

1441

Cabinet Office

Management and Personnel Office

Annex V	File Begins 16 th OCT. 1986	Ends 4 th NOV. 1986
	File Title	

**MANAGEMENT
IN CONFIDENCE**

(Circulate under cover and
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Annex

File Number
MGD 5/04

DUTIES AND RESPONSIBILITIES
OF CIVIL SERVANTS:
APPLICATION OF SIR ROBERT
ARMSTRONG'S NOTE OF
GUIDANCE TO PROFESSIONAL
CIVIL SERVANTS.

MGD

5/04

V

Disposal Directions	Signature	Date
Destroy after 10 years	J.C. Fuller	2.8.88
Preserve		
Consider at 1 st 2 nd Review		

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CROWN AND CIVIL SERVICES.

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From: R A C HEWES

Date: 17 October 1986

5/04
Anx 5

W 21/2
Newington file

MISS DICKINSON

cc Mrs Brown ✓

DUTIES AND RESPONSIBILITIES: LETTER FROM GOVERNMENT ACTUARY

1. I would be grateful for your comments on the attached letter from GAD. It seems to me to reopen some pretty basic questions about the accountability to Ministers of 'professional' civil servants.
2. It is obviously right that professional civil servants (be they actuaries, statisticians, economists, accountants, lawyers or whatever) should bring to their work the same professional standards as would be expected of their counterparts in the private sector. Moreover in the vast majority of their work Ministers are likely to be in no position to question the professional judgements these officials make, even if they wanted to.
3. I am a little concerned, however, that the references to 'fair disclosure' (in the letter) and 'responsibility to ultimate recipients' (in the draft note) imply some higher loyalty than the duty to Ministers. If this were allowed to actuaries, other professionals would drive the wedge further and soon 'professional administrators' would be through the door.
4. It seems to me that the issue really comes down to who ultimately decides what should be disclosed where the content is the product of or reflects professional judgement. I am in no doubt that like everything else we publish this must be for Ministers. Equally I think Ministers would be ill-advised in their own interests if they did not adopt a hands-off approach. This I believe is precisely what is being developed in relation to statistics published under the GSS banner (I am seeking a copy of a paper from Mr Hibbert).
5. The question though is how to reflect that in any note GAD might circulate without appearing to say that professionals have some higher loyalty that overrides their duty to Ministers. Equally one needs to avoid putting it in terms that would highlight occasions, no doubt very rare, when Ministers might find it necessary to intervene. On such occasions there would be a case for an appeal to head of profession on crisis of conscience grounds; but I am not sure it is sensible to spell this out separate from the existing appeal route to Sir Robert.
6. How far has any of this been argued over previously, e.g. at the time of Sir Robert's statement in February 1985?

R A C HEWES



GOVERNMENT ACTUARY'S DEPARTMENT
22 KINGSWAY LONDON WC2B 6LE
TELEPHONE 01-242 6828 Ext 310

c - Mr. Hewes

16 October 1986

From the Government Actuary
E. A. Johnston CB, FIA

Sir Robert Armstrong GCB CVO
Secretary of the Cabinet and
Head of the Home Civil Service
70 Whitehall
London SW1A 2AS

CABINET OFFICE
10259
16 OCT 1986
FILING INSTRUCTIONS
FILE No.

Dear Sir Robert,

Thank you for sending me a copy of your letter to Peter Middleton of 23 July. An unexpected absence from the office has prevented me from responding sooner, but even at this stage it seems worth letting you know about one point which is of importance to actuaries in the service.

The rules of conduct which now have official government approval were not, I am sure, meant to over-ride the ordinary rules of professional practice (or there would be little point in employing professionals in the Civil Service) but the point does not seem to be mentioned either in the Government White Paper or anywhere in the Committee documents. I would not like you to think that professional practice is in any way opposed to the spirit of your memorandum or to the Government's view of these matters. On the contrary, professional rules such as primacy of clients interest, client confidentiality etc. strongly support their and your approach. But questions of disclosure of professional work to the public - whether directly by the professional himself or by implication in ministerial statements - are another matter. Fair disclosure of actuarial material is increasingly at the heart of the profession's responsibilities nowadays, and GAD has to set a high standard if only because, in supervisory work, we demand a high standard from private sector actuaries. "Fair", of course, means fair as judged by the actuary rather than by the Minister.

