



The Actuarial Profession

making financial sense of the future

**Exposure Draft 24: APS P1 Duties and responsibilities of actuaries advising pension scheme trustees
(APS P1 is now called: Duties and responsibilities of pensions actuaries)**

Consultation feedback and responses

**Professional Regulation
Executive Committee**

March 2011

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1 Introduction

Sir Philip Mawer, Chairman of the Professional Regulation Executive Committee

I am pleased to introduce the Professional Regulation Executive Committee's responses to the feedback on Exposure Draft 24: Actuarial Profession Standard P1: Duties and Responsibilities of Actuaries Advising Pension Scheme Trustees (ED 24: APS P1). Following the consultation, the title of APS P1 was changed to: Duties and Responsibilities of Pensions Actuaries.

We are extremely grateful for the care and attention shown by respondents in preparing their comments on the Exposure Draft and in attending the consultation meetings held in both London and Edinburgh. The final version of ED 24: APS P1, which was published on 1 March 2011 as APS P1, with an effective date of 1 April 2011, reflects both the value of these contributions and the careful consideration we have given to them when finalising this Actuarial Profession Standard (APS).

Comments from individual respondents are grouped together by question, followed by a response which is intended to address all of the material points raised. We would like to thank the Board for Actuarial Standards (BAS) and the Professional Oversight Board (POB) of the Financial Reporting Council for their useful observations and comments throughout the development of APS P1. Although not listed as official respondents to the consultation, their input was received through informal and formal discussions, and considered alongside the other responses in shaping the final version.

I hope you will find this summary of the feedback received, and the accompanying responses to that feedback, both helpful and informative. It demonstrates clearly how input from the Profession's members and other interested stakeholders can help to produce guidance which is useful both for members of the Profession and for users of actuarial services.

A handwritten signature in black ink, appearing to read 'Philip Mawer', written over a horizontal line.

Sir Philip Mawer
March 2011

2 Explanatory note

The feedback received has contained a few comments relating to purely grammatical or typographical issues. We have taken those on board and thank those respondents for these comments.

As to the structure of this response document, seven questions were asked in the Survey Monkey survey accompanying ED24: APS P1. Each of those questions (bar the first one which asked for name, position, organisation and whether the respondent wanted their name/response to be confidential) is set out in full, along with the substantive comments made by respondents to those questions.

Wherever possible, in responding to the feedback to the questions, we have drawn together comments with a common or related theme and responded accordingly. Individual comments which could not be considered in this way have been responded to separately.

We have also set out tables listing the responses received in a percentage form. The percentages listed are percentages of the respondents who answered the question, rather than the number of respondents who actually started the survey (35 in total). Some of these comments were confidential and they have not been published in this document. The Working Party, has, however, taken these comments into account in preparing the final version of APS P1.

APS P1 has also been mapped against the Financial Reporting Council's Actuarial Quality Framework and the Actuaries' Code in order to demonstrate our commitment to a cohesive regulatory framework. This mapping appears at Appendix 1. Finally, we wish to express our thanks to all of those who took the time and effort to respond to this consultation.

The Pensions APS Working Party of the Professional Regulation Executive Committee (PREC)

Graham Everness, Chairman

David Everett

Brian Nimmo

Chris Norden

Martin Rawe

3 Responses to ED 24: APS P1

Question 2: Do you have any comments on the use of words like "must", "should" and "might", in general and/or in specific places in the Exposure Draft?

Answer Options	Response Percent	Response Count
Yes	44.1%	15
No	55.9%	19
Please give your comments		19
answered question		34
skipped question		1

Feedback comments on ED

Response no.	Response
1.	I suggest that a "must" should apply only to an identifiable and recordable action. It is not appropriate to apply it to a consideration - See Paragraph 4.3.
2.	It may be helpful to remind people of the distinction between "must" and "should", i.e. that must is mandatory, but "should" effectively concedes that there may be scenarios where an actuary may judge that the guidance is not relevant or applicable.
3.	No, although the use of "should" in many instances appears as strong as "must" since there would need to be a very good reason not to comply.
4.	Regarding 4.2, "A Scheme Actuary who has any reasonable concerns about the way the Trustees are fulfilling their duties and responsibilities must (unless he/she decides to report the matter to an appropriate authority) share his/her concerns with the Trustees and follow the issues through with them". We feel that the "must" is too prescriptive but agree that such action should be considered even for matters which are not directly actuarial. We would suggest "must consider" as an alternative.
5.	In paragraph 3.4, line 1, we suggest the wording "should have" be replaced by "must have". In paragraph 4.1, line 1; we are unclear as to why the draft text refers to "should normally". This implies that the Profession believes that there are circumstances under which the Scheme Actuary should not so inform the Trustees. If this is indeed the case, it would be helpful for examples to be given by way of illustration. Otherwise, we suggest "should normally" is replaced by "must".
6.	We don't have any comments on the use of the above words, except to the extent stated explicitly elsewhere in our response.
7.	I think the uses of the words are appropriate in the places where they occur.
8.	We are comfortable with the use of these words except where indicated below. We also have a preference for the word "should" rather than "must" in 4.2. In practice, a minor concern may, over time (and perhaps supported by other evidence), become more strongly founded. However, it may be hard to establish

Response no.	Response
	a clear cross-over at which it becomes a "reasonable concern" - this may sometimes be a subjective judgement.
9.	There are several indications where "must" has been used when "should" would have been appropriate. For instance when actuaries are being replaced 3.2.4 the two "musts" are too strong. Also in 4.2 the "must" is too strong particularly as the matter concerned may not be actuarial.
10.	We believe the choice of words is appropriate.
11.	The word "should" can be interpreted in two ways: it can either be taken to be a compulsion or an option to do something. I think it should therefore be avoided if possible.
12.	Generally OK but Appendix 1, para 1.1, "should" could be strengthened by substituting "must".
13.	I think it would be more appropriate for the first lines of 2.1 and 2.4 of the Appendix to use must rather than should.
14.	I have no objections to use of words like "must". In some places, this is literally true (e.g. must have a Practising Certificate, although I am not sure we need current and valid as adjectives?!). My only issue with prescription of this form is that Members like to follow rules and then hold up a document that says 'must' even when it is not sensible. I quite like the common sense in BAS standards around materiality and applicability (broadly I take this to mean, do what is sensible and in client's interests and don't do what is not), some clarification of "must" might be useful – that is there is still remains a common sense threshold to be applied (else you perhaps end up needing to cover eventualities to avoid non-compliance).
15.	It is helpful to know which aspects are mandatory and which are for individual judgement.
16.	Application and Status says all sections are mandatory. Therefore 'must' is applicable. e.g., in 3.2.3 - "it is expected that" - says, in effect, "it is mandatory to do what we expect." This would be difficult to enforce if contested. I would replace 3.2.3 with the minimum communication and topics that Mr New and Ms Existing should cover.

