2 The QAS Sub Committee may, in considering an application for accreditation, decide to (and may do so by a majority):
- grant accreditation;
 - refuse accreditation; or
 - grant accreditation conditional upon the fulfilment of certain specified steps necessary to achieve the standard required for accreditation, within a defined time period.
- 14.3 To the extent that accreditation is refused, written reasons will be given and applicants will be entitled to reapply, once in a position to do so.
- 14.4 If dissatisfied with a decision of the QAS Sub Committee to refuse accreditation, or to grant conditional accreditation, applicants may choose to appeal the decision. A copy of the appeals process will be provided to applicants where such a decision is taken. That process is also available on request.
- 14.5 Members of the QAS Sub Committee are also subject to confidentiality obligations.

15 Senior Quality Assurance Representative(s)

- 15.1 Organisations are also required to nominate a Senior Quality Assurance Representative or group of Senior Representatives (Senior Representative).
- 15.2 If an individual is nominated then they must be a Member. If a group is proposed then at least one of the individuals nominated must be a Member and a Lead Senior Representative should also be identified. The individual or group of individuals proposed may be interviewed in the course of the assessment visit.
- 15.3 This role is considered to be more than simply an appointed contact within the Organisation and, indeed, the nominated key contact might be a different person. Individuals (or the panel) proposed for this position should, either individually or as a group, have a level of seniority or a position which affords them:
- direct access to the board or decision-making function of the Organisation;
 - the ability to influence the operational management of the Organisation.
- 15.4 At the stage of determining whether or not to award the accreditation, the QAS Sub Committee will also consider the individual or group proposed, including any recommendation made in light of the assessment interview(s).
- 15.5 As it is necessary to have a suitable Senior Representative appointed at the time of accreditation, where the QAS Sub Committee does not consider that the individual or one of the group being proposed for the role of Senior Representative has an appropriate level of experience or seniority or is otherwise unsuitable for the role, it will raise this with the Applicant and they will be asked to nominate another individual.
- 15.6 Applicants are asked to complete the information at section 2 of the Application Form for each Senior Representative in order to assist both the Assessment Team to consider and,

where deemed appropriate, interview the individual(s) proposed and the QAS Sub Committee to make a decision on the approval of their appointment. In particular, it will be helpful to understand why those nominated are considered to have the appropriate seniority and knowledge to undertake the role.

- 15.7 Senior Representatives do not have any individual obligations to the IFoA over and above their professional obligations as a Member (where applicable). However, they will be expected to actively promote the APS QA1 objectives within their Organisation.

16 Annual Return

- 16.1 Accredited Organisations or relevant departments will be required to complete a short annual return each year, the purpose of which will be as follows:

- to confirm whether there have been any significant changes to relevant personnel ie those who provide direct support in relation to the Applicant's Actuarial Work or the Senior Representative(s) or to the Organisation's structure since the last visit (whether initial assessment or periodic monitoring visit), or last annual return, as applicable and, if so, to explain the nature of those changes;
- to provide details of any material changes to the policies or procedures relied upon for the purposes of the accreditation, or to the way in which they are applied or any such anticipated changes;
- to confirm the identity of the Organisation's Senior Representative(s) for the following year (and to submit for approval any new nomination(s) for this role);
- to notify the IFoA of any material issues relating to or arising from the application of the relevant policies and procedures.

- 16.2 Where an Organisation wishes to amend the scope of its QAS accreditation (either to add to or reduce the scope) then this should be set out in the Annual Return Form. It should be made clear precisely the part of the Organisation for which QAS status is being sought.

- 16.3 Where a change is proposed to the Senior Representative(s) full details (as required for initial applications) should be provided.

- 16.4 Accreditation will be renewed on an annual basis, subject to:

- submission of the Annual Return, to the satisfaction of the IFoA;
- successful completion of the assessment visit or most recent monitoring visit;
- payment of the relevant annual fee;
- approval of the Senior Representative(s) by the QAS Sub Committee.