The problems which have arisen occasionally in recent years have been as much due to the lack of appreciation by other officials of the nature of professional responsibilities as to any action by Ministers and I am concerned that the point should not have been mentioned at all in the documents which the Government has issued. Although some of my functions are laid down by statute, the same point arises on non-statutory work. It cannot really be treated as an exception, being the stuff of which actuarial life is made.

The best course now seems to be for me to issue guidance to my professional colleagues which they can, if necessary, show to officials of other departments, and I enclose a copy of what is proposed.

2/214

Obviously I do not wish to give an impression of lack of solidarity in the Civil Service, and I hope you will find this to be a reasonable approach.

I don't know what arrangements you have for consulting Heads of Professions on these and other matters, but naturally I would be happy to assist at any time.

Yours sincerely

Edward Heath

DRAFT

CIVIL SERVANTS AND MINISTERS, DUTIES AND RESPONSIBILITIES

The Government has now issued its response (Cmnd. 9841) to the report on this subject by the Treasury and Civil Service Committee. This confirms the "Armstrong Memorandum" published in February 1985 in the wake of the Ponting case. I have copies of these documents.

Both White Paper and Memorandum stress the Civil Service has no responsibility separate from the Government of the day and that in particular the responsibility for presentation of any information which the Government is disclosing lies with Ministers not with officials. In general this must obviously be so, and this line is strongly supported by the ordinary rules of professional practice (eg. primacy of client's interest, client confidentiality). For this purpose, the client is the Minister, or Ministers collectively, even though direct contact is often with other officials. None of this is new.

The Governmental documents deal with the Civil Service in general, and make no mention of professional responsibilities. It is worth pointing out, therefore, that as professionals we have a responsibility towards the ultimate recipients of our advice as well as to the immediate client, and the profession will expect both our work and the presentation of it to meet this standard eg. on points of fairness and balance in presentation. In practice, the ultimate recipients are usually Parliament as a whole, the profession, the insurance and pensions worlds, the financial press etc. We may have to defend our views to the profession and related experts. This also is not new and I think we have achieved it in the past. It is of course limited to the actuarial content of our work; when advising on policy questions we are in the same position as non-professional civil servants.

The Government White Paper and Armstrong Memorandum do not and were not intended to override these ordinary rules of professional practice, and this notice^{is} circulated in case any misunderstanding should arise about the position. It may if necessary be shown to other Departments.



John Wighton

CABINET OFFICE

Central Statistical Office

With the compliments of

J. Hibbert

File notes

20.10.86

Great George Street, London SW1P 3AQ

Telephone 01-233 6117

A0732



CABINET OFFICE

Central Statistical Office

Great George Street, London SW1P 3AQ Telephone 01-233 6117

From the Director: J. Hibbert

PRIME MINISTER

PUBLIC CONFIDENCE IN OFFICIAL STATISTICS

I have become increasingly concerned about the evident deterioration of public confidence in official statistics this year. Press comment has often contained gross inaccuracies and distortions but we have been reluctant to correct these in public either because there was a risk of being drawn into political controversy, or because a rebuttal might lead to further probing which it was thought could be embarrassing to the Government. Much of the criticism has been directed at the monthly unemployment statistics but we now find other areas of official statistics coming under attack mainly, though not exclusively, those concerned with the disadvantaged in society.

The situation has worsened with the recent episode over statistics of low income families produced by the Department of Health and Social Security, and released on 25 July shortly after the House rose for the recess. These statistics would normally have been issued last October but data problems and discussions about possible changes to their presentation delayed their compilation. I understand, however, that they were available in their final form in April. I can see no way in which the timing of the release of these figures could be defended and the episode has made it even more difficult for public confidence in Government statistics to be maintained.

