



Institute  
and Faculty  
of Actuaries

# Summary of consultation responses

Proposals for a QAS Practising Certificates Scheme

by the Regulatory Board

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# Foreword

Neil Buckley, Chair of Regulatory Board



I am pleased to introduce this summary of the feedback received in response to the consultation on proposals to introduce an optional Practising Certificates (PC) Scheme for Quality Assurance Scheme (QAS) accredited organisations.

I would like to extend my thanks to all who took the time to provide responses to the consultation.

Recognising the robust processes organisations must go through to meet the standard for QAS accreditation, the consultation set out proposals for a QAS PC Scheme which would offer a more streamlined approach for PC holders

who work for a QAS organisation that opt into the Scheme.

The proposals set out an approach to a QAS PC Scheme that attempted to balance providing organisations who opt-in to the scheme more control over the renewal process while maintaining the integrity of a PC process that focuses on the competency of those carrying out some of the most significant public interest regulated actuarial roles.

We received 32 responses to the consultation, with slightly more than half of respondents in favour of a QAS PC Scheme, however, detailed and thoughtful comments reflected a range of different views even amongst those who supported a QAS PC Scheme and did raise several questions and issues, which the Regulatory Board has considered carefully. This paper sets out all responses to the consultation (where permission to publish was provided) and the conclusions reached by the Board.

In summary, the Board has agreed to run a 12-month pilot QAS PC Scheme, with a minimum of five and a maximum of eight organisations taking part

My sincere thanks to all who took time to provide responses to the consultation.

A handwritten signature in black ink, appearing to read 'Neil Buckley', with a long, sweeping underline.

**Neil Buckley**

Chair of Regulatory Board

# 1. Overview

- 1.1 A consultation was issued on proposals for a QAS Practising Certificates Scheme. To see the full proposals, [please go to the IFoA website](#).
- 1.2 The aim of the consultation was to establish if an optional streamlined PC Scheme for QAS Accredited organisations was desirable, highlight any potential issues with the proposals and assess whether a QAS PC Scheme would enhance the QAS' reputation and value in the profession.
- 1.3 What follows is an explanation of the outcome of the consultation, setting out the Regulatory Board's response to feedback on the proposals.
- 1.4 We are grateful for each of the responses to the consultation and carefully considered all the feedback received.

# 2. Consultation process

- 2.1 The proposals were published and opened for consultation on 10 June 2024. The consultation remained open until 30 August 2024.
- 2.2 Members, the organisations for whom they work, which included a number of QAS accredited organisations, and other interested parties were invited to comment on the proposals by completing one of two questionnaires: [the questionnaire for individuals](#); and [the questionnaire for organisations](#).
- 2.3 Three webinars were held during the consultation period. Two for Senior Quality Assurance Representatives (SQARs) at QAS organisations and one public webinar, at which the QAS Chair, a Regulatory Board representative, the IFoA's Senior Regulatory Manager and QAS Manager presented the proposals and responded to questions from delegates. These events were also an opportunity to capture additional feedback.
- 2.4 We actively contacted and engaged with a wide range of key stakeholders to encourage participation.

# 3. Consultation results

- 3.1 The consultation received 32 responses, including 14 from individuals and 18 from organisations, 14 of which were QAS accredited organisations. The organisation responses also included responses from the Association of Consulting Actuaries and Lloyd's of London.

- 3.2 The Financial Reporting Council (FRC), in its capacity as the oversight body for the IFoA's UK regulatory role, was consulted prior to public consultation.

- 3.3 Of the individuals who responded:

- 92% were based in the UK (including the Channel Islands).
- 100% respondents indicated that they were Fellow Members of the IFoA members.
- 50% of respondents indicated that pensions is their main area of practice, 35% within General Insurance and the remaining in Life Insurance.

- 3.4 Of the organisations which responded:

- 71% were QAS accredited organisations.
- 94% were employers of IFoA members of which 100% employed members in the UK.
- 11% also employed at least one member in the following countries: Australia, India, Ireland and South Africa.
- Of the respondents employing IFoA members, 76% employed more than 100 members and 61% were consultancies. 11% of the responding organisations were membership or representative bodies.

