



Institute
and Faculty
of Actuaries

Consultation Responses:

Proposals for an enhanced system
to promote the quality of actuarial work

Foreword



I am pleased to introduce the feedback received in response to the Institute and Faculty of Actuaries (IFoA) consultation paper, *Proposals for an Enhanced System to Promote the Quality of Actuarial Work*, issued by Regulation Board in June 2018.

The proposals set out the IFoA's views on the need to implement a monitoring system to draw evidence-based conclusions as to the quality of the work of its Members and their compliance with standards, and ensure that its regulatory activities are appropriate and effective.

The consultation was sent to all Members of the IFoA. Other key stakeholders, including employers of actuaries, other regulators, and those with an interest in how we regulate our Members were also invited to comment.

The consultation closed on 28 September 2018 and a substantial number of responses and comments were received. I would like to thank all of you who responded to the consultation and to those of you who took part in the meetings we conducted prior to, and during, the consultation period.

The IFoA engaged The Campaign Company, an independent research company, to analyse the data and produce a report of its findings, which is published here.

It is clear from the responses to the consultation that many of our Members have taken significant time and effort to provide their views and to engage with this process and, rightly, there is in these responses much to reflect upon.

All of the respondents and our Membership as a whole have a proper expectation that we promptly share the output of the process, in accordance with our normal policy. We therefore thought it appropriate to share the responses now and in advance of the Regulation Board finalising its own analysis and conclusions.

We intend to take the time to consider carefully and reflect on the feedback we have received, and to report further to our Members and stakeholders in the first half of 2019.

We will in doing so of course take account of any relevant recommendations of Sir John Kingman, whose independent review of the Financial Reporting Council (the IFoA's UK oversight body) is also expected to report shortly.

I hope in the meantime you will find this report useful and informative. Consultation responses are published in full, save, as is our normal practice, where a respondent has requested confidentiality.

Thank you for your interest.

Desmond Hudson
Chair of Regulation Board
17 December 2018

Institute and Faculty of Actuaries: Monitoring the quality of actuarial work

Independent analysis of feedback from consultation

The Campaign Company

November 2018

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1 Executive Summary

1.1 Background

The Institute and Faculty of Actuaries has recently developed proposals to introduce a new system for monitoring the work of actuaries. This is in keeping with its responsibility to regulate the profession under its Royal Charter.

The proposed scheme is made up of three categories of monitoring work:

- A – Regular direct reviews of the work of Practising Certificate holders in relation to their Practising Certificate role
- B – Thematic reviews of any area of actuarial work, but most likely areas where there is a significant public interest
- C – Enhanced general information gathering, potentially covering any area of actuarial work

Following the publication of these proposals last June by the organisation's Regulation Board, the Institute and Faculty of Actuaries has sought feedback on their proposals, highlighting that this is the profession's opportunity to develop a monitoring system which works for the organisation, its members and the public.

The Campaign Company, an independent research company, was contracted by the Institute and Faculty of Actuaries to help run the consultation process and to produce a report of its findings.

1.2 Feedback

Individuals and organisations were given the opportunity to provide feedback on the proposals in several ways. The main channel for responses was a survey, accessible via the Institute and Faculty of Actuaries' website, which members were encouraged to complete online. A dedicated postal and e-mail address were also provided for those who wished to express their views in a different way. The outputs of all of these consultation channels have been incorporated into this report.

In some cases, the responses were made through questionnaire forms, containing the same questions as the online survey, which were then sent back via the correspondence addresses. These have been analysed alongside the submissions made online. Similarly, where answers to the questionnaire were provided as part of a larger submission, the answers to those questions have been incorporated into our survey analysis, with the remaining free text considered alongside other items of written correspondence.

In total, the following responses have been incorporated into this report:

- 348 questionnaires, 334 through the online system and 14 via correspondence
- 25 items of correspondence

- Transcripts of the four consultation meetings

1.3 **Headline findings**

While the main body of this report analyses consultation feedback by channel, the overarching findings and key themes running through the responses is summarised below.

1.3.1 **Sample Profile**

- Respondents were largely located in the UK (75%); members of the Institute and Faculty of Actuaries (99%); and hold a fellowship (78%).
- Most of those responding to the survey either worked for an 'Insurance Company or Reinsurer' (52%) or 'Actuarial Consultancy' (25%), with the top three areas of practice being 'General Insurance' (43%), 'Life Insurance' (23%) and Pensions (17%).
- 18% of those responding to the consultation held a Practising Certificate, with some differences in the strength of their responses compared to those without a Practising Certificate.
- Responses to questions declined significantly over the course of the questionnaire, particularly to the qualitative portions of the survey.

1.3.2 **Reasoning for the Proposed Scheme**

- Over half of respondents (58%) did not believe the proposed scheme was a reasonable step for the Institute and Faculty of Actuaries to take in regulating the profession.
- The overwhelming majority of respondents believed that it was important for the public to have confidence in the quality of actuarial work (87%), but 60% do not believe the proposals would strengthen confidence.
- When asked whether the proposed outputs will provide sufficient information to inform the regulatory work of the IFoA (standards, guidance and educational material, Continuing Professional Development requirements, etc.), 33% agreed and 47% disagreed. Similar numbers felt that without evidence there was a risk to the profession's reputation (36% agree, 47% disagree) with 20% indicating that the risk would be high, while 49% saying that it was low.
- Written responses tended to highlight concerns about the proposals, questioning the need for the proposed scheme, viewing the proposals as excessive—frequently referencing existing safeguards and possible alternatives, and potential risks to the profession—particularly for those working in non-traditional sectors.

1.3.3 **Proposed Approach**

- More respondents supported than opposed a risk-based approach focused on the work of Practising Certificate holders, with 40% indicating some level of support and 35% indicating opposition.
- When it was asked whether other categories of review should also occur these results were reversed:

- A risk-based approach with three categories of monitoring was only supported by 35% of respondents and opposed by 43%.
- The introduction of Category B and C reviews saw 46% opposition, with 35% in support.
- At various points throughout the questionnaire, written responses suggested implementing a limited number of the proposed categories, although which categories were suggested varied. Respondents generally appeared to oppose the elements of the monitoring scheme they might be subject to:
 - Those with Practising Certificates were more likely to see there as being merit in the proposals for Categories B and C (43% 'Yes', 37% 'No') than those without a Practising Certificate (33% 'Yes', 51% 'No').
 - Those without Practising Certificates were more likely to see there as being merit in focusing on the work of those with Practising Certificates (42% For, 29% Against) than those with a Practising Certificate (32% For, 58% Against).
- While the overall responses to whether the Quality Assurance Scheme should be taken into consideration in implementing the new monitoring scheme showed a narrow majority in favour (36% 'Yes', 32% 'No'), organisations were much keener, with 64% expressing support.
- A plurality of respondents felt that the proposed scheme would not enable the Institute and Faculty of Actuaries to obtain direct evidence of the standard of actuarial work (44%).
- 48% of respondents believed that having non-actuaries as part of the Review Team had merit, whereas 34% were opposed to the idea.
- Respondents frequently said that they viewed the proposals as being excessive, that the proposed approach was unlikely to be effective—particularly in terms of the subjective nature of the work and difficulty recruiting suitable reviewers, and that it would negatively impact their work.
- It was also highlighted that the position of actuaries located outside of the UK (25% of respondents) was unclear in the proposals.
- A number of alternative approaches were highlighted by respondents.

1.3.4 Outputs of the Proposed Monitoring Scheme

- Respondents tended to disagree that the proposed outputs would be useful to their work (24% agree, 46% disagree) or that the proposed outputs would provide sufficient information to ensure useful individual feedback (25% agree, 37% disagree).
- Although there was a slight plurality in favour of the belief that they would provide sufficient information for the regulatory work of the Institute and Faculty of Actuaries (35% 'Yes', 33% 'No').
- Organisations were firmly of the view that reports arising out of Category A reviews should be shared with the Practising Certificate holder's employer (72% 'Yes', 10% 'No'), while individuals were opposed (35% 'Yes', 41% 'No'). Individuals holding a Practising Certificate were slightly more in favour of the proposal, although still opposed (38% 'Yes', 41% 'No').
- Written responses did provide a few suggestions for alternative outputs, but otherwise largely stated that more information would be required to assess whether the right outputs

had been selected, raised concerns with the process and questioned whether meaningful feedback was possible.

1.3.5 Confidentiality

- Over half (53%) of respondents did not believe the proposal adequately addressed issues of confidentiality and data protection.
- Organisations were significantly more likely than individuals to express concerns over confidentiality, 72% of organisations feeling the proposals were inadequate compared to 49% of individuals.
- Respondents' concerns focused strongly on potentially irresolvable legal issues and risks to competitiveness when being reviewed by competitors.
- Submissions contained a number of suggestions/requirements for improving the proposals' ability to deliver confidentiality.

1.3.6 Current Regulatory Environment

- When asked whether the proposed scheme would be appropriately integrated with the existing Institute and Faculty of Actuaries framework, most respondents said 'No' (38%), with similar numbers being uncertain (36%).
- Written responses expressed the view that the proposals were excessive and would be difficult to implement with risk of overlap with the Quality Assurance Scheme
- Almost half of responses to the question whether the proposals fulfil the Institute and Faculty of Actuaries' aims said 'No' (49%).
- A number of the written responses stating that they did believe the proposals achieve these aims went on to qualify the ways in which they believed they fulfilled the proposals or stated that they personally did not agree with the aims. While others expressing support focused on ways it might enhance the status of the profession.
- Those in opposition saw the proposals as excessive, ineffective in meeting their aims and questioned the extent to which they constituted genuine self-regulation.

1.3.7 Impact

- When asked if the proposals were reasonable in light of the reasons for their proposed introduction, 17% of respondents said 'Yes' and 62% said 'No'.
- Those saying 'Yes' felt that a monitoring scheme was required by the political and regulatory pressures facing the profession and that the proposals were proportionate.
- Arguments in opposition to the proposal focused on cost—with a belief that in the long run the scheme would end up directly costing members/employers, excessiveness, concerns over confidentiality, and potentially unintended consequences for the profession.
- Respondents also felt that the impact of the proposals on practical aspects of actuaries' jobs and several groups of stakeholders had not been considered as part of the consultation paper.

1.4 Concluding comments

The findings in this report reflect those who were willing and able to respond to the consultation. Therefore, they may not necessarily reflect or represent the views of the membership as a whole.

The purpose of consultations is to give decision-makers the opportunity to ensure that all aspects of an issue have been considered and to provide them with snapshot of the level of support or opposition to a proposal.

This is particularly true of qualitative data, where the important thing is not the number of responses expressing a particular view, but how the content of those responses can add to the depth of understanding of an issue.

These findings will provide the Institute and Faculty of Actuaries with evidence of members views, that they will need to consider alongside other supporting evidence, as they determine what further action should be taken on the proposals.

2 Introduction

This section of the report describes the background to the consultation and the way in which feedback has been sought. It provides a summary of the different types of responses that were received throughout the engagement period; the quantity of responses by each engagement method; the process that was carried out to collect and manage these responses and how they have been analysed to produce this report.

2.1 Background to the consultation

The Institute and Faculty of Actuaries is the professional body responsible for representing and regulating the actuarial profession. Under its Royal Charter, the organisation is responsible for maintaining standards amongst actuaries in the public interest.

Following concerns that, unlike other professional bodies, the Institute and Faculty of Actuaries does not currently undertake monitoring of the quality of actuaries' work, the organisation's Regulation Board has developed proposals for introducing a monitoring scheme for the profession.

It is proposed that the new monitoring scheme is comprised of three levels of review:

- Category A – Regular direct reviews of the work of Practising Certificate holders in relation to their Practising Certificate role
- Category B – Thematic reviews of any area of actuarial work, but most likely areas where there is a significant public interest
- Category C – Enhanced general information gathering, potentially covering any area of actuarial work

The Institute and Faculty of Actuaries published these proposals in June 2018, alongside launching a public consultation which ran until 28th September 2018. It is the analysis of the results of that consultation process which forms the content of this report.

More information on the reasons behind the proposed introduction of a monitoring scheme and detail as to how it is planned the scheme will operate in practice can be accessed here: <https://www.actuaries.org.uk/documents/monitoring-consultation>

2.2 The consultation process

Consultation on the Institute and Faculty of Actuaries proposals ran from June 2018 to September 2018, with individuals and organisations able to contribute their feedback in three main ways:

- **Online survey** – The primary means by which people were encouraged to respond to the proposals was through an online survey, accessible via the Institute and Faculty of Actuaries' website. In total, 334 online survey responses were started, with 253 partially

completed and 189 submissions fully completed. Every survey response has been taken into account in preparing this report, regardless of its level of completion.

- **Correspondence** – The Institute and Faculty of Actuaries also published email and postal addresses, alongside a downloadable version of the questionnaire, for individuals and organisations who were unwilling or unable to complete the online survey. In total, 25 items of correspondence were received in this way, 14 of which addressed the exact questions on the questionnaire and consequently those portions of the correspondence have been analysed alongside the responses to the online survey. All other correspondence and any other text submitted in addition to questionnaire answers has been analysed in a separate section of this report.
- **Meetings** – Four consultation events were run by the Institute and Faculty of Actuaries to provide respondents with the chance to hear more about the proposals and ask questions of those involved in preparing them. All four events took place in the last week of July 2018, with two located in London and two in Edinburgh. Complete transcripts of these events are available on the Institute and Faculty of Actuaries' website.

2.3 Interpreting the response

The Campaign Company, an independent research company, were commissioned by the Institute and Faculty of Actuaries to provide an independent analysis of the results of the consultation and produce a report based on the findings.

Two types of data were collected as part of the consultation process:

- **Quantitative data** – Closed question responses from the survey. For these answers the frequency with which respondents selected each option is presented in tables alongside any significant differences identified between sub-groups.
- **Qualitative data** – All open-ended survey questions and comments contained in correspondence have been analysed qualitatively. To do this the text was coded thematically, enabling a systemic analysis of the information it contains, with the conclusions presented below. The frequency with which a theme occurs is not presented as a number, but rather reflected verbally in the description.

The findings in this report are drawn from both types of data. The conclusions reflect the views of those willing and able to respond to the consultation, and may or may not necessarily reflect the opinions of all the relevant stakeholders.

The results here are an assessment of the views submitted in responses to the consultation on the proposals.

Where respondents have indicated they are happy for their responses to be published, we have removed their personal details from the dataset and attached them as an appendix to this report.

3 Analysis of consultation survey responses

3.1 Introduction

The main mechanism for feeding back on the proposals was via a survey. This could be accessed through the Institute and Faculty of Actuaries' website and was highlighted in the consultation document. A downloadable version of the survey was also available as a questionnaire, which could be sent back either by post or by email, with details for accessing and returning the form contained within the consultation document.

The consultation process ran from the 29th July 2018 to the 28th September 2018. During that period there were a total of 348 responses, with 334 online and 14 received via correspondence. Of the responses started, 267 were at least partially completed, with 203 submissions fully completed. Regardless of the level of completion, every response has been considered in preparing the findings of this report.

The survey was comprised of 41 substantive questions relating to the proposals, 20 of which were quantitative and 21 qualitative, many of which were grouped together. In this section, the findings in relation to each question are presented separately, with some overarching analysis, where appropriate, between complementary quantitative and qualitative questions.

3.2 Sample Profile

In addition to the substantive questions on the proposals, those completing the survey were asked to provide details on where they were based, their type of membership and the nature of their work. These statistics help to show how closely those responding to the consultation reflect the overall composition of the Institute and Faculty of Actuaries' membership, highlighting the potential risk of differing response rates amongst different parts of the membership impacting upon the results.

3.2.1 Location by Region

75% of responses were from the UK compared to 51% of the overall membership, suggesting the results of the survey will be more representative of the views of the Institute and Faculty of Actuaries' members based in the UK. The membership based in Europe (including the Republic of Ireland) is 8%, compared to the 5% living in those areas who completed the survey.

	%	No.
UK	75%	243
Republic of Ireland	2%	5
Rest of Europe	3%	11
Hong Kong	2%	5
India	6%	21
South East Asia	2%	5
Asia - other	0%	1
Canada	0%	1
USA	1%	4
South Africa	2%	7
Africa - other	2%	7
Oceania - other	1%	4
Other	3%	10
Total	100%	324

3.2.2 Are you an IFoA Member?

	%	No.
Yes	99%	334
No	1%	2
Total	100%	336

3.2.3 If you are an Actuary, what is your main practice area?

The largest number of responses are from respondents working in 'General Insurance', which is higher than the membership at large, with lower representation from 'Life Insurance' and 'Health and Care.' Responses from 'Enterprise Risk Management' 'Finance and Investment', and 'Health and Care' do appear to be roughly in line with the membership.

	%	No.
Enterprise and Risk Management	3%	10
Finance and Investment	5%	14
General Insurance	43%	133
Health and Care	1%	4
Life Insurance	23%	70
Pensions	17%	53
Resource and Environment	0%	1
Other	7%	22
Total	100%	307

3.2.4 If you are a Member, which category of Membership do you hold?

Discounting affiliates, whose category was not included within the consultation, the percentage of respondents whose membership category is Associate (1%), Certified Actuarial Analyst (0.1%), Retired/Honorary (0.3) or Student Actuarial Analyst (0.2)% seems to be broadly in line with the Institute and Faculty of Actuaries' overall membership. Where it differs is in the number of Fellows responding, where the responses are far higher than their

overall percentage of the membership (44%), and Students, where the responses are far lower than the overall membership in that category (54%).

	%	No.
Associate	2%	6
Certified Actuarial Analyst	1%	2
Fellow	78%	258
Retired	1%	4
Student	17%	56
Student Actuarial Analyst	1%	4
Total	100%	330

3.2.5 Are you a Practising Certificate(s) holder?

Just under 4% of Institute and Faculty of Actuaries members hold a Practising Certificate. Even accounting for the high response rate from those located within the regulated areas of practice, the response rate from Practising Certificate holders is significantly greater than that of non-Practising Certificate holders when compared to the Institute and Faculty of Actuaries' overall membership.

It is also worth noting that where an organisation has made a submission, the individual submitting the response might not hold a Practising Certificate while other members of that organisation do.

	%	No.
Yes	18%	59
No	78%	255
N/A	3%	11
Grand Total	100%	325

3.2.6 Type of organisation

	%	No.
Actuarial Consultancy	25%	74
Bank or Building Society	1%	3
Educational Establishment	1%	4
Insurance Company or Reinsurer	52%	153
Investment Firm	2%	7
Pensions Provider	3%	8
Public Body or Regulator	3%	9
Other	8%	22
N/A	4%	12
Total	100%	292

3.3 Section 1

The majority (58%) of respondents do not believe the proposed monitoring scheme is a reasonable step for the Institute and Faculty of Actuaries to take in regulating the profession. 87% do believe that it is important for the public to have faith in actuaries. However, only 21% believe that this is something that the proposals would help to achieve and the majority of respondents (60%) believe that the introduction of these proposals would not strengthen the public's confidence. 33% agree that the proposals would enable the Institute and Faculty of Actuaries to gather the information required to provide evidence as to the quality of actuarial work, as opposed to 47% who disagree. Whilst 36% feel that there is a risk to the reputation of the profession without evidence of the quality of actuarial work, a larger number of respondents (48%) do not believe this to be the case.

3.3.1 Question 1.1

Quantitative Data

1.1 To what extent do you agree or disagree that the proposed monitoring scheme is a reasonable step for the Institute and Faculty of Actuaries (IFoA) to take to meet its obligation to regulate the actuarial profession in the public interest?

29% of respondents agree and 58% disagree that the proposed monitoring scheme is a reasonable step to take to meet its obligation to regulate the actuarial profession in the public interest.

	%	No.
Strongly agree	6%	16
Agree	23%	60
Neither	12%	31
Disagree	25%	65
Strongly disagree	33%	85
Total	100%	257

Question 1.1 - Qualitative Data

Please explain the reasons for your response: 1.1 To what extent do you agree or disagree that the proposed monitoring scheme is a reasonable step for the Institute and Faculty of Actuaries (IFoA) to take to meet its obligation to regulate the actuarial profession in the public interest?

This question had the highest response rate of any of the open-ended questions. This is not unusual for introductory questions to surveys. As is often the case, respondents have also tried to convey most of what they have to say in the initial question.

Written answers tended to be critical of the proposals, although there were still a significant number of respondents who said that they felt the scheme was a reasonable step. Arguments made in support of the scheme were that self-regulation was preferable to regulation

imposed externally; that society is increasingly questioning the status of experts so being able to evidence quality is important; that the proposals bring actuaries into line with other professions; that having the trust of the public is important and the scheme helps to secure it; that high standards of work need to be maintained; that there needs to be transparency in how the profession operates and that the profession should be continually held to account.

Partial agreement was also expressed by a number of respondents. For the most part those expressing only partial agreement supported some but not all of the proposed categories of monitoring, predominately believing that introducing Direct Review of Practising Certificate holders was reasonable but that Categories B and C could negatively impact those working outside of reserved areas of actuarial work, where actuaries were competing against professions without any systems of regulation. However, there was also a view that Practising Certificate holders were already the most regulated group of actuaries and the new proposals were set to have the heaviest impact upon them.

Those disagreeing with the proposals presented a much wider set of arguments, beginning with the view that case presented for the scheme was inadequate. There was scepticism that introducing a monitoring scheme at this point was genuinely a requirement of the Royal Charter. Respondents highlighted that the proposals had not come about in response to any identified issue and they did not believe the public took any significant interest in the role of actuaries, leading to suggestions that the scheme was a solution in need of a problem.

Respondents also expressed the view that the proposal seemed excessive, adding significant additional overheads—particularly to the work of Practising Certificate holders—for little additional value when they were able to see alternative approaches.

A large part of the argument over excessiveness came from the belief that existing mechanisms were already in place to ensure the quality of actuaries' work, ranging from monitoring by external regulators to companies' own systems of internal review to the Institute and Faculty of Actuaries' own systems of accreditation. Consequently, respondents viewed the scheme as gold plating a highly regulated system, rather than focusing on potential gaps.

It was believed that this additional layer of regulation increased the overheads of hiring actuaries for employers, both in terms of time and financial costs, in addition to worries over data being accessed by review teams. Consequently, submissions raised concerns that it risked making actuaries uncompetitive in sectors outside of Life Insurance and Pensions.

There was scepticism as to how far a system of self-regulation would genuinely reassure the public of the quality of actuarial work. In addition, doubts were cast over the effectiveness of the proposals, with concerns raised over reviewers getting access to confidential data, the low likelihood of a voluntary take-up of Category B and C reviews and that enough suitable reviewers would be found to undertake the work.

Respondents believed that better alternatives existed for meeting the stated objectives of the proposed scheme, including a more thorough use of peer review and work by external regulators.

3.3.2 Question 1.2

Quantitative Data

1.2 To what extent do you agree or disagree that these proposals would enable the IFoA to gather the information required to provide evidence as to the quality of actuarial work?

34% agree and 47% disagree that the proposals will enable the IFoA to gather information required to provide evidence as to the quality of actuarial work.

	%	No.
Strongly agree	6%	14
Agree	27%	69
Neither	20%	51
Disagree	24%	60
Strongly disagree	23%	58
Total	100%	252

Qualitative Data

Please explain the reasons for your response: 1.2 To what extent do you agree or disagree that these proposals would enable the IFoA to gather the information required to provide evidence as to the quality of actuarial work?

The overall tone of written responses to this question were negative, not so much because of submissions directly contradicting the idea that the proposals would enable the Institute and Faculty of Actuaries to gather the information, but rather because responses largely related to the proposals as a whole.

Comments referring directly to the question tended to accept that to some extent information gathering would be enabled. However, they qualified their remarks by questioning whether the information which could be collected was genuinely useful or if the process used was the best approach.

Where respondents provided a positive answer, the supporting arguments used tended to focus on the Institute and Faculty of Actuaries providing improved scrutiny and securing better information about actuarial work, which several respondents felt the organisation did not currently have sufficient access to.

Those critical of the proposals stressed that the claim that evidence was needed had not yet been substantiated and that the information secured would be of limited benefit—particularly given the subjective nature of some parts of actuarial work. How the Institute and Faculty of Actuaries defined 'quality' was repeatedly questioned by respondents.

The means of obtaining the evidence was viewed as having a disproportionate cost relative to the potential benefits, raising concerns over commercial sensitivity and data protection, forcing companies to lose too much time to obtain the information and making actuaries uncompetitive relative to less thoroughly regulated competitor professions.

Other respondents expressed the view the process would be more likely to provide evidence of regulatory compliance than of the quality of actuarial work and that the voluntary nature of thematic reviews risked providing a distorted picture of the issues facing the profession. It was questioned whether there were sufficient numbers of suitably qualified reviewers to undertake the work, whether the feedback from reviews would be too slow to be of use and whether the scheme was too UK-orientated for a global organisation.

One submission claimed that the proposals opened the profession up to attack, as the public would focus on the profession’s errors rather than its accomplishments. There were also concerns that the cost of operating the scheme would in time be reflected in membership fees.

Suggestions included: collecting evidence through less intrusive manners-such as via the Quality Assurance Scheme; monitoring the number of complaints made against actuaries; limiting the proposals to Category A only; focusing resources on training instead of monitoring; reducing fees instead of spending money on monitoring; allowing employers to assess the quality of actuaries’ work; and providing an opt-out for firms operating the Quality Assurance Scheme.

3.3.3 Question 1.3

Quantitative Data

1.3 To what extent do you agree or disagree that without evidence of the quality of actuarial work, there is a risk to the reputation of the profession?

36% of respondents agree and 47% disagree that without evidence of the quality of actuarial work there is risk to the reputation of the profession.

	%	No.
Strongly agree	9%	23
Agree	27%	68
Neither	17%	42
Disagree	26%	67
Strongly disagree	21%	54
Total	100%	254

If you agree there is a risk, how would you assess that risk?

Risk was rated as low by 34% of those who responded to this question, compared to 20% who rated the risk as high or very high.

	%	No.
Very high	4%	8
High	16%	30
Low	34%	65
Very low	15%	28
N/A	31%	60
Total	100%	191

Qualitative Data

Please explain the reasons for your response: 1.3 To what extent do you agree or disagree that without evidence of the quality of actuarial work, there is a risk to the reputation of the profession?

Overall, written responses tended to accept the idea that evidence of the quality of actuarial work was important, but disputed that the lack of it posed a significant risk to the profession, with a fair amount of discussion focusing on the proposals rather than the question itself.

Of those who did agree with the question, their submissions focused on it being a proactive step to demonstrate good practice, that it would make the profession more credible to stakeholders, that more regulation is increasingly the norm for professions, that the lack of monitoring meant that industry-wide issues could be missed, that more evidence regarding the quality of actuarial work was needed and that it would provide cover in the event of a future scandal.

Disagreement to the proposal was significant, beginning with questioning whether this was an issue which needed addressing. The arguments put forward in support of this view were that the public were not concerned; that the profession had operated without such oversight in the past without issue and that the risks of lacking such oversight were not increasing; and that if the work of actuaries was of a poor standard then employers would not currently be hiring them.

Large numbers of responses highlighted existing sources of evidence as to the quality of actuarial work, citing processes run by regulators, the Institute and Faculty of Actuaries and systems of internal quality assessment, with alternative improvements to the proposed scheme being put forward: including making the Quality Assurance Scheme mandatory and a wider use of peer review.

The proposals were seen as being ineffective at delivering the desired outcomes, with submissions describing the plans as disproportionate, a box-ticking exercise which would contribute nothing, and highlighting that the nature of the work involved a level of subjectivity which could not be properly accounted for in a monitoring scheme.

A number of risks viewed as being more significant were also raised, including the importance of the profession innovating in order to move beyond traditional actuarial roles and to see off competition from data scientists. The proposals were seen as limiting the ability for innovation and adding additional cost burdens to actuaries relative to their competition.

Other risks included issues with professional ethics; more people working as 'actuaries' but without membership of the Institute and Faculty of Actuaries or relevant qualifications; and significant reputational consequences for the profession if a new scheme for assuring quality was introduced and it failed to prevent a scandal stemming from poor quality work.

A few suggestions were also put forward by respondents, the first was that the reviews should avoid focusing on individual mistakes, but rather highlight wider issues. Secondly, that the reviews would be more credible if they were carried out by an independent body. Lastly, that the grades actuaries received in qualifying should be made public.

3.3.4 Question 1.4

Quantitative Data

1.4 How important do you think it is for the public to have confidence in the quality of the work of actuaries?

87% feel that it is important for the public to have confidence in the quality of the work of actuaries, 6% feel it is unimportant,

	%	No.
Very important	43%	110
Important	44%	111
Neither	7%	17
Unimportant	4%	9
Very unimportant	2%	6
Total	100%	253

Do you think that the introduction of these proposals would serve to strengthen this confidence?

20% agree and 60% disagree that the introduction of the proposals would serve to strengthen confidence in the proposals.

	%	No.
Yes	21%	50
No	60%	144
Don't know	20%	47
Total	100%	241

Qualitative Data

Please explain the reasons for your response: 1.4 How important do you think it is for the public to have confidence in the quality of the work of actuaries?

Rather than addressing the question as to whether public confidence in actuaries' work was important, most of the written responses were used to argue either for or against the proposals.

For those who expressed agreement with the proposals they said that added scrutiny should help to improve public confidence, although whether it was only seen to be helping or if it would actually deliver improvements was a point of debate. There was also a belief that the proposals could help with groups of stakeholders other than the public.

Many submissions asked whether or not this was an issue, highlighting general public ignorance around what actuaries are and do; that controls already existed for the profession; that the proposed approach was not the sort of thing the public would pay attention to; and that the public were not the most important group to gain the confidence of. In so far as the public did recognise the role, it was believed that there was confidence in their abilities.

Others felt that the scheme would be ineffective as it was not truly independent; that it ignored that reasonable differences of actuarial opinion could exist; that it would restrict innovation; that it was a purely bureaucratic exercise; that it would not be possible to access the relevant data; that introducing a scheme made it seem as though the profession lacked confidence in its own abilities; and that any confidence gained was false confidence.

The proposals were also seen as disproportionate, coming with much higher costs for employers than the benefits they offered. This was viewed as posing a risk to the reputation of the profession by forcing actuaries to sacrifice time they would have otherwise spent undertaking value work for clients and increasing their costs, making them less attractive relative to competitor professions.

Several suggestions were raised as part of answers to this question, including that the focus of the Institute and Faculty of Actuaries should be on educating members and promoting ethical standards, that a better means of securing public confidence would be through educating the public as to the role of actuaries and that regulation of the industry should be undertaken by an independent party.

3.4 Section 2

A greater number of respondents to the survey support rather than oppose a risk-based approach focusing on the work of Practising Certificate holders (40% compared to 35%). However, opposition to this approach is greater amongst Practising Certificate holders themselves, at 57%. Fewer respondents support a risk-based approach resulting in three

different categories of monitoring, with 35% agreeing that this would be appropriate, and the majority of respondents (46%) do not believe that Categories B and C add value. This is felt more strongly by respondents who are not Practising Certificate holders (at 51%), whilst 43% of Practising Certificate holders believe that there is merit in including Categories B and C.

Respondents also gave a favourable response, though not an outright majority (36%), to the question of if the Quality Assurance Scheme should be taken into account. Amongst those responding on behalf of their organisation, this rises to 64%. A greater number of respondents think that the proposed scheme would not enable the Institute and Faculty of Actuaries to gain direct empirical evidence of the standard of actuarial work (44% No, 34% Yes). A majority (48%) believe there would be merit in having non-actuaries as part of the Review team.

3.4.1 Question 2.1 - Quantitative Data

2.1 To what extent do you support a risk-based approach, focusing on the work of Practising Certificate (PC) holders?

40% support a risk-based approach focusing on the work of PC holders, 35% oppose such an approach.

	%	No.
Strongly support	13%	30
Support	27%	62
Neither	25%	58
Oppose	17%	38
Strongly oppose	18%	42
Total	100%	230

While the headline figures appear to show a plurality of support for this option, it is worth noting that differences emerge when we look at responses from individual actuaries who possesses a Practising Certificate:

	PC-holders	
	%	No.
Strongly support	6%	2
Support	20%	7
Neither	14%	5
Oppose	29%	10
Strongly oppose	31%	11
Total	100%	35

3.4.2 Question 2.1 - Qualitative Data

Please explain the reasons for your response: 2.1 To what extent do you support a risk-based approach, focusing on the work of Practising Certificate (PC) holders?

Considerable support was expressed in written responses for a risk-based approach, citing that doing so was in the public interest, that it was a proportionate response to the need to ensure the quality of actuarial work and that it was the best use of limited resources.

However, there was significant disagreement between respondents as to where the real risks in the system lay. While the idea of focusing on the work of Practising Certificate holders was seen by some as targeting the area of greatest risk, with the nature of such positions believed to bear the greatest impact upon the public and the profession, others claimed that it was the lowest risk area due to it being subject the highest degree of existing oversight.

These arguments were taken further by a number of respondents, claiming that the proposals were excessive and risked overburdening actuaries; that the existing internal and external safeguards for Practising Certificate holders were sufficient to ensure the quality of their work; or that it was other groups of actuaries who were in the most need of monitoring.

Various respondents raised concerns that the approach would be ineffective, these being that the process would degrade into a tick-box exercise, that direct reviews were unlikely to produce an improvement in the quality of work and that it would not be possible to find suitably talented reviewers to undertake the work.

Several submissions suggested negative impacts for the profession if the proposals were implemented. These included: that it would make it harder to employ actuaries; that it would discourage take up of Practising Certificates; that there would be knock-on consequences for more junior actuaries from their seniors being tied-up with reviews; and that it risked preoccupying the profession's most experienced and diligent actuaries.

Other respondents highlighted risks they felt were greater for the profession, such as the need to improve ethics, to ensure the quality of the work of non-UK based actuaries, and to tackle actuarial decisions being taken at a senior level by individuals who did not hold a Practising Certificate.

In addition to specific challenges, there were a number of respondents who just expressed general opposition to the proposals, while several stated that they would not answer the question due to their not possessing a Practising Certificate.

Respondents had various suggestions as part of their submissions, including that the reviews should focus only on some parts of the PC role—in particular their regulated work; that it should be incorporated into the Practising Certificate application and renewal process; that the Practising Certificate holder's role should change to meet the needs of the new regulatory environment; that this category of monitoring should extend beyond Practising Certificate holders in due course—with various suggestions as to which other areas should be covered; and that firms operating the Quality Assurance Scheme should not be subject to the same level of monitoring.

3.4.3 Question 2.2 - Quantitative Data

2.2 To what extent do you agree or disagree that a risk-based approach (as outlined in Section 1.3 of the Consultation Paper) resulting in three different categories of monitoring (direct review, thematic review and general information gathering) is appropriate?

	%	No.
Strongly agree	7%	16
Agree	28%	63
Neither	23%	51
Disagree	22%	49
Strongly disagree	21%	47
Total	100%	226

3.4.4 Question 2.2 - Qualitative Data

Please explain the reasons for your response: 2.2 To what extent do you agree or disagree that a risk-based approach (as outlined in Section 1.3 of the Consultation Paper) resulting in three different categories of monitoring (direct review, thematic review and general information gathering) is appropriate?

As this is the first question which introduces Category B and C reviews, albeit by a different name, a number of responses begin to touch upon points addressed by other questions further along in the survey.

A fair amount of written responses expressed some level of support, although with a number expressing that they disagreed with the proposals in general but agreed with the division in so far as a categorisation was required.

Arguments made in support of the proposals were that all categories added value; that they were proportional; that they recognised different levels of risk and attributed an appropriate degree of focus; that they were complimentary in nature and that it was important that non-Practising Certificate holder work was also reviewed in some way.

Partial agreement also existed in a number of cases, where a respondent supported some, but not all, categories of review. Unfortunately, there was no clear consensus over which elements should be pursued and which should be dropped, with some praising thematic reviews while others insisted the full focus should be on those with Practising Certificates.

Alongside general opposition to the scheme, a number of concerns were raised by respondents. Various respondents were of the opinion that review was unnecessary given existing forms of regulation and that the proposals were excessive, particularly for those holding a Practising Certificate. It was felt that imposing higher costs on businesses, reducing the amount of time available for actuaries to spend on 'adding value' and compromising the confidentiality required for their work, risked damaging the reputation of actuaries and making competitor professions, such as data scientists, more attractive to employers. Several

respondents specifically highlighted the risk of pricing actuaries out of the market as an area where the proposals could cause harm.

Direct scepticism over the effectiveness of thematic reviews took two lines, the first was that the voluntary nature of such reviews would result in a selective uptake which would compromise their ability to produce useful data, and the second was a doubt that the Institute and Faculty of Actuaries could effectively determine the real areas of risk needing a review.

The effectiveness of the monitoring scheme as a whole also came under criticism, with some respondents viewing it as over-complex, dependent upon the honest involvement of management, confusing technical compliance with quality in actuarial practice and too weak without an effective system for processing grievances against actuaries.

An array of suggestions arose as part of the submissions to this question. Some were of the view that the approach should be broadened, including looking at the work of those who were making the decisions around actuarial work in firms regardless of their membership status. Others felt that a review of existing Institute and Faculty of Actuaries systems for accrediting and monitoring actuaries should take place as part of the process of bringing forward a new scheme, potentially replacing them entirely. The view was also expressed that the new categories of review should not apply to firms operating the Quality Assurance Scheme.

While these proposals all seek to amend the scheme in some way, a more all-encompassing alternative put forward by one respondent was that instead of the proposals there should be moderated discussions of different categories of actuaries to identify potential issues and work out the solutions.

Various respondents also said that they required more information before they could take a definitive position on the issue.

3.4.5 Question 2.3 - Quantitative Data

2.3 Do you think that, in addition to focusing on PC holders in Category A of the proposed scheme, there is merit in including thematic reviews (Category B) and enhanced information gathering (Category C)?

35% agree that in addition to focusing on PC holders in Category A of the proposed scheme there is merit in including thematic reviews (Category B) and enhanced information gathering, 46% disagree.

	%	No.
Yes	35%	78
No	46%	105
Don't know	19%	43
Total	100%	226

3.4.6 Question 2.3 - Qualitative Data

Please explain the reasons for your response: 2.3 Do you think that, in addition to focusing on PC holders in Category A of the proposed scheme, there is merit in including thematic reviews (Category B) and enhanced information gathering (Category C)?

There did not seem to be any clear majority of support for or against the introduction of thematic reviews amongst written responses. Category C received little mention, but where it was referred to the proposals seemed to be largely viewed as pointless.

Amongst those supporting the introduction Category B and C reviews, arguments included: that it would ensure quality amongst the wider profession; that professional embarrassment could originate outside of areas covered by Category A; that the unregulated nature of non-Practising Certificate roles meant that there was a greater risk of poor practice; that it would reassure the public, and that it helps to set standards. Other respondents felt that these review categories would add value through generating knowledge of the profession not otherwise available and that it was justified by the Institute and Faculty of Actuaries needing information on all areas of actuarial work.

Contrary to arguments made elsewhere, one respondent suggested that having some form of review in non-traditional areas would help to establish actuaries' credibility relative to competitor professions.

There were also a fair number of respondents who indicated that they believed Category B to be the only part of the scheme they believed should be introduced.

Those disagreeing with the proposals presented a variety of concerns, starting with uncertainty over how Categories B and C would deliver on the stated goal of improving public confidence in the profession. One respondent expressed the belief that the proposals risked creating unreasonable expectations amongst stakeholders, while others said that the voluntary nature of participation in such reviews essentially rendered them pointless.

Some viewed the categories as excessive on top of Category A reviews and working party activity, which it was felt the Category B reviews might well jeopardise, with existing systems of review seen as sufficient.

The potential commercial impact of the proposals were also raised. Respondents questioned how effective the proposal could be when businesses would not allow access to commercially sensitive data. Such access, along with the cost and time impacts involved in a review, was considered to be a strong disincentive for employers in hiring actuaries. Similarly, it was felt increasing the monitoring of actuaries might discourage people from joining the profession.

Other concerns included, that Categories B and C amounted to mission creep from the initial goal, that such work would encourage groupthink and collusion across the profession

negatively impacting upon advice and that too many unnecessary divisions in categories of actuary already existed.

In addition, several respondents said that reviews should only apply to some areas of actuarial practice, the more traditional industries in particular.

A wide range of suggestions were proposed as parts of answers to this question. Some of these focused on how the scheme should be introduced, for instance saying that Category B should be brought forward first with the other categories following if they are shown to be necessary; that the monitoring work should be limited to Practising Certificate holders; that partially-regulated members should be excluded from review; that Quality Assurance Scheme firms should not be subject to these reviews; that actuaries needed to be reassured that the reviews were a positive opportunity to help them to improve the quality of their work; that each review required a clear purpose and a desired outcome; and that the results of reviews needed to be acted upon.

Suggestions which made a more significant departure from the proposals included: that monitoring work should be limited to fact gathering for now; that an annual survey should be used to collect information on issues facing the profession instead; that an informal process of random visits should instead be used for monitoring; and that a regulator would be better placed to undertake such reviews.

In addition, there were several suggestions that the question was biased, as the wording could be read as assuming the introduction of Category A reviews as a certainty, when respondents may have wanted the other categories without Category A.

A number of respondents also indicated that they needed more information in order to decide what the right answer was to this question.

3.4.7 Question 2.4 - Quantitative Data

2.4 Do you think that the approach should take into consideration whether the PC holder's employer is Quality Assurance Scheme (QAS) accredited?

	%	No.
Yes	36%	80
No	32%	71
Don't know	32%	72
Total	100%	223

Alongside the headline figures, we compared the views of individual submissions to those received from organisations, where much clearer support for considering Quality Assurance Scheme accreditation appears to exist:

	Organisational responses		Individual responses	
	%	No.	%	No.
Yes	64%	3	33%	60
No	29%	12	33%	60
Don't Know	7%	5	34%	63
Total	100%	28	100%	183

3.4.8 Question 2.4 - Qualitative Data

Please explain the reasons for your response: 2.4 Do you think that the approach should take into consideration whether the PC holder's employer is Quality Assurance Scheme (QAS) accredited?

Responses to this question were very mixed as to whether or not they supported taking Quality Assurance Scheme accreditation into consideration. For those in support the main arguments were that the two schemes contained overlapping elements, that the Quality Assurance Scheme meant they had already demonstrated robust procedures; that it would avoid duplication; and that it would enable resources to be focused on higher risk companies. A large number of responses also highlighted that if it was not taken into account the scheme could be seen as being pointless, with a suggestion that firms would ditch the accreditation in future.

In addition to more general disagreement about the proposed monitoring scheme, objections for taking the accreditation into consideration focused on the idea that the Quality Assurance Scheme involved much weaker levels of oversight than and Category A reviews. For instance, the focus of the scheme is on firms and whether they have robust processes in place and not whether individuals are following those processes. There was a concern that this would lead to double standards in the levels of monitoring.

It was also seen as being unfair on actuaries who were not covered by the scheme, with some areas of practice harder to incorporate than others and larger firms being better placed to afford the work involved in securing accreditation.

Furthermore, it was highlighted that organisations often have their own quality assurance schemes in place which would could provide equal or greater oversight than that of the Quality Assurance Scheme and ought to be taken into account. There was a perception that if this was the only form of accreditation taken into account, the fact it was an Institute and Faculty of Actuaries scheme left the organisation open to accusations of bias.

Suggestions in relation to this question included that other forms of accreditation should also be taken into account, that the Quality Assurance Scheme should be enhanced and that when Quality Assurance Scheme reviews are taking place at a firm any necessary Category A reviews of staff members should be run at the same time.

A few respondents suggested that the introduction of these monitoring proposals combined with such an opt-out could be seen to be an attempt to force a greater uptake of the Quality Assurance Scheme.

3.4.9 Question 2.5

2.5 Are there any potential areas for monitoring that you feel have been overlooked in these proposals? Do you have any additional or alternative ideas about how a monitoring scheme could be delivered?

Alongside a number of respondents restating their opposition to any form of monitoring scheme or expressing the view that existing safeguards are sufficient, a very wide range of ideas were submitted in response to this question.

On the lighter-end of the spectrum, suggestions included focusing resources on training rather than monitoring, and making better use of existing systems of monitoring and audit.

One portion of the responses focused on methods of monitoring. Alternatives to the proposed scheme included informal annual deep dives of firms; a public record of actuarial qualifications and publication of the grade the practitioner received; a means for anonymous whistleblowing; an audit of compliance with Technical Actuarial Standards; an enhanced Continuing Professional Development regime; a review of the last 12 months of actuarial advice for FTSE100 companies, and the incorporation and possible mandating of participation in the Quality Assurance Scheme.

Others felt that the right focus had not yet been identified; recommending attention be primarily given to ensuring statutory compliance; looking at a high level at actuarial advice and how it is delivered; finding the gaps in current regulation and designing a scheme which covers them, and seeking input from regulators and stakeholders in advance of rolling a scheme out.

Modifications to the current proposals were also suggested, including: replacing existing schemes as part of the roll out of any new scheme; broadening the scheme's approach; excluding partially-regulated members from review; ensuring reviews focused solely on the actuarial elements of a reviewee's role; reviewing timings; and direct review of all Fellows, Associates and Certified Actuarial Analysts. It was also suggested that the role of undertaking any monitoring should be taken on by an external regulator.

The other major portion of responses looked at different areas of focus for a monitoring scheme. Some of these were very straight forward, such as focusing on: areas not currently regulated through Practising Certificates; incentive exercises; reconstructing advice; pensions—particularly corporate pensions advice; pricing; Part VII transfers; capital requirements and management; and investment. This last category was directly contradicted by another respondent saying that corporate actuarial and investment advice should be excluded.

Alternative areas considered worth looking into by respondents included new technology and Big Data; social issues; those giving advice in a second language; whether complex actuarial models were fully understood; and what actuaries' time is spent on and how much of it added value. In addition, it was suggested that reviewing organisations was prioritised over individuals and the weaknesses in the system were felt to be at the institutional level.

Some groups of 'actuaries' were highlighted as most in need of monitoring, such as those who referred to themselves as an actuary but lacked membership or a qualification; senior managers determining the direction of actuarial opinion within their organisations; actuaries working for the regulators or the Institute and Faculty of Actuaries; and actuaries whose work was located outside of the UK's regulatory regime.

Smaller companies, due to their weaker systems of internal quality assurance, and consultancies, due to various potential conflicts of interest, were also considered worthy of review.

One response suggested employers should be required to disclose for each actuary the number of scheme actuary appointments they held, hours worked per week and the commercial pressures they faced.

3.4.10 Question 2.6

Quantitative Data

2.6 Do you think that the proposed scheme would enable the IFoA to obtain direct empirical evidence of the standard of actuarial work?

34 % feel that the proposed scheme would enable the IFoA to obtain direct empirical evidence of the standard of actuarial work.

	%	No.
Yes	34%	76
No	44%	100
Don't know	22%	49
Total	100%	225

Qualitative Data

Please explain the reasons for your response: 2.6 Do you think that the proposed scheme would enable the IFoA to obtain direct empirical evidence of the standard of actuarial work?

Written responses were undecided on whether the process would yield data, but amongst those who felt that it would there were significant questions over whether this was the right goal for the process and whether the data collected would be useful. In particular a few respondents said that anything the process collected was more likely to be a measurement of compliance than genuine quality, with a significant number of submissions stating that there

was already sufficient evidence available already and that any evidence secured through the proposed approach would come at a significant cost to the sector.

Amongst those who believed the proposals would be ineffective at obtaining the evidence, a wide range of reasons were presented. Category B reviews were viewed as at risk of selection bias due to the proposed voluntary nature of participation, with similar problems accessing the required data as a result of business confidentiality requirements. Other issues with the reviews included doubts that suitably qualified reviewers would be found for all the areas in which actuaries now worked; that reviews were too infrequent to pick up on the big issues; that actuaries would find themselves trapped in a bureaucratic process which limited capacity for innovation; that the subjective nature of parts of the work were being ignored and that reviewer teams themselves would each approach every job differently, limiting how far cross-authority lessons could be developed from their findings.

In addition, the proposals were seen to put the Institute and Faculty of Actuaries in the firing line in the event that something went wrong once the new monitoring processes were in place and that cultural differences based upon locality did not appear to have been considered in how the proposals would affect members based outside of the UK.

Of those who felt positively about the proposals, seeing it as offering potential benefits such as improving best practice, many nonetheless qualified their responses as being dependent upon various requirements. Others disagreed over which categories of review were best placed to deliver the potential benefits for the profession.

Various respondents also said they needed more information to determine their answer to this question.

3.4.11 Question 2.7

Quantitative Data

2.7 Do you think there would be merit in having non-actuaries as part of the Review Team?

48% agree that there would be merit in having non-actuaries as part of the Review Team, 34% disagree.

	%	No.
Yes	48%	108
No	34%	77
Don't know	18%	40
Total	100%	225

Qualitative Data

Please explain the reasons for your response: 2.7 Do you think there would be merit in having non-actuaries as part of the Review Team?

On balance, more written responses expressed opposition than support to this proposal, with large numbers remaining to be convinced either way.

Those who felt that including non-actuaries in teams held merit felt that it would enable them to pitch the review to the issues of greatest concern to the public; that a different perspective was useful; that it would help improve public confidence; that it would help to avoid excessive focus on technical issues over 'Big Picture' considerations; and that it avoided the impression of actuaries 'marking their own homework'.

Many members said that they were open to the proposal under certain circumstances, some of these are as follows: that they are familiar with the nature of the work; that they are an expert in some other field; that their inclusion is assessed on a case-by-case or theme-by-theme basis; that most of the team is made up of actuaries; and that the primary reviewer is a peer of the actuary being assessed. Where categories were mentioned, it was felt that Categories B and C would be more appropriate for a non-actuary to participate in.

Alongside comments expressing general opposition to the proposal, those who disagreed with the inclusion of non-actuaries focused on their lack of relevant experience. Concerns included: that if the priority was improving the quality of actuaries' work then you needed people who understood what was involved in the work to avoid distraction from the key issues and that there would be a need to invest significant resource in bringing people up to speed. There was uncertainty as to what non-actuaries were bringing to the process, concerns that reviewees would not have confidence in them, fears that it would compromise the result of any review and worries that it would further jeopardise commercially sensitive information.

3.4.12 Question 2.8

2.8 If you wish to suggest any alternative approach to achieving the IFoA's objectives, please describe it here

While this open-ended question saw one of the poorer response rates, members nevertheless proposed a wide range of alternative approaches, mostly far lighter-touch than the current proposals.

It was suggested that fact-finding with voluntary participation would be a good first step, some methods of conducting this include one-to-one interviews with actuaries, structured feedback forms for stakeholders, and forums where members can identify failings, solutions and share best practice. Various submissions refer to large amounts of existing data, including past disciplinary cases, which could be used by the Institute and Faculty of Actuaries to assess and raise the general quality of actuarial work.

Modifications to existing processes were also suggested, such as making the Quality Assurance Scheme mandatory, introducing a more rigorous Practising Certificate application

and renewal process, and requiring brief submissions from members and their managers on the quality of their work alongside Continuing Professional Development.

Other proposals included better advertising of disciplinary and whistleblowing processes, improving training for actuaries, ensuring every actuary is subject to peer review, working with regulators to improve assessment mechanisms and focusing on principles-based regulation. In addition, there was a suggestion that the focus should be shifted from individual actuaries to the quality of actuarial work produced by firms as a whole.

Some respondents were in favour of implementing the proposed monitoring scheme, but with modifications, suggestions include piloting it on a small scale first, only introducing Category A and only introducing Category B.

There was also a strong view that monitoring should be left to an external regulator, which would provide an independence which might otherwise be lacking. The need for a globally-applicable system of monitoring was also raised, both for regulating Institute and Faculty of Actuaries members overseas and ensuring consistent professional standards across everyone defining themselves as an actuary. It was felt that this was a task which could not be tackled unilaterally by one professional body.

In addition, a large number of responses viewed the objectives of the current proposals as poorly defined, lacking a clear cause and relating badly to the proposals which have been put forward. Several respondents suggested that the first step for introducing a new scheme should be to try and clearly identify the need for change, as they felt that the requirements of the Royal Charter provided insufficient grounds for introducing stronger regulation.

This question also received a negative comment about the consultation process.

3.5 Section 3

3.5.1 Question 3.1: Information provided by proposed outputs

Quantitative Data

3.1 Do you think that the proposed outputs will provide sufficient information to ensure useful individual feedback?

A quarter agree that the proposed outputs will provide sufficient information to ensure useful individual feedback, 37% disagree.

	%	No.
Yes	25%	53
No	37%	76
Don't know	38%	79
Total	100%	208

Qualitative Data

Please explain the reasons for your response: 3.1 Do you think that the proposed outputs will provide sufficient information to ensure useful individual feedback?

The most frequent comment from respondents was that too little information had been provided at this stage for a clear assessment to be made.

While there were a fair number of positive comments, reflecting the concerns over a lack of detail, most of them qualified their response with one requirement or another which was viewed as being essential if the feedback was to be useful. These were as follows: outputs would provide sufficient information to ensure useful individual feedback but only in the case of some categories; that it would be contingent upon the team of reviewers used; that it would depend upon the timelines involved in undertaking the review and reporting back; that it would rely upon the buy-in of employers and management; and that it should be restricted to Practising Certificate holders at non-Quality Assurance Scheme firms.

Alongside general opposition to the proposals, concerns were raised that useful feedback could not be identified during the short period reviews would take place; that confidentiality limiting reviewers' access to data would prevent any useful insight being gained; and that employers would prevent any meaningful cooperation. While others were of the view that the proposals were an excessive way of providing actuaries with feedback.

A considerable number of respondents highlighted that a range of feedback and advice, both from external and internal sources, was already available to them.

In addition, one respondent criticised the consultation as being excessively long, and another responded that they would stop answering any following questions as they disagreed with the proposals in general.

The main suggestions made by respondents in relation to this question were that different styles of feedback were provided based upon the nature of the actuary involved; that the focus of direct reviews should be wider than just Practising Certificate holders; and that Category A reviews should take place at the same time as any Quality Assurance Scheme review of the firm.

There was also support that reviews should involve anonymity as to the identity of the actuary, partly to avoid witch hunts over non-regulatory issues which had been identified and there was a question as to how this could be achieved.

3.5.2 Question 3.2

Quantitative Data

3.2 Do you think that the proposed outputs will provide sufficient information to inform the regulatory work of the IFoA (standards, guidance and educational material, Continuing Professional Development requirements etc.)?

Slightly more respondents feel that the proposed outputs will provide sufficient information to inform the regulatory work of the IFoA (35%), compared to 33% who disagree.

	%	No.
Yes	35%	73
No	33%	68
Don't know	32%	66
Total	100%	207

Qualitative Data

Please explain the reasons for your response: 3.2 Do you think that the proposed outputs will provide sufficient information to inform the regulatory work of the IFoA (standards, guidance and educational material, Continuing Professional Development requirements etc.)?

Overall, written responses answered more positively to this question than earlier ones, citing potential benefits in capturing emerging trends, identifying weak points in existing regulation and advice, and improving training. As with other questions, there were those who felt that they only believed that some of the categories of monitoring were necessary to achieve the proposed outcome, although without consistency across responses as to which categories those should be.

While answering positively that the outputs would help to achieve these goals, a fair number of respondents qualified their support. Qualifications included: that this did not mean that they agreed with the proposed approach, and that it was important that other things were also considered alongside the outputs of the monitoring scheme, such as changes to the law, technology and fields of actuarial practice.

In addition to general objections to the scheme, a number of more specific criticisms were made in response to this question. Respondents frequently said that they believed enough data was already available to inform the Institute and Faculty of Actuaries' approach, or that the proposed scheme was an excessive or costly way of approaching the task.

The ability of the scheme to deliver the outputs was also questioned, with claims that there was too little resource to achieve the task given the range and depth of advice actuaries provide, that client confidentiality would prevent any meaningful lessons being learnt, that the subjective nature of parts of the work ruled out generalisable lessons and that the ability of firms to opt out of parts of the scheme would result in biased conclusions.

Some felt that the proposed scheme was a solution looking for a problem, while one respondent said that the organisation was simply covering its own back. There was also a criticism that the focus was excessively on traditional fields of actuarial work.

A range of suggestions and alternatives were included in the responses to this section. Some felt that the proposals needed to be less intensive than proposed, while others sought a broader approach to reviews, including one-to-one interviews. Consultation with the

membership was also felt to be a better way to secure the proposed outputs. Others felt that regulation was something which should be handed over to an independent body.

Various respondents also said that too little detail had been set out at this stage for them to be certain about the effectiveness of the proposed outputs.

3.5.3 Question 3.3

Are there additional or alternative outputs you would expect to see from the proposed monitoring scheme?

Almost half of those responding to this question indicated that they did not have any other outputs they would like to see from the consultation or that they would need to see the scheme in practice to provide a view. A considerable number of others used the question as an opportunity to repeat previously expressed arguments in opposition to the proposals.

Answers to this question covered a wide array of suggestions, the most frequent proposals being that the scheme should help to deliver some form of guidance or training for improving actuarial practice; that it should feed into debates on the 'big' issues facing the profession; that there needed to be feedback to businesses following the reviews; and that it could help to produce some form of rating system for actuaries and businesses based upon assessments.

Other suggestions included: securing clear and objective evidence; assessing whether the work of the actuary is of value to the business; creating a mechanism for individuals to blow the whistle on bad practice; delivering greater transparency; establishing whether the working environments of actuaries pose threats to the profession's reputation in other ways—such as over equalities; and identifying what is happening in the field and pursuing improvements where identified.

Several suggestions related to the scheme itself, including: that employers' and customers' expectations should provide the basis for the outcomes; that the time and cost of each review should be included in the output; that there should be an annual report of how the scheme is operating; that a review of whether the scheme itself is necessary should occur every three years; that there should be an ongoing process of improving the scheme based upon its performance; and that it should act as an enforcement mechanism—not just a system of review.

One respondent also suggested a lighter-touch version of the scheme incorporated into the Practising Certificate application and renewal process instead of the full version being consulted upon.

3.5.4 Question 3.4

3.4 To what extent do you agree or disagree that the proposed outputs (detailed in Section 3 of the Consultation Paper) would be useful to you in your work?

Just under a quarter (24%) agree that the proposed outputs would be useful in their work, just under half (46%) disagree.

	%	No.
Strongly agree	3%	7
Agree	21%	44
Neither	30%	61
Disagree	16%	32
Strongly disagree	30%	61
Total	100%	205

3.5.5 Question 3.5

3.5 Do you think that reports arising out of Category A Review Visits should be shared with the individual PC holder's employer?

As many (39%) agree as disagree that reports arising out of Category A Review Visits should be shared with the individual PC holder's employer. Agreement goes up to 72% amongst those who are responding on behalf of their organisation, whilst agreement amongst individual respondents is at 35%.

	%	No.
Yes	39%	80
No	39%	80
Don't know	22%	46
Total	100%	206

In addition to the headline figures, we looked at the responses to this question when broken down into organisations and individuals:

	Organisational responses		Individual responses	
	Percentage	Count	Percentage	Count
Yes	72%	21	35%	58
No	10%	3	41%	69
Don't know	17%	5	24%	40
Total	100%	29	100%	167

To provide further insight, we have also looked at the responses from individuals who hold a Practising Certificate:

	Practising Certificate Holders	
	%	No.
Yes	38%	12
No	41%	13
Don't know	22%	7
Total	100%	32

3.6 Section 4

3.6.1 Question 4.1

Quantitative Data

4.1 Are you reassured that the proposal adequately addresses confidentiality and protection of sensitive information?

A majority (53%) are not reassured that the proposal adequately addresses confidentiality and protection of sensitive information. This feeling is higher amongst those representing their organisation (72%) and slightly lower amongst those who responded as individuals (49%).

	%	No.
Yes	19%	41
No	53%	111
Don't know	28%	59
Grand Total	100%	211

While comparing responses from organisations to those from individuals does not appear to show any difference in overall opinion to this question, organisations clearly have an even more negative take on the proposal's data protection provisions:

	Organisational responses		Individual responses	
	%	No.	%	No.
Yes	14%	4	22%	37
No	72%	21	49%	85
Don't know	14%	4	29%	50
Total	100%	29	100%	172

Qualitative Data

Please explain the reasons for your response and, if you answered 'No', please explain what additional steps you would expect: 4.1 Are you reassured that the proposal adequately addresses confidentiality and protection of sensitive information?

Only a small number of those providing written responses to the survey felt that the provisions for dealing with sensitive information were sufficient for members to grant access.

For a number of respondents, the issue was felt to be irresolvable. There were two main issues for this: the first were the legal challenges, where they commented that either data protection law or client confidentiality agreements ruled out any chance of a non-regulatory body having access to the data the Institute and Faculty of Actuaries would need to conduct a review. This was viewed as being particularly challenging for those operating outside of the UK's regulatory environment.

The other issue related to business challenges. It was commented that employers, particularly those in non-traditional fields, would refuse to engage if their data had to be shared with another party or where it was felt the process would result in competitors being able to steal their work. This was due to concern that those undertaking the reviews would not be able to forget what they had learnt during the process and yet it was felt that only those currently working in the field would be suitably qualified to undertake such a review.

Some respondents felt that the proposal did adequately provide for data security, but only in the context of categories B and C reviews. One was concerned that past experiences with the Institute and Faculty of Actuaries left them sceptical as to whether the organisation was capable of implementing sufficiently robust procedures to ensure data security. Others did not feel they could give a view until they had seen the scheme in practice and asked for greater clarity over what would be done with the findings from thematic reviews.

It was also suggested that confidentiality was being treated as an afterthought and that reviews would result in high overheads for employers and actuaries in redacting information and implementing sufficient security controls that it could be handed over to the review team, with a consequent impact upon membership. Others felt that it might result in a general loss of confidence in actuaries and the insurance market.

Suggestions focused on resolving potential conflicts of interest. Proposals included: a ban on any consultancies or audit firms undertaking the reviews or for any reviewer to be allowed to move into a position with such a firm for three years after undertaking a review; that the reviewers should be consultants or retired actuaries; and that to prevent leaks no reviewer should be allowed access to any electronic equipment while looking at data. Non-disclosure agreements were raised as a necessity for anyone conducting such a review, with further rules around the return of data following a review, a requirement that the release of data would only take place in the event of a court order and significant financial penalties in the event of a breach. It was also suggested that regulatory backing would help the process of Institute and Faculty of Actuaries reviewers securing access to the required data, and that the name and firm of actuaries would need to be redacted before they are sent any data.

3.7 Section 5

3.7.1 Question 5.1

Quantitative Data

5.1 Do you feel that in taking into account existing structures such as the Practising Certificates Scheme, monitoring activities of statutory regulators and QAS, the proposed monitoring scheme would be appropriately integrated within the existing IFoA regulatory framework?

More respondents (38% to 27%) disagreed that the proposed monitoring scheme would be appropriately integrated within the existing IFoA regulatory framework.

	%	No.
Yes	27%	54
No	38%	76
Don't know	36%	72
Total	100%	202

Qualitative Data

5.1 Please explain the reasons for your response: Do you feel that in taking into account existing structures such as the Practising Certificates Scheme, monitoring activities of statutory regulators and QAS, the proposed monitoring scheme would be appropriately integrated within the existing IFoA regulatory framework?

The majority of those responding to this question felt that the proposals were either excessive, particularly in their impact upon those with Practising Certificates, or that they added little to existing structures. Those who felt it added little, cited extra overheads for businesses and duplication without any clear benefit to the profession.

However, there were several responses which did express support for the proposals, viewing them as a missing piece from the existing systems of oversight.

A number commented that they did not know enough of the current arrangements to be able to answer the question.

A number of comments referred to the QAS. Some felt that the proposals overlapped unnecessarily with the QAS or if a strengthened or mandatory version of it would be a better means of achieving the Institute and Faculty of Actuaries' goals than introducing a new monitoring scheme. Several respondents were of the view that participation in the QAS should result in lower regulatory oversight under the new scheme, while others felt that would provide inadequate oversight.

A few respondents raised concerns that the Institute and Faculty of Actuaries would struggle to implement the proposals in practice; that it would result in a reduction in membership;

and that members operating outside of the UK's regime had not been adequately taken into account.

There was one comment claiming that the questionnaire's design was biased and another suggesting that Institute and Faculty of Actuaries' track record on implementing new measures was unimpressive.

Suggestions included: that there should be better integration of the proposals with current regulation; that existing structures should not be removed as part of the introduction of the new scheme; that the process for renewing Practising Certificates should be made easier in response to the implementation of robust monitoring; and that the scheme should be reviewed post-implementation to see if integration was working well.

3.7.2 Question 5.2

Quantitative Data

5.2 One of the IFoA's aims is to introduce a scheme designed for the profession by the profession, in the spirit of maintaining the benefits and privilege of effective and accountable self-regulation, subject to independent oversight. Do you think that this aim has been achieved in these proposals?

A plurality (49%) of responses did not feel that the aim had been achieved in the proposals, with 30% feeling that it had.

	%	No.
Yes	30%	60
No	49%	99
Don't know	21%	43
Total	100%	202

Qualitative Data

5.2 Please explain the reasons for your answer (including anything you would add that would help us to achieve this aim)?

While the majority of comments responded negatively to this question, including questioning the aims, a fair number responded positively. These submissions viewed the proposals as improving professionalism; ensuring high quality work; enhancing understanding of the profession and the issues it is engaging with; preserving the ability of the profession to deliver the best advice to clients; helping to address issues with public perception; and achieving a balance between comprehensiveness and what is practically achievable within the limitations the Institute and Faculty of Actuaries has to deal with.

Almost half the written responses to the question viewed the proposals as being excessive. Reasons stated include: that existing structures were sufficient; that the stated cause for the proposal was not a real issue; that the proposals would increase the burdens for businesses

employing actuaries—particularly in smaller firms—without adding sufficient value; and that they would hold the profession back in new industries. Several respondents questioned the value of their membership, were the proposals implemented.

Some debated whether the scheme was genuinely brought forward by the profession itself or argued that the majority of actuaries disagreed with the proposals, so they could not amount to genuine self-regulation. Others said that whether the goal was achieved would be determined by the outcome of the consultation process, with some complaints about the wording of the question.

Submissions raised concerns that the proposals were not likely to be effective. Reasons given include: that self-regulation was or would be perceived to be insufficient; that the work of actuaries could not be effectively assessed in an objective way; that they would harm the profession; and that the impact upon other groups of stakeholders appeared to have been given inadequate consideration.

It was also questioned as to what mechanism would be in place for assessing the work of actuaries working outside of the UK.

Suggestions included that the Financial Reporting Council or some other independent organisation undertake the compliance reviews; that there should be better integration with other forms of regulation; and that the proposals should extend further, particularly for those who do not currently hold a Practising Certificate.

3.8 Section 6

3.8.1 Question 6.1

6.1 Do you think that the impact of the proposals is reasonable in light of the reasons for their proposed introduction?

Six out of ten respondents do not feel that the impact of the proposals is reasonable in light of the reasons for their proposed introduction, 17% feel they are.

	%	No.
Yes	17%	34
No	62%	127
Don't know	21%	44
Total	100%	205

Qualitative Data

Please explain the reasons for your response: 6.1 Do you think that the impact of the proposals is reasonable in light of the reasons for their proposed introduction?

While there were a number of respondents who agreed that the proposals were reasonable in the context of their reasons for introduction, there were considerably more raising concerns.

Amongst those expressing full support, the arguments were that the proposals had found an appropriate balance, and that they were a necessity in the political and regulatory environment.

A significant number of submissions expressed more qualified support. There were broadly three reasons given for this. The first was that their position was contingent upon something, for instance that the additional workload created would not be excessive; the second that their position could change once they saw how the system operated in practice; and the last was that only part of the proposals went forward, with different categories being stated by different respondents.

The most frequently expressed objection was one of cost. Respondents stated that the cost of implementing the scheme would be more significant than had been suggested and that ultimately it would be reflected in membership fees; and that the resource implications for actuaries, firms and customers were unreasonable. This was felt to particularly be the case if employers could not see the results of each review and that the end result would be a loss of competitiveness for the profession.

After cost, excessiveness was the main concern. Responses around this expressed views that the proposals were unnecessary; that they added little to existing systems and yet created significant new burdens; and that they lacked proportionality. One submission remarked that no other actuarial body had a similar scheme.

Other objections included the impact upon confidentiality and the difficulties involved in suitably redacting information for its use in a review; that it would not be possible to find suitably qualified reviewers; and that actuarial work is too subjective for the proposal to work effectively.

Unintended consequences were also raised as a potential outcome of the scheme. These included: that it might result in more important work being delegated to junior staff members in order to avoid the workload involved in a review; that it would encourage gold-plating of work; and that the end result would be actuaries 'playing it safe' rather than providing what they genuinely believe to be the best advice for their clients.

One respondent expressed the view that the proposals were more likely to become a mechanism for punishing non-compliance than supporting improvement.

In addition, several comments in relation to the consultation were made, highlighting that it was felt insufficient detail had been set out for definitive answers to the question to be

provided and that those who were likely to be affected the most by the proposals were the least likely to have time to make a submission.

Respondents made a number of suggestions as part of their answers. These included: adopting a lighter touch approach; only implementing some of the scheme's categories; looking at what mechanisms are operating in actuarial bodies outside of the UK; a broader review of existing forms of accreditation and assessment; better integration with other monitoring/regulatory systems; and field testing before implementation.

Various counter-questions were raised as part of responses to this section. Most of these requested more information in relation to the projected costs; what would happen if the FRC did not make a financial contribution to the scheme; and whether a copy of the Institute and Faculty of Actuaries' cost/benefit analysis for the proposals could be made available. Others asked about the potential impact for smaller firms or on the role of actuaries would play in workplaces in the future if the scheme was adopted.

3.8.2 Question 6.2

6.2 Are there other impacts that have not been considered in the consultation paper? If so, please explain what those are.

In answering whether there were any other impacts which had not been considered, most responses tended to re-state same issues which had raised under earlier questions, with a general perception that the potential downsides to the scheme had not been adequately considered.

Cost remained the most frequently expressed issue for respondents, both in terms of the financial and time costs to actuaries and their firms in undergoing a review, and the belief that in the long-term there would be a financial impact upon membership subscriptions to pay for the new monitoring process.

Other submissions reiterated views that the proposals were seeking to address an issue which was not a significant problem; that they added little; that they were excessive; that they lacked proportionality; and that there were better alternatives.

A range of possible impacts for the attractiveness and competitiveness of actuaries as a profession were raised, such as: reducing the likelihood of employers hiring actuaries when they were not legally required; limiting the move of actuaries into non-traditional roles; putting off potential applicants from joining the profession; discouraging actuaries from seeking Practising Certificates; and increasing the likelihood of actuaries practicing without membership of the Institute and Faculty of Actuaries, with members already expressing concerns over the ability of those acting outside of the system to use the title and the consequent risk of reputational damage to the profession.

Several other risks for the profession were also detailed, including: that the Institute and Faculty of Actuaries in taking on a monitoring role would weaken the position of the organisation in the event that the scheme was brought in and then a problem came to light; that it would raise public concerns as to why no system was already in place and suspicions over what had triggered its introduction; and the problem the profession would be presented with if it did turn out that current standards were poor.

Answers to this question saw far greater reference to actuaries based outside of the UK than other parts of the questionnaire, particularly how the new proposals will relate to them in practice.

Confidentiality arose again in a number of responses, particularly the potential for employers or clients to refuse access to data necessary for the reviews to take place and the view that the proposed safeguards were insufficient.

There were concerns that the review process would encourage more generic advice to be issued from the profession, and that they could lead to disciplinary impacts and reputational consequences for actuaries stemming from reasonable differences of opinion and employers overreacting.

Some responses did provide things which respondents felt the Institute and Faculty of Actuaries had not yet managed to cover, these included: the impact upon the public interest; the impact upon those working with actuaries; the impact upon the end-user; the impact upon those working in broader fields; the impact upon CPD requirements; the impact upon mutuals; the views of employers; how the system would work in the context of maternity leave; whether partially-regulated members are to be treated in the same way as fully-regulated members; whether those who hold a Practising Certificate for an area they are not currently working in are still to be subject to reviews; and on what and how a review would work where a Practising Certificate holder was on secondment.

Other issues raised in people's submissions were that modern actuarial methods no longer made it practical and that ethical issues facing the profession had not been given adequate thought.

Amongst the comments made were suggestions that Category A reviews should be smaller in scale and take place as part of Practising Certificate approval and renewal; that the scheme should not be increased any further in scope than the current proposals; that existing methods of peer review should instead be strengthened; that the focus should be on junior actuaries; and that the proposals needed to be piloted before implementation. There were further requests for an impact assessment of the proposals, containing a clear cost/benefit analysis.

3.9 Section 7

3.9.1 Question 7.1

7.1 Do you have any further comments?

For the most part, the 'Further Comments' section reiterated points made in the earlier stages of the consultation.

Some statements offered full or partial support for the proposals, highlighting the potential public relations benefits, yet there were far more statements in opposition than support.

Opposition focused on several key areas. The first was that the objectives of the Institute and Faculty of Actuaries in seeking to undertake the changes had been poorly defined, resulting in unsuitable proposals being made. The implication being that a set of proposals better to their liking would be found once the problem had been more satisfactorily defined.

Some were of the view that the proposed approach would not deliver the desired outcome, highlighting the failings of similar processes in the auditing field, and touched on a potentially negative impact for actuaries working in non-traditional roles when competing with other professions.

A number of responses also expressed cynicism as to how far the consultation was likely to genuinely inform the final decision, with criticisms of how the consultation process had been coordinated and requests for further consultation. It was suggested that the proposals would reduce the attractiveness of the Institute and Faculty of Actuaries compared to other professional bodies and several respondents said that they would leave the Institute and Faculty of Actuaries if the measures were introduced.

Other concerns included: the absence of proposals dealing with individuals who were undermining the profession by claiming to be actuaries when they were not qualified; the lack of focus given to some areas of practice and potential negative public relations implications in the event that the scheme is implemented and things still go wrong. In addition, there was a general request for more information, particularly regarding the arrangements for ensuring the process provided sufficient confidentiality, the capabilities of those forming the assessment teams and the cost of operating the proposals. Comments were made that money would be better used to reduce fees or assisting actuaries working in resource-constrained environments.

A variety of suggestions were put forward by respondents, including that the Institute and Faculty of Actuaries should adopt a lighter-touch approach. Amongst the proposed alternatives were suggestions that the organisation should work to make actuaries provide greater value for money for their clients and end users; that individual feedback should be shared with actuaries' employers, that the decisions around the proposals should be deferred until the conclusion of the Kingman Review; that the focus should be entirely upon Practising

Certificate holders; that peer review would provide a better mechanism for achieving the stated ends of the proposal; that addressing such issues should be left to the regulators; that the focus should instead be on tackling industry-wide errors, that the Quality Assurance Scheme should be made mandatory instead of implementing the proposals, and that the Institute and Faculty of Actuaries needed to consider how the profession was going to change under the IFRS17 accounting framework.

Questions raised included: whether the process would be voluntary or mandatory; how the scheme would operate outside of the UK's regulatory environment; the differences in approach between fully and partially regulated members; and what work would be covered with some respondents expressing uncertainty as to what the proposals will actually involve in practice. Several respondents expressed confusion over the way in which things had been phrased or set out typographically in the consultation document. One request for an Equalities Impact Assessment was also made.

4 Analysis of other responses

4.1 Introduction

Throughout the consultation process, those seeking to respond were encouraged to do so via the online survey. However, the consultation paper did also say that responses could be sent by email or post to the Institute and Faculty of Actuaries and a pdf version of the questionnaire was made available.

In total 25 items of correspondence concerning the consultation were received by the closing date and have been incorporated into this report. Where the correspondence took the form of a completed questionnaire or where it provided responses to questions asked in the questionnaire as part of a longer piece of correspondence, these contributions have been incorporated into the survey data analysed in Section 3 of this report.

However, a number of pieces of correspondence were not questionnaires or provided content beyond the questions raised in the questionnaires, such free form text is analysed in this section of the report.

This means of providing feedback to the consultation appeared to be particularly popular for organisations, with companies such as E&Y, AIG, PwC, Aon, Talbot and Willis Towers Watson choosing to contribute in this manner.

4.2 Correspondence

Only one submission expressed clear agreement with the proposals, with a number of others providing either qualified support or agreeing with elements of the scheme. Where positive comments were made they focused on the importance of public confidence in the profession, the useful role reviews could play in providing feedback, the suitability of a proportionate risk-based approach and the involvement of external regulators in bringing the proposals forward.

Far more objections and potential issues with the proposal were raised in the correspondence, largely reflecting those already highlighted in other sections of this report.

Correspondents said that the proposals had uncertain aims that they were unclear how the proposals served the public interest; that they were out of line with the rest of the world; and that they did not believe the proposals would be effective at meeting the specified aims.

Specific issues with the effectiveness of the proposals included: that the focus on those who were already most regulated meant the proposals weren't risk-based; that self-selection for Categories B and C monitoring would present a misleading picture of the issues facing the profession; and that there wasn't sufficient differentiation of the proposals based upon actuarial discipline.

Another concern was over quite what was going to be assessed in the process. Correspondents highlighted that the 'quality' of actuarial work and the inherent subjectivity of some elements of the work would not easily lend itself to external assessment. There were worries that monitoring of quality would result in a tick-box mentality when quality should be defined by the extent to which users are able to make robust decisions based upon the advice actuaries give them.

More correspondents raised issues regarding the potential excessiveness of the scheme than any other consideration. It was felt that the proposals were disproportionate, that there were better alternatives and that there were a range of existing safeguards which the proposals were duplicating.

Confidentiality was also raised frequently, with concerns that the proposals would result in competitors being able to access commercially valuable information. Others highlighted, that even with redactions anonymity not always possible.

Cost was another major issue highlighted, both with regard to the belief that in the long-term the proposals would result in an increase in membership fees, and also the resource costs to employers involved in facilitating reviews, impacting upon more than just the Practising Certificate holder. In so far as a scheme was required, the proposals were viewed as being more expensive than necessary and cost, alongside the risks to confidentiality raised above, were perceived as posing risks to the employability of actuaries relative to other professions.

Reputational risk to the profession as a whole was also raised, particularly in the event that the scheme failed to ensure quality work and as a result of the potential increase in external attention.

Correspondents questioned whether a thorough assessment of all the risks had taken place, whether members' views had been adequately considered or consulted upon, and whether it was appropriate for the Institute and Faculty of Actuaries to be responsible for monitoring actuarial work, perceiving potential conflicts of interest.

Suggestions and alternative approaches featured in most correspondence received. Some of the suggestions were minor, seeking more communication with users stressing the benefits of the scheme; a clearer emphasis that Category B and C reviews were voluntary; a slower start by rolling out Category B and C reviews first; ensuring all types of Practising Certificate holder were covered by Category A from the start; aligning Category A reviews with the work cycle of Practising Certificate holders; and reviewing actuaries based at the same firm at the same time.

Other suggestions required more fundamental changes: revising the scope of Category A reviews; focusing Category A reviews solely on the work for which a Practising Certificate is issued; penalising actuaries where they had been involved in the creation of toxic products;

identifying where the public is at risk from a lack of monitoring at present and designing a scheme around only those areas; and handing the role of monitoring quality over to an external body.

Several suggestions related to the Quality Assurance Scheme: modifying the proposals to better integrate into the Quality Assurance Scheme, and allowing employees of firms participating in the Quality Assurance Scheme to opt-out of Category A reviews.

Reviews used in the process, it was suggested, should be employed solely on that task and have restrictions on their future employment, in order to avoid some of the issues with rivals having access to commercially sensitive data. Where data could not be shared for a review as a result of an employer or client, it was also suggested the actuary should not face negative consequences.

There were also calls to delay the decision until after the conclusion of the Kingman review and for undertaking further consultation.

Various questions arose as part of the written correspondence. Some questioned the need for the scheme, such as what triggered the review, how the process differs from those used by other professions, and whether the legal restrictions on actuaries and internal company checks left any area where professional judgement was required. Others wanted to know more about the aspects of bringing the process forward, including: how to comment on the proposals and how the effectiveness of the scheme itself be reviewed in due course.

More detail was also requested on how Category A reviews would operate alongside reviews undertaken by other bodies, what Category C reviews would involve and how many would fall into each review category each year.

5 Appendices

5.1 Appendix 1 – Submissions

This appendix provides the full text of responses to the survey. Respondents were asked consent for their submission being published, whether they could be named and whether the submission was on behalf of an organisation.