17 Notification Obligations

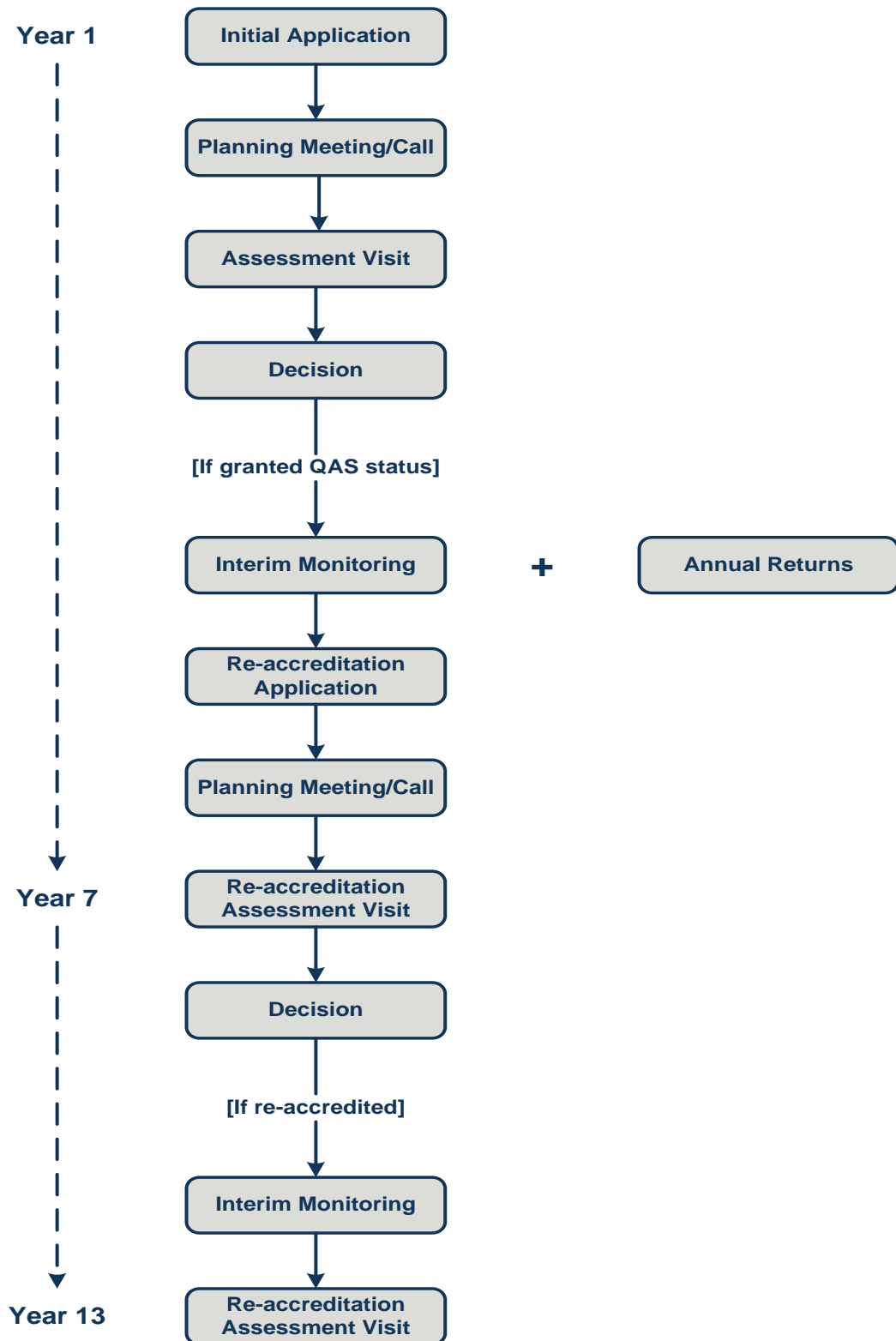
- 17.1 Notwithstanding the obligation to report significant or material changes in the Annual Return, accredited Organisations will be expected, on an ongoing basis, to notify the IFoA of any significant changes to:
- their relevant personnel (ie those involved in the production of Actuarial Work or the Senior Representative(s));
 - their Organisational structure;
 - the policies and procedures relied upon for the purposes of their accreditation, or, the way in which those policies and procedures are applied.
- 17.2 We would consider that a change of key actuarial staff, for example, the departure of the Senior Actuary, would be a material change to an Organisation's personnel.
- 17.3 Accredited Organisations must also notify the IFoA of any other significant change or development which might reasonably be considered relevant to their accreditation.
- 17.4 Such notification should normally be in the form of an email addressed to QAS@actuaries.org.uk. Where you are uncertain whether or not to make a report, you should have an initial telephone conversation with your contact within the Executive team at the IFoA.
- 17.5 All such notifications will be brought to the attention of the QAS Sub Committee, which may elect to seek further information and, in appropriate cases, to arrange a subsequent monitoring visit.