Response from Working Party

Response
<p>The Working Party agreed that the distinction between "must" and "should" needed to be made clear and definitions of these terms have therefore been included at the end of the preamble.</p> <p>The Working Party noted that respondents were generally happy with the word "must" for specific mandatory requirements. The word "must" therefore still appears much more frequently than "should" in the main part of the document. Nevertheless, in accordance with comments from various respondents, it was agreed that "should" was more appropriate than "must" for paragraph 4.2 of the ED (paragraph 4.3 of APS P1 itself). However, in view of the direction taken in response to question 3, it was not considered appropriate to adopt the suggestions of other respondents that "must" ought to replace "should" at some points in Appendix 1.</p>

Question 3: Do you agree with the inclusion of the details of the written agreement with the trustees in Appendix 1 to the Exposure Draft so that it is a "standard" (using the word "should"), or an illustration (using the word "might"), or do you think Appendix 1 should be omitted from the Exposure Draft entirely?

Answer Options	Response Percent	Response Count
Standard	51.7%	15
Illustration	37.9%	11
Omitted	10.3%	3
Additional comments		19
answered question		29
skipped question		6

Feedback comments on ED

Response no.	Response
1.	We agree that an industry standard might be desirable but do not believe that the production of such a standard is within the role of the Profession, rather part of the ACA's role for instance.
2.	Whilst there may be practical advantages in having an "industry standard" for the material to be included in the agreement with the trustees, it does not seem appropriate for this to be linked in with a professional standard. In the second sentence of 3.1, "should" should therefore be replaced by "might".
3.	In the Local Government Pension Scheme (LGPS) the appointment is usually a firm of actuaries rather than a personal individual appointment; furthermore, advice which would in the private sector be the sole responsibility of the Scheme Actuary, may in the LGPS be provided by more than one actuary. Many existing LGPS appointments will not have been put in place with such details in the terms of engagement. On the one hand, some of the contents of Appendices 1 and 2 have no direct equivalent in the LGPS; on the other hand, if specific terms for LGPS appointments were to be included in the APS then these might need to include other matters not currently drafted. It may be appropriate to provide separate illustrative terms in Appendices 1 and 2, covering private and public sector appointments respectively. It is not obvious that the terms of current LGPS appointments cause a reduction in the quality of advice, as the relationship between employers and the Fund's governing body is not exactly as in private sector schemes. Consequently, it would be preferable for LGPS appointments to either remain in their current form until/unless the appointed firm changes, or to allow a suitable lead-in period (for instance, 12 months) beyond 1 April, for the inclusion of such items in the current appointments. In any event, the APS should perhaps reflect that, in public sector appointments, there are existing terms and statutory procurement provisions which may cause issues with the imposition of new actuarial terms of engagement.
4.	To say that the list should include XYZ leaves one in a quandary as to how to proceed if the list is updated. Does one have to seek a fresh appointment letter

Response no.	Response
	including the new items? Because the trustees need to agree then one cannot circumvent by referring to a list which may be updated from time to time. Thus provided the Profession is satisfied that this list is highly unlikely to require updating within at least the period until the latest date for the next review then we must find an alternative approach. Indeed we could suggest that the BAS principles approach is embraced, delete the appendix and leave it to the firms, or the ACA to consider standardisation as they see fit.
5.	We would welcome the inclusion of a sample appointment letter as a non-mandatory illustration.
6.	We believe it is appropriate for this to be included within the APS. Our only comment on this is that there could be additional legislative references in future that the Profession might wish to be included within the list in paragraph 2.4.2. This would raise the question as to how speedily the APS could be revised. An alternative, therefore, would be for the matters to be covered within the written agreement to be instead prominently set out on the Profession's website, in the form of a useful illustrative model, rather than as an embedded part of the APS itself. This would hopefully enable updating to be done more speedily, without the due process that presumably will accompany revisions to the APS.
7.	To say that the list should include XYZ however leaves one in a quandary as to how to proceed if the list is updated. Does one have to seek a fresh appointment letter including the new items? Because the trustees need to agree then one cannot circumvent by referring to a list which may be updated from time to time. Thus provided the Profession is satisfied that this list is highly unlikely to require updating within at least the period until the latest date for the next review then we must find an alternative approach.
8.	We agree that the details of the written agreement should continue to be included as a 'standard' (with use of the word 'should') as, in our view, a consistency of approach between firms is desirable in this respect. However, it would be helpful if the Standard made clear that, although new appointments from 1 April 2011 must include the (slightly expanded) list of notifiable events there is no requirement to reissue existing agreements which complied with GN29.
9.	The sooner we get a standard appointment letter the sooner we get away from legal advisers arguing over immaterial issues. Appointment letter will refer to the APS but wonder if specific attention should be drawn to 4.1 and 4.2?
10.	I am happy for a standard Appendix 1 to be included within the Exposure Draft.
11.	I don't feel strongly enough about standardisation and I am not sure what benefits are envisaged but I think it is useful material.
12.	We would prefer the content of Appendix 1 to be expressed as an "illustration" of the matters to be covered in the written agreement with Trustees. We suspect that in nearly all cases, these matters would be included in this form, but that occasionally, a modification to this list will be appropriate.
13.	Our preference would be for the details to be omitted entirely from the APS, although it would be helpful if they were given elsewhere, such as in an information note. The important feature of the APS is the first sentence of paragraph 3.1. The third sentence of that paragraph should also remain, but the

Response no.	Response
	second sentence should be deleted. If however it is decided to retain the details in Appendix I within the APS, they should be included on an illustrative basis (and it should be clearly stated that they are illustrative, notwithstanding the wording that "all sections of this standard are mandatory" on the first page). We make these comments because it is disproportionate for amendments to have to be made to scheme actuaries' engagement letters with trustees following every small change in such a list. We note that the list in ED24 is not identical to the present list in GN29, and would ask that on publication it is made clear that there is no requirement to incorporate the changes into engagement agreements straight away.
14.	With the proviso that the "standard" can be adjusted for individual circumstances, this gives good back-up to any actuary who may experience difficulties with either the trustees or their legal advisers in getting an agreement signed.
15.	It should be a standard.
16.	It is unhelpful for it to be a standard since client circumstances can differ greatly and a "one size fits all" approach can result in client dialogues along the lines "I know that it is not really relevant but my profession requires it". I would not mind its total omission, but as an illustration I think it would probably be most helpful.
17.	Agreement is a legal document, and actuaries' relationship with Trustees should be standard (or why should this not be so)? Hence a standard is best, to be reviewed by counsel, possibly, but there may be arguments to add/remove/alter, at actuaries' risk.
18.	The written agreement should reflect the specifics of each scheme. Invariably there will be changes to the standard list (currently it seems to be influenced by ETV exercises). If it were to be a standard list it would mean having to reagree with trustees each time there is a change to the list. It also means that trustees effectively have no choice about what they are agreeing to. However, there are some matters that the agreement MUST cover, e.g. to enable the actuary to comply with professional requirements under APS P1 - and perhaps it should be mandatory that those specific points (or a general reference to permitting compliance with APS P1) are included in the agreement.

