



Accountancy & Actuarial Discipline Board

Aldwych House, 71-91 Aldwych, London WC2B 4HN
Telephone: 020 7492 2378 Fax: 020 7492 2459
www.frc.org.uk/aadb

What cases will be dealt with by the AADB?

Guidelines for referral to/call-in of cases under the Actuarial Scheme by the AADB

1. The Accountancy and Actuarial Discipline Board ("AADB") provides a scheme for investigating and hearing allegations of misconduct by actuaries who are members of The Institute and Faculty of Actuaries (formerly the Institute of Actuaries) or the Faculty of Actuaries (prior to its merger with the Institute and Faculty of Actuaries) in the course of their professional, business or financial activities.
2. The AADB deals only with cases where it considers that the matter raises or appears to raise important issues affecting the public interest in the United Kingdom. All other cases are dealt with by the professional body to which the actuary belongs.
3. In deciding whether a matter raises important issues affecting the public interest in the United Kingdom, the AADB considers:
 - whether there appears to be:
 - serious public concern; or
 - damage to public confidence in the actuarial profession in the United Kingdom; and
 - all the circumstances of the case, including its:
 - nature;
 - extent;
 - scale; and
 - gravity.

4. In considering the extent, scale and gravity of the case, factors the AADB is likely to take into account will include whether the alleged misconduct:
 - adversely affected a significant number of people in the United Kingdom (such as investors, customers, employees, pensioners or creditors);
 - involved or caused the loss of significant sums of money (typically, more than £10 million); or
 - could undermine confidence in financial reporting or corporate governance in the United Kingdom.
5. These factors may be more likely to occur where the alleged misconduct concerns a body in which there is a public interest, such as:
 - a United Kingdom publicly traded company;
 - a significant financial institution, insurance undertaking or pension fund in the United Kingdom;
 - a United Kingdom public body;
 - a significant United Kingdom charity.
6. It should be emphasised that the above list is not exhaustive. Other factors may be considered in deciding whether a matter should be investigated by the AADB. Nor is any one factor or combination of factors necessarily determinative (although it might be). Each case will be considered in the light of all the relevant circumstances.

February 2011