



Institute
and Faculty
of Actuaries

Actuarial Software and Calculations - Professional Responsibilities (ASCPR)



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The Institute and Faculty of Actuaries (IFoA) has issued a Note for the benefit of trustees and pension scheme sponsors (referred to in this document as the Note). This is the précis of that Note. The IFoA has also issued a Question and Answer document for actuaries. These three documents on professional responsibilities for actuarial software and calculations are collectively referred to as the ASCPR guidance.¹ The ASCPR guidance is produced in response to the growth in the use of third party software and the reliance on support teams for producing actuarial calculations.

The ASCPR guidance explains the professional responsibility of actuaries² when they provide advice or actuarial information which relies on data or calculations provided by:

- trustees or scheme sponsors;
- computer models or software programs;
- a third party to whom the work is outsourced
or
- internal support teams.

¹ The ASCPR guidance does not constitute legal advice, nor does it necessarily provide an actuary with a defence to allegations of misconduct. While the IFoA has taken care to ensure this is accurate, it will not accept any legal liability in relation to its contents.

² Within the ASCPR guidance, the term “actuary” is used to refer to an actuary who is a member of the IFoA

Professional judgement

Actuaries must:

- follow the Actuaries' Code. They must comply with the principles within the Code when providing their professional services.
- take professional responsibility for their advice and recommendations.
- use their professional judgement when using or relying on third party information, whether from a computer model or another actuary. The amount of checking required is a matter for their judgement exercised in the context of the purpose and scope of their advice.

Contractual responsibility

It is not for the IFoA to regulate the agreement you reach with your actuary in relation to commercial and legal responsibility for the advice and calculations.

Scheme Actuary

There are special considerations for Scheme Actuaries. They must assume a level of professional responsibility commensurate with that role.

Scenarios to illustrate guidance

The Note provides, in Section 3, examples of how the principles within the Actuaries' Code may have an impact on actuaries when they are relying on third party and computer models and support team calculations. It is illustrated with five scenarios in Appendix 1. Appendix 2 includes questions and answers in relation to the application of this guidance. Appendix 3 contains a list of factors for trustees to take into account when considering the approach to be taken for your scheme.

The Note and the Questions and Answers document are both available for download at:
www.actuaries.org.uk/regulation/pages/actuarial-software-calculations-professional-responsibilities

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