Sub-section 1 is of the submissions is of those who consented to being named, sub-section 2 is of those who consented for their submission to be published but not to being named, sub-section 3 is of submissions on behalf of organisations that are either named or anonymous, and sub-section 4 is of submissions by letter or email where the respondent has given us permission to publish them

5.1.1 Named Submissions

Submission 23

Title	N/A
Forename	Ian
Surname	Duncan
1.1	Strongly disagree
1.1 (ii)	There are other vehicles for monitoring quality of actuarial work; this proposal is invasive, unprofessional and unnecessary.
1.2	Neither
1.2(ii)	A lot of what is done in actuarial work requires professional judgement, and is subjective. This will lead to endless wrangles about assumptions and methods for which there are no bright-line standards.
1.3	Neither
1.3 (ii)	First, you need to define "quality," which is often subjective and in the eye of the client. But assuming that you can objectively define quality there are other vehicles, including peer-review, consultants and auditors, for ensuring that adequate standards are attained. There will always be fraudulent and incompetent actuaries, and channels exist to identify and punish them. This is unnecessary and highly intrusive into actuary-client relationships.
1.3 (iii)	Low
1.4	Unimportant
1.4 (ii)	No
1.4 (iii)	It may do a little, but at enormous cost in terms of financial and professional burden. We are a profession, for Heaven's sake, not a trade.
2.1	Neither
2.1 (ii)	This proposal ignores all the other structures in place to monitor this work (auditors; peer-review; internal review, second opinions, etc.)
2.2	Disagree
2.2 (ii)	I don't understand the definition of "risk." I challenge the IFoA to define this in my particular field of practice (U.S. Medical Insurance and Medicine.)
2.3	No

2.3 (ii)	See response immediately above. The IFoA continues to create new categories to divide the profession, so much so that it is difficult to determine where one fits any more.
2.4	Don't know
2.4 (ii)	Another one of those categories that I don't understand.
2.5	If it is necessary to have a "monitoring scheme" outside the existing vehicles of auditors, clients, consultants and peer-review, why should the IFoA do this? You have not demonstrated (as far as I can tell) that existing channels have failed - i.e. what problem are you exactly trying to solve?
2.6	No
2.6 (ii)	You assume that there is a clear definition of "standard" of actuarial work. I provide expert testimony in U.S. cases involving actuarial work: all I can say is that it is nearly impossible to define this, it creates a feeding-frenzy for lawyers and cases are often settled over what actuaries (but not lawyers) would consider to be reasonable deviations from written standards. Administering this monstrosity also would seem to create the need for a large administrative staff.
2.7	Don't know
2.7 (ii)	Its hard enough for actuaries to agree on what are reasonable assumptions and methods in specific circumstances. I don't see that introducing non-actuaries to the process would help clarify.
2.8	First, define the problem you are trying to solve. That would help us to determine whether there are other solutions.
3.1	Don't know
3.1 (ii)	What does "feedback" mean? This sounds like some peer-review process (with an implied threat, which I don't care for). If the only purpose is "feedback" (whatever that means) then in what circumstances does this add to existing channels of peer- and auditor-review? What response to "feedback" do you expect?
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	Yes
4.1	No
4.1 (ii)	
5.1	Don't know
5.1 (ii)	As a non-resident Fellow I don't know enough about existing structures to have an opinion.
5.2	No
5.2 (ii)	We have an existing structure for doing this and actuaries are regularly disciplined for either non-compliance or non-professional work. This opens up a whole new (subjective) area of evaluation in which you propose to evaluate "quality" of work (however defined) and largely a subjective concept.
6.1	No

6.1 (ii)	First, it creates an administrative bureaucracy to administer a highly-subjective process. Second, it will be bogged down in arguments about reasonableness of assumptions and methods without clear conclusions (except perhaps in cases of clear violation, which could have been subject to existing review structures). I have strong concerns about what this is all going to cost and the impact on my dues, for unclear benefits.
6.2	
7.1	This is without any doubt the worst idea that the profession has come up with in the 44 years that I have been a member. When I joined the Institute it was emphasized that we are a profession and that this imposed certain duties on us as actuaries. The inappropriate intrusiveness of this idea is breathtaking; you haven't sufficiently defined the problem that you are trying to fix, and it will open all sorts of arguments over assumptions and methods. If this is put to a vote I will certainly vote no; if you insist on implementing it I will consider (regretfully) resigning from the IFoA.

Submission 48

Title	Mr
Forename	Ofer
Surname	Brandt
1.1	Agree
1.1 (ii)	It is important for the Actuarial profession to be seen ensuring the work of its members is done on a professional basis.
1.2	Neither
1.2(ii)	
1.3	Strongly agree
1.3 (ii)	
1.3 (iii)	Very high
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Support
2.1 (ii)	My view is that with the IFRS17 framework approaching soon (2021), the Practice Certificate Holder role should be adjusted/Changed and be amended to the new environment. Therefore, while the risk based approach is the correct one, I think this also should be reviewed to allow for the best way forward. This is also true for capital management related work which is based on heavy actuarial input.
2.2	Agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	I think PC Holder is important but not least is also the work of actuarial capital management related work.
2.4	No
2.4 (ii)	
2.5	As stated above, the work around the capital requirement (solvency II) and capital management which are based on heavy actuarial models and input are also highly important for the company, shareholders and the public
2.6	Don't know
2.6 (ii)	Depends on how its is conducted and how intrusive this is going to be.
2.7	Yes
2.7 (ii)	mainly for the communication to the outside world part of it.
2.8	The IFoA needs to think not only on UK actuaries but also on its fellow members around the globe to ensure the quality work is communicated to the public in other countries as well.
3.1	Yes
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	Not sure what are the individual output are going to contain?
3.4	Agree
3.5	Yes

4.1	Yes
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	Don't know
5.2 (ii)	It is going to the right direction but I think the IFoA should consult others outside of the profession and have their reactions - after all the success of this will depend on how the outside world would perceive the process and its output.
6.1	Yes
6.1 (ii)	
6.2	Please consider how to employ the scheme also on actuarial work performed outside the UK.
7.1	PC Holder is an important aspect of the actuarial work but I believe this role is going to change or have a different focus or meaning under the IFRS17 accounting framework. The profession needs also to consider the implications of it on the actuarial work performed. Also, a central work which impact shareholders and the public as a whole is the work performed by actuaries on Capital requirement and its management, to ensure solvency of the companies. a focused attention to this work/role should be also allowed for specifically (and not in general terms). Lastly, the proposal is also important for fellows members of the IFoA outside the UK - it is important to have a consideration on how this should be also brought in within the proposal as this is also reflects on the IFoA as a respected professional actuarial institution around the world (I believe a significant membership of the IFoA is now working outside the UK). Good Luck!

Submission 57

Title	Mr
Forename	Carl
Surname	Haughton
1.1	Agree
1.1 (ii)	I agree that direct monitoring of actuaries involved in regulated work is a good idea. I am not clear what is being proposed by the categories B & C monitoring.
1.2	Neither
1.2(ii)	I am not clear what is being proposed by the categories B & C monitoring.
1.3	Strongly agree
1.3 (ii)	
1.3 (iii)	High
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Strongly support
2.1 (ii)	
2.2	Neither
2.2 (ii)	I am not clear what is being proposed by the categories B & C monitoring.
2.3	Don't know
2.3 (ii)	I am not clear what is being proposed by the categories B & C monitoring.
2.4	Don't know
2.4 (ii)	I do not work for a QAS accredited employer and am not familiar with the QAS requirements.
2.5	I am not sure the proposal is suitable for non-UK based actuaries working under local regulations and with non-IFOA actuaries. There is a danger of trying to impose a form of work which is not suitable to local conditions. At a minimum any reviewer should be a peer of the actuary being reviewed, including having experience of working in the same country.
2.6	Yes
2.6 (ii)	
2.7	Don't know
2.7 (ii)	I think the primary reviewer should be a peer of the actuary being reviewed and a non-actuary

	cannot fulfil this role. However, I can see valuable input from non-actuaries on what the wider public expects from an actuary. I think I would prefer non-actuaries to help set the scope of any review rather than being part of the review team.
2.8	I support the Category A monitoring of PC holders as these hold positions which require membership of the IFOA. I am not convinced the IFOA needs to monitor the work of all its members, I am more inclined to see this as the responsibility of specific regulators and employers.
3.1	Yes
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	I think the results of a Category A review should be made public in some form, at a minimum some sort of pass/fail rating.
3.4	Agree
3.5	No
4.1	Yes
4.1 (ii)	
5.1	No
5.1 (ii)	I would need to better understand the proposed Category B & C arrangements but it currently seems there will be duplication of oversight which could lead to conflicts.
5.2	Yes
5.2 (ii)	
6.1	Yes
6.1 (ii)	
6.2	Potential for mis-alignment with (local) regulatory, company specific and non-IFOA actuarial best practice standards.
7.1	I fully support the proposal for Category A monitoring but need more detail on the Category B & C proposals.

Submission 57

Title	Mr
Forename	Dewald
Surname	van den Heever
1.1	Agree
1.1 (ii)	
1.2	Agree
1.2(ii)	
1.3	Agree
1.3 (ii)	
1.3 (iii)	Low
1.4	Important
1.4 (ii)	Don't know
1.4 (iii)	
2.1	Support
2.1 (ii)	
2.2	Agree
2.2 (ii)	
2.3	Don't know
2.3 (ii)	
2.4	Yes
2.4 (ii)	
2.5	No
2.6	Don't know
2.6 (ii)	
2.7	Yes
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Disagree
3.5	Don't know
4.1	Yes
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Yes
6.1 (ii)	
6.2	No

7.1	As an actuary working in quite a removed geography and in a non-traditional insurance space I feel this will not impact me directly much at all, other than the obvious benefit of having standards maintained across the profession and the corresponding improvement of public perception.
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Submission 114

Title	Mr
Forename	oliver
Surname	tattersall
1.1	Strongly disagree
1.1 (ii)	Unnecessary and likely to make actuaries (even more) cost ineffective
1.2	Neither
1.2(ii)	Why is there a need to do this?
1.3	Strongly disagree
1.3 (ii)	Reputation is more influenced by perceived poor value provided due to high fees for work others could do just as well far chiefly. Additional imposts merely makes this worse.
1.3 (iii)	N/A
1.4	Important
1.4 (ii)	No
1.4 (iii)	Makes the value proposition worse.
2.1	Neither
2.1 (ii)	No response
2.2	Neither
2.2 (ii)	No response
2.3	No
2.3 (ii)	Unwarrented additional imposition
2.4	Yes
2.4 (ii)	For the reasons set out in the proposal
2.5	no
2.6	Don't know
2.6 (ii)	No response
2.7	No
2.7 (ii)	What would they add?
2.8	
3.1	Don't know
3.1 (ii)	
3.2	No
3.2 (ii)	Looks like a solution looking for a problem
3.3	No
3.4	Strongly disagree
3.5	No
4.1	Don't know
4.1 (ii)	Some work may be protected by legal mandatory confidentially agreement which cannot be disclosed to anyone outside the employer.
5.1	Don't know
5.1 (ii)	lack of knowledge in this area
5.2	No
5.2 (ii)	Hardly self regulation and may be seen as not independant anyway.
6.1	No

6.1 (ii)	Oppressive and unconvinced there is any need for these proposals.
6.2	N/A
7.1	N/A

Submission 168

Title	Mr
Forename	Mark
Surname	Graham
1.1	Strongly disagree
1.1 (ii)	The proposed monitoring scheme is a vastly disproportionate step towards fixing a problem (with the quality of actuarial work) which, the consultation document itself admits, has not been evidenced to exist.
1.2	Agree
1.2(ii)	
1.3	Strongly disagree
1.3 (ii)	
1.3 (iii)	N/A
1.4	Very unimportant
1.4 (ii)	No
1.4 (iii)	I would assert that the public are largely ignorant of the work of actuaries and almost entirely ignorant of the regulatory impact they work within. To imagine adding a quality review process to that framework will increase public confidence is, I believe a regulatory fantasy.
2.1	Neither
2.1 (ii)	
2.2	Neither
2.2 (ii)	
2.3	No
2.3 (ii)	
2.4	No
2.4 (ii)	There is no evidence that the QAS actually improves the quality of actuarial work.
2.5	
2.6	Yes
2.6 (ii)	But only for a small proportion of the work actually carried out by actuaries.
2.7	No
2.7 (ii)	
2.8	The IFoA seems obsessed with building an ever-expanding regulatory bureaucracy. It should start deconstructing this, not adding to it.
3.1	Yes
3.1 (ii)	
3.2	Yes
3.2 (ii)	I can see potential benefits for targeted CPD
3.3	No
3.4	Disagree
3.5	No
4.1	Yes
4.1 (ii)	
5.1	No
5.1 (ii)	It continues the trend towards grossly excessive regulation

5.2	Don't know
5.2 (ii)	
6.1	No
6.1 (ii)	The consultation paper is deliberately vague regarding the costs of implementing the proposals. This is not acceptable. Whilst the exact details of the scheme have yet to be finalised, a range of possible costs could and should have been published. The cost of recruiting a sizeable team of senior and more junior actuaries to carry out this work will certainly be material. These costs are certain, but there is no evidence to support the claimed benefits.
6.2	No
7.1	It is ironic that the consultation draws parallels with the auditing profession in justifying its proposals. The FRC have been monitoring and reporting on audit quality since at least 2004, yet it is clear from recent well-publicised events that audit quality is often unacceptably poor and public confidence in the quality of the work of auditors is very low. There are serious problems in this area and the quality monitoring process for audits has conspicuously failed. That must throw into question the entire rationale for introducing an equivalent scheme for actuarial work, especially since there is no empirical evidence that there is actually a problem with the quality of such work.

Submission 186

Title	Mr
Forename	Michael
Surname	Kipling
1.1	Disagree
1.1 (ii)	As there are no material concerns about the quality of actuarial work needing to be addressed, this process does not seem to be necessary. If members of JFAR do have specific concerns about the practices of PC holders, these should be addressed via individual intervention, if necessary by the disciplinary process, or via CPD.
1.2	Neither
1.2(ii)	Yes, the process will lead to information. however, if information is all that is required, it can be gathered in a less intrusive and expensive way, such as via direct enquiry of users of actuarial work (employers, regulators, trustees, etc)
1.3	Disagree
1.3 (ii)	There is, if anything, a greater risk from the inevitable 'single approach' to any issue which will follow from a potentially box-ticking regime like the one proposed. The question to ask is: would this regime have stopped the consistent underestimation of longevity improvement or overestimation of equity returns? I personally very much doubt it, as the assessors will hold the same views as the assessed on these matters. It is issues like these which bring the profession into most disrepute. Would it have prevented one-offs like Equitable? Not unless the profession is aware of and targets PC holders at organisations in financial stress for priority review. I did not see this in the proposal.
1.3 (iii)	
1.4	Important
1.4 (ii)	No
1.4 (iii)	The public will simply not be aware that the regime exists (I doubt that most even know that the IFoA, the FRC or even actuaries exist)
2.1	Oppose
2.1 (ii)	At many insurance companies, the most senior and influential actuary is no longer a PC-holder, the role of CA and WPA having become middle-management roles. The regime should focus on them, particularly as they are already subject to a less onerous CPD regime.
2.2	Agree
2.2 (ii)	If a regime is to be introduced, an approach like that suggested is sensible
2.3	Yes
2.3 (ii)	See comment above about PC holders not necessarily being the most influential actuaries in the organisation. The regime would not have credibility if it aimed only for the lower-hanging fruit. Actuaries acting as Chief Executives of large organisations should also be placed in category A as they have perhaps the greatest capability to bring the profession into disrepute (e.g. Ransome, Crosby) through sheer volume of publicity generated when something goes wrong.
2.4	No
2.4 (ii)	Many organisations have their own QA across all types of employees and do not want separate regimes for each type of professional they employ. Equal weight should be given to an employer's own QA regime. It is also the case that a primarily

	internal QAS regime can be vulnerable to 'group-think'. I would therefore give no credit for any sort of QA regime, at least until the first review of every PC-holder's work has been carried out.
2.5	I've mentioned above those actuaries who have more influence in organisations than PC-holders. I think there would also be merit in requiring reviews of actuaries employed by JFAR members (IFoA, PRA, FCA, FRC), as often their work and decisions have material commercial implications on firms. If the confidentiality agreement proposed is intended to be suitable for the FTSE 100 insurers and banks, then it should be OK for regulators too.
2.6	Yes
2.6 (ii)	Inevitably. Whether it will be able to make good use of this is a different matter. It could, however, obtain this same information in a less intrusive way via one-off fact-finding visits voluntarily agreed with PC holders employers. Only if permissions were consistently refused might a regime with compulsion need to be considered.
2.7	No
2.7 (ii)	The review team must have the confidence of those being reviewed, so definitely being peer actuaries and, for PC holders in particular, being PC holders themselves (or recent holders at least).
2.8	As mentioned above, why not start out with a simple attempt at voluntary fact-finding to gather the comparative information required. Only if permissions are widely refused by employers need a compulsory regime be considered.
3.1	Don't know
3.1 (ii)	Depends on quality of review team.
3.2	Yes
3.2 (ii)	Hopefully.
3.3	
3.4	Neither
3.5	Yes
4.1	Yes
4.1 (ii)	
5.1	Don't know
5.1 (ii)	May be a little top-heavy. The work of the WPA is already monitored by With profits Committee, Board and senior actuarial colleagues (including in formal work or peer reviews) and quite often by auditors, independent actuarial consultants and regulators too.
5.2	No
5.2 (ii)	It is excessive and intrusive.
6.1	No
6.1 (ii)	
6.2	There must be some risk that actuaries will be pressured to leave the profession, particularly in 'wider fields', rather than have an IFoA team requesting access to their employer's records. There must also be a risk that insufficient actuaries with the appropriate skill-set can be found at the pay-rates on offer to act as credible reviewers. Actuaries employed by insurers often currently feel this about actuaries employed by regulators. This will not help dispell the fear that this will turn into another box-ticking regime which adds no real challenge.

7.1	
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Submission 216

Title	Mr
Forename	Lee
Surname	Faulkner
1.1	Agree
1.1 (ii)	It's certainly "reasonable" - it's another way of demystifying what we do and showing the public that we take quality seriously. I didn't tick "Strongly agree" as I think we could gain greater public confidence more effectively in other ways. However, given the FRC would probably insist on this at some time, and given the statements made about what other professions are doing, then a monitoring scheme will be inevitable at some point.
1.2	Agree
1.2(ii)	The steps outlined are proportionate and "by us for us" i.e. not imposed. However, I don't think the stated intention to focus on "ethical" as well as "technical" issues is addressed clearly enough. Outside the UK, ethical issues are more important, and certainly more of an ongoing and growing risk, than technical issues. International growth has its growing pains, and ethics is the biggest.
1.3	Neither
1.3 (ii)	It's difficult to see how an "evidence of quality of work" issue would filter out into a reputational issue. An event or person that caused reputational damage would cause it irrespective of whether there was or wasn't any evidence of quality process in place. Violations of Actuaries' Code are much more likely to affect our reputation.
1.3 (iii)	N/A
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	The proposals would certainly help with maintaining standards and protecting the public. Perhaps more importantly, they would be SEEN TO BE helping.
2.1	Neither
2.1 (ii)	I support it as UK PC holders' work is the highest risk and potentially most damaging of it's not done properly. However, I think the biggest risk to our profession and to the public comes from ethics and from non-UK based actuaries, not the UK
2.2	Agree
2.2 (ii)	The risk-based stratification is appropriate, but I think thematic reviews are likely to throw up more systematic (and potentially dangerous) issues with actuarial work and its quality. For example, if thematic reviews had been around in the 1980s, the reluctance to be the first to cut reversionary bonus rates, and the effect this had on destroying with profits business as a concept, would have been called out more clearly and more urgently. A thematic review should be able to identify herd-like actions more quickly and effectively - herd-thinking is one of our biggest ongoing risks.
2.3	Yes
2.3 (ii)	See my response to 2.2

2.4	Don't know
2.4 (ii)	I understand why QAS accreditation would be important on a practical basis (if for nothing else it would avoid duplication of some aspects of review work). However, it DOES look like an underhand way of pushing QAS, and it is not unreasonable to see QAS eventually morphing into something compulsory. This is dealt with in the answers to Q15, but it isn't dealt with robustly enough. We are opening ourselves to the "underhand pushing of QAS" and need to address that.
2.5	I think Section 3.3 should have a Life example and an "ethics" example. At the moment it's all pensions, investments and GI. I think herd-behaviour, groupthink and "hiding behind" "best practice" are very dangerous and have caused us problems before. These proposals, maybe as part of Thematic review, need to be more robust at identifying these. They would not come up as "quality" issues but as "lack of independent thought" issues, and that is just as dangerous.
2.6	Yes
2.6 (ii)	For PC yes. For others maybe - depends on how thematic reviews are chosen
2.7	Yes
2.7 (ii)	It is always easier to demonstrate thoroughness and "not protecting your own" if you don't have "your own" reviewing you.
2.8	
3.1	Don't know
3.1 (ii)	For PC definitely yes. For thematic I'm not sure.
3.2	Yes
3.2 (ii)	Themes and industry-wide conclusions should be fairly easy to infer from the outputs.
3.3	I would like to see some sort of "speaking up hotline" where anyone can report/challenge/speak about any aspect of any actuary's work (or groups of actuaries' work) that bothers them and that they think is not being addressed. For example, I believe that actuaries are too frightened to "stand out from the crowd" and avoid making decisions/using judgement that could be seen as "outside the norm" because they don't want to "stick out like a sore thumb" and/or because they don't rate their communication skills highly enough to defend themselves adequately
3.4	Neither
3.5	No
4.1	Yes
4.1 (ii)	
5.1	Yes
5.1 (ii)	Yes, because we already do that well anyway. BUT I don't think it takes into account individual actuaries' concerns - there is no mechanism for those concerns to be channelled and considered.
5.2	Don't know
5.2 (ii)	The term "subject to independent oversight" I presume means "the FRC"? If so, then the way the aim is stated is too UK-specific as the FRC only looks at

	UK work. What should be the equivalent of "independent oversight" for non-UK actuaries who are not overseen by any body?
6.1	Don't know
6.1 (ii)	It looks like the potential impact has been properly assessed; however, once this is up and running I can see it being resisted. I can also see large-scale ignorance about this. As a Council member this worries me - it exacerbates the "fees, compliance" headaches of membership vs non-members and other professions. I'm interested to see how many people actually respond to this consultation - if, as I expect, it isn't that many and is largely focused on PC holders, then we will have a problem. I can hear a loud collective "groan" from the membership two years down the line.
6.2	Ethical issues are mentioned, but dealing with them isn't. Ethics, enforcement of "speaking up" and so on are a massive challenge outside the UK.
7.1	I don't understand 6.31 - what does "...those in more competitive fields are not placed at disadvantage" mean? What is a "more competitive field"?

Submission 219

Title	Mr
Forename	Richard
Surname	Hartigan
1.1	Strongly disagree
1.1 (ii)	While (no doubt) well-intentioned the proposed monitoring scheme is hopelessly misguided and over-reaching. Appendix 5 assurances may be offered to third-parties re:confidential information, but there is zero incentive for those third-parties to participate, a fatal flaw in the grand plan.
1.2	Disagree
1.2(ii)	
1.3	Disagree
1.3 (ii)	
1.3 (iii)	
1.4	Very important
1.4 (ii)	No
1.4 (iii)	
2.1	Strongly oppose
2.1 (ii)	For the same reasons as previously given. The IFoA is a regulator of individuals, not the companies they serve or the wider industry.
2.2	Disagree
2.2 (ii)	
2.3	No
2.3 (ii)	
2.4	No
2.4 (ii)	
2.5	Just don't. It is befuddling that such a wrong-headed idea has been presented to Members.
2.6	No
2.6 (ii)	
2.7	Yes
2.7 (ii)	
2.8	
3.1	No
3.1 (ii)	
3.2	No
3.2 (ii)	
3.3	
3.4	Disagree
3.5	No
4.1	No
4.1 (ii)	
5.1	No
5.1 (ii)	
5.2	No

5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	Confused employers of actuaries. Ironically (at an individual level) requests for confidential information may actually undermine confidence in the profession.
7.1	I have no doubt the architects of this proposal are good people with good intentions. But the proposal is completely ill-thought-out and wrong-headed. It is regrettable it wasn't killed off prior to now, and that Members must opine. I can only hope good sense will prevail and the proposal will be withdrawn in totality, and we shall never speak of it again.

Submission 268

Title	Mr
Forename	Babak
Surname	Termeh Baf Shirazi
1.1	Strongly disagree
1.1 (ii)	<p>1. Who is going to vet the reviewer and say that these individuals meet the standards required to be able to provide scrutiny/review of the work being reviewed. GI is very innovative and expansive and therefore there is no one individual/finite group of individuals that can be found that will have all the necessary knowledge to be able to carry out these reviews adequately. 2. There are many layers of monitoring that is applied internally and externally within organisations to ensure that the quality of work being produced meets the exacting standards required from Actuaries which reduces the need for additional insight such as but not limited to: Internal Peer Review of individual work product Organisational structures offering actuarial/non actuarial scrutiny Internal/External Audits of work/models/use 3. The work product of an Actuary is owned by the company they work for and it is likely to not be made available especially where the work is commercially sensitive 4. The practicality of the time taken for an Actuary to provide the data/expertise to walk a reviewer through their work is something organisations are likely not to support if not a regulated requirement. 5. Many Actuaries in GI do not directly work with the public interest and there are many layers between them and the decisions made that ultimately impact the public interest.</p>
1.2	Strongly disagree
1.2(ii)	It is unlikely that organisations will commit to support this action due to sensitivities of work product and the time/resources it will need to make sure that the information/analysis is properly understood by the reviewing party.
1.3	Strongly disagree
1.3 (ii)	<p>Many individuals do not know that there is an Actuary involved in insurance and at what levels. I believe that Actuaries are not that well connected/relied upon in the public domain for the profession to worry about reputation risk. Where the work of an Actuary is understood we have a strong reputation. I would argue that the dilution of the quality of Actuaries through the reduced requirements and new levels such as Associates and technicians is more of a risk to the Actuarial professional reputation than the work of qualified fellows. By creating a market where non Fellows are referring to titles which have Actuary/Actuarial in combined with the confusion around what an Actuary is, means that the public is increasingly likely to bucket all categories of Actuarial professionals as being the same quality. We see this challenge in insurance companies where our non Actuarial colleagues should know the difference but do not, let alone in the wider public, who now have to decipher what an Actuarial technician is vs an associate vs a fellow and what expectations they should have from each category.</p>
1.3 (iii)	N/A
1.4	Very unimportant
1.4 (ii)	No

1.4 (iii)	As before I do not believe that the wider public know what an Actuary is and how they are involved in insurance and at what levels. I believe that Actuaries are not that well connected/relied upon in the public domain for the profession to worry about reputation risk. Where the work of an Actuary is understood we have a strong reputation. I would argue that the dilution of the quality of Actuaries through the reduced requirements and new levels such as Associates and technicians is more of a risk to the Actuarial professional reputation than the work of qualified fellows. By creating a market where non Fellows are referring to titles which have Actuary/Actuarial in combined with the confusion around what an Actuary is, means that the public is increasingly likely to bucket all categories of Actuarial professionals as being the same quality. We see this challenge in insurance companies where our non Actuarial colleagues should know the difference but do not, let alone in the wider public, who now have to decipher what an Actuarial technician is vs an associate vs a fellow and what expectations they should have from each category.
2.1	Strongly oppose
2.1 (ii)	How can we determine the risk and therefore what the risk based approach would be. Regardless of which system we have many other checks and balances that negate the need for this.
2.2	Strongly disagree
2.2 (ii)	The Risk based approach highlights one of the many issues with these types of overlay by the IFoA. By design where risk is deemed high the other regulatory bodies that oversee insurance will have taken notice and put in place regulation and therefore under the proposal there is less if any need to review work. Where there is less regulatory focus these tend to be areas where we are developing techniques and require to be nimble in our assessment and any additional required oversight may be seen by employers and market practitioners as obstructive to business and companies will not want to be involved. This could lead to them seeking alternative professions to carry out the work to avoid any undue external scrutiny. Although this is not in itself reason to not highlight areas of concern, I believe it is the IFoAs role to identify these areas and convince regulators to impose additional regulation to protect the public interest as opposed to try to superimpose themselves into the regulatory or oversight role.
2.3	Don't know
2.3 (ii)	I don't believe any of these areas should be reviewed due to the already existing levels of scrutiny.
2.4	No
2.4 (ii)	This is a voluntary scheme and would disadvantage Actuaries in the employ of companies not signed up. Again another restriction in the world of work.
2.5	I don't believe it is the role of the IFoA to monitor an Actuaries work given the other areas of oversight, audit, corporate accountability and external regulation that is already adhered to.
2.6	No
2.6 (ii)	I believe this will be an expensive hindrance on the actuaries in industry and will not get the support from the business that you are looking for.
2.7	No
2.7 (ii)	There is enough complexity in our work and level of ability/knowledge that qualified Actuaries cannot fully understand all areas of work let alone a non Actuary.

2.8	The IFoA can run round tables with industry practitioners to gauge areas of concern where oversight may be needed and is failing under the current system/framework of review. In these instances the IFoA should seek to make changes in the wider legislative and regulatory frameworks rather than trying to work around these without obtaining corporate buy in.
3.1	No
3.1 (ii)	I don't think you will get the buy in from employers to allow useful information to be gathered.
3.2	No
3.2 (ii)	I don't think you will get the buy in from employers to allow useful information to be gathered.
3.3	NA
3.4	Strongly disagree
3.5	No
4.1	No
4.1 (ii)	
5.1	No
5.1 (ii)	
5.2	No
5.2 (ii)	This proposal will result in a negative impact towards Actuaries within companies as well as result in actuaries being additionally prudent further dampening our relationship with the businesses we are trying to keep informed of the inherent risks they face.
6.1	No
6.1 (ii)	The proposal is not required. We should seek to keep a higher standard of qualified Actuary without further educational dilution that we have seen over the last few years with additional categories being created. Additional oversight in the vague attempt to justify having a lower standard of entry or reclassification is more damaging to the reputation of Actuaries.
6.2	
7.1	The profession needs to consider the needs of the different areas of the actuarial profession. Where the techniques are not standardised additional regulation/overview will result in Actuaries not seeking out new methods or approaches which will only hinder the profession. In that light where pension, life and personal lines actuaries may deal with the public interest we should note that many actuaries do not. Any scheme should not impede on the ability of an Actuary to progress the profession within industry and should have industry buy in so Actuaries are not penalised in the workplace for additional non regulatory oversight.

Submission 66

Title	Mr
Forename	Stephen Richard
Surname	Montgomery
1.1	Neither
1.1 (ii)	Moving the bar forwards for maintaining and improving professional standards is good. The proposals appear to lack foundation, almost as if someone came up with a clunky monitoring system then retro-fitted the introductions to give it a base. We need a vision / purpose statement of less than 100 words that says where we are going. We need clear principles on how the professional body interacts with members - what is peer review, what is an audit function, what is CPD, what is other on-going checks on fitness to practice, what is a process of standards building, etc. The components need to be unbundled for clarity - the final draft should probably have more pages but with fewer words on them.
1.2	Neither
1.2(ii)	I am not seeing any line of sight (yet) as to how quality is to be assessed (in practice) and therefore what information is likely to be required. When it comes to competence and diligence of a PC holder the question, for example, is not "how did you calculate X" but "how did you apply the principles in TASxxx in order to calculate X". It is not clear that this is the approach being taken.
1.3	Disagree
1.3 (ii)	I think that most people will accept that the profession and its members do quality work that non-actuaries don't understand. It is important to show that there are robust review and standards mechanisms in place, but the evidencing of those standards are probably more of a matter of principle rather than detailed tick-boxing.
1.3 (iii)	N/A
1.4	Very important
1.4 (ii)	No
1.4 (iii)	Firstly, most "public" have no more than a passing idea of who or what an actuary is. Those that do have an idea tend not to be of the segment of society more likely to understand professionalism and the impact that professional bodies have on standards. The existing disciplinary proceeds would be evidence that the profession has a process in place, and well managed / robust reviews in terms of the disciplinary code (on those occasions that warrant it) would provide evidence of the process having enough teeth. These quality reviews will impact on a very small number of people, most of them within the profession itself. That may be useful internally but unlikely to have material impact on the profession's reputation.
2.1	Oppose
2.1 (ii)	Firstly "risk-based approach" is a modern business doublespeak term that seems obscenely in fashion at the moment. "Risk-based" means that there is an object risk measure in place and that action is taken when that metric goes outside a certain range. It has all the advantages and disadvantages of tick-box and traffic-light management systems, the worst being that critical metrics that are not on the list receive no attention while irrelevant metrics on the list create unnecessary noise and heat. If this is meant to

	be about standards maintenance and enhancement it needs to be principles based rather than risk based.
2.2	Strongly disagree
2.2 (ii)	I don't believe that this is risk-based; rather it is rule or category based. It is also focused on checking (first), which is more appropriate to peer review and audit. If the principle is to maintain and improve standards generally then the review process might be better structured by engagement in sessional meetings of PC holders, general practitioners, etc. to review what's working or not with each of the standards that are being applied. A moderated discussion on what each is doing, and advice from colleagues on areas where a change in approach could be of benefit, might be a better way of demonstrating continuing competence and also improving standards through feedback to the profession.
2.3	Yes
2.3 (ii)	PC holders operate in alignment with specific regulatory requirements. The rest of us do not to benchmark our work against others who are capable of understanding what we do. If this is a profession-wide drive to maintain and improve standards then all members should be involved.
2.4	Don't know
2.4 (ii)	A QAS is helpful for supporting principles and standards, and useful for organisations in ensuring that their own actuarial faculty is operating at an appropriate level. Whether or not this should impact on the profession's general efforts to maintain standards depends on the underlying philosophy of the standards maintenance system.
2.5	I think that there should be themes related to wider issues, such as sustainability. When and how should we consider environmental issues? What are our specific roles in dealing with market conduct and TCF issues? How do we deal with the growing pile of bad information? How do we allow for chronic mismanagement of the company in calculating recommended capital reserves? Etc. These and other themes could be explored in the moderated sessionary meetings referred to earlier in my response.
2.6	No
2.6 (ii)	"Direct empirical evidence" of the standard of actuarial work is fraught with complications. It presupposes that a practical measure can be made to exist that tells you whether or not an actuary is applying a set of principles correctly or not. On occasions the actuary being reviewed will be far brighter and have much better insight than any of the reviewers involved. The only plausible metric in such cases is whether the review team thought, on average, that standards were being met (probably rated against a small range of qualitative statements). The IFoA could track over time whether the ratings were going up or down (on average) and might use additional benchmarking activities to decide whether that represents rising/falling performance of actuaries or falling/rising standards applied by the reviewers.
2.7	Yes
2.7 (ii)	I would like to see cross-professional representation at all levels of professional activity. Doctors, lawyers, engineers and accountants all have different terms of reference to those of actuaries (and each other) and hearing their views of the ways in which we develop and apply our standards and disciplines is always useful. The level of involvement should typically be at principle level rather than day-to-day implementation, i.e. I would see reviews taking discussed in principle with members of other professions

	rather than sending an anaesthetist out to check whether someone's got their internal model right.
2.8	As indicated earlier, start with the principles driving the approach. #1.1 should not be "Proposals" but rather a statement of what we're aiming to achieve. The proposals should then follow logically, in principle. The detailed proposals for practical implementation should then follow, along with the associated rationale. Again as indicated previously, I think that the review process suggested is outdated and ineffective. I think that there should be signed off and audited peer reviews of certain work, but that the profession's review should operate above that on a principles basis. Let's have meetings where peer reviewers are asked to highlight cases where that disagreed with the original recommendation and how did they tackle it. What principles of actuarial practice are impacted? These meetings could operate like "mortality reviews" in hospitals, or as an audit review committee. These would be structured and chaired by independent persons accredited by the review board (say) and there would be a process by which actuaries are obligated to participate and are reviewed by the chair and by fellow participants.
3.1	Don't know
3.1 (ii)	The usefulness of feedback is highly dependent on the competence of the person giving the feedback. E.g. Frank Reddington had his comments on matching dismissed as "nonsense" by a colleague who didn't get it. Further to that there may be a tendency to give bland feedback, as in finding a few slightly irrelevant comments to put under headings of "what went well" and "where might we look to improve". Reviews should normally go "pretty much as expected"; if the reviewer feels obligated to say something nice and something helpful then a) the feedback will become meaningless, except b) for cases where company boards review their actuary's feedback and are inclined to respond disproportionately to "amber" and "red" on their poorly constructed and largely irrelevant traffic light systems.
3.2	Yes
3.2 (ii)	Any feedback system that has information drawn from it will yield information that will highlight areas for attention. I would expect any review approach to show up cases where TAS documents are unclear, or regulation is confusing, or situations are arising that were not anticipated when guidance/regulations were drafted.
3.3	I would like to see the evolution of non-qualification training courses that deal with specific subjects, especially where those subjects were not covered in previous examinations, e.g. some of the work covered in new technical subjects or introduced recently into other subjects might benefit from associated study. Assessment for competence against those subjects in a non-exam environment could be useful in demonstrating on-going personal development, as well as providing relevant evidence of competence for particular roles. The review process could throw up cases showing where individuals are struggling with particular concepts (especially new concepts arising from after qualification) and suggest topics for training and development. Maybe integrate with the video-learning activities that are blooming on the IFoA website, but integrate some assessment tools to give the process some gravitas.
3.4	Disagree
3.5	Don't know
4.1	No

4.1 (ii)	The Confidentiality Agreement needs to be reviewed critically and must ensure that it is fit for purpose in the territory where the review takes place. Data disclosed should be returned as soon as no longer required. If the review is in the UK then only a UK court could insist on data provided being disclosed, and this should be clear. There should be an undertaking not to provide information pending appeal against a disclosure order (unless specifically directed by a UK court to do so notwithstanding the appeal). Also, it should be possible to shorten the confidentiality agreement and an effort should be made to do so.
5.1	No
5.1 (ii)	This looks like an add-on. It has been drafted independently of other monitoring activities and does not utilise outputs from those activities as part of the process of maintaining and improving standards. I would suggest that the process needs to start again with the principles and establishing what this does that the other activities don't do, and how we could lift the overall level in the most efficient manner possible.
5.2	No
5.2 (ii)	Firstly, the stated aim is a load of froth. It is of course noble that the profession should aim to uphold very high standards, and by so doing it enjoys the recognition of the wider society. The aim here should be to keep the bar above (no less than) that expected by the wider society and to optimise the process for achieving that. The feeling that I get from these proposals is that we are adding a layer of bureaucracy without necessarily having any material impact on our professional standards. The continuing demonstration of standard maintenance and improvement should be an integrated process involving certification, review of on-going competence, review of standards, disciplinary procedures, training facilities, and remediation.
6.1	No
6.1 (ii)	The overhead looks expensive and looks like it has not been optimised. That may change during the consultation process, but for now this is a "no".
6.2	The appeals process (following an unsatisfactory review) could get heated and could serve to bring the profession into disrepute. I am sure that the approach of the PCC could/would mitigate this, but we need to consider cases where strongly held differences of opinion on how principles should be applied can be catered for / managed.
7.1	I apologise if some of my comments sound overtly negative. This is a good initiative and people have done a lot of good and hard work on it. I do think that we need to take a step back, clarify the principles of what we are trying to achieve, establish broad principles of how we can achieve this and then develop practical solutions and efficient processes. I look forward to further developments and to making further contributions.

Submission 277

Title	Mr
Forename	Roger
Surname	Dix
1.1	Agree
1.1 (ii)	Our customers, both direct and indirect, require some tangible evidence that we are delivering in line with the standards we say we follow; this scheme will provide that, strongly for UK based members, much less strongly, if at all, for non UK members
1.2	Agree
1.2(ii)	Key will be the quality of the team assigned/employed to review the information and the willingness of members to provide full data
1.3	Strongly agree
1.3 (ii)	To an extent this risk is present today, there is no adverse comment on us for the current non review regime, but increasingly Society generally requires evidence and/or assumes the worst if no evidence is provided, hence I see this as mitigating action to protect us in the future as well as, more positively, a pro active step to demonstrate good practices
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	As a profession we have set ourselves high standards and have formal roles in ensuring the security/solvency of vehicles on which customers expect appropriate returns. Hence we need to be able to demonstrate why customers can have that confidence in our stewardship, in advance of them giving us assets. Looked at in any way, this increases the confidence our customers can have in our work.
2.1	Support
2.1 (ii)	In a UK context this would be strongly support, but the weakness in the proposal is how non UK members will be assessed - we have a single brand and set of standards, yet the pros also focus strongly on a small subset within the UK. Hence my support vote.
2.2	Strongly agree
2.2 (ii)	Pragmatically it works and covers all areas appropriately and proportionately.
2.3	Yes
2.3 (ii)	Given all members need to be included in the scheme, thematic reviews and enhanced information gathering area an appropriate way forward
2.4	Yes
2.4 (ii)	This is more of a yes but. Given there is a trial in place for skills or output focussed CPD for QAS firms, I am fine with and support the principle that for QAS firms an amount of the control and governance can be delegated to them. However, the governance and control regime needs to be equally strong for these firms as it is for individuals, otherwise the QAS firm route will be seen as a lesser and weaker option
2.5	The proposed methodology seems fine, I support using it on a test and I learn basis for a period of time (2 years??) when a review of the outcomes can be made and changes made if necessary

2.6	Don't know
2.6 (ii)	In theory yes, but as this is all somewhat new and untested, I am a dont know. As per my previous answer, at initiation we should make clear this is test and learn, which should help us progress to a yes in this space
2.7	Yes
2.7 (ii)	Indeed I would be stronger, it is imperative to have non actuaries in the review team, to aid public acceptance of the reviews, otherwise we will be accused of remaining Avery internally focussed organisation
2.8	
3.1	Don't know
3.1 (ii)	Back to test and learn, plus individual actuaries will require differing styles of feedback
3.2	Yes
3.2 (ii)	They will provide some, but not necessarily a full set
3.3	
3.4	Agree
3.5	Yes
4.1	Yes
4.1 (ii)	The theory sounds OK but expoerie4nce will be the better examiner. Add to test and learn
5.1	Yes
5.1 (ii)	The proposed scheme does integrate with existing structures, but there is a risk we create yet more choices for governance and compliance, at some stage it would be helpful to become more standardised in the approaches
5.2	Yes
5.2 (ii)	This is a yes on the assumption that non actuaries are include din tehgassessors and there is full transparency or publicity on findings, at reasonable speed after they have been finalised.
6.1	Yes
6.1 (ii)	
6.2	My main concern on the proposals is how will they be applied to non UK members. With around 50% of our members now non UK, this is a material issue. Whilst within the UK they land very well, what are we proposing to do in a similar space for non UK members? If any of them were, by virtue of poor actuarial work, to cause problems, what is our proposed define with this scheme in place? Our brand is a single one, and will be adversely impacted by bad outcomes anywhere in the world. Additionally I cannot imagine or expect the FRC to provide funding for the review work to non UK members.
7.1	The comment that the review activity, to be performed by remunerate dresource, will not impact fees, seems at the optimistic end of optimistic. To deliver good outcomes, this will involve significant and probably highly paid resource. What is proposed to be cut to fund this business from existing budgets? Better would be to be mor up front and include in the fees a (notional) charge for the review activity. If anything, that you strengthens the evidence to our customers that we are serious about this . QAS firms pay for their QAS 'membership' on the grounds

	that there was no budget otherwise available to assess them. The same logic applies here surely.
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Submission 314

Title	Mr
Forename	Philip
Surname	Clark
1.1	Disagree
1.1 (ii)	My concern is that the proposal will continue the trend of regulatory inflation with no discernible benefit to the actuaries, or the wider industry, or the general public. Other reasons why not: - There are already structures in place to address non-compliance issues. - The IFoA is international and not only that, many IFoA fellow work in PC or de facto PC roles in other jurisdiction. How is it possible to monitor the work of actuaries in very different work environments with diverse expectations?
1.2	Disagree
1.2(ii)	I don't think gathered information would truly reflect the quality of the work.
1.3	Agree
1.3 (ii)	But does the benefit outweighs the cost?
1.3 (iii)	Low
1.4	Important
1.4 (ii)	No
1.4 (iii)	Was the confidence in the quality of the work of actuaries strengthened by APS X2?
2.1	Support
2.1 (ii)	
2.2	Agree
2.2 (ii)	
2.3	No
2.3 (ii)	
2.4	Yes
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	Make TAS training a separate subset of CPD and require a minimum number of CPD hours spent on TAS.
3.1	No
3.1 (ii)	
3.2	No
3.2 (ii)	
3.3	
3.4	Disagree
3.5	No
4.1	No
4.1 (ii)	
5.1	Don't know
5.1 (ii)	

5.2	Don't know
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	
7.1	

Submission 348

Title	Mr
Forename	Ali
Surname	Jamali
1.1	Neither
1.1 (ii)	This isn't entirely clear. It may also seem as if its a way (from IFoA) of double checking the WBS (work based skills) of actuaries
1.2	Neither
1.2(ii)	This may not apply to every single person affiliated with IFoA, because even if you are studying to be an Actuary, you may not be practising/working as an Actuary or in capacity of an Actuary.
1.3	Disagree
1.3 (ii)	The exams are tough enough and therefore can not be passed easily, which ultimately and consequently ensures that whoever works in capacity of (for e.g) a senior actuary, will always have the necessary skills and knowledge to advice or do their respective job with utmost professionalism. In other words, you do not study on weekends and after long tiring hours at work to cause any harm or damage the Actuarial profession's reputation. You study and excel at it simply to live up to the reputation and standards set.
1.3 (iii)	N/A
1.4	Very important
1.4 (ii)	Don't know
1.4 (iii)	Regulating and monitoring the profession is just one way, or maybe one man's opinion to how confidence in this profession could be maintained. Alternatively, regularly providing, sharing, uploading Actuarial stats and analysis on media could lead to people/public having more faith in us. Outside the western world, very very few people know what Actuaries are, let alone what they stand for and their job details. This can be changed by sharing our work with others, maybe highlighting it in media.
2.1	Neither
2.1 (ii)	NA
2.2	Neither
2.2 (ii)	
2.3	Don't know
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	
2.7	Yes
2.7 (ii)	Different type of audience to judge would mean different perspective, and therefore, a different opinion
2.8	
3.1	Don't know
3.1 (ii)	

3.2	Don't know
3.2 (ii)	
3.3	
3.4	Neither
3.5	Don't know
4.1	Don't know
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	Don't know
5.2 (ii)	
6.1	Don't know
6.1 (ii)	
6.2	
7.1	

Submission 411

Title	Miss
Forename	Rita
Surname	Mishra
1.1	Agree
1.1 (ii)	
1.2	Agree
1.2(ii)	
1.3	Strongly agree
1.3 (ii)	
1.3 (iii)	
1.4	Very important
1.4 (ii)	Don't know
1.4 (iii)	
2.1	Neither
2.1 (ii)	
2.2	Agree
2.2 (ii)	
2.3	Don't know
2.3 (ii)	
2.4	Yes
2.4 (ii)	
2.5	
2.6	Yes
2.6 (ii)	
2.7	Yes
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	No
3.2 (ii)	
3.3	
3.4	Agree
3.5	Don't know
4.1	Don't know
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Don't know
6.1 (ii)	
6.2	
7.1	

Submission 449

Title	Mr
Forename	Rory
Surname	Galloway
1.1	Disagree
1.1 (ii)	I think the proposal is excessive, onerous and undermines the existing regulation and professional standards.
1.2	Agree
1.2(ii)	
1.3	Disagree
1.3 (ii)	Qualifications and current standards should be sufficient to maintain the reputation.
1.3 (iii)	
1.4	Important
1.4 (ii)	Don't know
1.4 (iii)	
2.1	Oppose
2.1 (ii)	The process to obtain a certificate is already robust.
2.2	Strongly disagree
2.2 (ii)	See answer to first question
2.3	No
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	Possibly an audit of TAS compliance similar to how CPD is audited. If that is at all feasible and practical!
2.6	Yes
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Neither
3.5	Yes
4.1	Don't know
4.1 (ii)	
5.1	No
5.1 (ii)	See first question
5.2	No
5.2 (ii)	See first question
6.1	No
6.1 (ii)	See first question

6.2	Volume, personnel and cost
7.1	

Submission 463

Title	Miss
Forename	Miriam
Surname	Ndulu
1.1	Strongly agree
1.1 (ii)	It is critical that the general public that generally trusts actuary's views to be protected from sub-standard output by actuaries or advice that has been offered with attached interests.
1.2	Neither
1.2(ii)	Though it will help IFoA monitor the quality of work, the profession is nascent in some areas and therefore judgement about the quality of the work may be subjective. Quality will be relative
1.3	Neither
1.3 (ii)	Not all players are in agreement with the IFoA's view of quality. The quality can only be ascertained by the end consumers of the services anyway
1.3 (iii)	N/A
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	In order to be able to positively contribute to development agenda, it is important that the stakeholders have confidence in actuaries. Regulation is likely to increase the level of confidence.
2.1	Strongly support
2.1 (ii)	It would be easier to start with the certificate holders. Secondly, it will ensure continued relevance and suitability to the roles
2.2	Strongly agree
2.2 (ii)	Not all categories may be relevant in some situations. Members will be assessed based on necessity as dictated by their respective roles
2.3	Yes
2.3 (ii)	Sometimes their roles cut across anyway
2.4	Yes
2.4 (ii)	In some cases it may be irrelevant and yet IFoA focuses on that.
2.5	For international actuaries where the employers may sometimes be the cause for poor quality work
2.6	Yes
2.6 (ii)	
2.7	Yes
2.7 (ii)	To provide an independent opinion/ for moderation of results
2.8	N/A
3.1	Yes
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	N/A
3.4	Strongly agree

3.5	Yes
4.1	Yes
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	Yes
5.2 (ii)	Given that IFoA has adequate knowledge of the profession and its role in the society, the proposed regulation will give insights to areas that have possibly been overlooked and possible improvements in the competence of members, as well as opportunities.
6.1	Yes
6.1 (ii)	
6.2	not sure
7.1	No

Submission 477

Title	Mr
Forename	Jon
Surname	Poole
1.1	Strongly disagree
1.1 (ii)	The proposed scheme has implications that reach far beyond the actuarial profession, and only a small proportion of the stakeholders have been consulted. The proposals also sound expensive, with policyholders paying the ultimate cost.
1.2	Disagree
1.2(ii)	
1.3	Strongly disagree
1.3 (ii)	I feel that this could expose the profession to huge liability issues if an actuary was found to be at fault following a clean bill of health from the Institute
1.3 (iii)	High
1.4	Important
1.4 (ii)	No
1.4 (iii)	The public would assume that the quality of work is covered by regulation from Lloyds, the PRA and any additional assurance from auditors and SAO providers
2.1	Neither
2.1 (ii)	
2.2	Neither
2.2 (ii)	
2.3	Don't know
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	The consultation needs to be extended to the boards of the companies involved, whose co operation will be essential. Look into the possibility of shared resource with the PRA and allow joint monitoring, in order to limit costs
2.6	Yes
2.6 (ii)	
2.7	Don't know
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Neither
3.5	Yes
4.1	No
4.1 (ii)	There is nothing to stop previous employees of the IFoA returning to work in the market and utilizing what has been learned

5.1	Yes
5.1 (ii)	
5.2	Don't know
5.2 (ii)	I'm still unsure as to why self regulation appears to be the ultimate aim, and why this cannot be done by an existing regulator
6.1	No
6.1 (ii)	
6.2	Not all companies are going to open the books for this, resulting in differing regulatory burdens between similar companies
7.1	Extend the consultation in both time and scope

Submission 478

Title	Mr
Forename	Dewald
Surname	van den Heever
1.1	Neither
1.1 (ii)	
1.2	Neither
1.2(ii)	
1.3	Agree
1.3 (ii)	
1.3 (iii)	High
1.4	Important
1.4 (ii)	Don't know
1.4 (iii)	
2.1	Neither
2.1 (ii)	
2.2	Agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	
2.4	Yes
2.4 (ii)	
2.5	
2.6	Don't know
2.6 (ii)	
2.7	Yes
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Disagree
3.5	Yes
4.1	Don't know
4.1 (ii)	It seems extremely vague at the moment, it is difficult to understand whether the assessment will be just to check for breaches of the regulatory check boxes or whether it will actually add any value. If just check boxes, that is what the disciplinary process is for.
5.1	Don't know
5.1 (ii)	If the QAS is not working why would this? If it is then why not just expand that?
5.2	Don't know
5.2 (ii)	
6.1	Yes

6.1 (ii)	
6.2	
7.1	

Submission 483

Title	Mr
Forename	James Robert
Surname	Joiner
1.1	Strongly disagree
1.1 (ii)	I believe that we should be independently regulated by the FRC or its successor. The IFoA should concentrate on being a member based services organisation, as it claims to be and reduce our fees accordingly.
1.2	Strongly disagree
1.2(ii)	My employer monitors the quality of my work. I do not need the IFoA to also do this.
1.3	Strongly disagree
1.3 (ii)	The Actuarial Code is already strong enough to protect the reputation of the Profession.
1.3 (iii)	Very low
1.4	Very important
1.4 (ii)	No
1.4 (iii)	We should be independently regulated by the FRC, like the accountants are. There would then be synergies for the FRC.
2.1	Strongly oppose
2.1 (ii)	PC holders are already peer reviewed, so this would be double reviewing the same work, which is clearly a waste of time and money.
2.2	Strongly disagree
2.2 (ii)	We should allow the FRC to independently regulate the Profession. That is a more effective method of regulation and will garner greater public confidence.
2.3	No
2.3 (ii)	This is just a way of spending our excess fee income. There is no merit in thematic reviews at all. It encourages group think.
2.4	No
2.4 (ii)	Allowing for the QAS scheme just means that the scheme is biased towards large consulting actuaries firms and discriminates against "one-person-band" independent consulting actuaries.
2.5	I think that this proposal is disgraceful and should be rejected. There are no positive merits at all. We should get with the 21st century and be independently regulated by the FRC or its successor. They already set our standards.
2.6	No
2.6 (ii)	It would just be a box ticking exercise and a complete waste of time and money, particularly for small insurers and small consulting actuary firms.
2.7	Yes
2.7 (ii)	A lay person is always useful.
2.8	Your objectives appear to be to spend my subscriptions on something and to defend against being regulated by the FRC. We should be independently regulated by the FRC. It is the usual arrogance of actuaries to believe that we are better than other professions. This is why many other professionals hate us. More often than not when I meet someone who actually knows what an actuary is they have a negative impression of us because as a Profession we designed complicated products in the 1980s that led to mis-selling

	scandals e.g. pension transfer review, mortgage endowments and Equitable Life. We deserve to be regulated by the FRC.
3.1	No
3.1 (ii)	The feedback won't be useful as it will arrive too late and will encourage group think.
3.2	No
3.2 (ii)	We should be indepently regulated by the FRC. That would be a better way of ensuring public confidence in the Actuarial Profession.
3.3	See earlier answers.
3.4	Strongly disagree
3.5	No
4.1	No
4.1 (ii)	There will be many actuaries who will not be able to participate at all on the grounds of client confidentiality.
5.1	No
5.1 (ii)	Past experience of previous IFoA implementations suggest that this will also be botched.
5.2	No
5.2 (ii)	We don't deserve to be self-regulated. We have made more mistakes as a Profession that the bankers and the accountants combined.
6.1	No
6.1 (ii)	This increases the cost of employing actuaries with no actual benefit to consumers.
6.2	The consultation paper has not considered the impact on mutuals, particularly small ones and also on small consulting actuaries firms. If the FCA or PRA were doing a consultation they are legally required to do this, but you have not.
7.1	These are the worst proposals I have seen from the IFoA since the botched loA and FoA merger proposals which were rejected by the membership of the loA in the early 2000s.

Submission 494

Title	Mr
Forename	SAMEER
Surname	KESHANI
1.1	Neither
1.1 (ii)	It is unclear whether the IFOA is better placed to take this step or the FRC. Furthermore, I am yet to see a strong argument that this is addressing a real issue.
1.2	Strongly disagree
1.2(ii)	What is the definition of quality? This is a completely subjective measure. And the proposals will be reliant on key individuals who may not have the breadth or depth of knowledge to measure this objectively.
1.3	Strongly disagree
1.3 (ii)	I think you are trying to fix a problem that does not exist. I do not believe that producing 'high quality' work somehow secures the reputation of the profession.
1.3 (iii)	
1.4	Very important
1.4 (ii)	No
1.4 (iii)	The role of the IFOA should be to educate and promote ethical standards primarily. I actually think having box ticking actuaries who are more focussed on covering their own backs will undermine confidence.
2.1	Support
2.1 (ii)	This question is biased towards a particular outcome. I don't agree that there should be this kind of approach. And I also think that this is just compounding a poorly implemented practicing certificate regime. However, as a standalone question I do agree that IF we are to implement something for practicing certificate holders, then it should be risk based.
2.2	Disagree
2.2 (ii)	This is a slightly ridiculous situation. I would like the IFOA to provide examples of other professions which regulate their individual members in such an interventionist way.
2.3	No
2.3 (ii)	This would really damage the commercial relevance of all actuaries.
2.4	Yes
2.4 (ii)	If monitoring is to go ahead and firms have QAS accreditation then surely they should be exempt. Otherwise what is the point of the QAS?
2.5	What about through an enhanced CPD regime instead? I am working with a few other GI colleagues to come up with an alternative proposal.
2.6	No
2.6 (ii)	Very difficult to see how this would seriously stand up to scrutiny. Furthermore, it will put the IFOA at significant risk if anything goes wrong.
2.7	No
2.7 (ii)	Actuarial work is nuanced and based on a combination of maths and expert judgement. Non actuaries should not be part of the review team.
2.8	An enhanced CPD scheme focussing on training and ethical standards, understanding of legislation and some form of declaration would be a better way forward. This proposal

	will seriously harm our working members and risks alienating large members of the community who may choose to go elsewhere for actuarial accreditation e.g. CAS.
3.1	No
3.1 (ii)	It is difficult to see how the proposal as it stands will be able to provide useful individual feedback.
3.2	No
3.2 (ii)	The IFOA have a track record of badly implementing regulation and understanding the needs of its members, particularly those who work within GI. Clearly nobody listened to this community when the PC regime was consulted on and clearly this has not helped to inform this debate either.
3.3	I would like employers to be consulted on the proposal. If the PRA have objected to participating on commercial grounds I don't see why the IFOA think employers are going to be agreeable. The public interest also includes shareholders and Board members as well as clients and intermediaries. I would also like to see a clear cost/benefit analysis of this proposal in comparison to an FRC alternative.
3.4	Disagree
3.5	No
4.1	No
4.1 (ii)	I actually showed the proposal to my CEO and other Board members and they believed it was ludicrous. They actually questioned whether I needed to continue to be a member of the IFOA.
5.1	No
5.1 (ii)	I don't think any actuary objects to some form of control and regulation to ensure ethical standards and regulatory requirements are adhered to. However, we need to rethink the complete process. Individually none of these proposals have seemed onerous but in the round, bolting on piece after piece of self imposed overly complex, non pragmatic regulation has now tipped the balance and made working actuaries commercially irrelevant. Please go and look at some statistics of actuarial redundancies and the number of experienced members who now find themselves out of jobs because of cost cutting exercises. We are no longer adding any value to insurance companies because we spend all of our time trying to meet double regulation standards (IFOA and PRA)
5.2	Yes
5.2 (ii)	Biased question. I think you would be surprised how many members would now prefer to be regulated by the FRC.
6.1	No
6.1 (ii)	They need to be rethought in conjunction with the QAS, PC and CPD schemes. A holistic approach should be proposed which not only enhances what we have but also simplifies it. Do you think that the IFOA's definition of the 'public' would seriously understand all of our self imposed regulation?
6.2	Employer views is clearly missing.
7.1	I am very saddened by this. The GI community now represents 25% of IFOA membership and we are the fastest growing area of the profession. Our voice is not being heard and you risk driving us away. Please reconsider the scope of this work let alone the proposal. Do not look at it in isolation and instead put everything on the table - PCs, QAS, CPD, etc to come up with a simpler, more transparent way to ensure work is undertaken to all relevant technical and ethical standards.

Submission 503

Title	Mr
Forename	Graham
Surname	White
1.1	Strongly disagree
1.1 (ii)	I believe the proposal is ill-judged, with the proposal introducing a significant risk to the IFoA's public interest remit through the potential loss of UK Actuaries' influence in the non-life sector.
1.2	Strongly disagree
1.2(ii)	The proposal is unnecessary, as there are many existing processes in place which provide evidence as to the quality of actuarial work, the primary example of which is the "APS X2: Review of Actuarial Work" regime.
1.3	Strongly disagree
1.3 (ii)	I believe the proposal introduces a huge risk to the IFoA's public interest remit through the potential loss of UK Actuaries' influence in the non-life sector.
1.3 (iii)	N/A
1.4	Important
1.4 (ii)	No
1.4 (iii)	I don't believe the proposal will strengthen confidence. More importantly, the proposal is likely to lead to the loss of UK Actuaries' influence in the non-life sector, which will serve to weaken the public's confidence in the profession as a whole.
2.1	Strongly oppose
2.1 (ii)	As I oppose the whole proposal, I oppose this element as well, not least because I believe it will have an indirect impact on many other UK actuaries. For example, if one is a Chief Actuary running a team of actuaries, there is inevitably reliance on the team's work and any meaningful review would have to extend down to look at other actuaries' work.
2.2	Strongly disagree
2.2 (ii)	As I oppose the whole proposal, I oppose this element as well, not least because, from my experience, employers of actuaries are particularly unhappy with the prospect of having to open their books to a potential competitor's actuary as part of the review process.
2.3	No
2.3 (ii)	As I oppose the whole proposal, I oppose this element as well, with the reasons being as outlined in my previous answers.
2.4	Don't know
2.4 (ii)	As I oppose the whole proposal, this question is not relevant to me.
2.5	Definitely no further areas for monitoring. Regarding alternatives: i) ensure the "APS X2: Review of Actuarial Work" regime is working as expected. ii) Leverage off the various existing external reviews that provide indirect assurance over the quality of the actuarial work. For example, with regard to reserving and Solvency II Technical Provisions, external auditors probe the internal actuarial teams over methods and assumptions in detail, year on year, as part of the annual statutory audit process. As another example, within the London Market, Lloyd's annually reviews each syndicate's business plans in detail.

2.6	Don't know
2.6 (ii)	Possibly, but no more than if using some of the alternatives identified in 2.5.
2.7	Don't know
2.7 (ii)	As I oppose the whole proposal, this question is not relevant to me.
2.8	Answered under 2.5. One of my key issues is that the proposal puts forward a one-sided public interest argument. Given that the proposals apply only to UK actuaries in roles not exclusively defined for UK actuaries, there is no discussion in the consultation document around the real risk that the additional burden will cost UK actuaries the roles they currently perform which must be detrimental to the public interest.
3.1	Don't know
3.1 (ii)	As I disagree with the whole proposal, this question is not relevant to me.
3.2	Don't know
3.2 (ii)	As I disagree with the whole proposal, this question is not relevant to me.
3.3	As I disagree with the whole proposal, this question is not relevant to me.
3.4	Neither
3.5	Don't know
4.1	No
4.1 (ii)	My experience indicates that employers of actuaries are particularly unhappy with the prospect of having to open their books to a potential competitor's actuary as part of the review process. They view this very differently to existing reviews involving actuarial work, which are carried out by actuaries from an external auditor or regulator. I don't see any form of confidentiality / information protection that will allay their fears, which has the potential consequence of reducing UK Actuaries' influence in the non-life sector.
5.1	Don't know
5.1 (ii)	As I disagree with the whole proposal, this question is not relevant to me.
5.2	No
5.2 (ii)	For the reasons outlined in the previous answers, I think the proposal is unnecessary and ill-judged.
6.1	No
6.1 (ii)	I think the proposal is unnecessary and ill-judged.
6.2	The thrust of the proposal seems to be a public interest argument. This argument seems peculiarly one-sided. Given that the proposals apply only to UK actuaries in roles not exclusively defined for UK actuaries, there is no discussion in the consultation document around the real risk that the additional burden will cost UK actuaries the roles they currently perform which must be detrimental to the public interest.
7.1	I am submitting a separate response document (which provides more details around the points I've made in this survey).

Submission 513

Title	Mr
Forename	Jim
Surname	Webber
1.1	Strongly disagree
1.1 (ii)	The proposals issued do not create a strong case for introducing monitoring of actuarial work. I have yet to speak to an actuary who favours the proposal. I am not aware of any criticisms of actuarial work, and I am not clear how the proposals would enhance the quality of work done. I am a member of the Dad's Disciplinary Board and review all cases reported to the Board. I do not see how the proposals will reduce the cases seen or address any of the areas where the DB does see problems.
1.2	Disagree
1.2(ii)	By definition this allows data collection, but this does not mean that data collection is a good idea. Most actuarial work is not covered by a practising certificate. So the data collected will give a partial, and probably misleading, view. What is the point of monitoring the quality of some of the most standard, and most regulated actuarial work? This is a very expensive option that has not been properly costed before being presented to members.
1.3	Agree
1.3 (ii)	
1.3 (iii)	Low
1.4	Important
1.4 (ii)	No
1.4 (iii)	I don't believe the public has issues with the quality of actuarial work. The public is unlikely to be aware of the outcomes of the monitoring. So, there is no reason to suspect any positive benefit from the proposals.
2.1	Strongly oppose
2.1 (ii)	I do not see that PC holders are the areas of greatest risk. There may be much greater risk arising in unregulated areas such as pricing, asset liability management and non traditional actuarial work.
2.2	Neither
2.2 (ii)	
2.3	Don't know
2.3 (ii)	
2.4	Yes
2.4 (ii)	If an employer is in the Quality Assurance Scheme, it is difficult to understand why additional monitoring is required. This would seem to suggest that the QAS is deficient in some way. The proposal may deter some employers from continuing to support the QAS, given the alternative of increased monitoring.
2.5	1. I was disappointed to see that the proposal did not really consider monitoring quality outside the UK, as most PC holders work in the UK. This seems to undermine the IFoA's claims to be an international profession offering high standards globally. 2. There seems to be a stronger case for introducing monitoring of pensions PC holders, as the regulatory and audit checks and balances are weaker than for the insurance sector. 3. Some actuaries working in audit seem to be aware of issues relating to the quality of

	some PC holder work but feel unable to mention these in the course of their work. I am surprised by this. A simpler option may be for the IFoA to issue guidance to all actuaries involved in the review and audit of actuarial work. This could achieve the same outcomes at lower cost.
2.6	Don't know
2.6 (ii)	
2.7	Don't know
2.7 (ii)	
2.8	
3.1	Yes
3.1 (ii)	All feedback is useful.
3.2	No
3.2 (ii)	There is a danger of too much focus on traditional areas of actuarial work.
3.3	
3.4	Neither
3.5	Yes
4.1	Yes
4.1 (ii)	
5.1	No
5.1 (ii)	I think the proposals are excessive. I believe the work is unnecessary and focused on those areas that are the simplest to design.
5.2	No
5.2 (ii)	I don't believe that the profession supports the proposals.
6.1	No
6.1 (ii)	
6.2	I think the idea that the scheme will be cost neutral for the profession in the long term is laughable and it is certainly not justified in the paper. I think that the scheme needs to be costed over a 10 year period, budgets set and monitored against and the vexed question of who pays addressed. This is the standard I would expect from a good proposal.
7.1	I am very disappointed at the standard of the consultation paper. I believe the profession should take a two stage approach to developing this type of proposal. Firstly, a paper should be issued setting out the reasons why some form of monitoring may be required, the implications of the status quo and various options for delivering monitoring. Secondly, there should be consultation on the details of the preferred scheme, if any.

Submission 531

Title	Ms
Forename	Lisa
Surname	McCrory
1.1	Agree
1.1 (ii)	It is in the public interest that high quality work is produced by Actuaries. The calculations performed and how they are interpreted and communicated will affect decisions made by companies, trustees, governments and other decision makers. These decisions can affect the finances of various subsets of the public e.g. members of pension schemes. It is therefore reasonable for independent actuaries employed by the IFoA to monitor the work of actuaries to ensure compliance and promote best practices. Accountable self-regulation fits with our professional ethos and brings us more into line with the practices of other professions which are generally considered to act in the public interest. These actuaries will have more relevant knowledge, understanding and experience than other regulators. We have not indicated strongly agree, as internal checking of work performed, in particular peer reviews, should provide some comfort that work being produced is of a standard expected by the IFoA.
1.2	Agree
1.2(ii)	The proposal will provide the IFoA information regarding work performed by all practice certificate holders on a periodic basis. How useful the evidence for other work performed by Actuaries will depend on the information requested under Category C, the quantity and quality of responses received, how much work not done by PC holders is covered by Category B reviews, and the willingness for organisations and/or individual members to participate in Category B reviews. Suitably experienced and/or specifically trained actuaries are best placed to review the work and ask appropriate questions to understand the context in which the advice was given.
1.3	Neither
1.3 (ii)	The profession already has a strong reputation " and perhaps paradoxically, part of that strength derives from our comprehensive system of self-regulation, peer-review and CPD. This may lead to us being trusted to exercise a high degree of autonomy, whereas extensive supervision could erode that trust. There is also a risk that if the IFoA performs a review and an error is subsequently discovered in the piece of work that was reviewed the professions' reputation will be damaged. There will always be a risk of a single actuary/ actuarial firm damaging the actuarial professional with or without evidence being gathered by the IFoA. Gathering evidence of the quality of work, may encourage the standards to be maintained by all actuaries which would reduce this reputation risk. Given that it would not be proportional for the IFoA to check all actuarial work, this risk is only partially mitigated. The evidence collected can also be used in defending the profession as a whole, if an individual person/firm has its reputation damaged, as the IFoA may choose to disclose information regarding the results of other reviews to prove that the issue is not systemic to the profession as a whole.
1.3 (iii)	N/A
1.4	Very important
1.4 (ii)	Don't know
1.4 (iii)	It is important that the public has confidence in actuarial work as it affects their lives and it is important for the profession to be recognised as one with the knowledge, skills,

	<p>principles and ethical ethos to carry out the work we have been entrusted to perform. When trust in financial services is low as result of scandals such as the Libor scandal, it is important that the profession is seen as distinct from others that work in the field. However, not all the public is aware of what actuaries do and what financial impact it has for them as an individual. It is more important that those who employ actuaries (directly or indirectly) have confidence in the work produced. It is also more important that the regulators have confidence as it is their responsibility to ensure the accuracy of work performed. There is a danger that the proposed scheme could be perceived as monitoring 'by actuaries for actuaries' and that the process is not sufficiently independent. This is not to say that the reviews will be viewed as biased or partisan by external stakeholders, but that they may be too detached from the end user's perspective to be truly holistic.</p>
2.1	Strongly support
2.1 (ii)	<p>It appears proportionate to focus, at least initially, on areas where PC holders work. These are reserved roles where only an actuary can hold the position, if the profession is seen as unfit to carry out these roles, there might be concerns about the suitability of the exclusivity. PC holders will have other actuarial practitioners reporting to them, which means that their work is also being indirectly reviewed. The PC holder will have the authority in many firms to make any necessary changes suggested as a result of an IFoA review. PCs are awarded by the profession, creating a sub-group of actuaries generally acknowledged as fulfilling a statutory function in the public interest. However, see comments in response to question 2.5 on the next page " other roles apart from PC holders also meet these criteria.</p>
2.2	Agree
2.2 (ii)	<p>The proposals seems sensible, Category A work being the most closely reviewed for reasons mentions in 2.1. Category B and C have been designed so they are connected. The analysis of the information collected under Category C may lead to a thematic Category B review. Once a Category B review has been concluded the IFoA may choose to monitor the theme via future Category C exercises. The IFoA can choose what themes to review under Category B, to cover work not done by PC holders, in a responsive and/or proactive manner. PC holders form the first tier of investigations, for the reasons given above. But end users of advice from other actuaries are also reliant on that advice, so it's entirely reasonable to extend the scope of the monitoring accordingly. The thematic review approach is likely to identify new/emerging areas of investigation across the profession and provide an overview of practices with the opportunity for all to 'level up'.</p>
2.3	Yes
2.3 (ii)	<p>Given the purpose of the new proposals is to monitor how work is undertaken by actuaries and the effectiveness of standards created by the IFoA, it is sensible that the proposals cover all work that actuaries perform. There is a flexibility under Category B to perform reviews of a similar standard to those carried out under Category A for work that is done by non-PC holders. Category C exercises will inform both Category A and B reviews. See response to 2.2 above. Thematic reviews are likely to identify any particularly notable cases of best practice or undesirable practice, providing a means to shape/steer actuarial practice and thinking towards the former in evolving areas of actuarial involvement. This may help the loFA come up with areas for further research and guidance.</p>

2.4	Yes
2.4 (ii)	The reasons given in the consultation document are persuasive – it avoids duplication of effort and focuses resources on potentially higher-risk organisations and actuaries.
2.5	There are actuaries working in many organisations where the work carried out is very much in the public interest but where a PC is not required. Examples might be GAD, tPR, PPF or accountancy firms. Peer-review is a key 'line of defence' within our professional framework. Any monitoring, particularly of PC holders, should include consideration of the internal peer-review that was carried out on the work and the justification of the PC holder's decision to include/exclude peer-review suggestions. Alternatively or in addition, any review of a PC holder should also include work which they have peer-reviewed.
2.6	Yes
2.6 (ii)	Presumably the IFoA Review Team will be assessing the work under review using some sort of rating or categorisation system, from which measurable outputs can be drawn. It would be helpful to have an overview of such a system, once finalised.
2.7	Yes
2.7 (ii)	It would be useful for the monitoring process to include input from the end-users of the advice being reviewed. This wouldn't have to be as part of the Review Team, but with the Review Team seeking input from these individuals, or other actuaries working in other fields to comment on the understandability of communications. Specialist advice will be required for certain Category B reviews. These types of resources should be used by the review team.
2.8	
3.1	Yes
3.1 (ii)	The Category A section listed an individual report as one of the outputs of the review. The Category B section mentions that it is anticipated that similar outputs to a Category A review will be provided. However, the outputs are dependent upon the inputs. To what extent can the PC holder direct the focus of the review to pieces of work likely to elicit a favourable commentary? It would be useful to have more details of the criteria the reviewers will use in selecting work.
3.2	Yes
3.2 (ii)	The outputs seem thorough and comprehensive enough to inform a wide range of regulatory deliverables. However, changes in legislation, technology and new fields that actuaries are branching into also need to be considered.
3.3	We would need to see an example of the actual output in order to provide a meaningful response to this question.
3.4	Agree
3.5	Yes
4.1	Don't know
4.1 (ii)	– It is unclear whether GDPR had been fully taken into consideration in the proposals. Will the IFoA need to gain consent from the individual, to use their data for the purpose of an IFoA review? (Presumably this issue has already been considered in connection with QAS?) – Monitoring at firms seeking to obtain or renew QAS accreditation – what happens if QAS status is not granted or renewed purely because of the review outcomes for particular individuals? – Category B reviews covering several firms may

	raise intellectual property considerations – feedback and recommendations for one firm may be influenced by observed practice at another.
5.1	Yes
5.1 (ii)	If the proposals are executed in an appropriate way, they should fit in with existing regulatory framework. The proposed three year review should identify if the proposals are not integrating well with the framework. If non-integration is identified a review of both the monitoring scheme and the overall framework should be carried out. Appendix 3 of the consultation documents sets out a detailed and risk-based approach to frequency of monitoring, which integrates these features into the framework.
5.2	Don't know
5.2 (ii)	With the exception of the QAS accreditation scheme, the IFoA currently relies solely on members to monitor compliance to actuarial standards of their own and other members' work. The IFoA has recognised a gap in its regulatory role and is taking measures to close it by independently monitoring work. There is a danger that the proposed scheme could be perceived as monitoring 'by actuaries for actuaries' and that the process is not sufficiently independent. This is not to say that the reviews will be viewed as biased or partisan by external stakeholders, but that they may be too detached from the end user's perspective to be truly holistic. It would therefore be useful for the monitoring process to include input from the end-users of the advice being reviewed
6.1	Don't know
6.1 (ii)	It's difficult to form a view without further information, e.g. how many reviewing actuaries will be employed, what salaries/hourly rates/remuneration packages will apply, what is the scope of involvement of external experts for Category B reviews, what is the amount of initial contribution from the FRC? How confident is the IFoA of being able to secure appropriate expertise in sufficient numbers and at manageable cost? What are the costs of the training programme for reviewers? The time spent by individuals/ organisations in complying with the proposals will be time diverted from profit making activities. Some organisations may not consider it beneficial for their organisation to participate in the optional aspects. However, if the output of the reviews improves the actuarial work then it would be time well spent.
6.2	The example confidentiality undertaking form (appendix 5), as currently drafted is unlikely to be sufficiently robust to protect organisations' interests. Even if more robust standard wording was introduced, some organisations may not be willing or able to accept the revised standard wording. Where this is the case, bespoke confidentiality agreements would need to be negotiated, which would require additional time and incur additional costs on behalf of both the IFoA and the organisation. More firms may choose to become QAS accredited; the potential impact of this has not been discussed. Organisations may be reluctant to increase the number of PC holders they employ, if they perceive Category A reviews to be overly burdensome.
7.1	Please note we are responding as a group of actuaries working for the PPF rather than on behalf of the PPF.

Submission 251

Title	Mr
Forename	Mike
Surname	Dick
1.1	Strongly disagree
1.1 (ii)	There appears to be no compelling case for this action. The consultation (para 1.13) states " the proposals are not being made in response to any identified issues with the quality of actuarial work"
1.2	Neither
1.2(ii)	
1.3	Agree
1.3 (ii)	Quality review of actuarial work should provide sufficient evidence
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	No
1.4 (iii)	I think that the proposals provide the means to show the profession in a bad light - when two competent actuaries (the proposed reviewer and he/she whose work is being reviewed) disagree over a case being reviewed. This could be written up in an unfavourable fashion in the press.
2.1	Strongly oppose
2.1 (ii)	Scheme actuaries are already heavily regulated. More is unnecessary.
2.2	
2.2 (ii)	Would need to see evidence that there is a problem in either of Cat B and C before I could comment.
2.3	Don't know
2.3 (ii)	See above
2.4	Don't know
2.4 (ii)	
2.5	
2.6	Don't know
2.6 (ii)	
2.7	No
2.7 (ii)	This is likely to contribute to the risk I mentioned earlier. If there is a problem with actuaries expressing themselves in terms which can be understood then this should be addressed through the quality review mechanism APS X2.
2.8	Embellish the APS X2 framework appropriately
3.1	
3.1 (ii)	From here on my answers to questions will not always be given as I am against the proposal.
3.2	
3.2 (ii)	
3.3	
3.4	
3.5	

4.1	
4.1 (ii)	
5.1	
5.1 (ii)	
5.2	
5.2 (ii)	I think that the existing regulatory framework should be adequate. If it is not, then the particular shortcoming should be addressed.
6.1	No
6.1 (ii)	
6.2	See my comments earlier in this response.
7.1	

Submission 253

Title	Dr
Forename	Gareth
Surname	Haslip
1.1	Strongly disagree
1.1 (ii)	Within wider fields like asset management, actuaries are in the minority, and the roles performed by actuaries are also carried out by quants to the same level of quality and technical standards. The monitoring proposal would put actuaries at significant disadvantage and the likely impact would be simply to no longer hire actuaries for investment roles. The investment analysis carried out is often subject to client non disclosure agreements and I doubt many firms would agree to sharing data to enable the review to be conducted. While I can understand the motivation to conduct reviews in regulated actuarial roles, in my opinion it would not be beneficial to the profession to extend this to wider fields.
1.2	Strongly disagree
1.2(ii)	
1.3	Strongly disagree
1.3 (ii)	
1.3 (iii)	
1.4	Important
1.4 (ii)	
1.4 (iii)	
2.1	Strongly oppose
2.1 (ii)	
2.2	Strongly disagree
2.2 (ii)	
2.3	No
2.3 (ii)	
2.4	No
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	Yes
4.1	No

4.1 (ii)	In wider fields like investment there are only a handful of actuaries who could conduct the review. This would compromise intellectual property of banks / asset managers and it would be difficult to find a review who is competent in the subject matter who is not a potential competitor.
5.1	Don't know
5.1 (ii)	
5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	
7.1	

Submission 92

Title	Mr
Forename	Alan Edward
Surname	Smith
1.1	Agree
1.1 (ii)	
1.2	Neither
1.2(ii)	I am not convinced that the sampling nature of the proposal will provide information that is robust enough
1.3	Disagree
1.3 (ii)	The reputation of the profession has not suffered in the past in the absence of such evidence
1.3 (iii)	
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	but only marginally
2.1	Support
2.1 (ii)	I must say though that as a Scheme Actuary I find it difficult to determine which Band I am in
2.2	Neither
2.2 (ii)	
2.3	Yes
2.3 (ii)	It is in these wider, less regulated fields, that there could be a higher risk of poor quality work
2.4	Yes
2.4 (ii)	QAS accredited employers have demonstrated they had procedures in place for their actuaries to follow which will reduce the risk of poor quality work being produced
2.5	no
2.6	Don't know
2.6 (ii)	You cannot prove a negative so you cannot prove there is no poor quality advice being produced somewhere
2.7	No
2.7 (ii)	If it is the quality of actuarial advice being measured then this will have to be done by a suitably experienced actuary
2.8	
3.1	Yes
3.1 (ii)	Although hard to judge until I have seen a review
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Neither
3.5	Yes
4.1	Don't know
4.1 (ii)	

5.1	Don't know
5.1 (ii)	I am worried that this will duplicate the peer review system that my firm already operates
5.2	Don't know
5.2 (ii)	
6.1	Don't know
6.1 (ii)	I am sceptical that this can be done without increasing subscriptions or practising certificate fees (see Q11).
6.2	
7.1	

Submission 98

Title	Mr
Forename	Ian
Surname	Shepherd
1.1	Disagree
1.1 (ii)	The proposal is overly bureaucratic and the objective could be achieved in a simpler way. Also, the objective is too wide - for example, a study of commutation terms is unnecessary as there are professional guidelines to observe already.
1.2	Agree
1.2(ii)	Actuarial work would be subjected to further scrutiny and this helps check quality.
1.3	Agree
1.3 (ii)	Evidence helps if our quality is challenged.
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	An extra degree of scrutiny should reassure the public.
2.1	Neither
2.1 (ii)	All actuarial work should be scrutinized.
2.2	Disagree
2.2 (ii)	Thematic reviews seem unnecessary if professional guidance exists.
2.3	No
2.3 (ii)	Thematic reviews and information gathering could be seen as unnecessary meddling.
2.4	Yes
2.4 (ii)	If QAS is working properly there should be no need for further review.
2.5	All non trivial actuarial work should be subject to peer review. Where peer review applies in an organisation, just check that it is being done thoroughly. If there is no peer review, introduce it.
2.6	Yes
2.6 (ii)	At present the evidence is kept within organisations and not shared with the profession.
2.7	Yes
2.7 (ii)	The inclusion of non-actuaries will engender more confidence in the review.
2.8	Check that peer review is being carried out effectively. Introduce peer review where it does not exist at present.
3.1	Yes
3.1 (ii)	An individual's work will be independently examined.
3.2	Yes
3.2 (ii)	They will inform the regulatory work to some extent.
3.3	No.
3.4	Neither
3.5	Yes
4.1	Yes
4.1 (ii)	The proposal goes as far as it reasonably can to protect confidentiality and privacy.
5.1	Yes
5.1 (ii)	The proposed monitoring builds on the existing structures.

