BAS Update
CIGI

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Board for Actuarial Standards
Financial Reporting Council
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Agenda

• Where we are now
• Feedback to date
• Some key messages
• Questions
The BAS’s Objective

“The users for whom a piece of actuarial information was created should be able to place a high degree of reliance on the information’s relevance, transparency of assumptions, completeness and comprehensibility, including the communication of any uncertainty inherent in the information.”

What do the TASs do?

Define the bar  The work not  Focus on
the worker  the users

the users
**Generic TASs**

Work for aggregate reports completed on or after

- TAS R: 1 April 2010
- TAS D: 1 July 2010
- TAS M: 1 April 2011

Apply to
- Reserved Work
- Work within the scope of a Specific TAS
- Work presented as complying with actuarial standards

**Specific TASs**

Work for aggregate reports completed on or after

- Pensions TAS: 1 April 2011
- Insurance TAS
- Transformations TAS: 1 October 2011
- Funeral Plans

Specify what work they apply to
GN12

GN12 remains in force until October 2011

GN12 OR TAS D, TAS R, TAS M, Insurance TAS, Transformations TAS

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Feedback to date

It’s early days yet – most feedback from pensions practitioners:

- General agreement with objectives
- No major changes required
- Useful review of report standards
- Promoting review of spreadsheet standards
- Challenges in exercising judgement
- Issues over terms: Actuarial work, Decisions, Materiality, Proportionality
- Team working and responsibility

BAS reaction to feedback

We want more feedback from practitioners and users

- Ready – and eager – to meet practitioners to discuss issues
- Addressing some questions via Answers to FAQs (website)
- There is clearly some effort required over transition
- Concerned about possible extent of over-compliance
- Considering how and when best to respond
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Key reporting requirements

Materiality and proportionality
Reports should serve the users’ needs
  don’t tell them what they already know
  but satisfy yourself that they DO know it
Can signpost to existing documents
  in-house operating manuals, protocols
Can report by exception
TAS R: don’t obscure the important stuff
The risks of litigation

You might be sued if there is a financial loss arising from poor work
Rules are rarely unambiguous either
Non compliance isn’t always misconduct

No real change from the existing position

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