# Summary

- 3.5 59% of respondents were in favour of a streamlined Practising Certificates Scheme for QAS accredited firms. Of which, 71% were QAS organisations.
- 3.6 29% of organisations and 36% of individuals had concerns about the proposed Scheme, with 82% of organisations and 57% of individuals believing the current proposal would have a significant impact on the responsibilities of the SQARS.
- 3.7 41% of organisations and 50% of individual respondents thought the proposals go far enough, with 29% of organisations and 14% of individual respondents disagreeing.

# 4. Conclusions

- 4.1 The feedback suggests that, overall, respondents were in favour of an optional streamlined QAS PC Scheme, however free text comments clearly indicated that there were issues to consider with the proposals, particularly the impact on SQARS.

- 4.2 Some organisations raised issues around the option for individuals to opt-out of the QAS PC Scheme where their employer had decided to participate. Feedback suggested that this should be a decision for the participating organisation. Not doing so could add an additional layer of complexity and make the administrative element more challenging. Although that would need to be balanced with the principle that PCs are a responsibility of (and relate to roles held by) individuals not organisations.
- 4.3 It was suggested that a QAS PC Scheme ought to be beneficial to participating QAS organisations whilst maintaining the integrity and robustness of the PC Scheme.
- 4.4 Due to the varying views highlighted through the consultation, and the value of exploring some more practical issues in detail it was agreed that a pilot QAS PC Scheme would be the best approach at this stage, with a final decision to be made following the end of the pilot period.
- 4.5 As a result of the consultation feedback and wider work described above, some changes have been made to the QAS PC Scheme that will be piloted as compared to the scheme consulted upon.
- 4.6 The Board has decided:

- To run a 12-month pilot, with a minimum of five and a maximum of eight organisations taking part.
- To alleviate the concerns around the impact on SQARs, it has been agreed that SQARs will not be required to provide a declaration on behalf of each PC holder. Instead, a declaration will be required by each participating member (Practising Certificate holder employed by a Pilot organisation) in which they must declare that they have complied with the policies and procedures in relation to the assessment of competence set by their employer.
- Due to the individual nature of PCs, there will be the option for PC holders employed by a Pilot Organisation to opt-out of the Pilot. However, PC holders who are considering opting out are strongly encouraged to discuss this with their organisation and the IFoA as soon as reasonably practicable.
- Organisations will be required to demonstrate in its QAS Annual Return that they have a process in place to assess the competence of its PC holders and

confirm that the process has been followed and highlight any concerns.

- Following the conclusion of the pilot, the Regulatory Board will assess the results and subsequent feedback. At which stage a final decision will be made including making any necessary amendments, if appropriate.

## Appendix 1 – List of respondents

Below are the names of organisations and individuals who responded to the consultation who agreed for their names to be disclosed as part of the consultation process.

### Organisations

Aon Solutions UK Limited

Association of Consulting Actuaries

Barnett Waddingham LLP

Broadstone

First Actuarial LLP

Gallagher Benefit Services (GBS)

Government Actuary's Department (GAD)