- ① Miss Ditcham
- ② Mrs Brown

S104
Ann V

This seems to confirm the position on professional accountability. Clearly from what Mr. [Name] draws attention to Ministers have from time to time intervened, as they are entitled to, on the timing of release of statistics - but Mr. [Name] as professional head is seeking the P.M.'s backing for a self-declaring ordinance in order to protect the integrity of Government statistics.

[Handwritten signature]

Our inability to defend the statistics in public, and to correct the many inaccuracies which have appeared in the Press, is damaging to the long-established reputation for integrity in UK Government statistics. The weakness of our present position stems partly from the unwillingness of some departments to follow conventions which are well established elsewhere, particularly for the issue of economic statistics, in the belief that the retention of as much flexibility as possible over the arrangements for the issue of statistics has considerable political advantages. It is my view that this belief is mistaken and that, in fact, a policy of discretionary timing of the release of statistics has led a) to the Government being given less credit for its achievements than it should, and b) to greater attention being given to potentially embarrassing figures than would have been the case had they been issued according to a standard schedule. The statistics on low income families for 1983, produced by the DHSS, would no doubt have been the subject of Opposition criticism even if they had been issued last October or earlier this year, but it is difficult to believe that they would have received any greater attention than they did following their release on 25 July. Irrespective of these considerations, however, the damage to public confidence in official statistics generally, caused by incidents such as the delay in the issue of these figures cannot simply be ignored. I have, therefore, two proposals for action, aimed at restoring public confidence in Government statistics, to which I seek your agreement.

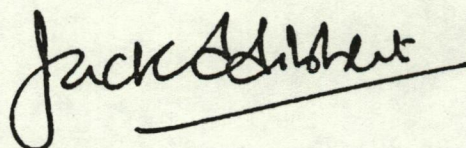
The first proposal is that you should remind Ministers of the arrangements for announcing in advance the target release dates of most economic, and some social, statistics and suggest that these arrangements should be extended to cover, wherever practicable, all regularly compiled official statistics. It would also be in the spirit of these arrangements that other statistical information compiled by departments should, as a matter of Government policy, be released at the earliest time practicable. If you are willing to do this I would be happy to draft a suitable minute. It would be along the same lines as that which my predecessor, Sir John Boreham, put to you in February 1984 (copy at attachment A).

The second proposal is that, together with the directors of statistics in departments, we should be much more active in publicly refuting the assertions which are made about Ministerial interference with the form of presentation, timing and content of statistical publications, as well as in correcting other factual errors which are now commonplace. Such action would, of course, be taken only after prior consultation with the appropriate Minister and with me. In order to be able to do this, however, it is clearly most important that such charges of Ministerial interference should in fact be without foundation (as virtually all of them are). We are in fact already taking some action; the director of statistics at the Department of Employment has written to the Guardian to correct statements made in an earlier letter by a former director of statistics at the (then) Ministry of Health, Professor Bernard Benjamin (copy at attachment B). The head of the medical statistics division of the Office of Population Censuses and Surveys has written to the Observer and the British Medical Journal about serious errors in articles they have published recently. As head of the Government Statistical Service I would like to have written to the Observer to correct a number of errors in the recent piece by Mr Robert Taylor (attachment C), but to do so would have risked the inference being drawn that any statements not corrected (such as the claim that the statistics on low income families had been delayed) were in fact true. We cannot adopt a more active policy if it is subject to this sort of vulnerability.

It would be argued by some that public confidence in Government statistics can only be guaranteed through legislation to provide for an independent statistical institute of the kind which exists in many other countries, or through the setting up of a national Statistical Council to monitor work on official statistics and advise on technical issues and matters of public interest. I would not favour either of these approaches because in my view they are liable to be more costly and less able to respond to the changing needs of Government than our present system. It is all

the more important, therefore, that we should find other ways of restoring public confidence and I hope you can agree to the two initiatives I propose above.

I am sending copies of this minute to Sir Robert Armstrong, to the permanent heads of department and directors of statistics at the Treasury, the Department of Employment, the Department of Health and Social Security and the Home Office, and to the Registrar General.

A handwritten signature in cursive script that reads "Jack Hibbert". The signature is written in dark ink and is underlined with a single horizontal line.