Response from Working Party

Response
<p>In accordance with the majority of responses, the standard form of the written agreement with the Trustees has been retained. However, the wording has been "loosened" so as to ensure that flexibility is available to reflect individual scheme circumstances and to avoid the need for immediate revisions to terms of appointment whenever minor changes to the APS (or other circumstances) are made. In particular, paragraph 5.2 of APS P1 acknowledges that local government schemes have different considerations.</p>

Question 4: The intention of paragraph 4.1 of the Exposure Draft is to build on paragraph 5.2 (and A 2.2) of the current GN29 in requiring actuaries to take an initiative with trustees when they consider that something needs to be done. However, we need to ensure that it does not appear to require the actuary to get involved in all kinds of peripheral matters that are not his or her proper concern. Is the balance and wording right for this?

Answer Options	Response Percent	Response Count
Yes	76.7%	23
No	23.3%	7
Please give reasons for your answer		24
answered question		30
skipped question		5

Feedback comments on ED

Response no.	Response
1.	We agree with the wording and the balance. However, the word "also" in the fourth line appears not to relate to anything so could be removed.
2.	We have no comment on this paragraph, noting the change from a "must" in GN48, paragraph 5.2 to a "should". Should the word "also" in the second sentence be deleted?
3.	Whilst we are comfortable that the balance and wording is appropriate in relation to Scheme Actuary appointments and Trustees, we do have concerns in relation to the public sector actuarial role. The wording here does not appear to readily translate to the LGPS, where the governing body's powers are significantly limited by regulation, compared to the private sector. For instance, members' benefits are set by regulations, the issue of benefit security is very different, the Fund is not trust-based, and the governing body does not have the same fiduciary duties or duty of care etc as in the private sector. It would be more helpful if either the wording here was made more flexible to better accommodate the LGPS' situation, or this point was explicitly covered in 5.1.
4.	We are content with this wording.
5.	We also have some other observations on the text of paragraph 4.1: In line 2, it is not clear what would fall under "other responsibility". We suggest this is changed to read "professional responsibilities". In line 4, it needs to be made clear whether the "further advice" is that from the Scheme Actuary or from other parties as well – for example, that the trustees need to take legal advice or investment advice. We note that in the same line the word "also" should be deleted.
6.	I think the wording is too strong. It places too much responsibility on the Scheme Actuary and is effectively making him/her take on responsibilities which are really Trustees' responsibilities.
7.	We are comfortable with the broad principle underlying paragraph 4.1, however we have the following specific comments: (a) The inclusion of the word "also" in the second sentence appears to be a typo (b) The removal of the requirement to

Response no.	Response
	inform the Trustees of the need to take further advice should only apply in cases where the Scheme Actuary is confident that that another person has informed the Trustees accordingly. Consequently, we think that the sentence would be improved by the removal of the words "or will have" and possibly also "or has reasonable cause to believe" (although we appreciate that there may be practical problems in the latter case).
8.	Yes, the Scheme Actuary should bring any pertinent matters to the attention of the Trustees as a matter of good governance if he or she is made aware of such matters which could in turn impact on the financing of the scheme.
9.	I think the balance is correct if the Scheme Actuary is aware of the information he should inform the Trustees - if however he reasonably believes another professional advisor has already informed them, then there is no need to although I would have thought in most circumstances the Actuary would check that the Trustees had in fact been provided with the information.
10.	I think it is reasonable to assume that it requires a proportionate response but to be tight there could be a proportionality clause added. That said I think "trustees needing to request further advice" covers it.
11.	Subject to the minor comment below, we consider the balance and wording to be appropriate. In the last sentence of 4.1, the word "also" should be deleted.
12.	Significant impact on the financing. This means if its minor or non-finance is required the actuary does not get sucked into time wasting.
13.	We agree that the wording of this paragraph is appropriate, and that a suitable balance has been struck. However we would point out that the word "also" in the second sentence of paragraph 4.1 appears to be extraneous.
14.	The first sentence is OK. In the second sentence, the word "also" seems to be superfluous. This sentence is too woolly and could result in trustees getting no advice if any adviser (not just the actuary) believes that another adviser has raised the issue with the trustees. This could be corrected by omitting the words "or has reasonable cause to believe".
15.	It clearly states that the scheme actuary should normally inform the trustees of these matters when appropriate and indicates the reasons why this may not be required.
16.	In my view, the wording is too general, and may result in the Actuary getting involved in peripheral matters. This is of particular concern for wording around financing the scheme e.g. a news headline could suggest a change in employer covenant and the wording suggests (to me) that the Actuary has responsibility to act in this situation. Perhaps replacing 'and/or' with just 'and' would remove this issue?
17.	I think I know what the first sentence is saying (if the Trustees needs advice, then tell them that). It is a bit messy at the moment, not that I have any nice suggestions to tidy it. The second sentence of 4.1 seems a little odd ('also does not'), perhaps I am misunderstanding it?
18.	The principle is correct. However, the wording could lead to an unwanted exposure to matters outside the actuary's direct responsibility. It would be better

Response no.	Response
	to remove "or other responsibility" in order to make the extent of the duty more precise and to change "and/or" in line 2 to "and".
19.	I would prefer the word "significant" to appear between "any" and "matter" in the first line rather than in line 2 so it covers both his responsibilities and the impact on financing. I think it would be clearer if the second sentence started "However,.." and "also" was deleted. I would change "for example" to "such as" in an attempt to imply that any person is not just any "Tom, Dick or Harry"!
20.	This is hard to word, but the point is clear! As an aside, and in consideration of 2.4.3, I feel it would be difficult for a Scheme Actuary to operate without being copied in on at least Trustees main Meeting minutes and/or agendas (although these might, in some circumstances, be abridged, if the reason was disclosed). The Scheme Actuary would then be automatically in a better informed position to take proportionate initiatives.

