
GUIDANCE NOTE OR PROFESSIONAL STANDARD?

The Institute of Actuaries of Australia issues Professional Standards and Guidance Notes for members.

PROFESSIONAL STANDARDS

A Professional Standard is issued to cover a field of actuarial work on which there is a consensus as to how that work should be done. Although the standard will not contain detailed rules, it does contain principles from which it would be unprofessional to depart unless this is disclosed and can be justified by the actuary. In circumstances where consensus would not be achieved but where it would be desirable to issue a Professional Standard, (for example, where required by legislation), Council may resolve that a document should be a Professional Standard.

GUIDANCE NOTES

Guidance Notes are issued in three different situations:-

- A Guidance Note may be issued to clarify a Professional Standard. In this case, the Guidance Note is intended to illustrate the application of the principles underlying the Professional Standard and should not be read in any manner which would sanction departure from the Professional Standard.
- A Guidance Note may be issued to supplement a Professional Standard. In this case it is part of the Professional Standard.
- A Guidance Note may also be issued either in circumstances where consensus may not have been reached or where a trial period is required before a Professional Standard is produced. The actuary would be expected to disclose any departure from the Guidance Note, but departure from a Guidance Note is not, in itself, unprofessional conduct.

MANDATORY GUIDANCE NOTES

- Some Guidance Notes have been classified as "mandatory" in reaction to situations where the profession has been asked by an external organisation, or considers it appropriate, to issue instructions to members as to how work specific to that organisation is to be carried out. The Institute has been asked to bind its members in these specific areas in return for the organisations accepting actuarial certification. The Institute may not feel that there is a consensus within the profession as to how the work should be carried out, but the method set out in the Guidance Note must be followed when providing an actuarial certificate. If a member does not wish to follow the Mandatory Guidance Note, then that member should decline to do the work required.

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