5.2	No
5.2 (ii)	The proposals go too far.
6.1	No
6.1 (ii)	They go too far, and a lighter touch approach could be developed.
6.2	The proposals could lessen the importance of peer review. In my experience mistakes, and bad advice, are more likely to occur where work is not thoroughly reviewed as it is carried out. I would prefer to see a strengthening of peer review and responsibility being shared equally by the author of the advice and the peer reviewer.
7.1	I was involved in professional standards for many years (member of firm's national professional standards committee, chair of signatory actuary committee, member of conflicts committee, member of review team and occasionally chair of this team, member of actuarial committee etc., and this experience led me to have great belief in thorough peer review to avoid poor quality actuarial work. I would prefer an approach that strengthens the peer review process rather than introduces an "external audit". External audits for accountancy firms have not prevented appalling work being carried out.

Submission 106

Title	Mr
Forename	Chris
Surname	Barnard
1.1	Strongly agree
1.1 (ii)	It will improve confidence in the profession. It is proportionate and reasonable.
1.2	Agree
1.2(ii)	Should highlight common areas for improvement over time.
1.3	Agree
1.3 (ii)	This has been seen before.
1.3 (iii)	High
1.4	Important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Support
2.1 (ii)	This is proportionate.
2.2	Agree
2.2 (ii)	The mandatory focus on PC holders is most critical.
2.3	Yes
2.3 (ii)	On a voluntary basis.
2.4	Yes
2.4 (ii)	Otherwise one would have to question the value of QAS.
2.5	No.
2.6	Yes
2.6 (ii)	It is evidence based.
2.7	Don't know
2.7 (ii)	Depends on the individual case or theme. I'm not against this in principle.
2.8	
3.1	Yes
3.1 (ii)	This is the purpose of the monitoring, esp. for Category A.
3.2	Yes
3.2 (ii)	
3.3	NO.
3.4	Neither
3.5	Don't know
4.1	Yes
4.1 (ii)	the safeguards put in place should be sufficient.
5.1	Yes
5.1 (ii)	
5.2	Yes
5.2 (ii)	This shows the importance we are putting on ensuring the ongoing professionalism and quality of our work.
6.1	Yes
6.1 (ii)	
6.2	No.

7.1

I support this and would be willing to participate as a reviewer on certain themes.

Submission 132

Title	Mr
Forename	Patrick
Surname	Kelliher
1.1	Disagree
1.1 (ii)	I could see the rationale for direct review of reserved actuarial review of the work of IFoA PC holders relating to the PC role, but do not believe the IFoA should be regulating non-reserved work, let alone carrying out thematic reviews of such work.
1.2	Disagree
1.2(ii)	I think they may help evidence the quality of reserved work, but the IFoA should not be opining on the quality of non-reserved work or making good practice recommendations binding actuaries operating in wider fields where they compete with others not bound by IFoA recommendation.
1.3	Disagree
1.3 (ii)	There is a need to review the quality of reserved work, but going beyond this to wider fields risks actuaries in those fields leaving the profession but still calling themselves "actuaries", exposing the profession to reputation damage while not being subject to the profession's code.
1.3 (iii)	
1.4	Important
1.4 (ii)	Don't know
1.4 (iii)	While supporting of monitoring reserved work by PC holders, I would note that there is little awareness of the role of actuaries in wider fields. Professional over-reach would be counter-productive as it would drive actuaries in wider fields from the profession, where they could style themselves actuaries yet not be subject to the profession's code.
2.1	Strongly support
2.1 (ii)	This proposal should only consider PC holders.
2.2	Strongly disagree
2.2 (ii)	Believe the IFoA should not be looking to regulate actuaries in non-reserved roles but instead should leave it to regulators to monitor the work of all those involved in a particular field (not just actuaries) and regulate all accordingly.
2.3	No
2.3 (ii)	The quality of work of those in non-reserved roles which may be performed by non-actuaries should be a matter for relevant regulators, who should apply standards to all, not just actuaries.
2.4	Don't know
2.4 (ii)	
2.5	For non-reserved work, the IFoA should seek to work with regulators to ensure the work of all in a particular field is of sufficient quality, rather than the profession devoting resources to thematic reviews and imposing requirements on a subset (i.e.actuaries) working in a particular field.
2.6	No
2.6 (ii)	I for one would be very reluctant to participate in thematic reviews, and I suspect most other self employed actuaries working in wider fields would be the same. Any thematic

	review would therefore not be comprehensive and the empirical evidence obtained would be questionable.
2.7	Yes
2.7 (ii)	It may help to have an external perspective on the quality of reserved work by PC holders (though as noted, I do not believe monitoring should extend beyond this).
2.8	For non-reserved work, the IFoA would be better working with regulators such as the FCR, PRA etc. to ensure all working in a particular field (e.g. internal model validation) are subject to common standards and requirements, not just actuaries. Attempting to impose requirements on actuaries working in wider fields, competing with non-actuaries not subject to these requirements, risks driving actuaries away from the profession and limit the profession's expansion into wider fields.
3.1	Yes
3.1 (ii)	For direct review possible - I think the outputs of thematic reviews will be questionable given their voluntary nature.
3.2	No
3.2 (ii)	I think the outputs of thematic reviews will be questionable given their voluntary nature.
3.3	No - this proposal already goes a lot further than it should.
3.4	Strongly disagree
3.5	Don't know
4.1	Yes
4.1 (ii)	...but only by making participation in thematic reviews voluntary, which may invalidate these reviews.
5.1	Don't know
5.1 (ii)	Direct reviews could be part of the PC regulatory regime but I believe the IFoA's remit in regulating non-reserved work is questionable, let alone thematic reviews of such work.
5.2	Don't know
5.2 (ii)	Don't see self-regulation as a privilege for wider fields - it imposes burdens on actuaries which non-actuarial competitors do not face, and I see scant evidence of any brand value resulting from self-regulation outside traditional fields.
6.1	No
6.1 (ii)	No. While I think monitoring of PC holders work is a good thing, thematic reviews of non-reserved work and the professional requirements that tend to follow will just impose additional burdens working on wider fields which their non-actuarial competitors do not face, and which may in time cause actuaries to leave the profession.
6.2	The risk that increased IFoA regulation of non-reserved work drives actuaries working in wider fields from the profession, compromising its aim to broaden membership while leaving it exposed to reputation risk if leavers still cause themselves actuaries.
7.1	Aside from regulating general conduct, the IFoA should stop trying to regulate actuaries working in non-reserved roles in wider fields. Aside from the burden and competitive disadvantage this places on members, it does not address the issues of work performed by non-actuaries in the same roles and fields - ultimately the FRC and other regulators should seek to impose standards on all, rather than the IFoA seeking to impose standards on some.

Submission 204

Title	Mr
Forename	Stuart
Surname	Benson
1.1	
1.1 (ii)	
1.2	
1.2(ii)	
1.3	
1.3 (ii)	
1.3 (iii)	
1.4	Very important
1.4 (ii)	No
1.4 (iii)	My response is aimed at people who call themselves "actuaries" but are not regulated by the profession. I am very concerned about this development, having negative practical experience.
2.1	
2.1 (ii)	
2.2	
2.2 (ii)	
2.3	
2.3 (ii)	
2.4	
2.4 (ii)	
2.5	People who call themselves actuaries but are not members of the profession
2.6	No
2.6 (ii)	People who call themselves actuaries but are not members of the profession
2.7	
2.7 (ii)	
2.8	
3.1	
3.1 (ii)	
3.2	
3.2 (ii)	
3.3	
3.4	
3.5	
4.1	
4.1 (ii)	
5.1	
5.1 (ii)	
5.2	
5.2 (ii)	
6.1	

6.1 (ii)	
6.2	the lack of regulation of people who call themselves actuaries but are not members of the profession
7.1	<p>I am only responding because I have direct experience of a person calling himself an actuary - and listing his FIA qualification date on his CV - when not actually any longer being a member of the profession and not regulated by the profession. It was impossible for the lay person to realise he was not regulated (neither the lawyer who introduced him nor their client was aware until too late) and he made an obvious error (presumably not checked or peer reviewed) which cost time and money but could have been a lot more expensive if not spotted by the client. The IFoA declined to intervene, since it was not in their jurisdiction. This state of affairs - someone pretending they are a member of the profession without actually stating it explicitly in writing - is very dangerous for the uninformed public. I strongly feel that regulation should apply to anyone who chooses to call themselves an actuary.</p>

Submission 272

Title	Mr
Forename	Dan
Surname	Mikulskis
1.1	Neither
1.1 (ii)	<p>My firm, Redington is an investment consulting firm as opposed to a more "traditional" actuarial consulting firm, hence the majority of my colleagues and consultants are not actuaries. It would be important to establish whether this monitoring only extends to those consultants who are actuaries or whether it covers all. If the former, there is definitely a danger that the burden will push new grads away from taking the actuarial qualification (they already face the choice between CFA and actuarial, and increasingly many are choosing the former given the longer time taken to complete the actuarial qualification). - Validation from third parties and outside organisations is important to us and our clients to provide assurance, especially given that most of our systems and models are developed in house. This is partly why we have pursued the QAS standard, which we value - what is discussed in category B doesn't on the face of it seem too onerous or disproportionate, although it depends a lot on how this would be implemented. We produce over 200 reports and 3,000 pages every quarter for our clients so asking to access and review over any significant proportion of this would be a significant task. Likewise if the review required a significant backward looking aspect on advice provided historically. Finally, as I suspect is the case at most firms, we have our standard models and processes for delivering advice and then we have the actual advice delivered to clients which takes into account many features of their specific situation and requirements. Any monitoring proposal would need to take this nuance into account without creating excessive burden. One solution could be to focus on only the tools and processes by which advice is generated rather the outputs themselves. I would also suggest that the example given around investment advice appears too wide to be practical and I would suggest breaking this down into much smaller areas to make meaningful progress (eg modelling assumptions (return, risk, correlation), scenario generation, risk measures, cashflow projections, integrated funding and investment advice) - There are definitely benefits of enhanced monitoring - investment advice can be very impactful indeed to clients, and for sure actuaries dispense a huge amount of this, not only strategic asset allocation advice but also the specifics and timing of implementation (eg putting interest rate hedges in place and the specific timing and mechanics of transferring assets from one manager or asset class to another) can frequently cause inadvertent gains/losses of £10m's - Confidentiality would be a concern for us if actuaries from competitor organisations were being used to carry out the work - There is also a question in our minds of how an assessment of the advice would be made and the availability of individuals who are sufficiently well placed to judge this. - having already undertaken the requirements of the QAS standard I would question whether an additional a layer of monitoring is necessary under this regime or could the QAS standard be extended to cover the requirements envisaged. -I would note that investment advice is soon to fall under FCA regulation (see CMA provisional decision report) and there is real a danger of over burdening if investment advice is being separately regulated by the FCA and by the institute.</p>
1.2	Disagree

1.2(ii)	In practice I think it would be very hard to cover the full breadth/volume of advice being issued, and have enough experts sufficiently well placed on this who can devote enough time to do the issues justice.
1.3	Agree
1.3 (ii)	
1.3 (iii)	High
1.4	Very important
1.4 (ii)	Don't know
1.4 (iii)	I think it could look too much like actuaries "marking their own homework" and with the volume of advice given, it would be hard to demonstrate that it was getting close to covering it all. There is also the fact that many investment consultants are not actuaries so it seems strange to regulate them differently to the non-actuarial investment consultants.
2.1	Neither
2.1 (ii)	I think many investment advisors may not be PC holders so I don't know if this will cover it
2.2	Agree
2.2 (ii)	I think broadly it is appropriate, I think it could be difficult to practically implement
2.3	Yes
2.3 (ii)	yes as I don't believe that focusing on PC holders will catch the majority of investment advice providers
2.4	Yes
2.4 (ii)	yes absolutely, the QAS is already designed to provide quality assurance and so it would seem overly burdensome to repeat the process again
2.5	there is quite a wide scope of investment advice activities that ought to be covered, including strategic asset allocation but also around hedging (eg LDI benchmark calculation, cashflow updating), transitions and the details of implementation which can be meaningful in terms of detriment to clients if handled badly
2.6	Don't know
2.6 (ii)	that is hard to say
2.7	Yes
2.7 (ii)	absolutely, otherwise definite risk of seeing actuaries as "marking our own homework"
2.8	
3.1	Don't know
3.1 (ii)	hard to say
3.2	Don't know
3.2 (ii)	I think it is difficult as it will be hard to cover the full breadth/volume of the advice being delivered
3.3	
3.4	Neither
3.5	Yes
4.1	Don't know
4.1 (ii)	I think a bit more work would be needed to ensure this. that area is definitely a concern as we all work in a relatively small, competitive space
5.1	Yes

5.1 (ii)	
5.2	Don't know
5.2 (ii)	
6.1	Don't know
6.1 (ii)	I think that given the amount and impact of investment advice being provided then some impact is reasonable. the issue is duplication of burden if the FCA also regulate the same activities
6.2	
7.1	

Submission 280

Title	Mrs
Forename	Kathryn
Surname	Morgan
1.1	Strongly agree
1.1 (ii)	I think it is a good start, and should be used as a basis to build on. So, direct review of PC holders initially, and then more direct review of other actuarial work in the future.
1.2	Disagree
1.2(ii)	There are many actuaries without PCs, so the proposals would not cover the totality of work by some way. Also, the PC regime is for mainly UK work only, and nearly 50% of members are outside the UK.
1.3	Strongly agree
1.3 (ii)	Actuarial work is relied on by boards, regulators, investors and auditors. Policyholders rely on actuarial work, even if indirectly.
1.3 (iii)	High
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	It will to some extent, as PC holders' work will be reviewed, and thematic work will be conducted.
2.1	Strongly oppose
2.1 (ii)	I consider that all actuaries should be in scope, although recognise that starting with PC holders is sensible.
2.2	Agree
2.2 (ii)	I agree with risk based supervision, although the split of types of supervision by types of work is not appropriate. A more appropriate approach would be to assess the risks to the IFoA's objectives from different areas of work and then apply proportionate supervision.
2.3	Yes
2.3 (ii)	See above
2.4	Yes
2.4 (ii)	The QA scheme provides information and monitoring as described.
2.5	
2.6	Yes
2.6 (ii)	But for PC holders only.
2.7	Yes
2.7 (ii)	Yes, to bring a diverse perspective.
2.8	
3.1	Don't know
3.1 (ii)	

Submission 373

Title	Mr
Forename	Nikhil
Surname	Yadav
1.1	Strongly agree
1.1 (ii)	
1.2	Strongly agree
1.2(ii)	
1.3	Strongly agree
1.3 (ii)	
1.3 (iii)	
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Support
2.1 (ii)	
2.2	Agree
2.2 (ii)	
2.3	Don't know
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	None
2.6	Yes
2.6 (ii)	
2.7	Yes
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	
3.4	Agree
3.5	Yes
4.1	Yes
4.1 (ii)	
5.1	Yes
5.1 (ii)	
5.2	Don't know
5.2 (ii)	
6.1	Yes
6.1 (ii)	
6.2	
7.1	

Submission 410

Title	Mr
Forename	Gordon Mackay
Surname	Bagot
1.1	Disagree
1.1 (ii)	Too invasive and in my previous work none could have been reviewed by any other party without the express written authority by my client(s). Such permission would have been unlikely. My name had been passed on by satisfied clients to others who may have wished to engage me.
1.2	Strongly disagree
1.2(ii)	As I indicated above, I had ventured into new areas, way beyond the interests of the profession at that time.
1.3	Strongly disagree
1.3 (ii)	Individual actuaries quality of work should be exemplary. Complaints should be addressed to senior management at the firm employing them for remedial action to be taken.
1.3 (iii)	Very low
1.4	Very important
1.4 (ii)	No
1.4 (iii)	I am not convinced that another actuary or a regulator could undertake reviews properly. The regulators at present have a poor reputation, given scandals in banking, pensions and savings products.
2.1	
2.1 (ii)	No comment
2.2	
2.2 (ii)	No comment
2.3	Don't know
2.3 (ii)	
2.4	No
2.4 (ii)	What is the quality and standards followed by QAS?
2.5	No
2.6	Don't know
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	
3.1	No
3.1 (ii)	Doesn't cover my former work - FTSE index construction, analyst and expert witness work in cases of inappropriate investment management, and investment advisory work.
3.2	No
3.2 (ii)	
3.3	
3.4	Neither
3.5	Don't know

4.1	No
4.1 (ii)	Read above
5.1	Don't know
5.1 (ii)	
5.2	Don't know
5.2 (ii)	
6.1	Don't know
6.1 (ii)	
6.2	
7.1	

5.1.2 Anonymous submissions

Submission 69

1.1	Strongly agree
1.1 (ii)	
1.2	Strongly agree
1.2(ii)	
1.3	Strongly agree
1.3 (ii)	
1.3 (iii)	Very high
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Strongly support
2.1 (ii)	A higher level of trust may be placed on PC holders so they should be scrutinized more rigorously to ensure that they are not abusing this trust.
2.2	Strongly agree
2.2 (ii)	It makes sense to have different categories reflecting the degree of risk in the work being monitored under the scheme.
2.3	Yes
2.3 (ii)	
2.4	Yes
2.4 (ii)	
2.5	Actuaries working in consultancies should be under more scrutiny due to the greater conflicts of interest they face. For instance when reviewing reserves.
2.6	Yes
2.6 (ii)	
2.7	Yes
2.7 (ii)	
2.8	
3.1	Yes
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	Additional outputs from actuarial consultancies confirming their suitability to conduct the work engagements they have taken on and whether they have honestly expressed this to clients.
3.4	Strongly agree
3.5	Yes
4.1	Yes
4.1 (ii)	The IFOA already has experience of dealing with this through the QAS scheme
5.1	Yes
5.1 (ii)	
5.2	Yes
5.2 (ii)	

6.1	Yes
6.1 (ii)	
6.2	Consider setting out clear requirements regarding reviewing the work of more junior actuarial associates as this may not be happening consistently across organisations. In addition, a wide net needs to be cast also monitoring actuaries in countries beyond the UK.
7.1	

Submission 71

1.1	Agree
1.1 (ii)	
1.2	Agree
1.2(ii)	
1.3	Disagree
1.3 (ii)	
1.3 (iii)	Low
1.4	Important
1.4 (ii)	Don't know
1.4 (iii)	
2.1	Support
2.1 (ii)	
2.2	Agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	This instills the need for all team members to adhere to professional standards, and not assume the only person on the team who must comply is the lead.
2.4	Yes
2.4 (ii)	
2.5	
2.6	Yes
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	Depends on the scope of the review, amount of prep time, if other team members are permitted to attend discussions
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Agree
3.5	Yes
4.1	No
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Don't know
6.1 (ii)	
6.2	We operate in a team structure - for our internal PE meetings, we interview more than just the lead on a piece of work. I think this approach is better re including the senior alternate on the dicussions

7.1	
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Submission 95

1.1	Strongly disagree
1.1 (ii)	This sounds like overkill and also like a public declaration that actuarial work is not up to standard. Particularly bad timing given the Profession is trying to "dumb down" the actuarial qualification right now.
1.2	Strongly disagree
1.2(ii)	The proposal is too infrequent to gather any useful information.
1.3	Strongly disagree
1.3 (ii)	I am not aware of this being normal in other professions.
1.3 (iii)	N/A
1.4	Very important
1.4 (ii)	No
1.4 (iii)	As noted above, this sounds like a public declaration that the profession does not have confidence itself in actuaries.
2.1	Strongly support
2.1 (ii)	This is the only way to marshal limited resources for optimal output.
2.2	Strongly agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	
2.4	Yes
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	Too infrequent to capture reliable information.
2.7	Yes
2.7 (ii)	
2.8	
3.1	No
3.1 (ii)	
3.2	No
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	Yes
4.1	Don't know
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	Don't know
5.2 (ii)	
6.1	No
6.1 (ii)	

6.2	
7.1	

Submission 100

1.3 (ii)	Strongly disagree
1.3 (iii)	I have had a regulatory role since 1995. Over that time the number of pairs of eyes looking over my work in that role has increased from a minimum of 3 qualified actuaries on the team plus peer review to the team plus peer review plus reviewing actuary plus audit committee and Board both of which have actuaries as members. The quality of my work may have improved due to my experience but I don't think it is going to improve any further because another set of eyes looks over it. In addition the cost of such an exercise if not explicitly being passed on to my clients will inevitably be passed on implicitly as I shall be doing less chargeable work when being monitored.
1.4	Strongly agree
1.4 (ii)	Obviously this helps but seems over burdensome. In my opinion it is completely disproportionate to the benefits
1.4 (iii)	Strongly disagree
2.1	As you are monitoring work that has already been done the approach will not capture poor work so there is an element of closing the stable door after the horse has bolted.
2.1 (ii)	N/A
2.2	Very important
2.2 (ii)	No
2.3	Please see my answers above
2.3 (ii)	Strongly oppose
2.4	Please see my earlier answers.
2.4 (ii)	Strongly disagree
2.5	Please see my earlier answers.
2.6	Don't know
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	I don't think a monitoring scheme is appropriate.
3.1	Don't know
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	I don't think the objectives make sense.
3.4	No
3.5	In 3-5 days a monitoring team cannot review the whole context of a client relationship and put the work in context.
4.1	Yes
4.1 (ii)	
5.1	No
5.1 (ii)	Strongly disagree

5.2	No
5.2 (ii)	Don't know
6.1	
6.1 (ii)	No
6.2	I think it adds very little.
7.1	No
	Please see earlier answers
	No
	Please see earlier answers
	Please see earlier answers
	No

Submission 139

1.1	Strongly agree
1.1 (ii)	Yes - I think it is unavoidable that some form of assurance process is put in place to monitor the quality of actuarial work
1.2	Agree
1.2(ii)	The proposals appear to be a workable solution. I think the primary focus should be on the PC work given the significance of this work and the fact that actuaries to some degree have a protected status for this work.
1.3	Neither
1.3 (ii)	This could be a double edged sword for the professions reputation. The monitoring process will provide little protection if there are nevertheless incidences of concern to the public and the reporting of issues through the monitoring process could if not handled well lead to a negative reputational impact.
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Strongly support
2.1 (ii)	Focussing on PC holders is definitely the right approach.
2.2	Agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	On balance, yes it makes sense to widen the scope to include Cat B and C reviews. A sensitive and supportive approach will be needed particularly in areas where it is not necessary to be an actuary to do the work. It is possible that some actuaries may be concerned about an additional regulatory burden. The reviewers need to ensure that this can be seen as a positive support to enhancing work quality and of benefit to actuaries rather than a burden.
2.4	Don't know
2.4 (ii)	
2.5	No
2.6	Yes
2.6 (ii)	Broadly yes although there is a lot of judgement and range of views possible on "quality". Some more thought will be needed on the assessment categorisations that will be applied. Will these be like an internal audit assessment categorisation?
2.7	Yes
2.7 (ii)	There may be some merit in having non-actuaries in the team to help assess how communications would land with a less technical audience such as Trustees or Board members.
2.8	
3.1	Yes
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	

3.4	Agree
3.5	Yes
4.1	Don't know
4.1 (ii)	Probably - I wasn't sure whether the protections were sufficient for challenging situations where the work and data may be very market sensitive. There may be some situations where the normal work review is difficult to conduct. In most situations the controls looks appropriate.
5.1	Yes
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Yes
6.1 (ii)	Yes - although the amount of on-site time required for the reviews looked much higher than I was expecting and suggests that the impact on actuaries and employers could be very significant.
6.2	
7.1	

Submission 140

1.1	Neither
1.1 (ii)	While I would agree with the scheme if similar schemes applied to all similar professions, I feel that the very use of the scheme diminishes the relevance of the Actuaries Code.
1.2	Neither
1.2(ii)	While I agree that this would obtain the required information for category A, I wonder if those that most need review would refuse to participate under Category B.
1.3	Disagree
1.3 (ii)	I have no reason to believe that the general public expects, or would know, whether these reviews have taken place.
1.3 (iii)	
1.4	Important
1.4 (ii)	No
1.4 (iii)	As above, I agree for Category A. However category B is in effect optional. Unless the IFoA published a list of those who had agreed to this review, the public cannot be sure that the particular firm they are connected with has been subject to a monitoring view. And if such a list were published, this effectively would prevent firms from opting out, due to the potential negative publicity.
2.1	Support
2.1 (ii)	It is always good to focus the effort where the risks are greater.
2.2	Disagree
2.2 (ii)	I disagree with the Category B monitoring for the reasons outlined in response to previous questions. For similar reasons I doubt that general information gathering will be effective, unless it is compulsory.
2.3	No
2.3 (ii)	I cannot see any merit in a monitoring scheme that is not compulsory.
2.4	Yes
2.4 (ii)	To avoid duplication of effort.
2.5	I don't have any other ideas, but am concerned that these proposals go too far with little benefits to be gained from the Categories B and C monitoring.
2.6	Don't know
2.6 (ii)	I am worried that any review is subjective, which will not lead to empirical evidence.
2.7	No
2.7 (ii)	I think that it is essential that any reviewer has a complete understanding of the work that is being reviewed. I have past experience of my work being reviewed by someone who was not experienced in the work. The final report (on the team I worked in, not me in particular) contained criticisms that our leaders agreed were totally unjustified - this then cast doubt on the merits of anything else in the report. For example, we were criticised for not using a piece of information which was not available at the time of doing the calculations, although it was available at the time of the review. When this was pointed out to the reviewer, he merely commented that "that was no excuse". We were also criticised for not being able to quote certain HMRC rules, even though we had proved we knew when to apply them, and had copies we could refer to had we been at our desks - we just could not quote them verbatim in an interview with the reviewer.
2.8	

3.1	Yes
3.1 (ii)	For category A
3.2	Don't know
3.2 (ii)	I guess if there is a systemic issue then that should lead to changes in standards and/or guidance etc. I have no feel for how many reviews will be conducted each year, so don't know if there will be sufficient evidence of any systemic issues.
3.3	Based on the fact that I believe that only Category A reviews are beneficial, I think the reviews should be part of the PC application and renewal process. The evidence that work is then being monitored is the holding of the PC.
3.4	Neither
3.5	Yes
4.1	Yes
4.1 (ii)	
5.1	No
5.1 (ii)	I think this goes to far, and should be aligned with the Practising Certificates Scheme.
5.2	Don't know
5.2 (ii)	I would answer "yes" for the category A part and "no" for categories B and C - where I don't think the scheme will be effective.
6.1	No
6.1 (ii)	I think that the reviews in categories B and C will be too onerous, and as they are not compulsory they will not achieve confidence in all actuarial work.
6.2	
7.1	I am not totally convinced that Table A3.3 ties up with Table A3.1, but this may be due to my confusion about whether "With Lloyds" in A3.1 includes a Lloyds Syndicate PC in A3.3. If it does that I.B.2 and I.B.3 appear to be the wrong way round; and I.C.3 should not include the Lloyds Syndicate PC (as these would then also be in I.B.3).

Submission 142

1.1	Agree
1.1 (ii)	I agree that the proposal as it stands is reasonable, but, wrt Categories B & C worry about the additional burden and cost to employers especially in roles where a non-actuary could be used (e.g. some GI product pricing), should the mandatory element of the scheme be extended to Categories B or C.
1.2	Agree
1.2(ii)	
1.3	Neither
1.3 (ii)	There has been limited risk to date, and this proposal, although worthy, does appear to (a) answer a question that wasn't asked and (b) risk taking a hammer to crack a nut.
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	Yes, but only if handled correctly. it needs to be made clear to the public that this is a tool for gathering evidence that the existing system is working to provide quality advice, rather than a response to an issue with the quality of work, or a step needed to police the quality of work, or we run the risk of people assuming there is no smoke without fire and asking "if they are only now ensuring work is of high quality, does that mean work was low quality in the past?"
2.1	Support
2.1 (ii)	
2.2	Agree
2.2 (ii)	I am not a PC holder, but agree the proposal can only improve public confidence in these more critical and high profile roles. A risk-based approach seems proportionate.
2.3	Yes
2.3 (ii)	If a thematic review occurred covering the work I do, I would have no problem with participation (assuming my employer consented) even though much of the work I do does not need an actuary to do it. Having been through both a 3rd party review and an internal audit of the work I participate in, I know that, even before any feedback occurs, the interaction required from any such review helps bring the process into focus and provides useful insights.
2.4	Yes
2.4 (ii)	Avoiding duplication in this way reduces unnecessary regulatory burden and costs)
2.5	Not that I can think of
2.6	Don't know
2.6 (ii)	The Category A scheme would certainly be a "Yes". The cat B thematic review and cat C would depend on the implementation of the reviews. If done properly, the answer should be yes.
2.7	Yes
2.7 (ii)	Quality of work is not just about actuarial content, it is about clarity of the message, and consistency of the paper or report issued.
2.8	
3.1	Yes
3.1 (ii)	

3.2	Yes
3.2 (ii)	
3.3	It may be useful to the individuals whose work is scrutinised under a category B thematic review to receive individual feedback thematic reviews, even where the generally available outcomes are anonymised, perhaps where the feedback is to the individual not to the corporate employer.
3.4	Agree
3.5	Don't know
4.1	Don't know
4.1 (ii)	The issue of confidentiality may vary for each case. Category B companies or individuals who think confidentiality is compromised would not take part, so the onus would then be on the monitoring scheme to convince them on an individual basis. I do not fall under Category A, so do not comment on the potential for confidentiality issues there.
5.1	Yes
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Yes
6.1 (ii)	
6.2	These may have been covered, but I see the potential downsides as: 1. Risk of public misperception of the reasons for introducing this scheme. 2. Risk of a low uptake from employers or individuals wrt category B & C. 3. Risk of increased regulatory burden to PC holders under Cat A.
7.1	

Submission 143

1.1	Disagree
1.1 (ii)	1.13 states the proposals are not made in response to any identified issue. So why do them then? What is the problem we are solving here, and what is the driver? 1,13 also states there is growing public scrutiny as a justification - I disagree - I think public scrutiny is not increasing at all. Wonder what evidence stands behind that statement.
1.2	Neither
1.2(ii)	
1.3	Disagree
1.3 (ii)	Again, what is the problem we are solving. We have a strong PSkills regime, an existing disciplinary scheme, the FRC oversight. It's very unclear what the driver for this is.
1.3 (iii)	Very low
1.4	Neither
1.4 (ii)	No
1.4 (iii)	I don't think the general public understand what we do. I think other stakeholders are more important (companies, trustees, the FRC, audit committees etc.)
2.1	Oppose
2.1 (ii)	2.1 - what are the criteria for suitably qualified reviewers? Will they be PC holders, will they 'get' what they are doing. Or will they be retired actuaries, or people who can't hold down a job elsewhere.
2.2	Disagree
2.2 (ii)	I think B and particularly C look like they will be costly and of low value.
2.3	Don't know
2.3 (ii)	some of the thematic reviews you mention in 3.3 are already externally and independently reviewed - longevity assumptions for financial reporting are audited for instance. This seems unnecessary. We also have independent risk functions in firms carrying out independent reviews of non-audit work. So, again, there are large areas of work already being reviewed. And of course, APS X2 seems to cover peer review. Is there a problem with APS X2 that means it's deficient?
2.4	No
2.4 (ii)	I looked on the IFoA website to read about QAS. I found this document QAS Wallet booklet V01 - 2018.pdf 1st page - there's bullets setting out the "benefits" and then promising us "stastics". I don't see how, if we can't even pay any attention to detail in our internal documentation around QAS, it should be taken seriously. More to the point - what does QAS add beyond existing frameworks like APSs, and the TASs? We seem to be layering stuff upon stuff here!
2.5	No. I think the existing framework of TASs/APSs/PSkills/CPD/disciplinary framework/ QAS (maybe) are sufficient. Again, there's no obvious problem we are solving here. Why is this existing framework/oversight deemed insufficient.
2.6	Don't know
2.6 (ii)	Possibly. Depends on the quality of the reviewers to some degree. I'm sceptical about how we'll find suitably qualified people to do that. I also don't think it's necessary, but that's not the question you're asking I suppose here.
2.7	No
2.7 (ii)	What would non-actuaries actually do? And how would a non-actuary understand the context of what a PC is required to do? I don't see the point of this at all.

2.8	I don't see what is wrong with the existing framework(s) nor can I see where the IFoA has identified they are lacking.
3.1	Don't know
3.1 (ii)	Possibly, dependent on the quality of the review team, and whether they understand the necessary context of what they are reviewing.
3.2	Yes
3.2 (ii)	I think they would help inform the IFoA, yes. Seems a costly and intrusive way of achieving this particular objective.
3.3	No.
3.4	Neither
3.5	Yes
4.1	Don't know
4.1 (ii)	Not enough detail to be sure here. In the context of a consultancy that works with a wide range of clients, I'm not hugely inspired by giving a third party (non regulatory) access to client information.
5.1	No
5.1 (ii)	I think it would be another unnecessary layer, rather than an integrated value-add piece of the overall regulatory framework.
5.2	Don't know
5.2 (ii)	I can't answer this. I fundamentally think these proposals are poor. What I don't know is whether anyone will pay attention to dissenting voices in the consultation.
6.1	No
6.1 (ii)	See previous responses!
6.2	What is the actual problem with what we have already? I think you are tackling a problem no one appears to be asking. Q19 (6.32) is telling - are you saying the existing regulatory framework is not robust and not credible?
7.1	No.

Submission 146

1.1	Disagree
1.1 (ii)	This feels like a further governance overhead unless it replaces the need for actuarial work to be peer reviewed.
1.2	Neither
1.2(ii)	This depends on the skills and experience of the reviewers
1.3	Disagree
1.3 (ii)	I think the existing peer reviews, TAS standards, etc. are adequate controls against the risk of the actuarial profession receiving a poor reputation for quality.
1.3 (iii)	N/A
1.4	Very important
1.4 (ii)	Don't know
1.4 (iii)	
2.1	Support
2.1 (ii)	A risk-based approach sounds pragmatic if this needs to be done.
2.2	Agree
2.2 (ii)	A risk-based approach with the 3 categories described sounds reasonable if these reviews need to be done.
2.3	Don't know
2.3 (ii)	
2.4	Yes
2.4 (ii)	It is an indication that some checks are already in place.
2.5	No.
2.6	No
2.6 (ii)	Given how judgement based a lot of actuarial work is, I think a lot of the evidence of the standard of actuarial work can only really be gathered over time as events unfold and the reasonableness of judgements and assumptions, and completeness of considerations, can be assessed against actual experience.
2.7	Yes
2.7 (ii)	If the customers of the actuary's work are non-actuaries.
2.8	
3.1	Yes
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	No
3.4	Neither
3.5	Yes
4.1	Yes
4.1 (ii)	
5.1	Yes
5.1 (ii)	
5.2	No

5.2 (ii)	I think a monitoring scheme introduces regulation by the profession rather than accountable self-regulation.
6.1	Yes
6.1 (ii)	
6.2	Time involved for people subject to review.
7.1	No

Submission 151

1.1	Disagree
1.1 (ii)	I am not convinced the proposals address the quality of actuaries work. They address compliance with actuarial standards. Determining the quality of an actuarial report is a highly subjective thing and would require a lot of effort by an independent reviewer to form a valid opinion.
1.2	Disagree
1.2(ii)	Determining the quality of an actuarial report is a highly subjective thing and would require a lot of effort by an independent reviewer to form a valid opinion. This effort will take time and cost and the proposals appear to suggest that the costs associated with the proposals are relatively minor. I think the profession should look at the costs associated with the FRC's AQR process to get a better handle on likely costs.
1.3	Strongly disagree
1.3 (ii)	There will always be a risk to the reputation of the profession that the quality of actuarial work is lacking. The training, TAS, peer review and in many cases external or internal audit all provide some mitigation.
1.3 (iii)	Low
1.4	Important
1.4 (ii)	Don't know
1.4 (iii)	It could have two effects: a) confirm to the cynics that this is necessary as the quality of actuarial work is poor b) encourage others that standards of actuarial work will be improved as best practice becomes more widespread.
2.1	Oppose
2.1 (ii)	I would like to see the focus being on information gathering in the first instance. This could then lead to thematic reviews and finally more targeted reviews.
2.2	Neither
2.2 (ii)	I am happy with the three categories but I think the focus is wrong.
2.3	No
2.3 (ii)	As explained above I think fact-gathering should be the initial focus.
2.4	No
2.4 (ii)	I disagree that PC holders should be the initial focus.
2.5	Please see my response to 2.1.
2.6	No
2.6 (ii)	As it is currently described I do not think the scheme will facilitate the depth of review required to determine what good quality looks like.
2.7	Don't know
2.7 (ii)	I am not convinced it will add value. Each piece of work will be tailored for the specific audience. A non-actuary may have valid views and thoughts which may be of limited help or relevance for the specifics of the particular audience.
2.8	I would like to see the focus being on information gathering in the first instance. This may provide useful leads and areas for further investigation which could then lead to thematic reviews and finally more targeted reviews.
3.1	No

3.1 (ii)	I do not think the current proposals would facilitate the level of detailed review necessary to give meaningful individual feedback.
3.2	No
3.2 (ii)	I think that a broader starting point would help to provide the IFoA with information as to which areas (standards, guidance and educational material, Continuing Professional Development requirements etc.) may need refinement or review
3.3	Discussion and or comments on hot topics, emerging areas, areas of regulatory focus etc
3.4	Agree
3.5	No
4.1	Yes
4.1 (ii)	This seems to be a standard approach.
5.1	No
5.1 (ii)	It feels unduly onerous for PC holders.
5.2	No
5.2 (ii)	I do not think this scheme would aid the profession as a whole.
6.1	No
6.1 (ii)	The impact for PC holders feels unduly onerous and unlikely to produce the stated benefits.
6.2	There would seem to be a risk that the IFoA in setting up an independent review could actually make PC holders roles more difficult. This would be because PC holders would feel obliged to try to meet the requirements of their ordinary stakeholders and also the IFoA feedback which seems likely to be much more generic
7.1	Having attended one of the consultation sessions I feel the IFoA has tried to build a process to meet external demands rather than for its own purposes. It seems to me that the 3 categories for review may well be appropriate but the initial focus (in the absence of any burning planks) should be on information gathering so that further work and scarce resources can be targeted appropriately.

Submission 156

1.1	Agree
1.1 (ii)	This was positioned as something done in other sectors, especially audit and accountancy, but there was no evidence presented in the consultation document about how effective it is elsewhere and how it had been received by those affected (e.g. auditors and accountants). In addition, there's a lack of transparency on the cost implications (I assume I'll have the opportunity to comment on this later).
1.2	Strongly agree
1.2(ii)	
1.3	Neither
1.3 (ii)	I can see arguments both ways. I guess there's always an inherent risk with or without the monitoring, and the monitoring won't eliminate the risk. Monitoring will reduce the risk, but if the current risk is within our collective risk appetite then it may not be necessary.
1.3 (iii)	Low
1.4	Important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Strongly support
2.1 (ii)	
2.2	Agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	Yes, I think there is some merit.
2.4	Yes
2.4 (ii)	As explained in the consultation.
2.5	
2.6	Yes
2.6 (ii)	
2.7	Don't know
2.7 (ii)	Maybe. It would demonstrate to the outside world that actuaries aren't just regulating themselves. But actuaries would be better placed to do the reviews and it should be possible to convince doubters that they wouldn't have a biased agenda (any more than other regulators). Perhaps find out how the other professions approach this first.
2.8	
3.1	Yes
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	
3.4	Agree
3.5	Yes
4.1	Don't know
4.1 (ii)	
5.1	Yes

5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Don't know
6.1 (ii)	There is less than full transparency of the cost impacts (s5.6-5.7). I would like to see the costs estimated by year and the source of revenue by year. I would like to know what the IFoA will be doing less of to create the capacity for this new activity. It seems quite plausible that whilst there might be no increase in subscription fees as a result of the introduction of the scheme (as you say), there will be an increase in subsequent years as there is no FRC funding beyond the initial costs. In summary, you have not provided sufficient or meaningful financial information for me to judge (e.g. the cost side of the cost benefit analysis is missing). This is not the way to enable members to reach an informed view.
6.2	
7.1	

Submission 160

1.1	Strongly disagree
1.1 (ii)	I fundamentally do not believe that the review process proposed will be effective in ensuring required standards are met. This comment is made very much in the context of my role within General Insurance. I am unable to opinion on it's applicability in other areas.
1.2	Disagree
1.2(ii)	I believe that the nature of General Insurance work is very specific to entity, risk profile etc.. Therefore I believe that it is extremely difficult to gather information that can usefully evidence actuarial work standards. There are examples currently that Lloyd's of London (e.g. LCR Supplementary Questionnaire) and the PRA (e.g. Standardised Internal Model output) collate information from all Syndicates / Firms. This information can be very onerous to produce, and my perspective is that these exercises have produced little value. I would suggested seeking discussion with the Lloyd's and PRA Chief Actuaries on their experience of those exercises. This comment is made very much in the context of my role within General Insurance. I am unable to opinion on it's applicability in other areas.
1.3	Disagree
1.3 (ii)	I believe that there reputation of the profession is extremely important, and the risks from poor actuarial work from individuals or teams are material. However I do not believe that evidence of quality is something that will materially reduce this risk.
1.3 (iii)	High
1.4	Very important
1.4 (ii)	No
1.4 (iii)	I do not believe that evidence of quality is something that will materially reduce this risk.
2.1	Neither
2.1 (ii)	Risk-based approach - yes very sensible. Focusing this on the work of PC holders - I disagree that this is the best mechanism.
2.2	Strongly agree
2.2 (ii)	monitoring absolutely has to be risk based
2.3	
2.3 (ii)	I actually believe that the thematic reviews (Category B) is the only type of review that should be included.
2.4	Don't know
2.4 (ii)	I have little experience of QAS so can't comment
2.5	I think the Category B monitoring is absolutely necessary and is fit for purpose. Thematic reviews that produce evidence of actuarial work following a risk-based approach would be a good approach in my opinion. I do not agree that Category A and Category C monitoring is useful though. My alterative idea is to allocate all resource to Category B, and to drop Categories A and C from this proposal. I am responding with General Insurance in mind here - I had little experience or opinion on how this would apply to other areas.
2.6	No
2.6 (ii)	I answered "No", but if available I would have answers "Slightly". I believe that in reality all Categories will produce little useful evidence of actuarial work standards.
2.7	Yes
2.7 (ii)	Yes to some extent.

2.8	Remove Category A and Category C from the proposal, and focus all review resources on Category B. This is the most effective in my opinion.
3.1	No
3.1 (ii)	I am sceptical that the reviews proposed in Category A will provide any useful feedback. In order for it to be useful the review would require a large investment of time by the PC holder and the most senior and experience reviewer, to effectively be a thorough peer review / mentoring session. I cannot imagine that this will be practical.
3.2	Yes
3.2 (ii)	Category B might produce some such information. I am sceptical about Category A and Category C though.
3.3	No
3.4	Strongly disagree
3.5	No
4.1	No
4.1 (ii)	Category B and C should be fine in this respect. For Category A to be in any way effective a large amount of confidential information would inevitably have to be shared
5.1	Don't know
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	No
6.1 (ii)	Category A will be extremely burdensome, and I strongly believe that the outcome will not justify the time and resource cost. Worse still, in General Insurance the workload of PC holders is already extremely high and is strongly correlated with the level of risk to the IFoA's reputation. For example, as reserve margins held by companies reduce the Chief Actuary's workload increases, and this is exactly the time that the risk of material reserve deterioration that could have the public image of actuaries increases. Work reviews of PC Holders should vary in scope and frequency in respect of the risk levels, both in terms of the industry and the individual firm.
6.2	Regulatory burden has been considered, but I believe the conclusion is incorrect. In General Insurance most PC Holder are already under very heavy burden, including regulatory and work pressures, and this would be a meaningful additional burden that in many cases would produce little value to the IFoA, FRC or the firm. It could even be worse, by distracting from valuable work that would otherwise have been undertaken during the week of review, and the preceding week when preparation would be undertaken.
7.1	

Submission 166

1.1	Agree
1.1 (ii)	I feel that anything that upholds the high standards expected of members' work is welcome, I would just want to understand how much additional work would be required of members to participate in the monitoring scheme before selecting "Strongly Agree".
1.2	Strongly agree
1.2(ii)	
1.3	Disagree
1.3 (ii)	I don't feel that the profession has a poor reputation, I think the opposite, so I'm not convinced it is a necessary scheme. I do think it would enhance the good reputation of the profession however.
1.3 (iii)	N/A
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	Since it can be difficult to communicate the work of actuaries to a public audience, it would likely be reassuring for the public to know our work is subject to professional scrutiny.
2.1	Strongly support
2.1 (ii)	
2.2	Agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	
2.6	Don't know
2.6 (ii)	It depends entirely on what information is collected and how it is collected
2.7	Yes
2.7 (ii)	It could help the review team to strike a balance - they could ensure that the "big picture" questions have been answered, and help to avoid too much technical detail.
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	
3.4	Agree
3.5	Yes
4.1	Yes
4.1 (ii)	
5.1	Yes
5.1 (ii)	
5.2	Yes

5.2 (ii)	
6.1	Yes
6.1 (ii)	
6.2	
7.1	

Submission 171

1.1	Strongly disagree
1.1 (ii)	Misses the point that in many circumstances it is the firm rather than the individual that is (or should be) looked to in order to ensure quality.
1.2	Disagree
1.2(ii)	Proposals do not seem to represent an efficient way to capture information due to their focus on individuals.
1.3	Neither
1.3 (ii)	There is a risk to reputation but I am not convinced that this sort of information will really help as evidence of the quality. Concern over audit quality being found wanting is NOT being related to the ethics or technical skills of individuals.
1.3 (iii)	Very high
1.4	Very important
1.4 (ii)	No
1.4 (iii)	What the public will judge is the extent to which our insurers, pension funds and the like are kept on the intended sound footing rather than being subject to manipulation or failure.
2.1	Strongly support
2.1 (ii)	How can a risk based approach not be appropriate provided that 'risk' can be properly assessed.
2.2	Disagree
2.2 (ii)	There is a need to capture the work that is essential to support the activity that requires a PC
2.3	Don't know
2.3 (ii)	Not convinced how effective these additional areas will be
2.4	Yes
2.4 (ii)	Indeed the arrangements that go into a QAS are the factors that are key (or the QAS needs to be improved!)
2.5	Need to work with TPR on the effectiveness of actuarial work and reports.
2.6	No
2.6 (ii)	Seems to be the wrong goal anyway - the aim should be for all actuarial work to be of an acceptable standard
2.7	Yes
2.7 (ii)	Needed to widen the diversity of reviews
2.8	Shift the focus of standards onto firms where appropriate. Need to ensure that competition is not on the basis of most favorable outcome.
3.1	No
3.1 (ii)	Wrong angle being played - it is for the firm (or individual) to meet the required standard
3.2	No
3.2 (ii)	Wrong focus - this is an enforcement mechanism
3.3	Have the backbone to apply it as an enforcement mechanism
3.4	Neither
3.5	Don't know
4.1	Don't know
4.1 (ii)	
5.1	Yes

5.1 (ii)	
5.2	No
5.2 (ii)	The profession needs to recognise what its job is seen as and adapt to how the outside world believes accountability should work.
6.1	Don't know
6.1 (ii)	
6.2	Difficult to explain why such enforcement mechanisms (as it should be) have not been present before
7.1	Give fundamental consideration as to what ensures quality of actuarial work to the end user. This needs to include individuals vs firms and quite what technical standards need to cover. Surely technical standards have to cover getting the right answer as to the reserves required rather than the process and communication.

Submission 196

1.1	Strongly disagree
1.1 (ii)	Actuarial work is already subject to a robust monitoring framework. The TAS/APSs require that all actuarial work is appropriately peer reviewed before it issued. Almost all work I do is then reviewed by the PRA and they have the option to instigate a Section 166 thematic review should they so desire. The proposals set out in this consultation represent an unnecessary further imposition on actuaries' workload and I cannot see what benefit they will add.
1.2	Disagree
1.2(ii)	I am ambivalent about the Category A monitoring; this is one area where actuarial work is regulated and ensuring an appropriate quality of work here is not unreasonable. I see no circumstance where Category B or C reviews will add anything to the overall quality of actuarial work. This is because there is no obvious way to link this to the standards actually deployed on a day-to-day basis, beyond sanctions to individuals. Rather, this is simply an exercise for the IFoA to demonstrate further risk aversion in its role in overseeing the profession.
1.3	Strongly disagree
1.3 (ii)	It is impossible to provide comprehensive and compelling evidence that actuarial work is carried out to any given standard. This is a) entirely subjective and b) wholly dependent on the specific actuaries observed. Time-consuming activity to provide further evidence will not reduce any risk. I would also note that actuarial work is not solely carried out by actuaries. As a head of department for capital modelling at a global insurer, none of my direct reports in the last 2 years have been qualified actuaries; this has not stopped them from undertaking actuarial work and to a standard that meets significant PRA scrutiny.
1.3 (iii)	Low
1.4	Important
1.4 (ii)	No
1.4 (iii)	I do not see how the general public would know or care about the quality of actuarial work. The average person barely knows what an actuary is or does let alone have a view on the checks and balances applied to the profession.
2.1	Neither
2.1 (ii)	
2.2	Strongly disagree
2.2 (ii)	See previous answers
2.3	No
2.3 (ii)	I see no objective benefit that this will add to the profession, other than reducing the risk to the IFoA.
2.4	No
2.4 (ii))
2.5	
2.6	No
2.6 (ii)	Unless you look over the shoulder of every actuary at every second of their time at work, I see no way that this can deliver any objective evidence. Any attempt to gather evidence will add to the workload of individual actuaries who are already typically working long hours.
2.7	Don't know

2.7 (ii)	I see no merit in the proposals.
2.8	
3.1	No
3.1 (ii)	At best, the Category B reviews might highlight some areas where the individual actuaries reviewed have missed some areas of consideration. However, most of it will come down to the personal view of the reviewer, versus that of the actuaries being reviewed. Given work is already peer reviewed and audited and, for SII, independently validated and often then reviewed again by the PRA, I see no value.
3.2	Yes
3.2 (ii)	This is the only value that might be gained from this - it is purely to protect the IFoA as an organisation.
3.3	
3.4	Disagree
3.5	No
4.1	No
4.1 (ii)	The reviewers will need to be consultants or retired actuaries. There is no way that these can be employees of (re)insurance companies, even with the best will in the world.
5.1	No
5.1 (ii)	
5.2	No
5.2 (ii)	I disagree with these proposals
6.1	No
6.1 (ii)	These will have significant impact and not deliver the benefits the IFoA believes that they will. They are therefore fully disproportionate.
6.2	
7.1	I am strongly unsupportive of this proposal.

Submission 200

1.1	Strongly disagree
1.1 (ii)	
1.2	Disagree
1.2(ii)	
1.3	Neither
1.3 (ii)	I agree that actuaries need to be known for quality work. However, there are already various ways in which the profession is ensuring this.
1.3 (iii)	N/A
1.4	Important
1.4 (ii)	No
1.4 (iii)	It would serve as a burden on the actuarial profession, making actuaries even more expensive to employers (in terms of cost of governance).
2.1	Oppose
2.1 (ii)	There should already be an assessment of the PC holders' ability to provide the appropriate service on application / renewal of the PC. Rather strengthen that application if needed.
2.2	Strongly disagree
2.2 (ii)	
2.3	No
2.3 (ii)	If the IFoA is looking to gather more information, there are many other ways to do so without it being an additional regulatory-type burden on it's members. E.g. make it an annual survey that gives CPD credit.
2.4	Don't know
2.4 (ii)	
2.5	
2.6	Yes
2.6 (ii)	It would achieve that objective. Whether it is the most appropriate way, and whether it should be on an ongoing basis, is more the issue for me.
2.7	No
2.7 (ii)	Not if this is about the quality of ACTUARIAL work.
2.8	
3.1	No
3.1 (ii)	
3.2	No
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	Yes
4.1	No
4.1 (ii)	I feel it is a potential source of risk to the profession to involve outside actuaries (employed by the profession it seems) in situations that are confidential in nature to employers of actuaries.
5.1	Don't know
5.1 (ii)	

5.2	Yes
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	Risk of making the profession less attractive, not more, to employers. New emerging professions like Data Scientists are not regulated and are a risk to the actuarial profession already. Adding more regulation to actuaries makes comparatively less attractive.
7.1	

Submission 206

1.1	Agree
1.1 (ii)	
1.2	Neither
1.2(ii)	
1.3	Agree
1.3 (ii)	
1.3 (iii)	
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Support
2.1 (ii)	
2.2	Neither
2.2 (ii)	
2.3	Don't know
2.3 (ii)	
2.4	No
2.4 (ii)	
2.5	
2.6	Yes
2.6 (ii)	
2.7	Don't know
2.7 (ii)	
2.8	
3.1	No
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	
3.4	Agree
3.5	No
4.1	No
4.1 (ii)	
5.1	Yes
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Yes
6.1 (ii)	
6.2	
7.1	

Submission 215

1.1	Neither
1.1 (ii)	It is reasonable for the IFoA to ensure that the quality of actuarial work is monitored, but I am not convinced that the current proposals are clear enough about how this will be done beyond work within the scope of PCs that are typically subject to extensive independent scrutiny already.
1.2	Agree
1.2(ii)	Proposals would provide strong evidence on the quality of work within the scope of PC holders, but it is not clear this is necessary in the context of existing independent scrutiny of these matters. Evidence on other forms of work would be only ever be partial and give limited assurance.
1.3	Agree
1.3 (ii)	I agree that it is a sensible approach for the IFoA to ensure that the quality of actuarial work is tested.
1.3 (iii)	High
1.4	Very important
1.4 (ii)	No
1.4 (iii)	I am not clear that the public will understand how these proposals improve the monitoring of actuarial work over and above the type of independent scrutiny already in place for the majority of work within the scope of PCs. In wider society, "Self-regulation" is becoming ever less popular.
2.1	Strongly support
2.1 (ii)	It is clear that the greatest risks to the public relate to work which is within the scope of PCs
2.2	Agree
2.2 (ii)	I agree with the principles of the approach, but I am not clear on the value of the review work outlined in categories B and C.
2.3	Don't know
2.3 (ii)	I am not clear enough how the category B / C reviews will work in practice to increase confidence in actuarial work.
2.4	Yes
2.4 (ii)	Yes provided it can be demonstrated the QAS process is relevant to the work being reviewed.
2.5	
2.6	Yes
2.6 (ii)	Yes in relation to Category A. Unclear in relation to Category B and C.
2.7	Yes
2.7 (ii)	Yes provided they were supported by actuaries, and that their focus was on matters - such as effective communication - where the non-actuarial perspective is important.
2.8	
3.1	Yes
3.1 (ii)	Yes but only in respect of category A review.
3.2	Don't know
3.2 (ii)	I'm unclear at this stage how effective the feedback mechanism will be.
3.3	
3.4	Agree
3.5	No

4.1	Yes
4.1 (ii)	There is a risk here that the proposals lead to significant complexity for individuals / firms in redacting sensitive information in advance of sharing with the review team.
5.1	Don't know
5.1 (ii)	There remains potential for duplication, but this would depend how the scheme was operated in practice.
5.2	Yes
5.2 (ii)	
6.1	No
6.1 (ii)	Overall, I'm not convinced that the proposals will provide benefits to public assurance over the work of actuaries that are commensurate with the likely effort involved.
6.2	While they have been considered in section 5.4, it is not obvious that a full consideration of the likely cost of the proposals (for the IFoA, for members and for employers) has been undertaken.
7.1	

Submission 218

1.1	Agree
1.1 (ii)	
1.2	Agree
1.2(ii)	
1.3	Agree
1.3 (ii)	
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Support
2.1 (ii)	
2.2	Agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	
2.6	Yes
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	
3.1	Yes
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	
3.4	Agree
3.5	No
4.1	Yes
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Don't know
6.1 (ii)	It is impossible to assess this without knowing more about the likely cost. Whilst it is clearly helpful that the cost of this initiative is going to initially be covered from external sources, this is clearly not a sustainable solution and this arrangement should not be used to avoid properly assessing cost/benefit. I believe strongly that the IFoA should be publishing estimates of the likely cost of the scheme, both initially and an ongoing basis. In particular

	these costs should be expressed as a "per member" amount so that members can get a feel for how much fees are likely to increase in the longer term once the subsidisation of the scheme by an external party ends.
6.2	No estimate of cost, as per response to point 6.1
7.1	

Submission 232

1.1	Strongly disagree
1.1 (ii)	As stated in the consultation, there is no evidence of a need to improve the quality of actuarial work, so this is a wholly unnecessary expense and bureaucratic burden. In traditional actuarial areas, like mine, we will cope, but the IFoA needs to be thinking how to advance actuarial needs in areas where there is no statutory monopoly. This in the wrong direction of travel.
1.2	Disagree
1.2(ii)	Under QAS, the IFoA already knows that my firm's, and so mine, policies and procedures are fine. Through this review you will see that we have high quality standard reports. What you won't assess is how I present my advice; how I stand-up when put under pressure from a client. You might see what discount rates my schemes use, or the commutation factors. But this is an extremely inefficient method to gather data on clearly defined and measurable data, if this are the sort of things that are a concern.
1.3	Strongly disagree
1.3 (ii)	Misleading question. There is already plenty of evidence. I don't see that another layer of actuaries measuring actuaries will improve a non-actuary's confidence in any way whatsoever. If the aim is reduce diversity of thought and align all pieces of work to a standard, this will help, but clearly wildly inefficient.
1.3 (iii)	N/A
1.4	Important
1.4 (ii)	No
1.4 (iii)	As above.
2.1	Oppose
2.1 (ii)	Define the risk first.
2.2	Disagree
2.2 (ii)	i disagree with the whole thing, so i clearly disagree with the detail too.
2.3	No
2.3 (ii)	
2.4	Yes
2.4 (ii)	There is no need for this and QAS. So make QAS firms entirely exempt. Tweak QAS if needed, and make compulsory if required (not yet proved as necessary of course).
2.5	No.
2.6	No
2.6 (ii)	Take pensions. The public interest is schemes losing their sponsor without sufficient solvency, or members transferring inappropriately. No matter how good the actuarial advice, there are clear regulatory and third party barriers to removing these risks. So the public interest cannot be satisfied by this regime. There may be merit in improving the protection of actuaries in the event of these types of occurrences, but this has not been stated as a reason in the consultation.
2.7	No
2.7 (ii)	because i don't think there should be a review team.
2.8	Improve the QAS scheme if you must.
3.1	
3.1 (ii)	
3.2	

3.2 (ii)	
3.3	
3.4	
3.5	
4.1	No
4.1 (ii)	the process clearly involves disclosing confidential and personal information to thirs parties. So clearly not. in the slightest.
5.1	
5.1 (ii)	
5.2	
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	
7.1	

Submission 248

1.1	Strongly disagree
1.1 (ii)	I agree with the broad principles as set out in the consultation. I strongly disagree with the proposed implementation and I suggest that the proposal does not in fact address the issues or tally with the proposals. In particular the disproportionate impact on PC holders will not in fact raise standards as intended.
1.2	Strongly disagree
1.2(ii)	The proposal for individual review of actuarial work over an extended period of time will not be sufficient to inform the IFoA about the quality of actuarial work. The proposed targeted review into specific areas is long-overdue and will enable advice to be issued and best practice to be communicated, raising standards widely. Since the effective demise of GNs there has been a gap, and there are new issues which the IFoA could help to fill. For example how Life Chief Actuaries should discharge their responsibilities relating to oversight of reinsurance. However the focus on individual PC holders will be a waste of resources and a tragic missed opportunity to take a genuine risk-based approach and raise levels across the profession. As a Life Actuary operating as Chief Actuary in an insurer, my role is primarily one of review. In addition there is oversight from regulators, from internal and external audit, from audit committees, from the Board, from peers and from external consultants. In addition the regulator is required to assess my fitness for the role and provides oversight on the key outputs. Any risk-based assessment would be unlikely to conclude that Life PC holders are where the risks to the profession lie, even taking into account the importance of the role.
1.3	Agree
1.3 (ii)	I agree that the profession should be gathering evidence on the quality of the work carried out. However, the profession should not be overly concerned with the actions or mis-steps of individuals, rather with systemic issues affecting all individuals. For example, failures to deal with conflicts of interest generally, or communication standards. The profession should not aim for a zero-failure outcome, but to avoid widespread issues in terms of non-professional behaviours.
1.3 (iii)	Low
1.4	Important
1.4 (ii)	No
1.4 (iii)	While it is important for the public to have confidence in the quality of the work of actuaries, it is even more important to recognise that the users of actuarial work are more often than not other professionals. I believe that the focus on PC holders is likely to lead to very few issues being identified, possibly leading to the accusation that the profession only looked where it expected to find no issues, i.e. the most controlled and rigorously monitored area anyway, and didn't look more widely where there could be material problems. I believe this could be a huge knock to the reputation of the profession.
2.1	Strongly oppose
2.1 (ii)	I do support a risk-based approach. I disagree that this would lead to a focus on PC holders. PC holders are already given the most oversight. As a Life Chief Actuary my role requires prior regulator approval, as well as a robust selection process by my employer, and the need to obtain a practising certificate. Once in role, there is oversight from internal and external audit, from audit committee and Board, from external consultants, from external commentators, and continued scrutiny from the regulator. In my view the gap here is the weakness of the PC re-approval process and PC approval process, which does not even

	<p>require an interview. Instead of requiring an intensive (and likely pointless) review every few years, the Profession should provide more direct input into PC holders. There should also be more advice and support given to PC holders - for example, guidance on how to give advice relating to adequacy of technical provisions would be useful. Nothing in the consultation justifies the selection of PC holders, and Life PC holders in particular, in the context of a risk-based approach, other than the very fact that they are PC holders. I would argue that all practising actuaries holding approved roles - CFOs, CEOs, CROs, Chief Actuaries, WPAs, audit committee members - should have the same level of scrutiny, for the same reasons - singling out those with a PC requirement (ie those who MUST be an actuary) - and leaving out those who don't (e.g. CFO who doesn't need to be an actuary) - is not a sensible risk-based approach. I would also suggest there are many other actuaries with much more scope to bring the profession into disrepute through poor quality work, including senior actuaries at consultants, and senior actuaries at the UK regulators. Finally, the standards by which PC holders would be reviewed against are now so generic and principles-based that it would be 1) difficult to actually fail when assessed against them and 2) highly subjective as to what was right or wrong in any particular case.</p>
2.2	Strongly disagree
2.2 (ii)	<p>Everything that is set out as a desired outcome can be achieved by the thematic reviews and the general information gathering, plus some enhancements to the PC regime. If there are concerns identified with how PC holders work, a thematic review would be much more effective than an individual review every five years or so. A focused piece of work resulting in some observations, best practice or guidance would raise standards instantly, and firms would then be able to police this e.g. asking does this piece of work comply with the GN or Statement of Best Practice issued by your profession. This would be much more timely than the slow and expensive approach of reviewing a piece of work from each PC holder. The PC process itself should be reviewed. As a PC holder I find it to be weak, and would welcome more scrutiny by the IFoA. On the other hand, I would also welcome more advice, support, and the establishment of more formal and informal working groups or networks supporting the work we do.</p>
2.3	Yes
2.3 (ii)	<p>I strongly oppose the focus on PC holders under Cat A of the scheme. I strongly support the thematic reviews and the enhanced information gathering, on the assumption that the profession has the resources to do something with this.</p>
2.4	No
2.4 (ii)	<p>No. If the rationale is checking the individual, then if the employer is QAS accredited or not is irrelevant. If you believe that the QAS scheme is relevant in reducing the frequency of reviews, then you should also consider why PC holders are included at all, given the enormous scrutiny that a Life Chief Actuary's or WPA's work undergoes (peer review, internal and external audit, audit committee, board, with-profit governance e.g. WP Committee, and regulators). Given all of that, QAS seems irrelevant.</p>
2.5	<p>The focus should be on areas of practice, delivered through the information gathering and thematic review parts of the proposals. If the IFoA believes that individuals should also be targeted, then there are clear gaps by only looking at actuaries working in reserved roles. CFOs, CROs, CEOs, heads of underwriting and pricing, audit committee members, risk committee members, INEDs, regulators setting policy, senior consultants providing thought leadership, actuaries at GAD etc etc all have huge amounts of influence. The focus on PC</p>

	holders misses a swathe of senior actuaries and manages to select only those already subject to the most scrutiny.
2.6	No
2.6 (ii)	The focus on PC holders will deliver no information of value and the thematic reviews seem under-resourced.
2.7	Yes
2.7 (ii)	Potentially, subject to the scope of their review and how they are trained.
2.8	Given that much of the work of Life PC holders is subject to some form of review, this could be used to support the IFoA, e.g. using external auditors to opine on the work of the Chief Actuary or WPA. This would be much more cost effective as the team delivering the review would already understand the firm, the required non-disclosures would be in place, there would already be a level of trust from the company and I actually think there would be more inclination to listen to the output rather than dismiss it as the work of some busy-bodies from the profession who don't actually understand the company. I think the focus should however be on the thematic reviews, which should be quick, and deliver useful output in terms of guidance and support.
3.1	No
3.1 (ii)	Without hugely intrusive review processes, the feedback will not be useful.
3.2	Yes
3.2 (ii)	I strongly believe the thematic reviews will be highly informative in supporting the regulatory work of the IFoA and responding to emerging issues or new practice areas.
3.3	Guidance notes, supporting information, statements of best practice etc.
3.4	Disagree
3.5	No
4.1	No
4.1 (ii)	I think it would be difficult to gain the level of trust needed when a random IFoA-endorsed reviewer turns up every 5 years for a highly-intrusive review, which requires the input from many people in a firm and access to highly sensitive information.
5.1	Yes
5.1 (ii)	QAS is still seen as a bit pointless for insurers.
5.2	No
5.2 (ii)	The focus on PC holders misses the point and will only look like turning the spotlight on the area of least risk rather than most risk. This could backfire if there are other areas which are exposed. I think the focus should be on wide-ranging thematic reviews, which could of course then include the work of PC holders but would at least be justified in its own right and have some focus and a set objective.
6.1	No
6.1 (ii)	The impact on PC holders, their firms and their peers is not justified, not proportionate, and not necessary.
6.2	Impacts on non-actuaries working for firms to support the PC holder. Impact on firms working timetables - it is hard to justify to a firm that the CA will lose 5 working days supporting a review, that is expensive and will pressure the CA and will not endear the profession to employers. More frequent, less intrusive reviews e.g. linked to PC approval and renewal would be much more proportionate.
7.1	The PC regime is relatively weak. There are better ways to strengthen it than this proposal which swings the pendulum far too far the other way. The approval process should include

	a review with a senior actuary, and the renewal process could be more than just 1) have you done your CPD? and 2) have you paid your fee?
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Submission 257

1.1	Strongly disagree
1.1 (ii)	
1.2	Strongly disagree
1.2(ii)	
1.3	Neither
1.3 (ii)	
1.3 (iii)	N/A
1.4	Neither
1.4 (ii)	No
1.4 (iii)	
2.1	Neither
2.1 (ii)	
2.2	Strongly disagree
2.2 (ii)	
2.3	No
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	
3.1	No
3.1 (ii)	
3.2	No
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	No
4.1	No
4.1 (ii)	
5.1	No
5.1 (ii)	
5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	

7.1	
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Submission 274

1.1	Strongly disagree
1.1 (ii)	I think that the proposals are an unnecessary additional layer of governance. For any large well run insurance company any material piece of actuarial advice goes through many layers of internal governance and scrutiny by regulators (e.g FCA, PRA) before being acted upon. What is the proposed monitoring scheme usefully going to add to this?
1.2	Neither
1.2(ii)	
1.3	Strongly disagree
1.3 (ii)	Already actuarial work in many fields is well regulated and scrutinised and so there is no need for the profession to carry out further monitoring.
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	No
1.4 (iii)	Whilst the public should be able to rely on the quality of actuarial advice, we have to recognise that we are not a profession well known by the man in the street - and so few of them are interested in us as a profession. They just want to know that their insurance policies will be paid out as expected etc.
2.1	Oppose
2.1 (ii)	
2.2	Neither
2.2 (ii)	
2.3	Don't know
2.3 (ii)	
2.4	No
2.4 (ii)	I don't understand the point of the QAS. What is it achieving?
2.5	No - I think that there is sufficient oversight of insurance companies in the UK by the regulators.
2.6	Don't know
2.6 (ii)	
2.7	Yes
2.7 (ii)	
2.8	I am not clear what the IFoAs objectives are.
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	No
4.1	Don't know
4.1 (ii)	

5.1	No
5.1 (ii)	Taking into account existing structures such as the Practising Certificates Scheme, monitoring activities of statutory regulators, I don't see the need for the proposed monitoring scheme.
5.2	No
5.2 (ii)	Have these proposals been designed by members who have recent relevant experiences of working in actuarial roles in the UK? If they have been, I would have expected more practical measured proposals.
6.1	Don't know
6.1 (ii)	
6.2	I think that working with independent reviewers and sharing appropriate pieces of work with them, would take up a lot more time than the authors of these proposals anticipate.
7.1	In summary I think that the IFoA should drop these proposals as they will add an unnecessary layer of review, and do not appear to be meeting any real needs.

Submission 276

1.1	Disagree
1.1 (ii)	Monitoring of actuaries already takes place through many avenues. We have one of the toughest paths to qualification of any profession, we need to complete CPD, many of our roles have prescribed functions with more onerous requirements, our output is usually reviewed at Board and committee levels of organisations, it is peer reviewed, reviewed by colleagues and managers, reviewed by various of Lloyd's, PRA, and other regulatory & pseudo regulatory boards and we have whistleblowing procedures. There is also spurious description of what the benefit is. I have not heard a clear definition of "the public interest" against which these proposals should be measured. It is admitted that no question has been raised over the quality of actuarial work. This leads us back to the question of a solution requiring a problem. We are already seen as costly and uncompetitive in the face of data scientists, cat modellers etc and we are going to make ourselves even more uncompetitive against this backdrop
1.2	Disagree
1.2(ii)	I think the most likely outcome is that work is investigated and no issues are uncovered. If actuaries are doing things well 99% of the time, then it will take a lot of reviews to find one area to challenge. It potentially then takes multiples of this to find systematic issues.
1.3	Disagree
1.3 (ii)	Because of all the oversight conducted on the outcome of our work. In my experience, in challenging and being challenged on actuarial work, any issues come to light through the assessment of outputs. Actuaries are then challenged to justify these which often leads to discovery of errors which are then rectified.
1.3 (iii)	
1.4	Neither
1.4 (ii)	No
1.4 (iii)	I think it may be important in a Life and Pensions context, but I work in GI. My perspective here is that it is in the public interest to access products at the best price possible against secure insurance companies. The market can take care of the pricing aspect and the regulators take care of the solvency aspects, as Solvency II has clearly done. This is unaffected by monitoring of actuarial quality.
2.1	Neither
2.1 (ii)	As a non PC holder, I do not see it as my role to comment.
2.2	Disagree
2.2 (ii)	Comments given in answers above
2.3	No
2.3 (ii)	Comments given in answers above
2.4	Don't know
2.4 (ii)	
2.5	
2.6	Don't know
2.6 (ii)	
2.7	Don't know
2.7 (ii)	

2.8	A better use of the time at GIRO e.g. rather than presentations given to audiences which are of little value. Some manner of coming together as industry groupings to discuss common issues in smaller chambers would make the event more pertinent. A mid way house between working parties and break out sessions.
3.1	Don't know
3.1 (ii)	Possibly. Would have to be to make it valid.
3.2	Don't know
3.2 (ii)	Possibly
3.3	
3.4	Neither
3.5	Don't know
4.1	No
4.1 (ii)	There is inevitably increased risk. This cannot all be redacted away.
5.1	No
5.1 (ii)	It will be another cumbersome invasion of actuaries' valuable time.
5.2	No
5.2 (ii)	It was illustrative during the meeting video that the hand of the FRC forcing this issue in the background is evident. Council needs to push back the FRC on this issue given the already high levels of oversight conducted. We might be well advised to turn FRC's head towards other, unregulated areas of the industry that threaten us (the big data scientists etc).
6.1	Don't know
6.1 (ii)	
6.2	
7.1	Maybe the frame is wrong. If we wish to improve our actuaries' quality, perhaps we should start with some sort of voluntary scheme. The QAS appears to look to guarantee a certain standard. Could this be developed to help companies bring their departments and FIA's up to such standards, or does that just lead us full back to the guarantee of standard that the Fellowship qualification provides?

Submission 278

1.1	Disagree
1.1 (ii)	While supportive of the aims I am struggling to see how it can be implemented practically. Firms will strongly resist the sharing the commercial sensitive material. If reviewers were kept within a firm then the independence is then lost.
1.2	Agree
1.2(ii)	
1.3	Disagree
1.3 (ii)	While current practice should not limit innovation, other professions manage reputation risk without a similar proposal.
1.3 (iii)	N/A
1.4	Important
1.4 (ii)	No
1.4 (iii)	The findings of an "independent review", by their nature, will be limited and nuanced. Looking at some of the recent highlighting of the limitations of the established audit process. The actuarial "review" would be much more lighter / less disciplined and therefore could well introduce more problems than it solves.
2.1	Support
2.1 (ii)	
2.2	Disagree
2.2 (ii)	
2.3	Yes
2.3 (ii)	Voluntary thematic reviews, potentially on a confidential basis, may well be very useful and provide guidance.
2.4	Yes
2.4 (ii)	
2.5	I am aware of people doing "actuarial like" work who have given up their membership to not be within the remit of the profession and make it easier for them to compete with other finance professionals accountants / investment bankers etc. The risk is that this move narrows the pool of actuaries to just those doing "reserved" work which I believe would be to the detriment of the profession.
2.6	Yes
2.6 (ii)	If it could be implemented practicably, then yes evidence could be gathered.
2.7	Yes
2.7 (ii)	
2.8	
3.1	No
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Neither
3.5	No
4.1	No

4.1 (ii)	You would need the explicit support of the main large firms that employ actuaries before these proposals can be implemented as it is not just about the individual actuaries. Some firms already do not pay for their staff actuarial membership (KPMG) this may well accelerate this practice.
5.1	Don't know
5.1 (ii)	
5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	See earlier responses
7.1	

Submission 279

1.1	Agree
1.1 (ii)	
1.2	Agree
1.2(ii)	I think that the proposals should go further. There are still too many actuaries in senior positions who not immersed in their duties and spend a significant amount of their time doing other work.
1.3	Agree
1.3 (ii)	
1.3 (iii)	High
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Strongly support
2.1 (ii)	PC holders should have to demonstrate that a significant amount of their time is taken up doing Scheme Actuary work. IFoA should also make it clear that PC holders should not be under commercial pressure from their employers to 'sell' other services
2.2	Agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	
2.4	Yes
2.4 (ii)	The QAS needs to enhance its model and start undertaking site visits more regularly.
2.5	Employers should have to disclose how many scheme actuary appointments each employee has - how many hours a week they do as a scheme actuary and what commercial pressures they are under.
2.6	Yes
2.6 (ii)	
2.7	Yes
2.7 (ii)	
2.8	
3.1	Yes
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	
3.4	Agree
3.5	Yes
4.1	Yes
4.1 (ii)	
5.1	Yes
5.1 (ii)	
5.2	Yes
5.2 (ii)	A part of me thinks that we should also be directly monitored by the FRC.

6.1	Don't know
6.1 (ii)	I believe there will be significant extra costs for all involved and ultimately these will be passed on to employers.
6.2	I believe there will be significant extra costs for all involved and ultimately these will be passed on to employers.
7.1	

Submission 320

1.1	Disagree
1.1 (ii)	While supporting the monitoring of Category A type cases the extension to B and C is overkill given the existence of the Actuaries Code and internal monitoring of work from organisations
1.2	Disagree
1.2(ii)	I am unclear as to how gathering all this additional information really makes a difference in terms of being able to demonstrate the quality of actuarial work. It will be such a small proportion of the work that is undertaken that it is just data for the sake of data.
1.3	Disagree
1.3 (ii)	There is already evidence and the existence of our CPD and Actuaries Code must be the primary source of demonstrating the quality of the profession and the work undertaken
1.3 (iii)	
1.4	Very important
1.4 (ii)	No
1.4 (iii)	See above
2.1	Support
2.1 (ii)	These are statutory obligations and so need to have the most public confidence
2.2	Disagree
2.2 (ii)	The thematic review seems to me just an additional burden on practitioners and the general information is just data gathering that must be available from other sources already
2.3	No
2.3 (ii)	See above. Just focus on Category A
2.4	Yes
2.4 (ii)	Otherwise what is the point of having the QAS
2.5	I think the amount of time and cost to both the profession and in particular firms and practitioners is vastly understated in the proposals. Gathering data and meetings alone always take much longer than anticipated and then there is the reporting too. Yet again the profession seems to be making the reality of small firms or individual advisors a thing of the past and that to me would be a significant loss to the profession
2.6	No
2.6 (ii)	As it is risk based so what about all the other work being carried out that is not subject to scrutiny. With more than 50% of the profession now outside the UK I cannot see how gathering the limited information suggested will confirm the overall quality of actuarial work. Yet as stated for those brought in to the reviews the time commitment will be very large
2.7	No
2.7 (ii)	
2.8	Just focus on those with PCs
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Neither

3.5	Don't know
4.1	No
4.1 (ii)	Nothing is 100% and the proposals go into areas of extreme confidentiality and potentially commercial sensitivity
5.1	Don't know
5.1 (ii)	
5.2	No
5.2 (ii)	Overkill
6.1	No
6.1 (ii)	As stated I think the amount of extra work this will generate will be huge and not be justified by the level of output in terms of building trust in the profession
6.2	The implications on non-UK based actuaries and those in small or individual roles. I ask myself how this supports the stated objectives of getting actuaries involved in wider fields and feel it acts as an impediment rather than a support
7.1	These proposals further undermine the 'professionalism' we seek to instill in our members through having a principles based Code of Practice, CPD and good disciplinary procedures for those who do not act in accordance with what we want as a profession. Regulators are presently trying to force all professions into a form filling role so that they can demonstrate that when something goes wrong it was not their fault. We need to keep resisting this as in reality it does not provide additional security for member and client protection. With more than 50% of the profession now being outside the UK and with a move into wider fields we need to maintain our focus on a principles based approach and the proposed approach is undermining this.