JACK HIBBERT

11 August 1986

DRAFT MINUTE FROM PRIME MINISTER TO MINISTERS IN CHARGE OF DEPARTMENTS

INTEGRITY OF GOVERNMENT STATISTICS: PUBLICATION


It is of the highest importance for the Government to maintain public confidence in the integrity of its statistics. Arrangements for the publication of statistics must give great weight to this.

The release dates of the major economic series are published in advance each month in a Central Statistical Office Press Notice and repeated in "Economic Trends". I should like this to be extended to other major series of statistics and I would like your Department to arrange this, (if it is not already done), in consultation with the Central Statistical Office. Pre-announced publication dates should be strictly adhered to: delays can only be countenanced when there are unavoidable problems in producing the statistics.

Press Notices

Departments generally use Press Notices to achieve fast publication of important series. Arrangements for the issue of Press Notices should take account of the following:

- only people who strictly need to know should see sensitive statistics before they are released;
- there should be an expected delay of at most two working days between the compilation of all the figures for a Press Notice and its release to the Press: this should be reduced to one working day wherever practicable;
- statistical Press Notices should contain a clear and standardised identification that they are prepared by the Government Statistical Service, in order to establish a clear and visible separation of statistical information from any subsequent policy comment and to emphasise their common professional origin;

- 
- Press Notices should include, where appropriate, an objective commentary on the figures; where this includes comparisons with earlier figures, these should normally be over standard periods for any given series; major revisions to earlier published figures should normally be mentioned.

Other publications

The guidelines for the issue of Press Notices may not be entirely appropriate for the publication of statistics in regular journals or in special digests. However, it remains important to meet pre-announced publication dates and to distinguish between statistical information and policy comment.

Responsibility for action

The senior professional statistician in each department carries responsibility for the integrity and validity of his statistics. He should consult the Central Statistical Office whenever there is any doubt about the form of presentation or timing of statistical series for which he is responsible.

In addition the Director of the Central Statistical Office in his role as Head of the Government Statistical Service has the right of direct access to me on matters concerning the validity and integrity of Government statistics and the professional competence and working of the statistical service. Where he is providing advice to other departments, he may deal directly with the appropriate Minister.

February 1984

EXTRACT FROM THE GUARDIAN
TUESDAY 5 AUGUST 1986

course is now plain. Treasury presumably would not have gone ahead, if it had known that the state

(Rev) John Vincent,
210, Abbeyfield Road,
Sheffield.

for a lorry-toll only states the toll on a car. Secondly, the Tories are very amenable to that is what the revised design standard requires.

Penarth,
S. Glamorgan.

Big frieze

Sir, — Pam Segalini (Letters, August 2) is right to protest at the wanton misuse of refrigerators in the name of art. Why, only the other day (July 23) you reported that a young couple, living with the man's parents in a 140 year-old house in SW1, are having to start their married life without this basic piece of kitchen equipment. Couldn't the people of Islington offer to help them out?
Yours faithfully,
Peter Barnes,
Milton Keynes.

Open Space
Letters — Page 20

[When the self-employed figures are out for the count

Sir, — Professor Benjamin, (Letters, July 25) states that information relating to the self-employed is left out of the estimates of employment because of the quality of the information available. I need to correct this statement.

Estimates of the self-employed have been included in the Department of Employment's estimate of the employed labour force for many years. However in calculating the monthly unemployment rate it has been our practice to express the number of unemployed as a percentage of the civilian work force excluding the self-employed. This was not because of the quality of the data as

such but because it was not possible to produce estimates of the self-employed disaggregated to travel to work areas, the smallest area for which unemployment rates are published.

Emphasis was placed upon maintaining consistency between rates for travel-to-work areas and those at the national level.

In recent years, however, the self-employed have grown rapidly — from 1.9 million in June 1979 to 2.7 million in March, 1986 — and an unemployment rate which falls to take this into account can provide a misleading impression of the labour market. It was this that led to

the introduction of the additional unemployment rate, incorporating the self-employed and the armed forces, from July 17. We will also continue to produce an unemployment rate on the old definition because of the need for rates for travel-to-work areas.

