



## QAS Sub-Committee meeting

25 March, 10:00 – 13:00

<b>Attending:</b>	Victor Olowe (Chair), Tze Chan Leong, Alison Carr, Iain McGrory, Alison Carr (lay), Helen Brown, Douglas Green
<b>Executive Staff:</b>	Katie Wood, Karen Cross, Emma Burns
<b>Apologies:</b>	Ruth Thomas.
<b>Dial in details:</b>	<a href="#">Bluejeans VC</a> Meeting ID: 387 230 000

Item	Title	Action
1.	<b>Welcome, conflicts and minutes</b>	
1.1	[REDACTED]. No other conflicts of interest were declared.  The Chair informed the SC of Wendy Walford's decision to step down at the end of her term following the SC's last meeting and thanked her for her commitment and invaluable contribution to the QAS and the SC.	
1.2	The SC discussed the previous minutes (including the redacted version) of the meeting on 08 December 2020 and suggested a number of minor amendments.	
1.3	After 'peer review' at the summary of 4.1, there should be comma before 'conflicts of interest'.  The SC indicated that it would be helpful to have a header for the topic of 3.1 since it had been moved it forward on the agenda. This would provide clarity on the subject under discussion.  It was agreed that there is no need to redact the words 'large firm' at 4.1 as it did not reveal any sensitive information. The Chair queried whether the whole sentence should be redacted but it was agreed that the sentence only makes sense if the previous minute from September 2020 has been read.  It was mentioned that at 4.2, the sentence which refers to the SC giving a rating should be redacted. It was agreed 5.2 is not very easy to understand in the redacted version and the SC did not consider that it can stand on its own. The SC added that the sentence is open enough that the firm is not identifiable but does not make sense to the reader. It was therefore agreed that information should be un-redacted so that the restructure and MRA	



(Matters Requiring Action) information are included to ensure that the extract can be understood.

The SC suggested that the Executive should be less cautious when redacting because more can be taken out when the draft minutes are approved by the SC if necessary.

Amendments above should be applied to main minute also.

It was questioned whether details of a member leaving the meeting should be redacted. It was agreed that it should only be redacted when they have left for conflict of interest reasons.

The SC noted that 6.1 has an extra comma in the middle of the first line which should be removed.

The SC approved the minutes (including the redacted minutes) of the meeting held on 8 December 2020 subject to the above amendments.

## 2. Standing items

**2.1** The action list was discussed and the Chair asked if there were any comments on the outstanding actions.

The Executive mentioned that they are looking for a steer on the open action relating to the impact of COVID on quality assurance. The Executive explained that in recent meetings with SQARs, the feedback given is they are beyond COVID and thinking more about business as usual (BAU). It was thought if surveys requesting feedback are sent now, it may have opposite effect of being helpful.

The SC asked if there are any positive things that organisations have learned from COVID in terms of things/changes that they will retain, which would enable us to put a positive spin on the feedback request. Without asking the SQARs, the proposed SC report to the Regulation Board or the FRC report could help us to pull that information. The SC observed that there is no evidence from the annual returns submitted to indicate any negative impact from COVID in terms of quality assurance and the processes and procedures in place.

It was observed that the SQAR Forum has inadvertently benefited from the impact of COVID because it is more inclusive to SQARs overseas. It is hoped that the online provision of SQAR events will continue, along with the return of in person events if there is sufficient interest in taking part.



The SC considered whether ICAEW assessments will revert to in person visits and it was noted that SQARs are being given the opportunity to comment on this during the 1-1s with the Executive. It was agreed that there is not the same need for in person visits, but wondered if ICAEW are able to detect the culture of an organisation virtually or if this is at all relevant now as many employees may continue to work away from an office. The Executive advised that most QAS organisations spoken to so far appear to be of the view that it is more convenient to have virtual visits.

It is possible that organisational culture or a session on lessons learned from the COVID crisis might be a suitable topic for a future SQAR forum. The Chair will assist by sending some thoughts to the Executive. **Action**

Executive/Chair

The SC pointed out that some firms may be in a position where they are used to the 2020 working experience and are not planning to go back to the 2019 experience so may instead change to a third option. It would be interesting to understand what this option might mean for organisations. **Action.**

Executive

**2.3** The Chair queried whether Regulation Board have finalised their strategy in relation to the planned review of the SC structure.