Response from Working Party

Response
<p>The Working Party noted that more than three-quarters of respondents were happy with this provision. Nevertheless, minor changes have been made, including:</p> <ul style="list-style-type: none"> • moving the word “significant” to ensure it applies throughout and not just to the impact on financing; • clarifying that “further advice” includes initial advice and relates to the need for advice from any adviser, not just the Scheme Actuary; • clarifying that the situation now described in paragraph 4.2 is one example of a situation in which the general requirement of paragraph 4.1 would not arise; and • tightening up the end of what is now paragraph 4.2 by ensuring that paragraph 4.1 is only disapplied if the person the Scheme Actuary believes is informing/will inform the Trustees, carries appropriate authority and has acted or will act within an appropriate timescale. <p>The potentially different nature of the work of actuaries in local government schemes is acknowledged in the new paragraph 5.2.</p>

Question 5: The intention of paragraph 4.2 of the Exposure Draft is to build on section 4 of the Actuaries' Code and paragraph 5.3 (and A 2.3) of the current GN29 in requiring the actuary to speak up in situations that in one way or another cause him/her concern but which do not necessarily involve anything "improper" (let alone "unlawful" or "unethical"). Is the balance and wording appropriate for this?

Answer Options	Response Percent	Response Count
Yes	71.0%	22
No	29.0%	9
Please give reasons for your answer		27
answered question		31
skipped question		4

Feedback comments on ED

Response no.	Response
1.	The wording appears to be applicable in too wide a context. We would welcome a qualification to the circumstances in which the requirements would apply, for instance in relation only to scheme funding or to the actuary's statutory role.
2.	Applying a "must" to actions in response to "concerns", "beliefs" and "appropriateness" seems over the top. It is not clear that anything is required beyond the requirements of the Actuaries' Code.
3.	Similar comments apply here as under Q4 i.e. Whilst we are comfortable that the balance and wording is appropriate in relation to Scheme Actuary appointments and Trustees, we do have concerns in relation to the public sector actuarial role. The wording here does not appear to readily translate to the LGPS, where the governing body's powers are significantly limited by regulation, compared to the private sector. For instance, members' benefits are set by regulations, the issue of benefit security is very different, the Fund is not trust-based, and the governing body does not have the same fiduciary duties or duty of care etc as in the private sector. It would be more helpful if either the wording here was made more flexible to better accommodate the LGPS' situation, or this point was explicitly covered in 5.1.
4.	We are content with the wording. However we would suggest that two additional sentences be included as follows. "This responsibility is one of taking action where in undertaking their duties he/she becomes aware of an issue. It is not one that necessitates nor invites the actuary to audit how the trustees are dealing with their duties and responsibilities."
5.	In paragraph 4.2, we suggest that the concept of 'materiality' is covered. In other words, the Scheme Actuary need not report to the Trustees (or any appropriate authority) anything which he/she considers not to be a material breach by the Trustees of their duties and responsibilities.
6.	I think this is too strong. Except for extreme cases (i.e. ones which require whistleblowing) it shouldn't be for the Scheme Actuary to make the Trustees do

Response no.	Response
	their job properly.
7.	We are again content with the wording. However we would suggest that two additional sentences be included as follows. "This responsibility is one of taking action where in undertaking their duties he/she becomes aware of an issue. It is not one which necessitates nor invites the actuary to audit how the trustee's are dealing with their duties and responsibilities."
8.	Whilst we support the inclusion of paragraph 4.2, we think that the wording could be improved by making clear the intention outlined above (i.e. that this goes beyond the requirements of a strict reading of the Actuaries' Code). In particular, although we do not necessarily subscribe to this view, it could be argued that if the Trustees' actions are proper, lawful and ethical then the Scheme Actuary should only be concerned about them to the extent required in order to fulfil any requirements in relation to advising the trustees or liaison with the regulator, for example.
9.	Yes, I'm happy with the wording in this sub-section. However it is not clear to me how he or she should "follow the issues through" to conclusion. Ultimately the responsibility rests with the Trustees of the pension scheme.
10.	I believe 4.2 captures this well.
11.	Although it might be improved by referring to "material concerns".
12.	Generally yes, but in 4.2, the words "...relating to beliefs..." are potentially confusing and do not add anything very much. We also have a preference for the word "should" rather than "must" in 4.2. In practice, a minor concern may, over time (and perhaps supported by other evidence), become more strongly founded. However, it may be hard to establish a clear cross-over at which it becomes a "reasonable concern" - this may sometimes be a subjective judgement.
13.	Much too strong.
14.	Tells the actuary what to do clearly.
15.	We agree with the intention of this paragraph. Our only concern is with the phrase "and follow the issues through with them", as it will not necessarily be within the actuary's power to do so. Wording such as "and make reasonable efforts to follow the issues through with them" would be more appropriate.
16.	It should be a requirement to raise issues of concern with the trustees (or a regulatory body).
17.	The examples help ensure that the balance and wording is appropriate.
18.	I think 4.2 goes further than Section 4 of the Actuaries' Code, although I don't really object to 4.2. I am not really sure what 'follow the issues through with them' necessarily means, although I get a sense and it will presumably be decided on the facts of each case. Nonetheless, suspect a coach and horses could be driven through it at Disciplinary?
19.	The principle is correct but the words are too broad ranging. I am not sure what the words "and follow the issues through with them" are intended to mean and they might be better omitted. The examples stated would be better if they distinguished between arriving at a course of action/inaction by a proper process

Response no.	Response
	(which could just be the Scheme Actuary having a different view to the Trustees after due process) and arriving at a course of action/inaction without due process. I would expect the actuary to speak up in the latter case but not necessarily in the former case.
20.	It rather begs the question of what happens next if the trustees listen and then carry on doing something which is not even improper. The question above rather implies that you think no further action is necessary but that is not clear from 4.2.
21.	The Scheme Actuary needs to maintain such a relationship with the Trustees such that his influence can be felt no less subtly than is necessary.
22.	I am particularly concerned that the actuary is required under 4.2.2 (as numbered in the ED) to raise concerns about what are effectively legal rather than actuarial matters. As 4.2 is predicated by "reasonable concerns" it would seem to be more helpful not to conclude the wording from "This includes concerns relating to beliefs that..."