Professor Benjamin refers to the changes to the bases of the employment and unemployment statistics in recent years. On employment, I am not clear what he means. We have not changed the basis of the statistics, although since 1983 we have been making adjustments for bias to improve our monthly and quarterly estimates. On un-

employment, our monthly figures are compiled from an administrative system used for paying benefit to those in need. When changes are made to that administrative system, we try to ensure that the statistical information produced from it is consistent over time.

We do this by making adjustments to the seasonally adjusted series of adult claimants, the aim being to provide the best time series that we can to allow for sensible interpretation.

P. D. Dworkin
(Director of Statistics),
Department of Employment,
London SW 1.

Tories' way with figures

MRS THATCHER'S Government claims to believe in freedom. Indeed, the Prime Minister loves nothing better than contrasting the liberties that we enjoy with the oppression suffered by people living in the countries of the Soviet bloc.

But there is increasing and alarming evidence that her administration — through manipulation, distortion or sheer omission—takes a cavalier attitude to the social statistics gathered by government departments and their offshoots and the research carried out under public funding.

Last week, for the first time since 1911, the Office of Population, Censuses and Surveys dropped from its decennial report on occupational mortality details that show the differential death rate between the social classes. A report in the current issue of the *Lancet* points out that the death rate from coronary heart disease, lung cancer and cerebro-vascular disease is much higher among manual than non-manual workers.

As the article was co-authored by a doctor who works for the OPCS it is clear that such detail could have been available and included in the office's report. There may be acceptable academic reasons to drop material that has featured in the occupation mortality tables for over 70 years but its omission fits into a wider pattern of suppression that is starting to worry social administrators.

This Government appears to be insensitive to the statistical evidence that over the past seven years the poor have grown poorer relative to the well-off. It was only on the last day of the Commons before the summer recess that the Department of Health and Social Security released detailed figures on the extent of poverty in Britain—and those more than two hours after the Chamber had risen.

POLITICS



BY
**ROBERT
TAYLOR**

These showed that as many as one in three people is living in or around the official poverty line, a dramatic rise over the figure for 1979.

Ministers are dissatisfied with the way in which these figures (the latest are for 1983) are collated. Apparently the definition of poverty will be changed. It is Conservative orthodoxy that those in greatest need should receive the greatest help through more selective social policies. The massive Social Security Act that has just received the Royal Assent symbolises this approach, with its smack of old Poor Law attitudes. Yet unless we have accurate and up-to-date data available for the policy-makers, it is hard to see how the Government's objective can succeed.

On coming to office the standing Commission on the distribution of income and wealth was abolished and the General Household Survey — as part of an economy drive—is now carried out only every other year rather than annually.

The Supplementary Benefits Commission under Professor David Donnison carried out valiant work to bring our attention to the social realities. It was scrapped. Last year, Ministers insisted that a table showing that the unemployed were more vulnerable to illness than those in work was removed from the Central Statistical Office's annual volume, 'Social Trends.'

Such political interference with statistics is not confined to the social policy area either. The Department of Employment

remains especially vulnerable. The official monthly unemployment statistics have been changed as many as 16 times since Mrs Thatcher came to office. When researchers carrying out work for the department concluded that the existence of wages councils did not price workers out of jobs, as Ministers claimed, another unit was established in the department to prove the opposite.

Prof John Gennard of Strathclyde University carried out a study on the closed shop whose findings did not justify the attacks on that device underpinning Mr Tebbit's Employment Act. As a result its publication was delayed until after the measure was safely on to the statute book.

The massive cuts in research grants to scholars since 1979 reflect indifference to impartial and comprehensive inquiry. This is something quite new. In the past, Governments of all parties have recognised the need for objectivity in the gathering of statistics. Ideological zeal was not allowed to thwart empirical evidence.

But the philistinism displayed by Ministers in sensitive areas like social policy and employment is now undermining a tradition that stretches back well into the nineteenth century. Mrs Thatcher prides herself on being a champion of 'mid-Victorian' values. Yet it was in the 1840s that the Blue Books began to provide an impressive and reliable portrait of the condition of Britain. The spirit of Jeremy Bentham imbued official attitudes to statistics.