Submission 325

1.1	Disagree
1.1 (ii)	With the current typical process of peer review and time constraints on practicing actuary I believe the monitoring process will become an arduous tick box exercise that individuals will be artificially preparing for and create additional stress on an increasingly stressed profession
1.2	Agree
1.2(ii)	The process largely seems to be an evidence collecting process and so would allow this data to be gathered (although one could argue not in the most efficient manner)
1.3	Disagree
1.3 (ii)	I believe the quality of the work itself poses a risk and that it is self evident in the results and satisfaction that clients have with actuarial work. Evidencing quality may actually work to undermine the status quo assumption that the work is of quality to begin with.
1.3 (iii)	N/A
1.4	Very important
1.4 (ii)	No
1.4 (iii)	I actually think a push to convince people we do a quality job will undermine the message that we do a quality job always
2.1	Neither
2.1 (ii)	As a non PC holder the risks they pose as apposed to a normal actuary are not entirely clear to me so I cannot comment
2.2	Agree
2.2 (ii)	Focusing the level of work based on the level of risk is an appropriate and reasonable methodology to applying the regulation
2.3	Don't know
2.3 (ii)	Again can't comment but would allow a wider net
2.4	Don't know
2.4 (ii)	Not familiar with qas requirements
2.5	I believe peer monitoring reports when a standard peer review is completed or even requests to be monitored for improvement where a firm feels it may have identified weaknesses would be effective in improving quality (instead of evidencing it)
2.6	Don't know
2.6 (ii)	It would depend on the reviews
2.7	Yes
2.7 (ii)	Objective external view
2.8	Many companies will have auditors or self review platforms in place. Asking for these reports or comments would help reduce the workload on the ifoa
3.1	Don't know
3.1 (ii)	It depends
3.2	Yes
3.2 (ii)	Likely more realistic and holistic view of actuarial work
3.3	No
3.4	Agree
3.5	No

4.1	No
4.1 (ii)	I suspect that given the small nature of the profession it would be fairly easy to identify details. A completely anonymous report may not be useful however this would maintain confidentiality
5.1	No
5.1 (ii)	An additional onerous step for the already monitored areas
5.2	Yes
5.2 (ii)	
6.1	Don't know
6.1 (ii)	Depends on the time and work requirements
6.2	
7.1	

Submission 344

1.1	Neither
1.1 (ii)	I think we need to show accountability and standards but in the context of a company there is already a lot of monitoring. Adding to this makes Actuaries less of an attractive recruitment proposition than say data scientists.
1.2	Agree
1.2(ii)	Would directly enable data collection and to the same standard. It could rely on internal company measures though.
1.3	Disagree
1.3 (ii)	We've existed without it... But in all seriousness, we sign up to be professional and hold ourselves to the standard. Having evidence doesn't change that.
1.3 (iii)	N/A
1.4	Important
1.4 (ii)	No
1.4 (iii)	It's a dip in the ocean. The real part is about the training and expected professionalism. The current framework allows for this without additional red tape and pricing Actuaries out of the market
2.1	Neither
2.1 (ii)	I don't really support the idea of monitoring
2.2	Agree
2.2 (ii)	If the framework goes in this is a reasonable split
2.3	No
2.3 (ii)	
2.4	Yes
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	
2.7	Yes
2.7 (ii)	If doing it, yes of course. You need a balance of opinions and one that is not institutionalised.
2.8	Additional brief submission alongside cpd with statements from managers over quality of work delivered
3.1	Don't know
3.1 (ii)	
3.2	No
3.2 (ii)	
3.3	
3.4	Neither
3.5	No
4.1	Yes
4.1 (ii)	
5.1	
5.1 (ii)	This survey's design is very much biased I desired output.

5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	
7.1	

Submission 356

1.1	Disagree
1.1 (ii)	The proposed steps seem like they will be very onerous. The reviews will mean that members doing certain roles not necessarily performed by an actuary (e.g. GI pricing) will be at a disadvantage to non-members who will not be subject to same reviews - which most employers will prefer. Internal decisions of a company, provided they are not breaking any laws, should be left to the company to deal with.
1.2	Agree
1.2(ii)	The IFoA needs to ensure that the actuarial work is complete to a high standard. From my perspective this is already achieved by the current guidelines and requirements from IFoA, FRC and other bodies (e.g. TAS). Adding additional regulation is likely to become a check box exercise adding little value.
1.3	Neither
1.3 (ii)	Actuaries are already required to complete exams in order to become fellows of the profession and Continuing Professional Development once they are qualified. Surely this ensures that actuaries are up-to-date on the current best practices without the IFoA reviewing individual pieces of work. Most companies will already have review processes in place which achieve much of this - perhaps guidelines on internal peer reviews of actuarial work would be a better option.
1.3 (iii)	Very low
1.4	Unimportant
1.4 (ii)	No
1.4 (iii)	Most members of the public do not know what an actuary is. However, most people trust their pension providers/insurance companies and these are already heavily regulated.
2.1	Support
2.1 (ii)	Any regulation should follow a risk-based approach to make sure that it is proportionate.
2.2	Strongly disagree
2.2 (ii)	There is no need for the IFoA to review certain area of actuarial work which does not pose a significant threat to the public interest.
2.3	No
2.3 (ii)	There is no need for the IFoA to review certain area of actuarial work which does not pose a significant threat to the public interest.
2.4	Don't know
2.4 (ii)	
2.5	No - the scope of the current proposals are already too broad.
2.6	No
2.6 (ii)	Actuaries have many other requirements (e.g. around data sharing). This means that the IFoA is likely to see a highly edited version of an actuaries work. Also, the process in place will vary so much that it will be difficult to gather any reliable data at an aggregate level.
2.7	Don't know
2.7 (ii)	
2.8	Guidelines around peer reviewing work.
3.1	No
3.1 (ii)	Many of the same things are already discussed internally by people who are much more aware of the specific issues facing a particular piece of work.

3.2	No
3.2 (ii)	The process and issues faced will differ significantly between different companies and therefore be very difficult to reliably gain any insights.
3.3	No
3.4	Disagree
3.5	Don't know
4.1	No
4.1 (ii)	Data is often subject to NDA's and other strict rules in relation to sharing. If data was going to be stored internally, the company would need to ensure that it was happy with the security in place, and may need to review the IFoA security. This would be expensive for the company and the IFoA. Commercially sensitive information is not limited to data. The different methods and practices in place at different organization are what gives them their competitive edge and having to share this would be highly inappropriate.
5.1	Don't know
5.1 (ii)	
5.2	No
5.2 (ii)	The regulation proposed defeats the point of being self-regulating by being far too onerous. It fails to address the nature of certain actuarial roles where this sort of regulation is not required, whilst adding to the ever increasing regulation to the role that are more regulated.
6.1	No
6.1 (ii)	See previous comments
6.2	
7.1	

Submission 360

1.1	Strongly disagree
1.1 (ii)	Burdensome, disproportionate, unnecessary.
1.2	Strongly disagree
1.2(ii)	There will be nobody at the IFoA who has the expertise to comment on the quality of my work.
1.3	Strongly disagree
1.3 (ii)	The profession has not been brought into disrepute for the quality of the work of its members in its long and illustrious history so far. By focusing on the quality of individuals, the profession would miss the bigger picture.
1.3 (iii)	Very low
1.4	Neither
1.4 (ii)	No
1.4 (iii)	In my industry, the burden of regulations along with the price for actuaries mean we are in danger of becoming not commercially viable. Confidence cannot be strengthened if actuaries are not employed. What does strengthen confidence is the quality of the individuals which people deal with. Therefore the profession should focus on maintaining tough entry standards and rigorous but relevant exams.
2.1	Neither
2.1 (ii)	While a risk-based approach is obviously better than a non-risk-based approach, gaining a PC should be tough enough so that ongoing monitoring isn't required.
2.2	Neither
2.2 (ii)	
2.3	No
2.3 (ii)	
2.4	No
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	Actuarial work is subjective. How can this ever be done?
2.7	No
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Disagree
3.5	No
4.1	No
4.1 (ii)	
5.1	Don't know
5.1 (ii)	

5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	What will be done about commercially sensitive work? How can you get an employer to agree to have other members of the industry to see this work?
7.1	

Submission 364

1.1	Agree
1.1 (ii)	It is important that the quality and worth of actuarial work can be evidenced as the role of experts in society is starting to be increasingly questioned.
1.2	Agree
1.2(ii)	
1.3	Neither
1.3 (ii)	Gathering this evidence will provide proof that the IFoA is ensuring its members produce high quality work, which would dampen the damage to the IFoA of any significant failings of individual actuaries in the future.
1.3 (iii)	High
1.4	Important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Strongly support
2.1 (ii)	The actions and decisions of PC holders are likely to be more significant and therefore any issues with their work are more likely to have material consequences.
2.2	Agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	All actuaries have a role to play in delivering high quality outcomes.
2.4	Yes
2.4 (ii)	
2.5	
2.6	Don't know
2.6 (ii)	
2.7	Yes
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	
3.4	Agree
3.5	Don't know
4.1	Yes
4.1 (ii)	
5.1	Yes
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Yes
6.1 (ii)	
6.2	

7.1	
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Submission 387

1.1	Strongly disagree
1.1 (ii)	There is a need to ensure the actuarial profession behaves in a ethical manner and works in the interest of the policyholders. This new regulation does not have any added value. There is enough regulation already (e.g. audit / independent validation/ peer review requirements) - the only reason there are failures in actuarial is not due to there being not enough regulation rather it is due to poor quality of the institute education leading to poor quality of its members. This regulation will be another tick box exercise that will not improve the quality of the analysis carried out by the actuarial profession.
1.2	Strongly disagree
1.2(ii)	See answer before. Also to understand the appropriateness of the advice it requires the IFoA to spend similar amount of time and resources as the original provider of the advice if not more. I don't believe IFoA have the resources to do this without creating increasing its members fees and creating more cost for the insurance companies that employs actuaries. I rather have more of the member fees going towards education
1.3	Strongly disagree
1.3 (ii)	Unfortunately quality is not evidenced by a body by congratulating itself how good it's work is. It is already shown when it adds value by the quality of its advice to the client.
1.3 (iii)	Very low
1.4	Important
1.4 (ii)	No
1.4 (iii)	As mentioned before a cursory check by the institute will not add confidence.
2.1	Neither
2.1 (ii)	High-level review of the final product misses on many important judgements that are hidden and will not be found out by this review
2.2	Agree
2.2 (ii)	Risk-based approach makes sense in general. But I am unclear how the IFoA will not be regulating the historic risks not the future.
2.3	Yes
2.3 (ii)	See answers before
2.4	No
2.4 (ii)	More bureaucracy - this will limit what actuaries do. Increase cost of the employer and ultimately increase cost for the policyholders. Given that I don't believe this regulation has any merit I cannot support any additional cost for the policyholders. Another tick box exercise by the institute.
2.5	No
2.6	No
2.6 (ii)	
2.7	Yes
2.7 (ii)	Actuarial education is poor so additional views of economists or statistical would help provide rigour to the advice.
2.8	Better education leading to better actuaries. Not a rote- learning education system.
3.1	No

3.1 (ii)	Yes and no. It will not improve the advice of actuaries but it will help them be a better at ensuring they provide enough caveat of their work.
3.2	Don't know
3.2 (ii)	
3.3	No
3.4	Neither
3.5	No
4.1	Don't know
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	Don't know
5.2 (ii)	
6.1	No
6.1 (ii)	There has not been sufficient cost benefit analysis carried out.
6.2	
7.1	

Submission 392

1.1	Strongly disagree
1.1 (ii)	1) Self-regulation of actuaries by actuaries does not stand up to public inspection. 2) Members working in the non-reserved field of pricing will not wish their confidential methods to be subject to review by third parties. Attempts to regulate these will drive members from the profession, as employers will be unwilling to cede their intellectual property.
1.2	Strongly disagree
1.2(ii)	The IFoA is not in a position to define what "quality" means, as it is not a consumer of its members advice.
1.3	Strongly disagree
1.3 (ii)	It should not be for the IFoA to provide evidence of quality. This should be assessed by the FRC.
1.3 (iii)	N/A
1.4	Unimportant
1.4 (ii)	No
1.4 (iii)	It would provide false confidence.
2.1	Support
2.1 (ii)	Only areas requiring a practicing certificate should be subject to any review by the IFoA.
2.2	Strongly disagree
2.2 (ii)	Only areas requiring a practicing certificate should be subject to any review by the IFoA. The remainder are not appropriate for the IFoA to review.
2.3	No
2.3 (ii)	See answers to earlier questions.
2.4	Don't know
2.4 (ii))
2.5	The FRC should be responsible, not the IFoa.
2.6	No
2.6 (ii)	The IFoA does not have expertise in all areas that its members work in, and therefore it would give a false impression of non-core work.
2.7	Yes
2.7 (ii)	To assume actuaries are the only appropriate reviewers would be staggeringly arrogant.
2.8	Reject self-monitoring.
3.1	Yes
3.1 (ii)	"Useful" is a much lower standard than optimal, desirable or cost-effective.
3.2	No
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	No
4.1	No
4.1 (ii)	You cannot "unsee" confidential intellectual property, and thus any method would either not add value or it would cede IP to potential competitors.
5.1	Don't know

5.1 (ii)	
5.2	Don't know
5.2 (ii)	The aim is flawed, so while it may on some level to appear successful, the first failure will cause a catastrophic lack of confidence in the regime. This is better placed on another organisation, and the IFoA should ensure this is the case.
6.1	No
6.1 (ii)	See earlier comments.
6.2	See earlier comments.
7.1	

Submission 394

1.1	Disagree
1.1 (ii)	I think professional monitoring is appropriate, but this seems to go a few steps too far.
1.2	Agree
1.2(ii)	I agree that this is one way to evidence quality, but there are others as well.
1.3	Strongly agree
1.3 (ii)	How such quality is evidenced is up for debate to me.
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	Don't know
1.4 (iii)	I don't know that the public will ever become aware of the details of the scheme. It is not clear that this proposal adds to the quality expected and evidenced through current measures.
2.1	Support
2.1 (ii)	A focus on publicly available information through PC holders seems appropriate. This seems more in the public interest, which would suggest a need for monitoring. Such detailed and summary information ought to be available for regulators and the profession, to understand and improve their work.
2.2	Strongly agree
2.2 (ii)	
2.3	No
2.3 (ii)	I think such reviews will cause a confluence of actuarial activity, reducing innovation and competition, as well as reducing the nature of independent thought. I'm less opposed to category C, particularly within areas of emerging activity, as the profession develops standards and consults with regulators.
2.4	No
2.4 (ii)	Reviews ought to be fair for all.
2.5	
2.6	Don't know
2.6 (ii)	It may make quality more prescriptive of activities undertaken. We need to continue to foster independent thought and innovation, not strict standards in the name of quality.
2.7	Yes
2.7 (ii)	It is always valuable to have alternative insight, including those of our end customers, who are often non-actuaries.
2.8	It is not clear to me how this adds to rigorous education, CE, and other industry activity.
3.1	Don't know
3.1 (ii)	
3.2	Yes
3.2 (ii)	However, these standards, guidance, and educational materials are already being created. It isn't clear that the additional information will add significant value to what is already being created.
3.3	
3.4	Neither
3.5	Yes

4.1	Don't know
4.1 (ii)	It depends on the level of individual customization allowed in response, and what can be suggested to be redacted, etc.
5.1	Don't know
5.1 (ii)	The question isn't clear to me.
5.2	Don't know
5.2 (ii)	The proposal seems one of the more burdensome ways to accomplish this aim.
6.1	No
6.1 (ii)	It isn't clear to me that the marginal benefits from the additional work outweigh the costs. Particularly when compared to current activities undertaken by the profession.
6.2	It is not clear that a comparison to current activities, and marginal benefits and costs has been performed. While an interesting proposal, it appears to add layers of time and effort, while not creating significant value to the profession or items that are already being created.
7.1	I'll reiterate, the marginal benefits to the outputs that are already being created with good quality do not appear to outweigh the costs. However, I do think there is value in the public interest for PC holders (a modified category A), as well as consultations for emerging areas (modified category C), while avoiding deep dives into actuarial practice, stifling innovation and independent practice.

Submission 405

1.1	Disagree
1.1 (ii)	The proposed scheme adds another layer of bureaucracy to an already over-regulated sector, with peer review, various internal and external audit requirements, and a number of financial regulators. There is also no detail of the likely cost of supporting the scheme.
1.2	Disagree
1.2(ii)	Quality of work is better assessed by the employer
1.3	Disagree
1.3 (ii)	This is a loaded question - there is plenty of evidence from the audit process and other regulators - need not be the profession
1.3 (iii)	Very low
1.4	Important
1.4 (ii)	No
1.4 (iii)	'Self-regulation' by a profession is not judged trustworthy in these times - witness the FRCs issues around audit standards
2.1	Support
2.1 (ii)	But only insofar it doesn't duplicate regulated positions eg approved persons
2.2	Agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	Subject to cost, competence and depth
2.4	No
2.4 (ii)	If proceeding with this, need to cover all equally irrespective of QAS, as many organisations will have similar schemes
2.5	Leverage existing regulation
2.6	No
2.6 (ii)	This is such a qualitative assessment at the senior level as to be difficult to assess
2.7	Yes
2.7 (ii)	Can give wider view but would need to be competent and not all of a team
2.8	See 2.6 above
3.1	Don't know
3.1 (ii)	Hard to say how it will operate in practice
3.2	Don't know
3.2 (ii)	Might give some areas for improvement but hard to say how effective it will be
3.3	
3.4	Neither
3.5	Yes
4.1	No
4.1 (ii)	Difficult when reviewers are able to change employers
5.1	No
5.1 (ii)	Seems like a whole separate scheme - will not be integrated with regulators and seems to duplicate things like QAS
5.2	No
5.2 (ii)	Will not be perceived as independent

6.1	No
6.1 (ii)	Adding to an already over-regulated sector and adding to the potential costs of employing actuaries
6.2	Costs of running this not identified
7.1	Don't think this is the right approach - rather should rely on existing regulators which cover most sectors, and possibly leverage that at the margins.

Submission 426

1.1	
1.1 (ii)	
1.2	Agree
1.2(ii)	Clearly the proposed approach would provide some evidence about the quality of some work. However, less intrusive approaches (such as internal audits by QAS accredited organisations) could provide similar evidence in a more efficient manner.
1.3	Disagree
1.3 (ii)	Most stakeholders are unlikely to be interested in the evidence of quality. It is more important that there is a lack of evidence of poor quality work.
1.3 (iii)	N/A
1.4	Important
1.4 (ii)	No
1.4 (iii)	Most of the public have a lack of awareness of most aspects of actuarial work, far less the assessment of actuarial work. The level of professional oversight is unlikely to register on the public consciousness.
2.1	Oppose
2.1 (ii)	A risk-based approach clearly makes sense but I would question whether PC holders should necessarily be the focus. That may be the conclusion based on the work that is reviewed but I do not think that it is necessarily the case. A significant amount of important, potentially high-risk, actuarial work (eg advice to pension scheme sponsors in relation to transactional work) is carried out by non-PC holders and this should be considered as well.
2.2	Neither
2.2 (ii)	A risk-based approach is sensible and the three proposed categories are reasonable. However, the proposed focus on PC holders and reserved work is not necessarily appropriate or risk-focussed.
2.3	Yes
2.3 (ii)	As mentioned above, work carried out by non-PC holders is also a significant area of risk.
2.4	Yes
2.4 (ii)	Much of the proposed approach is already, or could be, carried out by QAS firms with independent oversight provided by the QAS audit process.
2.5	The QAS process should be used where possible to provide an efficient and proportionate approach. In addition, perhaps the IFoA could actively encourage users of actuarial work to raise any concerns about the quality of actuarial work directly with the IFoA if they are not satisfied.
2.6	Yes
2.6 (ii)	Some evidence will be obtained. However, without engaging directly with the users of actuarial work it is difficult to be sure of the standard.
2.7	Yes
2.7 (ii)	Subject to cost considerations, having a reviewer (eg an independent trustee) who can put themselves in the position of the user could be beneficial.
2.8	As mentioned above, the QAS system could be expanded to meet many of the objectives.
3.1	Don't know
3.1 (ii)	There doesn't appear to be enough detail in the proposals to know what the outputs will be.
3.2	Don't know

3.2 (ii)	There doesn't appear to be enough detail in the proposals to know what the outputs will be.
3.3	
3.4	Agree
3.5	Yes
4.1	Don't know
4.1 (ii)	I am not sure whether the proposal adequately addresses confidentiality agreement (including in relation to specific Non-Disclosure Agreements and Market Abuse Regulations). This will need to be considered carefully.
5.1	No
5.1 (ii)	It appears that there is unnecessary overlap with the current QAS scheme.
5.2	No
5.2 (ii)	The consultation process is looking to achieve this but I am not convinced that the current proposals will achieve this without amendment.
6.1	No
6.1 (ii)	The proposals are well-intentioned but I would suggest that there is greater focus on non-PC holders and a more proportionate approach could be taken in conjunction with the existing QAS programme.
6.2	It appears that the cost impact on individual organisations has not been fully recognised.
7.1	I am not sure whether there will be sufficiently well-qualified and up-to-date individuals involved to assess the actuarial work. Assuming that the reviewers will not work for competitor organisations, then their expertise and technical knowledge may not remain up-to-date for long and therefore there may need to be a high turnover of reviewers.

Submission 429

1.1	Strongly disagree
1.1 (ii)	<p>â€¢ There are many existing processes in place that provide assurance over the quality of a UK Actuary's work. These include:</p> <ul style="list-style-type: none"> o The "APS X2: Review of Actuarial Work" regime provides an existing, comprehensive framework that already meets the requirements being put forward by the consultation. In addition, the TAS framework and Actuarial Function Report requirements provide further mechanisms to assess the quality of the underlying actuarial work. o There are various existing external reviews that provide indirect assurance over the quality of the actuarial work. For example, with regard to reserving and Solvency II Technical Provisions, external auditors probe the internal actuarial teams over methods and assumptions in detail, year on year, as part of the annual statutory audit process. As another example, within the London Market, Lloyd's annually reviews each syndicate's business plans in detail. o The existing Practising Certificate regime, with its comprehensive application and renewal procedures, provides significant additional evidence to support a member's competence and integrity. This is further reinforced by the Continuing Professional Development requirements for every member and which Practising Certificate holders need to attain double the number of hours compared to other members
1.2	Strongly disagree
1.2(ii)	While it may 'tick a box' as far as evidence is concerned, I do not have any confidence that such reviews would provide genuine evidence of actual work quality.
1.3	Strongly disagree
1.3 (ii)	On the contrary, collecting such 'evidence' poses a much greater risk to the reputation of the profession, in that it would enhance a negative reputation of being expensive, overly-caveating and more focussed on checks and box ticking than providing quality and timely work.
1.3 (iii)	N/A
1.4	Very unimportant
1.4 (ii)	No
1.4 (iii)	As general insurance/P&C actuaries our work is typically considerably less 'public interest' than pensions/life etc. Therefore I believe that business/company confidence is much more important and this confidence is already demonstrated by the proliferation of actuaries employed in the industry.
2.1	Strongly oppose
2.1 (ii)	The change is currently being promoted as primarily impacting 7% of the profession (ie mainly Practising Certificate holders). I believe this to be misleading as it will have an indirect impact on many other UK actuaries, since, for example, if one is a Chief Actuary running a team of actuaries, there is inevitably reliance on the team's work and any meaningful review would have to extend down to look at other actuaries' work. Also, the IFoA has a track record of mission creep when implementing initiatives (eg the increasing scope of Guidance Notes / TASs over time), so the initial proposals may well prove to be the thin end of the wedge, with the review process impacting more and more of the profession over time.
2.2	Strongly disagree
2.2 (ii)	I do not agree with the introduction of such monitoring
2.3	No
2.3 (ii)	I do not agree with the introduction of such monitoring

2.4	No
2.4 (ii)	I do not agree with the introduction of such monitoring
2.5	I do not agree with the introduction of such monitoring
2.6	No
2.6 (ii)	The evidence would be have little use and be less appropriate than adherence to current standards and practices
2.7	No
2.7 (ii)	I do not agree with the introduction of such monitoring
2.8	I do not agree with the introduction of such monitoring
3.1	No
3.1 (ii)	I do not agree with the introduction of such monitoring
3.2	No
3.2 (ii)	I do not agree with the introduction of such monitoring
3.3	I do not agree with the introduction of such monitoring
3.4	Strongly disagree
3.5	No
4.1	No
4.1 (ii)	I do not agree with the introduction of such monitoring
5.1	No
5.1 (ii)	I do not agree with the introduction of such monitoring
5.2	No
5.2 (ii)	I consider the scheme to be designed by the professional body, but not by the profession. The vast majority of general insurance profession appear to be opposed to the proposals, therefore they should not be seen as being designed 'by the profession'.
6.1	No
6.1 (ii)	I do not agree with the introduction of such monitoring
6.2	I do not agree with the introduction of such monitoring
7.1	I do not agree with the introduction of such monitoring

Submission 439

1.1	Strongly agree
1.1 (ii)	We should all be continually accountable for the good of the public interest.
1.2	Strongly agree
1.2(ii)	
1.3	Strongly agree
1.3 (ii)	
1.3 (iii)	High
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Strongly support
2.1 (ii)	
2.2	Strongly agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	
2.4	Yes
2.4 (ii)	QAS accredited companies will have their internal audit controls.
2.5	
2.6	Yes
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	No.
3.1	Yes
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	No.
3.4	Strongly agree
3.5	No
4.1	Yes
4.1 (ii)	
5.1	Yes
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Yes
6.1 (ii)	
6.2	
7.1	No.

Submission 452

1.1	Disagree
1.1 (ii)	The step seems disproportionate. I also question the Institute's suitability to make such judgements - it's role is as an intellectual powerhouse and setting frameworks.
1.2	Disagree
1.2(ii)	Much work covered under practicing certificates is monitored and influenced by Organisations-own compliance and technical teams.
1.3	Neither
1.3 (ii)	I don't believe the link between the output of our work and the profession is particularly strong.
1.3 (iii)	
1.4	Important
1.4 (ii)	No
1.4 (iii)	From a pensions perspective. There are numerous quality assurance steps at present - starting with actuarial qualification, including peer review and QAS. This proposal doesn't feel like it shifts the dial.
2.1	Strongly oppose
2.1 (ii)	I don't want to feel singled out or subject to re-examination
2.2	Disagree
2.2 (ii)	The Profession's reputation can be damaged by all categories
2.3	Don't know
2.3 (ii)	
2.4	Yes
2.4 (ii)	
2.5	An assessment of Organisations' processes and standards. Let's not kid ourselves that it is a single actuary that is behind all advice and calculation.
2.6	Don't know
2.6 (ii)	It's not clear how they would judge 'the standard'. Surely they could only judge whether it meets 'a standard'.
2.7	Don't know
2.7 (ii)	
2.8	Review Organisations' processes.
3.1	Yes
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	Interviews with those parties who commission and use the work. Ultimately they should be most interested in the quality of the work.
3.4	Neither
3.5	Yes
4.1	No
4.1 (ii)	
5.1	Yes
5.1 (ii)	
5.2	No

5.2 (ii)	
6.1	No
6.1 (ii)	I don't think the proposals sufficiently add to the current regime.
6.2	What does the end-user think of the proposals and the likely impact (more caveats, small print and verbosity).
7.1	

Submission 456

1.1	Strongly disagree
1.1 (ii)	The practicalities of the implementation seem very poorly thought out. The costs involved with doing it properly would be astronomical, as highly qualified professionals would be spending huge amounts of time on it.
1.2	Disagree
1.2(ii)	
1.3	Agree
1.3 (ii)	
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	No
1.4 (iii)	
2.1	Oppose
2.1 (ii)	Will discourage people from looking to obtain PCs in the future.
2.2	Strongly disagree
2.2 (ii)	
2.3	No
2.3 (ii)	
2.4	Yes
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	
3.1	No
3.1 (ii)	
3.2	No
3.2 (ii)	Not without huge costs involved which seems unsustainable.
3.3	
3.4	Strongly disagree
3.5	Don't know
4.1	Don't know
4.1 (ii)	
5.1	No
5.1 (ii)	
5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	
7.1	

Submission 459

1.1	Agree
1.1 (ii)	It is in our interests to be as transparent as possible about our work.
1.2	Agree
1.2(ii)	
1.3	Agree
1.3 (ii)	
1.3 (iii)	Low
1.4	Important
1.4 (ii)	Don't know
1.4 (iii)	
2.1	Support
2.1 (ii)	
2.2	Agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	
2.6	Yes
2.6 (ii)	
2.7	Yes
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	
3.4	Agree
3.5	Don't know
4.1	Yes
4.1 (ii)	
5.1	Yes
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Don't know
6.1 (ii)	It remains to be seen exactly how much time and effort will be involved here. However I am reassured by the proposed mechanism for feedback and review of the process.
6.2	
7.1	

Submission 470

1.1	Strongly disagree
1.1 (ii)	see general comments
1.2	Strongly disagree
1.2(ii)	see general comments
1.3	Neither
1.3 (ii)	
1.3 (iii)	N/A
1.4	Important
1.4 (ii)	No
1.4 (iii)	see general comments
2.1	Strongly oppose
2.1 (ii)	It should be limited to PC holders only see general comments
2.2	Strongly disagree
2.2 (ii)	It should be limited to PC holders see general comments
2.3	No
2.3 (ii)	see general comments
2.4	Don't know
2.4 (ii)	Depends on how robust the QAS is
2.5	see general comments
2.6	No
2.6 (ii)	see general comments
2.7	No
2.7 (ii)	Perhaps for admin
2.8	see general comments
3.1	No
3.1 (ii)	see general comments
3.2	No
3.2 (ii)	see general comments
3.3	see general comments
3.4	Disagree
3.5	Yes
4.1	No
4.1 (ii)	see general comments
5.1	No
5.1 (ii)	see general comments
5.2	No
5.2 (ii)	see general comments
6.1	No
6.1 (ii)	see general comments
6.2	see general comments
7.1	Concerns Peer review " many of the benefits suggested from the regime are already provided by the current peer review requirement. Feedback to the member, assurance of quality, picking up of issues or potential mistakes, confidence in the work of an actuary;

these are all provided by a peer review whereby the profession is already monitoring the work of members. It is just other qualified members doing the monitoring, rather than a central regulatory board. The board itself does have plenty of evidence of the quality of Actuarial work, from the peer reviews they have performed themselves, the discussions they have had with peer reviewers, and through the Lloyd's SAO process. The feedback from the peer review process is also likely to be much more pertinent and relevant to the work being performed as the peer reviewer is much more likely to have knowledge and experience in the area concerned than any team of reviewers that the IFoA is likely to be able to recruit.

Judgement – One of the promises of the proposals from the presentations is not to review judgement, only compliance with standards, and yet the standards specifically include the use of 'appropriate' assumptions. How is it possible to assess compliance with the standards without considering the application of appropriate judgement? I note that 6.1 and 6.3 confirm that the reviewer will have to consider professional judgement to some extent. Near misses – at the consultation at Staple Inn, Alex Marcusson mentioned the possibility of recording near misses. One possible flag would be the situation where initial draft numbers and final numbers are significantly different as a result of challenge from stakeholders. The changes may be legitimate but this may also indicate an actuary under pressure. Compliance - I joined the actuarial profession in non- life 25 years ago because it was much less heavily regulated than life and pensions. The growth of the profession over that time has been driven by our ability to add value to our stakeholders. Those stakeholders are, in the most part, sophisticated users of Actuarial advice. They do not need the Institute to give them faith in what their actuaries are telling them. They just need them to do a good job and communicate their findings well. Confidentiality - I agree there has not been a problem sharing confidential information where it is related to regulatory reporting such as reserving and audits. Pricing however as a separate issue. Pricing is considered as specific, proprietary, intellectual property by firms and they are loathe to share it with anyone. I understand a thematic review is proposed in this area but that it is intended to be voluntary. I cannot see this being workable. I would be surprised if any firms are happy for their actuaries to volunteer and without a critical mass a thematic review cannot be performed. If pushed this proposal is likely to kill off actuarial pricing support. Risk focused - I believe it is appropriate to ensure the areas of focus for evidence gathering, if evidence gathering is to be required, are those where the actuary is working most in the public interest. Reserved roles are the obvious area, which I understand will fall within category A. I believe, however, that the monitoring proposals should be limited to category A only and should recognise more explicitly that these are already heavily reviewed by existing parties. For example, Lloyd's reviews the work of SAO signing actuaries, the PRA and FCA oversee the work of Chief Actuaries and Appointed Actuaries. More specific comments Paragraph 3.8 talks about the use of external resource for Category B reviews. This is not workable in situations where information is sensitive. I cannot see how such reviews are practical or workable, which is why I believe the monitoring should be restricted to category A. Paragraph 3.9 - how can a reviewer perform a site visit and interview an actuary anonymously? Paragraph 3.10 - how can the output from a thematic review looking at many different actuaries work take the same form as the output of a category A review looking at one individual? Paragraph 6.23 - agreement of the individual does not bind the firm to provide sensitive information. Alternative proposal As discussed above I believe the current peer review process already delivers many of the benefits attributed to the monitoring proposals. The issue identified appears to be that the regulation board is not

<p>aware of the output of these peer reviews. What if the peer review process was enhanced to include a short form to be completed by the Peer reviewer and submitted back to the IFoA? This could capture, simply, that the peer review has been performed, the level of feedback provided (in three categories: - feedback requiring changes, feedback for information, no comments). The outcome? - a simple and proportionate process that makes use of the skill and experience employed in the current peer review regime and captures the evidence of review centrally.</p>
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Submission 476

1.1	Strongly disagree
1.1 (ii)	<p>Whilst I understand that monitoring may be inevitable I do not consider the proposal suitable. In particular, the IFoA is not the most suitable body to undertake such monitoring. Firstly, it puts actuaries at a competitive disadvantage – even some of the category A work does not have to be undertaken by an actuary and, as such, employers and users of actuarial work will be incentivised to hire non IFoA members. Additionally, this proposal adds significant reputational risk to the profession as a whole. At some point it is inevitable that a flaw will be found in some piece of actuarial work undertaken by a member of the IFoA and monitored by such a scheme. If the IFoA is responsible for running this scheme then the reputational damage to the profession will be magnified by the accusation of bias in the monitoring scheme. I consider that a more reasonable proposal would be external monitoring. Ideally this would be undertaken by the relevant users of actuarial work or the relevant regulators (e.g. the PRA). This has the benefit that those who rely on actuarial work are directly represented in any proposals and non-IFoA members undertaking actuarial work will be covered in the same way. What is important is the quality of the work and the trust of the end users not who undertakes the work. As a second option, the FRC would still be a better choice than the IFoA as it is responsible for technical actuarial standards and this would seem to more readily fall under their purview. The downside is that it will still be ant-competitive. As a first step, the IFoA should engage a wider consultation specifically inviting feedback from the relevant external stakeholders. We should solicit public comment so that it is clear that we are meeting the needs of users of actuarial work and regulators rather than jumping the gun and solving the wrong problem. This would also allow us to provide evidence to the FRC of the quality of actuarial work without the need for a full monitoring scheme (though such may be the long term outcome anyway). The current proposals feel rushed and both the membership should have been made aware of them at a much earlier stage. Right now, it feels like there is little we can change in the overall structure and that the key decisions have already been made without our knowledge or consent. Given how unpopular this could be with individual members, it is important to gain genuine buy in and a feeling of ownership – particularly if this does not end up as external monitoring. As it stands, the proposal fundamentally flawed and the minor changes invited though this consultation will not fix it. I do not think that it will meet the overriding objective of improving the outcome for the public. Longer term, I expect this proposal to decrease trust in the profession – particularly when compared to external monitoring. Meanwhile, in the short term it will cause significant overheads to actuaries which will not be shared by non-members undertaking what is otherwise the same work. It will reduce the competitiveness of actuaries and the attractiveness of the profession. Further, it is far from clear that such a monitoring exercise will actually produce the kind of evidence sort. It is to be expected that the majority of monitoring will report no issue and that, even when issues are found, this will be either superficial or sufficiently ambiguous as to fall within the realm of differences in judgement.</p>
1.2	Disagree
1.2(ii)	<p>What information is required still does not appear well defined. No discussion of what the FRC would consider suitable evidence has been given nor why currently available information is insufficient. The current proposals are likely to provide a mass of passes or minor fails. They will not help to uncover any systematic issues nor is it likely to prevent the next major mistake. With its focus on individual monitoring, category A is unlikely to help</p>

	with any industry wide problems. It is unclear why any firm would want to participate in category B monitoring and category C is rather vague and shows no evidence that it will be able to produce useful evidence beyond what is already undertaken (which is apparently deemed insufficient).
1.3	Agree
1.3 (ii)	Whilst I do not agree that there is not already evidence of the quality of actuarial work, I do agree that it is important to have that evidence. Actuaries tend to be anonymous, particularly to the public. The reputation of actuaries is unlikely to be impacted significantly even without any evidence. Reputational risk is more likely if this proposal is not implemented in a sensible way, particularly where the IFoA can be accused of lack impartiality.
1.3 (iii)	Very low
1.4	Important
1.4 (ii)	No
1.4 (iii)	In general, the public are not aware of who actuaries are so there is limited risk of a change in their confidence in actuaries (given they really don't have any now). Beyond that, I consider that, where it will have an impact at all, it is more likely to reduce the confidence in actuaries. There is significant risk that when an actuarial issue (maybe even scandal) comes to light the fact that actuaries self monitor will be held against the profession and damage public confidence in actuaries far more than the original issue would. Actuarial work tends to have significant areas of judgment and with the benefit hindsight it will be easy to apportion blame. If any regulation / monitoring is external this will help to place this in perspective and strengthen confidence in the aftermath " at which point the profession will probably be forced to accept external monitoring or similar anyway.
2.1	Oppose
2.1 (ii)	Where monitoring is undertaken I am strongly supportive of risk based monitoring. However, I do not think that the proposals as stands are truly risk based. Category A members, particularly within insurance, are already subject to a significant degree of external monitoring so are likely to be lower risk. This appears to be more convenience based monitoring than risk based (not that a true risk based wouldn't have its own problems particularly around competition and costs). In reality the riskiest work to the profession is work undertaken by non-members who still undertake actuarial work. The public are not aware of the distinction between members and non-members " they just see the work undertaken. This proposal will explicitly not cover those people and might even drive more work in their direction thus further increasing the risk. A true risk based approach would also cover non-members which is one of the key reasons why I consider the IFoA to be an inappropriate body to manage any monitoring.
2.2	Disagree
2.2 (ii)	As stated above, I do not consider that the proposal is actually risk based and, as such I do not agree with it. I am much more receptive to the idea that much more receptive to the idea of tiering the monitoring and indeed of industry wide studies. Given the GDPR implications, I think that consultancies are less likely to want to take on the risks associated with industry studies and that the IFoA would be the natural body to take on this role going forwards. However, if this is presented as monitoring rather than furthering actuarial practice then it is likely to be taken badly.
2.3	Don't know

2.3 (ii)	In principle, I consider something along the lines of the category B&C monitoring an important part of any monitoring programme. However, the current proposals are flawed and will not provide as much useful information as I believe the IFoA expects. Category B monitoring covers potentially commercially sensitive information and is voluntary. I see no reason why any firm would consider responding to a category B review. At the very least there is a free rider issue at stake. Any individual firm was better off not responding, keeping its own work confidential and benefitting from others publicizing their information. Note that this does not mean that I support mandatory responses to category B as this will likely generate a severe disadvantage for actuaries in the market place. Category C as proposed is rather ill defined and it is unclear what form it would actually take and what information would be gathered. At the moment, it just appears to be a cost without benefit.
2.4	Yes
2.4 (ii)	I only agree as there will otherwise be duplication of effort and thus cost. I consider that there is significant risk in this approach in that it will again raise accusations of bias and lack of impartiality from the IFoA. A much better approach would be to disband the QAS scheme as much of its work should be replicated if not bettered by a new monitoring scheme. At the moment the QAS appear to be a club for consultancies and, given that this monitoring proposal has arrived, it does not appear to be meeting its intended function.
2.5	The proposal is solely focussed on members of the IFoA a better approach would be to monitor the work undertaken, regardless of who performs it. The trouble is that the IFoA is not well placed to perform this. It is important to engage with the relevant external stakeholders to see what they want / need out of a monitoring scheme as at the moment this seems an overenthusiastic response to the FRC.
2.6	No
2.6 (ii)	This might allow the IFoA to obtain evidence of meeting actuarial standards but that is different from evidence of the standard of work. High-quality work can fail actuarial standards and poor-quality work can pass. The actual work undertaken by actuaries is often highly judgmental and thus evaluating quality is genuinely hard. If the actual quality of work is reviewed this may just end up in differences of opinions or where the reviewing actuary has the benefit of hindsight.
2.7	Yes
2.7 (ii)	Only in so far as they support the key actuarial team. In particular, even the more junior positions in the team should be composed of IFoA members. I would also expect any non-members involved to agree to be bound by the actuaries' code.
2.8	As discussed above, I consider a better approach is to allow appropriate external regulators to take on this responsibility. If they are unwilling to do so, it rather shows evidence that such monitoring is not required by the key external stakeholders. In any event, there should be significantly wider consultations – not just with the membership. These should be published so that truly informed opinions can be made. At the moment, this feels like it was rushed out in order to be available before the results of the Kingman review are published. I think it much better to see the impact of that review before making the final decision which must be approved by the members. Otherwise it is not really by the members for the members but by the IFoA executive for who knows
3.1	Don't know
3.1 (ii)	Insufficient detail has been provided as to what the proposed outputs would entail for me to judge. It will also depend upon the stature of those undertaking the monitoring.

	Particularly for category A, the lead reviewer will need sufficient industry standing to have the respect of the individual being monitored.
3.2	Don't know
3.2 (ii)	Insufficient detail has been provided as to what the proposed outputs would entail for me to judge. The regulatory work of the IFoA is related to ethical standards and it is not clear how this will help with that. It might be of use to the FRC in setting standards but that is more likely to occur after a failure of the system and lessons learned.
3.3	Considering outputs is rather premature at this stage. The overall structure needs work and what outputs there are rather poorly defined.
3.4	Neither
3.5	Yes
4.1	No
4.1 (ii)	The confidentiality contract does not appear to be that well worded as stands. I am not a lawyer but I think this could benefit from an external counsel reviewing this "preferably in a hostile manner" in order to better draft the wording. At the very least I would expect some mention of limits of liability. The confidentiality held by those employed by the IFoA as opposed to the IFoA itself appears to rely wholly on their abiding by the actuaries' code. Actuaries move in the market and, even if protected whilst still working for the IFoA they would be less bound if they re-enter industry. I am not concerned about specific information or results being leaked but it is hard to stop the flow of ideas "particularly when they are innovative. A better approach would be to have some time restriction (beyond normal gardening leave) on re-entering the wider market after holding such a position. Finally, I am concerned about situations involving consultancies. Whilst actuarial employers may be willing to have their results analysed by a third party I can see no reason why those employing consultants "particularly on the insurance side where they are better able to make their own analysis of the quality of the work they receive and so will see less benefit from these proposals.
5.1	No
5.1 (ii)	There is clear overlap and conflict between the existing regulatory frameworks and this proposal. At the very least this involves duplication of effort and thus increased costs. More worryingly, it exposes the IFoA to reputational risk through accusations of favouritism.
5.2	No
5.2 (ii)	This proposal appears to be due to the IFoA leadership "not its members" overreacting to pressure from the FRC. The actual membership has been consulted only in the late stages of the proposal so its ability to shape the final result is minimal. The key decisions already appear to have been taken with only window dressing remaining. The members have not been asked if they even want self-regulation in the form proposed. If this is the price we have to pay, I for one, am happy to forgo this 'privilege'. There is no independent oversight in the current proposals. Independent oversight would involve monitoring by someone other than the IFoA. In order to actually meet the stated objectives, the deadline for this process should be significantly extended with a more in-depth review of the fundamental assumptions of the process. External stakeholders should be consulted and their feedback published as, so far, the IFoA has presented minimal evidence that this is actually something that users of actuarial work actually want.
6.1	No
6.1 (ii)	The reasons are poorly argued and amount to little more than the FRC will do this if we don't. I would much rather see what they are actually proposing here. I would note that I do

	<p>not consider a particularly appropriate regulator for this either as only IFoA members will be covered rather than the wider actuarial community. The actual proposals are not well thought out and appear not to meet the stated aims of the proposal but rather what might appease the FRC. The direct impact of these proposals is likely to be manageable though will result in increased costs “ ultimately to the public. However, the IFoA does not appear to have given any thought to the indirect impacts which I would argue will be significantly more severe and unreasonable in light of the intended goals.</p>
6.2	<p>The issue of costs does not appear to have been adequately addressed in the proposal. There is some mention of the FRC covering costs in the short term but this is unclear in the long term. Given the seniority required for this to be credible to practicing certificate holders and the overall number of reviews undertaken / specialist areas required, I would estimate that the cost of implementing this scheme will be a significant fraction of the entire IFoA budget. The proposal doesn't address issues around competition. There are relatively few roles that require an IFoA member and, in areas where others can compete (including against practicing certificate holders) this will make the majority of employers favour non-IFoA members. This is a fundamental issue of the current proposal and is not addressed anywhere. Arguments that this will make IFoA members more attractive by providing additional comfort seem unrealistic and presuppose that employers have an issue with current actuarial standards which, as directly stated, there is no evidence of. This proposal is only suitable for professions where there is a monopoly on services e.g. imagine if anyone could practice medicine and call themselves a doctor but only GMC members would be regulated and monitored “ it seems a bit ridiculous when said out loud. The FRC (who appear to be driving this) is currently subject to the Kingman review. It is not clear how this will impact their views and thus whether this proposal makes any sense at all. Direct comment from the FRC (or its successor) is required before we can reasonably proceed with this and no mention of this situation is made at all.</p>
7.1	<p>I have not heard a single positive response to this proposal from anyone that I've talked to. Whilst many object to the concept of monitoring, even those who do not or even approve in principle do not agree with the structure of the proposal. This very much suggests that the IFoA should go back to the drawing board and attempt to engage and educate the membership much earlier in the process or this is likely to be met with hostility.</p>

Submission 481

1.1	Neither
1.1 (ii)	We need to demonstrate that we are upholding standards and many professions do it through monitoring schemes and we should do similar. However, we need to ensure that any such scheme is proportionate, is not "gold plating" the approach, and is in line with other schemes operated by other comparable professions such as accountants.
1.2	Neither
1.2(ii)	Depends on the depth of review and how it can be ensured for example that where the reviewer is coming to a different opinion on the outcome of expert judgement that it is a difference of opinion rather than the reviewee getting it wrong in the first place. eg the reviewee may not have access to the same information even though they may have researched the available data adequately.
1.3	Agree
1.3 (ii)	We need to be able to demonstrate that our standards are being upheld, but this may be able to be demonstrated in other ways. It also depends on where this applies eg areas which are subject to public interest definitely, other areas less so as this could be burdensome
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	it is important and these proposals would do this, but there may be other processes already in place, or less onerous processes that may achieve the same outcome. Again, consideration of areas of work that are in the public's interest should be balanced against those which have less or no public interest.
2.1	Support
2.1 (ii)	Any approach should be risk based, and focussed on PC holders as this is where most public interest will apply. So consideration of what is already in place due to the existence of public interest is important to ensure that this is not just replicating or gold plating what is already in place
2.2	Neither
2.2 (ii)	The devil is in the detail of how this is applied.
2.3	Don't know
2.3 (ii)	Insufficient information on how it may be applied in practice
2.4	Yes
2.4 (ii)	To avoid duplication of process
2.5	Look at how other professions implement this
2.6	Don't know
2.6 (ii)	Hard to tell until it is tested
2.7	Don't know
2.7 (ii)	Depends who they are and what skills they bring and how they are used.
2.8	
3.1	Don't know
3.1 (ii)	Would need to test this in practice to see whether it is useful. Depends on the right of the individual to challenge conclusions before completion, whether there are significant concerns or just departures from "best practice". There may be valid reasons why best

	practice has not been followed for instance. This could however mean that the process becomes elongated or the conclusions watered down through negotiation.
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Neither
3.5	Don't know
4.1	Don't know
4.1 (ii)	The steps taken by my own organisation are extensive - not clear whether the proposed ones are to a similar standard
5.1	Don't know
5.1 (ii)	Need to ensure that existing structures are not removed in order to make sure that the monitoring scheme replaces this if it is felt that the existing schemes are appropriate currently
5.2	Yes
5.2 (ii)	Provided that the outcome of the consultation is taken into account. Would also be good to compare with other schemes run by other professions
6.1	Don't know
6.1 (ii)	A whole week of review for a cat A person sounds like an incredible amount of time even if not in their "busy" period (and some people are always busy!!). Depends also on the time taken for the feedback.
6.2	
7.1	

Submission 491

1.1	Disagree
1.1 (ii)	Reasons are set out in answers to subsequent more detailed questions but in summary the proposals will impose an unnecessary burden on actuaries and their employers that users of the work do not want and will make it less likely that actuaries will be utilised for work that is adding value to their businesses or indeed will be employed in the future. As it does not appear that categories B and C are mandatory (and it would be unworkable to make them mandatory) it is likely that the scheme will fail in these areas due to a lack of unbiased comprehensive coverage. Also, the proposed scheme is not sufficiently risk based or proportionate and does not take enough account of review work that is already carried out (e.g. by auditors and regulators).
1.2	Disagree
1.2(ii)	As set out the proposals would enable the gathering of information to provide evidence of some aspects of the actuarial work of practising certificate holders. However, the approach used is flawed in that given the limited time available to form a view on the reliability of the work and the lack of reliance on existing work that has taken place by external and internal parties, this could potentially lead to unreliable indications as to the quality of the work. The process for category A needs to leverage heavily off existing work conducted e.g. by the peer reviewer, auditors, regulators, governance groups etc. It seems unlikely that a reviewer would be sufficiently informed otherwise to reliably opine on the quality of the work in the time periods proposed.
1.3	Disagree
1.3 (ii)	There is a risk to the reputation of the profession from the quality of actuarial work whether or not evidence is gathered given the breadth of work conducted by actuaries beyond the strict practising certificate roles. e.g. in M&A work or pricing work. Categories B and C are unlikely to address this. Education of actuaries is the best form of control. Also employers are generally sophisticated enough to judge whether the actuarial work is reliable enough. There is no evidence that work is poor quality in general and so damage to the reputation from isolated examples is unlikely to damage the entire profession. This is no different to other professions. In fact, gathering evidence may increase the threat due to the negative publicity that will arise when there is evidence of poor quality work but inevitable lack of publicity when everything is fine.
1.3 (iii)	Very low
1.4	Unimportant
1.4 (ii)	No
1.4 (iii)	From the perspective of general insurance it is very important that users of actuarial work, including auditors and the regulators, have confidence in the quality of work. But beyond those users, the quality of actuarial work would be very, very low down the public's list of priorities. Given the existing controls that exist in the business around reserves (e.g. peer review, auditor review, regulator review), underwriting and reinsurance (underwriting committee and other controls) we deem it unlikely that risks around these are primarily attributable to an individual practice certificate holder's poor quality work. Users (again, including auditors and regulators) will make up their own mind on the quality of the actuarial work based on longer term exposure to the actuary's work rather than depending on what will be a very limited exercise undertaken on a relatively small sub-set of the work. The public should be able to take confidence from the existing controls e.g. peer review, auditors, internal governance review, PRA, Lloyd's etc

2.1	Support
2.1 (ii)	If there is to be a monitoring scheme then I would strongly support a risk-based approach. However the implementation should involve significant reliance on existing controls (as covered in my other responses). The review should be risk based and proportionate so that the initial review should only lead to a more detailed review if the initial short form review gives reasons to doubt the quality of the underlying work and the frequency and depth of reviews post the first review should take into account the results of the first review.
2.2	Disagree
2.2 (ii)	Whilst it makes sense to have different categories of monitoring (in line with taking a risk based approach), unless participation in thematic reviews and general information gathering is mandated, they are unlikely to lead to sufficient or comprehensive evidence being gathered. Therefore only category A should be conducted.
2.3	No
2.3 (ii)	As set out in previous answers, unless such reviews are mandatory, they are unlikely to lead to sufficient or comprehensive evidence being gathered. This is impractical therefore only category A review should be conducted.
2.4	Don't know
2.4 (ii)	
2.5	In simple terms I do think, in combination with the other elements of the regulation around actuaries, it adds to an already disproportionately regulated profession. The combination of the existing controls within businesses, e.g. audit of reserves and the existing requirements on actuaries (e.g. TAS, peer reviews standards, SIM role etc.) and existing challengers of areas affected by actuarial work (e.g. from Lloyd's and the PRA) means that this is a somewhat disproportionate and duplicative process.
2.6	No
2.6 (ii)	Some evidence would be gathered through part A of the proposed scheme but without significantly more effort and resources this is likely to be a fairly limited picture of the breadth and depth of practising certificate work. To do this credibly would require disproportionate time for the actuaries with practising certificates and add unsupportable level of cost and distraction from their core responsibilities. Parts B and C are unlikely to give a comprehensive and unbiased picture for other areas.
2.7	Yes
2.7 (ii)	This may help to give a wider perspective including perhaps a better view of what a non-actuarial user might think. It may also provide a useful challenge to actuaries making different judgements to those taken by the actuary being reviewed even though both might be valid.
2.8	Please see the answer to 7.1
3.1	No
3.1 (ii)	Regarding category A; there would likely be some useful feedback (but this of course depends on the quality of reviewer appointed) but it is doubtful whether this would be sufficient to make up for the significant input of time that the review would be likely to consume. Also, it is unlikely that a third party review, with the lack of specific knowledge of the context, would give more useful feedback than say internal peer review. For categories B and C there may be some useful feedback if sufficient coverage is achieved in the review.
3.2	No

3.2 (ii)	Only partially as the time spent is unlikely to afford a reliable and comprehensive enough view on quality and will greatly depend on the quality of the reviewer performing the review.
3.3	No.
3.4	Disagree
3.5	Don't know
4.1	No
4.1 (ii)	Many electronic devices now have cameras and so to attempt to address protection of sensitive information it would be necessary for the review team to have no access to any electronic devices when working on the review. But this would make it difficult to record their work. Even then, it would not solve the issue as there would be nothing to stop an idea once read being used. The alternative would be to involve the actuary being reviewed potentially spending an inordinate amount of time redacting files. This issue is compounded if it is necessary to employ consulting actuaries to carry out the reviews but is still an issue even for actuaries employed by the IFoA as they could later move onto other roles. Also, it is likely that companies will want their own bespoke NDA rather than accepting the IFoA version " this would substantially add to the costs and burden of the review. Companies are particularly sensitive to their underwriting and reinsurance intellectual property and are likely to want to restrict access of external parties to the most innovative areas of their strategy.
5.1	Yes
5.1 (ii)	
5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	This could lead to a significant extra burden for actuaries and the companies that employ them. For example, for a Lloyd's Managing Agent with a Chief Actuary and a Head of Reserving with an SAO practising certificate it could lead to a review team being onsite for at least three days every other year. This would distract actuaries from their roles and give companies one more reason to employ non-actuaries in these roles. Also, as the starting point for reviews is likely to be formal reports, and as actuaries will want to avoid at all costs losing practising certificates, they will be likely to spend longer in gold plating and checking reports " thereby further reducing their usefulness to users and spending longer on those reports. Also (and I understand that this has happened in similar other regimes e.g. Switzerland) the level of compliance burden (which is already heavy for Chief Actuaries and SAO practising certificate holders) may encourage the Chief Actuary in the business to delegate the practising certificate roles (including the solvency II definition of "Chief Actuary") to a more junior, less experienced individual (or outsource it to such an individual) in order to reduce their personal compliance burden and perform the added value role that they were hired to perform. This in turn may reduce the quality of the work performed for the SAO and solvency II "Chief Actuary" role holder.
6.2	It is unacceptable that such a significantly proposal has not been fully costed out. It should be plain to all involved the cost that this scheme will involve. If it can be funded from existing resources where are these resources being funded from and why are there such spare funds? I'm sure the users of the actuarial information would prefer to have a return of such spare funds rather than spending them on further compliance work.

7.1	Better approaches might be: 1) To rely more heavily on work carried out by auditors and the regulators (including Lloyd's) 2) To have a more risk based approach. For example, a review would start with a high-level review of the Actuarial Function Report or SAO report. If this gave any cause for concern then clarification would be sought and again if there was still cause for concern then further on-site work might be carried out and so on 3) The time between reviews should take account of the results of the last review. For example, an excellent SAO report and underlying work would mean more years before the next review than one where some issues had been identified.
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Submission 504

1.1	Agree
1.1 (ii)	It is important to stay ahead of the game, and this proposal seems to do that, in a context where there is increasing scrutiny of professions.
1.2	Strongly agree
1.2(ii)	
1.3	Agree
1.3 (ii)	There could be poor practice developing that the profession is not aware about without this monitoring. Especially as the profession gets larger (membership numbers) and with more different specialisms, it is now less likely than in the past that the profession would hear about things through the grapevine. Poor practice that is widespread might be difficult to spot internally, so people may not know to blow a whistle. This monitoring proposal could be particularly useful where new topics for consulting are suddenly becoming common, as a thematic review could spot early on any need for better guidance on these new topics.
1.3 (iii)	High
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Support
2.1 (ii)	The PC holders are in some sense the most visible actuaries and people outside the profession might rightly be particularly shocked if a PC holder does not live up to the profession's standards. Also, the roles are limited to PC holders for a reason: it has been decided that they are giving important advice. So it makes sense to focus resources on the quality of that important advice. That said, I did not put "strongly agree" because the wording of the question does not include "but also pay attention to the work of other actuaries with thematic reviews focusing on important or problematic areas of advice".
2.2	Strongly agree
2.2 (ii)	This seems a proportionate way to ensure appropriate review - ie not ignoring non- PC holders, but putting more resources into reviewing PC holders.
2.3	Yes
2.3 (ii)	The profession needs information in these other areas, and the public needs reassurance that quality standards are maintained in these other areas.
2.4	Yes
2.4 (ii)	If you don't take this into account, a QAS employer and their employees will be overly burdened with compliance review. There is a risk they would decide not to bother with QAS in future, and I think QAS still has merit, even in the proposed monitoring regime.
2.5	I would like more information on monitoring of work outside the UK. As the profession has a growing overseas membership, some working in areas with few fellow actuaries to bounce ideas off, there must be a risk that poor practice evolves, and this risk must be managed just as much as the risk of poor practice in the UK. This will also help inform CPD which I think (but am not sure, never having worked abroad) has tended to be overly UK-focused.
2.6	Yes
2.6 (ii)	
2.7	No
2.7 (ii)	Though I do have non-actuaries in the panel that oversees the review work.
2.8	

3.1	Yes
3.1 (ii)	
3.2	No
3.2 (ii)	Not sufficient, in particular as it will be too back-ward looking and dependent on what happens to come up. In addition, you will need to take into account information that you currently do: what's on the horizon; what lawyers in equivalent fields are talking about; themes the profession is pushing (such as diversity, global development goals and environmental issues); and insight from individuals on the CPD subcommittees.
3.3	The reviewers will also have a chance to pick up on what the work atmosphere is like, in particular whether there is overt misogyny and/or racism, and how clued up employees seem to be about unconscious bias etc. Any insights gained here could usually be fed back. These areas pose just as much reputational risk to the profession as the question of how far TAS and the actuarial code are adhered to.
3.4	Agree
3.5	No
4.1	Yes
4.1 (ii)	
5.1	Yes
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Don't know
6.1 (ii)	I am not so sure about the impact on actuaries working in smaller firms, or firms with few actuaries. I don't know enough about this to be sure, but I would want to ensure that the impact is appropriate for them.
6.2	You have not explained how this review would interact with maternity leave (and other parental or sabbatical leave) . I would like to see provision that there would be a minimum of (for example) 6 months between return to work from maternity leave and being subject to a review (category A or otherwise). This is to avoid undue stress at a difficult time, when mothers might have particularly low confidence and be overly affected by the review process, and when they are less likely to have capacity to make extra time to fit in a review on top of other work (when they may need to ensure being home to feed their baby on time). I would also like to be certain that sufficient notice is given of a review, to help working mothers/carers for family members (in particular) to schedule in time. And I'd like you to work with the larger employers to ensure that time spent on review work is not seen as "unproductive" for bonus/hourly target purposes. This is to avoid the review process having more of a detrimental affect on women than men, as they are more likely to have caring responsibilities as well as paid work and have less time to absorb extra compliance requirements. I would also like the period of review to take into account whether or not someone is part-time. So that all else being equal, 2 people with similar roles but A working full time and B on 50% hours, the gap between reviews for B would generally be twice the gap that A experiences. You may also want to avoid having reviews during the afternoons Ramadan for muslim actuaries.
7.1	Thank you for taking the time to develop these proposals. In general I think they are admirable. I would like you first to do a diversity impact review - have you contacted the Diversity Advisory Group for help with this? You may not get many responses mentioning

	this, because people interested in diversity are more likely to be those who have less time to spare for consultations, for example because of caring responsibilities.
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Submission 517

1.1	Strongly disagree
1.1 (ii)	I think this adds extra bureaucracy and costs for very little added value.
1.2	Strongly disagree
1.2(ii)	In my experience actuarial roles are very wide. I believe that the feedback will be limited even if you could get actuaries in the same fields reviewing each others work. However I believe this is actually more of a risk due to unconscious bias.
1.3	Neither
1.3 (ii)	I can see this argument, however I would argue that with exams and CPD if you are not able to perform work of a certain quality it would be better to revise these key steps that make you an actuary rather than add an extra layer of bureaucracy.
1.3 (iii)	N/A
1.4	Very important
1.4 (ii)	No
1.4 (iii)	Actuaries are generally well respected and well regarded as a profession (by those that know what an actuary is). We will be judged more by our failings than any work review assessment. If they don't trust actuaries they won't trust the peer review.
2.1	Neither
2.1 (ii)	This could add value, however this is one of the most important positions an actuary can hold, who would judge these people? Is it fair to judge them?
2.2	Disagree
2.2 (ii)	I disagree with the entire premise of extra checks. If there are any extra requirements it should only be for the top 1% in the form of an interview/feedback and not annually.
2.3	No
2.3 (ii)	I disagree with the premise of more work. It creates less value for policyholders/companies who would be better served using non actuarial staff and saving on costs but taking more risk
2.4	Don't know
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	
3.1	No
3.1 (ii)	
3.2	No
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	Don't know
4.1	Don't know
4.1 (ii)	

5.1	No
5.1 (ii)	
5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	
7.1	

Submission 520

1.1	Disagree
1.1 (ii)	I don't think enough information is given in the consultation document to agree with this. The starting point of the proposal does not seem to be an assessment of the risks to the public arising from the work of actuaries. No serious consideration is given to the costs of the scheme (to the public) or any risks to the public interest introduced by the scheme.
1.2	Neither
1.2(ii)	The proposals don't give much detail to be able to answer this. In particular it is not clear what the definition of quality is. It isn't clear how the monitoring activities under B and C will work - e.g. how many firms will be happy to
1.3	Neither
1.3 (ii)	Whether evidence of quality helps with this really depends on the nature of the quality being measured. Clearly if there were some deficiency in actuarial work that led to insurance companies not fulfilling their obligations to policyholders, there would be a risk to the profession's reputation. However there are already controls such as audit around the most material pieces of work to the public. If the proposed monitoring covers adherence to actuarial standards, quality of documentation etc but does not focus on the key public interest questions like "are reserves adequate?" there is a risk that the monitoring will itself increase the risk the the profession's reputation - as if an insurance company does fail, people will ask why the monitoring didn't prevent it.
1.3 (iii)	High
1.4	Unimportant
1.4 (ii)	No
1.4 (iii)	The vast majority of the public have very little idea what actuaries do at all! Among members of the public who have heard of actuaries, I think a very small minority will be aware of this monitoring should it go ahead. We should be talking about the public's confidence in the overall regulatory framework and insurance system in general rather than actuaries specifically. The public is interested in questions like 'are insurance companies holding enough money to pay claims?' and 'is insurance priced fairly?' - not the appliance of actuarial standards and I fear this monitoring might not focus on the more material issues.
2.1	Oppose
2.1 (ii)	I agree with a risk-based approach - but I don't think a risk-based approach would lead you to focus on the work of the PC holders. The profession should be subject-matter experts on the interaction between actuarial work and the public interest, and should be able to focus on the most material areas to the public. The work of a PC holder in General Insurance is quite broad and it is hard to believe that it is all of equal public interest - or that it is of more public interest than other actuarial work.
2.2	Neither
2.2 (ii)	The three categories don't seem unreasonable but the consultation paper doesn't contain any analysis of the risks facing the public. I suspect that a deeper analysis of what the risks are would suggest different approaches for different sorts of actuarial work e.g. General Insurance, Pensions, Life.
2.3	Yes
2.3 (ii)	If the monitoring goes ahead I suspect Category B might be useful.
2.4	Don't know

2.4 (ii)	I suspect that applying different sorts of monitoring to actuaries in QAS organisations over-complicates the proposal. My understanding is that QAS focuses on application of actuarial standards and not on the actuarial judgement that I think should be the focus of the monitoring.
2.5	The actuaries with the most impact to public interest are quite possibly those working at regulatory bodies - will they be monitored under the proposals? Only one proposal has been outlined, with no consideration of alternatives (in the proposal document). I think this process should start with a consultation on what the most material risks to the public actually are - and how to specifically mitigate those. Then a range of proposals should be put forward for consideration.
2.6	Don't know
2.6 (ii)	It is really hard to say until the IFoA defines what it means by 'quality' or 'standard'.
2.7	Don't know
2.7 (ii)	This really depends on the exact nature of the review but could be true in some cases.
2.8	The IFoA could do more to define what it sees as high quality actuarial work - providing guidance on best practice in specific areas of work. The profession should at the same time assess how the current processes to ensure quality are working. E.g. is the CPD requirement of 30 hours for PC holders providing any value or does it waste time? Is the practicing certificate scheme achieving anything? Perhaps by removing another burden on PC holders the proposal might get more enthusiasm from PC holders - and reduce the risk of them leaving the Profession.
3.1	Don't know
3.1 (ii)	No example of the proposed outputs has been provided so it is hard to tell.
3.2	Yes
3.2 (ii)	This monitoring could be used to identify where standards, guidance etc are working.
3.3	If the monitoring goes ahead, it should also be used to form a view on whether the regulations applying to that sector are working well - e.g. are the requirements Solvency 2 places on actuaries actually useful to the public interest?
3.4	Neither
3.5	Don't know
4.1	No
4.1 (ii)	Too little information has been provided on this. While firms do already share information with regulators, auditors etc, there is likely to be more suspicion around something that is required for actuaries only.
5.1	No
5.1 (ii)	It seems the proposal has been developed in isolation from all the other requirements. An overall consideration of the framework in place should be made. The monitoring activities will take time from PC holders in particular and consideration should be given to whether some other requirements can be removed (e.g. the practicing certificate form, CPD). It is hard to believe that actuaries are under-regulated at the moment - the IFoA should aim to keep the amount of PC Holder's time the process uses neutral by removing other obligations.
5.2	No
5.2 (ii)	I don't think you can say this was designed for the profession by the profession - more consultation should have been carried out at a much earlier stage rather than producing a specific proposal with no alternatives.

6.1	Don't know
6.1 (ii)	Without any analysis of what risks to the public interest these proposals will mitigate, it isn't possible to say.
6.2	There is a risk that it reduces the confidence in the actuarial profession among actuaries themselves. My perception is that large numbers of actuaries have relatively low respect of the profession at the moment- finding the exams unrelated to their work, finding the CPD requirements overly onerous (e.g. PC holders not being able to count private study) etc. If this proposal is not seen as useful by individual actuaries, it increases the incentive to leave the profession. particularly since the qualification is not required in order to carry out a Chief Actuary role. I think that having too many reviews of an actuary's work can lead to a tendency towards herd mentality - if you have to justify something to internal and external auditors, regulators, external model validators, and now the actuarial profession, there is a greater incentive to follow market practice rather than innovating. In addition, the amount of time spent being monitored is time taken away from other tasks. Actuaries already complain about the volume of reports, regulatory reporting etc they are expected to produce or have input to. Adding more burden to actuaries, and creating demand for a new set of reviewing actuaries, only serves to increase the scarcity of actuarial talent available. At a time when Solvency 2 (and now IFRS 17) have pushed up actuarial salaries, the IFoA should consider the impact of the cost of actuaries to society as a whole - and try to avoid wasting any actuarial time if at all possible.
7.1	I am not against monitoring of actuarial work in principle- but it should focus on issues material to the public interest, and be done in such a way as to avoid placing an additional burden on actuaries- replacing current requirements rather than adding to them.

Submission 525

1.1	Strongly disagree
1.1 (ii)	There are numerous reasons, but some of the key ones are: The extent of the proposal goes too far, it is an unacceptable burden on the individual actuaries selected to be monitored. It creates an undesirable additional oversight on individuals who are already subject to very significant regulatory and business scrutiny and demands. In practice the scheme is likely unworkable, requiring the consent of too many other parties who will not welcome its intrusion.
1.2	Strongly disagree
1.2(ii)	
1.3	Strongly disagree
1.3 (ii)	
1.3 (iii)	
1.4	Very important
1.4 (ii)	No
1.4 (iii)	The public will not make a link between this scheme's outcomes and their confidence in actuaries. Any outcomes will be skewed toward negative conclusions and may be detrimental to the public confidence.
2.1	Strongly oppose
2.1 (ii)	There is already significant scrutiny of PC holders. This scheme will move the scrutiny to an excessive level.
2.2	Strongly disagree
2.2 (ii)	
2.3	No
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	There will be little or no direct comparability between examples of actuarial work.
2.7	Yes
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	No
4.1	Don't know
4.1 (ii)	
5.1	No
5.1 (ii)	

5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	
7.1	I believe at the very least the members of the IFoA should be given alternative monitoring options, one of which is no change, to vote on. The current proposal in my opinion goes too far, yet it feels like it is an inevitable that the IFoA will force the change through, and therefore the IFoA will further lose the trust and confidence of members like me. I believe the IFoA needs to operate on behalf of all its members and not operate in the way that only the executive of the IFoA or a small number of members on IFoA committees believe is most appropriate, especially with regards to such a fundamental change as that currently proposed by the monitoring scheme.

Submission 528

1.1	Disagree
1.1 (ii)	The profession is already well regulated and there is no known problem with current regime.
1.2	Disagree
1.2(ii)	Peer review already provides evidence of quality backed up by actuaries code
1.3	Agree
1.3 (ii)	There is evidence - peer review and the actuaries code.
1.3 (iii)	Very low
1.4	Important
1.4 (ii)	No
1.4 (iii)	Public already have confidence in actuaries.
2.1	Neither
2.1 (ii)	The current TAS and peer review and PC regime already focuses on PC holders
2.2	Strongly disagree
2.2 (ii)	Current regulation of PC holders is already sufficient
2.3	No
2.3 (ii)	Thematic reviews seem like a good idea. Additional requirement on PC holders seems unnecessary.
2.4	No
2.4 (ii)	QAS and the proposed PC monitoring are different. Too much credit is being given for QAS. A risk based approach would focus most on actuaries working on the biggest pension schemes. The proposed regime would skew this in entirely the opposite direction.
2.5	current monitoring scheme is adequate
2.6	Yes
2.6 (ii)	
2.7	No
2.7 (ii)	Need peers to review actuarial work where judgement is required.
2.8	Current peer review is adequate
3.1	No
3.1 (ii)	Need examples of what is envisaged before a judgement could be made.
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Neither
3.5	No
4.1	No
4.1 (ii)	Scheme actuaries are data controllers and so cannot just disclose personal data. Sensitive commercially sensitive information may be shared with competitors on secondment.
5.1	No
5.1 (ii)	QAS is given too much credit instead of personal visits
5.2	No
5.2 (ii)	Proposal looks like a copy of what FRC do for other professions so not really designed by profession.
6.1	No

6.1 (ii)	No additional PC monitoring is required
6.2	Cost of the new regime is not spelled out in the proposal.
7.1	The questions in this feedback are highly skewed towards the assumption that the regime or something very like it is an absolute must - the case not having been made.

Submission 534

1.1	Disagree
1.1 (ii)	<p>In my view, there are two key areas to be borne in mind when assessing the public interest relative to this proposal. Firstly, does it increase policyholder security and reduce risk? Secondly, does it impose costs that offset or remove any benefits? With regard to the first of these, it is hard to argue that there is not public interest and increased policyholder security in ensuring that those employing or instructing actuaries, their policyholders, or even the wider public, should be confident an IFoA Member will be a regulated professional with technical competence and integrity. The response from the IFoA is that to achieve this, monitoring of the quality of a UK Actuary's work is needed. However, there are several key considerations that would question this need, namely:</p> <ul style="list-style-type: none"> • There are many existing processes in place that provide assurance over the quality of a UK Actuary's work. These include: <ul style="list-style-type: none"> o The "APS X2: Review of Actuarial Work" regime provides an existing, comprehensive framework that already meets the requirements being put forward by the consultation. In addition, the TAS framework and Actuarial Function Report requirements provide further mechanisms to assess the quality of the underlying actuarial work. o There are various existing external reviews that provide indirect assurance over the quality of the actuarial work. For example, with regard to reserving and Solvency II Technical Provisions, external auditors probe the internal actuarial teams over methods and assumptions in detail, year on year, as part of the annual statutory audit process. As another example, within the London Market, Lloyd's annually reviews each syndicate's business plans in detail. o The existing Practising Certificate regime, with its comprehensive application and renewal procedures, provides significant additional evidence to support a member's competence and integrity. This is further reinforced by the Continuing Professional Development requirements for every member and which Practising Certificate holders need to attain double the number of hours compared to other members. • At one of the consulting sessions, it was stated that the users of actuarial work have not been surveyed. Given that they have the biggest stake in actuarial work, it seems strange that no interaction has been had with these key stakeholders and, from my experience, they would not agree that there is any need for additional monitoring of actuarial work above and beyond the existing processes outlined in the previous bullet. • The consultation document describes that the change would bring us into line with other professions. However, this does not recognise that in several instances the monitoring in other professions relates to specific tasks undertaken by someone who has to be a member of the specific profession to do the task (eg statutory audit and auditor) or are moving away from monitoring entirely (eg solicitors, as outlined at one of the consultation sessions). Perhaps of greater relevance, the move seems out of line with other actuarial bodies around the world. • As the consultation document makes clear, the proposals are not being made in response to any identified issues with the quality of actuarial work. In other words, the existing "monitoring" processes are working, and the addition of extra processes would not add substantial public interest value in excess of this. In relation to the second point, we must consider both the costs in terms of time and resource required to comply with the proposal, and wider issues of Institute members "pricing themselves out" of the market or becoming a less attractive option compared to other workers. In Appendix 1 of the consultation, for PC actuaries, onsite visits of between 1 and 7 days are envisaged, in addition to planning calls, review time and (one assumes) additional information requests. Given that PC holders do not in general work in isolation, since, for example, if one is a Chief Actuary running a team of

	<p>actuaries, there is inevitably reliance on the team's work, any meaningful review would have to extend down to look at other actuaries' work, and would potentially consume a fair proportion of those individual's time, bearing in mind the current effort required to comply with external reviews. Given there are only approximately 200 working days in a year, even 5 days of time represents a great commitment of effort if there is no substantial value added for the individual's employer. More widely, I have considered why my employer and the company's policyholders (as opposed to myself), should value my membership of the Profession, viewed separately from my personal skills and work experience which I do not need to be a member of the IFOA to offer. At present, my view is that the Institute is respected, and being a member gives assurance that I have met the high level of knowledge and experience required to pass examinations and have maintained that high level via the CPD and Professionalism schemes. However, as my work is already reviewed internally by way of peer review, management review and internal audit, and externally by auditors, the PRA and Lloyd's, I am at a loss as to what value this additional level of review would add to my employer, or our policyholders, to compensate for the inevitable use of my time in supporting our chief actuary to respond to this review, and feel it would further reduce the attractiveness of employing a member of the Institute as opposed to another suitably qualified individual such as members of overseas actuarial bodies, or those with relevant work experience e.g. data scientist.</p>
1.2	Disagree
1.2(ii)	To the extent that employer permission is required to access data at all, and it appears that employers have not been engaged in the proposals, I would be very surprised if access were to be granted to a wide enough range of organisations to give an overview on actuarial work as a whole.
1.3	Strongly agree
1.3 (ii)	It's important that we as a profession maintain high standards of work. However, I would view the existing regime as sufficient to do this. I would also rate the risk as Medium, but there's no option between high and low below!
1.3 (iii)	Low
1.4	Important
1.4 (ii)	No
1.4 (iii)	I strongly suspect that your average man on the street barely knows what an actuary is and that the introduction of an additional monitoring scheme would have no effect on wider public confidence.
2.1	Support
2.1 (ii)	It makes sense to focus on reserved roles which can only be carried out by members of the Institute. I disagree that wider work should be in scope for the reasons outlined in my response to 1.1
2.2	Agree
2.2 (ii)	It makes sense to have some consideration of proportionality.
2.3	No
2.3 (ii)	I do not see the purpose of this. The PRA and Lloyd's already carry out market wide thematic reviews and have the authority to compel organisations to participate, which the IFOA would not have.
2.4	Yes

2.4 (ii)	It makes sense to have some consideration of proportionality and review that already takes place.
2.5	
2.6	No
2.6 (ii)	Given the sheer amount of judgement within actuarial work, I would argue that any type of attempt to empirically (i.e. quantitatively) assess that work would potentially be misleading. There are already concerns around "herding" in actuarial work (cf the establishment of a GIRO working party on this topic), and the potential excessive use of benchmarks, both numerical and in terms of approach. I would be very concerned about the potential for "tick-box" reviews and constraints around the adoption of innovative or non-standard approaches, which may be appropriate for the situation at hand, but which expose the actuary for criticism for not "following market practice". For example, in the past year, I have personally had to do extensive work to justify an alternative approach employed to our auditors, who were concerned it differed from market practice, although there were no conceptual reasons why this supposed "best practice" was better than our approach, beyond that it was widely used and Lloyd's had suggested it as an option. If the IFoA were to give guidance on how specific issues were to be approached, it would make it virtually impossible for individual actuaries to take alternative views, even if they personally believe that would be better.
2.7	Yes
2.7 (ii)	If the aim is to increase public confidence, having some wider involvement seems sensible.
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	It really depends on the precise scope and topic of individual reviews.
3.3	
3.4	Disagree
3.5	Yes
4.1	Yes
4.1 (ii)	
5.1	Yes
5.1 (ii)	
5.2	No
5.2 (ii)	In the various consultation session I have attended, there has been widespread views that this proposed scheme does not meet the profession's needs.
6.1	No
6.1 (ii)	See previous responses
6.2	
7.1	

Submission 535

1.1	Agree
1.1 (ii)	
1.2	Neither
1.2(ii)	Quality of work can be subjective in many instances. There may be a danger that by doing more (or increasing the scrutiny), the quality will improve.
1.3	Neither
1.3 (ii)	With or without evidence quality of actuarial work, there will always be an element of reputational risk. It may mitigate it to some extent but it doesn't mean something will not go wrong. In fact, by introducing more intrusive quality assessment the reputational risk may actually increase as by missing something the question may be asked how it was missed.
1.3 (iii)	N/A
1.4	Important
1.4 (ii)	Don't know
1.4 (iii)	The public in general doesn't even know what an actuary is to the same extent to what an accounting/lawyer/doctor is.
2.1	Oppose
2.1 (ii)	Why only PC holders? What about IFoA members working in other SIMF roles (e.g. CFO and CRO). If the IFoA wishes to increase the scrutiny of PC holders they should extent this to other SIMF roles as well. There is also a danger that employers may start to look at non-IFoA members to fulfil SIMF roles if they believe the amount of regulatory oversight is disproportionate.
2.2	Neither
2.2 (ii)	
2.3	No
2.3 (ii)	Maybe thematic review for all as an initial step and assess whether increased scrutiny is required at a later stage if that is deemed insufficient.
2.4	No
2.4 (ii)	It appears there is a degree of overlap here. To some extent QAS should already be an assurance of the quality of work an QAS firm is producing (the clue is in the name).
2.5	As mentioned in 2.3 I wonder whether this is too much too early. Maybe a period of transition whereby thematic reviews provide valuable lessons which is shared with the IFoA membership and as a consequence decide on a way forward to either increase/decrease the monitoring.
2.6	Yes
2.6 (ii)	Doing thematic reviews for a period of time will enable the IFoA to gauge the level of quality and identify potential gaps.
2.7	Don't know
2.7 (ii)	
2.8	See responses to 2.3 and 2.5
3.1	Yes
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	

3.4	Strongly agree
3.5	No
4.1	Don't know
4.1 (ii)	Conflicts of interest should be managed appropriately particularly in the case of contracted reviewers.
5.1	Yes
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	No
6.1 (ii)	Proportionality is the key word here. Proposing a week onsite as suggested for Category A sounds excessive.
6.2	Be cautious as to the extent of 'regulatory fatigue' suffered by Members.
7.1	

Submission 51

1.1	Disagree
1.1 (ii)	For Category A (PC holders) it might be reasonable, but it is unreasonable overreach for Category B. One of the examples given of a thematic review - the setting of longevity assumptions - is properly the purview of the regulator.
1.2	Disagree
1.2(ii)	For thematic reviews there is no clear reason for a company to participate. There are costs (in terms of lost time) and there are risks (in terms of leakage of IP, commercial secrets, client names etc), but no obvious upside. I cannot see why a consultancy would participate, especially when a company might not be majority owned by actuaries.
1.3	Strongly disagree
1.3 (ii)	The consultation document provided no evidence that there is a problem requiring to be solved. The first test of any new regulatory burden should be what problem it seeks to address. This monitoring proposal fails this first test.
1.3 (iii)	Low
1.4	Important
1.4 (ii)	No
1.4 (iii)	The public will not know or care, and nor should they. The audience of concern is regulators and clients. In the case of consultancies, their clients are probably more worried about their sensitive information leaking out via an IFoA monitoring review than they are about the putative benefits of such a review.
2.1	Support
2.1 (ii)	The monitoring proposal should be restricted to PC holders. This would have been a sensible, limited first step. The current proposal is far too wide-ranging.
2.2	Strongly disagree
2.2 (ii)	The monitoring proposal should be restricted to PC holders. This would have been a sensible, limited first step. The current proposal is far too wide-ranging.
2.3	No
2.3 (ii)	Thematic reviews seem to be more properly the purview of specific working parties. Enhanced information gathering sounds an awful lot like nosiness.
2.4	No
2.4 (ii)	There is a strong suspicion that the purpose of the monitoring proposal is to force companies into the QAS. This is denied in the consultation document, but the denial is not wholly convincing.
2.5	
2.6	No
2.6 (ii)	Participation in thematic reviews is apparently optional; at the very least there does not seem to be a means to force a company to take part (and nor should there be). Many companies providing services viewed as "actuarial" are not wholly or even majority owned by actuaries. If they cannot see the benefit of participating, or indeed can only see costs and risks, they won't participate, thus leading to selection bias.
2.7	Yes
2.7 (ii)	In numerous cases in our own business, actuaries are not in general well placed to assess what we do. Professional statisticians or academics would be better placed.
2.8	Stick to a simple, narrow focus of PC holders only and run the scheme for a few years before considering enlarging it.