18 Subsequent Monitoring

- 18.1 All accredited Organisations will be subject to ongoing periodic monitoring visits. It is likely that there will be one interim monitoring visit and that this will take place three years after accreditation is granted with a full re-assessment visit required after six years. However, the frequency of these visits will be determined by the QAS Sub Committee and may be deemed appropriate after a shorter period of time, having regard to all of the circumstances, including:
- the report on the last assessment or monitoring visit;
 - any formal notifications provided to the IFoA by the accredited Organisation;
 - information provided in annual return(s);
 - any information otherwise received by the IFoA regarding the accredited Organisation.
- 18.2 The QAS Sub Committee may, at its discretion, require a monitoring visit to be undertaken at any time on giving reasonable notice to the accredited Organisation. In circumstances where the QAS Sub Committee exercises its discretion to require a monitoring visit, the IFoA will aim to give at least four weeks' notice.

- 18.3 The purpose of monitoring visits will be to assess the extent to which you continue to meet the requirements and outcomes set out in APS QA1. It will follow a process similar to the initial assessment visit and the Assessment Team will have regard to the report on the assessment visit or previous monitoring visit, which may inform the focus of the visit. It may be that subsequent monitoring visits are conducted at different offices of the Organisation within the scope of the accreditation.
- 18.4 A report will again be compiled by the Assessment Team and shared in draft with you before being finalised and submitted to the QAS Sub Committee for consideration. The QAS Sub Committee will determine, following each such monitoring visit, whether or not the accredited Organisation continues to merit accreditation.
- 18.5 If the QAS Sub Committee becomes aware of issues (either as a result of a monitoring visit or otherwise) which call into question an accredited Organisation's ability to meet the requirements of APS QA1 then it shall take reasonable steps to investigate those issues. Those steps may involve any or all of the following:
- it may require the Organisation's Senior Representative(s) to discuss the issues with the IFoA's QAS Executive Team;
 - it may, on giving notice, require a discretionary monitoring visit (as described at 18.2 above);
 - it may require the Organisation to provide a response and/or explanation (including, where reasonably requested, further information) to the QAS Sub Committee.
- 18.6 If after taking reasonable steps to investigate in terms of 18.5 above and giving the Organisation a fair and reasonable opportunity to respond to any issues raised, the QAS Sub Committee determines that the Organisation is not meeting or has failed to meet the requirements of APS QA1, it may take any one or more of the following steps:
- provide the Organisation with guidance and advice in relation to the requirements of APS QA1;
 - remove the Organisation's QAS accreditation;
 - require the Organisation to complete certain actions within a specified timescale, failing which accreditation will be removed.
- 18.7 Where the QAS Sub Committee makes a determination under paragraph 18.6, written reasons will be provided and the Organisation will be able to appeal that decision. A copy of the Appeals process will be provided to Organisations where such a decision is taken. That process is also available on request.

19 Summary of the Process



E. Contact Us

20 Other Sources of Guidance

- 20.1 The IFoA offers a confidential Professional Support Service²⁵ to assist Members with professional and ethical matters. Queries from Organisations in respect of their obligations under APS QA1 should be raised with the IFoA's Quality Assurance Team, at the address noted at section 21.1 of this guide.

