APS QA1: Quality Assurance Scheme for Organisations

Version: 2.0, effective from [2 May 2019]

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

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).

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;

2.1.3 The development and training of Members and others involved in the Organisation’s Actuarial Work;

2.1.4 Members speaking up where they identify issues of concern;

2.1.5 Their relationship with Users including:

2.1.5.1 engagement and communication; and

2.1.5.2 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.

3. Interpretation and application

3.1 This APS uses the word “must” to mean a specific mandatory requirement. It uses the word “should” to indicate that, while the presumption is that Organisations will comply with the provision in question, there may be some circumstances in which Organisations are able to justify non-compliance.

3.2 In the event of any inconsistency between this APS and the Actuaries’ Code, the Actuaries’ Code prevails.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial Work</td>
<td>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.</td>
</tr>
<tr>
<td>Actuaries’ Code</td>
<td>The ethical code for Members issued by the Institute and Faculty of Actuaries.</td>
</tr>
<tr>
<td>APS</td>
<td>Actuarial Profession Standard issued by the Institute and Faculty of Actuaries.</td>
</tr>
<tr>
<td>Independent Peer Review</td>
<td>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.</td>
</tr>
<tr>
<td>IFoA</td>
<td>Institute and Faculty of Actuaries</td>
</tr>
<tr>
<td>Member</td>
<td>A member, of any category, of the IFoA.</td>
</tr>
<tr>
<td>Mandatory Actuarial Standards</td>
<td>Any professional, regulatory or other standards with which Members or Organisations are required to comply including, but not limited to, APSs and, for work within UK Geographic Scope, technical actuarial standards issued by the Financial Reporting Council.</td>
</tr>
<tr>
<td>Organisation</td>
<td>A legal entity, including (but not limited to): (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.</td>
</tr>
<tr>
<td>Quality Assurance Scheme</td>
<td>The scheme for Organisations operated by the IFoA and known as the Quality Assurance Scheme.</td>
</tr>
<tr>
<td>QAS Accredited Organisation</td>
<td>An Organisation, or identifiable part of an Organisation, that is currently accredited by the IFoA in terms of its Quality Assurance Scheme.</td>
</tr>
<tr>
<td>User</td>
<td>A legal entity, including a person or a body corporate, for whose use Actuarial Work is produced.</td>
</tr>
<tr>
<td>Work Review</td>
<td>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.</td>
</tr>
</tbody>
</table>
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 and others involved in the Organisation’s Actuarial Work, to maintain competence and to continue to develop their knowledge and skills, 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.