



SOCIETY OF ACTUARIES

Article from:

The Actuary

March 1981 – Volume 15, No. 3



The Actuary

The Newsletter of the Society of Actuaries

VOLUME 15, No. 3

MARCH, 1981

ACTUARIES IN THE U.S. GENERAL ACCOUNTING OFFICE

by Franklin B. Dana

In 1969, for the first time, the U.S. General Accounting Office (GAO) hired an actuary. This article attempts to answer the often-asked question, "What do actuaries do at the General Accounting Office?"

GAO's Purpose and Responsibilities

Established by the Budget and Accounting Act of 1921 as an independent non-political arm of Congress, GAO's purposes and responsibilities are:

- To assist the Congress, its committees and its members, as much as it can, to carry out their legislative and oversight responsibilities, consistent with its role as an independent agency.
- To audit and evaluate programs, activities and financial operations of Federal departments and agencies and to make recommendations toward more efficient and effective operations.
- To carry out financial control and other functions with respect to Federal Government programs and operations, including accounting, legal and claims settlement work.

GAO is not an agency of the Executive Branch, although its employees are generally subject to the same rules and regulations as other U.S. civilian employees. It is responsible directly to Congress, and is often referred to as "the principal investigative agency of Congress" or "the watchdog of Congress." Also, unlike executive agencies, GAO's scope is not limited to a single specialty or activity, but covers anything connected with the legislative and oversight responsibilities of Congress. While much of the work results from specific requests by members of Congress, GAO can and does initiate work. Under its broad man-

(Continued on page 7)

Inviting Your Thoughts On Professional Standards

We have a new Task Force on Guides to Professional Conduct responsible for making recommendations on such questions as:

What, if any, written standards of ethical conduct does the Society need?

How detailed ought they to be?

How should they relate to those of the other U.S. and Canadian actuarial bodies?

What companion improvements in our Guides might now be made?

Whatever guidelines the Society adopts are sure to affect significantly the Society's nature and its relations with those other bodies. Accordingly, the Task Force invites and encourages you to send comments and suggestions on relevant issues to us through our Chairman at his Year Book address.

We plan to report to the Board of Governors in the summer or early fall.

Daphne D. Bartlett, Dwight K. Bartlett, III, Kenneth T. Clark, Richard Humphrys, William A. Spare, Charles B. H. Watson, Alan Lazarescu (Society Legal Counsel), and Julius Vogel, Chairman.

FUNDING AN FSA PARTY

by Pamela S. Woodley

Results are out, and I am an FSA. Readers of this newsletter will appreciate my compulsion to gather co-workers and friends, and to see liquor and root beer flow freely, and several trays of cold cuts be demolished. The FSA party has become as entrenched an actuarial tradition as overtime in January.

(Continued on page 8)

CANADA SEEN FROM NORWICH

Having read in FIASCO that the inaugural meeting of the Norwich Actuarial Society (for "Society" read "Club" everywhere in North America except Michigan) heard a paper entitled, "Looking at Canada in 1980", we asked its author, A. Peter Hardy, F.I.A., for a copy. Mr. Hardy, who had called upon his own experiences in Canada in 1976-79 to write it, kindly permits us to print some excerpts here. Readers wishing to see the whole text may obtain it from this newsletter until our supply (2 copies) is exhausted.

The author's comparisons between Canadian and British life insurance practices appear under five interrelated topical headings: Taxation, Guaranteed CSV's, Life Assurance Commission and the Field Force, Group Life Insurance, Group Pensions. Only the first three of these are reviewed here. Says he, "It is interesting to observe the effect which certain of these items have upon the reputation of the life insurance industry, i.e., public confidence in the ability of the industry to act in a responsible, accountable and self-regulatory manner and to provide good value for money. Time and again industry reputation emerges as one of the principal underlying differences between operations in Canada and the U.K." Mr. Hardy's belief is that studying today's Canadian environment helps in predicting how the U.K. market may develop during this decade unless influenced in other directions by those who don't like what they see.

One of the subjects in the Taxation section is the difference attributable to the absence in Canada, except for approved personal pension arrangements, of the tax relief to the buyers of endowment policies that savers in Great Britain have enjoyed for many years. This important sales advantage in the U.K. has been threatened with removal, but

(Continued on page 8)