21 Do you have any Comments?

- 21.1 The content of this guide will be kept under review and for that reason we would be pleased to receive any comments you may wish to offer on it. Any comments should be directed to:

Quality Assurance Scheme
The Institute and Faculty of Actuaries
Level 2, Exchange Crescent
7 Conference Square
Edinburgh
EH3 8RA

or QAS@actuaries.org.uk

²⁵ <http://www.actuaries.org.uk/regulation/pages/professional-support-service-0>

Appendix 1: APS QA1

Appendix 2: Application Form



APS QA1: Quality Assurance Scheme for Organisations

Author: Regulation Board

Status: Approved under the Standards Approval Process

Version: 1.0, effective from 1 September 2015

To be reviewed: No later than 1 September 2018

Purpose: To promote the application by **Organisations** of effective quality controls, in order to assure high quality in relation to **Actuarial Work**.

Authority: Institute and Faculty of Actuaries

Target Audience: This **APS** is intended for use by **QAS Accredited Organisations**.

Wider adoption by other **Organisations** is strongly encouraged.

Although the requirements of this **APS** do not apply to **Members** as individuals this **APS** is relevant to, and may have professional implications for, **Members** working for **QAS Accredited Organisations** (or for **Organisations** by which this **APS** is adopted).

General Professional Obligations:

All **Members** are reminded of the Status and Purpose preamble to the **Actuaries' Code**, which states that the Code will be taken into account if a Member's conduct is called into question for the purposes of the Institute and Faculty of Actuaries' Disciplinary Scheme. Rule 1.6 of the Disciplinary Scheme states that misconduct:

"means any conduct by a Member in the course of carrying out professional duties or otherwise, constituting failure by that Member to comply with the standards of behaviour, integrity or professional judgement which other Members or the public might reasonably expect of a Member, having regard to any code, standards, advice, guidance, memorandum or statement on professional conduct, practice or duties which may be given and published by the Institute and Faculty of Actuaries and/or by the FRC (including by the former Board for Actuarial Standards)".

In the event of any inconsistency between this **APS** and the **Actuaries' Code**, the Code prevails.

Use of the words “must” and “should”:

This **APS** uses the word “must” to mean a specific mandatory requirement.

In contrast, this **APS** uses the word “should” to indicate that, while the presumption is that **Organisations** comply with the provision in question, it is recognised that there will be some circumstances in which **Organisations** are able to justify non-compliance.

1. Responsibilities of Organisations

1.1 The requirements of this **APS** apply to **QAS Accredited Organisations**, to the extent of their accreditation, although all other **Organisations** are encouraged to follow its requirements.

1.2 **Organisations** must:

1.2.1 Provide appropriate support to **Members** who:

- (i) are employed by;
- (ii) are a partner in; or
- (iii) comprise,

the **Organisation** in question, in complying with the **Actuaries’ Code** and their other professional responsibilities in order to help them achieve high quality **Actuarial Work**;

1.2.2 Demonstrate commitment to the quality of **Actuarial Work**; and

1.2.3 Co-operate with any reasonable request for information and explanation from relevant regulatory bodies, including (but not limited to) the **IFoA**.

2. Good practice policies and procedures

2.1 **Organisations** must maintain and apply appropriate policies and procedures designed to achieve the outcomes in the Appendix to this **APS** in relation to each of the following areas regarding its **Actuarial Work**:

2.1.1 Quality assurance (including **Work Review**);

2.1.2 Conflicts of interest;

2.1.4 The development and training of **Members**;

2.1.5 **Members** speaking up where they identify issues of concern;

2.1.6 Their relationship with **Users** including:

2.1.6.1 engagement and communication; and

2.1.6.2 handling and appropriate resolution of concerns raised with **Organisations** or the **IFoA** in relation to **Members** or **Actuarial Work**.

- 2.2 **Organisations** must take reasonable steps to ensure that the policies and procedures required under paragraph 2.1 are applied, appropriately documented and meet the following requirements:
- 2.2.1 they are applied within the context of a clearly defined structure of leadership and operational responsibilities in relation to the assurance of actuarial quality;
 - 2.2.2 they are clearly communicated and understood across the **Organisation**;
 - 2.2.3 they serve to promote action to remedy deficiencies, where work is found to fall short of relevant quality standards.
- 2.3 **Organisations** must take reasonable steps to monitor regularly (i) the extent to which the outcomes set out in the Appendix to this **APS** are achieved; and (ii) the effectiveness of the policies and procedures required in terms of paragraph 2.1, and to identify and act upon areas for improvement.

