Institute and Faculty of Actuaries

Actuarial Association of Europe

Standards Professionalism and Freedoms Committee, annual meeting 2016

Subject	Update on the activities of the UK's Institute and Faculty of Actuaries (IFoA)
Meeting	19 September 2016 AAE SPFC, Annual Meeting, Barcelona
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Background

1. This note provides an update on recent standards and professionalism activities of the UK's Institute and Faculty of Actuaries (IFoA).

2. The IFoA is responsible for the regulation, in the public interest, of all of its members worldwide. By agreement with the IFoA, the UK's Financial Reporting Council (FRC) sets technical standards in respect of work that is within UK geographic scope while the IFoA remains responsible for setting technical standards in respect of work carried out by members outside the UK. The IFoA's regulatory functions in the UK are also subject to independent oversight by the FRC.

Update

3. Quality Assurance Scheme

3.1 The first accreditations have been awarded under the IFoA's Quality Assurance Scheme (the 'QAS') for organisations. There are now 24 accredited organisations[1] with a further three 'live' applications to be determined. The accredited organisations are largely consultancy firms (a mixture of actuarial consultancies, multidisciplinary consultancies – including accountancy firms – and pensions consultancies) with the exception of an actuarial software calculations firm.

3.2 The QAS is a voluntary accreditation scheme for employers of actuaries which involves independent assessment that organisations are meeting certain outcomes. Those outcomes all relate to quality assurance and are designed to create a working environment most likely to produce good quality actuarial work.

3.3 The QAS is currently restricted to UK employers but there are plans to open it up more widely in the future.

[1] A full list of all accredited organisations can be found here: https://www.actuaries.org.uk/upholding-standards/quality-assurance-scheme/qas-accredited-organisations

4. New standard on applying standards (APS X1)

4.1 As explained in earlier updates, the IFoA has been working on a the final version of the new standard 'APS X1: Applying Standards', which is intended to clarify for members the appropriate set of standards they should apply depending on where, geographically, they are carrying out work.

4.2 The final refinement of the standard and its accompanying guide has taken a little longer than anticipated but is due for publication before the end of 2016. It is also anticipated that the APS will come into force on the same date as the FRC's new technical standards in the UK.

5. Risk Outlook and Risk Alerts

5.1 The IFoA will shortly publish a high level Risk Outlook paper summarising the detailed work that took place in terms of data gathering and analysis for the Risk Outlook project. That project involved the IFoA looking at risks to the public interest in connection with actuarial activity.

5.2 The IFoA has also now published two 'Risk Alerts' on Commutation factors and GI reserving. A programme of further alerts is being developed in relation to areas identified as being pressing areas of concern during the Risk Outlook project.

6. Review of Actuaries' Code

6.1 The IFoA has been continuing its work on review of the Actuaries' Code. It is currently anticipated that a revised version of the new Code will be put out to consultation in early 2017.

6.2 It is likely that the new version of the Code will be accompanied by detailed non-mandatory guidance to assist Members with its application.

7. Guidance on the TAS 100

7.1 The IFoA has been continuing its work to consider the production of technical guidance to support the FRC's TAS 100 (*for further details about the TAS 100 – please see the update note provided to this Committee by the FRC*).

7.2 The current proposal is that there will be: (1) guidance on certain issues/areas identified as requiring further guidance and explanation including, for example, the definition of Technical Actuarial Work and application of the principles of materiality and proportionality ; (2) practical case studies to show how the TAS 100 might apply in particular situations likely to arise for practitioners in different practice areas; and (3) a bank of Frequently Asked Questions (with answers) to be developed over time.

8. New professional skills videos

8.1 The IFoA will shortly launch a new suite of its very popular professional skills videos. Each year a new batch of material is produced focused on bringing to life professional issues for members. This year's materials include 7 new videos, 9 vignettes (7 as illustrated comic strips) and two animated PowerPoint presentations.

Further information on any of these activities can be obtained from Emma Gilpin either at the meeting or via emma.gilpin@actuaries.org.uk