The Executive mentioned that they are looking at strategy in May, where they will be considering their own terms of reference and delegation. The Executive thereafter will be able to provide more information after May. The SC stated it would be interesting if they have something in their own Strategic action plan about QAS's global ambition and having an increased presence in Asia and Africa.

It was agreed that this should be added to the QAS strategic actions. **Action.**  
No further comments.

Executive

### 3. Update from the IFoA Executive

**3.1** The Executive informed the SC that meetings with SQARs are taking place at the rate of 2 per week.

#### Meetings with SQARs

The majority of organisations who have met with the Executive are keen to maintain their accreditation when it expires. One organisation is considering its position because it is so heavily regulated by other regulators, and it is therefore unsure whether a firm of its reputation needs to hold the accreditation. The Executive will liaise with this organisation at the appropriate time.



The Executive provided 1-1 support to two SQARs who had been unable to provide their organisation's annual returns (AR) on time. Both organisations remain enthusiastic about QAS but had misunderstood the timings in relation to monitoring visits and/or been affected by pressure of work. The Executive will continue to support SQARs in this situation and will ensure that the SC is aware of any ARs that it is considering which have been received late, along with reasons for this.

The SQAR 1-1s are resulting in helpful information in relation to what SQARs find valuable about QAS. Most SQARs are missing networking opportunities but are generally happy with the webinars and other opportunities to meet which are currently available.

It appears that a number of SQARs are seeking more strategic information at forums but the buy-in to the events is good.

A CPD Roundtable was held just before the SC meeting, on 24 March, and 32 SQARs attended. There was helpful, open discussion and comments on the benefits to QAS organisations of participation in the Scheme, especially for PC holders and Scheme actuaries. It seems there is some uncertainty around the reflective discussions which take place with QAS CPD members at the end of their CPD year. It was noted that the Executive will hold an event to assist with this at the appropriate time, later in the year.

The Executive has organised a networking event, however take-up has not been high.

The SC questioned whether would it be appropriate to get the Regulation Board Chair to attend one of the SQAR forums and have some shared information in relation to Regulation Board's plans for the future in particular in relation to the QAS SC and the response to the recent government white paper on the regulation of the actuarial profession.

The SC questioned whether the Executive responds to feedback received following events, and was assured that the Executive does so either by responding to queries or by signposting to additional resources.

The Executive confirmed they are gathering notes from the 1-1 meetings with SQARs as part of the review and a summary will be provided with the ideas that arise to the SC. It was agreed that the SC would hold a workshop in May or June to discuss the feedback received to that date and to consider its own views in relation to the review of the QAS.

The SC agreed it would be good to use the questions which are being discussed with SQARs as a good tool for structuring the workshop.



The Executive updated the SC regarding feedback in relation to virtual ICAEW visits. Those SQARs who have been spoken to suggest that virtual visits are less disruptive because documents can be shared with ICAEW in advance and office space does not have to be provided. The Executive and SC observed that there does not appear to have been any dip in the quality of ICAEW reports.

It was noted that [REDACTED] assessment reports contains no MRAs or BPRs and that this is unusual. The Executive advised the SC they are meeting with [REDACTED] at ICAEW next week and that this will be discussed then.

The Chair suggested that the SC should consider the ICAEW reports when they are discussing them and raise any concerns at that point.

#### Annual Returns Review

The Chair asked if anyone on the SC had any concerns about Appendix 1 to the Executive Update, which contains proposed arrangements for the review of some Annual Return forms by the Executive, as well as proposed arrangements for the review of Change of SQAR forms and the reporting of both to the SC for review.

It was mentioned that the SC Terms of Reference used the word 'review' in relation to Annual Returns so it seemed that it is within the scope of the terms of reference for the Executive to deal with some Annual Returns. The SC noted that it is appropriate for the Executive to make a determination on straightforward Annual Returns with the decisions reviewed by the SC periodically and complex decisions taken by the SC along with any matter, which the Executive feels it is unable to determine for whatever reason.

