Institute
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of Actuaries

An update on the new Quality Assurance Scheme

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14 January 2016

Introduction

QAS Institute and Faculty of Actuaries

Quality Assurance Scheme

Background

Quality Assurance Scheme

- A number of years in the making
- Various incarnations
- QAS Working Party and Project Board
- QAS proposal consulted upon in summer 2013
- Pilot QAS in 2014
- Council approved full launch in May 2015
- Launched for applications 1 September 2015

Aims and rationale

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- Voluntary accreditation scheme for organisations
- Aims to create a direct link between the IFoA and those that employ its members
- Recognising:
  - The importance of culture and the working environment to Members' ability to meet their professional responsibilities
  - That the support of employers is required to meet the requirements of standards

Key Features

- Open to any organisation that employs 1+ IFoA member
- Initially restricted to UK
- Assessment by independent team – make recommendations
- ICAEW’s Quality Assurance Department contracted to carry out assessments until September 2017
- Qualitative assessment – interview based

Key Features

- Decision made by the QAS Sub Committee
- 6 year accreditation period
- Annual fee payable
- Accreditation allows use of QAS mark
- Senior Quality Assurance Representatives (SQAR) forum

Requirements

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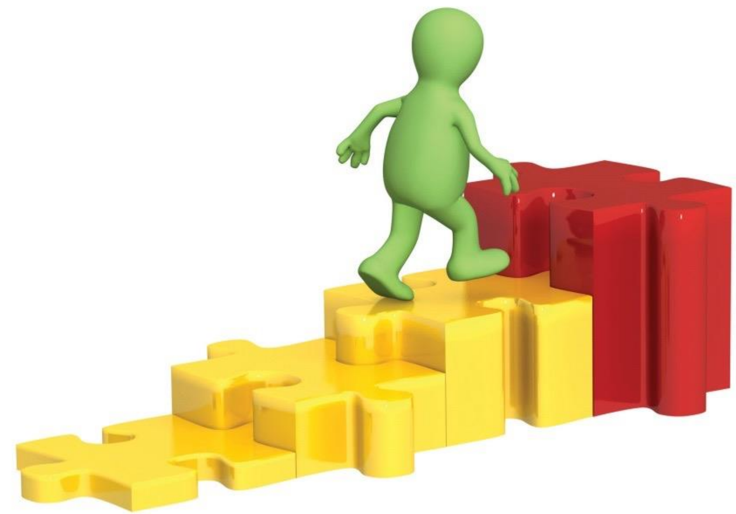
- Requirements set out in APS QA1
- Outcomes based and linked to professional requirements
- Largely unchanged from consultation/pilot version
- Requirement to demonstrate commitment to quality of actuarial work
- Focuses on particular key areas
- Requires policies and procedures to be in place and be embedded within culture
- QAS Handbook provides examples of good practice

Quality Assurance Scheme – key areas

- Quality Assurance (including Work Review)
- Conflicts of Interest
- Development/Training of Members
- Speaking Up
- Relationship with Users
  - Engagement and communication
  - Handling and appropriate resolution of concerns



Why those areas?

- All shown to improve the quality of Actuarial Work
- Individual employees subject to specific requirements in relation to them
- QAS aims to create working environment that allows them to meet those requirements (and more!)

Application Process

Application

- Organisations complete and submit application form
- Initial IFoA sift (including checking of published accounts)
- Payment of first annual fee on confirmation that application in order
- Instruct Assessment Team

Assessment

- On site qualitative assessment - NOT an audit
- Interviews with staff members and some file review to supplement
- ICAEW report to IFoA with recommendation
- Debrief and informal feedback session with applicant

Decision

- QAS Sub Committee decision
- Participation Agreement signed
- Award accreditation
- OR Conversation with SQAR if not meeting standard

Ongoing accreditation process

Annual Returns

- Annual Return submitted each year
- Must advise of any relevant changes
- Annual fee paid

Interim Assessment

- Interim assessment in year 3/4
- May be at different location
- May be more frequent if particular need (at QAS Sub Committee’s discretion)

Re-accreditation

- Accreditation lasts for 6 years
- Re-Accreditation required at end of period (with full re-assessment)

Update on applications

QAS Institute and Faculty of Actuaries Quality Assurance Scheme

- 23 applicants in the first batch
- A substantial number of other Organisations have confirmed they will apply in subsequent application - rounds
- Applicants include 20 ACA members
- Breakdown of applicants:
  - 14 ‘Band 1’ (large)
  - 4 ‘Band 2’ (medium)
  - 5 ‘Band 3’ (small)

Update on applications

- Majority of current applicants are, as expected, from consultancies
  - Both actuarial and multi-disciplinary
- Current applicants represent
  - 10 of what we understand to be the 20 largest employers of IFoA Members
  - Employers of 19% of IFoA's UK membership
  - Employers of 10% of total worldwide membership
- Interest expressed from insurance company applicants

Reflections

- What, if anything, can we draw from this initial response….?
- Initial signs positive
- Well received by co-regulators
- Need continued engagement from all types of actuarial employer

Next steps

- Announcement of first accreditations expected March/April
- Review of geographic scope of the QAS
- Develop longer term options to deploy a fully functioning QAS
- Would allow us to share with accredited firms (and their IFoA employees)

  - efficiency gains

  - reductions in the regulatory compliance requirements

Next steps

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- Remain aware of potential longer term development of new forms of public interest focused self-regulation

> "*Later in 2016/17, we will consult on whether independent oversight of the actuarial profession remains necessary and appropriate. We will take account of the response to our updated standards and other developments - such as significant regulatory change in insurance and pensions and the introduction of independent standards since the current regulatory arrangements were established in 2006*"
>
> – FRC Draft Plan & Budget and Levy Proposals 2016/2017

Useful contacts

Institute and Faculty of Actuaries

Quality Assurance Scheme

- www.actuaries.org.uk/qas

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Questions or comments ?