Definitions Appendix

Term	Definition
Actuarial Work	Work undertaken by a Member, or for which a Member is responsible, or in which a Member is involved, in their capacity as a person with actuarial skills on which the intended recipient of that work is entitled to rely. This may include carrying out calculations, modelling or the rendering of advice, recommendations, findings, or opinions.
Actuaries' Code	The ethical code for Members issued by the Institute and Faculty of Actuaries.
APS	Actuarial Profession Standard issued by the Institute and Faculty of Actuaries.
Independent Peer Review	Work Review undertaken by one or more individual(s) who is, or are, not otherwise involved in the work in question and who would have had the appropriate experience and expertise to take responsibility for the work themselves.
IFoA	Institute and Faculty of Actuaries
Member	A member, of any category, of the IFoA.
Mandatory Actuarial Standards	Any professional, regulatory or other standards with which Members or Organisations are required to comply including, but not limited to, APSs and technical actuarial standards issued by the Financial Reporting Council.
Organisation	A legal entity, including: <ul style="list-style-type: none">(a) a corporate body;(b) a limited liability partnership;(c) a partnership;(d) a sole practitioner; or(e) a public body, which consists of or employs one or more Members.
Quality Assurance Scheme	The scheme for Organisations operated by the IFoA and known as the Quality Assurance Scheme.
QAS Accredited Organisation	An Organisation, or identifiable part of an Organisation, that is currently accredited by the IFoA in terms of its Quality Assurance Scheme.
User	A legal entity, including a person or a body corporate, for whose use Actuarial Work is produced.
Work Review	Process by which a piece of Actuarial Work (or one or more parts of a piece of Actuarial Work) for which a Member is responsible is considered by at least one other individual for the purpose of providing assurance as to the quality of the work in question.

APPENDIX

Outcomes relevant to good practice, policies and procedures, to which section 2 of this APS refers

This standard aims to promote a working environment which supports **Members** in complying with their professional obligations and in delivering high quality **Actuarial Work**.

1. Quality assurance

- (a) There is appropriate supervision of those undertaking **Actuarial Work**.
- (b) There is compliance with all applicable **Mandatory Actuarial Standards** and other relevant legal and regulatory requirements.
- (c) There is clear, consistent and effective use, as appropriate and proportionate, of **Work Review** including **Independent Peer Review**.

2. Conflicts of interest

Members employed by the **Organisation** are able to identify, manage and, where possible and appropriate, reconcile actual and potential conflicts of interest.

3. The development and training of **Members**

The **Organisation** supports and facilitates the development and training of **Members** to maintain competence appropriate to their role and level of responsibility.

4. Speaking up

There is an environment in which **Members** feel able to speak up where they have concerns of a professional nature in relation to **Actuarial Work**.

5. Relationship with **Users**

- (a) There is clear and appropriate engagement and communication with **Users**.
- (b) Any concerns raised with the **Organisation** or the **IFoA**, about **Members** or **Actuarial Work** are appropriately identified, addressed and, where possible, resolved.



Institute
and Faculty
of Actuaries



Quality Assurance Scheme

Application Form

(including Explanatory Drafting Notes)

August 2016 v2.0

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Please note that the terms defined in APS QA1 are used in this application form.

Data Protection Act 1998: The Institute and Faculty of Actuaries is registered as a Data Controller in terms of the Data Protection Act 1998. By providing the information requested on this form you acknowledge that we will use, process and share the information for any purposes associated with the Quality Assurance Scheme. The information you provide will be held and used in accordance with the Data Protection Act 1998, will be treated in accordance with our data protection policy and only shared with third parties where necessary for the Quality Assurance Scheme.