Of course, all Governments try to reshape unpleasant facts to suit their short-term purposes. The trouble is that Mrs Thatcher and her colleagues have gone far beyond the purely presentational. In doing so, they are bringing into question the reliability of the official statistics available to us. This is one of the ways in which tyrannies behave.

Observer 3-8-86

Ann Dickinson
5/04 ANX 5.

From A M Dickinson
Date 22 October 1986
c.c. Mrs Brown

Mr Hewes

DUTIES AND RESPONSIBILITIES: GOVERNMENT ACTUARY

Your minute of 17 October: so far as I know this has never previously arisen. I have looked in all the likely files. There was a bit (in a RIPA seminar) on whether "the Civil Service" was entitled to call itself a profession, in comparison with the recognised professions, but nothing directly to the point. The Memorandum of Guidance on Select Committees (paragraph 30) does not really deal with this.

2. I agree with almost everything you say. I would not myself be too worried about "professional administrators" getting through the door, unless they had a lot of political assistance. But the "real" professions could cause trouble if they got on their high horse. To your list I would add doctors. As you know, the Hippocratic oath is a myth; but the medical profession certainly has its own ethical code, and it is easy to imagine circumstances in which this could be claimed to come before duty to Ministers.

3. I do not think GAD should be allowed to go it alone. But I do not see quite how to head him off. There could be, I suppose, a case for a proper study, including finding out what the "problems which have arisen occasionally" (GAD) actually are, and any corresponding problems in other professional areas. But this might simply put ideas into people's heads, without leading to a solution. The self-denying ordinance, on the lines of Mr Hibbert's minute to the Prime Minister, may be as near as we can get.

4. I agree with you that in a case of crisis of conscience there should not be an appeal mechanism separate from that to Sir Robert (apart from routing appeals via the Head of Profession rather than the Permanent Secretary).

Ann Dickinson

A M DICKINSON
Machinery of Government Division

Mr Sharp

pls consider x + make up
new file. Previous papers

PS/SIR ROBERT ARMSTRONG should

cc Miss Dickinson
Mrs Brown


also be
placed in
the new
file.
20/24/10.

24/10.
New Wighton

A new file, think - a sub. part
of 5/04? - on Dates & Responsibilities -
application of Sir R.A.'s Note of Guidance
to professional civil servants. *ajb*
24/10.

DUTIES AND RESPONSIBILITIES: LETTER FROM THE
GOVERNMENT ACTUARY

1. Sir Robert asked for any comments I might have on the draft reply attached to his minute of 23 October (A086/2991).
2. Miss Dickinson and I had been looking into back papers to see whether any definitive view had been reached in the past on the duties and responsibilities of 'professional' civil servants to Ministers and/or the accountability of Ministers for their activities. The answer appears to be not.
3. I agree with the thrust of Sir Robert's proposed reply. Like other professional groups within the Civil Service, there is a need to distinguish between the substance of their advice, on which they would in appropriate cases seek the guidance of their professional superiors (who might be in another Department e.g. statisticians), and the handling of their output, on which they must be accountable to their Ministers like all other civil servants.
4. The position of actuaries can be compared quite closely with that of statisticians and in that connection Mr Hibbert's minute of 11 August to the Prime Minister on 'Public Confidence in Official Statistics' is very much to the point. Mr Hibbert argues that Ministers should not (in their own interests as well as those of professional statisticians) interfere with the publication and presentation of statistics: but he does not seek to argue that Ministers cannot interfere if they decide to do so. In essence what is in question here is a 'professional' crisis of conscience. The same rules must therefore apply. Professionals should point out to Ministers what is and is not proper; once Ministers have decided what to do, the Civil Servant's duty is to comply.
5. A secondary question in all this is whether civil servants who are members of a profession should pursue any crisis of conscience issue through their head of profession or through their Head of Department. Although at first sight, the former is attractive, I believe it could in practice conflict with the civil servant's primary duty to his Minister. In some instances taking a crisis of conscience to the Head of Profession would involve going to someone in a Department headed by a different Minister (e.g. solicitors to the Law Officers, accountants to the Treasury). I conclude therefore that professionals should still take up any crisis of conscience issue through superior officers to the Head of Department and Head of the Civil Service, if necessary.
6. Against the background of this analysis I have suggested (attached) some redrafting of Sir Robert's proposed reply to the Government actuary. I trust that the changes suggested are self explanatory.