Hymans Robertson LLP

Isio

LCP

Lloyd's of London

Mercer Limited

Spence & Partners Limited

WTW

XPS Group

### Individuals

Andrew John Newman

Dave Lamb

Graeme Charters

Helen Howell

Ian Robert Hunter SCOTT

Jeremy Dell

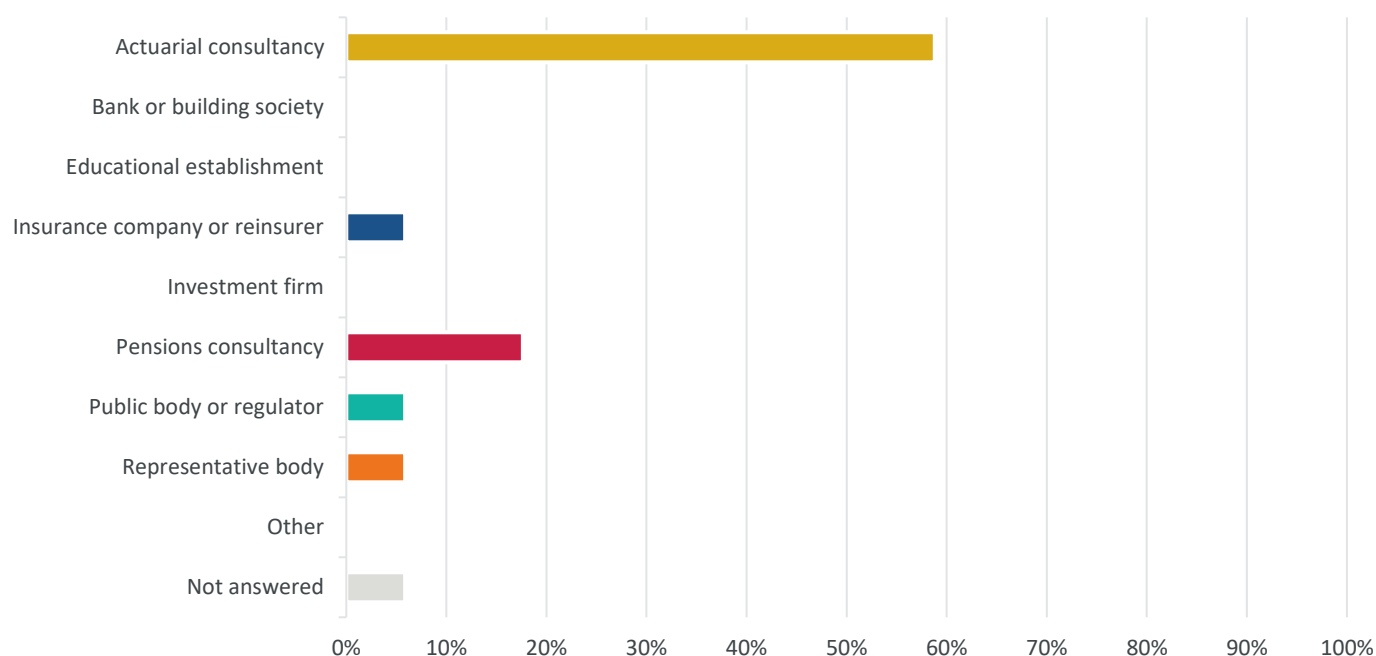
Sarah Elwine

## Appendix 2 – About the responding organisations

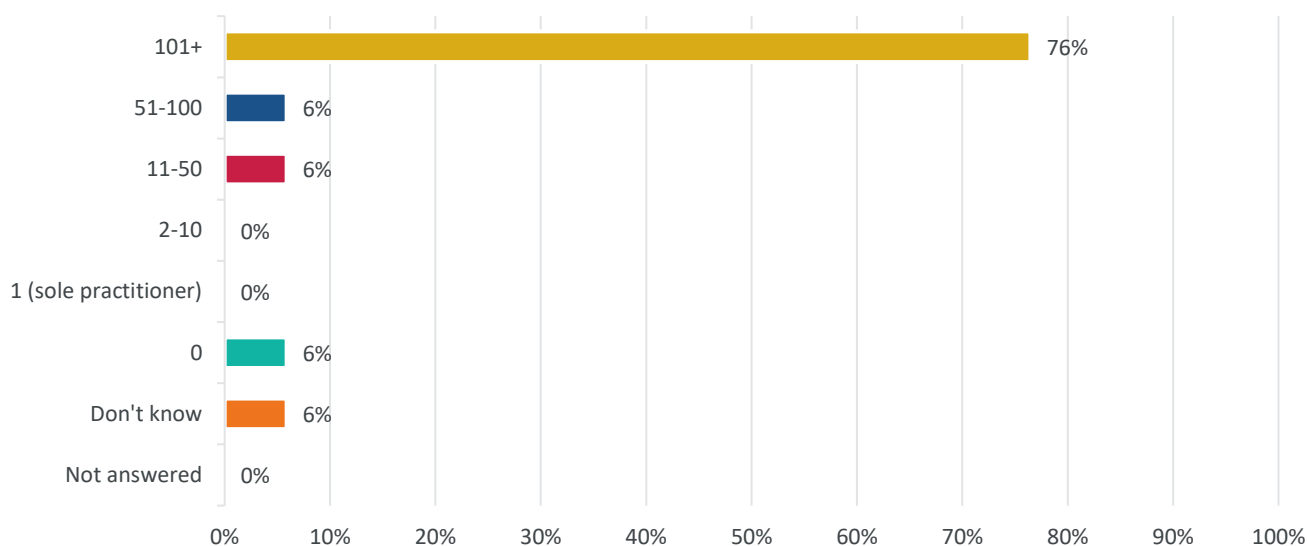
In total 17 organisations provided a response, of which 13 where QAS accredited organisations.