1. Organisation Profile

Please complete the following information in respect of the Organisation or department, office or business area seeking accreditation (*NOTE 1*):

Organisation name (legal entity/entities as well as, where appropriate, the trading name) and principal place of business:

If applicable, please describe the part of the Organisation seeking accreditation and provide the address of its principal location (if different to the above) (*NOTE 2*):

(**“Applicant”**)

Contact name (*NOTE 3*):

Contact Address:

Telephone number:

Email address:

Please provide a brief summary of the nature of the business or activities carried out by the Organisation including, where appropriate, the business/activities carried out by the part of the Organisation being accredited.

Office Locations

Please state the location(s) of the Applicant's office(s) and provide the number of employees for each office along with an indication of how many of those are Members and how many are non-Members. Please include all offices if more than one (*NOTE 4*).

Location	Number of Members							Number of Non-Members
	IFoA Practising Certificate Holders	Other Fellows	Associates	Students	Certified Actuarial Analysts	Student Actuarial Analysts	Total	
Total per category								

Key areas of work/business

Please set out the different actuarial business areas/departments of the Applicant and indicate (i) the office locations where that business area is conducted and (ii) whether this is a significant area of business or actuarial services function for the Applicant (*NOTE 5*).

Actuarial business areas or departments	Principal office locations for this business area	Please explain whether this is a significant part of the Applicant's business or actuarial function/services.

Other relevant accreditations

Please provide a note of any other relevant accreditations (eg ISO 9001) currently held by the Applicant.

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2. Senior Quality Assurance Representatives

Please confirm the following information in respect of the individual, or group of individuals, being proposed as Senior Quality Assurance Representatives for the Applicant:

Please complete a separate sheet for each individual proposed.

Name:

Position held:

Length of Service:

Number of years since
qualification (if applicable):

Location:

Please explain the qualifications or experience which qualifies the individual(s) to hold post of Senior Quality Assurance Representative (*NOTE 6*).

3. APS QA1

Please provide a short description of the policies, procedures or support in place to assist Members in meeting their professional obligations and in producing high quality work, in relation to each of the following areas:

- quality assurance (including Work Review).
- conflicts of interest.
- the development and training of Members.
- members speaking up where they identify issues of concern.
- relationships with Users including.
 - engagement and communication with Users, and
 - the handling and appropriate resolution of issues raised that relate to Members or Actuarial Work.

Please note that this description may be supplemented by copies of internal policies, procedures, relevant internet or intranet pages which operate to achieve the outcomes of APS QA1. If possible, in order to assist the Assessment Team with planning their visit, copies of policies and procedures should be provided in advance with this application, Alternatively, Applicants may wish to allow the Assessment Team access to those resources in the course of the assessment visit. (*NOTE 7*).