3.1	No
3.1 (ii)	Our client contracts prohibit us from sharing their data, reports etc with third parties. Since we cannot therefore show these to the review team, there will be nothing to give feedback on.
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	No
4.1	No
4.1 (ii)	Our client contracts specify financial penalties for breaches of confidentiality. The only safe approach is to not share any client materials, data or reports. Much of our work involves data classed as personal data under GDPR, so any form of sharing not strictly necessary for the performance of the work would be ill-advised.
5.1	Don't know
5.1 (ii)	The IFoA needs to give far more consideration to the regulatory burden it continues to pile onto its members. Our business has only a single actuary, and could function perfectly well if that individual lapsed their IFoA membership. The more the IFoA piles on regulations and possible penalties, the more attractive the latter approach appears.
5.2	No
5.2 (ii)	The monitoring proposals are far too wide-ranging and burdensome, and introduce yet more risk for the self-employed actuary. I perceive my membership of the IFoA as increasingly a burden and risk, rather than a help to my business.
6.1	No
6.1 (ii)	The proposals are far too burdensome.
6.2	The IFoA claims to be interested in seeing actuaries employed in "wider fields". However, those of us who actually do work in wider fields, i.e. outside traditional pensions and insurance work, repeatedly see the IFoA add rules and regulations to members that don't apply to our competitors. This forces wider-fields actuaries to continually assess whether their IFoA membership is worth it. I know of several who have lapsed their IFoA status because it either creates additional risks for them or because it hampers their ability to run their business.
7.1	Sharply cut back these proposals to focus solely on PC holders.

Submission 54

1.1	Disagree
1.1 (ii)	I think that category A is reasonable. I consider categories B and C to be overreach. These are rather broad, particularly given the multinational nature of the IFoA. In my case, I feel so strongly that I will cease to be an IFoA member and revert to just being a member of my local association (Australia) if this proposal continues in its current form.
1.2	Strongly disagree
1.2(ii)	I think an overly broad definition of "actuarial work" is being used. Category A is entirely reasonable. Since it appears that Categories B and C refer more generally to any work conducted by any member, in my view it places material burdens and barriers to members operating in new fields. Again, I feel so strongly about this that I will cease to be a member of the IFoA if this is maintained.
1.3	Strongly disagree
1.3 (ii)	The reputation of the profession needs to be enhanced in terms of its ability to become broader and more innovative. Since this appears to place barriers to innovation, in my view it exacerbates the profession's (poor) representational problems in being innovative.
1.3 (iii)	Very high
1.4	Neither
1.4 (ii)	Don't know
1.4 (iii)	Again, an overly broad definition of "actuarial work" is being used - categories B and especially C are totally inappropriate in my view
2.1	Strongly support
2.1 (ii)	I would go further, and state that the work should focus only on that of PC holders, and only of particular work that they do. The work under question should literally be itemised. Otherwise this hinders the ability of members to broaden their work. I repeat - I will cease to be a member if this proposal is taken forward in current form.
2.2	Strongly disagree
2.2 (ii)	As per other questions, I am strongly of the view that this should stop at Category A, or the scope of B and C should be narrowed dramatically to particular, itemised, types of work.
2.3	No
2.3 (ii)	The scope of "actuarial work" is far too broad. This places a burden (or at least potential burden) on any member wanting to do work outside of the PC regime. This is a hindrance to members wanting to broaden their careers and innovate, and in my mind shows the profession to be very, very narrowminded in its ambitions. In my view B and C are fine only if they refer to particular, itemised work tasks. I repeat - I will cease to be a member if this is enacted in its current broad form.
2.4	Don't know
2.4 (ii))
2.5	See previous answers - this must be materially narrowed or it will serve to narrow the ability of members to innovate. I will be leaving the member base if this continues in its current form.
2.6	No
2.6 (ii)	"Standard" is too fluffy a concept, and empirical measurement of this is probably not viable, without a tickbox scheme which would be worse than useless. Qualitative assessment by suitable experts is the best approach for such matters - quantitative data is at best useless,

	at worst actively misleading. e.g. pre-GFC I'm sure banks would have assessed their risk models of CDOs as "best practice" - in hindsight this was useless. We run the risk here of creating such a regime of groupthink.
2.7	Yes
2.7 (ii)	If the intent is to gauge public interest then absolutely.
2.8	See other comments - I think the scope is far, far too broad. For people like me seeking broader career paths than merely "traditional" work, this is too burdensome. If enacted in current form I will probably discontinue my membership as a result
3.1	Don't know
3.1 (ii)	Very high level description given, would have to see this in practice to gauge
3.2	Don't know
3.2 (ii)	Runs the risk of putting the profession on a certain narrow path which is found to be incorrect. The phrase "best practice" is always a dangerous one as it incentivises groupthink - this could create issues.
3.3	
3.4	Neither
3.5	Don't know
4.1	Don't know
4.1 (ii)	
5.1	No
5.1 (ii)	This appears far broader in scope. Hence my previous comment that I will likely leave the membership base as a result - this has stepped over a line and is now creating barriers to innovation. An alternate proposal with similar scope (i.e. category A only) would be far more reasonable and consistent with current standards
5.2	No
5.2 (ii)	I think it cements the general view held of the profession as one which is backwards looking, with no real ambition to grow its scope and influence. The breadth of B and C is so huge as to disincentivise innovation. For someone in "broader fields" - what value is there in being a member? It's already pretty tenuous at best and this just places heavy compliance burdens on this sort of person. I for one will discontinue membership if this is taken forward in current form as I would see it as a barrier to my personal growth, with no real upside. I know many others who feel similarly
6.1	No
6.1 (ii)	No, per previous answers this is a material overreach that I strongly, strongly disagree with, which sets the profession on a very poor course, in my view.
6.2	The ambitions of members working in broader fields, who are already struggling to justify their continuing membership of the profession. Adding compliance burden with no clear upside will be a good way to convince them to leave - I'm certainly convinced!
7.1	

Submission 65

1.1	Agree
1.1 (ii)	
1.2	Agree
1.2(ii)	
1.3	Disagree
1.3 (ii)	
1.3 (iii)	
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	To a limited extent.
2.1	Strongly support
2.1 (ii)	
2.2	Neither
2.2 (ii)	
2.3	Don't know
2.3 (ii)	
2.4	No
2.4 (ii)	
2.5	
2.6	Yes
2.6 (ii)	
2.7	Yes
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Disagree
3.5	Yes
4.1	Don't know
4.1 (ii)	
5.1	Yes
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Yes
6.1 (ii)	
6.2	There needs to be awareness of not overly extending the scope of review to cover work carried out by regular IFoA members beyond the current proposals.
7.1	

Submission 72

1.1	Agree
1.1 (ii)	Monitoring is good to establish credibility of IFoA as a regulator and of member oversight.
1.2	Strongly agree
1.2(ii)	Even with respect to PCs, the level of information the IFoA holds about actuarial work appears to be based on experience of very few members who engage with volunteer work on IFoA committees, and I do not believe this is a representative subset of the profession.
1.3	Strongly agree
1.3 (ii)	As a profession, we have adversely suffered from blows such as pension mis-selling and Independent but been unable to defend ourselves from reputational damage. The focus is on (inter alia) the audit profession today, we could be tomorrow.
1.3 (iii)	High
1.4	Neither
1.4 (ii)	Yes
1.4 (iii)	I think the public in general does not give a fig for us. My concern is our reputation with industry leaders, regulators, and that is the constituency most likely to see the benefit of our doing this.
2.1	Support
2.1 (ii)	By its nature (so far), PC work is the most sensitive, as it relates mostly to regulated roles. My response may differ depending on future scope of PCs, e.g. non-regulated work, unless the scope of PCs is extended as a result of evidence from this review work.
2.2	Strongly agree
2.2 (ii)	This is an excellent way of defining the proportionality of the reviews. The devil is in (i) how different work is categorised and (ii) the intrusiveness and frequency with which such reviews are conducted.
2.3	Yes
2.3 (ii)	The IFoA needs to gather information regarding all member work, if only to strike out unnecessary or burdensome regulation from time to time.
2.4	Yes
2.4 (ii)	Consider QAS only in respect on consultant firms in the UK. For other categories of employer and for employers outside the UK, this should be disregarded or replaced with other quality assurance measures / proxies.
2.5	There needs to be clear differentiation between review of work a member performs as an actuary and that which is performed by a member but no actuarial in nature or scope (e.g. management roles). Members should be reviewed as professional actuaries only in relation to actuarial work. Although noting the general scope of the Actuaries Code, I do not think that the review should be so broad as the Code.
2.6	Yes
2.6 (ii)	Certainly better than now. I would also encourage drawing on a wide range of candidates for the review work itself.
2.7	Yes
2.7 (ii)	In fact, I would have no objection to review teams being all non-actuaries. As long as the reviewers have the industry expertise and familiarity with actuarial work. Category A reviews should still have actuaries as some of the review team; categories B & C I would relax the rule.

2.8	As well as these reviews, I would encourage the IFoA to engage in 1-1 interviews with members about their work, perhaps by random selection from membership lists, in order to gather empirical evidence of scope for future reviews.
3.1	Yes
3.1 (ii)	The proposals sound as though they have been thoroughly thought through and designed to elicit as much honest feedback as possible with the appropriate controls on data and confidentiality.
3.2	No
3.2 (ii)	Necessary, yes. But on its own not sufficient and I refer back to my proposal for 1-1 interviews as additional means of gathering evidence for future regulatory direction.
3.3	The main users are going to be industry leaders and regulators, so I would encourage targeted feedback to these constituencies as the main users of actuarial work regarding value for money, risk management, etc.
3.4	Agree
3.5	No
4.1	Yes
4.1 (ii)	
5.1	Yes
5.1 (ii)	This is a missing piece of the jigsaw: oversight of what the profession does by regulating members
5.2	Yes
5.2 (ii)	
6.1	No
6.1 (ii)	My concern is that a review could take up to a week of onsite visit, plus additional preparatory and post-visit time, at possibly 18 months frequency. This is too much and is the one part of the proposal that I would urge a rethink (e.g. frequency of revisit is related to findings in the first instance).
6.2	How much impact is there on CPD requirements? Could CPD be of help in banding review frequency needs? Could CPD be replaced through this regime entirely. It is not discussed and should be in the scope of the consultation.
7.1	

Submission 80

1.1	Strongly disagree
1.1 (ii)	Under the pretense of being proactively cautious, this proposal is massively increasing the power of the IOFA and potentially dealing a death blow to many non-traditional roles currently occupied by actuaries. The proposal may be justified for the more "mechanical" actuarial roles (e.g. pensions), but if this proposal is applied blindly to all actuaries, many employers will no longer hire actuaries in order to shield their Intellectual Property from the IOFA and potentially from competitors.
1.2	Neither
1.2(ii)	The need for the IOFA to provide evidence as to the quality of actuarial work is not substantiated. The downside of this proposal far outweighs any upside. Far from increasing anyone's confidence in the profession, this will turn actuaries into pariahs. No employer will ever consider hiring an actuary in any cutting-edge financial position if their work is subject to review by some committee appointed by the IOFA.
1.3	Strongly disagree
1.3 (ii)	I support evaluation of potential risks to the profession, but this one is remote. A much bigger risk is that we protect our profession so much against any risk that we end up confining ourselves to only the most traditional actuarial roles, and we fail to become relevant in other areas of the financial ecosystem. We have already lost ground in the last decade to other educational backgrounds (e.g. engineers, data scientists).
1.3 (iii)	Very low
1.4	Important
1.4 (ii)	Don't know
1.4 (iii)	The public already has confidence in our high standards. Whenever we introduce ourselves and we say we are actuaries, people are impressed. If we implement this proposal, it won't make us even more impressive, but people will also associate us with corporate spies and will be terrible for our profession.
2.1	Neither
2.1 (ii)	Does not apply to me.
2.2	Strongly disagree
2.2 (ii)	A good risk-based approach will tell you that this proposal dramatically jeopardizes the profession's ability to work in non-traditional roles..
2.3	No
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	Just don't do it, this is terrible for non-traditional actuarial roles.
2.6	Yes
2.6 (ii)	Yes, but at what cost?
2.7	No
2.7 (ii)	This would be the height of corporate espionage.
2.8	I think this is futile and very dangerous to the profession.
3.1	Don't know
3.1 (ii)	
3.2	Don't know

3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	Don't know
4.1	No
4.1 (ii)	Absolutely not. And even if we can improve the small print, the overall idea remains that the IOFA wants to have access to its members' work, and that alone is a reason to deter employers in non-traditional actuarial areas to hire actuaries.
5.1	Don't know
5.1 (ii)	
5.2	No
5.2 (ii)	This proposal offers to shoot ourselves in the foot to protect us from a largely unsubstantiated risk.
6.1	No
6.1 (ii)	
6.2	I've been explaining a lot of that in my prior comments.
7.1	Please do not do this to actuaries in non-traditional roles.

Submission 90

1.1	Strongly disagree
1.1 (ii)	1 - Inevitably will add cost to already expensive membership fee. 2 - We are already subject to regulator, audit, peer, independent peer, etc reviews. We need to cut the number of reviews especially when reviewing reviews. 3 - This proposal adds little value by merely aimed at giving the IFoA more information. There must be a more informal, less intrusive, less costly ways to do this.
1.2	Strongly disagree
1.2(ii)	The reviews would be influenced by the subjective views of the reviewer and the IFoA. It focuses on the wrong topics and there is no clarity of what your starting position is of what "good" would look like. It appears you're making it up as you go along otherwise guidance and criteria for assessments and info gathering would have been part of the consultation document.
1.3	Strongly disagree
1.3 (ii)	There is already evidence: Independent peer reviews, audits, Risk teams and regulatory reviews. Scrutiny by committees, trustees, investors, etc. We are constantly reviewed and challenged. You would be better off asking members just to keep a record of their reviews and challenges of their work. You can then check these periodically rather than duplicate what many others have done before you. Even auditing this seems silly as clearly we would not be doing our jobs if we were not following the TAS' and constantly being reviewed. The public should have confidence that actuaries have the controls in place to monitor and review and challenge their work. Not to be subjected to a duplication of existing controls at the expense of member fees and to help fuel the IFoAs need for data.
1.3 (iii)	Very low
1.4	Very important
1.4 (ii)	No
1.4 (iii)	Actuaries have controls in place. Much stronger controls than proposed here. You should rather reinforce to the public the fact that we have these controls in place than try and duplicate the existing controls
2.1	Neither
2.1 (ii)	You are proposing to review those reviewed most the most. Actuaries in wider fields simply don't follow a specific script which the IFoA would be able to tick box against. The IFoA needs to move with the times and start thinking about more innovative and engaging ways (that is less intrusive and expensive) than these dinosaur methods.
2.2	Disagree
2.2 (ii)	As above.
2.3	No
2.3 (ii)	Why not informally decide on an annual deep dive into a sector and then randomly go and visit some shops. Why do you need such a convoluted process?
2.4	No
2.4 (ii)	While I agree that QAS should have less scrutiny as they have more controls, I do not think restricting it to this is ok. E.g. The risk management framework of Company's (e.g. insurers) needs to also feature.
2.5	Individuals providing customer advice are more likely to result in reputational damage, especially in smaller companies without good risk management controls. If you feel you

	have to do something then pick an annual topic or two and do an informal deep dive. Otherwise trust that we are already reviewed to death.
2.6	No
2.6 (ii)	It may give you evidence, but you would have been able to save a lot of time, effort and money if you just looked at the evidence already available.
2.7	No
2.7 (ii)	What would be their purpose?
2.8	Ask for individuals to volunteer information that the IFoA can use. Work is already peer reviewed. Ask those reviewers for an annual certificate and then interview a sample of them. Hold town hall meetings for people to share their ideas.
3.1	No
3.1 (ii)	Nothing that we do not already obtain from all the reviews we are subjected to.
3.2	No
3.2 (ii)	There is something significantly amiss if the IFoA feels it needs to implement more bureaucracy so that it can find out what the membership does well/not, get more info from them and get closer to their d2d activities.
3.3	How much it cost and how much time it took to complete both for the member being reviewed and for the reviewing team. This will need to be transparent for the membership to understand the value-add of your proposal and of each piece of evidence/information that the IFoA will gather and share
3.4	Disagree
3.5	No
4.1	No
4.1 (ii)	One week the reviewers are walking around in the office and the next week there is an anonymous report. It won't take a rocket scientist to work out who the report is about. Besides the profession is small and most of us know each other. I cannot see how this won't turn into sensationalised gossip. Will reviewers sign a non-disclosure?
5.1	No
5.1 (ii)	See previous comments.
5.2	No
5.2 (ii)	Self regulation already requires peer reviews and independent reviews that already exist. What you are proposing is not self-regulation, but duplication. It seems a witch-hunt without a objective structure.
6.1	No
6.1 (ii)	You have not shared a cost vs benefit analysis. Please share with the membership.
6.2	Employers do not all pay for membership fees. Although you state it wont impact costs immediately you also give no reassurance about the long-term implication. You need to be transparent about your long-term projections about the cost for this and how this will impact members' fees. I would imagine that the IFoA want to treat the members fairly and communicate to them transparently. Many qualified actuaries need not subscribe to the IFoA to practice as actuaries at their employer (as they just need to have qualified previously). Therefore it will be more cost-efficient and less intrusive for some members to stop paying their membership fees. This proposal may be the catalyst for more of these moves. Need to consider how this proposal fits into the 21st century as it seems very archaic.

7.1	Will this be voluntary/mandatory? Sect 5.3 covers reserved work, but earlier you state ANY work. Need more clarity of what work will be covered. How much notice will you give a member? Will you set out the scope and content of your review, e.g. in a ToR?
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Submission 122

1.1	Agree
1.1 (ii)	Overall I am happy with the proposal but query whether the work should be used in starting disciplinary procedures as this could significantly decrease cooperation with the review
1.2	Agree
1.2(ii)	
1.3	Neither
1.3 (ii)	I don't think a lack of evidence is a huge risk but a lack of monitoring in potentially problematic areas could lead to industry wide issues being missed
1.3 (iii)	
1.4	Important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Support
2.1 (ii)	
2.2	Agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	Those who do not have practising certificates will still be doing substantial amounts of work and it would seem odd to miss out this part of the profession
2.4	Don't know
2.4 (ii)	
2.5	
2.6	Yes
2.6 (ii)	
2.7	Yes
2.7 (ii)	It would potentially offer a different viewpoint
2.8	
3.1	Yes
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	
3.4	Agree
3.5	Yes
4.1	Don't know
4.1 (ii)	I am concerned given my previous interactions with the institute about its ability to protect information. This comes from previous breaches around personal information such as e-mail addresses being shared without permission in institute student communications. This proposal would require higher standards to be kept.
5.1	Yes
5.1 (ii)	
5.2	Yes
5.2 (ii)	

6.1	Yes
6.1 (ii)	
6.2	
7.1	

Submission 172

1.1	Disagree
1.1 (ii)	Bureaucratic for the sake of it.
1.2	Neither
1.2(ii)	
1.3	Disagree
1.3 (ii)	Why are those passing the exams not graded according to the quality of their pass? Thus first, second and third class actuaries.
1.3 (iii)	Low
1.4	Important
1.4 (ii)	No
1.4 (iii)	It would help that senior actuaries stopped proposing views that "white is black"
2.1	Neither
2.1 (ii)	
2.2	Disagree
2.2 (ii)	Don't agree with monitoring in the first place.
2.3	No
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	Publish the "class" of an actuary's pass for qualification.
2.6	Don't know
2.6 (ii)	
2.7	Don't know
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Neither
3.5	Don't know
4.1	Don't know
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	No
5.2 (ii)	What is quality of work? For example views out of line with conventional thinking. Would they be marked down as poor quality?
6.1	No
6.1 (ii)	
6.2	What about the impact on potential entrants to the profession of having their lifetime's work under perpetual scrutiny?
7.1	

Submission 183

1.1	Strongly disagree
1.1 (ii)	This is an unnecessary increase in regulation for this profession. We already have review requirements under APS X2, quality standards under TAS, and robust professionalism requirements. Not to mention CPD. Enough is enough. My experience is that few employers actually take any comfort from any of this profession-related treacle, especially outside of narrow actuarial roles.
1.2	Neither
1.2(ii)	Yes, this would give us more information. But the marginal cost is not justified.
1.3	Strongly disagree
1.3 (ii)	The work speaks for itself, and if doesn't, employers will hire better staff. We already have TAS and other frameworks to demonstrate that our work is of good quality. I appreciate the wisdom of 'getting ahead of' any perceptions of poor quality by launching a Monitoring framework. But I doubt any employer will notice or care.
1.3 (iii)	Very low
1.4	Neither
1.4 (ii)	No
1.4 (iii)	The public doesn't know what an actuary is, let alone think about the quality of actuarial work. I can't imagine a Monitoring framework will ever feature in their perceptions.
2.1	Neither
2.1 (ii)	
2.2	Strongly disagree
2.2 (ii)	We don't need this sort of complexity. If we want to do thematic reviews, or deep dives on a certain issue, there's nothing stopping us. We don't need yet more categories (to go along with our membership categories for CPD) to think about, alongside APS X2 requirements.
2.3	Don't know
2.3 (ii)	
2.4	No
2.4 (ii)	I don't see how this can be done consistently.
2.5	
2.6	Don't know
2.6 (ii)	Potentially this could be used to gain empirical evidence. Would need some whizz-bang data mining, which would be very hard to stand behind in any sort of tribunal. But it could be done.
2.7	Yes
2.7 (ii)	
2.8	I think it is perfectly reasonable to accept the risk of not having a Monitoring process, whilst still achieving the IFoA's objectives. Every marginal addition to self-regulation must be weighed in terms of cost and benefit. Here I think the cost of a formal framework outweighs the benefit.
3.1	No
3.1 (ii)	
3.2	Yes

3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	No
4.1	Don't know
4.1 (ii)	
5.1	No
5.1 (ii)	I am deeply sceptical about the IFoA's ability to harmonise properly this added review burden to existing assurance schemes within the institute itself. Let alone external standards. You also forgot SIMR and PPP and various other regulatory frameworks in the financial services industry. This is going to be a mess.
5.2	No
5.2 (ii)	as some of my other comments imply, I think this is an undue an overly burdensome use of resources in a profession that is already heavily regulated in an industry that is heavily regulated. We should risk accept the lack of a Monitoring framework, and rely on the CPD, APS X2, and Disciplinary frameworks.
6.1	No
6.1 (ii)	
6.2	
7.1	

Submission 197

1.1	Strongly disagree
1.1 (ii)	I do not think this is a reasonable step for the IFoA to undertake as: - there is already a disciplinary process - the work undertaken by actuaries is already reviewed by regulators as part of their review of the work of the firm as a whole. Whilst this may not be looking at actuarial work in isolation, actuarial work should not be looked at in isolation but as part of the wider operation of the firm. - Regulators already carry out thematic reviews (e.g. non-life pricing has been looked at by the Irish regulator recently) - The process around actuarial function holders is already exceedingly restrictive and prevents good candidates from being able to take up these roles. Adding further regulation and bureaucracy to this will further encourage firms to look for non-UK actuaries to take on these roles where they only have one regulator (the PRA) to contend with.
1.2	Strongly disagree
1.2(ii)	There is no legal compulsion for firms to comply with this process so either they will not or they will do so purely on a redacted basis. There is no benefit to the firms from having a narrow view from the IFoA on people's work.
1.3	Strongly disagree
1.3 (ii)	There is a risk to the reputation of the profession FROM doing this. If to employ an actuary you have to employ another one to peer review their work and then also pay for the profession to check their work, on top of your wider regulatory burdens, then why would you employ an actuary, in particular a UK actuary, if you had an alternative?
1.3 (iii)	N/A
1.4	Important
1.4 (ii)	No
1.4 (iii)	This work is actuaries looking at actuaries - there is no independence in it. Confidence is only built from broader public engagement and through the work of regulators in looking at the firm as a whole, not from insular technical discussions.
2.1	Strongly oppose
2.1 (ii)	The process of regulating Practising Certificate holders is already too burdensome, and restrictive in how it was set up. If this was being used to open up the Practising Certificate closed shop (for example by removing the current restrictions and replacing them by some sort of monitoring) then this could have some merit. However, as it stands it is yet another aspect that makes UK actuaries more difficult to employ.
2.2	Strongly disagree
2.2 (ii)	Thematic review and general information is the work of regulators and there is no incentive for firms to engage with this given the already high regulatory burdens that they face. Direct review is only appropriate if being used to replace currently existing schemes (e.g. QAS or Practising Certificate)
2.3	No
2.3 (ii)	Thematic review and general information is the work of regulators and there is no incentive for firms to engage with this given the already high regulatory burdens that they face.
2.4	No
2.4 (ii)	If it is introduced (and I reiterate that I am not in favour of this) it has to be the same across the board with no "get-out" clauses promoting other schemes. You can't use one process to make another compulsory by the back door.

2.5	If done, it needs to replace current schemes such as Practicing Certificates, QAS, X2 Review etc rather than being another scheme in addition.
2.6	No
2.6 (ii)	Firstly, I don't think that firms will voluntarily give the information that is required. Secondly, to get to the level of detail needed to make valid judgements requires significant investment in time and resources, which would make this scheme additionally costly.
2.7	Yes
2.7 (ii)	This is a necessary part as otherwise it is purely a technical cul-de-sac.
2.8	Work more closely with the work already being done by regulators in order that there is not this duplication of work.
3.1	No
3.1 (ii)	The redacted nature of the information used will limit this.
3.2	No
3.2 (ii)	Limited in its areas of application and focus (e.g. practicing certificate holders and technical work)
3.3	
3.4	Strongly disagree
3.5	Yes
4.1	No
4.1 (ii)	Needs to be properly contractually based with significant financial penalties in the case of any disclosure given the fact that the IFoA does not have a basis in law for this work (and the financial penalties should mean that this becomes a non-runner)
5.1	No
5.1 (ii)	Without removing existing IFoA work, this purely duplicates the work of the regulators to no benefit to the firms involved (and at some cost). It only has a benefit if removing the Practicing Certificate Regime and QAS (and possibly other regulation too).
5.2	No
5.2 (ii)	The profession survived without this in the days when it was much more influential than it is now. Given the improved focus by regulators this is unnecessary duplication.
6.1	No
6.1 (ii)	No justification has been given for this work. It duplicates the work of regulators and increases the cost on firms. It is another additional burden from the IFoA which will make IFoA actuaries increasingly unemployable. It could only be justified if part of a broader review that removes other restrictions such as the practicing certificate closed shop.
6.2	The argument on cost is not well made. If the profession can afford to resource up to be a quasi-regulator then either it could afford to cut fees now or fees will increase in the future.
7.1	The costs need to be explained more clearly - if the profession can afford £Xm to staff this function than current fees could be cut, or if it will lead to an increase then this should be made clear.

Submission 205

1.1	Neither
1.1 (ii)	Some elements are reasonable, for example strengthening monitoring of practice certificate holders. The others are overly defensive and will place GI actuaries at least at a competitive disadvantage
1.2	Disagree
1.2(ii)	For certificate holders those with power are partially exempted (as they are already "heavily" regulated). This means in practice you will hear what you want to hear and slap a few junior certificate holders on the wrist. In the middle you won't really know what we are doing as you don't put it in context. Also good and bad employers will want to hold back work examples and for surveys you could have been working with your volunteers in working parties and alike rather than ignoring their expertise and experience (especially since these people can give insights from actually doing the role)
1.3	Agree
1.3 (ii)	It would be good to demonstrate that we have clear standards. This is not however at the extent of actually upholding them. This seems to be a clear example of "the Executive" (the staff at the IFoA) exempting itself of responsibility. This in itself is not a problem and understandable, the fact it's a profession is a problem. We are at present well respected because we uphold high standards, some members do let themselves and us as a profession down but it's expected to be professional. If we move to box ticking I worry that more members may feel happy to let each other down if overall we are "professional". There are a few well-known professions that do this that a less well respected.
1.3 (iii)	High
1.4	Very important
1.4 (ii)	No
1.4 (iii)	The public are currently very unaware of what we do. They are therefore extremely unlikely to be aware (or take an interest) of how we police ourselves. In this day and age its scandals which help people trust us. Many in the public still have a bitter taste from equitable life. As a general insurance actuary this seems unfair but how public opinion works. It's more important to have a professional set of members than a tick box exercise. As soon as there's the next scandal this will have undoubtedly failed and be long remembered. If the issue is instead that the FRC and PRA are not happy, then this is a different political issue needing a different solution and indeed if they are being aggressive this may back-fire on themselves. There is no other profession waiting to fill the gap they would be criticising. There are data scientists waiting to take our roles if we are regulated out of the workplace.
2.1	Strongly support
2.1 (ii)	This is extremely reasonable and I think if anything the proposals should be strengthened
2.2	Neither
2.2 (ii)	The principle is sound. For certificate holders there should be monitoring of all PC holders. Maybe less for QAS but not for senior actuaries "already heavily regulated". The thematic reviews seem mainly to appease the FRC in JFAR. Could they perhaps take a more emotionally intelligent approach than calling out deficiencies and patting themselves on the back publically afterwards? Will members and employers really be able to agree or will this just make our employers look for alternative professionals like data scientists? I have no issues with surveys, I just think its nest not to ignore the current volunteer network.
2.3	No

2.3 (ii)	Please see above
2.4	Yes
2.4 (ii)	There should be less frequent spot checks though
2.5	You could extend the direct monitoring to all Fellows, Associates and indeed the equivalents in Certified Actuarial Analysts. This should be proportionate to risk. So Fellows the next highest, but maybe every few years for example. In the interim the CPD scheme could be strengthened. I believe its in South Africa where members have a peer reviewer selected at random each year to justify what they have learnt. The idea being it adds some honesty and focus on self development. This may help keep standards up. Being professional is the best defence to avoiding the professions reputation being damaged. If members do then want to slip through and maybe senior actuaries need disciplining because they can't find the time they should be disciplined as they need to understand that a profession is a community, unlike a trade body.
2.6	Yes
2.6 (ii)	It would but I'm not sure its valuable if we fail anyway?
2.7	Yes
2.7 (ii)	They add in a wider view point
2.8	I've stated it above - direct review of all qualified professionals, frequency in proportion to their risk. Then CPD strengthened to encourage people to hold each other to account. A more inclusive way of dealing with the FRC and PRA may also be helpful. If members understand the issues they can then become more professional to solve them rather than you rolling out a report.
3.1	Yes
3.1 (ii)	
3.2	No
3.2 (ii)	You need to listen more to the membership as well
3.3	Working parties and things like that to address gaps and increase the skills of the profession. Maybe this is what is meant by Education?
3.4	Strongly disagree
3.5	Yes
4.1	No
4.1 (ii)	There's a lot of endeavours, might and so on. It hardly gives confidence. This appears to have been a secondary consideration that needs further work from the profession.
5.1	Yes
5.1 (ii)	
5.2	No
5.2 (ii)	It appears to be designed for JFAR, not for the profession. I realise we must satisfy their needs but we should be more careful to understand our professions value to our employers. At present it appears like it would threaten a group of roles in general insurance.
6.1	No
6.1 (ii)	I think that the lack of commercial privacy (from thematic reviews) and increased costs and regulation will make actuaries significantly less employable in general insurance
6.2	The extra subscription fees and whether employers will pay this. You will need more people not just initially but on-going. So the FRC's money will soon run out.

7.1	I think this needs more debate and refinement. It appears to have too light a focus on the impacts on general insurance.
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Submission 208

1.1	Strongly disagree
1.1 (ii)	As drafted, I do not agree that the scheme will meet the outcome of monitoring the quality of actuarial work. Neither is there any benefit from another monitoring scheme being run by the profession. A compliance only scheme would be better run by an outside body like the FRC. If quality is really to be measured, compliance work is not what needs to be considered.
1.2	Strongly disagree
1.2(ii)	Will say very little about quality. Will say much more about compliance which I don't think is the same thing at all. Nor will it consider the outcomes of the advice and the extent to which the actions of members are protecting individual member outcomes which is surely the most important issue
1.3	Agree
1.3 (ii)	I agree that this is a risk but this information is already available to some extent via the QAS accreditation and it would make more sense to enhance and expand that rather than insitgate a whole new procedure
1.3 (iii)	Low
1.4	Important
1.4 (ii)	No
1.4 (iii)	it's another system that it policed by ourselves. The general public will see any proposal as just us looking after ourselves. That's evident by any report you read/hear on any profession that reports on itself. The public are highly cynical about the value that provides
2.1	Oppose
2.1 (ii)	I don't agree that this is where the greatest risk lies. It's just the easiest group to target. It's already probably the best regulated work due to peer review.
2.2	Disagree
2.2 (ii)	As above, don't think targeting practising certificate holders is appropriate
2.3	Yes
2.3 (ii)	
2.4	Yes
2.4 (ii)	QAS already covers this. Furthermore, the best practice under QAS is already driving cold file reviews and monitoring of quality. Internal challenge is often more robust and open than external as individuals are not worried about external perception or the risk of being reported. It would make much more sense to expand or take QAS to a higher level than start again with another process
2.5	yes. Any area other than practising certificate work has been overlooked and this work is likely to be more risky and less good quality than reserved work as it is less regulated, compliance driven and subject to peer review. If the profession want more quality checked, they should expand QAS. If there is a particular sector in the market that causes an issue, they should target that rather than everyone. If they are happy with just a compliance check, they should let the FRC do that and gain the credibility of an external reviewer being involved
2.6	No
2.6 (ii)	More compliance than quality. Members of the public are affected by outcomes which are not assessed at all. This would not have stopped BHs, Carillion, British Steel
2.7	Yes

2.7 (ii)	Potentially. Depends on what you are trying to assess.
2.8	
3.1	Don't know
3.1 (ii)	it depends on the quality of the interviewer and the confidence of the individual to have an open and honest conversation
3.2	Don't know
3.2 (ii)	won't know this until we see the quality of the output
3.3	Yes. The employer should receive a copy of the output. This will enable the organisation to work with the individual to provide any necessary training or development and also allow them to consider whether any of the points apply more widely in the organisation
3.4	Neither
3.5	Yes
4.1	Don't know
4.1 (ii)	Not going to know this until we see it in practice
5.1	No
5.1 (ii)	think it duplicates what is there already and adds very little additional value
5.2	Don't know
5.2 (ii)	Don't understand why we are so unwilling to have any outside regulation. What is the harm in the FRC conducting what is, in essence, a complinace review
6.1	No
6.1 (ii)	it will take a lot of time for expensive senior employees that will return little value for the employer, particularly if they are not entitled to see the output
6.2	
7.1	Consideration should be given to scheme actuaries being accompanied in their interview particularly if they are relatively new or junior. Consideration should be given to just making QAS compulsory as this framework already exists.

Submission 242

1.1	Strongly disagree
1.1 (ii)	The scheme would be purely voluntary as the Institute does not have the power to compel employers to release the required information. Employers have little incentive to cooperate and would likely see the monitoring as a potential risk. Adverse findings would reflect on both the member and the employer and could be price sensitive. The highest risk firms would be the least likely to participate. The scheme appears to be heavy handed compared with other professional bodies. Members work is already subject to independent review by auditors. Very few firms would not be subject to some sort of audit. The FRC is better place to be the regulator and has statutory powers it could use to enforce its regime.
1.2	Strongly disagree
1.2(ii)	The Institute has no powers to compel disclosure of information. The Institute has limited resources with which to perform this role without a substantial increase in membership fees.
1.3	Disagree
1.3 (ii)	The FRC already has the powers to undertake this role. Actuaries already understand that they are accountable for their work and could be liable if something goes wrong.
1.3 (iii)	
1.4	Very important
1.4 (ii)	No
1.4 (iii)	The regime would be ineffective due to the lack of powers to access information. It would be an additional overhead for good practitioners and may encourage risk averse, as opposed to good, behaviours. Poor practitioners would be largely unaffected and could shelter behind their employers' rights to confidentiality.
2.1	Neither
2.1 (ii)	A risk based role of common sense, but direct reviews would be ineffective for the reasons previously stated.
2.2	Neither
2.2 (ii)	Thematic reviews could be very useful at encouraging best practice. Direct review would be ineffective and foster an atmosphere of distrust.
2.3	Yes
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	The Institute should focus on monitoring work that is already in the public domain. The existing disciplinary scheme could be used in serious cases of poor practice. Formal feedback would be used to address less serious cases. Thematic reviews could encourage best practice.
2.6	No
2.6 (ii)	There is very little incentive for employers to cooperate with the Institute.
2.7	Yes
2.7 (ii)	Depending on the purpose of the work and non-actuary may be based place to represent users of actuarial work.
2.8	The Institute should focus on monitoring work that is already in the public domain. The existing disciplinary scheme could be used in serious cases of poor practice. Formal

	feedback would be used to address less serious cases. Thematic reviews could encourage best practice.
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Neither
3.5	Don't know
4.1	No
4.1 (ii)	Firms would likely insist that the Institute's representatives would sign non disclosure agreements. This would be different for each employer. Legal fees would inevitably be incurred. This is negative for both the employer and the Institute.
5.1	No
5.1 (ii)	
5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	If I was an employer I would see the scheme as an incentive to employ non-members as opposed to members. The scheme adds costs and risk for the employers. Trying to force employers to disclose information by withholding Practising Certificates could be seen as aggressive behaviour.
7.1	

Submission 243

1.1	Neither
1.1 (ii)	It seems reasonable to monitor PC holders in some way. However the work that is likely to be monitored is already reviewed internally by at least the Actuarial Function (depending on the organisational set-up), Risk, Internal Audit, External Auditors and the PRA. There is also likely to be Board Challenge. To what extent would this review be different and add value on top of all these other reviews? Could the Institute leverage these reviews instead of trying to perform another independent one?
1.2	Agree
1.2(ii)	In a sense yes, but what they are likely to amass is a lot of evidence of passes based on subjective criteria. This may satisfy the need to provide some evidence but it is less clear whether it is genuinely improving quality.
1.3	Agree
1.3 (ii)	Agree, but there is plenty of review of actuarial work already, including auditors views of industry best-practice which are fed back as part of the audit process. Also, we have to consider whether this review process will actually prevent the kind of risk that might bring reputational damage - will it be a PC holder's quality of work that causes a public uproar?
1.3 (iii)	Low
1.4	Important
1.4 (ii)	No
1.4 (iii)	The vast majority of the public don't know what actuaries are and will be unaffected by the proposals. Of those that do know what actuaries are it is hard to see that they will gain confidence from actuaries reviewing each other's work (when this process already happens through audit and regulation as well). It is the PRA's job to regulate and provide confidence in the financial services industry and I think the average member of the public would look to them to provide confidence first and foremost and the Institute second. I honestly don't know whether the public views the Institute as being there to regulate actuaries or as a trade body which has the purpose of looking after its members.
2.1	Support
2.1 (ii)	For PC holders, their work holds a special status because it has been done (or approved) by a PC holding actuary. Therefore monitoring of the standards of this work makes sense. I see this as giving boards more confidence rather than the general public, however.
2.2	Agree
2.2 (ii)	Assuming the latter two categories are restricted to purely actuarial work I think this makes sense. If, for example, it touches on GI Pricing, some people doing the same jobs will be subject to review and others not. This will give employers another reason not to recruit actuaries into roles where actuaries are not essential and, for example, use data scientists instead.
2.3	Don't know
2.3 (ii)	Thematic reviews could be useful to see how industry-wide issues are being considered in different employers. This is again arguably the work of auditors and the PRA however. The quality of work is likely to depend on the amount of resource the employer puts on it and the PRA or auditors may be able to affect that - would the Institute have similar power?
2.4	Don't know
2.4 (ii)	

2.5	Make use of the reviews already done elsewhere? Work with the PRA and auditors to review the work in additional ways they don't (if that is indeed the problem being addressed by these proposals, and if not, what is the problem)?
2.6	Don't know
2.6 (ii)	I think it would provide evidence of something being done. I'm less sure of whether it is a box-ticking exercise or something more valuable.
2.7	No
2.7 (ii)	If this is specifically about the QUALITY of actuarial work it is hard to see how someone would be in a position to assess that without having an intimate knowledge of actuarial work.
2.8	As above, what can be done to work with existing reviewers to achieve the same aim?
3.1	Yes
3.1 (ii)	Individual actuaries always tend to provide useful feedback to others and that is likely to be an outcome of the review process.
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Neither
3.5	Don't know
4.1	Don't know
4.1 (ii)	I am not close enough to the handling of confidential data to be fully aware of all the risks the Institute is taking here.
5.1	Don't know
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Don't know
6.1 (ii)	The impact I'm not sure about is the view of managers within the industry for whom actuaries may already be seen as only necessity, and much less desirable than data scientists. Do they want more regulation of actuaries? They have an impact on the future size of the profession.
6.2	
7.1	I fear that any more mandatory regulation is going to make actuaries less desirable for employers and for young people starting work than data science, something which I'm seeing at work already. Over time this will lead to a reduction in the talent pool for the senior actuarial jobs at which this regulation is aimed. So while the proposals sound right for PC holders this may be inadvertently contributing to creating a smaller, more niche, governance/compliance focused profession.

Submission 247

1.1	Disagree
1.1 (ii)	
1.2	Agree
1.2(ii)	
1.3	Neither
1.3 (ii)	
1.3 (iii)	Low
1.4	Important
1.4 (ii)	No
1.4 (iii)	
2.1	Strongly oppose
2.1 (ii)	
2.2	Strongly disagree
2.2 (ii)	It make no difference because the professions Grievance process of identifying corrupt actuaries regularly fails. So far it has failed to prosecute several actuaries that have failed both EU employment legals and professional standards.
2.3	No
2.3 (ii)	
2.4	No
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	
3.1	No
3.1 (ii)	
3.2	No
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	No
4.1	No
4.1 (ii)	
5.1	No
5.1 (ii)	
5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	
7.1	

Submission 262

1.1	Strongly disagree
1.1 (ii)	Too onerous, going beyond professions remit!
1.2	Strongly disagree
1.2(ii)	Strong bias likely, huge effort and will likely lead to significant liabilities.
1.3	Strongly disagree
1.3 (ii)	There are already more than enough requirements for the profession compared to others! This is unnecessary for the profession.
1.3 (iii)	N/A
1.4	Very important
1.4 (ii)	No
1.4 (iii)	It will be a fiasco. it undermines the work of the Actuary
2.1	Oppose
2.1 (ii)	They have enough requirements already
2.2	Disagree
2.2 (ii)	
2.3	No
2.3 (ii)	Too much stifling on top of the existing responsibilities
2.4	
2.4 (ii)	
2.5	No need for one!
2.6	No
2.6 (ii)	
2.7	No
2.7 (ii)	No. This is already killing the profession.
2.8	
3.1	No
3.1 (ii)	
3.2	No
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	No
4.1	No
4.1 (ii)	It will undermine Actuarial at work, and promote a lack of confidence in the insurance market.
5.1	No
5.1 (ii)	
5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	

7.1	The institute needs to stop coming up with more self regulation requirements. Our jobs are already at risk because data scientists don't have any need for such restrictive criteria and allows for them to add value to the business. There will be flight of institute members if this continues, myself being one of them.
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Submission 279

1.1	Strongly disagree
1.1 (ii)	Very low value. From experience, monitoring/audit only spots what people want you to see. Will cost actuaries time and money to response to monitoring, and funding will need to be met by increased subscription fees. Expect that the monitoring would only cover a subset of 'visible' actuarial work, which already has enough control on it. I would welcome other approaches to quality improvement, e.g. in house TAS attestation type activity. Quality of work is also subjective, I have worked with some contractors who clearly have a different expectation of quality - one that wouldn't meet mine. Who is the judge of quality except the client?
1.2	Strongly disagree
1.2(ii)	Don't believe there is a need for IFoA to gather this kind of information. There is already a disciplinary scheme in place.
1.3	Strongly disagree
1.3 (ii)	I don't believe this kind of activity would have any bearing on reputation, as it is not likely to be of public interest.
1.3 (iii)	N/A
1.4	Very important
1.4 (ii)	No
1.4 (iii)	The 'public' (a very loose term) are unlikely to have any interest in this type of proposal. Compare with the outcomes of the disciplinary scheme - does that make the papers, even for the "worst offenders"?
2.1	Strongly oppose
2.1 (ii)	I expect peer review and other requirement already cover the risk based approach.
2.2	Strongly disagree
2.2 (ii)	Doubtful that IFoA employees could reasonably judge where material risks are.
2.3	No
2.3 (ii)	Time consuming with little value added.
2.4	No
2.4 (ii)	Could generate double standards.
2.5	
2.6	No
2.6 (ii)	Term is too subjective.
2.7	No
2.7 (ii)	
2.8	Stick to current approach which is great, focus on simplifying the message, so it becomes bread and butter. A lot of frustration comes from unnecessary change.
3.1	No
3.1 (ii)	
3.2	No
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	No

4.1	No
4.1 (ii)	Most material work is likely to be market sensitive. Unlikely to be support from employers.
5.1	Don't know
5.1 (ii)	
5.2	No
5.2 (ii)	Compared to this approach, independent regulation may be as appropriate, and easier to sell to employers.
6.1	No
6.1 (ii)	
6.2	There is an overhead in employing actuaries vs other skill professionals. This proposal increases that overhead and is likely to encourage the pushback on actuarial work.
7.1	

Submission 281

1.1	Strongly disagree
1.1 (ii)	The IFoA is not the correct body to regulate the monitoring of its members, who it is supposed to support. The monitoring scheme has many direct and indirect consequences that both go against the future strategy of the profession (to enter other industries and for future growth of the profession)
1.2	Strongly disagree
1.2(ii)	I challenge that the IFoA will build-up sufficient calibre of staff to challenge the senior actuaries that they are monitoring. I cannot see where the funding will be from.
1.3	Disagree
1.3 (ii)	There has been no recent challenge of the quality of actuarial work and everyone I have met in the profession has high integrity compared to other bodies. I would doubt that any mistakes would be intentional and should not be treated with a 'policeman' approach, but more as a support and learning approach.
1.3 (iii)	N/A
1.4	Very important
1.4 (ii)	No
1.4 (iii)	Confidence should be built by doing good quality work, in wider areas - expanding our remit in other professions so that those industries can see our abilities. This approach would serve to negatively highlight where errors have occurred, not where successes have been achieved.
2.1	Strongly oppose
2.1 (ii)	
2.2	Disagree
2.2 (ii)	
2.3	Don't know
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	The monitoring methods do not appear to serve and benefit the growth and development of the actuarial profession
2.6	Don't know
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	
3.1	No
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	Yes
4.1	No

4.1 (ii)	
5.1	No
5.1 (ii)	
5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	No, I don't think they will meet a desired objective. I fear that they will lead to a 'policeman' level of behaviour, rather than a 'growth' mindset, where people can learn from their mistakes. This type of culture would be detrimental to both the profession and to the IFoA's relationship with its members.
6.2	1) The impact on the IFoA's other aim to enter other professions 2) The impact on our industry and those that want to enter it potentially reducing. Also, the increased likelihood of members (especially those entering other professions), deciding to leave the profession as it becomes more onerous and costly to be a member. 3) Our commercial viability - why would individuals choose to hire actuaries rather than other professions (such as data scientists and risk professionals), who do not have these onerous requirements to pay for? 4) The cost - which would be substantial (in terms of the time to do the review and potential increase in memberships fees) 5) The monitoring body - and the change in relationship between the IFoA and its members
7.1	This approach appears to have not considered the wider implications of the proposal. As actuaries, we all want to do quality work and want to ensure it is to the best standard. If monitoring is needed, which is debatable, then the approach should be one of observing and learning, and should be one completed by an independent reviewer and not the institute. This approach is at risk of negatively impacting the profession and our commercial value (both individually and as a profession)

Submission 297

1.1	Strongly disagree
1.1 (ii)	This is a terrible idea that is wholly disproportionate, intrusive and ill considered. The profession seems to be completely out of control in terms of regulatory overreach these days.
1.2	Strongly disagree
1.2(ii)	
1.3	Strongly disagree
1.3 (ii)	Is peer review not sufficient? This is an extremely leading question, by the way.
1.3 (iii)	N/A
1.4	Important
1.4 (ii)	No
1.4 (iii)	There is a serious risk it creates the perception that the IFoA has very little faith in its membership.
2.1	Strongly oppose
2.1 (ii)	Oppose proposal in its entirety.
2.2	Strongly disagree
2.2 (ii)	Oppose proposal in its entirety.
2.3	No
2.3 (ii)	Oppose proposal in its entirety.
2.4	No
2.4 (ii)	Oppose proposal in its entirety
2.5	The IFoA should slow down and take a long hard look at whether it is behaving reasonably here. To me it is now out of control and is vastly overreaching itself.
2.6	No
2.6 (ii)	
2.7	Don't know
2.7 (ii)	Will depend on a case by case basis.
2.8	Abandon the objective to self-regulate the profession out of existence.
3.1	No
3.1 (ii)	
3.2	No
3.2 (ii)	
3.3	Object to the proposal in its entirety
3.4	Strongly disagree
3.5	Don't know
4.1	No
4.1 (ii)	Really hasn't been thought through
5.1	No
5.1 (ii)	Massive overreach
5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	

7.1	The proposal is a terrible idea.
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Submission 342

1.1	Disagree
1.1 (ii)	
1.2	Disagree
1.2(ii)	
1.3	Disagree
1.3 (ii)	
1.3 (iii)	
1.4	Important
1.4 (ii)	No
1.4 (iii)	I don't think most people care about past good practice. If things go wrong the public wants accountability. Questions will then arise around why wasn't the 'rogue' actuary investigated earlier or if was why wasn't their bad behaviour picked up - probably lead to another round of hand wringing and regulation.
2.1	Neither
2.1 (ii)	
2.2	Disagree
2.2 (ii)	
2.3	No
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	Looks like this is going to be a great revenue generator for consultants. They get fees for the review and most importantly the knowledge to sell
2.6	No
2.6 (ii)	
2.7	Yes
2.7 (ii)	
2.8	
3.1	No
3.1 (ii)	Too late to make a difference
3.2	No
3.2 (ii)	
3.3	How many censures and financial impact analysis - if the work is wrong then what is the impact
3.4	Neither
3.5	No
4.1	No
4.1 (ii)	The Consultancy companies live on having and disseminating (informally) this type of information. "we have seen that some companies....."
5.1	No
5.1 (ii)	

5.2	Yes
5.2 (ii)	
6.1	No
6.1 (ii)	Overly officious
6.2	
7.1	Just to reiterate that if things go wrong the public wants accountability. Questions will then arise around why wasn't the 'rogue' actuary investigated earlier or if was why wasn't their bad behaviour picked up - inevitably means that the profession will carry the can. Give actuaries all the help in the world to do their job properly and then if they don't - hang the individual out to dry and let the individual take the blame not the profession.

Submission 352

1.1	Strongly disagree
1.1 (ii)	The scope goes beyond areas that should be monitored. Monitoring of reserved roles such as the actuarial function report is fine as only an approved actuary can produce this. Monitoring of pricing is not - non actuaries can perform this role and we risk being replaced by less burdened individuals.
1.2	Neither
1.2(ii)	
1.3	Disagree
1.3 (ii)	No such schemes for other actuarial bodies and many other professional bodies.
1.3 (iii)	N/A
1.4	Important
1.4 (ii)	No
1.4 (iii)	Will be just perceived as bureaucracy and a restriction on creativity/innovation.
2.1	Support
2.1 (ii)	Only reserved work from the practicing certificate should be in scope to avoid the risk that we could be replaced by less burdened non-actuaries. However, I feel that monitoring of reserved work is a good thing to ensure that that specific work is to appropriate standards. That will also raise the strength of perception of non-reserved work.
2.2	Strongly disagree
2.2 (ii)	Direct review of reserved work is appropriate. The other two should not happen.
2.3	No
2.3 (ii)	
2.4	No
2.4 (ii)	QAS scheme is not attractive for employers who could substitute statisticians for actuaries for non-reserved roles.
2.5	To repeat, I agree that monitoring of reserved work from the practicing certificate regime should be monitored. Potentially, any work related to financial reporting specifically should be in scope, but only if it requires an actuary with a practicing certificate to undertake it.
2.6	Yes
2.6 (ii)	Yes, but I am more concerned about the consequences.
2.7	Yes
2.7 (ii)	
2.8	Limit scope to financial reporting, where an actuary with a practicing certificate is required to undertake the work. There is less risk that imposing standards here could lead to actuaries being substituted by other individuals. For pricing or other tasks where a practicing certificate is not required this is a real threat.
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Disagree
3.5	Yes
4.1	Don't know

4.1 (ii)	
5.1	No
5.1 (ii)	It goes outside the practicing certificate scheme. It should be completely aligned.
5.2	Don't know
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	
7.1	My over-riding concern is that actuaries become over-burdened and employers choose to replace them with other capable individuals: data-scientist, statisticians etc

Submission 358

1.1	Strongly disagree
1.1 (ii)	This puts the IFoA further out of kilter with the Accounting Bodies which puts actuaries at an even greater competitive disadvantage to accountants. Previously I have chosen non-actuarial staff for roles; given the TAS requirements actuaries are too cautious in producing work and giving a considered opinion. I also had the burden of a CFO who, in public, stated that the additional IFoA requirements proved that actuaries can't be trusted compared to accountants. This could be considered further over-reach by the IFoA to increase it's role and subscription base. Current powers should be sufficient if they are used appropriately.
1.2	Disagree
1.2(ii)	The IFoA is proposing another layer of regulation rather than making use of material from other regulators. This over-reach is likely to increase costs for firms employing actuaries so should be a last resort.
1.3	Strongly disagree
1.3 (ii)	There is strong evidence to the quality of actuarial work in the form of actuarial reports available to regulatory bodies. These proposals may diminish the role of actuaries and the risk of systemic failure. Ironically this chain of events puts the reputation of the profession at very high risk.
1.3 (iii)	Very high
1.4	Important
1.4 (ii)	No
1.4 (iii)	The proposals, as stand, will most likely increase the costs of actuarial work and decrease usage of actuaries. Actuaries are already subject to significant oversight from multiple bodies. Under the groups regulated by the FRC actuaries will be singled out as the only group subject to several layers of regulation. To the man on the street this could suggest that actuaries are less trustworthy than accountants and auditors.
2.1	Neither
2.1 (ii)	Within insurance the senior actuaries are already subject to the SIMR. Several firms have split the PC role from the senior actuary within the firm to reduce regulatory pressures - this suggests to me that the PC/SIMR/QAS/TAS burdens are already too heavy.
2.2	Strongly disagree
2.2 (ii)	Cat A is already covered by other regulatory layers. To carry out thematic reviews the IFoA does not need this sledgehammer.
2.3	No
2.3 (ii)	Part C has merit and should be used in preference to part A/B. Allow enhanced questionnaires to count towards CPD - this encourages members to participate without introducing another level of regulation.
2.4	No
2.4 (ii)	Small firms cannot afford the cost of QAS for the benefits it could bring.
2.5	Yes - make use of formal reports and other regulatory bodies experience rather than adding another layer of regulation.
2.6	Don't know
2.6 (ii)	When I started work in 2002 I turned down a job offer from a pensions consultancy. The firm in question was very commercial and "worked" for the sponsoring company. The IoA was aware of the issues and had evidence but did not act. Alternative regimes e.g.

	cooperating with other regulators (Lloyd's, PRA, FRA) and reviewing formal reports, could deliver good evidence without a material increase in costs for firms employing actuaries.
2.7	No
2.7 (ii)	I don't think there is merit in the review teams as stands.
2.8	Cooperate with other regulators (Lloyd's, PRA, FRA) and reviewing formal reports, could deliver good evidence without a material increase in costs for firms employing actuaries.
3.1	No
3.1 (ii)	Without putting feedback in industry context there is minimal value absent obvious non-compliance with reugulation.
3.2	No
3.2 (ii)	It goes too far.
3.3	
3.4	Strongly disagree
3.5	No
4.1	No
4.1 (ii)	Employer's may be unwilling to have an IFoA team on site looking through commercially sensitive work.
5.1	No
5.1 (ii)	It adds another layer of regulatory burden and costs.
5.2	No
5.2 (ii)	The proposals take the IFoA regime far beyond the level that accountants are subject to. If we want to reduce the numbers of actuaries working in financial services we are going the right way about it - long term this is likely to reduce public confidence.
6.1	No
6.1 (ii)	Too costly for firms employing actuaries.
6.2	
7.1	As a profession we need to act ethically and be seen too act ethically. The IFoA council need to bear in mind the costs to business of more regulation as well as the cost of singling actuaries out as needing more oversight than any other profession involved in the financial services industry - we risk making actuaries irrelevant to more firms within the industry.

Submission 379

1.1	Agree
1.1 (ii)	
1.2	Agree
1.2(ii)	
1.3	Disagree
1.3 (ii)	Firms have internal governance processes that mitigate this risk. This proposal would enhance the mitigation.
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	It will but we are starting from a strong base.
2.1	Support
2.1 (ii)	
2.2	Agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	
2.4	Yes
2.4 (ii)	
2.5	none
2.6	Yes
2.6 (ii)	
2.7	Yes
2.7 (ii)	Many users of actuarial reports are not actuaries, it would be an oversight not to gain their perspective
2.8	
3.1	Yes
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	None
3.4	Agree
3.5	No
4.1	Yes
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Don't know
6.1 (ii)	
6.2	no
7.1	none

Submission 402

1.1	Strongly disagree
1.1 (ii)	
1.2	Disagree
1.2(ii)	
1.3	Agree
1.3 (ii)	
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	No
1.4 (iii)	
2.1	Support
2.1 (ii)	
2.2	Neither
2.2 (ii)	
2.3	No
2.3 (ii)	
2.4	No
2.4 (ii)	
2.5	
2.6	Don't know
2.6 (ii)	
2.7	Yes
2.7 (ii)	
2.8	
3.1	No
3.1 (ii)	
3.2	No
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	No
4.1	Don't know
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	
7.1	

Submission 454

1.1	Strongly disagree
1.1 (ii)	
1.2	Strongly disagree
1.2(ii)	
1.3	Disagree
1.3 (ii)	
1.3 (iii)	
1.4	Important
1.4 (ii)	No
1.4 (iii)	
2.1	Oppose
2.1 (ii)	
2.2	Disagree
2.2 (ii)	
2.3	No
2.3 (ii)	
2.4	No
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	
3.1	No
3.1 (ii)	
3.2	No
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	No
4.1	No
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	Don't know
5.2 (ii)	
6.1	No
6.1 (ii)	

6.2	
7.1	Bad idea

Submission 463

1.1	Disagree
1.1 (ii)	It is very unclear how this monitoring will add value over and above the day the day role of my job and the current monitoring that takes place.
1.2	Disagree
1.2(ii)	
1.3	Disagree
1.3 (ii)	I don't believe self monitoring will add increased confidence in the profession. True monitoring can only be achieved through a genuinely independent body.
1.3 (iii)	
1.4	Very important
1.4 (ii)	No
1.4 (iii)	The public need to be educated on what we do and our role - this is much more important than introduction of an opaque monitoring process.
2.1	Neither
2.1 (ii)	
2.2	Disagree
2.2 (ii)	This feels like a further high burden on a profession that already has an incredible amount of monitoring and review both internal and external placed on it
2.3	No
2.3 (ii)	This undermines the internal structure of organisations in terms of internal audit , external audit and peer review work
2.4	Don't know
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	Those monitoring would have virtually zero practical knowledge and udnerstandign of the business and approach everything from a highly theoretical perspective
2.7	Don't know
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	No
3.2 (ii)	The monitoring should be have no relation to regulatory work otherwise further duplication of effort and cost
3.3	
3.4	Strongly disagree
3.5	No
4.1	No
4.1 (ii)	
5.1	Don't know

5.1 (ii)	I am not convinced an appropriately practical solution with minimal burden could be put in place
5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	
7.1	

Submission 471

1.1	Disagree
1.1 (ii)	Existing reporting and regulatory requirements are already complex and burdensome for practicing actuaries. Adding yet another layer to this would surely decrease the commercial viability of employing actuaries, ultimately eroding the competitive advantage actuaries have vs. other similarly qualified risk professionals. Furthermore, the proposed monitoring would be extremely intrusive and could lead to data protection issues, as well as companies refusing to hand over commercially sensitive data to external parties. In a general insurance context, especially for pricing work, would not serve it's purpose and, in my opinion, not be in the public interest.
1.2	Strongly disagree
1.2(ii)	The insurance industry is not static. The actuarial profession needs to spend its resources on training and events to improve members' understanding of current issues and techniques, rather than evaluating past work that isn't necessarily representative and could be outdated.
1.3	Disagree
1.3 (ii)	This question is flawed. Employers employ actuaries because they believe in the profession and the quality of the work of it's members. If actuarial work was of low quality and not very helpful, the demand for actuaries would not be as it is now. It's erroneous to think a report or quantitative measure of work quality would do anything to change this.
1.3 (iii)	N/A
1.4	Very important
1.4 (ii)	No
1.4 (iii)	The Bank of England or local financial regulator should be responsible for pensions and insurance. For other areas of actuarial work, the clients are generally companies not individuals.
2.1	Oppose
2.1 (ii)	There is already a rigorous application process for PCs. Is the integrity of this process and/or judgement of senior actuaries being questioned by profession?
2.2	Disagree
2.2 (ii)	Does not seem appropriate for pricing actuaries.
2.3	No
2.3 (ii)	The whole scheme seems more appropriate for pensions than GI actuaries. Why should GI actuaries and their companies pay the price?
2.4	No
2.4 (ii))	Smaller companies without studying students will be selected against as they have no incentive to apply for QAS accreditation. Seems like a ploy by the institute to increase the accreditation numbers!
2.5	Increasing spending on educating members on new developments and techniques would go a lot further to improve the quality of actuarial work than a monitoring scheme.
2.6	No
2.6 (ii)	Suppose the institute obtains "direct empirical evidence" for poor work. What actions would it take? Or what actions could it take? Pricing actuaries would not renew their subscriptions, especially if a company is happy with the quality of an actuary's work. Does not seem fair at all.
2.7	Don't know
2.7 (ii)	

2.8	
3.1	Don't know
3.1 (ii)	
3.2	No
3.2 (ii)	Unless the institute is not presently meeting it's regulatory requirements, how would changing the status quo make any difference?
3.3	
3.4	Strongly disagree
3.5	Don't know
4.1	No
4.1 (ii)	Companies would not be prepared to hand over confidential information to the institute, especially if NDAs have been signed with clients or extra work needs to be done to internal systems to deliver the data in format the institute's reviewers can handle.
5.1	Don't know
5.1 (ii)	
5.2	No
5.2 (ii)	Doesn't seem like there's much support for this for practicing actuaries in the London Market.
6.1	No
6.1 (ii)	Actuaries and their companies will not gain any benefit from the proposal, in return for, arguable, very little change in public perception.
6.2	Surely the additional actuarial resource needed for implementing the scheme will ultimately filter down to increased membership fees?
7.1	In summary, I can see why this might helpful for the pensions industry. In my opinion, it's ill-suited for general insurance, especially pricing work. Practitioners are not required to be actuaries and many pricing departments have many programmers, data scientists, statisticians and other professionals working alongside actuaries. Pricing actuaries could retain their roles and lapse membership to escape the burden of monitoring. Demand for actuaries could decrease. Why would the institute want to do this to it's members?

Submission 486

1.1	Strongly disagree
1.1 (ii)	I think robust peer review and formal checking steps would achieve the same level of quality control. This is an overreach by the institute and is impractical in the extreme. Audit could also help to cover some of the problems of lack of monitoring without compromising confidentiality. Perhaps the key outputs, particularly to the board should go through some level of audit as part of the SAO. AFR could also be part of an actuarial audit/review.
1.2	Strongly disagree
1.2(ii)	A lot of the work is confidential and will not be able to be used if seen at all. The institute has neither the manpower nor will it be able to effectively garner the skills required to properly review the work.
1.3	Agree
1.3 (ii)	I agree but there are other ways to ensure the quality of work
1.3 (iii)	Very low
1.4	Neither
1.4 (ii)	No
1.4 (iii)	Much like the big 4 audit scandals this would be a box checking exercise and wouldn't work. Actuarial work will converge and there will be a lack of creativity in the profession, which is vital for a vibrant profession to thrive.
2.1	Strongly oppose
2.1 (ii)	This limits the scope but there is inevitable creep in these things and eventually it will be all actuarial work.
2.2	Neither
2.2 (ii)	As per 2.1
2.3	No
2.3 (ii)	This is exactly the scope creep problem and it hasn't even started yet
2.4	Don't know
2.4 (ii)	
2.5	This should be part of the audit process. The key output is the reserves and they're already audited. Reserving is highly subjective so the technical aspect is very rarely debated, rather the segmenting or correcting of data and addition of information not included in the data but considered for setting reserves.
2.6	No
2.6 (ii)	Companies wouldn't allow it.
2.7	No
2.7 (ii)	Technical reviews should be carried out by actuaries otherwise you'd have to go through an education process which would make lay people think like actuaries.
2.8	As described in previous comments this should be part of the audit or SAO process and the scope should be limited to reserves (which are already audited) and AFR outputs. Haven't even thought about capital, how would you propose to review a capital model if it's bespoke?
3.1	No
3.1 (ii)	This should be part of BAU peer review processes.
3.2	Yes
3.2 (ii)	It could but discussions with members should achieve the same thing.

3.3	A lighter version of the whistleblowing scheme for bad actuarial work might be a better option.
3.4	Strongly disagree
3.5	No
4.1	No
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	
6.2	
7.1	

Submission 509

1.1	
1.1 (ii)	
1.2	
1.2(ii)	
1.3	
1.3 (ii)	
1.3 (iii)	
1.4	
1.4 (ii)	
1.4 (iii)	
2.1	Strongly oppose
2.1 (ii)	
2.2	
2.2 (ii)	
2.3	
2.3 (ii)	
2.4	
2.4 (ii)	
2.5	<p>I have not responded to the above questions as I felt they were leading and any response would have misrepresented my view. Firstly, I am very supportive of the principal of actuarial work being scrutinised and high standards maintained. The way this is already happening does not seem to have been adequately understood in the proposal. To give one example; when undertaking a reserving job, I work alongside other actuaries, the work is then peer reviewed by another actuary, a team of actuaries from an audit firm will then go through it in detail and often interview me, and I know the PRA will often have sight of the report too. The risk with respect to the quality of work comes from where this level of scrutiny does not take place, and focussing on practising certificate holders is probably the least likely way to reliably achieve this. UK GI actuaries have a long track record of monitoring, identifying areas where research or education is required, and supporting actuaries in numerous ways; from the work of the PPO working party (wp), the asbestos wp, the TPWP, the cyberrisk wp, the SII wp, IFRS17 wp, GIROC reserving survey, the formation of GRIT, guidance issued by the PRA on strength of reserves in 2016 and the way this call was taken up by many areas of the GI profession, the list goes on and on. In addition, the consultation seems to start with the presumption that oversight by the FRC would be a bad thing, I would like the case for this set out and debated as I am not convinced that this is the case. I won't repeat here all the areas where I think the current proposals fall short (of which there are many) as I know they have already been raised to you. Instead I PLEAD with you to LISTEN and take seriously what the GI community is saying to you. There seems to be growing misalignment between the IFoA executive and the GI membership which is widespread and increasing. As I understand it, the current focus of the IFoA executive is taking the IFoA away from its core base which is very worrying - I suspect by accident rather than intention. There is a significant risk that this frustration felt by the membership could lead to a breakaway faction, similar to that which happened in the US when CAS was formed. This is something which I dearly would not like to see</p>

	happen. This is a complex and far reaching problem to solve with potentially serious consequences if handled badly. I would ask you stop, step back and reflect on the bigger picture, and to give the GI community adequate time to consider and look at alternative options for ensuring the quality of GI actuarial work, including consulting with the FRC.
2.6	
2.6 (ii)	
2.7	
2.7 (ii)	
2.8	
3.1	
3.1 (ii)	
3.2	
3.2 (ii)	
3.3	
3.4	
3.5	
4.1	No
4.1 (ii)	
5.1	
5.1 (ii)	
5.2	No
5.2 (ii)	
6.1	
6.1 (ii)	
6.2	
7.1	

Submission 510

1.1	Strongly disagree
1.1 (ii)	I wholeheartedly disagree with the institutes proposals. They appear to be a gross overreaction to a perceived problem, and do not take into account the high level of scrutiny actuarial work is already subject to, through internal and external corporate audits and internal peer review. Additionally, the proposals pass the cost for monitoring on to companies, making employing an actuary for non statutory roles a much less attractive prospect than employing a data scientist or analyst who does not incur the additional expense.
1.2	Disagree
1.2(ii)	There is no clear standard to which actuarial work (which typically includes a high level of judgement) can be held, other than the existing standards, which are already implemented through peer review and existing audits. Additionally, there is no evidence that the Institute having information as to the perceived 'quality' of actuarial work will improve anything for the consumer (and in fact, will drive prices up !)
1.3	Disagree
1.3 (ii)	If there are actuaries who have conducted their work to such a poor standard as to cause major reputational damage to the Institute, a study from the Institute that claims that X% of actuarial work is conducted to meet an arbitrary standard seems unlikely to do much to repair that damage.
1.3 (iii)	High
1.4	Important
1.4 (ii)	No
1.4 (iii)	The major area of contact between actuaries and the general public is the valuation of DB pensions and pricing of annuities. If it transpires that there has been poor work conducted by pensions actuaries in the past, which leads to pensions being underfunded, a complicated, non-independent monitoring scheme is unlikely to restore any public confidence.
2.1	Oppose
2.1 (ii)	
2.2	Strongly disagree
2.2 (ii)	
2.3	No
2.3 (ii)	
2.4	No
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	There is no way to empirically judge the standard of a piece of work.
2.7	No
2.7 (ii)	Non actuaries are unlikely to have the technical knowledge and background to judge the merits of a piece of actuarial work (insofar as that is possible)
2.8	
3.1	No
3.1 (ii)	

3.2	No
3.2 (ii)	
3.3	
3.4	Strongly disagree
3.5	Yes
4.1	No
4.1 (ii)	The institute is (in effect) asking businesses to pay for someone else to investigate their commercially sensitive information. In addition to this, in any area direct consumers are involved, any monitoring of data derived from these consumers by an individual not directly employed by a company is likely to be hampered by the need to adhere to GDPR and other regulations.
5.1	No
5.1 (ii)	
5.2	No
5.2 (ii)	
6.1	No
6.1 (ii)	The proposals are expensive - financially, in terms of the time and effort required to comply with them and in terms of the employability of actuaries who fall under these proposals.
6.2	
7.1	I strongly oppose the introduction of these proposals. Compliance seems onerous for very little gain and seems more likely to hurt the commercial standing of actuaries than to improve public perception.

Submission 511

1.1	Disagree
1.1 (ii)	The category A monitoring should only be for roles reserved for IFoA members. If a role is reserved for IFoA members, it is appropriate that persons doing that role are subject to monitoring. Chief Actuary PC holders (Chief Actuary is a role not reserved for IFoA members) should be in category B or C
1.2	Neither
1.2(ii)	
1.3	Neither
1.3 (ii)	
1.3 (iii)	
1.4	Important
1.4 (ii)	No
1.4 (iii)	
2.1	Strongly oppose
2.1 (ii)	See my comments to 1.1 In addition, in my view, the proposals appears to not fully appreciate Chief Actuary (a role prescribed only in PRA roles - SMF20) is primarily a senior manager function role and not primarily an actuarial role. Given the very broad range of the Chief Actuary role, monitoring this role along the lines outlined under 'category A' appears highly non-practical.
2.2	Disagree
2.2 (ii)	See my comments to 1.1
2.3	Yes
2.3 (ii)	See my response to 1.1
2.4	No
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	
2.7	Yes
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Neither
3.5	No
4.1	No
4.1 (ii)	
5.1	No
5.1 (ii)	See my comments in 1.1
5.2	Don't know

5.2 (ii)	
6.1	Don't know
6.1 (ii)	
6.2	
7.1	As noted in 1.1. If the IFoA is to have a monitoring, the scheme should distinguish between IFoA members doing reserved roles and other IFoA members. For avoidance of doubt Chief Actuary PC holders are in the 'other IFoA members' group.

Submission 516

1.1	Strongly disagree
1.1 (ii)	The public interest is served better by considering outcomes. A reasonable step would be submit evidence of peer review in accordance with APSX2 or to utilise information from the FRC gained from audits or utilise information from the PRA in their review or to carry out additional review of information already provided to the PRA
1.2	Disagree
1.2(ii)	Monitoring against standards does not confer quality of work. Neither necessarily does outcome/output but it is a closer proxy.
1.3	Neither
1.3 (ii)	Evidence of the quality of actuarial work will not mitigate the risk to the reputation of the profession if there is a high profile failure of a business owing to the work of actuary.
1.3 (iii)	High
1.4	Very important
1.4 (ii)	No
1.4 (iii)	The credibility of the output of this proposal is in question as it is being carried out by the IFoA. I suggest enhancing the audit process using people independent of the IFoA would be more credible. I am concerned that this proposal could be viewed as a mechanism for consultants, contractors and semi-retired actuaries to line their pockets at the expense of IFoA's members and ultimately the public.
2.1	Neither
2.1 (ii)	I support a risk-based approach. However, PC holders are already subject to considerable oversight. The approach should consider areas of public interest and reputational risk exposure of the profession.
2.2	Agree
2.2 (ii)	
2.3	Don't know
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	There are many areas that could impact the quality of actuarial work - working in new emerging fields, actuaries delivering advice in a second language increasing the likelihood of miscommunication, actuaries coming back to work after significant career breaks, actuaries that have been trained under different regulatory regimes, actuaries that are changing discipline, actuaries in small teams under resource and time constraints, actuaries in large teams relying on the work of others, actuaries promoted/given responsibility beyond their current experience, actuaries employed by overbearing CFO/CEOs, etc. This proposal does not help members in these difficult situations. A monitoring scheme that seeks to identify and help its members is needed. Perhaps through targeted CPD as one suggestion.
2.6	Yes
2.6 (ii)	But the costs (making the profession less competitive in the market place, relegating actuaries to compliance) do not outweigh the benefits.
2.7	Don't know
2.7 (ii)	

2.8	collect evidence of peer review under APSX2. Share information between PRA, FCA, Lloyd's and the IFoA and enhance existing processes.
3.1	No
3.1 (ii)	Individual feedback to me on my compliance with actuarial standards at best duplicates and more likely is more superficial than individual feedback already provided through Lloyd's, internal audit, external audit and independent review.
3.2	No
3.2 (ii)	Standards are principle based and the most useful guidance and educational material is produced by working parties " this proposal will not improve the effectiveness of either
3.3	
3.4	Disagree
3.5	Don't know
4.1	No
4.1 (ii)	The proposal introduces an additional unnecessary party access to confidential information. I would take steps to utilise someone who already has access through collaboration with PRA, Lloyd's, FRC, auditors, etc.
5.1	No
5.1 (ii)	It is an additional superficial layer of review that does not achieve the desired objectives. It should be integrated into existing oversight and review processes in place.
5.2	No
5.2 (ii)	Based on the feedback at the consultation meeting at Staple Inn and other forums, it is clear that this proposal has not been designed by the profession. The consultation period should be extended and a GIRO working party should be created to help design the scheme. The work carried out in the steps taken to reach this stage as outlined in the consultation (focus groups, project board, etc) should be shared.
6.1	No
6.1 (ii)	I disagree with the statements in 5.1 of the consultation - the information acquired will not enhance relevance of standards, guidance and educational material as the standards are principle based and the best guidance and educational material is the output of working parties. It will not reinforce the public reputation of the profession as it is making us less attractive compared to competition and will do little prevent the next big collapse of an insurer.
6.2	At a point in time where actuaries are competing against catastrophe modellers, risk professionals and data scientists " this is step in the wrong direction. This proposal makes actuaries less competitive in the market place and will encourage firms to use non-actuaries for actuarial work and relegate actuaries to compliance
7.1	If this is a genuine consultation why does it close 1 month before the annual GIRO convention? The Lloyd's monitoring example improved the "quality" of SAO reports in that they better met the box ticking requirement of the standards. It did not prevent failures of certain Lloyd's syndicates over that time owing to poorly set reserves which would have been in the public interest. I do not believe organisations will provide IFoA with access to sensitive and confidential information to carry this out. It would be prudent to speak to regulated firms to confirm this assertion before enacting any proposal.

