

**The Actuaries' Code**

The actuarial profession has issued [The Actuaries' Code](#), it came into effect on 1st October 2009. The Code consists of principles which actuaries are expected to observe in the “public interest” and “in order to build confidence in the profession”. The principles are further re-enforced by the stated need to observe the “spirit” of the Code in all professional conduct. The key elements are –

- **Integrity**; Actuaries must act honestly and with the highest standards of integrity.
- **Competence and Care**; Actuaries must perform their professional duties competently and with care.
- **Impartiality**; Actuaries must avoid conflicts of interest, bias or the undue influence of others.
- **Compliance**; Follow regulation, avoid being compromised and challenge non-compliance by others.
- **Open communication**; Actuaries must communicate effectively and meet reporting standards.

The Code is of huge significance to practising actuaries as it forms the basis of professional discipline. For example an actuary purporting to be a certified Pension Scheme Actuary, but who didn't apply for the necessary practising certificate, was recently fined £1,000 and suspended from the profession for six months.

At least one actuary has resigned from the profession due to the scope of the Code encompassing non actuarial activity “where their conduct in other contexts could reasonably be considered to reflect on the profession”. Furthermore the recent commencement of an [investigation](#) of the work of an actuary supporting the audit of an insurance company (Equitable Life) may bring further insight into professional responsibilities.

**Statistics** (Not lies, downright lies and statistics!)

Another month of scary statistics on our public finances; In September the public sector borrowing was £14.8 billion, the public sector cash requirement was £19.4 billion and the total public sector debt was £824.8 billion, equivalent to 59.0 per cent of gross domestic product (GDP). Perhaps we should congratulate the Debt Management Office for their work so far. Life after Quantitative Easing may however be more difficult, I'll be watching out for higher inflation, higher interest rates, the foreign exchange rate and movements of capital!

**Governance**; Good governance is becoming increasingly important and prominent in the field of investment - a company board that ignores good governance can clearly also ignore shareholders.



For pension scheme trustees, governance is equally important and I am therefore grateful to Independent Audit Limited for the excellent graphical reflection on self assessment.

My challenge is therefore; When was the last time your board received external and/or independent scrutiny of its processes and procedures? As an independent trustee aspiring to provide such assistance the equivalent challenge is benchmarking actions against best practice elsewhere.

**And finally**; the directors of ACMCA Limited, Judith & Allan, mum and dad, are pleased to mention another passing out – that of (eldest son) Police Constable Douglas J Martin from the Scottish Police College at Tulliallan last month. Readers of Pension Snippets in March 2006 may recall his earlier passing out as a Royal Marine. The occasional hazards of policing the Ayrshire communities will undoubtedly be challenging, however, they are thankfully significantly less onerous than a winter in Afghanistan.

As always, for further comment, assistance, advisory or trustee services, contact me on 07714 064964 or via [allan@acmca.co.uk](mailto:allan@acmca.co.uk) Feedback on Pension Snippets is always welcome. For further details, the full CV, occasional lecture notes and published articles and previous Snippets - visit the web site at [www.acmca.co.uk](http://www.acmca.co.uk)