Before being asked to express their views on the proposals, respondents were asked to provide some information about the organisation. The following is a summary their responses.

### Types of organisations responding



### Number of IFoA members employed by responding organisations



### Locations of IFoA members employed by responding organisations

Organisations were asked to indicate all the countries in which IFoA members employed by the organisation were based. 1 of 18 organisations, a representative body, indicated that they did not employ any IFoA members. 16 organisations indicated that they employed at least one IFoA member, with all those organisations employing at least one member in the UK. One organisation also employed at least one member in Ireland and another at least one member in each of the following countries: Australia, India, Ireland, and South Africa

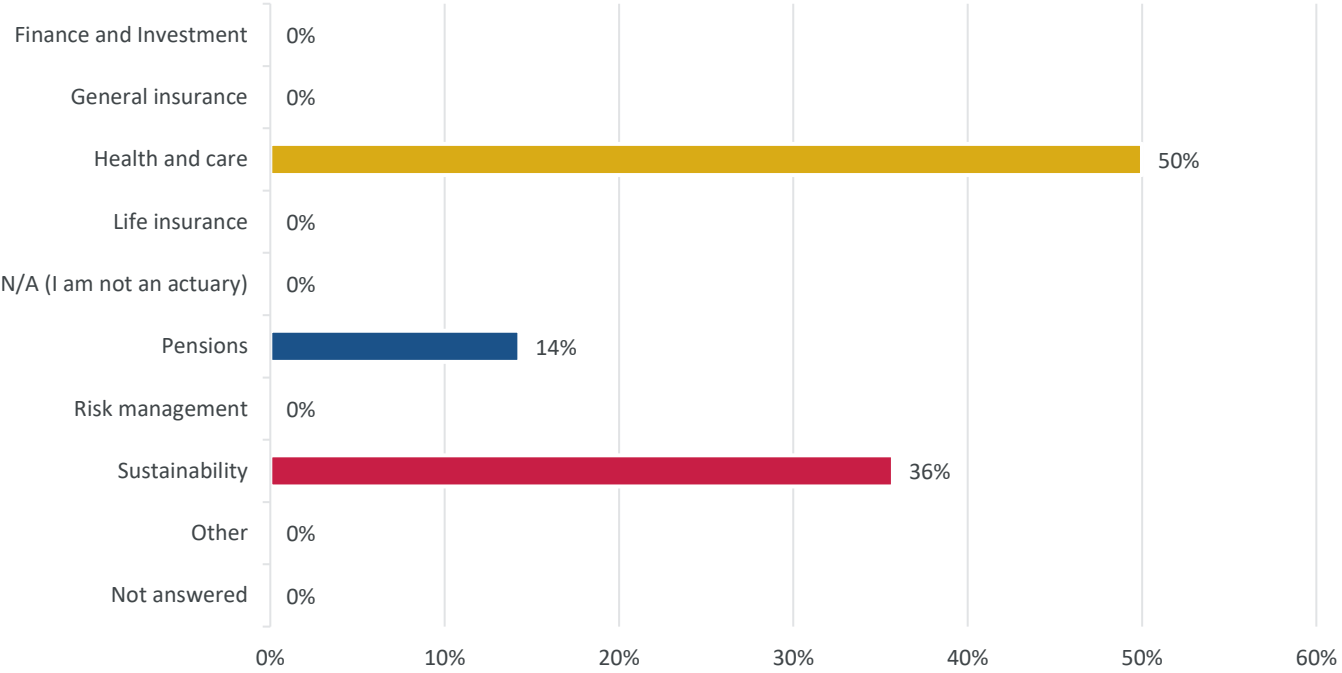
# Appendix 3 – About the responding individuals

In total 14 individuals provided a response. Before being asked to express their views on the proposals, respondents were asked to provide some information about themselves. The following is a summary their responses.