Response from Working Party

Response
<p>Although a minority of respondents considered that the provision went too far, the Working Party noted that almost three-quarters of respondents were happy with it and have therefore made only a few minor changes, albeit that these include providing a little more flexibility in its application by changing "must" to "should". A couple of respondents suggested making it more explicit that the provision went beyond the Actuaries' Code, but after consideration of the point, the Working Party concluded that this clarification was not necessary.</p> <p>The other adjustments to the wording are intended only to improve clarity rather than to change the meaning:</p> <ul style="list-style-type: none"> • "material" was considered to be a better word than "reasonable" in the opening phrase; • the phrase "follow the issues through with them" did not appear to be well understood and has been replaced with "take such consequential action as is appropriate in the circumstances" (which the Working Party also hopes addresses any concerns that it is unclear what the actuary should do next if not satisfied by the Trustees' response); and • the words "relating to beliefs" were considered unnecessary. <p>The potentially different nature of the work of actuaries in local government schemes is acknowledged in the new paragraph 5.2.</p>

Question 6: Does the wording of section 5.1 achieve the intention of placing similar obligations as those applying to Scheme Actuaries on actuaries who are doing similar roles in schemes which do not have a statutory requirement to appoint a Scheme Actuary?

Answer Options	Response Percent	Response Count
Yes	85.7%	24
No	14.3%	4
Please give reasons for your answer		19
answered question		28
skipped question		7

Feedback comments on ED

Response no.	Response
1.	The wording does not refer to section 2 - the requirement to hold a practising certificate. If this requirement is not to apply to, say, the actuary to a public sector pension scheme then presumably he or she is also not required to undertake the same amount of CPD as a scheme actuary, which seems to imply that a lower standard of professionalism may be acceptable for public sector schemes? Incidentally, 2.1 refers only to a practising certificate: one would hope that all scheme actuaries would hold a scheme actuary practising certificate but (bearing in mind that there have been disciplinary cases involving actuaries purporting to be scheme actuaries with no practising certificate at all) should not 2.1 refer specifically to a scheme actuary practising certificate?
2.	No. See our comments for Q4 and Q5 i.e. whilst we are comfortable that the balance and wording is appropriate in relation to Scheme Actuary appointments and Trustees, we do have concerns in relation to the public sector actuarial role. The wording here does not appear to readily translate to the LGPS, where the governing body's powers are significantly limited by regulation, compared to the private sector. For instance, members' benefits are set by regulations, the issue of benefit security is very different, the Fund is not trust-based, and the governing body does not have the same fiduciary duties or duty of care etc as in the private sector. It would be more helpful if either the wording here was made more flexible to better accommodate the LGPS' situation, or this point was explicitly covered in 5.1.
3.	The wording of paragraph 5.1 appears to achieve the stated intention, which we support. However where there is no statutory requirement for the scheme's trustees or managers to appoint a Scheme Actuary we would ask that the requirement in 3.1 is weakened such that the actuary need only inform the scheme managers or trustees of the information that the actuary requires access to, etc, and that the managers will be deemed to have agreed to this if they do not object within a given timescale. This is because we have in the past experienced significant delays when dealing with certain public sector bodies in particular in getting agreements in place and we foresee similar difficulties in incorporating these new requirements in existing agreements for these clients. Furthermore

Response no.	Response
	much of the information covered will in any event be in the public domain.
4.	Not clear to me what happens where Trustees are seeking advice/an opinion on funding matters in addition to that received from the Scheme Actuary i.e. a 2nd opinion. Not clear to me that the actuary providing that advice would be covered by this definition. If they are intended to be excluded then my view is that they should be included.
5.	Yes, the same obligations should be placed on such actuaries who perform similar roles but are simply outwith the statutory definition of a Scheme Actuary.
6.	Yes. Having worked on public sector schemes it is clear that the obligations applying to scheme actuaries should also apply to fund actuaries in these schemes.
7.	No strong views.
8.	We are comfortable with 5.1.
9.	Straight-forward.
10.	No comment - we have little experience of such schemes.
11.	The section clearly explains the actuary's role and their co-operation with the scheme actuary on dealing with the matter.
12.	The wording of 5.1 is clear and agreed. The wording of 5.2 is perhaps too far reaching. I would expect an actuary who is not the Scheme Actuary to fulfil his/her obligations by referring to the Scheme Actuary rather than being expected to speak up separately (unless the Scheme Actuary is unavailable).
13.	As far as I can tell.

Response from Working Party

Response
<p>The Working Party noted that there was widespread support for the concept of extending many of the provisions for Scheme Actuaries to other actuaries whose roles were similar to those of a Scheme Actuary. However, some concerns were expressed (particularly by those working on local government schemes) about the wording in ED24: APS P1 and the Working Party sought some further specialist input before deciding on the final wording of what are now paragraphs 5.2 and 5.3.</p> <p>The matter of whether or not other actuaries in roles which are similar to that of a Scheme Actuary should be required to hold a practising certificate was outside the remit of this Working Party and falls to be considered by another work stream of the Profession.</p> <p>Comments on what was paragraph 5.2 in the ED24: APS P1 are considered under question 7 (see below) rather than question 6.</p>

Question 7: If you have any other comments on the Exposure Draft, please set them out below.

Feedback comments on ED

Response no.	Response
1.	<p>My comment is simply this: the Application & Status section of both the exposure drafts makes statements about the Actuaries' Code and BAS standards which are in terms and language which is in marked contrast to the way those other documents have been described by their authors. I think the disparity of language is, at best, confusing and, at worst, misleading.</p> <p>The Exposure Drafts of the two APS include the following paragraph:</p> <p>"Any failure by a Member to comply with the Actuaries' Code, or with any other ... standards...published by...the Board for Actuarial Standards (BAS) may be liable to consideration under the Actuarial Profession's Disciplinary Scheme (the Disciplinary Scheme). A material breach of the Actuaries' Code, Actuarial Profession Standards or BAS's Technical Actuarial Standards (TASs) is of itself a ground for referral under the Disciplinary Scheme and would amount to strong prima facie evidence of Misconduct, as defined at Rule 1.6 of the Disciplinary Scheme.</p> <p>Contrast that with the language used to describe the Actuaries' Code, in the Code itself, which says:</p> <p>"The Code will be taken into account if a member's conduct is called into question for the purposes of the Actuarial Profession's disciplinary schemes. It is not a set of rules, and conduct that falls short of the Code will not inevitably constitute misconduct. Equally, members will be expected to observe the Code's spirit in their professional conduct." If the Institute and Faculty wishes to the paragraph highlighted in blue above to apply to the Actuaries' Code, it is only fair to members that the statement should made in a document which all members who are subject to the Code can be expected to read, preferably in the Code itself.</p> <p>There are many members who do no actuarial work as such and have no reason to read APS 1 or 2, but they are required to follow the Actuaries' Code. If the paragraph in blue is intended to be binding as a statement of the Code's application, all members are entitled to be made aware of the statement. I myself saw the paragraphs for the first time today (which is why my submission is late). Since I do no work in the field governed by these two APSs, there is no reason why I should be expected to have read them. The paragraph highlighted in blue is also quite different from the language used by BAS to describe the status of TASs, which says (in the Scope & Authority of Technical Standards):</p> <p>Compliance with all relevant TASs is compulsory for Actuaries, except to the extent of any departures permitted or required by paragraphs 23-24 below and disclosed in accordance with the requirements of paragraph 22 [of the Scope & Authority]. So far as I am aware, the Institute and Faculty does not have the power to alter that statement. If the Institute and Faculty thinks that the statement in blue above is merely an observation for the benefit of informing its members, rather than a variation of the status of TASs, I have to say that I find the statement in blue to be a completely inadequate description of the status of TASs. I am not at all sure why the Institute and Faculty feels a need to comment on the status of TASs in its own APSs. If it is going to do so, it really ought to use</p>