Submission 519

1.1	Strongly disagree
1.1 (ii)	
1.2	Strongly disagree
1.2(ii)	
1.3	Agree
1.3 (ii)	
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	No
1.4 (iii)	
2.1	Oppose
2.1 (ii)	I support a risk based approach but General Insurance PC holders are already under a great deal of review and supervision and hence I believe are not the area of greatest risk. Also the regulatory role filled by GI Chief Actuary PC holders is not reserved for actuaries or Fellows of the IFoA
2.2	Neither
2.2 (ii)	
2.3	No
2.3 (ii)	There may be merit in thematic reviews and enhanced information gathering in a participatory framework to facilitate better outcomes. But in isolation not in addition.
2.4	
2.4 (ii)	
2.5	
2.6	No
2.6 (ii)	
2.7	Don't know
2.7 (ii)	
2.8	
3.1	No
3.1 (ii)	Difficult to see how this will be achieved with the proposed mechanism.
3.2	No
3.2 (ii)	
3.3	
3.4	
3.5	
4.1	No
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	
5.2 (ii)	
6.1	No
6.1 (ii)	

6.2	
7.1	<p>The only compelling argument I have heard is that "...the alternative (ie the FRC) will be worse..." I think this is short-termism. I think there is a high risk that the outcome will be additional burdens on professionals with little value arising other than a box-ticking exercise. I don't see or hear pressure from users of the professions work that it is unprofessional or of poor quality. I think there has been an inadequate range of options put to the profession for consultation. The introduction of this process is quite fundamental and as a result I believe any proposal should be put to a member vote.</p>

Submission 526

1.1	Agree
1.1 (ii)	I think it is suitable for the Institute to monitor the quality of work from its members, given the high dependability. However I think there are sufficient controls in place to monitor quality of work. In my area we have to undergo various external Audits and Regulatory reports. This should help to understand the quality of work and help to maintain confidence that work is of a high quality.
1.2	Neither
1.2(ii)	
1.3	Agree
1.3 (ii)	I think we should be judged on the quality of our work, as there is a high level of dependency on what we do.
1.3 (iii)	Low
1.4	Important
1.4 (ii)	No
1.4 (iii)	I think that the combination of CPD, the practicing certificate application, the ongoing checks through the practicing certificate, the high level of CPD requirement, regulator reviews and feedback, external audits all serve to ensure there is a high quality of work from Actuaries in the market
2.1	Strongly support
2.1 (ii)	Clearly those with a practicing certificate are those in higher profile positions and on which there is most dependency within organisations. Hence there should be a focus on them.
2.2	Neither
2.2 (ii)	
2.3	Don't know
2.3 (ii)	
2.4	Don't know
2.4 (ii)	
2.5	I think you will be better off at looking more high level at the type of advice given by actuaries, and how the message is delivered. I think this should be done through reviewing various reports/written communication and then interviewing the actuary involved. This could include SAO reports, Actuarial function reports etc. The criteria for reviewing and scoring these reports should be defined. essentially you will be leveraging from existing work produced by an actuary to determine if they are producing work at suitable standards.
2.6	No
2.6 (ii)	I think visits to view the actuary working will be excessive and an unworkable proposal. The institute does not have the staff to do it. However you could use the work performed by PRA/Lloyd's to gather evidence.
2.7	Yes
2.7 (ii)	It is helpful to get a different perspective on Actuarial work, to ensure it is fit for all stakeholders.
2.8	
3.1	No
3.1 (ii)	
3.2	Yes

3.2 (ii)	
3.3	
3.4	Disagree
3.5	No
4.1	Don't know
4.1 (ii)	
5.1	
5.1 (ii)	
5.2	
5.2 (ii)	
6.1	
6.1 (ii)	
6.2	
7.1	

Submission 43

1.1	Strongly agree
1.1 (ii)	personal experience
1.2	Strongly agree
1.2(ii)	the current system of self-attestation of compliance is not fit for purpose
1.3	Strongly agree
1.3 (ii)	it is inevitable that something will go wrong but the actuary will have stated that s/he complied with professional standards
1.3 (iii)	Very high
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	the proposals introduce an additional layer of protection and if this is communicated in the right manner then public confidence will be strengthened
2.1	Strongly support
2.1 (ii)	it seems essential that the work of PC holders is subject to external scrutiny. Over time personal views can become entrenched and may deviate from prevailing best practice. Users have to be confident that they are receiving advice that is appropriate and reflects current developments.
2.2	Strongly agree
2.2 (ii)	This seems to be a sensible approach and enables the review to be appropriate to the type of actuarial work falling within the review.
2.3	Yes
2.3 (ii)	All work should be subject to review.
2.4	No
2.4 (ii)	the same standards should apply irrespective of the QAS status. However, if it is found that the quality of work from a QAS firm is below standard the QAS status must be reviewed.
2.5	There are many complex models being used today especially in relation to asset liability modelling and VaR. I am concerned that there may be actuaries relying on these models for their advice but are unable to reproduce the results from basic first principles. In particular, I am aware that there are Economic Scenario Generators underpinning these models that are particularly complex and may not be fully understood. In addition I think there should be more emphasis on model-risk and ensuring that firms maintain adequate controls and a robust governance framework - see also Louise Pryor's paper (Actuaries excel; but what about their software?) and other research i.e. http://www.soa.org/library/newsletters/compact/2011/january/com-2011-iss38-warnelid.aspx [2/14/2012 10:58:10 PM]
2.6	Yes
2.6 (ii)	of course:- the proposed scheme will enable data to be collated and analysed. Emerging trends can then be studied in the future.
2.7	No
2.7 (ii)	non-actuaries will have difficulty understanding the technical details
2.8	
3.1	Yes
3.1 (ii)	yes - actuaries will be able to use the feedback to assess their strengths and weaknesses relative to their peer group
3.2	Yes

3.2 (ii)	the feedback will help to identify any emerging trends
3.3	no
3.4	Agree
3.5	Yes
4.1	Yes
4.1 (ii)	yes - the Profession has extensive experience in this regard and I am confident this will not cause any problems
5.1	Don't know
5.1 (ii)	not enough information is provided but I am confident this will not be a major issue going forward
5.2	Yes
5.2 (ii)	
6.1	Yes
6.1 (ii)	The public expects high standards and these proposals will help to ensure that members comply with professional standards. Inevitably there will be some who feel that the proposal are too onerous however it is incumbent on the Profession to be able to demonstrate that compliance is taken seriously. These proposals are unlikely to be onerous for organisations and individuals who are already maintaining the highest standards.
6.2	not aware of any
7.1	I would suggest interviewing colleagues (peers and sub-ordinates). My reason for suggesting this is that I am aware of circumstances where the "work" of the PC holder has actually been prepared by junior staff and the role of the PC holder is to perform checks and edit the draft report.

Submission 167

1.1	Strongly disagree
1.1 (ii)	Much actuarial work today is now more of a compliance to rules than using our extended actuarial skills. We create cost every time we increase requirements and ultimately the people who pay will be the public - this is not automatically in their interest. As a strong actuarial profession we should resist the need to control each other and starting relying on our professional standards to ensure that we deliver high quality work. The FRC itself is full of actuaries who want to control other actuaries - in the long term this will not be good for the profession.
1.2	Neither
1.2(ii)	
1.3	Disagree
1.3 (ii)	
1.3 (iii)	
1.4	Very important
1.4 (ii)	No
1.4 (iii)	I don't think the public have gained greater confidence in accountants from all the new rules etc that he come into being over the last 10 years or more. This is likely to happen to actuaries if we continue down the path as proposed.
2.1	Support
2.1 (ii)	
2.2	Neither
2.2 (ii)	
2.3	No
2.3 (ii)	
2.4	No
2.4 (ii)	
2.5	For me, the case for monitoring is not proven. These are additional overheads which are very likely to reduce the service we give to "clients".
2.6	No
2.6 (ii)	We all have very high professional standards that we all need to adhere to. I do not think that having one professional judge another is the best way forward, actuaries do have different opinions and these are normally valid.
2.7	No
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Disagree
3.5	Don't know
4.1	Yes

4.1 (ii)	
5.1	No
5.1 (ii)	
5.2	No
5.2 (ii)	I think this may cause friction in the profession and, in any case, there is a danger that we are moved further to being a compliance type function.
6.1	No
6.1 (ii)	
6.2	
7.1	IFoA should think very seriously before moving forward. I appreciate that we are under a certain amount of pressure but we should go back to our principles and not be so influenced by all these audit and compliance type arguments that are just part of operating in Financial Services these days. Together I am not convinced that this is the best way of serving the public interest. This is further regulation on top of existing extensive regulation and it is hard to see that the benefits will exceed the costs.

Submission 283

1.1	Disagree
1.1 (ii)	
1.2	Disagree
1.2(ii)	
1.3	Neither
1.3 (ii)	
1.3 (iii)	
1.4	Neither
1.4 (ii)	Don't know
1.4 (iii)	
2.1	Strongly oppose
2.1 (ii)	There are non-PC holders work which are riskier, eg pricing. Pricing is often the starting point which results in poor reserving and capital modelling. Further PC holders have to demonstrate to the PC committee that they have maintained their experience (through actual work and CPD) whereas the requirements for non-PC holders in more risky areas is lower.
2.2	Neither
2.2 (ii)	
2.3	Yes
2.3 (ii)	
2.4	Yes
2.4 (ii)	
2.5	Non-PC holders in more risky areas eg pricing, investments or wider fields
2.6	No
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	
3.1	Don't know
3.1 (ii)	
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Neither
3.5	No
4.1	Don't know
4.1 (ii)	
5.1	Don't know
5.1 (ii)	
5.2	Don't know
5.2 (ii)	
6.1	No
6.1 (ii)	

6.2	
7.1	

Submission 285

1.1	Agree
1.1 (ii)	Unfortunately I think it is inevitable in today's "blame culture" society, that all professional bodies are required to continuously ratchet up the measures they take to try to ensure that "bad outcomes" for consumers are avoided. Partly this is so they can say, when such a bad outcome does almost inevitably occur, that they did what they could to prevent it. In these circumstances, a monitoring scheme is a reasonable step
1.2	Agree
1.2(ii)	I have a concern about the resource required to effectively run the scheme. Related to this, I also have doubts about the timeliness of the analysis of the information i.e. how long after any actuarial advice was given will it be before any action required as a result of the monitoring will be taken. Subject to these, in theory the data gathered ought to provide evidence of quality
1.3	Neither
1.3 (ii)	I believe the vast majority of actuarial work is already checked through processes such as peer review, internal audits, external audits etc. Also the current Risk Alerts are useful for bringing specific issues to the attention of the whole profession. So, although any additional evidence might reduce even further an already small risk to the profession's reputation, I am undecided about the proportionality of the process. In particular, no process of monitoring will ever reduce the risk to zero.
1.3 (iii)	Very low
1.4	Important
1.4 (ii)	Don't know
1.4 (iii)	It depends on how aware they are of the proposals and how confident they already feel. I would expect the vast majority of the public are already confident, and the proposals might add little to that confidence.
2.1	Oppose
2.1 (ii)	The application for and renewal of PCs already adds a layer of monitoring above that for other actuarial work. Perhaps making this process could be made more robust.
2.2	Agree
2.2 (ii)	In my view thematic reviews which support the current risk alert system would be very valuable.
2.3	Yes
2.3 (ii)	See above
2.4	No
2.4 (ii)	QAS accreditation demonstrates (at least at the date of accreditation, and less so at the date of renewal) that an organisation has appropriate systems and processes in place. But it doesn't follow that all actuaries within that organisation are following those processes.
2.5	
2.6	Yes
2.6 (ii)	But see comments earlier about timeliness
2.7	Yes
2.7 (ii)	Given the aim of increasing public confidence, I think this is essential.

2.8	
3.1	Yes
3.1 (ii)	It should do. But the person providing that feedback must have both credibility and the skills necessary to ensure the feedback is constructive and not confrontational
3.2	Yes
3.2 (ii)	
3.3	
3.4	Agree
3.5	Don't know
4.1	Don't know
4.1 (ii)	I think the proposal is sufficient for the time being. But the practicalities need to be monitored and, if necessary, as data protection standards become bedded in, it might be that the proposals need to be amended to improve protection
5.1	No
5.1 (ii)	See above re comments on PC scheme and QAS
5.2	Yes
5.2 (ii)	To the extent that implementing the proposals ought to mean that the FRC does not push for external monitoring, then the aim should be achieved, at least for the time being
6.1	Don't know
6.1 (ii)	I don't think anyone can fully understand the impact of the proposals until they have been introduced and have been running for a few years
6.2	There is an inevitable cost to be incurred by organisations. Passing these costs on to clients appears to have been overlooked
7.1	

Submission 390

1.1	Strongly disagree
1.1 (ii)	
1.2	Strongly disagree
1.2(ii)	
1.3	Strongly disagree
1.3 (ii)	
1.3 (iii)	
1.4	Very unimportant
1.4 (ii)	No
1.4 (iii)	
2.1	Strongly oppose
2.1 (ii)	
2.2	Strongly disagree
2.2 (ii)	
2.3	No
2.3 (ii)	
2.4	No
2.4 (ii)	
2.5	No
2.6	No
2.6 (ii)	
2.7	No
2.7 (ii)	
2.8	
3.1	No
3.1 (ii)	
3.2	No
3.2 (ii)	
3.3	No
3.4	Strongly disagree
3.5	No
4.1	Yes
4.1 (ii)	
5.1	No
5.1 (ii)	
5.2	No
5.2 (ii)	

6.1	No
6.1 (ii)	
6.2	
7.1	

5.1.3 Organisational submissions

134 ACMA

Title	Mr
Forename	Allan
Surname	Martin
1.1	Agree
1.1 (ii)	External perceptions and requirements are most important.
1.2	Agree
1.2(ii)	Little evidence is currently available apart from a bit via Lord Penrose (Equitable Life), Lord Doherty (Rex Procter/Lloyds) and NAO (GAD & Milne)!
1.3	Agree
1.3 (ii)	As above
1.3 (iii)	High
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	As above, no existing evidence apart from case law etc.
2.1	Support
2.1 (ii)	This is simply the main area of public interest.
2.2	Agree
2.2 (ii)	Important however not to forget non PC work and just perceived actuarial work or influence
2.3	Yes
2.3 (ii)	A major professional embarrassment could easily arise outside the PC work area.
2.4	No
2.4 (ii)	QAS is voluntary. It is a good discipline and good marketing but that is all.
2.5	I'd just stress the bigger picture or public interest issues. The formalisation of best estimates in AVRs is an example. Similarly the Pensions Board autumn 2002 "close to untenable" MFR critique was hugely influential. Similar comment might be made now on CETVs - What do the Rules require? (NAO - Milne - actuarial equivalence - Â£700m compensation for 35,000 members)
2.6	Yes
2.6 (ii)	"Empirical" would be my chosen word, but the evidence will help.
2.7	Yes
2.7 (ii)	Unless we know what non-actuaries think we're only pretending! APL, APPT, AMNT etc could be contacted.
2.8	As per 26th July consultation - learn from disciplinary cases, (with anonymity), complaints not progressed. PI claims, customer/member complaints, Ombudsman, TPAS, - all mistakes and internal and external embarrassments. Separately amended Letters of Engagement may be a good guide to potentially challenging cases. I've qualified a few in respect of PI cover and oral rather than written advice.
3.1	Don't know
3.1 (ii)	Probably, but initial experience will tell!
3.2	Yes
3.2 (ii)	Yes, but experience (plus refinements) will undoubtedly dictate.

3.3	Undoubtedly some "bigger picture" issues, like necessary legislation or broader actuarial guidance. Best estimate or prudent long term equity returns might be an example.
3.4	Agree
3.5	Yes
4.1	Yes
4.1 (ii)	If you can't trust your profession
5.1	Don't know
5.1 (ii)	I'm just not close enough to all these to decide.
5.2	Yes
5.2 (ii)	
6.1	Don't know
6.1 (ii)	Again I'm not close enough to big firms etc.
6.2	I suspect that the troubles of the "big 4" "accountancy" firms will not have been missed. Other professions' problems could be influential.
7.1	Airline pilots have a reporting regime for incidents so that others can avoid the problem/crash. With anonymity I'd hope all actuaries could similarly learn quicker. A bigger picture issue is the huge public interest aspect of the SCAPE discount rate. Dozens of current unfunded public sector pension valuations may be of perfect quality but are sadly based on an unsustainable discount rate. (The quality of King Canute's chair was fully monitored!)

Submission 150 Ario Advisory

Title	Mr
Forename	Michael
Surname	Clark
1.1	Agree
1.1 (ii)	
1.2	Neither
1.2(ii)	
1.3	Agree
1.3 (ii)	
1.3 (iii)	Low
1.4	Important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Support
2.1 (ii)	
2.2	Agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	Because otherwise such a plan would be too narrow
2.4	No
2.4 (ii)	
2.5	No comment
2.6	Yes
2.6 (ii)	
2.7	Yes
2.7 (ii)	Because in Wider Fields it is unlikely that the necessary technical expertise could always be found amongst actuaries employed by or contracted to IFoA
2.8	
3.1	No
3.1 (ii)	Perhaps on occasion. But this exercise is essentially about the profession collectively, and the collective view formed, in my opinion. So different judgements would inhibit useful feedback.
3.2	Yes
3.2 (ii)	
3.3	Not at this time.
3.4	Strongly disagree
3.5	Don't know
4.1	No
4.1 (ii)	I would expect employees of IFoA to have a CoEmployment confidentiality condition (in regard to this work) which is maintained after employment is terminated. We cannot have a situation where sensitive/confidential information becomes available to another firm.
5.1	Yes

5.1 (ii)	
5.2	Yes
5.2 (ii)	
6.1	Yes
6.1 (ii)	
6.2	
7.1	In all cases where reasons for responses are sought but not given, please read "for broadly the reasons set out in the Consultation document"

199 TDCDB

Title	Ms
Forename	Ann Marie
Surname	Dickson
1.1	Agree
1.1 (ii)	Reasonable initial proposal which can be amended/added to, with initial focus on previously identified public interest roles ie PCs
1.2	Agree
1.2(ii)	Should allow gathering of some initial information but important to review that what is gathered is useful / relevant for purpose
1.3	Agree
1.3 (ii)	Gap in current system compared to other professions
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	Don't know
1.4 (iii)	Depends on how the outcomes are shared and with whom
2.1	Support
2.1 (ii)	Agree with initial focus on already identified areas of public interest
2.2	Agree
2.2 (ii)	Allows flexibility to focus on particular areas / topics as they become of interest
2.3	Yes
2.3 (ii)	As above
2.4	Yes
2.4 (ii)	Avoid some duplication. Take advantage of QAS structure
2.5	
2.6	Yes
2.6 (ii)	But will depend on knowledge of reviewing team
2.7	Yes
2.7 (ii)	Some. Perhaps give a view from usual / lay recipient of advice
2.8	
3.1	Yes
3.1 (ii)	But again depends on review team
3.2	Don't know
3.2 (ii)	
3.3	
3.4	Agree
3.5	Yes
4.1	Yes
4.1 (ii)	
5.1	Yes
5.1 (ii)	
5.2	Don't know
5.2 (ii)	As an initial proposal yes, but interested to see what is covered under Cat B reviews and what outputs we get.
6.1	Yes

6.1 (ii)	as a QAS organisation
6.2	
7.1	

Submission 264 OAC PLC

Title	Mr
Forename	Philip
Surname	Staunton
1.1	Agree
1.1 (ii)	
1.2	Agree
1.2(ii)	
1.3	Agree
1.3 (ii)	Would strongly agree but we think that other factors such as the training, CPD, disciplinary and QAS schemes all support/require work to be of a high quality.
1.3 (iii)	High
1.4	Important
1.4 (ii)	Don't know
1.4 (iii)	Frankly we are not sure that the "public" has sufficient awareness or interest in the work of actuaries to have their confidence boosted or otherwise by a new proposal. It should continue to be a high priority of the IFoA to address this broader issue.
2.1	Support
2.1 (ii)	We strongly support a risk based approach but are not sure that the exclusive focus on practicing certificate holders achieves that.
2.2	Agree
2.2 (ii)	
2.3	Yes
2.3 (ii)	
2.4	Yes
2.4 (ii)	QAS accreditation is at least evidence that the structures are in place to promote quality actuarial work - see also 5.1
2.5	Yes, for example corporate pensions advice and also how Scheme Actuaries manage the difficult conflicts that they face.
2.6	Yes
2.6 (ii)	
2.7	Yes
2.7 (ii)	This might over time improve communication of technical matters and make reports more accessible.
2.8	
3.1	Yes
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	
3.4	Agree
3.5	Yes
4.1	Don't know

4.1 (ii)	Many consultancy firms are bound by pre-existing confidentiality agreements signed with clients that allow for disclosures to regulators etc and it is unclear whether this would breach them or be included.
5.1	Don't know
5.1 (ii)	We do wonder whether this would sit better as part of a beefed up QAS rather than something separate. The existence of a quality assurance scheme that does not include an assessment of the quality of actuarial work seems very odd. This is especially true given that the quality that the proposal seeks to monitor is what people would expect a QAS to be all about.
5.2	Yes
5.2 (ii)	
6.1	Yes
6.1 (ii)	
6.2	
7.1	

Submission 264 JLT Group

Title	Mr
Forename	Phil
Surname	Wadsworth
1.1	Strongly agree
1.1 (ii)	<p>In the current climate of increasing scrutiny of all professions as well as the high profile on company failures resulting in pension schemes falling into the PPF with large deficits we believe it entirely appropriate that the IFoA considers changes to the way it regulates the profession. The position has moved forward with the introduction of the QAS, but that is a voluntary arrangement and does not cover all actuarial work, nor all members. We support the proposals which introduce a higher level of monitoring either directly or partially in conjunction with the monitoring of QAS firms. This proposal allows the IFoA to continue to self regulate and having the support of the FRC will place the profession in an excellent position to ensure that members of the public, other professionals, Government and Regulators can have confidence in the work we all undertake. We expect Category A type monitoring to develop and encompass all main areas of work, rather than just reserved work carried out by PC holders.</p>
1.2	Agree
1.2(ii)	<p>We agree that the information reviewed will provide evidence around the quality of actuarial work. However we would comment that review of documents produced from template documents would be unlikely to be helpful. These templates are developed by many firms to ensure compliance with TASs and other requirements. Therefore unsurprisingly the end user documents do comply. There should in our view be at least as much attention given to "non standard" work, conduct at meetings, verbal skills in relation to presenting actuarial work and compliance with the firm's policies and procedures, including conflict management and speaking up.</p>
1.3	Strongly agree
1.3 (ii)	We agree as explained in our response to Qu 1.1
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	Please see our response to Qu 1.1
2.1	Neither
2.1 (ii)	<p>For the reasons given in our response to Qu 1.2, we believe the focus on PC holders is too narrow. We would expect the quality of this work to be high within most firms, through use of templates etc. We note the comments made at one of the open sessions that TPR finds variation in quality although we do not sense that this is resulting in a high risk to clients. Otherwise we would have expected the pressure for review to be from TPR, or JFAR rather than FRC. We think the most risk to our profession stems from non standard work and not reserved work undertaken by PC holders. Finally concentration on this area could merely result in Group Think which actually can undermine the perceived quality of the work.</p>
2.2	Agree

2.2 (ii)	We agree with the approaches, although as you will gather from our answers to earlier questions we think the reviews will need to be broadened out if we are to ensure the quality of work in all areas in which actuaries practice.
2.3	Yes
2.3 (ii)	As said in the response to the previous question we agree with the structure but feel the focus on PC holders needs to be widened
2.4	Yes
2.4 (ii)	If there were no differences then the raison d'etre of the QAS would be seriously undermined. The ability to regulate the entire profession through direct review would be unmanageable and very much less effective.
2.5	As suggested in our responses we believe more concentration needs to be on non PC activities such as, in the pensions area : Investment Corporate Pensions advice Incentive Exercises Restructuring advice
2.6	Yes
2.6 (ii)	Yes, but we have reservations on the focus
2.7	Yes
2.7 (ii)	We believe representative input from typical end users would highlight how quality is perceived by the end user.
2.8	See our response to 2.7
3.1	Yes
3.1 (ii)	For the reasons given in our response to Qu 1.2, we believe the focus on PC holders is too narrow. We would expect the quality of this work to be high within most firms, through use of templates etc.
3.2	Yes
3.2 (ii)	We agree with the approaches, although as you will gather from our answers to earlier questions we think the reviews will need to be broadened out if we are to ensure the quality of work in all areas in which actuaries practice.
3.3	No
3.4	Agree
3.5	Yes
4.1	Yes
4.1 (ii)	
5.1	Yes
5.1 (ii)	We believe that the proposal fits well within the existing framework
5.2	Yes
5.2 (ii)	For the reasons given in response to Qu 1.1 and elsewhere.
6.1	Don't know
6.1 (ii)	Our first thoughts were that the impact is reasonable, although we do suggest an extended focus. However the more we discuss the implications and practicalities of this the more we believe there will be additional costs and it is hard to see that these are entirely justified in terms of output.
6.2	No
7.1	Our main comment is in how the reviewing team will be put together. The whole credibility hinges on this. We understand the IFoA view is that these would be recently retired and very experienced Scheme Actuaries. Our view is that these individuals would be hard to come by, require to be paid a decent amount and the practical experience

	<p>quickly falls away resulting in the need for refreshing of the reviewers by new members. Our fear is that this could break the whole project. We do have a comment in relation to the ability of the reviewers to access and review all the work. Most firms will store much of the output in electronic filing systems (paperless office), which may or may not be standardised across locations. Necessarily some items eg trustee meeting minutes may not be filed alongside the PC holder's correspondence and vice versa. Furthermore much advice may have been provided in an e mail or as an attachment e mail. These e mails may be treated differently by firms in terms of filing. Where the review necessitates reference to personal e mail (Outlook) accounts this may cause confidentiality issues as the files may contain a plethora of confidential information not pertinent to the review.</p>
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Submission 445

1.1	Agree
1.1 (ii)	
1.2	Neither
1.2(ii)	The proposals are not detailed enough to answer this question at this point. More detail is needed on what information will be collected, what the definition of "quality" is and how evidence would be compiled and reported.
1.3	Agree
1.3 (ii)	It is clearly the intention that the proposed monitoring will reduce this risk, but it may introduce a reputational risk dependent on the nature and effectiveness of the monitoring.
1.3 (iii)	High
1.4	Very important
1.4 (ii)	Don't know
1.4 (iii)	Public perception should not change directly as a result of these proposals but they may serve to support the robust nature of regulation of the profession should an error be made that has a public interest impact. However this has the drawback that the monitoring proposals would be scrutinised in the case of any breach of standards.
2.1	Support
2.1 (ii)	We believe that it is a good starting point and is in line with a strategy that focusses on work areas already identified as having a material public interest component and introduces the scheme in phases.
2.2	Agree
2.2 (ii)	It seems appropriate to take account of the level of risk associated with each work area in delivering the monitoring
2.3	Yes
2.3 (ii)	We believe that thematic reviews have potential to be very useful. However, the categories should be considered in controlled phases.
2.4	Yes
2.4 (ii)	This is in line with a risk-based approach. However consideration should be given to areas not covered by QAS, such as quality of judgements, and working for a QAS accredited employer shouldn't result in assumed satisfaction with the PC holders work.
2.5	Other areas for monitoring might include actuaries working on Part VII transfers, sale and purchase of companies and those holding key actuarial roles at their employer.
2.6	Don't know
2.6 (ii)	The proposals are not detailed enough to answer this question at this point. More detail is needed on what information will be collected and what the definition of "quality" is. Significant qualitative information will be required alongside scorecards of criteria.
2.7	Yes
2.7 (ii)	Non-actuaries will not be able to comment on actuarial judgements made but they will be able to perform checks on the existence of an audit trail for example.
2.8	It could be considered to increase the scope of peer review under APS X2 to take on some of the burden of the proposed monitoring. There is comment in the guidance on the QA schemes in place leading to less monitoring but more detail needs to be provided on this The scope of the APS X2 peer review process could be extended to test a sample of the PC

	holders work under these monitoring guidelines, and to provide an audit trail of the peer review. Then when a PC holder is requested to be monitored, the peer review details and audit trail are provided for review. For most this should be less intrusive as it would be a case of submitting evidence. The review of this evidence could be used in advance of determining if an onsite visit is required (or the depth it needs to go into).
3.1	Yes
3.1 (ii)	It should be able to be useful, but it will depend on the level of detail that the output will contain and adequate expertise of the individuals performing the review. If the primary purpose of the scheme is to assess and monitor standards, this output is more subjective and may not be appropriate for the same cost benefit analysis.
3.2	Yes
3.2 (ii)	The outputs should identify areas of any issues with compliance which could inform the focus of the profession. In line with the above comments on the nature of output it may prove burdensome to also apply output to educational materials.
3.3	Guidance or educational material on market practice vs best practice would be useful. Outputs regarding thematic reviews are likely to be more useful to actuaries in their work than the other category reviews. In regards to question 3.4, the proposed outputs are more likely to be useful to those working in institutions with smaller actuarial teams. In regards to question 3.5, it is difficult to see how the IFoA would be able to facilitate the sharing of reports with a PC holder's employer. Therefore it would have to be the choice of the PC holder to share the reports with their employer.
3.4	Neither
3.5	Don't know
4.1	No
4.1 (ii)	The proposal is not detailed enough to provide this reassurance at this point. In principle existing sharing of reports/information/output shows this should not be an insurmountable practical barrier. However, an example of a practical barrier is that it is likely that the wording of the Non-Disclosure Agreement will need to be agreed separately for each Employer.
5.1	Don't know
5.1 (ii)	There is potential for the monitoring scheme to be well integrated, but the details provided so far are not sufficient to conclude this. There is comment in the guidance on the QA schemes in place leading to less monitoring but more detail needs to be provided on this. Lloyd's strongly supports the use of existing regulatory activities in the framework, in order to reduce any unnecessary burden on practitioners.
5.2	Don't know
5.2 (ii)	It is designed in this spirit; however more details are required on who would carry out the review in order to comment on the likelihood of this being achieved.
6.1	Don't know
6.1 (ii)	Not enough detail is provided on the information that will be collected in order to determine how burdensome the Monitoring Process will be on the monitored actuaries, their colleagues and their employer.
6.2	It should be considered what the course of action will be if the monitoring shows standards to be generally low, or whether the profession currently has the right tools/measures to address this. The publication of reports concluding this could result in a reputational risk of the UK profession.

7.1	<p>Lloyd's values the high quality of actuarial work in the market and has a key interest in its consistency. Part of Lloyd's oversight role involves monitoring of certain items of actuarial work, including those produced by PC holders. Lloyd's welcomes the engagement of the IFoA and would like to continue to collaborate to agree a basis for monitoring which does not duplicate existing work and cause undue burden on the market. Given the uncertainty on the implementation of the proposals we would expect a second consultation to be undertaken once the format of monitoring is prescribed.</p>
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Submission 482

1.1	Disagree
1.1 (ii)	We believe that it is reasonable for the IFOA to undertake some monitoring activity, but, as currently drafted, the proposed approach does not achieve the desired outcome. The public interest is served by ensuring the quality of actuarial work carried out within firms and that [Boards/Trustees/decision makers] are properly advised, whether that advice is verbal or in written form. We believe that the proposed approach is too narrowly defined as it focusses on discrete pieces of written work and ignores the wider governance framework, firm culture and environment in which the actuarial work was delivered. For example, in our organisation, work which is presented to, and discussed with, the Board will already have been through multiple layers of review, challenge and discussion. In many cases this will also include external review and challenge (i.e. Auditors). Furthermore, the written submission to the [decision makers] is likely to be a succinct summary of any issue and will not capture all of the work conducted to arrive at the advice. Review of the written documentation will not capture the discussion, challenge and debate, which is a key part of how the ultimate actuarial advice and judgments are formed. Please also refer to our response to 2.8 The proposed approach also does not give any consideration of the views of the internal and external stakeholders who are the recipients or customers of the advice (e.g. Board, Auditors, and Regulator).
1.2	Disagree
1.2(ii)	The quality of the work performed by actuaries goes beyond what is contained in written advice. The proposals as drafted do not seek to gather evidence of the wider contribution made by actuaries, rather it will gather limited evidence of documentary compliance with the Actuarial Standards. As a result the proposals are likely to amount to little more than a tick box exercise and will potentially divert time and resource within companies into non value-adding activities.
1.3	Agree
1.3 (ii)	The profession is already highly regarded and has strong systems to ensure ethical and technical standards are maintained. The users of actuarial work are also likely to be aware of the Actuarial Profession's standards and will have an expectation that those standards are maintained. In most cases the work carried out by actuaries is already subject to multiple layers of both internal and external review. Whilst it is reasonable that evidence is gathered to demonstrate the quality of work that evidence should have regard to the context in which it is carried out. It is questionable that this proposal will, in isolation, provide much additional evidence for the reasons outlined in this response and hence it will do little to enhance the professions' reputation.
1.3 (iii)	Low
1.4	Important
1.4 (ii)	No
1.4 (iii)	It is important for the public to have confidence in the quality of Actuarial work, as it is in the work of any professional. Public confidence in the profession is already high and will be maintained through members acting in accordance with the professional and ethical standards set out in the Actuaries Code. We believe that these proposals will have little impact in increasing public confidence in the Actuarial profession in this regard.
2.1	Oppose
2.1 (ii)	We support a risk based approach but believe that the focus on PC holders is too narrow and is intrinsically not risk based. For example, there are many Actuaries who are fulfilling key

	<p>roles (e.g. C-suite roles) in organisations who are not required to have a Practising Certificate, where the risk to public confidence could be equally prevalent. It is noted that the extension of this proposal to other senior roles fulfilled by Actuaries would need to be carefully defined and executed. There is a risk that the work would be held to a different standard than other (non-Actuarial) role-holders. This does not seem right, and may in fact lead to actuaries who hold senior roles such as CFO, CRO or CEO leaving the profession to avoid this issue. Our response to 2.8 suggests that the review should focus on a firm's wider control framework and culture; if this were the focus then it may be easier to assess the work of this population in that context. In general the proposal focusses on the work of the PC holders' statutory duties which are well defined and, in the case of insurance company actuaries, already heavily scrutinised. In summary we believe that the proposal is too narrowly framed and backward looking. Actuarial work is presented in the wider context of a firm's culture and systems of control. The proposal does not seek to understand the environment in which the advice is delivered. This point is further covered in our response to 2.8.</p>
2.2	Agree
2.2 (ii)	We agree that the combination of direct review, thematic review and general information gathering could be useful if properly defined and executed.
2.3	Yes
2.3 (ii)	We believe there is value in the use of thematic reviews to identify areas of concern and improvement, which can in turn feed into setting of standards to support the IFOA's regulatory role.
2.4	Yes
2.4 (ii)	<p>The accreditation of the QAS for a firm should be a consideration but the current QAS is hard to implement in the insurance company context. Whilst the principles outlined in APS QA1 can apply equally to Life Companies and Consultancies, the Handbook is not targeted at Life companies (for example section 7: Clear and Appropriate Engagement and Communication and section 8: The Handling of Issues Raised in relation to Members or Actuarial Work). The focus is on the engagement aspect for consulting and is less relevant in the Life Company environment. The profession should give consideration of how insurance companies can provide evidence that their wider policies and procedures demonstrate compliance with the QAS and hence make it easier for those firms to gain accreditation. In our view the current proposal places undue weight on QAS in determining the frequency of the review. There is an over-reliance on the QAS accreditation in the proposal, when other models of governance could be equally robust. For example, no direct weight is given to the reviews by external (and internal) audit, the role of the Risk function and the process of regulatory scrutiny. We consider all of these to be as valuable as ensuring quality of work. As an aside we note from the table in Appendix 3 that, were a non-Lloyds insurance firm to invest in gaining QAS accreditation, this does not appear to give any benefit in terms of extending the review period for its PC holders; i.e. at Step 3 in Table A3.1 there is no sub band for a regulated Function with QAS accreditation. This further dis-incentivises insurance firms from applying for the QAS. We note that all of L&G's PC holders would fall in to review Band C - all PC holders hold statutory roles and are regulated under SIMR, but no benefit would accrue from any QAS accreditation were L&G to apply. A 2-3 year review period would be mandated. There appears to be no route for L&G's PC holders to achieve either Band A or B, which seems to be wrong.</p>
2.5	As described in previous answers the current scope is too narrow, both in the focus on PC holders and in the approach proposed for the direct reviews.

2.6	No
2.6 (ii)	There could be some limited information but in a narrow context. The evidence it is likely to demonstrate a mechanistic box ticking rather than providing any real insight.
2.7	Yes
2.7 (ii)	The use of non-Actuaries in the review team is likely to provide a more diverse view of the effectiveness of Actuarial advice and would be a more realistic representation of the workplace environment.
2.8	<p>Scope In a life insurance context we believe the focus on the work of PC holders is too narrowly drawn. The statutory role of the Chief Actuary is narrowly focussed on compliance with certain parts of the Solvency II Directive, whilst in practice his/her responsibilities may be more widely drawn from in some instances non- technical actuarial work. In practice the Chief Actuary has oversight of the work carried out across their organisation which can have a material impact on the firm's results. Much of this work appears to fall outside of the scope of the monitoring framework. For example, at L&G actuaries are responsible for the calibration and modelling of risks that feeds in to the SCR calculation of the firm, yet responsibility for the SCR does not form part of the Chief Actuary's statutory responsibilities. It's not clear to us whether this work would be part of the monitoring regime or not.</p> <p>Approach The proposal focusses on interviews with the PC holder and review of documents presented by them. This is too narrowly focussed. We believe that the review should seek to understand the wider context in which the PC holder works. This should focus on the firm's risk and financial management framework, its culture and the role that the PC holder plays within that. As drafted there is also no mechanism for gaining the view of the recipients of the actuarial work to gauge their satisfaction with the work. We would expect the review to interview (in a life insurance context) many of the following role holders: â€¢ Board Chairman â€¢ Audit/Risk/With Profits Committee chair â€¢ CEO, CFO, CRO â€¢ Chief Internal Auditor â€¢ Other line management as required â€¢ Internal peer reviewers (if appropriate) â€¢ Reviewing Actuary/Auditors â€¢ Regulatory (e.g. PRA) contact Through these meetings the review team can assess how the PC holder's work is viewed, how it is delivered, how it fits with the wider governance framework and regulatory/audit relationship and hence whether there are any gaps. Further, the review focusses on the papers submitted by the PC holder alone, rather than considering the work of the, sometimes many, members of the profession who have fed into the ultimate decision. For example, at L&G the setting of longevity assumptions involves a large number of actuaries working on modelling, experience investigations, longevity science and financial reporting. The PC holder's advice is the culmination of many thousands of hours work to produce multiple papers. To restrict the review to just the work of the PC holder seems unduly narrow and places focus and emphasis in the wrong place.</p>
3.1	No
3.1 (ii)	The proposed approach would not give the review panel sufficient appreciation of the environment in which the Actuarial advice was being delivered, shaped and challenged. Therefore it is not credible to believe that the review panel could provide any useful feedback.
3.2	No
3.2 (ii)	As previously discussed, the current proposal appears flawed and would not provide the required information.
3.3	
3.4	Strongly disagree
3.5	Yes

4.1	No
4.1 (ii)	I would not expect any Company to be satisfied with the proposal relating to confidential information. There seems to be insufficient consideration of conflicts of interest for the members of the Review panel. Additionally it is likely that Legal Privilege will apply to many of the areas of work which are envisaged to be reviewed.
5.1	Don't know
5.1 (ii)	We would expect the role of the practicing certificate renewal would need to be re-considered in light of the proposals. I think it would be reasonable to assume automatic renewal for the intervening period between the monitoring reviews (subject to no change in role)
5.2	No
5.2 (ii)	There needs to be a balance between the value of accountable self-regulation of the profession against the additional cost of oversight which needs to be addressed as part of the proposal.
6.1	No
6.1 (ii)	As stated previously this proposal is likely to increase costs in organisations whilst providing insufficient benefit to the Actuarial profession and the wider public interest. We note that L&G Group currently has five PC holders. As noted in Appendix 1 we would be unable to move beyond a review period of 2-3 years which would mean that we would have to co-ordinate and resource an average of almost two reviews each year. This is prior to supporting any thematic work that the profession wished to carry out.
6.2	The Profession has not considered the impact of the proposals on the individuals who are current (and prospective) PC holders. This proposal is likely to deter individuals from aspiring to a role requiring a PC.
7.1	with reference to question 3.5. It is reasonable to expect employers to want to know the output from the reviews to assure themselves as user of the work, that the role is being performed to an acceptable standard. This inevitably means the meetings with the PC will be defensive and may not provide the full benefit that a less formalised scheme could.

Submission 493 First Actuarial

Title	Mr
Forename	Douglas
Surname	Huggins
1.1	Agree
1.1 (ii)	It is far better for us as a profession to implement a scheme that is accepted both by Members and other interested parties than one imposed on us from outside the profession.
1.2	Agree
1.2(ii)	To the extent that the proposed regime will be compulsory for Practising Certificate holders, then the IFoA will be able to obtain evidence of the quality of actuarial work. However, for other actuaries, participating in the regime is voluntary. Although we are sure that the use of thematic reviews and surveys will provide some evidence, it can not be certain that the IFoA will be able to identify any 'rogue' actuarial advisers, as they are unlikely to voluntarily respond to such reviews.
1.3	Agree
1.3 (ii)	There is a risk, albeit in the pensions area, recent high profile cases have resulted in criticism of the regulatory framework and corporate conduct, rather than the quality of trustee actuarial advice on funding. Other areas where there is the potential for criticism (and even some actual) of pensions actuaries are employer funding advice, longevity assumptions, fairness of actuarial factors and transfer values bases.
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	Don't know
1.4 (iii)	By 'public', we have to first narrow this down to the sector of the public who are aware of what actuaries do. The majority are not, or have a limited understanding. However, as a profession, we aim to serve in the public interest and that will encompass all the public. As with any profession, it is very important that the users of actuarial work have confidence in the quality of the work produced by the actuary commissioned to do the work. And technical actuarial standards have been written with the end user in mind, by way of the reliability objective. But this is not the same as the public having confidence in the quality of work of actuaries. It may even reduce public confidence were direct review of actuarial work to identify no issues with reserved advice, for a case where there is a significant subsequent failure (for example, perhaps, a further 'Carillion'). Members of other professions who have more direct monitoring of their work may be surprised to learn that the actuarial profession has not been subject to the same rigor. Could this actually reduce in the short term their confidence in the quality of the work of actuaries? Does the IFoA have any current measure of the public's confidence in the quality of work of actuaries, which could be used as a baseline when considering whether these measures have improved the public's confidence?
2.1	Neither
2.1 (ii)	This question would be better asked as 2 questions: 'To what extent do you support a risk-based approach?' - we strongly agree, and 'To what extent should this focus on the work of Practising Certificate holders?' - strongly disagree. So overall, the answer is neither. We do support a risk based approach. It is important that the time and costs

	associated with the monitoring are directed to the areas of highest risk of poor actuarial work being produced. Although it may be reasonable for the IFoA to seek evidence that the Practising Certificate holders have sufficient experience to carry out this role, we question whether this area of work, poses the highest risk. For insurance actuaries, the level of regulatory supervision is very high. For scheme actuaries, their work is in areas set out in legislation.
2.2	Agree
2.2 (ii)	We support the use of a range of information and evidence gathering. The current procedure advocates use of direct monitoring of work by practising certificate holders. However, we would support the use of direct review beyond this.
2.3	Yes
2.3 (ii)	Yes, the work carried out by PC holders is narrow, and carried out in accordance with legislative requirements. To assess the quality of work outside of the scope of PCs, information needs to be gathered. The use of thematic reviews and enhanced information gathering will help determine whether further more detailed investigation is required, as proposed for Category A.
2.4	Yes
2.4 (ii)	Otherwise, there will be unnecessary duplication of effort, and an inefficient use of time and resources. The information gained via QAS audits should also help inform how the direct review of actuarial work by the PC holder is carried out.
2.5	Advice to sponsors on scheme-specific funding, at least in terms of direct review.
2.6	Don't know
2.6 (ii)	One of the challenges for the IFoA is ensuring consistency in approach to the audit across different reviewers. Different reviewers will have different biases, for example they may have different perceptions of actuaries in some companies which may colour their view. Also, whilst the compliance of written advice (or the subsequent documentation of advice given verbally) will be included, a significant part of the quality of actuarial advice is the way in which actuaries respond to challenge, or confirm that the advice and its implications is understood by the users.
2.7	Yes
2.7 (ii)	The audit team needs to include experts in carrying out internal audit to be able to guide the actuaries carrying out the work, at least in the early days of the scheme.
2.8	
3.1	Don't know
3.1 (ii)	We believe it will, even if it is just reassurance that they are meeting the required standards. What may be an issue is that useful feedback is ignored, if there is no mechanism for sharing it with e.g. SQARs for QAS organisations, or senior actuaries at all employers.
3.2	Don't know
3.2 (ii)	This may be a possible benefit of the monitoring proposals. However, we also believe that the IFoA is currently aware of areas of work that could benefit from further guidance and educational material, such as scenarios to demonstrate the effect of climate related risks. The JFAR may provide most of this information already, albeit, without the same objective evidentiary backing.
3.3	Not at this stage, but the opportunity to identify such further outputs once the scheme is operating would be valuable.

3.4	Agree
3.5	Yes
4.1	Don't know
4.1 (ii)	We agree that no materials looked at in the review should go off site. However, we are concerned that additional work will be required to get materials prepared for review. Data protection issues - if the review team are looking at datasets underlying the actuarial valuation, then we need to remove all personal data before they can be viewed by the audit team. Will the audit team give advance notice of the materials they wish to see? To ensure we don't fall foul of confidentiality clauses in our appointment letters, we will need notice and time to review and where necessary redact confidential information in any of the documents that the audit team wish to see. Finally, it almost goes without saying that the scheme will rely on the professionalism of all involved in reviews (IFoA members or otherwise) to ensure such confidentiality and protection of sensitive information.
5.1	Yes
5.1 (ii)	As described in consultation meetings, the links between all the various stakeholders do seem to be appropriate.
5.2	Yes
5.2 (ii)	The regime as proposed is a good starting point. The IFoA should review its effectiveness over time and the scheme should be allowed to evolve, in particular issues such as - the scope of each type of review, - the criteria used for prioritising who is reviewed and how often, and - the way in which outputs are shared.
6.1	Yes
6.1 (ii)	This seems to strike an appropriate balance, again as a starting point that is allowed to evolve as we learn how to improve it.
6.2	We have significant concerns about the ability of the Profession to adequately resource the Review Teams with suitable actuaries. Being able to appropriately challenge those reviewed, whilst maintaining impartiality and not straying into second-guessing judgements reasonably made by the actuary, will not be easy. In particular, lack of recent experience in providing such advice may make it very difficult, and could reduce the credibility of the scheme amongst members. On the other hand, having enough such reviewers from a pool of non-practising actuaries may be a greater challenge. One solution might be to financially incentivise stepping down from client-facing practice, which might significantly increase the anticipated costs of the scheme.
7.1	No

Submission 522 Focus Pensions

Title	Mr
Forename	Richard
Surname	Nobbs
1.1	Neither
1.1 (ii)	There is already a peer review system that is in place and that appears to be operating successfully. This is an extension of that. The profession could have taken the approach of asking for the results of current peer reviews to be reported back which would have been less intrusive than the current proposals. However, we do not object to the proposals.
1.2	Agree
1.2(ii)	
1.3	Agree
1.3 (ii)	There needs to be evidence that actuarial work is of a high quality but the existing peer review system provides this evidence. Could more use have been made of this information (or could the appropriate information have been gathered from the existing peer review process?)
1.3 (iii)	Very low
1.4	Very important
1.4 (ii)	Yes
1.4 (iii)	
2.1	Neither
2.1 (ii)	Whilst the PC areas have been identified as key areas for the profession, there are already protections in place. Is there any evidence that these are not working? Why not look at all actuarial work rather than just traditional areas? Looking at wider fields (as well as traditional) may encourage members into these wider fields and thus help in the profession's success.
2.2	Neither
2.2 (ii)	I've seen no evidence that this is appropriate. Again, information from the existing peer review system could have been insightful into designing something that is appropriate and proportionate.
2.3	Don't know
2.3 (ii)	
2.4	Don't know
2.4 (ii)	It would be helpful to compare the results of peer reviews from QAS and non-QAS accredited firms.
2.5	Pensions on divorce has been overlooked as have other wider fields I would suggest obtaining feedback and information from the existing peer review framework
2.6	Yes
2.6 (ii)	
2.7	Yes
2.7 (ii)	
2.8	I suggest that the existing peer review framework, which appears to be working successfully, is used to obtain information on the quality of members' work. The results of this simple exercise could then be used to generate evidence based policy that is

	appropriate to the needs of the profession and at a low cost/overhead (it's not just the new reviewers the profession needs to recruit, it is the time taken by the actuary being reviewed).
3.1	Don't know
3.1 (ii)	
3.2	Yes
3.2 (ii)	
3.3	
3.4	Neither
3.5	Yes
4.1	Yes
4.1 (ii)	
5.1	Yes
5.1 (ii)	It would not conflict with these parts of the framework but there is overlap with peer review.
5.2	Don't know
5.2 (ii)	I question whether this is the best and most proportionate approach.
6.1	Don't know
6.1 (ii)	Not unreasonable, but could be improved upon.
6.2	
7.1	

Submission 532

1.1	Agree
1.1 (ii)	We acknowledge the limitations of the current approach and the need, in today's society, for the IFoA to be able to operate a more evidence-based means by which the quality of actuarial work can be assessed and demonstrated across the profession. We support the IFoA taking the lead, rather than leaving it to others to potentially impose a monitoring scheme that risks being disproportionate and ineffective. Having said this we have some concern as to the speed with which we understand this scheme will come into being. The consultation document is vague in places. If the scheme is to go ahead it might benefit from a further "fatal flaws" consultation round to iron out practical difficulties. We understand that the intention is that there will be a phased implementation starting in May 2019 and concluding by the end of 2020. We are not sure how viable this is in any event and it may now make sense to wait for the results of the Kingman review into the FRC.
1.2	Neither
1.2(ii)	Clearly, any monitoring scheme will generate material that can potentially be used as evidence as to the quality of actuarial work. What we are not sure of at this stage is how useful this material will be as a means by which conclusions can be drawn as to the quality of actuarial work in particular sectors and working areas.
1.3	Agree
1.3 (ii)	It surely must follow that if the IFoA has no evidence of the quality of actuarial work, it is not in a position to be able to formally assess whether or not actuarial work is being delivered to an appropriate quality. That in turn, creates a risk to the reputation of the profession. However, currently, the IFoA does have a number of means by which it can take some comfort that the quality of actuarial work should be high – in particular the widespread adoption of the Quality Assurance Scheme by larger firms of consulting actuaries. There is also no suggestion in the consultation paper that the monitoring system is to be introduced as a result of concerns as to actuarial work quality.
1.3 (iii)	Very low
1.4	Very important
1.4 (ii)	Don't know
1.4 (iii)	Public confidence in the quality of actuarial work is likely to be driven more by perceptions than by evidence. No matter how successful a formal monitoring system is in providing evidence to the IFoA and in turn enabling it to drive improvements where there are shortcomings, public confidence can turn on potentially a few adverse events. The nature of these events is not normally something that would be picked up by the sort of monitoring proposed. As with the general quality of actuarial work, the monitoring scheme must be able to stand up to scrutiny. Any damage to public confidence in the profession will only be amplified if a monitoring scheme has failed to flag up shortcomings of individual actuaries who post-monitoring have the advice on which they were monitored called into question in public. Separately, it is of course, most important that those who commission actuarial work have confidence in its quality. We can see how a monitoring scheme, along the lines proposed and appropriately explained could, in theory, help strengthen confidence by this group.
2.1	Neither
2.1 (ii)	We are not convinced that the focus on PC holders is synonymous with taking a risk-based approach. Some aspects of reserved roles, particularly of Scheme Actuaries, are so well

	understood and compliance driven that we suspect that monitoring such work would not be particularly beneficial or revealing. However, we do appreciate the logic for starting with PC holders " and in so doing protecting the reputation of the IFoA in its role of issuing practising certificates.
2.2	Agree
2.2 (ii)	We agree with the proposed construct (direct review, thematic review and general information gathering) as this layered approach enables the IFoA to direct resources to where it thinks it is most needed.
2.3	Yes
2.3 (ii)	We see merit in the thematic reviews, as they have the potential to pick up areas of importance for the public interest that fall outside reserved roles. We are not sure what is likely to be delivered under the enhanced information gathering section as the consultation paper is rather thin on this aspect.
2.4	Yes
2.4 (ii)	Where the PC holder's employer is QAS accredited, the organisation will have evidenced to the IFoA's satisfaction that there are appropriate processes in place that support the production of high quality actuarial work that is compliant with actuarial standards. It therefore makes sense for the approach to Category A review to take this into account.
2.5	No, as we note that the JFAR provides a means by which risks can be identified and assessed and through this potentially selected as Category B review topics.
2.6	Yes
2.6 (ii)	Category A and B review should provide such evidence, with the proviso that the results obtained may not necessarily be representative of the quality of actuarial work by all those advising in this area, or even of the individual actuary being reviewed to the extent that submission of materials is voluntary.
2.7	Yes
2.7 (ii)	We think it important that the Review Team is multi-disciplinary. It should ensure that the review is not too narrow. From a public perception point of view, it gives some confidence that an actuary's work is not simply being rubber stamped by another actuary, and is appropriate where aspects of the review are about proper process being observed, rather than the exercise of actuarial judgment.
2.8	We have no suggested alternative.
3.1	Don't know
3.1 (ii)	It is not possible to judge at this stage whether the Category A review findings will be of assistance to individuals, other than perhaps where some procedural shortcomings are discovered.
3.2	Don't know
3.2 (ii)	It is difficult to judge at this stage. Where the actuarial work is well understood and is somewhat routine we doubt whether review will expose issues for IFoA action. But where the actuarial work is in a new and developing area, review could be a catalyst for action.
3.3	No.
3.4	Neither
3.5	Yes
4.1	Don't know
4.1 (ii)	Whilst the proposals appear reasonable they may need to be tested against client expectations as to confidentiality and formal undertakings given by the actuary to his or her

	<p>client. We think the IFoA needs to specify its approach both in terms of the actuary who provides the information for review, and the actuary's client. The level of detail the IFoA may request, especially with respect to the actuary's client, should be specified " for example it may be virtually impossible to remove all client references in all emails relating to a piece of reserved work containing sensitive commercial information. We also note that the proposed reporting for Category B review only excludes the publication of individual actuaries associated with particular findings, but no such exclusion is made for either the actuary's employer/firm or the client involved. We would like confirmation of the IFoA's intentions.</p>
5.1	Yes
5.1 (ii)	We can see that the proposed scheme has been constructed taking into account existing structures. This is one of the clear benefits of the scheme being designed by the IFoA rather than some other body.
5.2	Yes
5.2 (ii)	We think it is self-evident.
6.1	Don't know
6.1 (ii)	It is difficult to judge at this stage how onerous the monitoring scheme will be, particularly in relation to Type A and B review.
6.2	None of which we are aware.
7.1	No.

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1.1	Disagree
1.1 (ii)	In our view the proposals will not achieve any improvement in the level of monitoring of actuarial work above and beyond what is already achieved through the QAS supervision for accredited firms. The proposals as set out are not practical to implement given the expertise and time required, and attendant costs. We note that the introductory comments to the proposals hold up 'proportionality' as an objective of the scheme, but we observe that the proposals fail to achieve proportionality, given (i) the onerousness of the review process described; and (ii) the focus on the work of the minority of members who are PC holders (and therefore already subject to a number of supervisory requirements) to the detriment of monitoring other members of the profession who are producing actuarial work which has significant implications. It is a significant defect in the proposal that it does not begin by defining quality of actuarial work nor does it articulate what aspects of quality will be assessed as part of the monitoring process.
1.2	Disagree
1.2(ii)	The quality of actuarial advice is being linked purely to the compliance of written work, with no consideration of the ultimate outcome in terms of good decision-making by the user. The ability of an actuary to present and be challenged on their advice is also key to ensuring good outcomes. The necessary expertise and resource required to operate the proposed process will mean that in practice only very small samples of work can be properly considered under the category A review system.
1.3	Disagree
1.3 (ii)	The reputation of the profession is driven by the behaviour of its members and the outcomes of actuarial work, independently of whether or not the IFoA has evidence of this. Due to the onerousness of the proposals, the effective reach of the scheme proposed is too small in scale to provide any significant additional public confidence. It therefore logically follows that the only manner in which a monitoring scheme of this type would materially reduce reputational risk to the profession is if the existence of monitoring were to provide an effective deterrent against poor practice which could lead to adverse outcomes. We submit that there is nothing in the proposal that provides such a deterrent that is not already achieved through QAS accreditation of a firm. It should be observed that in consultancy practice, consultancy firms have a keen commercial interest in advice produced by their actuaries being suitable. The QAS scheme uses this self-interest of firms in regulation of the quality of their output.
1.3 (iii)	N/A
1.4	Important
1.4 (ii)	No
1.4 (iii)	It is clearly important that the public has confidence in, for example, the pensions and insurance industries. The quality of actuarial advice is a factor in this but we consider that the public will largely be unaware specifically of the work of actuaries. An outcomes-based approach to monitoring quality in the context of aiding decision-making may therefore be more relevant to public confidence than one focused on compliance. We consider it very unlikely that there would be any public visibility or awareness of the monitoring scheme (any more than there is currently public awareness of other measures to ensure quality, such as QAS, technical actuarial standards, peer review requirements, the practising certificate regime, CPD requirements etc.). This is particularly the case for the type of monitoring scheme proposed as, due to the onerousness of the proposals, the effective reach of the scheme

	proposed would be limited. Rather, public confidence in the actuarial profession is more likely to be driven by the (perceived) outcomes of actuarial work – for example from the way that pensions issues are reported in the press.
2.1	Oppose
2.1 (ii)	We are supportive of a risk-based approach but do not believe that a focus on the work of PC holders, which is already subject to enhanced controls (including in terms of experience requirements, employer oversight and peer review requirements), is consistent with this. We observe that much work which may have material impacts on individuals or entities is undertaken and supervised by actuaries who are not PC holders.
2.2	Neither
2.2 (ii)	We do not consider that the proposed approach is focused on the areas of greatest risk, nor that technical compliance is necessarily a good measure of the quality of actuarial work. We consider there is a significant risk with voluntary disclosure for Category B and Category C monitoring, the profession is therefore likely to be presented with a biased view of the quality of actuarial work (i.e. that examples of poor quality work are unlikely to be shared). However, we note the profession has no practical enforcement mechanism where a PC is not required.
2.3	Yes
2.3 (ii)	As noted in our response to question 2 above, we believe that the controls that already exist in relation to the work of PC holders mean that the greatest risks lie in other areas of work which would otherwise not be covered by the scheme.
2.4	Yes
2.4 (ii)	QAS already adequately covers compliance and the quality of advice prepared by actuaries employed by the accredited firm.
2.5	It may be appropriate to obtain feedback from the users of actuarial work and key stakeholders in the relevant industries. This would enable the monitoring to be more focused on outcomes. Examples of those from whom feedback might be sought are: Independent Trustees (who will see a range of work from different actuaries), The Pensions Regulator, the Pension Protection Fund, the Financial Conduct Authority and the Prudential Regulation Authority.
2.6	No
2.6 (ii)	There is no consideration in the proposed review process of the outcomes of actuarial work – for example how well it meets users' needs and whether it has facilitated good decision-making.
2.7	Don't know
2.7 (ii)	Non-actuaries with experience of the work being reviewed, for example as a user, may bring a different angle to the review process which makes it more rounded. However, they would have to be included in addition to and not instead of actuaries with sufficient experience of carrying out the work, and therefore cost is also a consideration.
2.8	
3.1	Don't know
3.1 (ii)	Further details of the review process are required in order to answer this question – for example what sorts of questions will be asked, and how will feedback be presented. We would expect this to be subject to further consultation to ensure that the process is as helpful as possible both to the profession and the individual. We consider it a material defect of the proposal – which will doubtless hinder the ability of actuaries to respond fully to your

	consultation " that the proposal does not set out at outset a definition of quality and does not articulate what aspects of quality will be assessed through the proposals.
3.2	No
3.2 (ii)	The regulatory work of the IFoA should rely on a range of areas of feedback on the current efficacy of actuarial work. Issues identified through thematic review may be one such source of feedback but in our view the Regulation Board ought not to overly rely on output from the monitoring process, or it will risk creating a closed feedback loop.
3.3	
3.4	Disagree
3.5	Yes
4.1	No
4.1 (ii)	In relation to consultancy work, the confidentiality provisions need primarily to address the potential concerns of actuaries' clients rather than of the actuaries or their employers. It would be helpful if generic materials were made available aimed specifically at explaining the Profession's objectives and approach to confidentiality for clients. The redaction of sensitive client information is likely in many cases to result in insufficient context being available to the reviewer to assess the judgements made by the actuary in preparing their advice. With regards to corporate pensions work, in particular, it is common for NDAs to be in place which may preclude information being shared on a voluntary basis for thematic reviews. Consideration also needs to be given to the potential for actuarial work to include member / policyholder data.
5.1	No
5.1 (ii)	If more information about the quality of actuarial advice is needed in relation to work produced by QAS firms, this should be fully integrated into the QAS accreditation process rather than through the creation of an additional scheme with separate requirements. For example, work sampling (for a range of actuarial work " not just that of PC holders) could form part of the assessment. Introducing separate monitoring duplicates monitoring work that is already carried out within QAS accredited firms (checking compliance for reserved work through established processes and undertaking cold file reviews), and could undermine the credibility of QAS. Alongside the suggestion above, consideration should be given to making QAS mandatory in some cases " for example for employers of a minimum number of actuaries / PC holders. We note that it is proposed that Review Visits should coincide with QAS visits (i.e. that there will only be one visit) " but this appears to assume that an employer has only one office location. Where an employer has more than one office it is unlikely to be more convenient for PC holders to have to travel for the Review Visit. Direct monitoring could be more closely integrated with the PC scheme " for example by identifying work for review from a member's PC application.
5.2	No
5.2 (ii)	The proposals do not take adequate account of the motivation of consulting firms to ensure that the work of their actuaries is suitable for purpose. That motivation is recognised by the QAS. Further, the extent to which these matters are "designed for the profession by the profession" will depend on the extent to which consultation feedback from members of the profession and their employers is taken into account in deciding whether and how to take these proposals forward. In our view, insufficient detail has been provided by the Regulation Board at this stage as to exactly what will be reviewed in the course of the process, and it will be necessary to conduct further consultation in due course if proposals of this type are to be implemented.

6.1	No
6.1 (ii)	The proposed scheme disproportionately impacts PC holders (and employers of PC holders), whose status and work is already subject to increased scrutiny and controls. We consider that the risk of poor quality actuarial work is greater in other areas, including where work is not reserved to actuaries.
6.2	The proposals will be very costly to businesses employing PC holders as they will tie up senior people for reasonable periods of time. This includes time spent preparing for review visits as well as time for the visits themselves, reviewing and commenting on feedback reports. In our view, significant experience and expertise are required to carry out effectively the Category A reviews envisaged. Such experience and expertise is not in extensive supply. The IFoA will struggle to adequately resource the process described.
7.1	Sharing individual feedback with an actuary's employer is essential to ensuring that it is integrated into their development activity and results in improvement to the quality of their work. Does the IFoA anticipate that participation in the direct review process would count as CPD for PC holders? The costs of the monitoring scheme " to the extent that it is funded by the IFoA " should not be borne equally by all actuaries through their subscriptions. In particular, consideration should be given to reflecting the different levels of monitoring in the cost of a PC depending on which sub-band they sit in. We believe the IFoA has underestimated the cost and difficulty of recruiting sufficient staff with relevant experience and expertise to carry out the assessment work. The indication is that these would be recently retired scheme actuaries, who could be retained for only a limited period before their skills and knowledge become out of date. We think it will be difficult to recruit people who will have the necessary experience to adequately review the work of PC holders in the manner described.

Organisational submission Received by Email 1

1.1	Neither
1.1 (ii)	We agree that as part of the profession's obligations to act in the public interest, and the specific regulated roles carried out by actuaries, the IFoA should be able to monitor the outcomes of the work done by actuaries. However, we think the scheme as proposed is focused narrowly on monitoring compliance with professional standards rather than the outcomes of actuarial work. This includes too much focus on areas of reserved work which are some of the least risky areas of actuarial work compared to other areas which could include more material risks to the public interest. As such, the proposed scheme is in danger of missing the bigger picture.
1.2	Disagree
1.2(ii)	This will depend on the operation of the review process in practice, especially for Category A reviews. The review teams must have the necessary experience and knowledge which could quickly become out-of-date if the reviewers are not practising. The system will not provide evidence of the quality of work of non-PC holders or non-reserved work except to the extent that it is covered by a Category B review.
1.3	Disagree
1.3 (ii)	There is little evidence to suggest the profession's reputation is at risk if we do not introduce monitoring.
1.3 (iii)	Low
1.4	Very important
1.4 (ii)	Don't know
1.4 (iii)	It is not clear how the public will become aware of the existence of the monitoring scheme and so strengthen its confidence in the quality of the work of actuaries. Will its existence be part of the marketing of the profession or will the public only become aware of it when something goes wrong? Some might be surprised that a professional body has to monitor its members in this way as it suggests that some members don't comply with their professional standards.
2.1	Support
2.1 (ii)	It is hard to see how a risk-based approach would lead to only reserved work being the focus of the monitoring. The areas of reserved work are, in our view, some of the least risky areas of work. Not only are these highly regulated but many firms will have very developed templated documents in these areas. A reason given for concentrating on PC holders is to 'ensure that those in more competitive fields are not placed at disadvantage' (paragraph 6.31). However, these other fields could also include potentially material (and greater) risks to the public interest, for example actuaries involved in corporate M&A activities and working with risks which have the potential to be systemic (e.g. certain financial and demographic risks). The risk-based approach would exclude them from the scrutiny of Category A reviews.
2.2	Agree
2.2 (ii)	We agree with this approach (subject to our comments in 2.1 above). There is a need for scrutiny of wider actuarial work beyond the PC holder role although this approach may not necessarily address the quality of non-reserved actuarial work nor the quality of work of non-PC holders.
2.3	Yes

2.3 (ii)	It retains the flexibility to include actuarial work outside work carried out by PC holders but still within the public interest. Enhanced information gathering again provides that extra flexibility to monitor any other actuarial work as and when required.
2.4	Yes
2.4 (ii)	QAS accredited firms have already been independently audited and assessed against a number of outcomes including quality assurance (work review), development and training plus speaking up. Firms must support Members to comply with the Code and their other professional responsibilities in order to produce high quality work (APS Q1). They are subject to ongoing annual reviews and further regular audits. Best practice findings from these reviews/audits are already shared with all QAS accredited firms ensuring both maintenance and continuous improvement of standards and so quality of audits. This existing level of quality should be reflected in the approach taken to Category A reviews, which we would contend be light touch and less invasive.
2.5	No comment.
2.6	Don't know
2.6 (ii)	Our understanding of the proposal is that monitoring will focus on whether reserved work complies with the relevant professional standards and through this, draw conclusions on the quality of actuarial work. However, we do not think it will obtain any information on the quality of the advice to the user and the outcome from that advice. There could be a bigger advice picture with many strands where actuarial work is only part of the overall advice given to a client.
2.7	No
2.7 (ii)	Our experience is that many outside the profession do not understand the process of actuarial work and advice. Whilst it can be beneficial to get external views, this should not be to the detriment of a genuinely added value process which we feel will only come from experienced practitioners.
2.8	No comment.
3.1	Yes
3.1 (ii)	For Category A monitoring it depends on the review process to get buy-in from the PC holder, in particular the relevance and level of up-to-date experience of the Review Team and how any professional judgment differences are handled. For QAS accredited firms it is proposed that monitoring takes places at the same time as the QAS visit. We think it is important that the two schemes are kept separate to avoid any conflict.
3.2	No
3.2 (ii)	To provide insights, the IFoA will need to form views on the effect of regulatory standards on the outcome coming from actuarial work and advice. A review of compliance with the standards will not provide this.
3.3	No comment.
3.4	Agree
3.5	Yes
4.1	Don't know
4.1 (ii)	We are reassured to the extent that Category A reviews involve files and work considered on-site only and because of the potential confidentiality undertakings involved in thematic reviews. Also, the IFoA has experience of dealing with confidentiality through the Disciplinary Scheme and, more recently, the QAS. However, the need for confidentiality

	would rule out an actuary working for a competitor from carrying out a review. If this leads to an increase in the number of retired actuaries (or actuaries working for regulators) acting as reviewers it raises questions about how reviewers keep up-to-date with current practices when assessing quality of work. We note the anonymity option on thematic reviews to protect client confidentiality but we are concerned about how commercial sensitivities would similarly be protected. We will need more detail on how this will work in practice and how it will meet individual firms' requirements.
5.1	Yes
5.1 (ii)	No comment.
5.2	Yes
5.2 (ii)	The proposals have the support of the FRC, the IFoA's oversight body in the UK.
6.1	No
6.1 (ii)	More information is needed on the expected cost of introducing and running the monitoring scheme. In paragraph 5.6 it says 'The monitoring will be funded in part from existing IFoA revenue streams. The FRC has agreed in principle and expressed publicly that it will contribute to the initial costs.' What would happen to the proposals if the FRC decides not to contribute to the initial costs or if the FRC's role or structure changes as a result of the Kingman Review? Although the IFoA 'does not currently envisage' the need to increase subscription fees or PC fees we are not convinced that would be the case.
6.2	No comment.
7.1	We think the IFoA should provide Members with much more information on the expected costs of the monitoring scheme rather than the high level statements contained in paragraphs 5.6 and 5.7 of the consultation document referred to in 6.1 above. In particular, the statement that the IFoA does not currently envisage the need to increase subscription or PC fees as a result of the introduction of monitoring is insufficient on its own. Our feeling is that the costs of monitoring are likely to be significant in future. We suggest that the IFoA costs this proposal in order to justify its claim on fees and to provide reassurance to Members that it will be able to operate the monitoring scheme without an increase in subscriptions or PC fees or a reduction in the quality of service elsewhere.