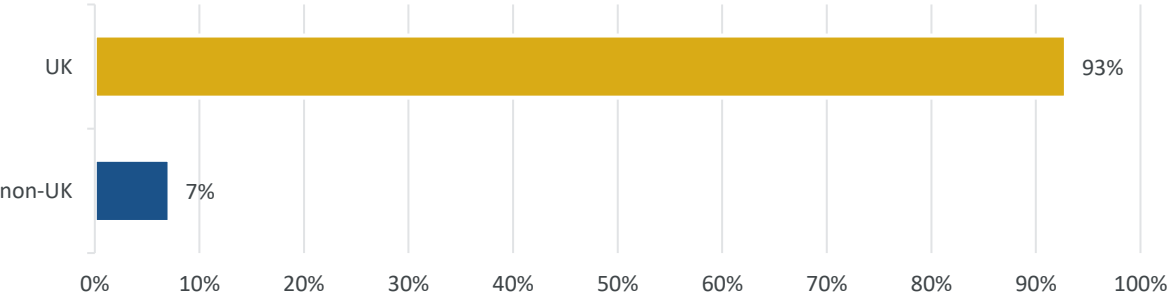
## Types of IFoA membership

All responding indivudals indicated that they were IFoA Fellows

## Area of actuarial practice



## Country

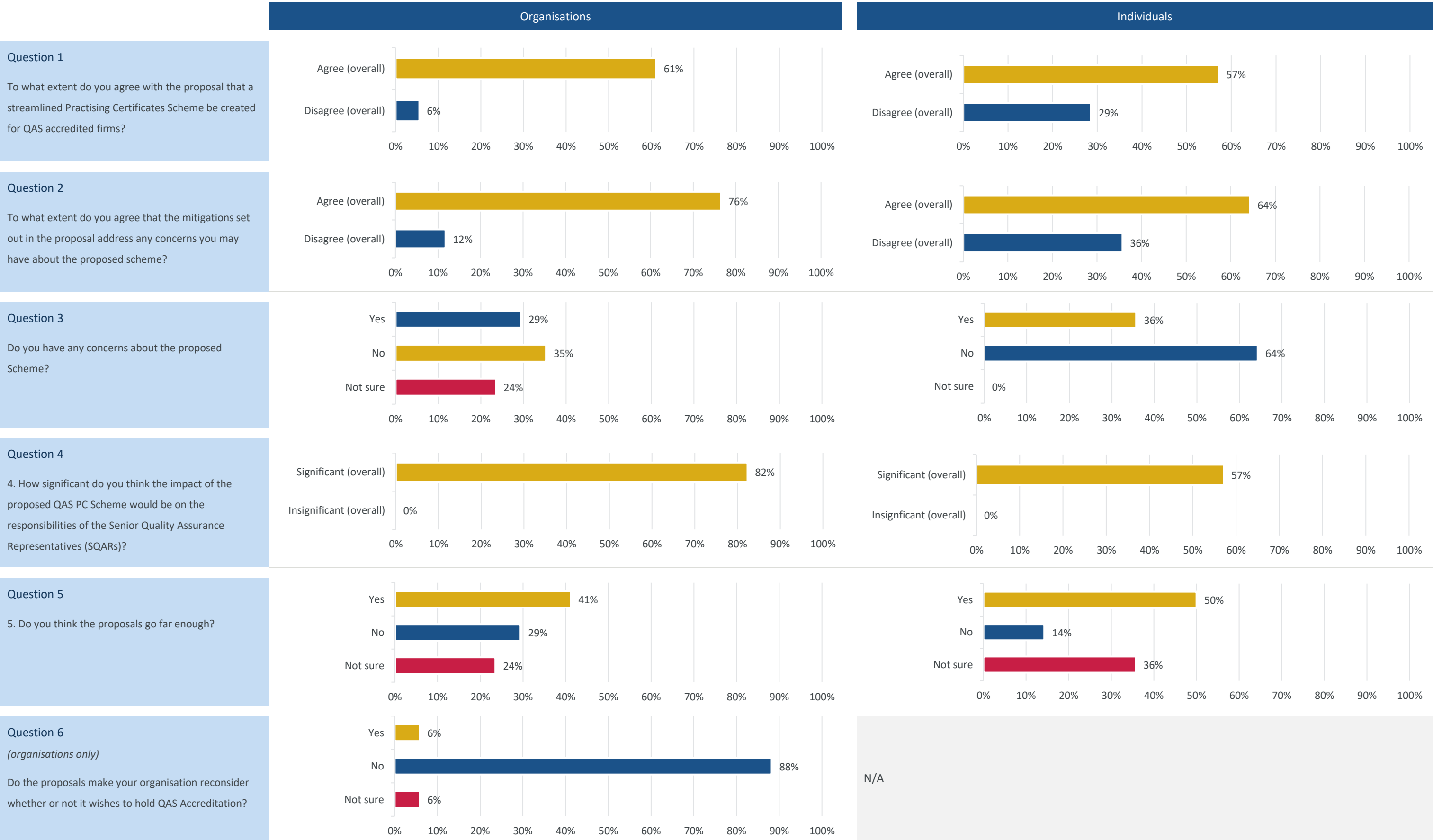


One response was received from an IFoA member based outside the UK. That member was based in Belgium.



# Appendix 4 – Summary of responses by percentage

The following charts show the percentage of respondents who chose the indicated option when responding to the questionnaire. Questions which, rather than providing options from which to choose, required only free text, have not been included. Please note, the chart relating to question one summarises the response received by 18 organisations. 17 of which responded using the questionnaire for organisations. One organisation indicated their agreement to question one through a response provided by email. All other charts show the summary of responses from the 17 organisations that responded using the questionnaire.



## Appendix 5 – Comments from organisations

Where the organisation responding to the consultation agreed for their response to be published, their full comments in responses to questions have been included below. If an organisation wanted their responses to remain confidential, no entry appears.

### Question 1

To what extent do you agree with the proposal that a streamlined Practising Certificates Scheme be created for QAS accredited firms?

#### Strongly agree

Aon strongly agrees that a streamlined Practising Certificates Scheme be created for QAS accredited firms. Aon employs many Practising Certificate holders, and we believe that a streamlined scheme could be beneficial to our employees.

While Aon strongly agrees that a streamlined Practising Certificates Scheme be created for QAS accredited firms, Aon does not necessarily believe that this should take the form of the proposals made, as has been set out in more detail in the responses to the questions that follow.

