Institute
and Faculty
of Actuaries

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

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Individual Professional Responsibility

What does this mean?

- Individual?

- Professional?

- Responsibility?

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What does this mean in pension working environments?

- Possible tensions

- Commercial

- Contractual

- Time pressures

- Client Relationships

- Employer relationships

- Conflicts of interest

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How can IFoA help members navigate through this?

- Actuaries' Code, Standards and Guidance

- New ASCPR Guidance

- Quality Assurance Scheme

- Professional Support Service

- Professionalism materials

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New Guidance

Actuarial Software and Calculations – Professional Responsibility

"ASCPR Guidance"

ASCPR - Background

- Developments in consulting world

- Needs of clients - both sponsor and trustee

- Provision of third party calculation solutions

- Questions raised with IFoA by tPR

- Establishment of Working Party

Initial Discussions

- Confidence in Profession

- Encourage Innovation

- Legal Responsibilities

- Commercial Factors

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Terms of Reference

- The working party's overall purpose is to identify:

  i. The factors related to the use of models and calculations which enable a Scheme Actuary to properly sign off his/her work; and

  ii. any associated issues and make recommendations for any IFoA actions.

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The Working Party

Third Party Products

Individual Professional Responsibility

Actuarial Software and Calculations

Volunteers drawn from users, actuaries and software providers

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ASCPR guidance

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

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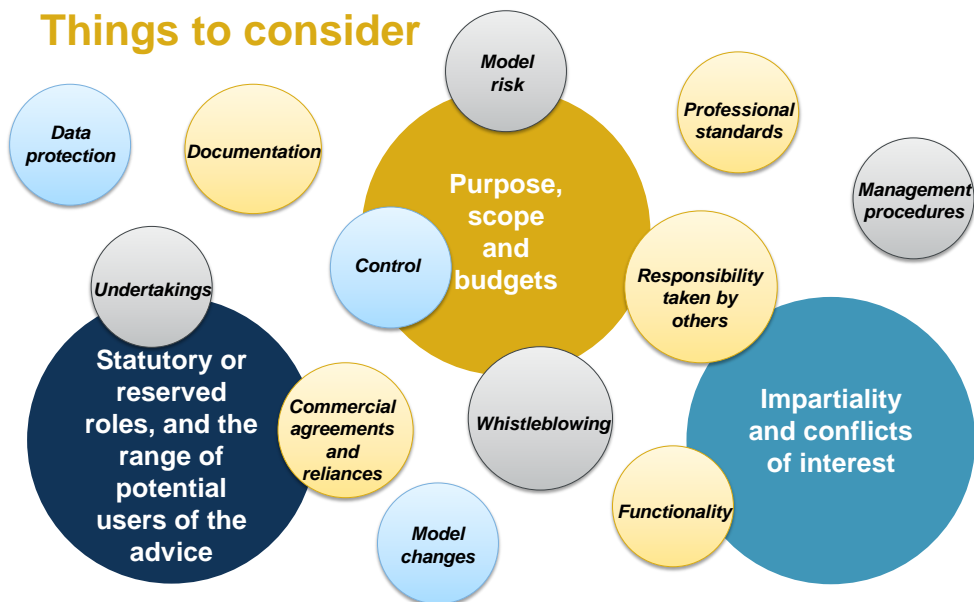## Conclusions of Working Party

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

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Case Studies

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Things to consider

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Quality Assurance Scheme

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Quality Assurance Scheme

- Another way to navigate through the tensions…

- Accreditation scheme for organisations that employ members

- Aims to create a direct link between the IFoA and those that employ its members

- Recognising:
  – The importance of culture and the working environment to Members' ability to meet their professional responsibilities
  – That the support of employers is required to meet the requirements of standards

- Outcomes based and linked to professional requirements

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Quality Assurance Scheme – key areas

- Quality Assurance (including Work Review)

- Conflicts of Interest

- Development / Training of Members

- Speaking up

- Relationship with Users
  – Engagement and communication
  – Handling and appropriate resolution of concerns

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Quality Assurance Scheme

- Senior Quality Assurance Representative (SQAR) forum

- Launched 1 September 2015

- First accreditations due to be announced spring 2016

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Professional Support Service

- Panels of experienced members can answer your questions

- Any issue relating to professional ethical or technical matters

- Submit an online query form

- www.actuaries.org.uk/regulation/pages/professional-support-service

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Questions and comments ?

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