Organisational submission Received by Email 2 ACA

Title	Ms
Forename	Jenny
Surname	Richards
1.1	Neither
1.1 (ii)	We consider that the regulation currently in place (by various bodies) is sufficient at the current time, so we do not consider that this move is required in order to meet the IFoA's obligations around regulating the actuarial profession. Nor do we anticipate any significant changes in behaviours as a result of introducing these measures. However, we acknowledge that the ability to demonstrate the efficacy of this regulation is a harder criticism to defend. The expectations on professional bodies to prove that they are adequately monitoring their members, not just accepting their members' word that they are following any standards/guidelines set until something goes wrong, is increasing. We therefore acknowledge that some sort of additional system to receive feedback on standards of work may need to be introduced and it is our primary concern to ensure that the system that does take effect does not inadvertently harm the public interest by constraining actuaries and meaning that they are unable to give the advice that they are well trained to provide or exacerbates the risk of 'group think'.
1.2	Agree
1.2(ii)	The level of review suggested would certainly enable the profession to gather evidence as to the quality of work. However, the question remains as to whether it is possible practically to achieve the proposals as set out and we look forward to supporting the IFoA further on developing the operational aspects of any proposal.
1.3	Neither
1.3 (ii)	We do not consider that there is a risk that the actuarial profession's reputation will be damaged through poor work unless this monitoring is introduced. However, we acknowledge that certain work of other professionals on spheres similar to our own is subject to monitoring. Accordingly, we can understand that the profession's reputation could be perceived negatively if we resisted any form of independent monitoring. We work in a very specialised sphere which is not always understood by those not involved in it and we need to ensure that this advice continues to be valued highly.
1.3 (iii)	Low
1.4	Important
1.4 (ii)	Yes
1.4 (iii)	The advice provided by actuaries is quite often complex and has evolved in recent years to ensure that the advice contains discussion around risks and is not just about providing 'the answer'. We consider that the position that we are now in as a profession provides users of our work with high quality, comprehensive and bespoke advice. However, we say this from the position of being within the profession. We therefore consider that being able to evidence that the standards that have been put in place are being followed will strengthen confidence.
2.1	Support
2.1 (ii)	Any monitoring that is not just a tick-box exercise is, by definition, going to be time consuming, both for the firms involved and the actuarial profession. Where this is the case, resource needs to be allocated efficiently and we consider that a risk based approach is the most sensible route to take. We also consider that the production of statutory advice is

	probably the most visible as well as being of significant importance to users and so should receive the greatest attention.
2.2	Agree
2.2 (ii)	We agree that all three types add value in different ways and it is therefore appropriate to include all of them to a greater or lesser extent.
2.3	Yes
2.3 (ii)	Yes, we are in favour of these other review types as we consider them likely to add value to knowledge within the profession. Whereas the introduction of a monitoring regime in general is predominantly driven by the desire to be able to evidence that actuaries are doing what we should be doing, these types of review can allow us to use the process to add value to the profession.
2.4	Yes
2.4 (ii)	As QAS is a voluntary accreditation, and we consider that this is right for it to remain so, the monitoring framework will need to be constructed in such a way that it works for firms that may or may not be QAS accredited and therefore it needs to be fit for purpose in either case. However, there is a significant amount of work that goes into being accredited under QAS and, as we have already acknowledged, a risk based approach to monitoring is the most efficient way of achieving the desired aims. For this reason a firm that has already had to evidence processes and be audited etc is likely to be of lower risk than one that is not and the framework has to be constructed to allow for this and appropriate allowance for this needs to be made. The informal conversations we have had on how the proposals will fit with the QAS scheme appear to be sensible and achieve this balance and we look forward to supporting the IFoA further on developing the proposal.
2.5	
2.6	Yes
2.6 (ii)	we consider that, given the complex nature of actuarial work, and the timescales involved in discussions/considerations, interviews with the author of the advice is the only real way of obtaining suitable direct empirical evidence. For this reason we have answered yes to this question. However, interviews are where the cost, confidentiality and other practical issues become more difficult and we are concerned with how this will work in practice. We again look forward to supporting the IFoA further on developing the proposal.
2.7	Yes
2.7 (ii)	The intention with introducing the monitoring regime is to evidence that actuaries are following the guidance set out for our work. Using individuals that are not actuaries will help this message. However, given the already identified complex nature of actuarial advice, the use of lay individuals will need to be done sparingly to ensure that the individuals concerned understand what good and bad advice is. In addition, the fact that anyone qualified to conduct the monitoring will need to have sufficient and recent experience of working in the industry so it may end up not being practical to incorporate these individuals. For this reason we think this should therefore be considered to be a 'nice to have' rather than a necessity for the regime.
2.8	
3.1	Yes
3.1 (ii)	We are currently envisaging the individual feedback to be similar to peer reviewed work and provided that the stated intention, that this should not try to superimpose another viewpoint, is kept to, this will be valuable. It is paramount that these reviews focus do not

	dictate the advice otherwise we will quickly become subject to herd mentality. The other forms of feedback proposed from type B & C reviews will be also useful to enhance the knowledge base of the profession.
3.2	Yes
3.2 (ii)	As stated above, we do not consider that the introduction of any monitoring scheme will fundamentally change behaviours of actuaries, as we consider that the vast majority are producing work to a very high standard, as is evidenced by the very low level of disciplinary cases. For this reason we do not think that the outputs will materially change what the IFOA would have already been doing, however it should give them the evidence that they are on the right track.
3.3	
3.4	
3.5	
4.1	No
4.1 (ii)	We do have significant concerns in this area. In particular, confidentiality seems to be more focused on individual data, which we acknowledge is likely to be covered adequately by the proposals. However, funding discussions take into account discussions on employer covenant which will be very difficult to redact, without removing the reason for the advice being presented in the first place. Our concern with this issue is not driven by information that stays between the reviewer and the reviewee but how any outputs from this review are documented and shared with wider interested parties. We would also like to see more detail on how individuals involved in the role of reviewer would be covered under the insider trading frameworks, in particular, their inclusion in insider lists.
5.1	Yes
5.1 (ii)	yes, although this is subject to the comments above around details. We would be very keen to understand more about how these proposals fit with QAS firms before being able to be definitive. A particular concern would be whether any consideration about regulation by the PRA has been properly investigated to avoid overlap and whether the Scheme needs to be set up differently for those firms falling under their involvement. In responding in the affirmative, we are also assuming that the current role of the FRC would continue largely unchanged, whether by them or another entity.
5.2	Yes
5.2 (ii)	As already acknowledged, it is becoming increasingly important that as a profession we are considered fit to continue to govern ourselves by ensuring that we are being transparent in the effectiveness of any regulation. We also consider that for this to be effective that it is important that the results of the monitoring is understood by any users of this not just that we consider the monitoring to be effective, as otherwise we are no further on. However, actuarial work is complicated and we have to retain the ability to advise our clients in the way that we consider appropriate. By retaining this professional autonomy we can provide the best advice to our clients and thereby serve the public interest. It is vital that in making sure the outputs are understandable we also ensure that the profession is not driven to herd behaviour.
6.1	Don't know
6.1 (ii)	This is the area where we have most concerns. This may be because these are not final proposals so the detail has not yet been fleshed out. However, given that we consider this is being driven primarily as a preemptive measure, rather than out of fear that actuarial

	<p>advice needs to be significantly improved, it is important that the impacts of the introduction are not worse than not having the scheme in the first place. We would like to see the analysis of why the IFoA considers that the additional costs involved in introducing this scheme will not be significant as it appears to us to be very time-intensive to deliver the full range of outputs proposed. Costs which will end up being passed on to the users of our advice need to be proportionate to the level of risk there is considered to be in the system. We remain concerned that the confidential nature of the advice being reviewed has not yet been fully addressed. This could have real implications for clients and us as providers of services to these clients. More detail needs to be set out to ensure that actuaries retain professional autonomy and reduce the risk of group think, otherwise this will potentially be of detriment to the end users of our advice.</p>
6.2	<p>we do not consider that there are any other issues.</p>
7.1	<p>We are, overall and subject to understanding and clarifying some of the details, in favour of the direction being taken by the IFoA. As an organisation which represents consulting actuaries, a large majority of whom work for pensions consultancies and hold practicing certificates, we are aware that this issue is likely to affect our members more than for other practice areas. We consider that making more use of the structure of QAS is likely to be hugely beneficial in achieving this in a positive way and we are keen to explore further detail on this with the IFoA. However, the practicalities of its implementation concern us. From the time involved, ensuring that suitably experienced interviewers are used and the ability to achieve client confidentiality are not sufficiently well bottomed out at this stage in the process for us to fully endorse the proposals We also have concerns that the actual outputs of the type A reviews are not well enough fleshed out. It is vital that these outputs can be considered in conjunction with understanding of the user for whom this advice was produced, which could potentially be as part of a ten year plus discussion. In order that actuarial work, which has evolved significantly over recent years into becoming something that is user focussed and adequately explains risks and alternative options, does not end up becoming something that it driven by herd mentality and that actuaries retain the ability to exercise their professional judgment for which they are very extensively trained and, we consider, best placed to do otherwise this move will not be in the Public Interest.</p>

Organisational submission Received by Email 3 AON

Title	
Forename	
Surname	
1.1	
1.1 (ii)	<p>We disagree that the proposed monitoring scheme is a reasonable step if applied in the manner suggested. We believe that there is sufficient monitoring taking place within QAS-accredited firms. These firms already have monitoring processes in place that are acceptable to IFoA and should be sufficient to ensure quality and confidence of their actuaries' work (for example work may have been through a process of do, check, scrutinise, peer review and possibly further specialist review, then cold file review or similar which itself might be monitored elsewhere within the organisation). Therefore such firms ought to be able to continue as they are. However we admit that there is a gap in such monitoring for non-QAS firms, and we therefore believe that for those other firms, some type of monitoring scheme is a reasonable step for the IFoA to meet its concerns on acting in the public interest. We also accept that there is a general concern that if the IFoA does not take a step such as this, a monitoring scheme could be imposed by a body external to the IFoA and there would be less scope for shaping the scheme to reflect the regulation that already applies to some firms (eg those accredited under QAS).</p>
1.2	
1.2(ii)	<p>Noting our comment in 1.1 that QAS firms should be carved out of the proposals, we agree that for other firms the proposals would enable the IFoA to gather some of the information it requires in order to provide evidence as to the quality of actuarial work. However, we doubt that the proposed framework will materially improve IFoA's chance of picking up the inadequate work.</p>
1.3	
1.3 (ii)	<p>We agree that without evidence of the quality of actuarial work, there is some risk to the reputation of the profession. We note that so far that there has been no incident that has actually come to public attention to warrant such a proposal. However we accept that by making this proposal IFoA are pre-empting a possible event that does indicate a lack of quality in actuarial output, and might come to public attention and possibly invoke a knee-jerk reaction by the IFoA or external organisations to future regulation and monitoring.</p>
1.3 (iii)	
1.4	
1.4 (ii)	
1.4 (iii)	<p>We agree that it is very important for the public to have confidence in the quality of the work or actuaries. However for all work that is not reserved, there are both non-actuaries and actuaries doing this work whether it be economic modelling, mortality studies, or pension benefit consulting. The same applies to work on asset liability modelling and wider fields these areas of work will only grow over time. Quality will not be improved unless the same standards are applied to all who do the work, irrespective of their professional affiliation. Users of this work are unlikely to be concerned at whether those providing the advice are members of the IFoA or not, and there is unlikely to be a perception that work provided by IFoA members is superior due to the monitoring regime users would be more concerned however if they were required to pay more for advice provided by</p>

	actuaries (which may be the outcome with monitoring as proposed) than provided by other professionals. As noted elsewhere in our response, if the scope of monitoring is widened (for example so that work that would initially only have been subject to thematic monitoring now becomes subject to direct monitoring) ♦ this will only serve to crowd out the demand for actuaries doing this work if others can also do it.
2.1	
2.1 (ii)	We support a risk-based approach - but as noted above, risk based should mean that QAS firms would not need to undergo extra monitoring at all. The additional monitoring should be limited to non-QAS firms.
2.2	
2.2 (ii)	Again, subject to our caveat that this only applies to non-QAS firms, we agree that different categories of monitoring are appropriate.
2.3	
2.3 (ii)	Again, subject to our caveat that this only applies to non-QAS firms, we agree that there is merit in thematic reviews. Enhanced information gathering (Category C) might be appropriate for QAS and non-QAS firms.
2.4	
2.4 (ii)	Yes, absolutely, see our comments elsewhere.
2.5	
2.6	No
2.6 (ii)	No. For a non-QAS firm, it is still possible that direct monitoring will not pick up work that would have concerns over quality.
2.7	
2.7 (ii)	If the intention is to monitor the output of the actuary, then there may be merit in using non-actuarial professionals, eg independent trustees or similar, to review from a non-technical perspective, and this would bring another aspect to the perceived quality of the reporting. However, if the idea is to increase quality as assessed by the IFoA, then any monitoring needs to be done by relevant actuaries.
2.8	
3.1	
3.1 (ii)	Yes (provided this is limited to the outputs of direct monitoring of non-QAS PC holders).
3.2	
3.2 (ii)	We do accept that thematic reviews could better inform the need for future guidance from the IFoA on the issue, and any CPD needs or opportunities. Individual feedback may also be valuable.
3.3	
3.4	
3.5	
4.1	No
4.1 (ii)	No ♦ although in relation to pensions consultancies (so PC work means scheme actuary work) we note that direct monitoring (for non-QAS firms) of PC work is less likely to be critical in terms of confidentiality than some corporate work for which strict non-disclosure rules are often in place, there would still be concerns among some scheme actuary clients. We are however also concerned that monitoring of scheme actuary work could in time extend to monitoring of other work including corporate work, bringing the concerns about confidentiality more to the fore. In relation to the category B monitoring we also have some

	concern with confidentiality (although the proposal suggests that much input will be anonymised, this refers to the actuary, not necessarily the client name). If clients are concerned that confidential information is likely to be prejudiced through such reviews this might be another reason for them to choose a non-actuary to carry out the work so such scrutiny will not be required.
5.1	Yes
5.1 (ii)	Yes but integration relies on our view that QAS actuaries should not be subject to the same direct monitoring as proposed for non-QAS actuaries.
5.2	
5.2 (ii)	If the proposal is amended as per our suggestions, then yes the aim of self-regulation could be achieved: QAS work will be monitored under the QAS processes, and work of other firms will be directly monitored under the new proposals.
6.1	
6.1 (ii)	Even if the proposal is adopted only for non-QAS firms we are concerned at the resourcing issues of the proposal for direct monitoring of all PC work. The competence of the reviewer must be carefully considered they would need to have appropriate hands on experience but would not be actively working on client facing duties at the relevant time. There are unlikely to be sufficient suitably qualified and experienced actuaries. We are also concerned about the cost - whether setting up costs (even noting that the FRC has publicly committed, in principle, to contributing to these proposals for an initial period) or ongoing costs. Residual costs can only impact via an ultimate increase in member subscriptions (which will ultimately be passed on to our clients), and we do not see that the cost is balanced by a discernable benefit to the IFoA members or our clients. Limiting direct monitoring to non-QAS PC holders would clearly limit the cost, but there would need to be transparency so that QAS firms (which experience their own costs in relation to membership of the QAS as well as the related IFoA costs) are not perceiving that their costs, efforts and subscription fees are in some way subsidising the costs of the direct monitoring of others.
6.2	No
7.1	No

Organisational submission Received by Email 4 AVIVA PLC

Title	Mr
Forename	Matt
Surname	Saker
1.1	Agree
1.1 (ii)	As a significant employer of actuaries, Aviva is supportive of any initiative that enhances the credibility of the work undertaken by the actuaries that it employs. In addition, Aviva strongly believes in the value of a contemporary and progressive actuarial profession which supports its members, is perceived as innovative and value-adding by its members/customers, and is attractive to the best of tomorrow's talent. In this context, Aviva is broadly supportive of the initiative to introduce monitoring of its members. However, while we agree that the proposals are reasonable and can see how they should provide greater confidence in the quality of actuarial work performed by members and enhance/maintain the reputation of the profession, we have a number of comments and suggestions for how the current proposals could be improved. In particular, we believe that some form of initial pilot testing of the proposals, aimed at ensuring the proposals can be justified from a cost benefit perspective and are targeting the right areas, would be beneficial.
1.2	Neither
1.2(ii)	While it seems clear that the proposals will provide the IFoA evidence of the quality of actuarial work, it is not obvious to us that this will be focussed in the appropriate areas. In addition, we see a number of practical difficulties with the proposals, namely: i. The nature of the work typically carried out by senior actuaries involves delivery through others, i.e. providing direction, guidance, advice, review and oversight. This is not all written down, so what would the Review Team review? The Consultation seems to envisage neat packages of written work and spreadsheets that can be reviewed. This may not be borne out in practice. ii. Whilst the Review Team might provide a view on the quality of work performed by an actuary, we would be concerned if the scope of the review was extended to provide an opinion on the advice provided, e.g. by a Chief Actuary or With Profits Actuary. In particular, we are concerned that this may be seen to override the actuary's advice, especially once shared with the Company. iii. The Consultation seems to only allow for specific pieces of work being performed by specific individual actuaries. In reality, people work in teams on pieces of work or perform work on activities that cut across a number of parts of the Company, often involving multi-disciplinary teams, many of whom will not be actuaries. This makes it very difficult to identify the material that should be reviewed to assess the work of any individual actuary. There is not a one-to-one relationship between the actuary and the work. iv) Category A is for PC holders (see Table 1.1), but seems to assume that these PC holders would perform actuarial work in the capacity of the role for which the PC is held, e.g. the With Profits Actuary. Although not a major point, we would like to understand how would this work for PC holders who don't actually perform that role? For example, if an individual retains Chief Actuary and With Profits Actuary PCs on the basis of the work they do in these areas, but are neither the Chief Actuary nor With Profits Actuary. Are they Category A or not?
1.3	Agree
1.3 (ii)	We believe that the reputation of the actuarial profession is based on the conduct of its members. While it is true to say that this risk may be somewhat reduced by the proposals,

	it is far from clear that this reduction in risk is proportionate to the time and effort involved in its implementation.
1.3 (iii)	Low
1.4	Important
1.4 (ii)	No
1.4 (iii)	We think it very unlikely that the implementation of these proposals will have sufficient visibility with the public to lead to a material increase in public confidence in the quality of the work of actuaries.
2.1	Oppose
2.1 (ii)	We note that the granting of a PC requires approval from the IFoA and, in the case of SIMF roles, further approval from the PRA & FCA is required. In addition, the work of PC holders such as the Chief Actuary and With Profits Actuary is subject to extensive review already from the likes of External Audit, Internal Audit, the Risk function, the external advisers to Committees, the Board and its Committees, as well as extensive internal challenge from all the Committees. Whilst the proposal includes a (complex) mechanism to reflect these activities, we would welcome a route that allows the IFoA to rely entirely on those activities in certain circumstances. Firms may choose to, and indeed could be best placed to, design these activities, either afresh or by enhancing existing assurance activity, and in consultation with the IFoA, so that they are most appropriate and valuable for that firm and its actuaries.
2.2	Neither
2.2 (ii)	While we are supportive of a risk based approach that targets the areas where failures are likely to have the most material consequences, for the reasons outlined in our response to Q2.1, it is not clear to us that the current proposals adequately reflect existing processes and controls. In particular, while the work of PC holders is likely to lead to the highest inherent risk for the profession, we believe that compliance with the the various standards and monitoring/review of work is likely to be highest within this group, and that the residual risk after allowing for these controls is relatively low.
2.3	Yes
2.3 (ii)	In line with our responses to Q2.1 & Q2.2, if a monitoring scheme is to be introduced then this should be risk based. However, we believe that the proposals are largely based on an assessment of inherent risk, ignoring the controls that already exist, and that further work is required in order to demonstrate which areas of actuarial work lead to the highest levels of residual risk allowing for these existing controls.
2.4	No
2.4 (ii)	The approach taken should take into account the totality of existing controls and processes that surround the work under consideration. While the QAS accreditation is one way to demonstrate a level of control, the fact that an employer is not QAS accredited does not mean that their controls are deficient or that they are in any way inferior to those of a QAS accredited firm. Indeed we believe that the controls and processes in place for non-QAS accredited firms may in many cases be stronger than those of QAS accredited firms. Given this we have answered "No" to this question on the basis that the QAS accreditation should be given no more, or no less, weight than other existing controls.
2.5	
2.6	Yes

2.6 (ii)	We believe it is highly likely that the proposals will lead to direct empirical evidence of the standard of actuarial work. However, it is far from clear that this evidence will be obtained in a cost efficient manner or that it will be targeted at areas with the highest residual risk.
2.7	Yes
2.7 (ii)	We believe it is essential that the Review Team has the balance of skills required to carry out the necessary review. This should include individuals who have the required technical expertise as well as individuals who know what it is actually like to produce work and present it to a Board or other relevant audience. This second category could well include non-actuaries.
2.8	
3.1	Don't know
3.1 (ii)	The extent to which reviews provide useful individual feedback will be determined to a large degree by the quality of the Review Team. As noted earlier it is essential that the Review Team has the necessary balance of skills and experience to carry out the work required.
3.2	Don't know
3.2 (ii)	As noted in Q3.1, the extent to which reviews provide useful information to the IFoA will be determined to a large degree by the quality of the Review Team. As noted earlier it is essential that the Review Team has the necessary balance of skills and experience to carry out the work required.
3.3	
3.4	
3.5	
4.1	No
4.1 (ii)	In our opinion, the option for members to keep feedback from the Review Team to themselves (see 2.12) is not a viable option that can be taken in practice. Employers would want to know what the feedback was and would be suspicious if it was withheld. More generally, confidentiality is a real concern, and the option of having to review material and redacting elements (see 2.11) would not be considered an efficient one for the Company. The suggestion that thematic reviews will only be carried out with the agreement of the Companies or members (see 3.5) is an interesting condition and may result in review suggestions being turned down. We are not sure how this would work in practice.
5.1	Yes
5.1 (ii)	We do not have a strong view on this, but assume that the IFoA will design the monitoring scheme so that it fits appropriately into its existing frameworks, and will make modifications to existing structures to ensure that this is the case. We believe this is another reason why an initial pilot phase would be desirable.
5.2	Don't know
5.2 (ii)	The extent to which this is true depends on the degree to which feedback on the proposals through this consultation process are taken into account in the final design of the monitoring scheme and the manner in which it is introduced.
6.1	Don't know
6.1 (ii)	We believe that the case is still to be proved on this point. However, there is certainly a risk that the current proposal will be difficult to implement in practice for the IFoA, individual actuaries and their firms. For example, we foresee difficulty in separating work between individual actuaries, redacting confidential information will be burdensome, and organising

	<p>a review so that all evidence and individuals are available at the required times will be complex. We also consider the mechanisms proposed (reviews, interviews, to be undertaken onsite, with the threat of disciplinary action) to be, or likely to be perceived to be, overly intrusive. We believe that all of these issues point to the desirability of an initial pilot phase.</p>
6.2	<p>Should the overhead of these reviews, in terms of time and cost, become excessive, then employers may decide that, where it can, it will recruit non actuaries to perform the work previously performed by actuaries (who are already regarded as an expensive resource). In addition, while the Consultation says that the cost will be absorbed by the IFoA (see 5.6), ultimately it will fall on members or PC holders. Alternatively, a system for charging the beneficiaries of the review will be developed, which would probably be greatest for the organisations with the deepest pockets. In addition, we are not convinced that this will bring material benefit for members or their employers, or that the outcomes would be valued. We expect that any additional time and cost required to comply with the requirements would not be seen as justifiable, given the perceived benefits, and think that the benefits will largely accrue to the IFoA and FRC rather than the employers or users of the advice. We think that the proposals should be clearer on what happens if instances of non-compliance are found e.g. whistle-blowing</p>
7.1	<p>We would expect the consultation to seek the views of stakeholders in professions where similar regimes are already in operation and for these views to be transparently shared. Similarly, it would be valuable to seek the views of the users of actuarial advice, particularly in terms of the costs and benefits from their perspectives. At present we consider that the cost/benefit case is yet to be adequately made.</p>

Organisational submission Received by Email 5 MILLIMAN LLP

Title	Mr
Forename	Philip
Surname	Simpson
1.1	Neither
1.1 (ii)	The comments in this and all subsequent sections have been derived from considering the issues raised by the monitoring proposals from an objective point of view rather than purely from the perspective of Milliman. The proposed monitoring scheme is a reasonable response to the perceived need to evidence the quality of work undertaken by actuaries, particularly where quality of the work may impact upon the wider public. We would question how strong the need to further evidence the quality of actuarial work is? More detail on the objective evidence that there was a need to strengthen the existing regime would help frame respondents' understanding for the need for these monitoring proposals. We agree that it is preferable for the profession to be voluntarily regulated by an independent and external body rather than have a system of regulation imposed upon it. We do not have a view as to whether another scheme might be an equally (or even more) reasonable step. It would have been helpful had the IFoA explained other options it considered and why the proposed solution was considered the preferred one.
1.2	Neither
1.2(ii)	How the proposals in practice will meet this objective is highly dependent upon the degree to which other parties, in particular the employers of actuaries, respond to the proposals and the degree to which they cooperate with them. If there is a high level of acceptance and cooperation the objective is likely to be met. However, whether this will indeed be the case is unclear. It is unclear how the proposal will work with people who are part of the "actuarial work" but who are not members of the IFoA (for example non-UK actuaries practicing in the UK, non-actuaries acting as Chief Actuary or Actuarial Function, actuaries, statisticians and underwriters working together on non-life premium rating).
1.3	Agree
1.3 (ii)	The reputation of a profession and its members is highly dependent upon the quality of work and standards of behavior of its members. Without tangible evidence of the quality or work it is difficult to explicitly state that there is not a problem and that there is no risk to the profession's reputation. Highlighting the low level of individuals found against by the profession's disciplinary procedures is not strong evidence that there is generally high quality work and consequently a low level of risk to the profession's reputation. There are already several checks on the quality of actuarial work, for example internal audits, peer review as per APS X2, actuarial function report, NED scrutiny of the work of the actuary/actuarial function, the Senior Management Regime and the PRA's review of that, statements of actuarial opinion for Lloyd's syndicates, Lloyd's review of the SAOs and SAO reports, etc., and that some of these - relating to the highest profile work - are provided by regulatory bodies. It is not clear to us what will this review process add above and beyond the safeguards that those are already providing?
1.3 (iii)	Low
1.4	Important
1.4 (ii)	Don't know
1.4 (iii)	It is important for the public to have faith in the institutions that it invests in, for example insurance companies and pension schemes. A key component of such a belief will be the

	confidence that the institution will be able to pay the proceeds of such investments when they fall due. The financial strength (and hence reputation) of such financial institutions is dependent on the actuaries involved producing accurate and quality work. Therefore it is important that the public have faith in the quality of the work undertaken by actuaries. More information is needed about how the proposals would work in practice to know whether, or not, they would strengthen public confidence. In particular, how would the findings be reported? For the public to have any faith in a publicised audit process the process has to demonstrate that it has teeth. In which case, it has to draw blood and be seen to draw blood on a regular basis (easier in say the audit or legal profession, not so easy in a minuscule profession such as the actuarial profession). And if we highlight how effective the process is by the number of poor performers that it catches we start promoting the perception that the profession is riddled with poor performance - so the process becomes counter-productive.
2.1	Support
2.1 (ii)	It is the work of practising certificate holders that generally is likely to most directly impact on the public so focusing on their work is appropriate.
2.2	Neither
2.2 (ii)	The split between category A and not category A is clear. However, the split between category B and C is less clear.
2.3	Yes
2.3 (ii)	If the monitoring is only limited to practising certificate holders then over 90% of UK actuaries would not be covered by the proposals which would limit their effectiveness. We note that both the PRA and Lloyd's already conduct thematic reviews that include the work of the actuaries in respect of the theme in question.
2.4	Yes
2.4 (ii)	By being in the QAS scheme a firm, and its processes, has already been reviewed on behalf of the IFoA so this should reduce the additional information needed, and time taken to gather it, under the monitoring proposals. A potential issue is that few, or no, UK insurance companies currently have the QAS accreditation.
2.5	
2.6	Don't know
2.6 (ii)	If there is widespread acceptance of the scheme, in particular by the employers of actuaries, then it is likely that the IFoA may obtain direct empirical evidence. Without such widespread acceptance it is unlikely that the proposed scheme will allow a meaningful volume of empirical evidence to be produced.
2.7	Don't know
2.7 (ii)	To a limited degree non-actuaries may bring wider experience to the reviews. However, we would expect most of the reviewers to be actuaries. The specific circumstances will vary on the nature of the work, for example General Insurance or Life Insurance, and who specifically the reviewers are and what their experience and skill sets are.
2.8	
3.1	Don't know
3.1 (ii)	If the reviews are well structured and undertaken with the cooperation of the actuaries' employers they should provide useful information for individual feedback. The volume of information needed is likely to vary significantly between individuals and their roles.
3.2	Don't know

3.2 (ii)	As above the usefulness of the outputs is highly dependent upon the cooperation of bodies such as the employers of actuaries.
3.3	
3.4	
3.5	
4.1	No
4.1 (ii)	Employers of actuaries, for example insurance companies, are unlikely to divulge commercially sensitive information unless there is a legal or regulatory reason for them to do so. Regulatory backing of the scheme, even if informal, would help.
5.1	Don't know
5.1 (ii)	The monitoring proposals fit in with the existing regime in so far as they address issues not covered by other areas. However, it is important to keep any areas of duplication to a minimum. An unknown which will impact the implementation of the proposals is what the FRC's future form is.
5.2	Yes
5.2 (ii)	The proposals are a balance between what a comprehensive monitoring system desires and what is achievable. As commented above their effectiveness will be highly dependent upon the cooperation of third parties.
6.1	Don't know
6.1 (ii)	Field testing of the time requirement to fulfil the proposals for the various categories would help quantify if it is reasonable. The estimated times in the consultation paper are longer than we would expect to be necessary.
6.2	Review of the work of practising certificate holders will need to be carried out primarily by experienced actuaries who have worked at a similar level. Finding sufficient suitable resources to conduct the reviews is likely to be challenging. Were the reviews to be carried out by unsuitable resources then this would almost certainly devalue the process in the eyes of the actuaries being reviewed and could also result in misleading results, even though non-actuarial stakeholders would be unaware of any shortcomings within the review teams.
7.1	

Organisational submission Received by Email 6 ERNST & YOUNG

Title	
Forename	Alex
Surname	Lee
1.1	
1.1 (ii)	We agree that ensuring actuarial work is performed to a high standard is crucial for users of the actuarial information. Performing independent reviews of actuarial work is likely to enhance stakeholder confidence and also have the added advantage of increasing individual actuaries understanding of areas in which they could enhance their actuarial work. The consultation does not comment significantly on the existing internal peer review requirements of the actuarial work performed under APS X2. We would suggest that the proposals could seek to integrate and leverage more from the peer review work performed, to seek to avoid elements of duplication.
1.2	
1.2(ii)	The proposals would seem to us to enable information to be gathered in relation to Category A work which should help to provide insight to both the individual reviewed members and also the profession as a whole on where enhancements could be made. It may also identify areas where more education/information may benefit those members performing Category A to help them comply with the required professional standards. As the information gathered in Categories B and C will be supplied to the IFoA on a voluntary basis there is a potential for bias in the outcomes of the reviews. This will need to be considered in any use of the information gathered. To determine whether stakeholders would regard the outcomes of the reviews as providing satisfactory evidence for the quality of actuarial work, it will be important to obtain opinions from all relevant stakeholders, who may include regulators, insurance companies, companies with pension schemes, investors and consumer groups etc.
1.3	
1.3 (ii)	We agree that some form of independent review of actuarial work is likely to give stakeholders additional comfort in the quality of actuarial work.
1.3 (iii)	
1.4	
1.4 (ii)	
1.4 (iii)	that it is important that these stakeholders have confidence in the quality of the actuarial work. Professional users of the actuarial work will be able to make their own assessment as to the quality of the actuarial work, and in these cases the review proposals are unlikely to affect their conclusions. However, for users of actuarial work who have less knowledge and are less able to challenge the details of the actuarial work, then evidence of an independent review may well increase public confidence. We note, however, that the proposals suggest using IFoA members to perform the reviews. In our view, users may obtain additional comfort in the process and its actual and perceived independence, if some of the reviewers were not IFoA members.
2.1	
2.1 (ii)	We agree that a risk-based approach for the review is an appropriate approach. By definition the work requiring a Practising Certificate is likely to be of considerable importance to stakeholders and may be an appropriate and practical approach to reviewing actuarial work. For the detail of the individual reviews we would note that it will

	be useful for reviewers to use more of the evidence from the peer reviewer and any other external reviewers of the work to assist them in their review where relevant (and avoid potential duplication of review)..
2.2	
2.2 (ii)	We agree that a risk-based approach is appropriate. It is difficult to determine from the consultation whether the risks associated with actuarial work not requiring a Practising Certificate are or are not riskier than the work proposed for Category A.
2.3	
2.3 (ii)	The voluntary nature of the proposals may likely mean that some actuaries/companies respond to each review while others are typically not involved. This may lead to a bias in the outcomes of the reviews. In respect of developing areas of actuarial work, companies/actuaries may often be regard their work as proprietorial/confidential. We would note that reluctance to share information will likely limit the usefulness of thematic reviews in newer areas of actuarial work. In drawing conclusions on these reviews this potential should be borne in mind and understood. It was not clear to us from the consultation, what will be involved in practice in Category C. Although we support the general proposals, we would expect that the existing structure of actuarial working parties and similar groups would capture these areas. We wonder, therefore, whether there is a benefit in including these areas within the scope of the proposals. Overall we would suggest dropping Category C from the proposals as this information will be captured elsewhere.
2.4	
2.4 (ii)	To the extent that there is overlap with the reviews performed to obtain QAS accreditation and the reviews that will be performed under Category A, we agree that it would make sense to take this into consideration. We would note, though, that if firms have several PC holders to be reviewed, it would also make sense for the firms' practices to be understood and recognised within the direct reviews. This could be performed by reviewing multiple actuaries from the same firm at the same time. Such a joined-up approach would be likely to make the review process more efficient for both the reviewers and the actuaries involved.
2.5	
2.6	
2.6 (ii)	No specific comments.
2.7	Yes
2.7 (ii)	Yes. This would enhance public confidence in the reviews and also provide an important alternative perspective on the work performed.
2.8	
3.1	
3.1 (ii)	The proposals seek to provide best practice feedback. Whilst this will be useful we would note that it will be important to be clear on what items were requirements under the Technical Actuarial Standards. In many cases the individual actuary will have been supported by other members of the IFoA. It should be made clear how the individuals who have provided supporting work will be included within the review.
3.2	
3.2 (ii)	We agree that ensuring CPD, guidance and standards focus on the areas where the profession is shown to be weak would be a welcome development. However, we note that

	the proposals will likely only provide a complete view on Category A work given the voluntary nature of Category B and Category C. This should, however, provide a sufficient level of information to steer the create of these materials and the process can be reviewed at future times to consider whether sufficient information is produced from the Category B and Category C reviews.
3.3	
3.4	
3.5	
4.1	
4.1 (ii)	There are additional aspects that we do not think the proposed letter in Appendix 5 considers: ♦ It is not clear what arrangements an individual actuary working at a firm would need to put into place so their employer is willing to share the information. Where for any reason the employer is not willing to share the information, it is not clear what happens in the process as the IFoA may not have the powers to enforce the employer to share the information. It should be made clear in this case that the individual actuary concerned will not be sanctioned as the decision is out with their control. ♦ As mentioned in Question 3. 5 above, where an individual actuary works for a consultancy, the firm to whom the individual actuary provided the services will also need to consent to share their data. Where multiple engagements are being considered for an individual actuary this will mean that separate letters will need to signed for each of the separate clients. ♦ Where an individual actuary has been on secondment to a client and worked under the client's direct control, the confidentiality undertaking may be more complex as the employer is unlikely to have rights to access the relevant data. ♦ The letter currently makes no mention of the GDPR regulations which may need to be incorporated depending on the work being reviewed. ♦ Different firms will have different views on their legal position and so there are likely to be bespoke amendments that need to be agreed for each confidentiality undertaking.
5.1	
5.1 (ii)	The question is what gap in the current structures the proposals are seeking to address
5.2	
5.2 (ii)	We agree that an appropriately tailored scheme that includes independent review of actuarial work is likely to help public and stakeholder confidence in actuarial work. It should also lead to enhancements in actuarial work over time. We support the suggestion that the review be performed by the IFoA rather than an external body but with non actuarial individuals assisting in the reviews.
6.1	
6.1 (ii)	We agree that ensuring actuarial work is performed to a high standard is crucial for users of the actuarial information. Performing independent reviews of actuarial work is likely to enhance stakeholder confidence and also have the added advantage of increasing individual actuaries understanding of areas in which they could enhance their actuarial work. The consultation does not comment significantly on the peer review requirements of the actuarial work performed. We would suggest that the proposals could seek to integrate and leverage more from the peer review work performed, to seek to avoid elements of duplication.
6.2	As discussed above, the consultation does not appear to have considered the practical issues which may arise for a PC holder who performs that work on secondment to a client.

	A PC holder who has completed their secondment is unlikely to have any right of access to the work they performed.
7.1	In respect of the categorization in Appendix 3, it is not clear to us what the  with Lloyd's  specific assurance considers. Is this solely in the case of an actuary performing the role of chief actuary or does it also include an actuary who is the signing actuary for the statement of actuarial opinion? As drafted, the consultation would suggest that where an actuary works at a non-QAS firm, their work would be reviewed every 18 months  2 years. This seems an excessive frequency for review of the individual actuary when they are likely adopting firm wide processes for the work. For larger non-QAS firms it may make more sense to review the firm by sampling individual actuaries, as this is likely to provide the same level of information and comfort.

Organisational submission Received by Email 7 MERCER LTD

Title	Dr
Forename	Deborah
Surname	Cpp[er
1.1	Neither
1.1 (ii)	<p>We understand that the Institute and Faculty of Actuaries would prefer to be able to access more information to support its responsibility to regulate its members, but we do not believe a strong business case has been made that would justify the resource required (from the IFoA and from individual members and their firms) to implement the proposed regime. The proposals seem partly based on the premise that there is not sufficient independent oversight of the work done by actuaries, particularly in pensions, but we dispute this. Work done by scheme actuaries has long been subject to peer review, and, once delivered to trustee clients, is often seen by their other advisers, the sponsoring employer to the scheme and their advisers and sometimes the Pensions Regulator. When scheme actuaries are replaced, the work done will sometimes also be available to competitor firms. In general (we accept this is not a universal truth) these parties are well able to identify weaknesses in the material provided to them, provide challenge and seek further information. They will also be aware of the professional responsibilities placed on scheme actuaries, and actuaries in general, and know that the IFoA acts as regulator. If there were serious weaknesses in the work being done in our area of practice, we feel the IFoA would have been made aware of these. Similarly: - with regard to the development of guidance and standards (paragraph 2.14), the FRC and IFoA already use consultations to enable different parties to contribute to their development. While a monitoring regime might give further opportunity to enhance what is produced, we doubt whether it would make a materially positive difference. - with regard to enabling sharing of information between regulators (paragraph 4.4), we understood the IFoA already had memorandums of understanding with the FRC, the FCA and the Pensions Regulator. We do not understand why a monitoring regime is necessary for these to work better.</p>
1.2	Agree
1.2(ii)	<p>We accept that, in principle, the proposals would enable the IFoA to gather more information. Our concerns are around whether that is necessary and whether, in practice, it will result in different outcomes. In particular, over 800 actuaries have practicing certificates; the duration of each review (onsite and desk work) described in Appendix 1 seems the least required to properly assess the quality of work being provided. In our view, the proposals are likely to be extremely resource intensive for the IFoA and for the individuals reviewed and their employers, and even so seem unlikely to provide comfort that, overall, actuarial work is of sufficiently high quality.</p>
1.3	Disagree
1.3 (ii)	<p>Our view is that evidence of the quality of actuarial work is already in the hands of our clients and other parties. If the quality of that work posed a risk to the profession, we believe those concerns would already be evident.</p>
1.3 (iii)	
1.4	Important
1.4 (ii)	Don't know
1.4 (iii)	<p>To the extent that the "public" is aware of work done by members of the actuarial profession, of course it is important that they should have confidence in it. However,</p>

	<p>generally our work is delivered to a very select group of the "public"; our view is that it is at least as important for the rest of the public to have confidence in how our clients implement our advice since, regardless of its quality, it will not necessarily result in good outcomes for all those affected by it. We understand that the IFoA's concern will be in relation to its members' behaviours, and agree this is a legitimate concern. However, as we have said, we are not convinced that the proposals are a proportionate response to this. Nonetheless, in the remainder of our response, we assume that the proposals will go ahead in some form. In that vein, our replies are intended to be constructive suggestions to help ensure the monitoring proposals work well for the us, the IFoA, and for all our stakeholders. For the avoidance of doubt, when we use the term "clients" we also include work done within a firm, for example in an insurance company where an actuary is giving advice to senior management.</p>
2.1	Oppose
2.1 (ii)	<p>In our view, a "risk based" approach would not focus on the work of PC holders. Because of its importance, the work done by PC holders is already subject to substantial review, including peer review by another actuary, review by the client (used in its widest sense to mean recipients of information within firms, as well as external) and by clients' advisers, and often by clients' regulators and the Pensions Regulator. Where new appointments are made (e.g. a replacement scheme actuary or new chief actuary) the work will also be reviewed by the new post holder. Most of the parties with access to the work are able to challenge it and know that the PC holder has professional responsibilities and is regulated by the IFoA. If there were concerns about this work, we feel they would already be known at least in a generic sense.</p>
2.2	Neither
2.2 (ii)	<p>We have said that we do not consider the direct review of practicing certificate holders to be necessary. We would prefer a two pronged approach. We would support a monitoring scheme that, in a transparent way, identifies potential areas of risk and, where reasonable, carries out a thematic review of work done by members of the IFoA in that area. As we have already said, we believe that, if there were concerns about work done by actuaries, the IFoA would become aware of it. If the concerns are general, the IFoA needs a way to determine how real they are, and a thematic review carried out on a voluntary basis seems an acceptable way to gather this information. We expect most firms would be prepared to participate in this, provided it were carried out appropriately and proportionately. It would be reasonable for the IFoA to speak with the senior management of firms that are not prepared to do so, or to senior actuaries within the firm, to try to understand why they chose not to participate. This might provide an opportunity to determine whether the firm's internal controls are such that they support their actuarial colleagues in delivering work in a way that is compliant with the Actuaries' Code and the TASs.</p>
2.3	Yes
2.3 (ii)	<p>Technically, our answer to this question should be "none of the above". As explained in our answer to question 2.2 we can see merits in having thematic reviews, and we also agree that, subject to getting appropriate permission, the IFoA should be able to collect information about, for example, the work being done and new developments in the profession, to enhance the information it already has (which we assume is partly based on what is in the public sphere, discussions with volunteer actuaries and survey data).</p>
2.4	Yes

2.4 (ii)	If direct or thematic reviews go ahead, we agree they should take into account whether the employer is QAS accredited. They should also take into account other forms of accreditation or review that firms take part in (for example, internal or external audit).
2.5	
2.6	Don't know
2.6 (ii)	Our answer to this question is "it depends". Actuarial work is varied, taking into account a client's contemporary status and also advice and information that has been provided to the client in the past, sometimes by the actuary, sometimes by a third party. Without understanding the general context and the knowledge the actuary whose work is being reviewed has of the client, which could have been built up over several years, our view is that it could be difficult to reach an informed view on quality. The proposed duration for the PC holder reviews suggested in the consultation document seems unlikely to be adequate to meet the expectations being raised, in terms of identifying quality and completeness, and providing constructive feedback.
2.7	Yes
2.7 (ii)	Actuarial work is seldom produced for other actuaries. It will be important that work is assessed in relation to the needs and expectations of its recipients.
2.8	
3.1	Don't know
3.1 (ii)	We expect this question is asked in the context of the direct review of PC holders, since in other cases we would expect work to be submitted on an anonymous basis. If the monitoring of PC holders is to go ahead, we believe this should be done on an anonymous basis. In particular, direct monitoring should be organised so that the employer knows the name of the PC holder submitting work for review; the IFoA only knows the name of the employer; and the investigating team does not know the identity of the employer or the PC holder. We believe this would reduce the risk of bias (e.g. there is evidence that people's views of other people's competence can be biased just by knowing their names or gender) and increase confidence in the regime. Investigators can provide feedback to the IFoA; this can be forwarded to the employer who can share it with the individual concerned. If the feedback is concerning, it seems legitimate for the IFoA to expect the employer to act on it and to be expected to explain to the IFoA what it has done.
3.2	No
3.2 (ii)	The IFoA already has several ways of determining how to focus its regulatory efforts and whether its focus is appropriate. For example, it can get input from volunteers, it can consult, it can use JFAR or its QAS network, and it can liaise directly with actuarial employers or with representatives of "user" groups and their regulators. We are not convinced that more input from sources that might not be representative will necessarily result in better outcomes.
3.3	
3.4	
3.5	
4.1	No
4.1 (ii)	We have explained our view about anonymity in our answer to question 3.1; our view in relation to confidentiality is similar. That is, work submitted for review should be redacted so it is not possible to identify the actuary, the actuary's employer or the client. We believe this is necessary to protect the actuary and the actuary's firm from censure, for

	inappropriately sharing information with the IFoA. Although some terms of engagement with clients permit the client or the firm to share documents with regulators, that is generally in the context of the client's or the firm's regulator (e.g. pension scheme trustees and the Pensions Regulator); it would not permit sharing with the IFoA. Also, if the material reviewed is redacted, in our view the investigation is likely to be more reliable: even though having no client context could make the review harder, if the document is fit for purpose it should make its objective clear, so it does not prevent the review from proceeding.
5.1	Don't know
5.1 (ii)	We are not sure what is meant by "appropriately integrated". Our view is that the proposals are likely to be disproportionately onerous on employers and PC holders, with very little gain.
5.2	No
5.2 (ii)	Our answer to question 2.2 sets out our view of an appropriate regime, designed for the profession's members by the profession's members.
6.1	No
6.1 (ii)	See our answers to the previous questions.
6.2	The consultation paper does not provide a proper impact assessment. For example there is no quantification of the potential cost to employers of taking several hours of a PC holders time. In large firms employing scheme actuaries, the cost could be very material: for example, for Mercer the lost opportunity cost of each of our scheme actuaries having to take two hours annually to meet the monitoring requirements, would be well in excess of £100,000. On the other hand, the scheme's expected benefits are difficult to quantify. Although they seem desirable, it is not clear that they will actually arise and it will be hard to demonstrate that any improvements in IFoA regulation are directly attributable to the regime. We do not believe a case has been made for all aspects of the proposals to go ahead.
7.1	There are no explicit questions on the proposed confidentiality agreement. We understand it is subject to further review, but, for information, Mercer is uncomfortable with the terms and would be unlikely to sign up to them as they stand. For example, we do not understand the need to share personal information with the IFoA.

Organisational submission Received by Email 8 KPMG LTD

Title	Mr
Forename	Mike
Surname	Shimwell
1.1	Agree
1.1 (ii)	We believe that the proposed monitoring scheme is a necessary step for the IFoA to take. This is in the context of increasing scrutiny around regulatory effectiveness, and publicised failures in other professions. We believe that this step is necessary in order to build and maintain confidence in the profession following a number of recent public failures in confidence.
1.2	Disagree
1.2(ii)	The proposals would allow the IFoA to gather some information regarding the quality of actuarial work, but there are far wider areas of risk than solely reserved roles. It is also important to understand the context of reserved roles, and what the role of the PC holder should and should not have.
1.3	Agree
1.3 (ii)	We agree that there is a risk to the reputation of the profession in relation to the perception of the profession. However this risk extends more widely than those in reserved roles. It is also necessary to consider the purpose of reserved/non-reserved work and the higher standards imposed on PC holders.
1.3 (iii)	Low
1.4	Important
1.4 (ii)	Yes
1.4 (iii)	We believe that it is not unimportant, but that it is not an overriding immediate concern because the profession is relatively small and not widely known. We agree that the proposals will serve to strengthen confidence in the profession because they will demonstrate a commitment to quality and review enhancing the perception of the profession to the public.
2.1	Oppose
2.1 (ii)	We believe that a risk-based approach is appropriate, but that the proposals should be extended more widely if the process goes ahead. This is because there are areas of higher risk outside of reserved work. It is understandable that PC holders should be the starting point for the proposals, but that this should extend more widely relatively quickly.
2.2	Strongly agree
2.2 (ii)	Our view is that direct review of actuarial work is meaningless without thematic reviews and general information gathering. It is necessary to understand the market, and look at ways to improve the quality of actuarial work, and this will be done through thematic reviews and information gathering.
2.3	Yes
2.3 (ii)	As noted, we believe that there are significant risks to the professions reputation arising from non reserved work, which should therefore be monitored alongside reserved work.
2.4	Don't know
2.4 (ii)	It is understandable why this approach has been taken. However there is a risk that the same level of scrutiny may not be provided to QAS organisations.
2.5	
2.6	Don't know

2.6 (ii)	This will depend on the volume of reviews that are carried out, and how individuals are selected for review.
2.7	Yes
2.7 (ii)	Non-actuaries would bring an element of independence to the review, and provide a "man on the street" reasonableness test. However they would not have the technical skills to assess the quality of actuary work, so it their purpose would need to be made clear and they should carry out reviews in isolation. As an example, whilst it is possible to provide audit teams with ranges of suitable assumptions for pensions accounting purposes, they can be misunderstood or misused if the end user is unfamiliar with how they should be incorporated into the review.
2.8	
3.1	Don't know
3.1 (ii)	Whilst it is proposed that PC holders will receive a report setting out findings and best practice recommendations, it is not clear exactly what the output will look like. However there should be clear feedback for individuals, and it will only be possible to comment on this once a report has been received, or a sample report has been prepared. It is therefore difficult to comment on this at this early stage. There remains a concern that the review process could lead to individuals feeling subject to being singled out or to a 'witch hunt', if criticisms are made or, in extremis, disciplinary action considered.
3.2	Don't know
3.2 (ii)	We believe that the outputs of the proposed monitoring scheme have not yet been defined clearly enough, and it is therefore not possible to comment on this at the current time.
3.3	
3.4	
3.5	
4.1	No
4.1 (ii)	We retain serious concerns about how confidentiality can be maintained in practice, together with the cost burden of the necessary compliance steps.
5.1	Yes
5.1 (ii)	Provided the process is appropriately considered this should be possible.
5.2	No
5.2 (ii)	We believe that the monitoring scheme needs to extend more widely than the current proposals, with monitoring extending beyond PC holders and incorporating other types of work e.g. corporate and investment actuarial advice. Without this extension the scheme will fail to adequately monitor significant areas of risk.
6.1	Yes
6.1 (ii)	We believe the proposals are necessary in the current regulatory and political context.
6.2	There is a concern that the proposed monitoring scheme will constrain professional and responsibility and increase herding within the profession.
7.1	Submitted after joint consideration with Catherine Snape FIA, also a Scheme Actuary practicing certificate holder

Organisational submission Received by Email 9 The Society of Pension Professionals

Title	Mr
Forename	John
Surname	Mortimer
1.1	Neither
1.1 (ii)	The proposals provide evidence that some steps are being taken towards regulation, which may be important in the current political climate. However, it is debatable whether these proposals will be effective in materially reducing the risk of a 'scandal' in which the profession's actions in the public interest are brought into question.
1.2	Neither
1.2(ii)	Again, the gathering of information would provide some evidence, but mostly in a relatively narrow context in areas where actuaries are specifically required. The quality of actuarial advice is being linked purely to the compliance of written work and focused on PC holders, with no consideration of the ultimate outcome in terms of good decision-making by the user or the ability of an actuary to add value and provide quality advice in a wider context. The ability of an actuary to present and be challenged on their advice is also key to ensuring good outcomes.
1.3	Disagree
1.3 (ii)	The reputation of the profession is driven by the behaviour of its members and the outcomes of actuarial advice, not whether or not the IFoA has evidence of quality (something that those outside the profession are unlikely to be aware of). The obvious reputational risk to the profession is that poor quality actuarial work is highlighted in the public domain and it is unclear that this is materially reduced by the proposals or that being able to demonstrate some actuarial work is of high quality would mitigate the reputational damage.
1.3 (iii)	N/A
1.4	Important
1.4 (ii)	No
1.4 (iii)	It is clearly important that the public has confidence in, for example, the pensions and insurance industries. The quality of actuarial advice is a factor in this but we consider that the public will largely be unaware specifically of the work of actuaries. An outcomes-based approach to monitoring quality in the context of aiding decision-making may therefore be more relevant to public confidence than one focused on compliance. We consider it is very unlikely that there would be any public visibility or awareness of the monitoring scheme (any more than there is currently public awareness of other measures to ensure quality, such as QAS, technical actuarial standards, peer review requirements, the practising certificate regime, CPD requirements etc.). Rather, public confidence in the actuarial profession is more likely to be driven by the (perceived) outcomes of actuarial advice - for example from the way that pensions issues are reported in the press.
2.1	Neither
2.1 (ii)	We are supportive of a risk-based approach but do not believe that a focus on the work of PC holders, which is already subject to enhanced controls, is consistent with this.
2.2	Neither
2.2 (ii)	We are not convinced that the proposed approach is focused on the areas of greatest risk, or that focusing largely on technical compliance is necessarily a good measure of the quality of actuarial work. We consider there is a significant risk, with voluntary disclosure for

	Category B and Category C monitoring, that the profession will get a biased view of the quality of actuarial work in these areas (i.e. that examples of poor quality work are unlikely to be shared). However, we note the profession has no practical enforcement mechanism where a PC is not required.
2.3	Yes
2.3 (ii)	As noted above, we believe that the controls, which already exist in relation to the work of PC holders mean that the greatest risks lie in other areas of work which would otherwise not be covered by the scheme.
2.4	Yes
2.4 (ii)	QAS already covers compliance and the quality of advice prepared by actuaries employed by the accredited firm.
2.5	
2.6	Yes
2.6 (ii)	However, as noted previously, the range of actuarial work being considered is very limited and there is no consideration in the proposed review process of the outcomes of actuarial work - for example how well it meets users' needs and whether it has facilitated good decision-making.
2.7	Don't know
2.7 (ii)	Non-actuaries with experience of the work being reviewed, for example as a user, may bring a different angle to the review process which makes it more rounded. However, they would have to be included in addition to and not instead of actuaries with sufficient experience of carrying out the work, and therefore cost is also a consideration.
2.8	
3.1	Don't know
3.1 (ii)	Further details of the review process are required in order to answer this question - for example what sorts of questions will be asked, and how will feedback be presented. We would expect this to be subject to further consultation to ensure that the process is as helpful as possible both to the profession and the individual.
3.2	Don't know
3.2 (ii)	We have no comments specifically in response to this question.
3.3	
3.4	
3.5	
4.1	No
4.1 (ii)	In relation to consultancy work, the confidentiality provisions need primarily to address the potential concerns of actuaries' clients rather than of the actuaries or their employers. It would be helpful if generic materials were available, aimed specifically at explaining the Profession's objectives and approach to confidentiality for clients. The redaction of sensitive client information is likely in many cases to result in insufficient context being available to the reviewer to assess the judgements made by the actuary in preparing their advice. With regards to corporate pensions work, in particular, it is common for NDAs to be in place which may preclude information being shared on a voluntary basis for thematic reviews. Consideration also needs to be given to the potential for actuarial work to include member/policyholder data.
5.1	No

5.1 (ii)	<p>If more information about the quality of actuarial advice is needed in relation to work produced by QAS firms, this should be fully integrated into the QAS accreditation process rather than having this scheme sit alongside. For example, work sampling (for a range of actuarial work - not just that of PC holders) could form part of the assessment. Introducing separate monitoring duplicates monitoring work that is already carried out within QAS accredited firms (checking compliance for reserved work through established processes and undertaking cold file reviews), and could undermine the credibility of QAS. Alongside the suggestion above, consideration should be given to making QAS mandatory in some cases - for example for employers of a minimum number of actuaries / PC holders. We note that it is proposed that Review Visits should coincide with QAS visits (i.e. that there will only be one visit) - but this appears to assume that an employer has only one office location. Where an employer has more than one office it is unlikely to be more convenient for PC holders to have to travel for the Review Visit. Direct monitoring could be more closely integrated with the PC scheme - for example by identifying work for review from a member's PC application.</p>
5.2	Don't know
5.2 (ii)	<p>This will depend on the extent to which consultation feedback from members of the profession and their employers is taken into account in deciding how to take these proposals forward.</p>
6.1	No
6.1 (ii)	<p>The proposed scheme disproportionately impacts on PC holders, whose status and work is already subject to increased scrutiny and controls. We consider that the risk of poor quality actuarial work is greater in other areas, including where work is not reserved to actuaries and competitive pressures may result in corners being cut.</p>
6.2	<p>The proposals will be very costly to businesses employing PC holders as they will tie up actuaries for reasonable periods of time. This includes time spent preparing for review visits as well as time for the visits themselves, reviewing and commenting on feedback reports.</p>
7.1	<p>Sharing individual feedback with an actuary's employer is essential to ensuring that it is integrated into their development activity and results in improvement to the quality of their work. We are particularly uncomfortable with the idea that the IFoA could identify meaningful shortfalls in an individual's advice and not raise this with the employer to highlight the potential risk. If there are concerns regarding subjectivity of the reviewer's comments then perhaps a two part output could be used where the initial high level assessment is shared with the employer and more subjective suggestions around best-practice improvements are addressed solely to the individual. Does the IFoA anticipate that participation in the direct review process would count as CPD for PC holders given its direct focus on improving the quality of the individual's work? The costs of the monitoring scheme - to the extent that it is funded by the IFoA - should not be borne equally by all actuaries through their subscriptions. In particular, consideration should be given to reflecting the different levels of monitoring in the cost of a PC depending on which sub-category they sit in. We believe the IFoA has underestimated the cost and difficulty of recruiting sufficient staff with relevant experience and expertise to carry out the assessment work. The indication is that these would need to be recently retired scheme actuaries, who could be retained for only a limited period before their skills and knowledge become out of date. We think it will be difficult to recruit people who will have the necessary skills and experience to quickly judge the quality of material presented, identify potential holes and productively question and challenge the (often) experienced actuaries being interviewed.</p>

	Potential conflicts and the need to protect intellectual property would appear to rule out the involvement of actuaries currently still working in the industry.
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Organisational submission Received by Email 10 Talbot

Title	
Forename	Janet
Surname	Sherlock
1.1	Agree
1.1 (ii)	Agree. Monitoring actuarial work is important. The IFoA has discussed these proposals with PRA, FCA, TPR and Lloyd's. With this in mind, rather than the Institute regulating the quality of actuarial work, which may not be seen as wholly independent by the Public, should the Institute use monitoring from other regulators to achieve this goal or jointly regulate actuarial work? For example, the PRA regularly interviews Chief Actuaries and so the IFoA can ask to review this information or jointly interview. For other examples see the Introductory section.
1.2	Neither
1.2(ii)	However, there is a large amount of evidence of the quality of actuarial work which is already produced. See the Introductory section. Evidence should be collected on the quality of actuarial work. However, this evidence is already being collected in a number of ways and can be augmented. For example, Actuarial Function Reports which give evidence on Technical Provisions, Underwriting Policy and the Reinsurance Programme. The Statement of Actuarial Opinion which provides evidence that the reserves are being calculated in a reasonable manner. The Validation Report which provides evidence that the Internal Model is calculating capital requirements in a reasonable manner. The ORSA report looking at risk management. The recently announced review of Best Estimate reserves which Lloyd's are carrying out (very much along the lines of this proposed monitoring work). These all provide a consistent way to monitor the quality of actuarial work.
1.3	Agree
1.3 (ii)	However, there is a large amount of evidence of the quality of actuarial work which is already produced. See the Introductory section. Evidence should be collected on the quality of actuarial work. However, this evidence is already being collected in a number of ways and can be augmented. For example, Actuarial Function Reports which give evidence on Technical Provisions, Underwriting Policy and the Reinsurance Programme. The Statement of Actuarial Opinion which provides evidence that the reserves are being calculated in a reasonable manner. The Validation Report which provides evidence that the Internal Model is calculating capital requirements in a reasonable manner. The ORSA report looking at risk management. The recently announced review of Best Estimate reserves which Lloyd's are carrying out (very much along the lines of this proposed monitoring work). These all provide a consistent way to monitor the quality of actuarial work.
1.3 (iii)	
1.4	Very important
1.4 (ii)	
1.4 (iii)	It is difficult to say if these proposals will strengthen this confidence given the other suggestions provided here (in the Introductory section) already exist to provide an independent view.
2.1	Neither
2.1 (ii)	Monitoring the quality of actuarial work is important. As well as the work of the PC holder there are other elements of actuarial work which are in the public domain e.g. reserving and assessing the capital required for solvency (i.e. money required to pay the claims of the

	policyholders/public both in the normal course of events and in the extreme). The actuarial work for Risk management areas should also be considered as part of the review. The Validation Reports and ORSA Reports for Lloyd's are examples of monitoring which already takes place in this area.
2.2	Agree
2.2 (ii)	Agree. It seems appropriate to take account of the level of risk when monitoring work.
2.3	Yes
2.3 (ii)	Yes. As described previously in the Introductory section but not as an additional requirement without first assessing what is already carried out by other agencies.
2.4	
2.4 (ii)	The Scheme should be consistent and use consistent outputs from Companies as described previously, in the Introductory section.
2.5	
2.6	
2.6 (ii)	Yes but a large amount of data is already being collected by other regulators which would already allow this.
2.7	Yes
2.7 (ii)	Yes but a large amount of data is already being collected by other regulators which would already allow this.
2.8	
3.1	Yes
3.1 (ii)	Yes but a large amount of data is already being collected by other regulators which would already allow this.
3.2	Yes but a large amount of data is already being collected by other regulators which would already allow this.
3.2 (ii)	No
3.3	
3.4	
3.5	
4.1	No
4.1 (ii)	More integration with other regulators should be considered, as described above in the Introductory section, as this would be more efficient and cost effective.
5.1	No
5.1 (ii)	More integration with other regulators should be considered, as described above in the Introductory section, as this would be more efficient and cost effective.
5.2	No
5.2 (ii)	More integration with other regulators should be considered, as described above in the Introductory section, as this would be more efficient and cost effective.
6.1	No
6.1 (ii)	More integration with other regulators should be considered, as described above in the Introductory section, as this would be more efficient and cost effective.
6.2	
7.1	Please see the Introductory section for answers to 6.2, 7 and 7.1. We look forward to your response on this matter.

Organisational submission Received by Email 11 XPS Pensions Group

Title	Mr
Forename	Thomas
Surname	Laws
1.1	Agree
1.1 (ii)	The proposed monitoring system should enable evidence to be provided of the high quality of actuarial work that exists. If this step is not taken then external monitoring could be imposed which could potentially be more costly and less well focused.
1.2	Agree
1.2(ii)	The monitoring of work would directly gather information and evidence required.
1.3	Neither
1.3 (ii)	The profession has a good reputation based on the work and advice members have provided over many years. We do not believe that evidence is required to maintain this reputation, rather evidence is required to prove to regulators that it is well deserved.
1.3 (iii)	
1.4	Important
1.4 (ii)	Don't know
1.4 (iii)	It is not clear how the public's perception of actuaries will change as a result of the proposals: we suspect the view is that actuaries, through their rigorous training, operate to high professional and ethical standards. There is an argument for saying they would take it for granted that existing regulation is sufficiently robust, as is likely to be the perception for say the accounting, medical and legal professions. We feel the public is likely to take the view that monitoring in itself will not root out untoward behaviour in isolated cases.
2.1	Strongly support
2.1 (ii)	A risk based approach will be the most efficient method, in terms of cost and time taken.
2.2	Strongly agree
2.2 (ii)	On the face of it, Category A members pose the greatest risk in that they are more likely to be the 'face' of the profession and so it is appropriate they have the direct review applied.
2.3	Yes
2.3 (ii)	Non PC holders are very likely to be involved in work that is important to the public interest and so must be subject to appropriate review. There is an argument that those actuaries providing corporate advice provide more risk to the profession's reputation given that a lot of this work is less tightly regulated than Trustee work.
2.4	Yes
2.4 (ii)	The QAS accreditation already covers review of actuarial work and quality control processes. This accreditation should make it quicker and easier to obtain the evidence of actuarial quality.
2.5	
2.6	Yes
2.6 (ii)	Evidence will come direct from the monitoring. The depth of monitoring would be key here.
2.7	Don't know
2.7 (ii)	Non-actuaries could form part of the review team, as long as they have sufficient training and understanding of the work they are reviewing, but on balance it seems that a thorough review of advice is likely to be required to be undertaken by an actuary.
2.8	

3.1	Don't know
3.1 (ii)	The consultation states that the output will provide individual feedback, but is not detailed enough to answer this question with certainty.
3.2	Don't know
3.2 (ii)	The consultation states this to be the case, but details of how this will be achieved are not provided.
3.3	
3.4	
3.5	
4.1	No
4.1 (ii)	We would wish the confidentiality undertaking in Appendix 5 of the consultation to provide protection to the Member as well as the Employer. We also have concerns about some of the circumstances in which the confidentiality obligations would cease to apply. More generally, whether or not we are reassured on confidentiality issues depends to some extent on who will be undertaking the review: firms will be uncomfortable if an actuary with links to any competitor firm is involved. Use of retired actuaries may be appropriate provided they have enough experience of current technical work.
5.1	Yes
5.1 (ii)	The risk based approach is consistent with current frameworks and would integrate well.
5.2	Yes
5.2 (ii)	The proposal meets the IFoA's aims.
6.1	Yes
6.1 (ii)	The impact will be similar to the monitoring that is required for QAS accreditation and our own internal audit review.
6.2	
7.1	No

Organisational submission Received by Email 12 Willis Towers Watson

Title	Mr
Forename	David
Surname	Gordon
1.1	Strongly disagree
1.1 (ii)	<p>While in principle, we agree that it is reasonable for the IFoA to seek to improve the information it uses to monitor the risks, quality and impact of actuarial work, we consider that the proposed monitoring scheme set out in this consultation is not appropriate for the reasons set out in this response. In summary, we believe this proposal will not materially benefit the public interest and will expose the IFoA, to increased risk and costs. IFoA members, their employers and ultimately the public would also be exposed to increased costs. We understand that there may be external pressures for the IFoA to be able to demonstrate that its members are being regulated and monitored appropriately. We continue to fully support the Morris review conclusion that there should be continued independent oversight of the IFoA's regulatory role and thus consider that external stakeholders, such as the regulators of the specific areas of actuarial work, would be more appropriate entities than the IFoA to directly monitor the quality of actuarial work. This allows a more complete separation between ethical and technical standard setting bodies and insulates the profession from the accusation of 'marking its own homework'. As an alternative, we suggest that the IFoA should engage directly with external stakeholders including users of actuarial work and regulators, to gather macro-level empirical evidence as to the quality of actuarial work and to identify gaps in standards of practice. Actuarial work is already subject to review requirements under APS X2. Furthermore, actuarial work is also often subject to additional reviews required by regulators, external auditors and corporate governance requirements. If the FRC, or any successor body following the Kingman review, continues to feel that additional monitoring is necessary, then it should justify this approach to external stakeholders. In this context, it is worth noting that this consultation is directed solely at IFoA members but its impact would be far wider, and therefore significantly wider consultation, beyond IFoA members, should be required before a step like this is taken. The quality of actuarial work is inherently challenging for a third party to assess given its dependence on the context of the work and reliance on expert judgement. The proposal does not clarify how it will achieve its ambition of monitoring actuarial quality. There is a significant likelihood that the monitoring will largely become a tick-box compliance exercise with little added value for the users of actuarial services (additional boiler-plate that obscures meaningful advice). Actuarial work, except for reserved roles, can be performed by non-members of the IFoA. IFoA monitoring would create a competitive disadvantage for its members. This disadvantage would reduce the effectiveness of the IFoA's efforts to promote increased use of actuaries in wider fields, notwithstanding the lighter-touch monitoring planned for such work. This may be a practical reason why the monitoring proposal is heavily targeted at PC holders, even though this is an area that is already subject to a high degree of scrutiny. This seems inconsistent with the assertion that this is a risk-based approach. We also have significant reservations regarding whether the actual benefits in terms of enhanced quality of actuarial work will be commensurate with the additional cost of the monitoring scheme proposed to members and ultimately the public.</p>
1.2	Disagree

1.2(ii)	The proposed Category A monitoring has the potential to provide the IFoA with some information that might appear useful for this purpose, although we will have to wait and see whether in practice it will return genuinely meaningful information on the quality of actuarial work. We consider it likely that the data will do little more than confirm that the overwhelming majority of reserved actuarial work carried out by PC holders appears to be compliant with actuarial standards. Although this would be a reassuring result it is not clear how much this information would ultimately improve the quality (or the perception of the quality) of actuarial work generally, particularly as it applies mainly to the work of a small minority of members. We have additional doubts as to how effective Category B (or C) monitoring would be for this purpose, given the less clearly-prescribed nature of the work and the optional nature of participation.
1.3	Disagree
1.3 (ii)	This question seems to presuppose that there is no current evidence as to the quality of actuarial work. The growth of the actuarial profession over time and the increasing roles being played by actuaries within companies provides clarity on the market's view on the quality and usefulness of actuarial work. The frequency of complaints also provides an indication. We have interpreted this question as whether there is an increased risk to the profession's reputation were the IFoA not to implement a monitoring scheme for actuarial work like the one proposed. We consider that the risks to the profession from accusations of 'marking its own homework', when and if a significant adverse event were to occur, outweigh any perceived benefit from implementing the proposed monitoring. In addition, we consider that the proposed monitoring will evolve into a narrowly-focused compliance exercise and it is unlikely that the reviews will generate good data on the quality of actuarial work.
1.3 (iii)	N/A
1.4	Very important
1.4 (ii)	No
1.4 (iii)	Although we have responded 'very important' to the first part of the question, most members of the public are not aware of the work of actuaries, nor do they have direct relationships with actuaries. However, it is very important for the public to have confidence in products/outcomes which are produced with actuarial involvement. We do not consider it likely that the proposed monitoring approach will identify material gaps where the profession's reputation could be at risk. Nor will it address the underlying structural risks that affect the work of actuaries, for example weaknesses in Corporate Governance that could result in inadequate critical scrutiny of actuarial work, or the undue influence by dominant individuals. Hence, loss events will still occur and are unlikely to be significantly affected by this proposal. If an issue is found in actuarial work that enters the public awareness, the fact that the IFoA is self-monitored is likely to be strongly criticised. This would damage our reputation further. Public confidence is likely to be enhanced if direct monitoring of actuarial work, where justifiably necessary, is undertaken by appropriate external parties rather than the IFoA as proposed. As we are sure the IFoA is well aware, it is challenging to design and implement a fruitful 'external monitoring' system for actuarial work. Where there may be a very high degree of specialism required, significant subjective judgement is generally involved. The exercise of this judgement depends on the unique circumstances of the user (which, unless costs and effort are duplicated, an external monitor will not know to anything like the same degree as the original actuary), there may be a wide range of conclusions that could be considered reasonable and the

	outcomes/implications of the advice are frequently unknown for many years. The review of judgements could be influenced by personal preference and executed with the benefit of hindsight, and so it will be difficult to ensure a fully objective approach to reviewing the actuary's original work. Actuaries tend to work in teams and this already allows for a review of such judgements through the work/peer review processes.
2.1	Strongly oppose
2.1 (ii)	This question is ambiguous and we have interpreted it narrowly as to whether we support the proposed approach that focuses on the work of PC holders. In principle we would be more supportive of a genuinely risk-based approach, although we believe it would face significant practical hurdles. It would require additional selection beyond the broad categories indicated and it is difficult to envisage how the IFoA would gather the relevant data because of commercial confidentiality considerations. Importantly, we do not consider that the most significant risks are necessarily associated with the work of PC holders, for whom much more oversight (including the certification regime itself) is already in place. The fact that certain key items of work are so inherently 'actuarial' that they are reserved to the profession does not automatically mean that 'quality' issues present more 'risk' to the public interest for this work than other actuarial work, including that undertaken in wider fields where the operation of actuarial skills is less well-developed. We suspect that the focus on PC holders is substantially for practical reasons - while this may be understandable, it should not be confused with a focus on risk.
2.2	Disagree
2.2 (ii)	Again, we have interpreted this question narrowly to mean whether we agree with the specific basis outlined in Section 1.3 of the paper rather than a more general risk-based approach. We do agree it is appropriate to propose different levels of monitoring for work carrying different levels of risk and/or profile. However, we do not agree with the proposals as to the work falling into each of the three categories (see response to 2.1).
2.3	Don't know
2.3 (ii)	As already explained in 2.1 above, we think that a focus solely (or even primarily) on PC holders is not appropriate. However, we are doubtful as to how useful the proposed Category B monitoring would be in practice due to the optional nature of participation (see response to 1.2). Furthermore, we are not sure that the proposed Category C activity can really be regarded as 'monitoring' (rather than merely 'information gathering'). Also, the approach suggested does not consider explicitly how it would (i) minimise replication of reviews where extensive external reviews have already take place or (ii) coordinate with any existing review stakeholders including the relevant regulators.
2.4	Yes
2.4 (ii)	The QAS already provides a very substantial amount of 'external monitoring' and therefore (as the consultation paper clearly acknowledges) the amount of further monitoring required to achieve a particular level of confidence in the quality of the actuarial work must be significantly less than for actuaries who are not employed by a QAS-accredited organisation. We note that this approach is subject to potential criticism of bias from those outside the QAS scheme that the IFoA is effectively giving preferential treatment to participants in its own scheme, but also recognise that there would be an option for those actuaries to participate also in the QAS. We believe that the arguments for a lighter touch being appropriate for QAS organisations extend to Category B as well as Category A monitoring (although the consultation paper does not appear to discuss this).
2.5	

2.6	No
2.6 (ii)	See response to 1.2; we consider that the scheme is unlikely to yield meaningful output on the quality of actuarial work. It will more likely yield data on the degree of compliance with actuarial standards although this is potentially also judgmental. The monitoring approach, particularly for category A, appears more in line with a narrowly-focused 'tick-box' compliance exercise than a true monitoring scheme. There is no natural mandate for this monitoring as it is not formulated to respond to any specific identified issue. Hence it is difficult to envisage that the IFoA will be able to monitor consistently across the market as there are likely to be significant numbers of stakeholders that choose to decline requests to expose their confidential information to monitoring reviews. This will likely skew the quality of the information that is obtained from the reviews.
2.7	Yes
2.7 (ii)	It is clearly critical that the Review Team is built around actuaries with the relevant knowledge and experience relating to the work being monitored, but a wider range of perspectives and skills should add additional value, and also reduce the risk of a personal view and the benefit of hindsight obscuring an objective review. However, the extent to which the 'value added' justifies the extra cost of expanding the Review Team in this way is a much more debatable point.
2.8	
3.1	Don't know
3.1 (ii)	At this point we do not think it possible to judge, because the usefulness (or otherwise) of the individual feedback will depend greatly on what the reviewers make of the task they are given and their credibility in the eyes of the actuaries being monitored. If the meaningful scope of the review is in practice limited to a check that actuarial standards have been complied with, there should normally be little to feed back. But if the reviewer seeks to give a deeper assessment of quality, this may well be perceived as just 'someone else's view' unless the reviewer's obvious expertise and experience commands significant respect.
3.2	Don't know
3.2 (ii)	There is certainly potential for an external review process to provide useful information on educational and/or regulatory requirements, but again we would have to wait and see what the reviews revealed. If the reviewers merely conclude that the vast majority of the work monitored complies with professional standards, the only exceptions being 'one-offs' attributable to strange circumstances or an individual actuary's particular shortcomings, there will be little of use to inform the IFoA's regulatory work. Also, the usefulness of the information gleaned from Category B (and C) monitoring is liable to be reduced because of the generally less well-defined nature of the work in question and the expectation that participation would be optional.
3.3	
3.4	
3.5	
4.1	No
4.1 (ii)	'Confidentiality' is a key issue and essentially requires that no-one on the review team operates in the same commercial environment as the actuary being monitored, a consequence of this being that the 'pool' of potential reviewers who both have the necessary experience/expertise and are not 'conflicted' may be very small and likely to be mainly limited to the very recently-retired. There are aspects of actuarial work that extend

	<p>into commercially-sensitive areas and employers are unlikely to welcome the wider proliferation of such information. This has concerning implications for the future involvement of actuaries in certain types of work. The IFoA will significantly increase its exposure to the risk of confidentiality breach, including from cyber threats from these proposals by nature of requesting and storing confidential information required for the proposed monitoring. Ultimately, the exposure to new commercially confidential information could expose the IFoA to significant litigation. The proposal explicitly details the confidentiality undertaking document that the IFoA will send to employers of actuaries, but overlooks actuaries who work for consultancies and their clients. The proposal does not appear to cater for the confidentiality that is already agreed with many external clients, and there is not clarity on what would happen in a situation where a member was being asked to keep his/her client information confidential by his/her client but also being required to disclose it to a third party monitor. Has the IFoA consulted with users of actuarial advice on this point? Sensitive information will only be provided to the IFoA on a goodwill basis - there is no mandate, undermining the value of any outputs or feedback. If the IFoA continues with these proposals, we recommend that the IFoA implements restrictions on the ability of reviewers to re-enter the commercial sector in review-related areas for a specified and significant time period, to mitigate the risk of review team members taking commercial advantage of knowledge gained to the detriment of users of actuarial services.</p>
5.1	No
5.1 (ii)	<p>In principle, it would be important for any new monitoring scheme to be designed so that it builds on all existing regulation. Although these proposals appear to consider the practising certificates regime and the QAS, the interaction with existing external regulation is not appropriately addressed by the scoring system proposed to determine frequency of IFoA reviews. Furthermore, we would argue that in at least one crucial respect the proposal is 'taking into account existing structures' in the wrong way, because by choosing to focus the most stringent monitoring on PC holders the IFoA is further increasing its oversight on one small, albeit high-profile, group of actuaries rather than focusing now on actuaries/areas of practice that are not already subject to the PC Scheme.</p>
5.2	No
5.2 (ii)	<p>This question covers multiple points. On balance, we do not believe the current proposal will enable the IFoA to meet this objective. Our key objections to the proposed scheme are that: - the proposal is not in response to any specific issue and does not address how it would (i) minimise replication of work where extensive internal and external reviews have already taken place or (ii) coordinate with existing review stakeholders including the relevant regulators; - the quality of actuarial work is inherently challenging for a third party to assess and the proposed scheme is likely to evolve into a narrowly-focused tick-box compliance exercise with limited added-value to users of actuarial work; - we have significant reservations as to whether the benefits of the proposed monitoring scheme will outweigh the costs; there will be increased costs for the IFoA, its members and ultimately the public; - the proposed scheme reduces the attractiveness of the profession to new members and disadvantages IFoA members relative to non-members who can perform actuarial roles (including some that require a Practising Certificate for members of the IFoA); and - under the proposed monitoring scheme, the IFoA is exposed to the accusation of 'marking its own homework' which is a material reputational risk to the actuarial profession. We consider that direct monitoring of actuarial work should, where necessary, be undertaken or commissioned by external stakeholders.</p>

6.1	No
6.1 (ii)	We accept that the IFoA has attempted to come up with proportionate proposals for a monitoring system. However, we have serious doubts as to whether any system such as this can enhance the actual quality of actuarial work to a discernible extent commensurate with the likely cost of the system. We therefore believe that an alternative approach is needed.
6.2	<p>The IFoA appears to be hoping that a proposed monitoring system such as this can be introduced within existing budgets and without increasing member subscriptions or practising certificate fees. It is difficult to believe that this is the case, even if (in the short term) the FRC meets a substantial proportion of the costs. Ultimately, whatever contribution the FRC continues to make (in the medium to long-term), additional costs would in any event seem likely to fall back on IFoA members and/or their clients, given the way in which the FRC is funded. If or when the IFoA does need to raise additional money to fund a monitoring scheme like the one proposed, we do not believe it would be appropriate to do this by increasing the practising certificate fees (which would mean that PC holders were taking not just the administrative burden but also the financial burden for this exercise on behalf of the whole profession). Furthermore, given that the cost of the compulsory monitoring of actuaries in non-QAS organisations will be significantly greater than for those in QAS-accredited organisations, it would be equitable either to charge higher subscriptions to non-QAS actuaries or to reduce the QAS accreditation fees. IFoA members do not have a monopoly on the provision of actuarial services, even for some category A work. Employers could see a monitoring scheme like the one proposed as making IFoA actuaries less attractive to employ. The proposals would also make IFoA membership less attractive to new members. There is potential for an alternative competitor member body to be established, even if it were not explicitly labelled as 'actuarial' for example, in the area of data science. Although the PC scheme will be perceived as having been strengthened by the proposed linkages, an alternative perspective is that it could further increase barriers to entry. In this context we note that the Society of Actuaries in Ireland decided to discontinue PCs. Chief Actuary appointments in the UK are subject to PRA approval and we consider this an adequate control for such appointments. The proposal has a distinctly UK bias and is inconsistent with the concept of the IFoA acting as a truly diverse international body. Expansion to overseas actuarial work would seem costly and impractical. Due to the international nature of actuarial work we would expect the IFoA to have consulted with other actuarial member bodies. We believe that there is unlikely to be an appetite for this internationally.</p>
7.1	<p>We believe that the consultation process is flawed for the following reasons: - Users of actuarial services and other affected stakeholders are not a formal part of the consultation; it is unclear whether they would welcome this proposal. - The burden of the proposal falls disproportionately on a small sub-set of members and it is unclear whether the views of affected members can be given sufficient weight. Some comments on two specific questions in section 3 where there was no box for further comments: 3.4 - we were unable to give a meaningful response because we couldn't identify the 'outputs (detailed in section 3 of the Consultation Paper)'; 3.5 - we accept that it might be difficult (and/or inappropriate) to force the actuary to share the report with his/her employer, but given that the employer will generally have a role to play in responding to any recommendation of the reviewer it would seem important to communicate a very strong expectation that the report be shared. It seems to us that the ability of the proposed system to deliver a genuine improvement in the overall quality of actuarial work is extremely dependent on the</p>

recruitment and performance of the Reviewers, and the big question is therefore whether it will be possible to secure the services of actuaries who, in addition to having appropriate expertise and experience in the type of work being monitored, also have the aptitude and skills for this review work and are not 'ruled out' by confidentiality considerations or other potential conflicts. If such Reviewers - whose counsel might reasonably be expected to be well-respected by the actuaries whose work they review - can be recruited, then they should be able to provide some useful input on wider 'quality of advice' issues rather than their input being essentially limited to a 'compliance check'. However, given that so much about actuarial advice can come down to personal opinion and judgement, this input should be presented as 'challenges to discuss or think about' rather than as the basis for a Reviewer's implied 'mark out of 10' for the work. Overall, we believe these proposals place IFoA members at a competitive disadvantage compared to other professions and other actuarial bodies worldwide.

Organisational submission Received by Email 13 AIG EUROPE LIMITED

Title	
Forename	Sima
Surname	Ruparelia
1.1	
1.1 (ii)	We do not agree with the proposals. There are a number of external bodies governing actuarial work and strongly believe the IFoA should be working with these bodies to ensure monitoring of actuarial work is in line with their expectations. These include internal audit reviews, external audit review, internal peer review from the group function, second line review from ERM as well as independent external reserve reviews. As well as pricing oversight from the PRA and internal functions.
1.2	
1.2(ii)	The IFoA should be able to gather information they require to evidence quality of actuarial work but this should not result in requests which burdens additional work on actuaries. Equally, we must consider the commercial implications of releasing such data to third parties.
1.3	
1.3 (ii)	Evidence of the quality of actuarial work is already monitored and documented in various different ways. For example, the Actuarial Function Technical Opinions around Technical Provisions, Underwriting Opinion and Reinsurance Opinion provide evidences. Also, the Validation Reports for Internal Models also provide evidence of the quality of actuarial work. There are also external validation reports on the Internal Model and independent reserve reviews which can be relied upon. Further, as part of the Audit process, AEL receives a Leading Practices scorecard of its reserving process compared to market and is assessed on Leadership and governance, data quality and reliability, reserve estimate matters, Communicating results and management information and Actuarial staffing, organisation and expertise.
1.3 (iii)	
1.4	
1.4 (ii)	
1.4 (iii)	Public confidence in actuarial work is crucial however; the proposals would not strengthen public confidence given that there are other bodies more independent than the IFoA carrying out similar external reviews.
2.1	
2.1 (ii)	A risk-based approach would be the most appropriate method of reviews, however, there are regular interviews held by the PRA for Senior Managers under then Solvency II regime. PC holder's work is already subject to external review and we cannot see how the proposal would add any additional value these reviews are not already providing.
2.2	
2.2 (ii)	Neither agree nor disagree. See 2.1
2.3	
2.3 (ii)	Existing thematic reviews, both internal and external are sufficient to regulate PC holders in Category A and Category B.
2.4	
2.4 (ii)	It should consider whether the employer is QAS accredited.

2.5	The proposal has overlooked the monitoring and regulation already in place and has not considered how it will work with other regulatory bodies to ensure that actuaries are not over burdened with non-value adding reviews.
2.6	
2.6 (ii)	There is no need for the IFoA to obtain direct ... given the layer of review and additional regulatory work to the profession.
2.7	No
2.7 (ii)	
2.8	The IFoA objectives are already met by the level of reviews conducted. These include internal audit reviews, external audit review, internal peer review from the group function, second line review from ERM as well as independent external reserve reviews. As well as pricing oversight from the PRA and internal functions. The IFoA should have confidence in these existing reviews.
3.1	
3.1 (ii)	It is not clear from the proposal provided and unclear as to exactly what would be done with the data collected. Under the Solvency II reporting regime, large quantities of company data is already collected.
3.2	
3.2 (ii)	It is not clear from the proposal provided and unclear as to exactly what would be done with the data collected. Under the Solvency II reporting regime, large quantities of company data is already collected.
3.3	We would not support the scheme.
3.4	We do not believe this additional level of review would add commercial value or increase the quality of actuarial work.
3.5	Any sharing of information should be in line with other regulators.
4.1	
4.1 (ii)	The proposal does not sufficiently address this and should be in line with other regulators.
5.1	
5.1 (ii)	The proposal does not take into account existing regulators sufficiently and is not an efficient and cost effective approach.
5.2	No
5.2 (ii)	No. The IFoA should take comfort in the number of reviews that companies already conduct. This should be sufficient to continue with existing IFoA regulation.
6.1	
6.1 (ii)	The proposal is not reasonable and has not taken into account what we would consider are key factors as described above.
6.2	These have been described above.
7.1	Please see letter enclosed.

Letters/Emails

Letter 1



28 September 2018

Actuarial Monitoring Scheme
The Institute and Faculty of Actuaries
By email

Dear Sir/Madam

**Response to consultation
Proposals for an enhanced system to promote the quality of actuarial work**

Please find attached the detailed response from Willis Towers Watson to the Consultation by the Institute and Faculty of Actuaries (IFoA) proposing the direct monitoring by the IFoA of actuarial work of individual IFoA members. While we have responded to the Consultation in the form provided, we felt it was important to summarise our overall position.

We consider that the proposal presented is flawed. Our primary concerns are as follows:

- Under the proposed monitoring scheme, the IFoA is exposed to the accusation of marking its own homework which is a material reputational risk to the actuarial profession. We consider that direct monitoring of actuarial work should, where necessary, be undertaken or commissioned by external stakeholders.
- We believe the consultation process is flawed. Users of actuarial services and other affected stakeholders are not a formal part of the consultation and it is unclear whether they would welcome this proposal. Furthermore, the burden of the proposal falls disproportionately on a small sub-set of members and it is unclear whether the views of affected members can be given sufficient weight.
- The proposal is not in response to any specific issue and does not address how it would (i) minimise replication of work where extensive internal and external reviews have already taken place or (ii) coordinate with existing review stakeholders including the relevant regulators.
- The quality of actuarial work is inherently challenging for an external third party to assess and the proposed scheme is likely to evolve into a narrowly-focused tick-box compliance exercise with limited added-value to users of actuarial work.

David A Gordon
Senior Director, Retirement



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- We have significant reservations as to whether the benefits of the proposed monitoring scheme will outweigh the costs; there will be increased costs for the IFoA, its members and ultimately the public.
- The proposed scheme reduces the attractiveness of the profession to new members and disadvantages IFoA members relative to non-members who can perform many actuarial roles including those that require a Practising Certificate for members of the IFoA.
- As a consultancy, we are concerned about the confidentiality for our clients. It is not clear whether they would welcome the additional exposure of their commercial information.

Instead, we consider that IFoA should develop an outwardly-focused approach to elicit information from external stakeholders about the quality of actuarial work and the effectiveness of its regulation. The IFoA can use such stakeholder input to obtain macro-level evidence as to the quality of actuarial work and identify gaps in standards of practice and existing regulatory requirements. The output of this process could then be used to improve professional guidance and standards. Where necessary and appropriate, the IFoA could also work with external stakeholders such as the appropriate regulators to help those stakeholders to address shortcomings.

We would be happy to meet with you to discuss our concerns.

Yours faithfully



David A Gordon
Lead Senior Quality Assurance Representative

Letter 2



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SE1 2AF

Actuarial Monitoring Scheme
The Institute and Faculty of Actuaries
Level 2 Exchange Crescent
7 Conference Square
Edinburgh
EH3 8RA

28 September 2018

Dear Sirs/Madam,

Response to Consultation on “Proposals for an enhanced system to promote the quality of actuarial work”

We welcome the opportunity to respond to The Institute and Faculty of Actuaries (IFoA) consultation on proposals for an enhanced system to promote the quality of actuarial work. This is an important topic and we commend the IFoA for consulting on proposals designed to ensure that the users of actuarial information have confidence in that actuarial work. Overall, we support the principle of the proposals to perform independent reviews of actuarial work as we believe this is in the public interest for confidence in the actuarial profession.

In the UK, EY employs over 200 Students and Fellows of the IFoA and provides advice and assurance in all of the IFoA's practice areas. In addition, in our role as advisors and auditors to firms across all industries, EY also has an interest in actuarial work as a user of actuarial information.

We have set out, in Appendix I to this response, our answers to the specific questions raised in the consultation. However, for ease of reference we summarise below our key comments for each of the proposed areas of monitoring.

Category A monitoring, direct review – key points

- ▶ The consultation does not comment significantly on the existing internal peer review requirements of the actuarial work performed under APS X2. We would suggest that the proposals could seek to integrate and leverage more from the peer review work performed, to seek to avoid elements of duplication.
- ▶ We would note that it can often be difficult to differentiate between professional differences in judgement between reviewed actuary and reviewers and failure to meet professional standards. We believe it is important that this is very clearly understood. It will also be very important for reviewers and members to clearly understand what happens through the process where the reviewers identify any shortfalls in professional standards.
- ▶ Where an actuary is appointed to carry out independent work for a public body such as the PRA (e.g., s.166 reviews) or the Court (independent expert work for a Part VII transfer) we believe that these areas of work, particularly given their public interest, should be considered for inclusion as part of current proposals.

- ▶ To understand the practical implications of the proposals, it would be helpful if the IFoA could provide an insight to the number of individuals expected to fall into the review category each year.
- ▶ We would also note that there may be occasions when it is not possible for the information to be shared with the reviewers. For example, this could arise where the actuary has left one firm and joined another since performing the work, or may have worked on "secondment" in their role and not have access to the underlying work. Although these cases may be rare, it is important to make clear that if such a situation does occur, it is outside of the actuary's control and should not a negatively reflect on the reviewed actuary.
- ▶ Where an actuary is being reviewed, it may be most efficient for actuaries working for the same firm to be reviewed at the same time, since they are likely to follow similar processes. This would be particularly useful for members working for non-QAS firms.
- ▶ It will be useful for the proposals to explain how these Category A work reviews will operate alongside reviews performed by other bodies (eg independent reviews of external audits work).