Response no.	Response
	language which accurately reflects the position published by BAS.
2.	<p>Section 3.2 imposes a requirement on the Existing Actuary but does not provide for the circumstances of the Existing Actuary failing to comply. Should the New Actuary refuse the appointment at this stage, state that he or she cannot act until the information is received or assume the appointment having raised his or her concerns with the trustees? Section 3.3 reproduces the requirements of the similarly-numbered section of GN29, with the exception of the (old) requirement to send a copy of the resignation/removal statement or declaration to the scheme auditor and the new scheme actuary. Is this omission deliberate - we could see no reason for removing this requirement?</p> <p>We applaud the principles-based approach, which results in rather shorter guidance than previously!</p>
3.	We agree with the vast majority of the proposals suggested.
4.	<p>1. Application and Status: We find this section at the bottom of page 1 somewhat confusing. In particular, the boiler-plate wording under 'Application and status' states that "All Members of the Institute and Faculty...are required to comply with this Standard in their professional lives, whether or not they are engaged in actuarial work". It is clear, however, from the title and contents of the Exposure Draft that the target audience relates to actuaries advising (through direct contact) the trustees or other governing bodies of pension schemes. We cannot see, therefore, how it can have wider application, as implied by the wording described in 2.2 above. Accordingly, the opening paragraph of the 'Application and status' section needs to be deleted. There needs to be a comment to the effect that terms in bold text are defined in section 6 of the Standard.</p> <p>2. Paragraph 4.3: Clarification is required as to what constitutes "an actuarial certificate". For example, paragraph 4.3 refers to certificates provided under section 67C of the Pensions Act 1995. However, that section of the Pensions Act 1995 does not in fact refer to an actuarial certificate; rather, it requires an "actuarial equivalence statement". Further, by way of illustration, in relation to the alteration of the rules of a contracted-out scheme, regulation 42 of The Occupational Pension Schemes (Contracting-out) Regulations 1996 – SI 1996/1172 – simply requires the actuary to confirm in writing that he or she is satisfied that the scheme would continue to satisfy the statutory standard in accordance with section 12A of the Pension Schemes Act 1993 if the alteration were made: this therefore does not involve the production of "an actuarial certificate", but presumably should fall within the ambit of paragraph 4.3 of the APS.</p> <p>3. Section 5: For clarity, the heading of this section needs to be amended to read "Pension actuaries who are not acting as Scheme Actuaries". The above change is required due to the fact that a Scheme Actuary of, say, scheme A may be providing advice to scheme B (falling within paragraph 5.2 of the draft APS) for which he or she is not the Scheme Actuary. As currently drafted, the heading could be taken as implying (erroneously) to those actuaries who do not hold a Practising Certificate.</p> <p>4. Appendix 2: We have no comment on the contents as such. However, the Profession could set this out on the Profession's website, separate from the APS</p>

Response no.	Response
	(but with a cross-reference within the APS) so that if legislative references change, amendments can be made quickly.
5.	<p>1. Paragraph 1.1: This seems an obvious deduction from paragraph 2.2 (a) of the Actuaries' Code, although there does not appear to be any harm in including it here.</p> <p>2. Paragraph 3.2.3: We don't believe that it is reasonable to expect that "normally" the two actuaries will discuss the information to be provided. In our view it would be better to say that if the New Actuary wants a discussion then the Existing Actuary should agree to it.</p> <p>3. Paragraph 3.4: The wording here could be improved. In particular, resignation is not a way of providing cover for absence. It would be better to say that if it is not possible to make appropriate arrangements then the Actuary must resign the appointment.</p> <p>4. Paragraph 5.2: We don't think that actuaries other than the Scheme Actuary can simply be covered by reference, as is the case currently. In particular, the range of activities that they might carry out is large (e.g. they might be an investment consultant advising on manager selection, a broker advising on a policy of insurance, or an actuary giving a second opinion on the work of the Scheme Actuary). In addition similar comments to those raised in our response to question 3 apply.</p>
6.	<p>1. Paragraph 3.2.1: "the Existing Actuary must provide the New Actuary with any information...". This appears very broad and places a huge burden on the Existing Actuary. Could be argued that this covers any item on which the Existing Actuary has provided advice to the Trustees. Further can it be extended to include details of calculations (something which I believe is unreasonable)?</p> <p>2. Paragraphs 4.1 and 4.2: I think it would be helpful if Scheme Actuaries were encouraged /required to obtain written confirmation from their employer that the employer understands the obligations here and how they may impact on business relationships with clients. Will there be reference to schemes that are covered by NI legislation?</p>
7.	<p>1: The Target Audience Statement might benefit from inclusion of the words "whether or not Scheme Actuaries", after "Actuaries". Or simply "any actuaries working for..."</p> <p>2: We think the first paragraph of the Application and Status section could be clarified:- "When advising trustees" could usefully be added before the comma. This would make it clear that the APS does not apply to a "corporate actuary" (who may in some cases be the Scheme Actuary) advising the sponsor. Particularly in the absence of the above addition, the reference to "in their professional lives" may confuse. Presumably the intent is that if the actuary is talking to the Trustees about scheme administration or investment matters, for example, compliance is required. However if he is talking to them entirely off topic, e.g. about football, it is not? There does not appear to be a corresponding reference in GN29 so clarification may help.</p> <p>3: As regards the information exchange provisions in 3.2 and 3.2.4 in particular, we would prefer to see additional words to the effect "...if the New Actuary agrees</p>