R A C HEWES
23 October 1986.

DRAFT LETTER FROM SIR ROBERT ARMSTRONG TO E A JOHNSTON, ESQ., CB, FIA,
GOVERNMENT ACTUARY'S DEPARTMENT

Thank you for your letter of 16 October.

I take your point, of course, about the need for professional standards of accuracy, fairness and balance in the presentation of actuarial material, both inside and outside Government. I feel, however, that your letter presents this as contrasting and even potentially conflicting with Ministerial responsibility for presentation of information, with the prospect that in some circumstances professional responsibilities would override. I would not agree with that: to my mind, where a Minister's responsibility involves consideration of the presentation of actuarial material, it includes a duty to present the material to professional standards of accuracy, fairness and balance.

I have to say that I should prefer you not to issue guidance to your professional colleagues on this. I am not convinced that it is necessary, and unless we are very careful there is a risk of it being misunderstood (or even wilfully misinterpreted).

If you think that some guidance is really essential, I wonder whether it could be somewhat shorter, and could reflect what I have written. You might for instance write something like:

I should draw the attention of my colleagues to the guidance on duties and responsibilities of civil servants in relation to Ministers issued by the Head of the Home Civil Service in February 1985. The principles set out in this memorandum were endorsed by the Treasury and Civil Service Committee in their Seventh Report and by the Government in its recent Response (Cmnd.9841) to that Report.

With the agreement of the Head of the Home Civil Service I am writing to members of the Government Actuarial Service to emphasise that these principles apply to actuaries in the Government Service as to other civil servants. That is the case both when actuaries are advising Ministers on policy matters and in relation to advice on professional matters, where our duty to Ministers is to give advice according to the relevant professional standards. The principles also apply to the presentation of actuarial material, both within Government and by the Government to the outside world;; actuaries in the public service are responsible to Ministers and Ministers are responsible to Parliament for ensuring that such material is represented to professional standards of accuracy, fairness and balance. If it were ever suggested that this should not be so, this should be taken up with your superior officer, up to the Permanent Head of Department, if necessary.

I should be very happy to discuss this with you, if you think that that would be helpful.

3/220

TV Miss Dickinson cc Ho Brook

1) No Dyck
Nin Wighton
SP4
Ann V
2) c - Mr. Hewes

We need to check in due course to see what Mr. Johnston eventually does, so that we have a precedent next time a professional group raises this question



70 WHITEHALL, LONDON SW1A 2AS

3/11

01-233 8319

From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A086/3045

27 October 1986

Thank you for your letter of 16 October.

I take your point, of course, about the need for professional standards of accuracy, fairness and balance in the presentation of actuarial material, both inside and outside Government. I feel, however, that your letter presents this as contrasting and even potentially conflicting with Ministerial responsibility for presentation of information, with the prospect that in some circumstances professional responsibilities would override responsibility to or of a Minister. I would not agree with that: to my mind, where a Minister's responsibility involves consideration of the presentation of actuarial material, it includes a duty to present the material to professional standards of accuracy, fairness and balance.

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/to emphasise that

E A Johnston Esq CB FIA
Government Actuary's Department

to emphasise that these principles apply to actuaries in the Government Service as to other civil servants. That is the case both when actuaries are advising Ministers on policy matters and in relation to advice on professional matters, where our duty to Ministers is to give advice according to the relevant professional standards. The principles also apply to the presentation of actuarial material, both within Government and by the Government to the outside world; actuaries in the public service are responsible to Ministers and Ministers are responsible to Parliament for ensuring that such material is presented to professional standards of accuracy, fairness and balance. If it were ever suggested that this should not be so, this should be taken up with your superior officer, up to the Permanent Head of Department if necessary; and of course in such a situation I should be available to be consulted.

I should be very happy to discuss this with you, if you think that that would be helpful.

