


Institute
and Faculty
of Actuaries


No man – or woman – is an island (Speaking Up and Whistleblowing) & Regulatory Update

Malcolm Slee
Richard Winter



05 May 2015

No man – or woman – is an island


Agenda


- **Introduction**
- Film 1 – “with all due respect”
- Speaking up and whistleblowing
- Film 2 – “It will be alright in the end”
- Regulatory Hot Topics
- Summary

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Professional Skills CPD


- 2 hours annual requirement
- Working party
- Malcolm Slee (Chair)
- Patrick Cleary, Fiona Goddard, Douglas Huggins,
- Malcolm Lee, Mairi McIntyre, Neil Hilary,
- Jenni Stott, Richard Winter

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Professional Skills CPD



- 2 hours annual requirement
- This session counts as 1 hour
- You must record a learning outcome in your CPD log

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Actuaries are responsible for
their own actions

But they cannot ignore the
actions or inactions
of others



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With all due respect

This is a tale of two actuaries. Frank works for B-Tex Insurance and Jane works for Elemental Insurance.

What would you do?



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- Introduction
- Film 1 – “with all due respect”
- **Speaking up and whistleblowing**
- Film 2 – “burying bad news”
- Summary and questions



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Speaking up and whistleblowing

- “speaking up” = “whistleblowing” in this session
- the Actuaries’ Code has quite a lot to say on this topic



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Speaking up and whistleblowing

- The Compliance principle of the Actuaries’ Code says:
- Members will comply with all relevant legal, regulatory and professional requirements, take reasonable steps to ensure that they are not placed in a position where they are unable to comply, and will challenge non-compliance by others
- Paras 4.1, 4.2, 4.3, 4.4 expand on this

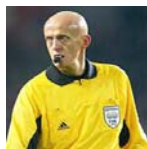
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Speaking up and whistleblowing

- Those are the requirements in the Actuaries’ Code.
- So – why might it be hard to blow the whistle?



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"I'm sensing confidence, boldness, and moral sensibility. You're not going to turn out to be a whistleblower, are you?"

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Speaking up and whistleblowing

Support is available, for example

- Your firm's business ethics or whistleblowing policy
- Actuarial Professional Support Service
- Two whistleblowing guides from the profession
- Public Concern at Work
- FCA and PRA

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It will be alright in the end

- Penny a successful young actuary overseas something worrying
- What should she do?



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Regulatory Update - Overview

- APS X2- Review of Actuarial Work
- Quality Assurance Scheme
- Solvency II
- Other regulatory hot topics

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Review of Actuarial Work

- A global first !
- APS X2: 'Review of Actuarial Work'
- Guidance for APS X2
- Imposes requirements in relation to review of actuarial work
- Principles-based, cross practice, not limited by any geographic scope
- In force from 1 July 2015
- Withdrawal of APS P2

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Actuarial Work

APS X2

- "Work undertaken by a Member in their capacity as a person with actuarial skills on which the intended recipient of that work is entitled to rely. This may include carrying out calculations, modelling or the rendering of advice, recommendations, findings, or opinions."



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The requirements

Para 1.1 APS X2

- Must consider whether to apply *Work Review to Actuarial Work* for which they *are responsible*
- Should, *to the extent appropriate and proportionate*, ensure that Work Review is applied

Para 1.2 APS X2

- Must give *particular consideration* to whether it would be appropriate and proportionate to apply *Independent Peer Review*

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Quality Assurance Scheme

- Accreditation scheme for organisations that employ at least 1 Member
- We anticipate opening up for applications in early October (subject to approval) with materials published in the summer
- Aims to promote a working environment for actuaries that is conducive to producing quality actuarial work

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What is on the horizon?

Solvency II Practising Certificates

- Introduction of a compulsory Practising Certificate for Chief Actuaries
- APS L1 is currently being revised to take account of the changes.
- Materials expected to be published in summer 2015
- The new regime will be in force from 1 January 2016.

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What is on the horizon?

Standards Framework Review

- Holistic review of the standards framework to ensure that it is:
 - working and serving the public
 - proportionate and fit for purpose.
- Identification of any gaps or overlap in the framework
- Consultation expected later this year

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Regulatory contact

Who to contact at IFoA

- For more details on regulatory projects contact: regulation@actuaries.org.uk.

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Summary

- Speaking up and whistleblowing
 - the Actuaries' Code has quite a lot to say about it
- There is support available

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Thank you

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenters.

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