



PROFESSIONAL CONDUCT ISSUES AND UPDATES

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Current Issues in Retirement Benefits

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PROFESSIONAL CONDUCT ISSUES

Our image depends on our conduct



PROFESSIONAL CONDUCT ISSUES

We have:

Actuaries Act

Guidance Notes (GNs),

Actuarial Practice Standards (APSs), and

Professional Code of Conduct (PCC) issued
by our professional body

PROFESSIONAL CONDUCT ISSUES

Actuaries need to comply with GNs, APSs, PCC, and Actuaries Act, on voluntary basis.

Actuaries when they come across non-compliance by other members, it is their duty to formally complaint to DC [Disciplinary Committee] as per the PCS.

We are yet to have Quality Control Board in the IAI to monitor and ensure professional conduct.

PROFESSIONAL CONDUCT ISSUES

Let us consider two major issues in our profession:

Acceptance of assignment

**Reporting not in compliance with GNs /
APS**



Issue 1: Acceptance of Assignment

[Actuaries Act –and PCS deal with this]

As per law, new actuary shall inform the previous actuary about assignment.

As per PCS, previous actuary has to respond.



PROFESSIONAL CONDUCT ISSUES

Concerns to the profession, if new actuaries fail to inform:

Discipline among actuaries lost

Constraints faced by the previous actuary unknown to the new actuary

Purpose of GNs, APS, etc., defeated

Public may lose confidence eventually

Govt. will have different view about us

Other issues-business ethics,...

Compliance Mechanism

At present we have to depend upon our own members;

We do not have Quality Control Board to oversee this;

We have not thought of some measures to ensure compliance—COP requirement [IAI has the right to insist for this]; and CPD requirement

Issue 2: Reporting not in compliance with GNs/APSs

Actuarial Reports [not as per GNs/APSs]

Actuaries do violate and prepare reports in their own way.



Issue 2: Reporting not in compliance with GNs/APSs

Concerns:

No uniform practice—a serious concern

No attention to the advices in the GNs / APSs—this could cause problems to clients

Wrong reporting may take place—causes damage to profession's image while clients and auditors be unhappy.



Issue 2: Reporting not in compliance with GNs/APSs

Compliance mechanism:

At present we have to depend upon our own members who notice and complain.

We do not have Quality Control Board to oversee this.

We have not thought of some other measures



Issue 2: Reporting not in compliance with GNs/APSs

Compliance mechanism:

CIRBs help some extent as these give education. Many actuaries do not attend to learn.



Other issues [There are many and not dealt]

Undercutting:

- New actuary is not aware of the fee charged by the old actuary who is not obliged to state.
- Min fee is not recommended by the IAI
- AS15-R Reports issued by non-actuaries
- Forged Reports, etc.

Other issues [contd.]

--Members do not bring to the notice of IAI about wrong or bad reports [Actuaries who are aware, may not complain, in view of the complicated disciplinary procedures]



Developments

1. Compulsory registration with the IAI who wish to take up actuarial consultancy in employee benefit area.
2. Certificate of Practice.
3. Actuary must identify himself writing his membership number, registration number (issued by the IAI), COP number, email id, mobile number in his report.

Developments

4. List of consulting actuaries in IAI website
5. IAI may encourage consulting actuaries association so that some development can take place.