ROBERT ARMSTRONG



From the Government Actuary
E. A. Johnston CB, FIA

His Dickinson cc The Baroness
The dilemma lies in X of course. Mr. Johnston is right + a practice Minister can be expected to see it that way. But it would be wrong to claim that they must see it that way. I dislike writing in Robert need pick up their points for further debate - a short reply saying content with X would be enough.
Do you agree?
3/11

GOVERNMENT ACTUARY'S DEPARTMENT
22 KINGSWAY LONDON WC2B 6LE
TELEPHONE 01-242 6828 Ext 310
30 October 1986

Sir Robert Armstrong GCB CVO
Secretary of the Cabinet and Head of the Home Civil Service
70 Whitehall
London SW1A 2AS

CABINET OFFICE	
A	10981
31 OCT 1986	
FILING INSTRUCTIONS	
FILE No

- Mr. Heales

Dear Sir Robert,

Thank you for your letter of 27 October, in view of which I have not yet issued any circular to my colleagues.

I am bound to say that, were the point to be put to the profession I do not think they would accept the proposition that Ministers are responsible for presentation of professional matters. In a wider sense, of course, Ministers are responsible for the maintenance of a professional capability within the Civil Service, and I would not feel that I was serving them properly if we did not keep up ethical as well as technical standards. But at a day-to-day-level it can be different. A report of mine, or other work presented as coming from GAD, needs to be justifiable as fair and balanced by professional criteria, not because the Minister thinks it fair. My difficulty is that the latter is not excluded by your formulation.

Similar questions arise in the private sector where the overwhelming majorities of actuaries work. In certain circumstances which are not uncommon, an actuary may be speaking sometimes on behalf of his employer, and sometimes as a professional. He has to be careful to distinguish between the two, and the Profession's written conduct rules cover this. The Professional Guidance Committee (on which I sit) has to spend quite a bit of time on these issues.

GAD is deeply concerned with these matters, partly because of our supervisory work, in which we depend very much on reports and certificates by private sector actuaries, and partly because of the general government interest in maintenance of a healthy and effective profession. It is inconceivable that we should not seek to maintain the same standards ourselves, and you will not have overlooked that our work is more visible to the public than that of most other officials, and in many cases is directly attributed to us (eg. signed reports).

In the circumstances, it may be best for me to take no action of any kind, apart from keeping my senior colleagues informed. I trust that you will find this acceptable.

Yours sincerely

Edward Schuster

13/222

S/04
Ann II

Mr Johnston

MR HEWES

cc Mrs Brown

GAD

Your comment on Mr Johnston's letter of 30 October: I agree that the theoretical dilemma is a real one. I can see no solution other than legislation to give GAD (and other professionals if necessary) their own statutory powers, separate from those of Ministers. These already exist in some areas.

2. The \$64K dollar question, to which I do not know the answer, is whether the dilemma actually arises in practice. If it doesn't, or not seriously, we can no doubt continue to jog on as we are. But in that case it would be much better not to try to formulate professionals' responsibilities vis-a-vis Ministers at all, and certainly not in terms of hypothetical situations.

3. I agree with your suggestion for Sir Robert's response.

A M Dickinson

A M DICKINSON

3 November 1986



70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A088/3163

4 November 1986

Thank you for your letter of 30 October.

I am not sure that there is very much between us in this matter. It seems to me that, in relation to professional actuarial material, the Minister's overall responsibility includes a duty to present (or allow professional actuaries who are members of his Department to present) that material as balanced and fair by professional standards (ethical as well as technical); and that, if a Minister was disposed to intervene so as to prevent or inhibit the publication of such material to those standards, the actuary concerned would be obliged (in accordance with my note of February 1985) to take the matter to his Permanent Secretary or to you (or both), and the Permanent Secretary or you (or both) to involve the Head of the Civil Service.

But perhaps we do not need to resolve whatever disagreement there may be on this matter. There is nothing between us on the need for high standards in all aspects of the work of the Government Actuarial Service. There is certainly difficulty in arriving at a formulation that is not open to misinterpretation. I am therefore content for you to take no further action on this.

E A Johnston Esq CB FIA
Government Actuary's Department

8/225