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	<p>to any conditions normally imposed by the Existing Actuary (or his/her firm) when releasing information". This reflects the fact that firms often operate a strict policy on releasing work, perhaps including a "Release Letter" to minimise any liability to third parties. The proposed wording also begs the question of how the Existing Actuary should respond if he regards the New Actuary as going beyond a "reasonable request" for information.</p> <p>4: Paragraph 5.2 might benefit from inclusion of a statement to the effect "including, but not restricted to, an investment adviser or an assistant to the Scheme Actuary".</p> <p>5: Also in 5.2, the words "...involves direct contact with the Trustees" may arguably exclude some potentially relevant situations where an actuary has become aware of "improper behaviour", but on balance this is pragmatic and consistent with GN29.</p> <p>6: We see merit in putting 5.1 after 5.2, since 5.1 addresses the special situation of public sector schemes, for example, while 5.2 may be relevant to many more schemes.</p>
8.	<p>We are generally happy with the draft, and believe it provides an appropriate and commendably brief replacement for GN29 and certain ethical issues from other existing GNs.</p>
9.	<p>In 3.4, the words "or may not" should be omitted as they do not add anything relevant to the sentence.</p>
10.	<p>Prescribed timescale should be defined. It states that the agreement should be reviewed when appropriate. It may be more useful to put a deadline on this. For example ... And at least every three/five years....</p>
11.	<p>My experience of obtaining appointments from actuaries at other firms/ceding appointments is that it has been undertaken professionally and without real problems (mainly in relation to small schemes). In some cases, actuaries have gone beyond what would be minimum 'mandatory' information to help ensure there is no client detriment. In other cases, responses have taken time and been less helpful but not hugely unprofessionally so. So, in broad terms, I think the current exchange mechanism has worked for me.</p> <p>Under 3.2.3 a literal 'discussion' has not been my experience, more an exchange of letters but in the widest sense, seems OK.</p> <p>Under 3.2.4 adding 'or explain why this is not possible' might be valuable.</p> <p>From 3.2 to 3.3, there is a switch from Existing Actuary to Scheme Actuary (and I guess the latter is a subset of the former) but not sure if this is deliberate? Not 100% sure why it would be? On reflection perhaps the 'Scheme' is implied in the middle of Existing Actuary and New Actuary but is left out for brevity, not sure?</p> <p>I would reword 1.1 to perhaps say 'familiar with any relevant legislation and other regulatory guidance (which includes Codes of Practice). The emphasis as is feels a bit wrong to me and my version feels 'wider'.</p>
12.	<p>I am particularly concerned about section 3.4. This is a material departure from paragraph 4.8 of GN29. I would like the words " expects to be" to be inserted after "any period during which he/she....." and the word " is" omitted. Also the re-</p>

Response no.	Response
	<p>inclusion of the word "prolonged" before "period". As a sole practitioner who is Scheme Actuary to 3 pension schemes, I do not have any colleagues within my firm who could act in my place.</p> <p>Whilst I can make plans in advance to liaise with the respective Trustees for another actuary from a different firm to provide a temporary replacement if I intend to be off work for an extended period through ill health or other reasons, there are clearly circumstances when this will not be known in advance. The wording in the Exposure Draft is too restrictive in my opinion, and I would be uneasy about being able to comply with "should have appropriate arrangements" without knowing what sort of arrangement would be acceptable as "appropriate" given my circumstances, and those of other sole practitioners who act as a Scheme Actuary. I should be happy to discuss my concerns in more detail with the Profession, but will be unable to attend the consultations in either London or Edinburgh.</p>
13.	<p>In the second paragraph of 5.2, would it be better to include the same wording as in 4.1 after "another person".</p>
14.	<p>I'm not sure if this material wouldn't be better placed in TAS - Pensions. Having a variety of documents seems to defeat the philosophy of the TAS's. The TAS would become too large/unwieldy - but if stored as a PDF, say, this wouldn't be an issue.</p> <p>I'm concerned about the 'professional lives' section in Application and Status. This appears intrusive, and could be difficult to enforce. For example, how might it apply to: A Scheme Actuary who is also an MP and gives a speech in the House of Commons? A Scheme Actuary who is also a church minister and gives a sermon? A letter published in the national press? Comments made in an actuarial dining club?</p> <p>Minor - 6 Definitions - "Trustees" (for Trust schemes) - this is tautologous - is, say, "Trustees of a Pension Scheme" better?</p> <p>Apart from that, a very well constructed document.</p>
15.	<p>The following should be clarified "any other actuary who is involved in the provision of advice or other services". Taking it to the extreme, if the actuary is providing cups of tea, one would not expect, this to be included. There is a grey area between, such as providing administrative services but not advice of an actuarial nature. Additional help in drawing the line between an advisor and a service provider would be helpful to actuaries in non-traditional roles.</p>

Response from Working Party

Response

Paragraph references below refer to APS P1 rather than ED24 (where these differ).

Paragraph 1.1: The Working Party accepted the small change in wording suggested by one respondent.

Paragraph 3.4.3: A change has been made to reflect comments that a “discussion” between the two actuaries is often not necessary.

Paragraph 3.4.4: Changes have been made to reflect comments that the Existing Actuary might wish to impose limitations on use of the information passed over and/or might not be able to comply with the New Actuary’s request. A few respondents mentioned the fact that there is no direction given as to what should happen if the Existing Actuary considers that the New Actuary’s request is unreasonable or for any other reason does not comply; the Working Party felt that this was not a scenario in relation to which the general principles of the Actuaries’ Code should be expanded and specific direction given.

Paragraph 3.5: The omission of the requirement (mentioned in GN29) to send a copy of the resignation or removal statement to the auditor and New Actuary was deliberate – this is covered by legislation and the Working Party did not consider it necessary to repeat it here.

Paragraph 3.6: This has been substantially reworded and expanded with the aim of providing additional clarity as to what might reasonably be expected of the Scheme Actuary in a variety of possible circumstances.

Section 4: The Working Party considered the suggestion that Scheme Actuaries be encouraged or required to obtain confirmation from their employers that they understand the actuary’s responsibilities in these areas, but concluded that such guidance or direction was not appropriate for inclusion in an APS.

Paragraph 4.4: The Working Party accepted the suggestion by one respondent that references to “certificates” should be generalised so as to encompass (for example) “statements”.