Category B monitoring, thematic reviews - key points

- ▶ Whilst we agree that Category B monitoring should be voluntary, the voluntary nature of the proposals may likely mean that some actuaries/companies respond to each review while others are typically not involved. This may lead to a bias in the outcomes of the reviews.
- ▶ In respect of developing areas of actuarial work, companies/actuaries may often be regard their work as proprietary/confidential. We would note that reluctance to share information will likely limit the usefulness of thematic reviews in newer areas of actuarial work. This should be considered in any conclusions drawn from Category B monitoring.

Category C monitoring, data gathering - key points

- ▶ It was not clear to us from the consultation, what will be involved in practice in this category. Although we support the general proposals, we would expect that the existing structure of actuarial working parties and similar groups would capture these areas. We wonder, therefore, whether there is a benefit in including these areas within the scope of the proposals.

We hope that you find our comments helpful. We should be happy to expand upon and discuss any points in more detail, so please do not hesitate to contact me if you would like any further information.

Yours faithfully

Alex Lee on behalf of UK actuarial, EY

Associate Partner, Fellow of the Institute and Faculty of Actuaries

Ernst & Young LLP

Appendix I: Responses to questions in the Call for Submissions

Monitoring of Actuarial Work

1. Reasoning for the proposed scheme

- 1.1 To what extent do you agree or disagree that the proposed monitoring scheme is a reasonable step for the Institute and Faculty of Actuaries (IFoA) to take to meet its obligation to regulate the actuarial profession in the public interest?

We agree that ensuring actuarial work is performed to a high standard is crucial for users of the actuarial information. Performing independent reviews of actuarial work is likely to enhance stakeholder confidence and also have the added advantage of increasing individual actuaries understanding of areas in which they could enhance their actuarial work.

The consultation does not comment significantly on the existing internal peer review requirements of the actuarial work performed under APS X2. We would suggest that the proposals could seek to integrate and leverage more from the peer review work performed, to seek to avoid elements of duplication.

- 1.2 To what extent do you agree or disagree that these proposals would enable the IFoA to gather the information required to provide evidence as to the quality of actuarial work?

The proposals would seem to us to enable information to be gathered in relation to Category A work which should help to provide insight to both the individual reviewed members and also the profession as a whole on where enhancements could be made. It may also identify areas where more education/information may benefit those members performing Category A to help them comply with the required professional standards.

As the information gathered in Categories B and C will be supplied to the IFoA on a voluntary basis there is a potential for bias in the outcomes of the reviews. This will need to be considered in any use of the information gathered.

To determine whether stakeholders would regard the outcomes of the reviews as providing satisfactory evidence for the quality of actuarial work, it will be important to obtain opinions from all relevant stakeholders, who may include regulators, insurance companies, companies with pension schemes, investors and consumer groups etc.

- 1.3 To what extent do you agree or disagree that without evidence of the quality of actuarial work, there is a risk to the reputation of the profession?

We agree that some form of independent review of actuarial work is likely to give stakeholders additional comfort in the quality of actuarial work.

1.4 How important do you think it is for the public to have confidence in the quality of the work of actuaries?

Many different stakeholders are affected either directly or indirectly by actuarial work. We agree that it is important that these stakeholders have confidence in the quality of the actuarial work.

Professional users of the actuarial work will be able to make their own assessment as to the quality of the actuarial work, and in these cases the review proposals are unlikely to affect their conclusions.

However, for users of actuarial work who have less knowledge and are less able to challenge the details of the actuarial work, then evidence of an independent review may well increase public confidence. We note, however, that the proposals suggest using IFoA members to perform the reviews. In our view, users may obtain additional comfort in the process and its actual and perceived independence, if some of the reviewers were not IFoA members.

2. Proposed Approach

2.1 To what extent do you support a risk-based approach, focusing on the work of Practising Certificate (PC) holders?

We agree that a risk-based approach for the review is an appropriate approach. By definition the work requiring a Practising Certificate is likely to be of considerable importance to stakeholders and may be an appropriate and practical approach to reviewing actuarial work.

For the detail of the individual reviews we would note that it will be useful for reviewers to use more of the evidence from the peer reviewer and any other external reviewers of the work to assist them in their review where relevant (and avoid potential duplication of review)..

2.2 To what extent do you agree or disagree that a risk-based approach (as outlined in Section 1.3 of the Consultation Paper) resulting in three different categories of monitoring (direct review, thematic review and general information gathering) is appropriate?

We agree that a risk-based approach is appropriate. It is difficult to determine from the consultation whether the risks associated with actuarial work not requiring a Practising Certificate are or are not "riskier" than the work proposed for Category A.

2.3 Do you think that, in addition to focusing on PC holders in Category A of the proposed scheme, there is merit in including thematic reviews (Category B) and enhanced information gathering (Category C)?

The voluntary nature of the proposals may likely mean that some actuaries/companies respond to each review while others are typically not involved. This may lead to a bias in the outcomes of the reviews.

In respect of developing areas of actuarial work, companies/actuaries may often be regard their work as proprietary/confidential. We would note that reluctance to share information will likely limit the usefulness of thematic reviews in newer areas of actuarial work.

In drawing conclusions on these reviews this potential should be borne in mind and understood.

It was not clear to us from the consultation, what will be involved in practice in Category C. Although we support the general proposals, we would expect that the existing structure of actuarial working parties and similar groups would capture these areas. We wonder, therefore, whether there is a benefit in including these areas within the scope of the proposals. Overall we would suggest dropping Category C from the proposals as this information will be captured elsewhere.

2.4 Do you think that the approach should take into consideration whether the PC holder's employer is Quality Assurance Scheme (QAS) accredited?

To the extent that there is overlap with the reviews performed to obtain QAS accreditation and the reviews that will be performed under Category A, we agree that it would make sense to take this into consideration.

We would note, though, that if firms have several PC holders to be reviewed, it would also make sense for the firms' practices to be understood and recognised within the direct reviews. This could be performed by reviewing multiple actuaries from the same firm at the same time. Such a joined-up approach would be likely to make the review process more efficient for both the reviewers and the actuaries involved.

2.5 Are there any potential areas for monitoring that you feel have been overlooked in these proposals? Do you have any additional or alternative ideas about how a monitoring scheme could be delivered?

Where an actuary is appointed to carry out independent work for a public body such as the PRA (e.g., s.166 reviews) or the Court (independent expert work for a Part VII transfer) we believe that these areas of work, particularly given their public interest, should be considered for inclusion as part of current proposals.

2.6 Do you think that the proposed scheme would enable the IFoA to obtain direct empirical evidence of the standard of actuarial work?

No specific comments.

2.7 Do you think there would be merit in having non-actuaries as part of the Review Team?

Yes. This would enhance public confidence in the reviews and also provide an important alternative perspective on the work performed.

- 2.8 If you wish to suggest any alternative approach to achieving the IFoA's objectives, please describe it here**

No Comment

3. Outputs of the proposed monitoring scheme

- 3.1 Do you think that the proposed outputs will provide sufficient information to ensure useful individual feedback?**

The proposals seek to provide 'best practice' feedback. Whilst this will be useful we would note that it will be important to be clear on what items were requirements under the Technical Actuarial Standards.

In many cases the individual actuary will have been supported by other members of the IFoA. It should be made clear how the individuals who have provided supporting work will be included within the review.

- 3.2 Do you think that the proposed outputs will provide sufficient information to inform the regulatory work of the IFoA (standards, guidance and educational material, Continuing Professional Development requirements etc.)?**

We agree that ensuring CPD, guidance and standards focus on the areas where the profession is shown to be weak would be a welcome development. However, we note that the proposals will likely only provide a complete view on Category A work given the voluntary nature of Category B and Category C. This should, however, provide a sufficient level of information to steer the create of these materials and the process can be reviewed at future times to consider whether sufficient information is produced from the Category B and Category C reviews.

- 3.3 Are there additional or alternative outputs you would expect to see from the proposed monitoring scheme?**

No Comment

- 3.4 To what extent do you agree or disagree that the proposed outputs (detailed in Section 3 of the Consultation Paper) would be useful to you in your work?**

Outputs from any 'survey' are always useful but providing data an opinions for surveys can often be time consuming to those that participate. Again, as this may lead to only some actuaries/stakeholders participating, there is a potential for bias in the outputs which should be made clear in the outputs.

Furthermore, it is not clear to us how the participant firms/individuals would be chosen/volunteered and whether they would be the only recipients of the output. We would also note that leaving out QAS accredited firms would potentially limit the usefulness of the output.

3.5 Do you think that reports arising out of Category A Review Visits should be shared with the individual PC holder's employer?

In our opinion, the PC holder should have the right of 'appeal' if they disagree with the findings. Once the report is final, however, then we would expect that sharing with the PC holder's employer would be useful step.

It will also be useful to further expand on how differences between the reviewing actuaries and the reviewed actuaries will be discussed and the steps that will be followed.

Where the PC holder is a consultant, however, additional considerations would include:

- Whether the outcomes of the review should also be potentially made available to the client as they will have had to agree to the sharing of the material. This would clearly mean that when work on multiple clients is reviewed at the same time, the outcomes would need to be reported separately to enable the findings to be shared with the individual clients.
- Where an actuary has performed a role on secondment to client, the employer may not be aware of the work that the individual performed when working under the client's direct control. In these cases, it would be more appropriate that the client, for which the actuary worked while on secondment, is treated as the "employer" under these proposals. Individual secondments would also need to be reviewed and reported on separately for the purposes of confidentiality.

4 Confidentiality

4.1 Are you reassured that the proposal adequately addresses confidentiality and protection of sensitive information?

There are additional aspects that we do not think the proposed letter in Appendix 5 considers:

- It is not clear what arrangements an individual actuary working at a firm would need to put into place so their employer is willing to share the information. Where for any reason the employer is not willing to share the information, it is not clear what happens in the process as the IFoA may not have the powers to enforce the employer to share the information. It should be made clear in this case that the individual actuary concerned will not be sanctioned as the decision is out with their control.
- As mentioned in Question 3. 5 above, where an individual actuary works for a consultancy, the firm to whom the individual actuary provided the services will also need to consent to share their data. Where multiple engagements are being considered for an individual

actuary this will mean that separate letters will need to be signed for each of the separate clients.

- Where an individual actuary has been on secondment to a client and worked under the client's direct control, the confidentiality undertaking may be more complex as the employer is unlikely to have rights to access the relevant data.
- The letter currently makes no mention of the GDPR regulations which may need to be incorporated depending on the work being reviewed.
- Different firms will have different views on their legal position and so there are likely to be bespoke amendments that need to be agreed for each confidentiality undertaking.

5 current regulatory environment

- 5.1 Do you feel that in taking into account existing structures such as the Practising Certificates Scheme, monitoring activities of statutory regulators and QAS, the proposed monitoring scheme would be appropriately integrated within the existing IFoA regulatory framework?

The question is what gap in the current structures the proposals are seeking to address

- 5.2 One of the IFoA's aims is to introduce a scheme designed for the profession by the profession, in the spirit of maintaining the benefits and privilege of effective and accountable self-regulation, subject to independent oversight. Do you think that this aim has been achieved in these proposals?

We agree that an appropriately tailored scheme that includes independent review of actuarial work is likely to help public and stakeholder confidence in actuarial work. It should also lead to enhancements in actuarial work over time. We support the suggestion that the review be performed by the IFoA rather than an external body but with non actuarial individuals assisting in the reviews.

6 Impact

- 6.1 Do you think that the impact of the proposals is reasonable in light of the reasons for their proposed introduction?

We agree that ensuring actuarial work is performed to a high standard is crucial for users of the actuarial information. Performing independent reviews of actuarial work is likely to enhance stakeholder confidence and also have the added advantage of increasing individual actuaries understanding of areas in which they could enhance their actuarial work.

The consultation does not comment significantly on the peer review requirements of the actuarial work performed. We would suggest that the proposals could seek to integrate and leverage more from the peer review work performed, to seek to avoid elements of duplication.

6.2 Are there other impacts that have not been considered in the consultation paper? If so, please explain what those are.

As discussed above, the consultation does not appear to have considered the practical issues which may arise for a PC holder who performs that work on secondment to a client. A PC holder who has completed their secondment is unlikely to have any right of access to the work they performed.

7. Further comments

7.1 Do you have any further comments

In respect of the categorization in Appendix 3, it is not clear to us what the “with Lloyd’s” specific assurance considers. Is this solely in the case of an actuary performing the role of chief actuary or does it also include an actuary who is the signing actuary for the statement of actuarial opinion?

As drafted, the consultation would suggest that where an actuary works at a non-QAS firm, their work would be reviewed every 18 months – 2 years. This seems an excessive frequency for review of the individual actuary when they are likely adopting firm wide processes for the work. For larger non-QAS firms it may make more sense to review the firm by sampling individual actuaries, as this is likely to provide the same level of information and comfort.



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September 28, 2018

Dear Sir,

Proposals for Monitoring Actuarial Work

Introductory Section

Aim

The Institute and Faculty of Actuaries ("IFoA") is proposing a scheme to monitor the quality of actuarial work, using three tools:

1. Interviews with holders of Practising Certificates
2. Thematic reviews of work
3. Adhoc reviews of work

The aim is to maintain high quality, reliable actuarial work to preserve public confidence.

Response

High quality, reliable work is important to maintain public confidence.

However, adopting the scheme proposed above raises a number of potential issues including:

- A disproportionate burden on actuaries and their employers (through increased time and cost of monitoring) relative to other professionals working in similar areas e.g. statisticians, big data analysts etc. This leads to an **uncompetitive and uneconomic** situation for actuaries which at the extreme could cause actuaries to leave the IFoA.
- **Confidentiality** around sensitive commercial information.
- Potential **liability risk** and **logistical challenges** for the IFoA.
- **The question of whether it is in the Public interest for the IFoA to regulate Actuaries' work.** Should regulation be undertaken by other agencies e.g. Prudential Regulatory Authority ("PRA"), Financial Conduct Authority ("FCA"), The Pensions Regulator ("TPR"), Lloyd's of London ("Lloyd's") independently or jointly with the IFoA? For example, could the **Joint Forum on Actuarial Regulation ("JFAR")** which is a unique collaboration between regulators to co-ordinate the identification and analysis of public interest risks to which actuarial work is relevant be used to address this issue? **This would potentially be a more efficient and cost effect way of**

monitoring the quality of actuarial work given that there is existing scrutiny of the work of actuaries from these organisations. It is also an independent approach which would increase public confidence.

Leading on from this, there are other ways in which the IFoA could monitor actuarial work. For example, our regulators already monitor our work in the following ways and this monitoring is **increasing**.

1. The PRA carries out **regular interviews** with holders of Practising Certificates. Also, Lloyd's has recently (September 2018) communicated that it will be carrying out reviews of reserving through interviews and further data collection. Therefore the IFoA could liaise with the PRA and Lloyd's for this information. Or the Institute could carry out joint reviews/augment the reviews with other questions around technical actuarial standards etc.
2. **Thematic reviews** are already carried out by the PRA and Lloyd's e.g. **pricing, reserving reviews** etc. Therefore the IFoA could liaise with the PRA or Lloyd's for this information and/or provide other questions to ask as part of this process.
3. **Adhoc reviews** are also carried out by Lloyd's. Again the IFoA could liaise with Lloyd's to carry these out.

As well as these reviews, there are a number of reports which are produced which help regulators assess the quality of actuarial work e.g. **Actuarial Function Reports covering technical provisions, underwriting policy (planning and pricing), reinsurance and risk management**. The **Internal Model Validation Report** which provides evidence that the Internal Model is calculating capital requirements in a reasonable manner. The **ORSA report** looking at risk management.

Independent work is also carried out for companies typically, by external consultants, and this work could be provided to regulators e.g. **Statements of Actuarial Opinion** which provide evidence that the reserves are being calculated in a reasonable manner. Companies and Syndicates carry out **internal and external audits** including areas of actuarial work. Also, where Syndicates are part of a Group they are monitored at a Group level too.

Other testing and controls which are carried out include those from **Sarbanes-Oxley Act Section 404** which mandates controls over our financial reporting and these are monitored by our auditors. We also comply with the **Solvency II Directive (2009/138/EC)** and have expended considerable resource over our Solvency II compliance over the last six or seven years.

We also comply with all Actuarial Professional and Technical standards including **Actuarial Professional Standard X2: Review of Actuarial Work ("APS X2")**. The scope of this actuarial standard could be extended to include monitoring information. Then, if requested, the PC holder could provide these details to the IFoA rather than introducing a new monitoring scheme.

Conclusion

After considering the above points and existing regulation and monitoring, it is worth understanding **if/where the public is at risk from lack of monitoring** before putting in place the proposed new monitoring scheme.

Questions and Answers on Proposed Monitoring Scheme

1. Reasoning for the proposal scheme

1.1. To what extent do you agree or disagree that the proposed monitoring scheme is a reasonable step for the Institute and Faculty of Actuaries (IFoA) to take to meet its obligations to regulate the actuarial profession in the public interest?

Agree. Monitoring actuarial work is important. The IFoA has discussed these proposals with PRA, FCA, TPR and Lloyd's. With this in mind, rather than the Institute regulating the quality of actuarial work, which may not be seen as wholly independent by the Public, should the Institute use monitoring from other regulators to achieve this goal or jointly regulate actuarial work? For example, the PRA regularly interviews Chief Actuaries and so the IFoA can ask to review this information or jointly interview. For other examples see the Introductory section.

1.2 To what extent do you agree or disagree that these proposals would enable the IFoA to gather the information required to provide evidence as to the quality of actuarial work?

Neither agree nor disagree.

These proposals will enable the Institute to collect data around the quality of actuarial work. However, there is a lot of duplication of data collection. Therefore using reports like the Actuarial Function Reports is a more efficient, consistent way of monitoring companies. These can be augmented with other information, if necessary, for the IFoA. See the Introductory section for more details.

1.3 To what extent do you agree or disagree that without evidence of the quality of actuarial work, this is a risk to the reputation of the profession?

Agree. However, there is a large amount of evidence of the quality of actuarial work which is already produced. See the Introductory section.

Evidence should be collected on the quality of actuarial work. However, this evidence is already being collected in a number of ways and can be augmented. For example, **Actuarial Function Reports** which give evidence on Technical Provisions, Underwriting Policy and the Reinsurance Programme. The **Statement of Actuarial Opinion** which provides evidence that the reserves are being calculated in a reasonable manner. The **Validation Report** which provides evidence that the Internal Model is calculating capital requirements in a reasonable manner. The **ORSA report** looking at risk management. The recently announced review of **Best Estimate reserves which Lloyd's are carrying out (very much along the lines of this proposed monitoring work)**. These all provide a consistent way to monitor the quality of actuarial work.

1.4. How important do you think it is for the public to have confidence in the quality of the work of the actuaries?

Very important.

Do you think that the introduction of these proposals would serve to strengthen this confidence?

It is difficult to say if these proposals will strengthen this confidence given the other suggestions provided here (in the Introductory section) already exist to provide an independent view.

2. Proposed Approach

2.1. To what extent do you support a risk-based approach, focusing on the work of the Practising Certificate (PC) holders?

Neither agree nor disagree.

Monitoring the quality of actuarial work is important. As well as the work of the PC holder there are other elements of actuarial work which are in the public domain e.g. reserving and assessing the **capital required for solvency** (i.e. money required to pay the claims of the policyholders/public both in the normal course of events and in the extreme). The actuarial work for Risk management areas should also be considered as part of the review. The Validation Reports and ORSA Reports for Lloyd's are examples of monitoring which already takes place in this area.

2.2. To what extent do you agree or disagree that a risk-based approach (as outlined in Section 1.3 of the Consultation paper) resulting in three different categories of monitoring (direct review, thematic review and general information gathering) is appropriate?

Agree. It seems appropriate to take account of the level of risk when monitoring work.

2.3 Do you think that, in addition to focusing on PC holders in Category A of the proposal scheme, there is merit in including thematic reviews (Category B) and enhance information gathering (Category C)?

Yes. As described previously in the Introductory section but not as an additional requirement without first assessing what is already carried out by other agencies.

2.4 Do you think that the approach should take into consideration whether the PC holder's employer is Quality Assurance Scheme (QAS) accredited?

The Scheme should be consistent and use consistent outputs from Companies as described previously, in the Introductory section.

2.5 Are there any potential areas for monitoring that you feel have been overlooked in these proposals? Do you have any additional or alternative ideas about how a monitoring scheme could be delivered?

Please see answer 2.1.

2.6 Do you think that the proposal scheme would enable the IFoA to obtain direct empirical evidence of the standard of actuarial work?

Using the information as suggested in the answers above and Introductory section will help the IFoA to assess the standard of the quality of actuarial work without the added burden of gathering yet more data.

2.7 Do you think there would be merit in having non-actuaries as part of the Review team?

Yes. This will be similar to the PRA Review teams for example, it would be more efficient for the IFoA to use the information collected by the PRA for monitoring the quality of actuarial work and/or augment this with their own questions (e.g. jointly interview).

2.8 If you wish to suggest an alternative approach to achieving the IFoA's objectives, please describe it.

This is outlined in the Introductory section. Suggestions include using JFAR and/or extending APS X2.

3. Outputs of the proposed monitoring scheme.

3.1 Do you think that the proposed outputs will provide sufficient information to ensure useful individual feedback?

Yes but a large amount of data is already being collected by other regulators which would already allow this.

3.2 Do you think that the proposed outputs will provide sufficient information to inform the regulatory work of the IFoA (standards, guidance and educational material, Continuing Professional Development requirements etc.)?

Yes but a large amount of data is already being collected by other regulators which would already allow this.

3.3 Are there additional or alternative outputs you would expect to see from the proposed monitoring scheme?

No.

3.4 To what extent do you agree or disagree that the proposed outputs (detailed in section 3 of the Consultation paper) would be useful to you or your work?

Neither agree nor disagree. It is difficult to say from the proposal information.

3.5 Do you think that the reports arising from Category A Review Visits should be shared with the individual PC holder's employer?

Yes. As a courtesy, reports should be available to both the employer and PC holder.

4. Confidentiality

4.1 Are you reassured that the proposal adequately addresses confidentiality and protection of sensitive information?

No. Confidentiality rules should follow a consistent approach to other regulators.

5. Current regulatory environment

5.1 Do you feel that taking into account existing structures such as the Practising Certificates Scheme, monitoring activities of statutory regulators and QAS, the proposed monitoring scheme would be appropriately integrated within the existing IFoA regulatory framework?

No. There needs to be much more **integration** with current regulators to produce an efficient and cost effective approach.

5.2 One of the IFoA's aims is to introduce a scheme designed for the profession by the profession, in the spirit of maintaining the benefits and privilege of effective and accountable self-regulation, subject to independent oversight. Do you think that this aim has been achieved in these proposals?

No. More integration with other regulators should be considered, as described above.

6. Impact

6.1 Do you think that the impact of the proposals is reasonable in light of the reasons for their proposed introduction?

No. More integration with other regulators should be considered, as described above in the Introductory section, as this would be more efficient and cost effective.

6.2 Are there other impacts that have not been considered in the consultation paper? If so, please explain what they are.

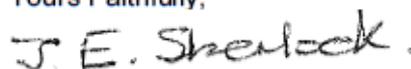
7. Further comments

7.1 Do you have any further comments?

Please see the Introductory section for answers to 6.2, 7 and 7.1

We look forward to your response on this matter.

Yours Faithfully,



Janet Sherlock MA FIA
Julian Ross MA FIA

Letter 4

Consultation: Proposals for an enhanced system to promote the quality of actuarial work

Respondent: Graham White (Chief Actuary Practising Certificate Holder) September 2018

This response concentrates on the consultation from a non-life perspective. Given the disparate nature of the various actuarial disciplines in the UK, it is surprising that there does not seem to be any discussion of this in the consultation or consideration that potentially different solutions are needed for these different disciplines.

It is hard to argue against the concept that those employing or instructing actuaries, or even the wider public, should be confident an IFoA Member will be a regulated professional with technical competence and integrity.

However, in summary, the proposal is unnecessary, as there are many existing processes in place which give confidence as to an IFoA Member's technical competence and integrity, the primary example of which is the "APS X2: Review of Actuarial Work" regime. In addition and of more concern, the proposal is ill-judged. In particular, it introduces a large risk to the IFoA's public interest remit through the potential loss of UK Actuaries' influence in the non-life sector. These themes are discussed in further detail below.

The Proposal is Unnecessary

It is hard to argue against the concept that those employing or instructing actuaries, or even the wider public, should be confident an IFoA Member will be a regulated professional with technical competence and integrity.

The response from the IFoA is that to achieve this, monitoring of the quality of a UK Actuary's work is needed. However, there are several key considerations that would question this need, namely:

- There are many existing processes in place that provide assurance over the quality of a UK Actuary's work. These include:
 - The "APS X2: Review of Actuarial Work" regime provides an existing, comprehensive framework that already meets the requirements being put forward by the consultation. In addition, the TAS framework and Actuarial Function Report requirements provide further mechanisms to assess the quality of the underlying actuarial work.
 - There are various existing external reviews that provide indirect assurance over the quality of the actuarial work. For example, with regard to reserving and Solvency II Technical Provisions, external auditors probe the internal actuarial teams over methods and assumptions in detail, year on year, as part of the annual statutory audit process. As another example, within the London Market, Lloyd's annually reviews each syndicate's business plans in detail.
 - The existing Practising Certificate regime, with its comprehensive application and renewal procedures, provides significant additional evidence to support a member's competence and integrity. This is further reinforced by the Continuing Professional Development requirements for every member and which Practising Certificate holders need to attain double the number of hours compared to other members.
- At one of the consulting sessions, it was stated that the users of actuarial work have not been surveyed. Given that they have the biggest stake in actuarial work, it seems strange that no interaction has been had with these key stakeholders and, from my experience, they would not agree that there is any need for additional monitoring of actuarial work above and beyond the existing processes outlined in the previous bullet.

- The consultation document describes that the change would bring us into line with other professions. However, this does not recognise that in several instances the monitoring in other professions relates to specific tasks undertaken by someone who has to be a member of the specific profession to do the task (eg statutory audit and auditor) or are moving away from monitoring entirely (eg solicitors, as outlined at one of the consultation sessions). Perhaps of greater relevance, the move seems out of line with other actuarial bodies around the world.
- As the consultation document makes clear, the proposals are not being made in response to any identified issues with the quality of actuarial work. In other words, the existing “monitoring” processes are working.

The Proposal is Ill-Judged

Potential Loss of UK Actuaries’ Influence in the Non-Life Sector

The thrust of the proposal seems to be a public interest argument. This argument seems peculiarly one-sided. Given that the proposals apply only to UK actuaries in roles not exclusively defined for UK actuaries, there is no discussion in the consultation document around the real risk that the additional burden will cost UK actuaries the roles they currently perform which must be detrimental to the public interest.

In the non-life sector, UK actuaries have been building up their authority in the market over the last forty years to a point where they are major influencers to the industry. We now, however, are at a tipping point, where that influence may wane as a direct consequence of the proposal, due to roles currently undertaken by UK actuaries being undertaken by other individuals.

The recent introduction of the Chief Actuary Practising Certificates has, from my experience, been poorly received, with the overwhelming view being that they are unnecessary and purely a “money-grabbing” exercise by the IFoA. This latest proposal will inevitably further add to the cost burden for employers of actuaries, although I recognise from the consultation documentation that with the proposed measures this may not happen immediately. It will also further take away an actuary’s ability to support and add value the underlying business.

On top of this, employers of actuaries are particularly unhappy with the prospect of having to open their books to a potential competitor’s actuary as part of the review process. They view this very differently to existing reviews involving actuarial work, which are carried out by actuaries from an external auditor or regulator.

The Change will be More Pervasive than Advertised

The change is currently being promoted as primarily impacting 7% of the profession (ie mainly Practising Certificate holders). I believe this to be misleading as it will have an indirect impact on many other UK actuaries, since, for example, if one is a Chief Actuary running a team of actuaries, there is inevitably reliance on the team’s work and any meaningful review would have to extend down to look at other actuaries’ work.

Also, the IFoA has a track record of mission creep when implementing initiatives (eg the increasing scope of Guidance Notes / TASs over time), so the initial proposals may well prove to be the thin end of the wedge, with the review process impacting more and more of the profession over time.



Actuarial Monitoring Scheme
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27 September 2018

Dear Sirs

Monitoring Consultation Response

PricewaterhouseCoopers LLP (we/PwC) welcome the Institute and Faculty of Actuaries' ("IFoA") consultation on the monitoring of actuarial work dated June 2018 and are pleased to have the opportunity to respond.

PwC employs a wide range of actuaries in the UK covering pensions, life, non-life and wider fields. We are aware a number of PwC actuaries will have replied to the consultation in their own name. We set out below our comments made on behalf of PwC:

We understand the need for the monitoring of actuarial work and recognise the work undertaken to date by the IFoA in putting together the proposal.

From the comments in the consultation meetings, and our own discussions internally, we see this as a sensitive topic that raises a number of different opinions. We encourage the IFoA to take the time to 'get it right' and avoid the temptation to implement in haste. As noted later, we suggest a consultation process which allows sufficient time to formulate the proposals before they are implemented. We consider the current proposed timetable to be ambitious and would suggest it be extended. We suggest a second consultation, involving the users of actuarial advice, when more details are available.

We are broadly supportive of the case for monitoring in certain areas where the public interest impact of the actuaries' work is high, but the proposals as currently drafted are potentially more ambitious than is necessary. We make the following specific points:

- to avoid unnecessary regulatory burden on actuaries we agree it is important that the monitoring process is proportionate. Specifically we suggest it should take into account the public interest status of the specific work performed, as well as the oversight that already exists from regulators, auditors (internal and external), peer reviewers, risk management functions and other parties (such as external Statements of Actuarial Opinion ("SAO") actuaries reviewing the reserving work of an internal Chief Actuary). In our view it is not clear that the proposals as they stand are suitably proportionate as we have set out in the following two points: -

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- there are a number of existing oversight activities, including the work of other regulators/institutions, which already exist and, in our opinion, could be given greater credit. For example Lloyd's already reviews SAO reports and the work underlying them, auditors (including their actuarial specialists) review the work performed to set insurance provisions and the FRC's Audit Quality Review ("AQR") team reviews the work of the auditors. We would expect the various regulatory bodies to cooperate in this regard, and any absence of such cooperation should not increase the burden of regulation on members of the profession.
- for the avoidance of doubt, we suggest that, if an actuary's work has had sufficient scrutiny from relevant parties, it would be possible for no further review to be required.
- we recommend that any review teams are dedicated employees (rather than volunteers or short term contractors) and suitably qualified. We suggest that this role should not be outsourced to ensure quality and independence of the reviews, as well as alleviating concerns around the release of sensitive information.
- to the extent that review teams are exposed to commercially sensitive or confidential information during the course of their review work, restrictions may need to be put in place in order to mitigate the temptation for individuals to benefit inappropriately from such information. This may include restrictions, in the short term, on subsequent employment.
- we suggest that the IFoA considers the resourcing for the proposed monitoring function, including the ability to attract the appropriate talent and experience, to enable it to discharge its remit effectively.
- we suggest that it would be helpful if the details surrounding confidentiality, especially in respect of commercially sensitive information, are clearly set out to ensure the monitoring process gains the support of employers. This area could be open to challenge and the basis and strength of the confidentiality provisions need to be clarified. For example, the provisions as set out in para 2.11 include qualifying language ('where possible') which reduce their efficacy. We suggest that a dedicated team is established along with clear arrangements for storage and protection of information, and anonymisation in feedback to members of the actuarial profession.
- we understand that the primary purpose of the role is to monitor the quality of the work, not to second guess assumptions. There is a challenge here where the standards call for the application of appropriate judgement such as TAS 100 para 3 'Assumptions used, or proposed for use, in technical actuarial work shall be appropriate for the purpose of that work so that users can rely on the resulting actuarial information.' The Q&A responses in the consultation itself indicate some application of judgement will be required by reviewers. We suggest further clarity is required in this area.



- we suggest that the focus of any review of a category A assigned actuary focuses on the underlying work relevant to the held Practising Certificate (for example an analysis of the work underlying an SAO, which would avoid analysing the entirety of the actuary's work). This would be consistent with the rationale for selecting Category A actuaries (as per the first bullet of para 1.3 in the consultation paper).
- there may be some similarities but also some differences between the practicalities for different practicing areas. We suggest the approach (once properly refined) should cover all practising certificate holders simultaneously and not single out any particular subgroup as a pilot study for the approach.
- we suggest a clearer emphasis that Categories B and C are voluntary and that they would not become mandatory if too few people opted in.
- we support the emphasis on improving standards and would support the focus on constructive feedback designed to assist those fulfilling the roles as suggested in para 1.12.

Given the importance of the details we suggest a second consultation once plans are formalised i.e. the importance of getting the details more clearly defined, including feedback from users, before the profession can sign up to the proposals cannot be understated.

For the reasons outlined above we believe the proposals need to be refined including the provision of enhanced practical details before we can provide a more definitive response. If you would like to discuss any of our thoughts or comments further please do get in touch.

Yours sincerely

Jerome Kirk
Partner, PwC LLP

by email to: ams@actuaries.org.uk



AIG Europe Limited
58 Fenchurch Street
London
EC3M 4AB

28 September 2018

IFoA Regulation Board
Institute and Faculty of Actuaries

Dear IFoA Regulation Board

AIG Europe Ltd ('AEL') – Feedback on Monitoring Consultation Proposal

We are writing to provide feedback to you, the Institute and Faculty of Actuaries ('IFoA'), on the Monitoring Consultation proposal which was communicated to members in June 2018. AIG are unable to support the proposals.

There are a number of internal and external reviews on Actuarial work already in place which ensures the quality of Actuarial work is sufficiently robust and there would be significant overlap and expense in monitoring/reviews if the IFoA were to carry out the proposal. There is a hidden time cost given employees would need to support reviews in the proposal therefore taking time away from providing valuable business insights requested from Senior Management. This in turn continues to make the profession less competitive where it becomes cheaper and easier to recruit data scientists and statisticians that require no actuarial qualifications.

Aim of the Proposal

The Institute and Faculty of Actuaries ("IFoA") is proposing a scheme to monitor the quality of actuarial work, using three tools:

1. Interviews with holders of Practising Certificates
2. Thematic reviews of work
3. Adhoc reviews of work

The aim is to maintain high quality, reliable actuarial work to preserve public confidence.

Detailed Response

Firstly, we would like to state that ensuring that IFoA members produce reliable, high quality and value adding work such that public confidence in the profession is a key priority for AIG. However, we believe the proposal does not add anything additional to the current level of oversight already in place. There are a number of issues with the proposal which we have outlined below.

1. Existing Internal and External Reviews

There are a number of reviews that are already in place covering much of what the monitoring proposal intends to achieve. The Prudential Regulatory Authority ('PRA') carries out interviews (close and continuous meetings) with key Senior Management, including the Chief Actuary, in Insurance. They also cover thematic reserving, capital and pricing reviews for AEL. In this year alone, AIG have completed a thematic reserving review and have been engaged in capital model approvals with both the PRA and Luxembourg regulators. The PRA have been closely monitoring our pricing plans and models throughout the year.



In addition to the PRA, AEL Actuarial is subject to internal audit reviews, external audit review, and internal peer review from the group function, second line review from ERM as well as independent external reserve reviews. In addition our pricing models are reviewed by a pricing governance group and, for large pricing models, independently validation by ERM. AEL complies with Solvency II regulations and the Sarbanes-Oxley Act given it is part of a US firm.

All of these internal and external reviews provide sufficient monitoring and review of Actuarial work. There is no need for the IFoA to provide an additional level of monitoring that would add no additional value.

2. Overlapping Regulation

There are a number of other parties which already regulate Actuarial work including the PRA, Financial Conduct Authority (FCA), The Pensions Regulator (TPR) and Lloyd's of London (Lloyd's).

The proposed monitoring would overlap with many of these bodies and it is not clear from the proposal how the IFoA would work with these bodies to ensure there are no inefficient overlaps in regulation.

3. Competitiveness of Actuaries as a Profession

The monitoring would lead to an additional burden on actuaries and their employers (through the need for additional resourcing, increased time and cost of monitoring) relative to other professionals working in similar areas such as statisticians and data analysts. This would lead to the profession continuing to become less competitive and economic with firms choosing to rebalance their resourcing into similar, cheaper, less burdensome professions.

We have enclosed responses to the specific questions included in the proposed monitoring scheme consultation.

Yours sincerely

Sima Ruparelia, Chief Actuary, AIG Europe Ltd
Fabrice Brossart, Chief Risk Officer, AIG Europe Ltd

This response is supported by the following members of the IFoA:



Questions and Answers on Proposed Monitoring Scheme

1. Reasoning for the proposal scheme

1.1. To what extent do you agree or disagree that the proposed monitoring scheme is a reasonable step for the Institute and Faculty of Actuaries (IFoA) to take to meet its obligations to regulate the actuarial profession in the public interest?

We do not agree with the proposals. There are a number of external bodies governing actuarial work and strongly believe the IFoA should be working with these bodies to ensure monitoring of actuarial work is in line with their expectations.

These include internal audit reviews, external audit review, internal peer review from the group function, second line review from ERM as well as independent external reserve reviews. As well as pricing oversight from the PRA and internal functions.

1.2 To what extent do you agree or disagree that these proposals would enable the IFoA to gather the information required to provide evidence as to the quality of actuarial work?

The IFoA should be able to gather information they require to evidence quality of actuarial work but this should not result in requests which burdens additional work on actuaries. Equally, we must consider the commercial implications of releasing such data to third parties.

1.3 To what extent do you agree or disagree that without evidence of the quality of actuarial work, this is a risk to the reputation of the profession?

Evidence of the quality of actuarial work is already monitored and documented in various different ways. For example, the Actuarial Function Technical Opinions around Technical Provisions, Underwriting Opinion and Reinsurance Opinion provide evidences. Also, the Validation Reports for Internal Models also provide evidence of the quality of actuarial work. There are also external validation reports on the Internal Model and independent reserve reviews which can be relied upon.

Further, as part of the Audit process, AEL receives a Leading Practices scorecard of its reserving process compared to market and is assessed on Leadership and governance, data quality and reliability, reserve estimate matters, Communicating results and management information and Actuarial staffing, organisation and expertise.

1.4. How important do you think it is for the public to have confidence in the quality of the work of the actuaries?

Public confidence in actuarial work is crucial however; the proposals would not strengthen public confidence given that there are other bodies more independent than the IFoA carrying out similar external reviews.

2. Proposed Approach

2.1. To what extent do you support a risk-based approach, focusing on the work of the Practising Certificate (PC) holders?

A risk-based approach would be the most appropriate method of reviews, however, there are regular interviews held by the PRA for Senior Managers under then Solvency II regime. PC holder's work is



already subject to external review and we cannot see how the proposal would add any additional value these reviews are not already providing.

2.2. To what extent do you agree or disagree that a risk-based approach (as outlined in Section 1.3 of the Consultation paper) resulting in three different categories of monitoring (direct review, thematic review and general information gathering) is appropriate?

Neither agree nor disagree. See 2.1

2.3 Do you think that, in addition to focusing on PC holders in Category A of the proposal scheme, there is merit in including thematic reviews (Category B) and enhance information gathering (Category C)?

Existing thematic reviews, both internal and external are sufficient to regulate PC holders in Category A and Category B.

2.4 Do you think that the approach should take into consideration whether the PC holder's employer is Quality Assurance Scheme (QAS) accredited?

It should consider whether the employer is QAS accredited.

2.5 Are there any potential areas for monitoring that you feel have been overlooked in these proposals? Do you have any additional or alternative ideas about how a monitoring scheme could be delivered?

The proposal has overlooked the monitoring and regulation already in place and has not considered how it will work with other regulatory bodies to ensure that actuaries are not over burdened with non-value adding reviews.

2.6 Do you think that the proposal scheme would enable the IFoA to obtain **direct empirical evidence** of the standard of actuarial work?

There is no need for the IFoA to obtain direct ... given the layer of review and additional regulatory work to the profession.

2.7 Do you think there would be merit in having non-actuaries as part of the Review team?

No.

2.8 If you wish to suggest an alternative approach to achieving the IFoA's objectives, please describe it.

The IFoA objectives are already met by the level of reviews conducted. These include internal audit reviews, external audit review, internal peer review from the group function, second line review from ERM as well as independent external reserve reviews. As well as pricing oversight from the PRA and internal functions. The IFoA should have confidence in these existing reviews.

3. Outputs of the proposed monitoring scheme.

3.1 Do you think that the proposed outputs will provide sufficient information to ensure useful individual feedback?



It is not clear from the proposal provided and unclear as to exactly what would be done with the data collected. Under the Solvency II reporting regime, large quantities of company data is already collected.

3.2 Do you think that the proposed outputs will provide sufficient information to inform the regulatory work of the IFoA (standards, guidance and educational material, Continuing Professional Development Requirements etc.)?

It is not clear from the proposal provided and unclear as to exactly what would be done with the data collected. Under the Solvency II reporting regime, large quantities of company data is already collected.

3.3 Are there additional or alternative outputs you would expect to see from the proposed monitoring scheme?

We would not support the scheme.

3.4 To what extent do you agree or disagree that the proposed outputs (detailed in section 3 of the Consultation paper) would be useful to you or your work?

We do not believe this additional level of review would add commercial value or increase the quality of actuarial work.

3.5 Do you think that the reports arising from Category A Review Visits should be shared with the individual PC holder's employer?

Any sharing of information should be in line with other regulators.

4. Confidentiality

4.1 Are you reassured that the proposal adequately addresses confidentiality and protection of sensitive information?

The proposal does not sufficiently address this and should be in line with other regulators.

5. Current regulatory environment

5.1 Do you feel that taking into account existing structures such as the Practising Certificates Scheme, monitoring activities of statutory regulators and QAS, the proposed monitoring scheme would be appropriately integrated within the existing IFoA regulatory framework?

The proposal does not take into account existing regulators sufficiently and is not an efficient and cost effective approach.

5.2 One of the IFoA's aims is to introduce a scheme designed for the profession by the profession, in the spirit of maintaining the benefits and privilege of effective and accountable self-regulation, subject to independent oversight. Do you think that this aim has been achieved in these proposals?

No. The IFoA should take comfort in the number of reviews that companies already conduct. This should be sufficient to continue with existing IFoA regulation.



6. Impact

6.1 Do you think that the impact of the proposals is reasonable in light of the reasons for their proposed introduction?

The proposal is not reasonable and has not taken into account what we would consider are key factors as described above.

6.2 Are there other impacts that have not been considered in the consultation paper? If so, please explain what they are.

These have been described above.

7. Further comments

7.1 Do you have any further comments?

Please see letter enclosed.

Letter 7

28th September 2018

Dear Mr Hudson

IFoA Consultation: Proposals for enhanced system to promote the quality of actuarial work

The Institute and Faculty of Actuaries ('IFoA') is consulting on a proposal to introduce a system of direct monitoring of the actuarial work of individual members as part of its regulatory function. This is heavily targeted toward the work of Practising Certificate holders and is intended to:

- Provide evidence of the quality of actuarial work
- Promote best practice
- Support development of training, education, standards and guidance

We note the closing date for the consultation is today and write to you to express our serious concerns about the proposal. In its current form, this will have such significant and wide-ranging implications for actuaries and stakeholders that deeper consideration of the issues involved and wider consultation is merited.

Some specific feedback includes but is not limited to the following:

- It is very unclear what issue the IFoA is trying to resolve and whether this best serves the public interest. There are more effective and efficient means for the IFoA to achieve the above objectives.
- We do not agree with the principle of the IFoA directly monitoring work of its own individual members. There has been insufficient consideration of whether this notion is supported by the membership and if responsibility for any additional direct monitoring, should this be worthwhile, is better placed with external parties who have specific related responsibilities. Were the IFoA to conduct this type of monitoring itself, there could be many unintended ramifications including:
 - Unacceptable reputational and financial risks to the profession as a whole;
 - Competitive disadvantages for IFoA members relative to other practitioners, undermining their perceived credibility as independent professionals; and
 - Duplication of effort where work has already been scrutinised extensively by other parties with responsibilities related to the work in addition to APS X2 requirements.
 - Confusion and conflict around the role of the IFoA as an ethical and technical standard setting body
- 'Quality of actuarial work' work has not been clearly defined. This is because it is challenging to measure and quantify due to the nuanced and subjective nature of work. The proposed monitoring is likely to evolve into a compliance exercise further burdening the constituency
- Confidentiality issues are not adequately addressed;
- Costs of the proposed scheme far outweigh the benefits; there will be increased costs for the IFoA, its members and ultimately the public.
- The proposal is not genuinely risk-based as the focus is on PC holders who are already subject to controls.
- It appears that there has been insufficient practitioner input to the current proposal.
- A wider consultation of actuarial stakeholders is required including employers of actuaries.

General Insurance now represents over 25% of the membership and is the fastest growing area of actuarial work. The General Insurance Research Organisation Conference is one of the largest gatherings of IFoA actuaries and will take place in October. We will use this opportunity to develop alternative approaches and deliver a final proposal to you by the end of November.

We, the undersigned, are mindful of the IFoA's obligation to regulate in the public interest and want to ensure that this initiative, however well intended, does not adversely affect the broader objective to develop and promote actuarial science for the greater public good.

Yours sincerely

Martin Noble (Chair of GI Board)
Sameer Keshani (Deputy Chair of GI Board)
Sarah Macdonnell (Chair of GIROC)
Ben Canagaretna (Chair of CALM)
Kendra Felisky (GI Board)
Kevin Wenzel (Chair of GISCC)
John Charles (GISCC)
Martin White (GI Board)
Joseph Lo (Chair of GIRTl)
Seema Thaper (Chair of GILL)
Sie Lau (GI Board)
Colum D'auria (Council)

5.2 Appendix 2 – Responses by Practice Area and Type of Organisation

The figures presented below break down responses by practice area and type of organisation, where provided.

5.2.1 Question 1.1 – Practice Area

1.1 To what extent do you agree or disagree that the proposed monitoring scheme is a reasonable step for the Institute and Faculty of Actuaries (IFoA) to take to meet its obligation to regulate the actuarial profession in the public interest?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Strongly agree	0%	0	0%	0	3%	3	25%	1	4%	2	10%	4	0%	0	5%	1
Agree	33%	3	50%	6	13%	13	50%	2	23%	12	38%	15	0%	0	21%	4
Neither	0%	0	33%	4	11%	11	0%	0	13%	7	15%	6	0%	0	0%	0
Disagree	22%	2	8%	1	28%	27	0%	0	30%	16	20%	8	100%	1	32%	6
Strongly disagree	44%	4	8%	1	44%	43	25%	1	30%	16	18%	7	0%	0	42%	8
Total	100%	9	100%	12	100%	97	100%	4	100%	53	100%	40	100%	1	100%	19

5.2.2 Question 1.1 – Type of organisation

1.1 To what extent do you agree or disagree that the proposed monitoring scheme is a reasonable step for the Institute and Faculty of Actuaries (IFoA) to take to meet its obligation to regulate the actuarial profession in the public interest?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Strongly agree	10%	6	0%	0	0%	0	4%	4	0%	0	0%	0	25%	2	0%	0	9%	1
Agree	28%	16	50%	1	0%	0	21%	24	20%	1	25%	1	38%	3	33%	6	36%	4
Neither	16%	9	50%	1	0%	0	11%	12	20%	1	25%	1	0%	0	22%	4	0%	0
Disagree	22%	13	0%	0	0%	0	27%	30	20%	1	50%	2	38%	3	33%	6	18%	2
Strongly disagree	24%	14	0%	0	100%	3	38%	43	40%	2	0%	0	0%	0	11%	2	36%	4
Total	100%	58	100%	2	100%	3	100%	113	100%	5	100%	4	100%	8	100%	18	100%	11

5.2.3 Question 1.2 – Practice Area

1.2 To what extent do you agree or disagree that these proposals would enable the IFoA to gather the information required to provide evidence as to the quality of actuarial work?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Strongly agree	0%	0	0%	0	3%	3	0%	0	6%	3	10%	4	0%	0	5%	1
Agree	22%	2	50%	6	24%	22	67%	2	23%	12	40%	16	100%	1	16%	3
Neither	22%	2	25%	3	12%	11	33%	1	27%	14	15%	6	0%	0	42%	8
Disagree	33%	3	8%	1	26%	24	0%	0	29%	15	25%	10	0%	0	26%	5
Strongly disagree	22%	2	17%	2	35%	33	0%	0	15%	8	10%	4	0%	0	11%	2
Total	100%	9	100%	12	100%	93	100%	3	100%	52	100%	40	100%	1	100%	19

5.2.4 Question 1.2 – Type of organisation

1.2 To what extent do you agree or disagree that these proposals would enable the IFoA to gather the information required to provide evidence as to the quality of actuarial work?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Strongly agree	9%	5	0%	0	0%	0	3%	3	0%	0	0%	0	25%	2	0%	0	18%	2
Agree	32%	18	50%	1	0%	0	30%	33	20%	1	25%	1	25%	2	24%	4	36%	4
Neither	16%	9	50%	1	33%	1	18%	20	40%	2	50%	2	25%	2	41%	7	18%	2
Disagree	32%	18	0%	0	67%	2	22%	24	0%	0	25%	1	13%	1	29%	5	9%	1
Strongly disagree	12%	7	0%	0	0%	0	27%	29	40%	2	0%	0	13%	1	6%	1	18%	2
Total	100%	57	100%	2	100%	3	100%	109	100%	5	100%	4	100%	8	100%	17	100%	11

5.2.5 Question 1.3 – Practice Area

1.3 To what extent do you agree or disagree that without evidence of the quality of actuarial work, there is a risk to the reputation of the profession?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Strongly agree	11%	1	17%	2	6%	6	25%	1	4%	2	13%	5	0%	0	17%	3
Agree	22%	2	25%	3	20%	19	50%	2	28%	15	43%	17	0%	0	17%	3
Neither	11%	1	25%	3	20%	19	25%	1	13%	7	10%	4	100%	1	11%	2
Disagree	22%	2	17%	2	29%	27	0%	0	30%	16	28%	11	0%	0	33%	6
Strongly disagree	33%	3	17%	2	24%	23	0%	0	25%	13	8%	3	0%	0	22%	4
Total	100%	9	100%	12	100%	94	100%	4	100%	53	100%	40	100%	1	100%	18

If you agree there is a risk, how would you assess that risk?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Very high	0%	0	13%	1	6%	4	0%	0	0%	0	3%	1	0%	0	7%	1
High	14%	1	50%	4	16%	11	33%	1	10%	4	16%	5	0%	0	7%	1
Low	57%	4	13%	1	25%	17	67%	2	41%	17	38%	12	100%	1	53%	8
Very Low	29%	2	13%	1	16%	11	0%	0	12%	5	19%	6	0%	0	13%	2
N/A	0%	0	13%	1	38%	26	0%	0	37%	15	25%	8	0%	0	20%	3
Total	100%	7	100%	8	100%	69	100%	3	100%	41	100%	32	100%	1	100%	15

5.2.6 Question 1.3 – Type of organisation

1.3 To what extent do you agree or disagree that without evidence of the quality of actuarial work, there is a risk to the reputation of the profession?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Strongly agree	14%	8	0%	0	0%	0	5%	6	20%	1	25%	1	25%	2	6%	1	27%	3
Agree	38%	21	50%	1	33%	1	23%	26	0%	0	0%	0	13%	1	39%	7	18%	2
Neither	14%	8	50%	1	33%	1	17%	19	0%	0	0%	0	38%	3	11%	2	18%	2
Disagree	23%	13	0%	0	33%	1	32%	35	20%	1	0%	0	25%	2	33%	6	9%	1
Strongly disagree	11%	6	0%	0	0%	0	23%	25	60%	3	75%	3	0%	0	11%	2	27%	3
Total	100%	56	100%	2	100%	3	100%	111	100%	5	100%	4	100%	8	100%	18	100%	11

If you agree there is a risk, how would you assess that risk?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Very high	9%	4	0%	0	0%	0	3%	3	0%	0	0%	0	0%	0	0%	0	13%	1
High	11%	5	50%	1	0%	0	15%	13	33%	1	0%	0	40%	2	36%	5	0%	0
Low	43%	20	0%	0	67%	2	36%	31	0%	0	0%	0	40%	2	43%	6	38%	3
Very Low	13%	6	0%	0	33%	1	14%	12	67%	2	33%	1	0%	0	7%	1	13%	1
N/A	24%	11	50%	1	0%	0	32%	28	0%	0	67%	2	20%	1	14%	2	38%	3
Total	100%	46	100%	2	100%	3	100%	87	100%	3	100%	3	100%	5	100%	14	100%	8

5.2.7 Question 1.4 – Practice Area

1.4 How important do you think it is for the public to have confidence in the quality of the work of actuaries?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Very important	56%	5	50%	6	38%	35	33%	1	38%	20	50%	20	0%	0	44%	8
Important	22%	2	42%	5	44%	41	33%	1	49%	26	48%	19	100%	1	50%	9
Neither	11%	1	0%	0	10%	9	0%	0	11%	6	3%	1	0%	0	0%	0
Unimportant	0%	0	8%	1	5%	5	33%	1	2%	1	0%	0	0%	0	0%	0
Very unimportant	11%	1	0%	0	3%	3	0%	0	0%	0	0%	0	0%	0	6%	1
Total	100%	9	100%	12	100%	93	100%	3	100%	53	100%	40	100%	1	100%	18

Do you think that the introduction of these proposals would serve to strengthen this confidence?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	33%	3	45%	5	9%	8	50%	1	15%	8	33%	13	0%	0	24%	4
No	56%	5	18%	2	72%	65	50%	1	67%	35	38%	15	100%	1	71%	12
Don't Know	11%	1	36%	4	19%	17	0%	0	17%	9	30%	12	0%	0	6%	1
Total	100%	9	100%	11	100%	90	100%	2	100%	52	100%	40	100%	1	100%	17

5.2.8 Question 1.4 – Type of organisation

1.4 How important do you think it is for the public to have confidence in the quality of the work of actuaries?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Very important	48%	27	0%	0	67%	2	39%	43	40%	2	50%	2	38%	3	47%	8	55%	6
Important	48%	27	100%	2	0%	0	45%	49	40%	2	25%	1	63%	5	47%	8	45%	5
Neither	2%	1	0%	0	0%	0	9%	10	0%	0	25%	1	0%	0	0%	0	0%	0
Unimportant	2%	1	0%	0	33%	1	5%	6	20%	1	0%	0	0%	0	0%	0	0%	0
Very unimportant	0%	0	0%	0	0%	0	2%	2	0%	0	0%	0	0%	0	6%	1	0%	0
Total	100%	56	100%	2	100%	3	100%	110	100%	5	100%	4	100%	8	100%	17	100%	11

Do you think that the introduction of these proposals would serve to strengthen this confidence?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	23%	13	100%	2	0%	0	16%	17	25%	1	25%	1	50%	4	33%	6	20%	2
No	41%	23	0%	0	100%	3	71%	76	50%	2	50%	2	38%	3	44%	8	60%	6
Don't Know	36%	20	0%	0	0%	0	13%	14	25%	1	25%	1	13%	1	22%	4	20%	2
Total	100%	56	100%	2	100%	3	100%	107	100%	4	100%	4	100%	8	100%	18	100%	10

5.2.9 Question 2.1 – Practice Area

2.1 To what extent do you support a risk-based approach, focusing on the work of Practising Certificate (PC) holders?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Strongly support	13%	1	50%	5	10%	9	0%	0	10%	5	16%	6	0%	0	13%	2
Support	38%	3	20%	2	24%	21	50%	1	22%	11	35%	13	0%	0	38%	6
Neither	38%	3	20%	2	29%	25	50%	1	27%	13	22%	8	0%	0	13%	2
Oppose	0%	0	0%	0	20%	17	0%	0	18%	9	22%	8	0%	0	13%	2
Strongly oppose	13%	1	10%	1	17%	15	0%	0	22%	11	5%	2	100%	1	25%	4
Total	100%	8	100%	10	100%	87	100%	2	100%	49	100%	37	100%	1	100%	16

5.2.10 Question 2.1 – Type of organisation

2.1 To what extent do you support a risk-based approach, focusing on the work of Practising Certificate (PC) holders?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Strongly support	15%	8	50%	1	0%	0	13%	13	33%	1	0%	0	29%	2	12%	2	10%	1
Support	28%	15	50%	1	33%	1	26%	27	0%	0	100%	4	14%	1	47%	8	0%	0
Neither	15%	8	0%	0	33%	1	28%	29	33%	1	0%	0	14%	1	24%	4	60%	6
Oppose	23%	12	0%	0	33%	1	21%	21	0%	0	0%	0	0%	0	6%	1	10%	1
Strongly oppose	19%	10	0%	0	0%	0	12%	12	33%	1	0%	0	43%	3	12%	2	20%	2
Total	100%	53	100%	2	100%	3	100%	102	100%	3	100%	4	100%	7	100%	17	100%	10

5.2.11 Question 2.2 – Practice Area

2.2 To what extent do you agree or disagree that a risk-based approach (as outlined in Section 1.3 of the Consultation Paper) resulting in three different categories of monitoring (direct review, thematic review and general information gathering) is appropriate?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Strongly agree	13%	1	0%	0	6%	5	0%	0	4%	2	16%	6	0%	0	6%	1
Agree	38%	3	60%	6	20%	17	50%	1	27%	13	35%	13	0%	0	19%	3
Neither	0%	0	20%	2	28%	24	0%	0	21%	10	22%	8	0%	0	31%	5
Disagree	13%	1	10%	1	22%	19	50%	1	25%	12	22%	8	0%	0	19%	3
Strongly disagree	38%	3	10%	1	24%	21	0%	0	23%	11	5%	2	100%	1	25%	4
Total	100%	8	100%	10	100%	86	100%	2	100%	48	100%	37	100%	1	100%	16

5.2.12 Question 2.2 – Type of organisation

2.2 To what extent do you agree or disagree that a risk-based approach (as outlined in Section 1.3 of the Consultation Paper) resulting in three different categories of monitoring (direct review, thematic review and general information gathering) is appropriate?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Strongly agree	13%	7	0%	0	0%	0	5%	5	0%	0	0%	0	14%	1	0%	0	10%	1
Agree	27%	14	50%	1	0%	0	26%	26	33%	1	50%	2	71%	5	44%	7	40%	4
Neither	21%	11	50%	1	33%	1	24%	24	0%	0	50%	2	0%	0	6%	1	40%	4
Disagree	19%	10	0%	0	33%	1	24%	24	0%	0	0%	0	14%	1	31%	5	0%	0
Strongly disagree	19%	10	0%	0	33%	1	21%	21	67%	2	0%	0	0%	0	19%	3	10%	1
Total	100%	52	100%	2	100%	3	100%	100	100%	3	100%	4	100%	7	100%	16	100%	10

5.2.13 Question 2.3 – Practice Area

2.3 Do you think that, in addition to focusing on PC holders in Category A of the proposed scheme, there is merit in including thematic reviews (Category B) and enhanced information gathering (Category C)?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	25%	2	45%	5	21%	18	50%	1	40%	19	61%	23	0%	0	19%	3
No	50%	4	36%	4	62%	53	50%	1	40%	19	24%	9	100%	1	56%	9
Don't Know	25%	2	18%	2	16%	14	0%	0	19%	9	16%	6	0%	0	25%	4
Total	100%	8	100%	11	100%	85	100%	2	100%	47	100%	38	100%	1	100%	16

5.2.14 Question 2.3 – Type of organisation

2.3 Do you think that, in addition to focusing on PC holders in Category A of the proposed scheme, there is merit in including thematic reviews (Category B) and enhanced information gathering (Category C)?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	46%	24	50%	1	0%	0	27%	27	25%	1	50%	2	86%	6	31%	5	40%	4
No	27%	14	50%	1	67%	2	60%	59	50%	2	25%	1	0%	0	44%	7	20%	2
Don't Know	27%	14	0%	0	33%	1	13%	13	25%	1	25%	1	14%	1	25%	4	40%	4
Total	100%	52	100%	2	100%	3	100%	99	100%	4	100%	4	100%	7	100%	16	100%	10

5.2.15 Question 2.4 – Practice Area

2.4 Do you think that the approach should take into consideration whether the PC holder's employer is Quality Assurance Scheme (QAS) accredited?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	38%	3	45%	5	29%	24	0%	0	23%	11	61%	23	0%	0	38%	6
No	38%	3	27%	3	33%	27	0%	0	34%	16	26%	10	100%	1	44%	7
Don't Know	25%	2	27%	3	38%	31	100%	2	43%	20	13%	5	0%	0	19%	3
Total	100%	8	100%	11	100%	82	100%	2	100%	47	100%	38	100%	1	100%	16

5.2.16 Question 2.4 – Type of organisation

2.4 Do you think that the approach should take into consideration whether the PC holder's employer is Quality Assurance Scheme (QAS) accredited?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	58%	30	100%	2	33%	1	26%	25	0%	0	25%	1	71%	5	38%	6	30%	3
No	21%	11	0%	0	33%	1	37%	36	50%	2	25%	1	29%	2	25%	4	40%	4
Don't Know	21%	11	0%	0	33%	1	38%	37	50%	2	50%	2	0%	0	38%	6	30%	3
Total	100%	52	100%	2	100%	3	100%	98	100%	4	100%	4	100%	7	100%	16	100%	10

5.2.17 Question 2.6 – Practice Area

2.6 Do you think that the proposed scheme would enable the IFoA to obtain direct empirical evidence of the standard of actuarial work?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	25%	2	40%	4	29%	24	50%	1	30%	14	53%	20	0%	0	19%	3
No	50%	4	20%	2	58%	49	50%	1	40%	19	24%	9	100%	1	38%	6
Don't Know	25%	2	40%	4	13%	11	0%	0	30%	14	24%	9	0%	0	44%	7
Total	100%	8	100%	10	100%	84	100%	2	100%	47	100%	38	100%	1	100%	16

5.2.18 Question 2.6 – Type of organisation

2.6 Do you think that the proposed scheme would enable the IFoA to obtain direct empirical evidence of the standard of actuarial work?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	37%	19	100%	1	0%	0	32%	32	50%	2	50%	2	29%	2	31%	5	50%	5
No	35%	18	0%	0	33%	1	50%	50	25%	1	25%	1	71%	5	38%	6	20%	2
Don't Know	29%	15	0%	0	67%	2	18%	18	25%	1	25%	1	0%	0	31%	5	30%	3
Total	100%	52	100%	1	100%	3	100%	100	100%	4	100%	4	100%	7	100%	16	100%	10

5.2.19 Question 2.7 – Practice Area

2.7 Do you think there would be merit in having non-actuaries as part of the Review Team?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	50%	4	55%	6	48%	40	50%	1	48%	22	47%	18	0%	0	40%	6
No	38%	3	45%	5	36%	30	0%	0	30%	14	39%	15	100%	1	33%	5
Don't Know	13%	1	0%	0	17%	14	50%	1	22%	10	13%	5	0%	0	27%	4
Total	100%	8	100%	11	100%	84	100%	2	100%	46	100%	38	100%	1	100%	15

5.2.20 Question 2.7 – Type of organisation

2.7 Do you think there would be merit in having non-actuaries as part of the Review Team?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	54%	28	50%	1	50%	1	47%	47	25%	1	75%	3	71%	5	63%	10	40%	4
No	29%	15	50%	1	0%	0	36%	36	75%	3	25%	1	14%	1	25%	4	30%	3
Don't Know	17%	9	0%	0	50%	1	17%	17	0%	0	0%	0	14%	1	13%	2	30%	3
Total	100%	52	100%	2	100%	2	100%	100	100%	4	100%	4	100%	7	100%	16	100%	10

5.2.21 Question 3.1 – Practice Area

3.1 Do you think that the proposed outputs will provide sufficient information to ensure useful individual feedback?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	25%	2	33%	3	21%	16	0%	0	11%	5	49%	17	0%	0	27%	4
No	63%	5	11%	1	48%	37	0%	0	40%	18	11%	4	100%	1	40%	6
Don't Know	13%	1	56%	5	31%	24	100%	2	49%	22	40%	14	0%	0	33%	5
Total	100%	8	100%	9	100%	77	100%	2	100%	45	100%	35	100%	1	100%	15

5.2.22 Question 3.1 – Type of organisation

3.1 Do you think that the proposed outputs will provide sufficient information to ensure useful individual feedback?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	30%	15	100%	1	0%	0	21%	20	25%	1	67%	2	67%	4	27%	4	33%	3
No	24%	12	0%	0	50%	1	46%	44	25%	1	0%	0	0%	0	33%	5	22%	2
Don't Know	46%	23	0%	0	50%	1	33%	31	50%	2	33%	1	33%	2	40%	6	44%	4
Total	100%	50	100%	1	100%	2	100%	95	100%	4	100%	3	100%	6	100%	15	100%	9

5.2.23 Question 3.2 – Practice Area

3.2 Do you think that the proposed outputs will provide sufficient information to inform the regulatory work of the IFoA (standards, guidance and educational material, Continuing Professional Development requirements etc.)?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	38%	3	50%	5	31%	23	50%	1	34%	15	40%	14	0%	0	38%	6
No	63%	5	10%	1	41%	31	0%	0	30%	13	17%	6	100%	1	31%	5
Don't Know	0%	0	40%	4	28%	21	50%	1	36%	16	43%	15	0%	0	31%	5
Total	100%	8	100%	10	100%	75	100%	2	100%	44	100%	35	100%	1	100%	16

5.2.24 Question 3.2 – Type of organisation

3.2 Do you think that the proposed outputs will provide sufficient information to inform the regulatory work of the IFoA (standards, guidance and educational material, Continuing Professional Development requirements etc.)?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	38%	19	100%	1	0%	0	34%	32	25%	1	33%	1	83%	5	38%	6	44%	4
No	26%	13	0%	0	33%	1	38%	35	25%	1	0%	0	0%	0	25%	4	44%	4
Don't Know	36%	18	0%	0	67%	2	28%	26	50%	2	67%	2	17%	1	38%	6	11%	1
Total	100%	50	100%	1	100%	3	100%	93	100%	4	100%	3	100%	6	100%	16	100%	9

5.2.25 Question 3.4 – Practice Area

3.4 To what extent do you agree or disagree that the proposed outputs (detailed in Section 3 of the Consultation Paper) would be useful to you in your work?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Strongly agree	0%	0	9%	1	5%	4	0%	0	0%	0	3%	1	0%	0	0%	0
Agree	25%	2	36%	4	9%	7	50%	1	21%	9	43%	15	0%	0	19%	3
Neither	0%	0	18%	2	27%	20	0%	0	28%	12	43%	15	0%	0	31%	5
Disagree	38%	3	18%	2	19%	14	0%	0	19%	8	6%	2	0%	0	13%	2
Strongly disagree	38%	3	18%	2	40%	30	50%	1	33%	14	6%	2	100%	1	38%	6
Total	100%	8	100%	11	100%	75	100%	2	100%	43	100%	35	100%	1	100%	16

5.2.26 Question 3.4 – Type of organisation

3.4 To what extent do you agree or disagree that the proposed outputs (detailed in Section 3 of the Consultation Paper) would be useful to you in your work?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Strongly agree	6%	3	0%	0	0%	0	2%	2	0%	0	0%	0	33%	2	0%	0	0%	0
Agree	34%	17	50%	1	0%	0	19%	17	25%	1	0%	0	33%	2	19%	3	22%	2
Neither	36%	18	0%	0	33%	1	23%	21	25%	1	67%	2	33%	2	38%	6	56%	5
Disagree	8%	4	50%	1	0%	0	27%	25	0%	0	0%	0	0%	0	13%	2	0%	0
Strongly disagree	16%	8	0%	0	67%	2	29%	26	50%	2	33%	1	0%	0	31%	5	22%	2
Total	100%	50	100%	2	100%	3	100%	91	100%	4	100%	3	100%	6	100%	16	100%	9

5.2.27 Question 3.5 – Practice Area

3.5 Do you think that reports arising out of Category A Review Visits should be shared with the individual PC holder’s employer?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	13%	1	40%	4	26%	19	50%	1	37%	16	66%	23	0%	0	38%	6
No	63%	5	20%	2	49%	36	0%	0	40%	17	26%	9	100%	1	44%	7
Don't Know	25%	2	40%	4	26%	19	50%	1	23%	10	9%	3	0%	0	19%	3
Total	100%	8	100%	10	100%	74	100%	2	100%	43	100%	35	100%	1	100%	16

5.2.28 Question 3.5 – Type of organisation

3.5 Do you think that reports arising out of Category A Review Visits should be shared with the individual PC holder's employer?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	60%	30	0%	0	33%	1	30%	28	25%	1	67%	2	50%	3	31%	5	33%	3
No	24%	12	100%	1	67%	2	43%	40	25%	1	33%	1	33%	2	31%	5	33%	3
Don't Know	16%	8	0%	0	0%	0	26%	24	50%	2	0%	0	17%	1	38%	6	33%	3
Total	100%	50	100%	1	100%	3	100%	92	100%	4	100%	3	100%	6	100%	16	100%	9

5.2.29 Question 4.1 – Practice Area

4.1 Are you reassured that the proposal adequately addresses confidentiality and protection of sensitive information?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	50%	4	27%	3	11%	8	0%	0	16%	7	28%	10	0%	0	31%	5
No	38%	3	36%	4	62%	47	50%	1	57%	25	42%	15	100%	1	38%	6
Don't Know	13%	1	36%	4	28%	21	50%	1	27%	12	31%	11	0%	0	31%	5
Total	100%	8	100%	11	100%	76	100%	2	100%	44	100%	36	100%	1	100%	16

5.2.30 Question 4.1 – Type of organisation

4.1 Are you reassured that the proposal adequately addresses confidentiality and protection of sensitive information?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	22%	11	0%	0	33%	1	17%	16	0%	0	33%	1	14%	1	27%	4	44%	4
No	45%	23	100%	2	33%	1	61%	57	75%	3	33%	1	29%	2	53%	8	11%	1
Don't Know	33%	17	0%	0	33%	1	22%	20	25%	1	33%	1	57%	4	20%	3	44%	4
Total	100%	51	100%	2	100%	3	100%	93	100%	4	100%	3	100%	7	100%	15	100%	9

5.2.31 Question 5.1 – Practice Area

5.1 Do you feel that in taking into account existing structures such as the Practising Certificates Scheme, monitoring activities of statutory regulators and QAS, the proposed monitoring scheme would be appropriately integrated within the existing IFoA regulatory framework?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	13%	1	70%	7	21%	15	0%	0	16%	7	48%	16	0%	0	13%	2
No	50%	4	0%	0	40%	29	0%	0	50%	22	24%	8	100%	1	44%	7
Don't Know	38%	3	30%	3	39%	28	100%	2	34%	15	27%	9	0%	0	44%	7
Total	100%	8	100%	10	100%	72	100%	2	100%	44	100%	33	100%	1	100%	16

5.2.32 Question 5.1 – Type of organisation

5.1 Do you feel that in taking into account existing structures such as the Practising Certificates Scheme, monitoring activities of statutory regulators and QAS, the proposed monitoring scheme would be appropriately integrated within the existing IFoA regulatory framework?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	42%	21	100%	1	0%	0	20%	18	25%	1	100%	1	57%	4	20%	3	11%	1
No	36%	18	0%	0	33%	1	40%	36	0%	0	0%	0	43%	3	20%	3	22%	2
Don't Know	22%	11	0%	0	67%	2	40%	36	75%	3	0%	0	0%	0	60%	9	67%	6
Total	100%	50	100%	1	100%	3	100%	90	100%	4	100%	1	100%	7	100%	15	100%	9

5.2.33 Question 5.2 – Practice Area

5.2 One of the IFoA's aims is to introduce a scheme designed for the profession by the profession, in the spirit of maintaining the benefits and privilege of effective and accountable self-regulation, subject to independent oversight. Do you think that this aim has been achieved in these proposals?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	25%	2	50%	5	26%	19	50%	1	25%	11	42%	14	0%	0	60%	9
No	50%	4	10%	1	53%	39	50%	1	59%	26	30%	10	100%	1	20%	3
Don't Know	25%	2	40%	4	21%	15	0%	0	16%	7	27%	9	0%	0	20%	3
Total	100%	8	100%	10	100%	73	100%	2	100%	44	100%	33	100%	1	100%	15

5.2.34 Question 5.2 – Type of organisation

5.2 One of the IFoA's aims is to introduce a scheme designed for the profession by the profession, in the spirit of maintaining the benefits and privilege of effective and accountable self-regulation, subject to independent oversight. Do you think that this aim has been achieved in these proposals?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	33%	17	100%	1	0%	0	28%	25	0%	0	0%	0	57%	4	47%	7	22%	2
No	45%	23	0%	0	67%	2	53%	47	50%	2	100%	1	14%	1	33%	5	44%	4
Don't Know	22%	11	0%	0	33%	1	19%	17	50%	2	0%	0	29%	2	20%	3	33%	3
Total	100%	51	100%	1	100%	3	100%	89	100%	4	100%	1	100%	7	100%	15	100%	9

5.2.35 Question 6.1 – Practice Area

6.1 Do you think that the impact of the proposals is reasonable in light of the reasons for their proposed introduction?

	Enterprise and Risk Management		Finance and Investment		General Insurance		Health and Care		Life Insurance		Pensions		Resource and Environment		Other	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	13%	1	36%	4	10%	7	50%	1	14%	6	19%	7	0%	0	67%	10
No	75%	6	27%	3	78%	56	50%	1	59%	26	50%	18	100%	1	20%	3
Don't Know	13%	1	36%	4	13%	9	0%	0	27%	12	31%	11	0%	0	13%	2
Total	100%	8	100%	11	100%	72	100%	2	100%	44	100%	36	100%	1	100%	15

5.2.36 Question 6.1 – Type of organisation

6.1 Do you think that the impact of the proposals is reasonable in light of the reasons for their proposed introduction?

	Actuarial Consultancy		Bank or Building Society		Educational Establishment		Insurance Company or Reinsurer		Investment Firm		Pensions Provider		Public Body or Regulator		Other		N/A	
	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Yes	20%	10	50%	1	0%	0	14%	13	0%	0	100%	1	33%	2	27%	4	22%	2
No	53%	27	50%	1	67%	2	69%	62	50%	2	0%	0	0%	0	53%	8	56%	5
Don't Know	27%	14	0%	0	33%	1	17%	15	50%	2	0%	0	67%	4	20%	3	22%	2
Total	100%	51	100%	2	100%	3	100%	90	100%	4	100%	1	100%	6	100%	15	100%	9

5.3 Appendix 3 – Responses from Individual Practising Certificate Holders

The figures presented below show responses from those who indicated that they held a Practising Certificate and were not responding on behalf of an organisation.

5.3.1 Question 1.1

1.1 To what extent do you agree or disagree that the proposed monitoring scheme is a reasonable step for the Institute and Faculty of Actuaries (IFoA) to take to meet its obligation to regulate the actuarial profession in the public interest?

	Practising Certificate Holders	
	%	No.
Strongly agree	3%	1
Agree	20%	8
Neither	5%	2
Disagree	23%	9
Strongly disagree	50%	20
Total	100%	40

5.3.2 Question 1.2

1.2 To what extent do you agree or disagree that these proposals would enable the IFoA to gather the information required to provide evidence as to the quality of actuarial work?

	Practising Certificate Holders	
	%	No.
Strongly agree	3%	1
Agree	13%	5
Neither	21%	8
Disagree	34%	13
Strongly disagree	29%	11
Total	100%	38

5.3.3 Question 1.3

1.3 To what extent do you agree or disagree that without evidence of the quality of actuarial work, there is a risk to the reputation of the profession?

	Practising Certificate Holders	
	%	No.
Strongly agree	5%	2
Agree	26%	10
Neither	23%	9
Disagree	21%	8
Strongly disagree	26%	10
Total	100%	39

If you agree there is a risk, how would you assess that risk?

	Practising Certificate Holders	
	%	No.
Very high	10%	3
High	16%	5
Low	32%	10
Very Low	10%	3
N/A	32%	10
Total	100%	31

5.3.4 Question 1.4

1.4 How important do you think it is for the public to have confidence in the quality of the work of actuaries?

	Practising Certificate Holders	
	%	No.
Very important	34%	13
Important	55%	21
Neither	3%	1
Unimportant	5%	2
Very unimportant	3%	1
Total	100%	38

Do you think that the introduction of these proposals would serve to strengthen this confidence?

	Practising Certificate Holders	
	%	No.
Yes	15%	6
No	69%	27
Don't know	15%	6
Total	100%	39

5.3.5 Question 2.1

2.1 To what extent do you support a risk-based approach, focusing on the work of Practising Certificate (PC) holders?

	Practising Certificate Holders	
	%	No.
Strongly support	6%	2
Support	20%	7
Neither	14%	5
Oppose	29%	10
Strongly oppose	31%	11
Total	100%	35

5.3.6 Question 2.2

2.2 To what extent do you agree or disagree that a risk-based approach (as outlined in Section 1.3 of the Consultation Paper) resulting in three different categories of monitoring (direct review, thematic review and general information gathering) is appropriate?

	Practising Certificate Holders	
	%	No.
Strongly agree	6%	2
Agree	21%	7
Neither	24%	8
Disagree	24%	8
Strongly disagree	26%	9
Total	100%	34

5.3.7 Question 2.3

2.3 Do you think that, in addition to focusing on PC holders in Category A of the proposed scheme, there is merit in including thematic reviews (Category B) and enhanced information gathering (Category C)?

	Practising Certificate Holders	
	%	No.
Yes	32%	11
No	47%	16
Don't know	21%	7
Total	100%	34

5.3.8 Question 2.4

2.4 Do you think that the approach should take into consideration whether the PC holder's employer is Quality Assurance Scheme (QAS) accredited?

	Practising Certificate Holders	
	%	No.
Yes	32%	11
No	35%	12
Don't know	32%	11
Total	100%	34

5.3.9 Question 2.6

2.6 Do you think that the proposed scheme would enable the IFoA to obtain direct empirical evidence of the standard of actuarial work?

	Practising Certificate Holders	
	%	No.
Yes	37%	13
No	40%	14
Don't know	23%	8
Total	100%	35

5.3.10 Question 2.7

2.7 Do you think there would be merit in having non-actuaries as part of the Review Team?

	Practising Certificate Holders	
	%	No.
Yes	29%	10
No	37%	13
Don't know	34%	12
Total	100%	35

5.3.11 Question 3.1

3.1 Do you think that the proposed outputs will provide sufficient information to ensure useful individual feedback?

	Practising Certificate Holders	
	%	No.
Yes	24%	8
No	45%	15
Don't know	30%	10
Total	100%	33

5.3.12 Question 3.2

3.2 Do you think that the proposed outputs will provide sufficient information to inform the regulatory work of the IFoA (standards, guidance and educational material, Continuing Professional Development requirements etc.)?

	Practising Certificate Holders	
	%	No.
Yes	33%	11
No	30%	10
Don't know	36%	12
Total	100%	33

5.3.13 Question 3.4

3.4 To what extent do you agree or disagree that the proposed outputs (detailed in Section 3 of the Consultation Paper) would be useful to you in your work?

	Practising Certificate Holders	
	%	No.
Strongly agree	3%	1
Agree	22%	7
Neither	38%	12
Disagree	19%	6
Strongly disagree	19%	6
Total	100%	32

5.3.14 Question 3.5

3.5 Do you think that reports arising out of Category A Review Visits should be shared with the individual PC holder's employer?

	Practising Certificate Holders	
	%	No.
Yes	38%	12
No	41%	13
Don't know	22%	7
Total	100%	32

5.3.15 Question 4.1

4.1 Are you reassured that the proposal adequately addresses confidentiality and protection of sensitive information?

	Practising Certificate Holders	
	%	No.
Yes	15%	5
No	62%	21
Don't know	24%	8
Total	100%	34

5.3.16 Question 5.1

5.1 Do you feel that in taking into account existing structures such as the Practising Certificates Scheme, monitoring activities of statutory regulators and QAS, the proposed monitoring scheme would be appropriately integrated within the existing IFoA regulatory framework?

	Practising Certificate Holders	
	%	No.
Yes	21%	7
No	45%	15
Don't know	33%	11
Total	100%	33

5.3.17 Question 5.2

5.2 One of the IFoA's aims is to introduce a scheme designed for the profession by the profession, in the spirit of maintaining the benefits and privilege of effective and accountable self-regulation, subject to independent oversight. Do you think that this aim has been achieved in these proposals?

	Practising Certificate Holders	
	%	No.
Yes	25%	8
No	56%	18
Don't know	19%	6
Total	100%	32

5.3.18 Question 6.1

6.1 Do you think that the impact of the proposals is reasonable in light of the reasons for their proposed introduction?

	Practising Certificate Holders	
	%	No.
Yes	6%	2
No	75%	27
Don't know	19%	7
Total	100%	36



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