It was clarified that in relation to Annual Returns, any organisation which is [REDACTED] or deemed by the Executive [REDACTED] should be referred to the SC for determination. The Executive reassured the SC that if [REDACTED] risk and straightforward then it is appropriate to be approved by the Executive following its usual "do and review" procedure. However, in the event of any uncertainty and where it is more appropriate for a group to make a decision, it will be referred to the SC.

The SC were of the opinion it is important for them to know about the feedback given on annual returns. It would be helpful to know what the Executive deems to be an example of best practice, and determine whether the SC agrees with this assessment.



It was felt by some SC members that it would be quite useful to occasionally see the full spectrum [REDACTED] so the SC does not lose touch with how the best organisations operate.

The Executive agreed that the SC should have oversight of Executive approvals of both Annual Returns and the approval of new SQARs and the removal of SQARs, and that this could be done with spot checks or in the Executive update.

The Chair's suggestion of a summary report with examples included to be noted on a quarterly basis by the SC for information was agreed along with the trial of this way of working for a period of 12 months.

*[CTL left the meeting 11.03]*

The Executive reminded the SC that recruitment is going to happen in the next few months to replace some of those members who have left the SC and in view of the departure of two members later in the year.

Executive

The Chair mentioned the ambiguity of terminology of the SC's Terms of Reference and it was agreed that this should be reviewed after the Regulation Board has reviewed its own Terms of Reference. It was noted that it is intended that the new SC members commence their roles in September 2021 at the latest, to allow for handover and support from the current members **Action**.

*[SC break at 11.16]*

*[SC resumed at 11.21]*

#### 4. Annual Returns

##### Summary

The SC discussed seven annual returns in total, two of which further information was requested before they were deemed satisfactory.

Some of the information the SC are looking for from the two outstanding returns is on development and training and complaints handling with a request that generally more information is given in future on organisation size and growth.

4.1 [REDACTED] annual return was discussed.

It was mentioned that there is no detail of BPRs just headline information on the analysis form. The SC would find it more helpful if more text was added in the BPRs section. **Action**

Executive



	<p>The SC were satisfied with this return [REDACTED] with no further comments.</p>	
4.2	<p>[REDACTED] annual return was discussed. The SC considered that there was no context to section 4.1 in terms of the size of the organisation and the impact of the changes to the employees. If possible, the Executive should provide this information with the analysis. <b>Action.</b> The SC commended the new annual return form as easy to read and understand, and it appears that QAS organisations have found the form more straightforward to complete. The SC were satisfied with this return [REDACTED].</p>	Executive
4.3	<p>[REDACTED] annual return was discussed. The SC commented they found it helpful having the analysis and annual return in one document. The SC indicated that this return was fine but there was quite a lot of historical information as opposed to information relating to the past year. The SC requested that additional information be obtained in relation to the following:</p> <ul style="list-style-type: none"><li>• [REDACTED].</li></ul> <p>The additional information should be referred to the SC for consideration [REDACTED]. <b>Action.</b></p>	Executive
4.4	<p>[REDACTED] annual return was discussed. The SC stated they were pleased with the content, in particular attention was drawn to the strong example about inviting clients to join events run by the firm's diversity and inclusion networks.</p> <p>The SC queried if the BPR information was correct in that there are no open BPRs. The Executive confirmed that this is the case because the interim report superseded this AR and the recommendations were picked up then.</p> <p>The annual return should have been received in June/July 2020 and so has been submitted very late due to a misunderstanding by the firm that an interim report removes the need for an AR to be completed. The organisation has rightly included them but the BPRs were superseded from the interim visit in autumn. The SC agreed that all 3 BPRs should be closed. [REDACTED]. The SC [REDACTED] requested the response to the firm should say the SC were impressed with the return, finding it very comprehensive and positive. <b>Action.</b></p>	Executive
4.5	<p>[REDACTED] additional information was discussed. The SC agreed they are satisfied with the response [REDACTED].</p>	
4.6	<p>[REDACTED] Annual return was discussed.</p>	