Section 5 heading and order: The Working Party accepted the small change in wording suggested by one respondent and the change in order of paragraphs 5.1 and 5.2 suggested by another.

Paragraph 5.1: The Working Party accepted the suggestion to bring the final part of the wording in line with what is now paragraph 4.3. However, after considering various suggestions to reduce or clarify the scope of this provision, the Working Party decided to leave it broadly unchanged; the intention is that it does cover a wide variety of roles where there is contact with the trustees and the provisions of sections 1 and 4 are considered sufficiently flexible to avoid problems arising for any actuaries who are clearly not operating in an actuarial capacity.

Section 6: The Working Party accepted the small change in definition of “Trustees” suggested by one respondent.

Response from the Standards Review Committee

Response

During the consultation, there were a number of comments about the wording of the “Application and Status” paragraph. In the light of these comments, the Standards Review Committee (which oversees the standard setting process, including matters of style and format) has amended the paragraph. The change will apply to all APSs.

The heading has been changed from “Application and Status” to “General Professional Obligations”. The paragraph itself contains references to the Actuaries’ Code and the definition of “misconduct” under the Disciplinary Scheme, both to remind members of their professional obligations and to ensure that members of the public are aware of the Profession’s regulatory and disciplinary regime and of the consequences for members who fall short of the Profession’s standards.

4 List of Respondents

Non-confidential responses to the ED24: APS P1 consultation were received from the following:

Individuals

Geoff Arnold

Simon Carne

Philip Channack

Simon Clayson

Aideen Grant

Gail Higgins

Kevin Hollister

David Kershaw

Bruce Macdonald

David Robertson

Cedric de Souza

G Stormont

Kenneth Tindall

Firms/Organisations

Aon Hewitt

Association of Consulting Actuaries

Censeo Actuaries & Consultants Limited

Hymans Robertson

JLT Benefit Solutions

KPMG's Pensions Practice

Lane Clark & Peacock

Legal & General's Scheme Actuaries

Towers Watson

Xafinity Consulting

There were also 12 confidential responses received.

Appendix 1: Mapping the Actuarial Quality Framework and the Actuaries' Code against APS P1

- The left column refers to the particular sections of APS P1;
- The middle column refers to the relevant Actuarial Quality Framework (AQF) Drivers which are supported by APS P1;
- The right hand column refers to the provisions of the Actuaries' Code (Code) which are supported by APS P1; and
- All numerical references relate to paragraph number of either APS P1 or the Actuaries' Code.

APS P1	Actuarial Quality Framework Driver	References to the Actuaries' Code
<p>Section 1: Relevant knowledge and skill</p>	<ul style="list-style-type: none"> • Technical skills of actuaries 	<p>Principle 2 - Competence and care: members will perform their professional duties competently and with care.</p> <p>2.2, 2.4, 2.7 of the Code relate to Section 1 of APS P1</p> <p>Principle 4 - Compliance: members will comply with all relevant legal, regulatory and professional requirements, take reasonable steps to ensure they are not placed in a position where they are unable to comply, and will challenge non-compliance by others.</p> <p>Principle 4 of the Code relates to Section 1 of APS P1</p>
<p>Section 2: Practising Certificates</p>	<ul style="list-style-type: none"> • Technical skills of actuaries 	<p>Principle 2 - Competence and care: members will perform their professional duties competently and with care.</p> <p>2.2, 2.4, 2.7 of the Code relate to Section 2 of APS P1</p>
<p>Section 3: Obligations relating to appointment, replacement and absence</p> <p>3.1 – 3.3</p>	<ul style="list-style-type: none"> • Communication of actuarial information and advice 	<p>Principle 2 - Competence and care: members will perform their professional duties competently and with care.</p> <p>2.1, 2.4, 2.5 of the Code relate to 3.1 to 3.3 of APS P1</p> <p>2.4 of the Code relates to 3.4 to 3.6 of APS P1</p> <p>Principle 3 - Impartiality: members will not allow bias, conflict of</p>

APS P1	Actuarial Quality Framework Driver	References to the Actuaries' Code
3.4 – 3.6	<ul style="list-style-type: none"> • Communication of actuarial information and advice; and • Ethics and professionalism of actuaries 	<p>interest, or the undue influence of others to override their professional judgement.</p> <p>3.6 of the Code relates to 3.4 of APS P1</p> <p>Principle 3 of the Code relates to 3.6 of APS P1</p> <p>Principle 4 - Compliance: members will comply with all relevant legal, regulatory and professional requirements, take reasonable steps to ensure they are not placed in a position where they are unable to comply, and will challenge non-compliance by others.</p> <p>Principle 4 of the Code relates to 3.4 to 3.6 of APS P1</p> <p>Principle 5 – Open communication: members will communicate effectively and meet all applicable reporting standards.</p> <p>Principle 5 of the Code relates to Section 3 of APS P1</p>
Section 4: Other responsibilities	<ul style="list-style-type: none"> • Ethics and professionalism of actuaries; • Communication of actuarial information and advice; and • Other factors outside the control of actuaries 	<p>Principle 2 - Competence and care: members will perform their professional duties competently and with care.</p> <p>2.3, 2.4, 2.5 of the Code relate to 4.1, 4.2 and 4.4 of APS P1</p> <p>Principle 3 - Impartiality: members will not allow bias, conflict of interest, or the undue influence of others to override their professional judgement.</p> <p>Principle 3 of the Code relates to 4.1 of APS P1</p> <p>Principle 4 – Compliance: members will comply with all relevant legal, regulatory and professional requirements, take reasonable steps to ensure they are not placed in a position where they are unable to comply, and will challenge non-compliance by others.</p>

APS P1	Actuarial Quality Framework Driver	References to the Actuaries' Code
		<p>4.1, 4.2 of the Code relate to 4.3 of APS P1</p> <p>Principle 5 – Open communication: members will communicate effectively and meet all applicable reporting standards.</p> <p>5.1 of the Code relates to Section 4 of APS P1</p>
<p>Section 5: Pensions actuaries who are not acting as a Scheme Actuary</p>	<ul style="list-style-type: none"> • Technical skills of actuaries; • Ethics and professionalism of actuaries; • Communication of actuarial information and advice; • Other factors outside the control of actuaries; and • Working environment for actuaries. 	<p>The principles of the Code relate to 5.1 of APS P1 as set out above for Sections 1 and 4 of APS P1.</p> <p>The principles of the Code relate to 5.2 of APS P1 as set out above for Section 1, paragraphs 3.1 to 3.4 and Section 4 of APS P1.</p>