

Actuarial Association of Europe

Professionalism Committee Meeting, Spring 2019



Institute
and Faculty
of Actuaries

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| Subject | Update on the activities of the UK's Institute and Faculty of Actuaries (IFoA) |
| Meeting | 12 April 2019 AAE meetings, Sofia, Bulgaria |
| Author | Leisha Watson, Regulatory Lawyer, IFoA |
| Reviewer | Emma Gilpin, Head of Regulatory Policy, IFoA |

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

Update

Revised Actuaries' Code and Guidance

4. The revised Actuaries' Code comes into force on 18 May 2019. A document providing guidance on the revised Code has now been published. This contains information about each of the six principles, as well as the Code's application, scope, status and purpose.
5. The IFoA has also published revised Conflicts of interest, Speaking Up and Acting as a Non-Executive Director Guides for its Members.

Monitoring of Actuarial Work

6. The IFoA has been developing proposals to introduce proportionate, direct monitoring of the work of actuaries. The IFoA's proposals would involve the introduction of a monitoring system to gather information about the work being carried out by its Members, to use that information

to provide evidence of the quality of actuarial work, to promote best practice and, as appropriate, to develop and adapt training, education, standards and guidance.

7. The consultation on the proposals closed on 28 September 2018. After reflecting on the consultation responses, the IFoA made the decision to proceed with the introduction of Thematic Reviews and Information and Data Gathering activities.
8. Further work will be done to explore possible alternative approaches to the monitoring that was proposed, specifically in relation to the work of IFoA Practising Certificate Holders, throughout 2019.

Quality Assurance Scheme (QAS)

9. The IFoA's QAS for employers of actuaries now has 40 organisations holding the accreditation across the globe. This includes employers in Malaysia, Singapore, Hong Kong, Indonesia, Thailand and Dubai.
10. There is an Insurers Value Proposition workshop currently underway which should help to identify ways in which the QAS is valuable to insurers.

Pilot of outcomes-focused CPD scheme for QAS organisations

11. The IFoA has begun a pilot of a different type of CPD scheme for organisations accredited under QAS. Seven organisations have committed to the pilot which will run from 1 July 2018 to 30 June 2020.
12. The pilot scheme essentially removes the specific hours based CPD requirements and the requirements for recording for individual Members employed by a QAS accredited organisation participating in the pilot.
13. The results of the pilot will be considered in the first half of 2020.

Review of the Practising Certificates Scheme

14. The IFoA reviewed the system under which Practising Certificates are awarded and the changes came into effect from 1 September 2018.
15. The IFoA are going to consult with Members on a proposal to remove the Reviewing Actuary Practising Certificate requirement from the Actuarial Profession Standard (APS) L1: Duties and Responsibilities of Life Assurance Actuaries. This reflects changes to the rules of the Prudential Regulation Authority in terms of the role of the Reviewing Actuary.

Data Science

16. The IFoA has collaborated with the UK Royal Statistical Society (RSS) to develop practical and ethical guidance on data science for actuaries.
17. It is expected that this will be published later this year.

Professional Skills materials

18. The team is currently finalising content for the 2019/20 CPD year to meet the IFoA's Stage 3 Professional Skills Training for Experienced Members (qualified members and some longer term Student members). The new suite of materials will be published in September 2019.

Redevelopment of Stages 1 and 2 (pre-qualification level) is also underway with a view to implementing revised courses mid-2020.

Independent Review of the Financial Reporting Council (FRC)

19. The UK Government previously set up an independent review of the FRC in 2018 which was led by Sir John Kingman. The FRC has specific responsibilities in relation to the regulation of actuaries carrying out work within UK geographic scope, as detailed in paragraph 2 above.
20. The review's recommendations were published in December 2018. It recommended that the FRC be replaced with a new statutory body (Audit, Reporting and Governance Authority) and that this new body should not take on the oversight of actuarial regulation. It suggested that a review ought to be carried out to identify the appropriate alternative arrangements for actuarial regulation.
21. The IFoA is actively engaging with the UK Government in their review.