

November 2018

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# Consultation: Actuarial Statement Of Recommended Practice 1: Financial Analysis of Social Security Programmes

## Annex 3: List of changes between ISAP 2 (2017) and ASORP1

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### Annex 3 - List of changes between ISAP 2 (2017) and ASORP1

Throughout when making changes we have endeavoured to leave the meaning substantially consistent with the original in ISAP 2 (2017).

	Proposed Change	Rationale
1	<p>The key changes are:</p> <ul style="list-style-type: none"> <li>• Language and style throughout have been transposed into the TAS passive mode;</li> <li>• Reference to the “actuary” has been removed; and</li> <li>• “Principal” has been replaced by “user”.</li> </ul>	<p>These changes are for:</p> <ul style="list-style-type: none"> <li>• Consistency with UK standards;</li> <li>• Clarification that the focus is on the nature of the work rather than on who does it; and</li> <li>• Clarification that the focus is on whose decision the work is intended to assist rather than on who commissioned the work.</li> </ul>
	SECTION 1	
2	<p>General: We have added a generic introduction to the role of the FRC consistent with the way that it appears in the TASs.</p>	<p>This is for consistency with other FRC standards and has no impact on the provisions.</p>
3	<p>Purpose: We refer to the “Reliability Objective”<sup>1</sup>. This captures the substance of the points in ISAP 2.</p>	
4	<p>Compliance: By referring to TAS 100 we have picked up the substance of the ISAP 2 provisions</p>	
5	<p>Defined Terms: ISAP 2 refers to the Glossary that applies to all ISAPs. We have referred to the Glossary to the TASs for those terms which are already defined. In addition, we have included a glossary within the Exposure Draft for terms within the ISAP Glossary which are specific to ISAP 2 and remain unchanged.</p>	<p>AS TM1 contains its own glossary. For ASORP1 many of the terms are already defined in the Glossary for the TASs and therefore do not need to be repeated.</p>

<sup>1</sup> [Framework for FRC actuarial standards](#)

	SECTION 2	
6	Each sub-section begins with a paragraph in bold which is a change from the presentation of ISAP 2.	The rationale is explained in paragraphs 2.15 and 3.10 of the Consultation document.
7	In 2.3 we have changed the term “neutral assumptions” to “best estimate assumptions” and left this latter term undefined.	The rationale is explained in paragraph 3.25 to 3.27 of the Consultation document.
8	We have omitted Section 2.5 of ISAP 2 which refers to the Independent Expert Review.	The rationale is explained in paragraphs 3.18 to 3.21 of the Consultation document.
9	We have omitted Section 2.6 of ISAP 2 which allows for assumptions set by legislation to be compliant with ISAP 2.	The rationale is explained in paragraph 3.22 to 3.23 of the Consultation document.
	SECTION 3	
10	ISAP 2 refers to the “Report”. We have removed reference to this and included everything within the umbrella term Communications.	The rationale is explained in paragraph 3.9 of the Consultation document.
11	Section 3.2 of ISAP 2 requires an “actuarial opinion”. We have removed this requirement.	The rationale is explained in paragraph 3.24 of the Consultation document.
12	Section 3.2.3 of ISAP 2 which refers to a limited opinion has been retained. This has the effect of requiring the communication to clearly identify the limitations in scope where a specific question has been asked. We have retained this requirement.	Even though this requirement was situated with the actuarial opinion (which we have removed) we felt that the articulation of scope was important in its own right. Although it could be inferred from TAS 100 we felt that it was right to leave this paragraph explicitly stated.





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