

5: Commentary on benefits of proposals against impact

5.1 In summary, the benefits of the proposed approach include the following. It will:

- improve the effectiveness of actuarial regulation by using the information acquired to enhance the relevance of standards, guidance, and educational material;
- serve to reinforce the public reputation of the profession in the face of considerable competition from other experts and professionals;
- enhance the credibility of the PC Scheme, by providing substantive assurance of the actuarial quality of the work undertaken in relation to these important public interest roles;
- be 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; and,
- provide a mechanism and opportunity for meaningful, credible, independent feedback to Members, both on an individual and collective basis, enabling ongoing reinforcement and continuous improvement.

5.2 While the scope of the arrangements will be broad (in terms of the work which will be covered), the additional requirements will be relatively narrowly focused around reserved work, i.e. they will be proportionate.

5.3 The IFoA would be able to deliver Category A monitoring more efficiently through the vehicle of QAS, meaning that the impact is materially reduced for the significant and increasing proportion of PC holders working within QAS entities.

Impact on members/employers

5.4 The most obvious impact on Members/employers will be the time required to engage with the scheme (to different extents, in respect of each of Categories A, B and C).

5.5 This will likely be most significant for PC holders, in relation to Category A monitoring. The IFoA aims to ensure that this impact is minimised so far as possible, by adopting a risk based approach to the frequency and duration of Review Visits. The impact will also be reduced for the significant and increasing proportion of PC holders working for a QAS accredited organisation (and therefore also for the QAS accredited organisation itself).

5.6 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.

5.7 The IFoA does not, as a result, currently envisage the necessity to increase subscription or PC fees as a result of the introduction of monitoring. Decisions in relation to the level of fees are, however, made annually in the normal course of business, having regard to the IFoA's overall budgetary position.

5.8 Feedback on the likely impact of these proposals is sought as part of this consultation.