	<p>The SC commented that the comments made in section 4.2 relating to the [REDACTED] were unclear. [REDACTED]. The SC requested that clarification be obtained regarding whether or not those who do not wish to take on leadership roles are able to access development and training. The SC requested that the Executive follow up on [REDACTED] <b>Action.</b></p>	Executive
4.7	<p>[REDACTED] annual return was discussed.</p> <p>[REDACTED].</p> <p>The SC concluded [REDACTED] there are still some open BPRs. The SC would like to see some progress in relation to the [REDACTED] BPR in the next return along with an update on progress in relation to the remaining BPRs. <b>Action.</b></p>	Executive
5.	<p><b>Applications Summary</b></p> <p><b>The SC discussed two new applications for accreditation. Both accreditations are currently pending until further information is provided, in particular around APS X2 and the processes involved.</b></p>	
5.1	<p>[REDACTED] application was discussed.</p> <p>The SC commented that it was unclear [REDACTED] and would like more information to clarify how they conduct [REDACTED] as well as reassurance that this does not depend on time and resource availability.</p> <p>The SC noted that the ICAEW report provided helpful clarification in relation to some of the matters included in [REDACTED] application, [REDACTED].</p> <p>The SC noted that the information relating to the proposed SQARs did not appear to explain the position of the SQARs in the organisation overall, and in turn did not therefore demonstrate their ability to influence at a senior level.</p> <p>The SC is aware that [REDACTED] are early on in their accreditation process however it was agreed it would be worth pointing out to them useful points in the ICAEW report that we would expect to see in their annual return if accredited.</p> <p>The SC therefore decided to seek clarification on the matters of [REDACTED] prior to making a determination regarding accreditation at its next available meeting. <b>Action</b></p>	Executive
5.2	<p>[REDACTED] application was discussed.</p> <p>[REDACTED].</p>	



The SC indicated that the application completed by [REDACTED] was a little thin, but noted that the application should be treated as the application form from the organisation as well as the ICAEW report, which contained much more information. The SC expected to see additional information from the organisation in its annual returns going forward.

The SC queried whether the organisation do any work that falls under the scope of [REDACTED] it was requested that the Executive seek clarification on this point. If a satisfactory response is received, [REDACTED] should receive its accreditation [REDACTED] along with a reminder that the accreditation should only be used for Actuarial work of the firm **Action.**

Executive

## 6. Change of SQAR

**Four organisations made applications for various changes to their SQAR arrangements. All were approved and the Executive was tasked with amending the form to enable multiple requests to be made in one application form.**

**6.1** [REDACTED] change of SQAR request was discussed. The SC approved it with no further comments.

**6.2** [REDACTED] change of SQAR form was discussed, the SC approved it with no further comments.

**6.3** The SC approved [REDACTED] change of SQAR with no follow up comments.

## 7. AOB

### 7.1 AOB **BEIS White Paper – Actuarial Proposals**

A SC member indicated that from the White Paper, a separate regulator may be created covering actuarial oversight and technical standards. This has the potential to completely change the way actuarial work is regulated in terms of entity regulation. The SC member wanted to raise this with the rest of the group, although nothing is happening imminently but later there may be significant changes should the content of the White paper be adopted.

The Chair informed the SC that the IFoA is preparing a response in time for July 2021 consultation deadline and the Executive explained that the IFoA have a strategy group including CEO, ELT and other senior representatives and work is to be undertaken by this group on how to engage with members. The SC will be informed of this when it is available.

The Chair stated that the SC could take the opportunity to put a written response into the steering group to put forward a short statement containing the QAS SC's views.



The SC discussed the possibility that the review could be a way to reach insurance firms, if accountable to IFoA for non-technical standards beyond what they need to provide to FCA or PRA.

The Executive reiterated that a workshop is planned for the SC in relation to the review of QAS but that this could be discussed at that point. The Executive will draft a response following the workshop, with the help of the Chair for consideration of the SC. **Action.**

Executive/Chair

**6.4** *[DG left the meeting 12.44]*

The SC queried the form and why an organisation cannot use one form for multiple changes and would like it communicated to firms that one form is enough. **Action.**

Executive

[REDACTED] three change of SQAR forms were approved with no further comments.

**Next Meetings:**

**12 April 2021 – Conference call**

**16 June 2021 – Quarterly Meeting**

**19 July 2021 – Conference call**

**23 September 2021 – Quarterly Meeting**

**18 October 2021 – Conference call**

**06 December 2021 – Quarterly Meeting**