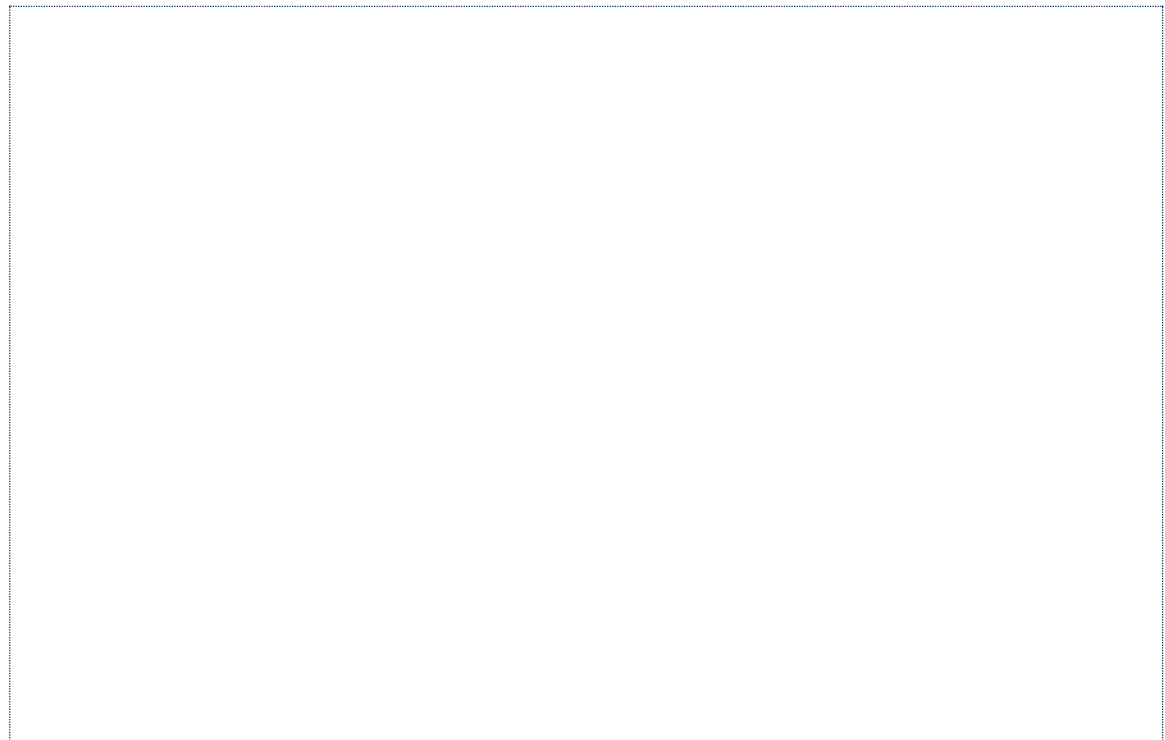
4. Organisational structure

If relevant, please provide an organogram which confirms the Applicant's organisational structure (*NOTE 8*).

A large, empty rectangular box with a dotted border, intended for the Applicant to provide an organogram.

5. Other regulators

Please list details of any other regulators the Applicant reports to in relation to, or which are otherwise relevant to, the Applicant's Actuarial Work (*NOTE 9*).

A large, empty rectangular box with a dotted border, intended for the Applicant to list details of other regulators.

6. Work conducted outside the UK

To the extent that any of the Applicant's work is conducted remotely (ie outside of the UK), please explain how that work relates to the delivery of Actuarial Work in the UK. Please include details of whether any staff work outside of the UK and explain in which of the locations listed in section 1 they work (*NOTE 10*).

7. Other

Please provide any other information which is considered to be relevant to this application for QAS accreditation (*NOTE 11*).

8. Fee category

Please indicate in the relevant box which of the QAS fee categories applies to the Applicant (NOTE 12):

Band 1	
Band 2	
Band 3	

9. Declaration

I confirm that the information supplied in this application is correct to the best of my knowledge and belief.

Signed:

For and on behalf of (the Applicant)

Name:

Role:

Date:

10. Return details

Please return the completed application and supporting documentation to QAS@actuaries.org.uk. (NOTE 13)

APPENDIX 1: EXPLANATORY DRAFTING NOTES FOR COMPLETION OF APPLICATION FORM

Generally

- The application form for accreditation under the Quality Assurance Scheme (QAS) is designed to gather relevant information about the organisation, office or department to be taken into account during the accreditation process.
- Applicants may, if they prefer, submit their application in a separate paper rather than completing the Application Form itself, as long as all of the questions are answered.
- Information should be correct as at the date of application.

Guidance notes for completion of application form (numbers correspond to those in the form itself)

1. Applications can be made in respect of a whole organisation or in respect of a defined part of an Organisation (such as a department, office or business area) as long as (i) it is clearly identifiable as a distinct part of the Organisation; and (ii) the Organisation has its principal place of business, or that defined part of the Organisation is based or located principally, in the United Kingdom). It should be made clear on the application form the extent of the application. When completing these sections, Applicants are asked to clarify the legal entity (or entities) constituting the 'Organisation'.
2. This section should explain how the part of the Organisation being accredited is clearly identifiable as a separate part of the Organisation. It should also set out the relevant legal entity (or entities) making up that part.
3. Applicants are also asked to nominate an individual to be the main point of contact in respect of the application. This person will receive correspondence in relation to the Organisation's accreditation. It may be the individual, or one of the group, nominated as Senior Quality Assurance Representative or it may be a different person.
4. Applicants are asked to provide the geographic locations of the offices in which Actuarial Work is undertaken in order both to provide an understanding of the size and geographic scope of the Organisation and its Actuarial Work, and to inform the selection of a location for the assessment visit, where appropriate. Only the city or town plus the country in which the offices are located are required (for example: 'York, England', 'Cardiff, Wales'). It is not necessary to provide full addresses.
5. This section is designed to understand the key business areas or departments for the Applicant's actuarial work and whether particular key areas are based at certain locations. In explaining whether a business area or department is a significant, the sort of factors to be taken into account will depend on the nature of the Organisation but might include:
 - a. the approximate percentage of income the Applicant derives from that business area (where an Applicant derives income directly from actuarial services);
 - b. the percentage of actuarial staff working in those areas (as a guide, over 25% of total actuarial staff working in a department would be likely to be deemed significant).

