



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:	<p>This APS is intended for use by QAS Accredited Organisations.</p> <p>Wider adoption by other Organisations is strongly encouraged.</p> <p>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).</p>

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: (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.