6. Details of the sort of qualifications and experience likely to make an individual (or group of individuals) qualified to hold the post of Senior Quality Assurance Representative are set out in the QAS Handbook. Where a group of individuals is proposed then an explanation should also be provided as to how it is intended that the group will work together to fulfil that role. There should be express reference to whether the individual (or individuals) are Members of the IFoA (along with the category of membership held).

Applicants are also asked to complete the information at section 2 of the Application Form for each Representative. In particular, it will be helpful to understand why those nominated by you are considered to have the appropriate seniority and knowledge to undertake the role.

7. In section 3 of the application form Applicants are asked to describe the policies, procedures or support in place which help to achieve those outcomes. This should be a short summary of the steps taken by the Applicant and should run to no more than one page for each outcome.

Applicants are invited to produce any appropriate documentary evidence in support of the application which might include copies of written policies and procedures or relevant internet or intranet pages which are considered to illustrate how the applicant achieves the outcomes of APS QA1. We do not, however, wish to be prescriptive about the types of evidence applicants may choose to produce in support of the application. Rather than produce the evidence outlined above, applicants may prefer to make any supporting material available to the Assessment Team in the course of the assessment visit.

8. Provision of an organogram is likely to be relevant where:
 - The Applicant is a part of an Organisation rather than all of it (in order to show how it fits into the whole Organisation and to demonstrate how it is identifiable);
 - The Applicant proposes a group of individuals to be Senior Quality Assurance Representatives and an organogram would be useful to demonstrate how those individuals meet the required criteria for that role (e.g. in terms of the ability to influence operational management or the requirement to have direct access to the Applicant's Board or decision-making function); and/or
 - It would assist with understanding a particularly complex organisational structure.

However, this is not an exhaustive list and there may be other circumstances in which it is felt that it would be appropriate to provide an organogram. Applicants should also feel able to provide one if they feel that it would be helpful or easier to do so.

9. Applicants should include any statutory regulators, professional membership bodies and/or other regulators that have some authority in relation to the Organisation (including voluntary arrangements where that regulatory authority is conferred by the Organisation's agreement). This question is posed to enable us to better understand how the organisation (and, where appropriate, the office or department seeking accreditation) is regulated.
10. As accreditation will only be granted in relation to Actuarial Work carried out in or relating to the UK, it is important to understand how work carried out in overseas locations by the Applicant relates to the delivery of Actuarial Work in the UK.

11. Applicants are invited to detail any other information which is considered to be relevant to your application in section 8 of the form.

12. The criteria for each band is as follows:

- Band 1:
 - Turnover (of whole Organisation, even if only part is applying for accreditation) of over £20m;
 - Four or more office sites*; and
 - Employs over 20 Members (of any category)
- Band 2:
 - All other Applicants not falling within Bands 1 or 3
- Band 3:
 - Turnover (of whole Organisation, even if only part is applying for accreditation) of less than £6.5m;
 - 0-1 office sites*; and
 - Employs at least 1 Member (of any category).

* In terms of the 'number of offices' requirements, the IFoA will retain some discretion so as to avoid any unfair categorisation as a result of unusual working arrangements (e.g. virtual working).

13. Applicants are invited to include details of any other relevant mark or accreditation held at the time of the application. Applicants should include evidence of their accreditation, with complete information regarding the findings or conclusions from the last relevant assessment and/or, where applicable, inspection or assessment visit.