Our firm has around 50 practising certificate (PC) holders, which includes Scheme Actuary PCs, Chief Actuary PCs and Lloyd's Syndicate Actuary PCs. Renewing each of these PCs takes a considerable amount of time in drafting, reviewing and coordination.

The competency-based PC regime has both advantages and disadvantages compared to the previous requirements. Once every three years, each PC holder has to spend a considerable amount of time completing the renewal form. Despite this, a number of our most senior actuaries have had their initial draft of the form rejected. In several cases this appears to be a result of the IFoA team or the Practising Certificates Committee overlooking points made in the large quantity of text that needs to be provided. This has caused a certain amount of stress and frustration, particularly when it involves the PC renewals of some of the leading actuaries in the UK.

We feel that the best people to make a judgment about whether these individuals should have their certificates renewed are the senior colleagues who work alongside them. This would make the renewal process more efficient, more streamlined, more robust and less time-consuming. Ironically, though, even though one of the senior actuaries at our firm sits on the Practising Certificates Committee and is therefore based-placed to make a judgment about their colleagues' competencies, the current system is to exclude that member of the Committee from assessing those applications.

The Quality Assurance Scheme needs to add value to all the Accredited organisations. It is difficult for the Scheme to add value to some of the leading actuarial consultancies in the UK, but providing a more efficient and more robust way of renewing PCs would certainly be a way of doing this.

At our organisation, we recognise the deep professional responsibilities and experience required to carry out the role of Scheme Actuary, Chief Actuary or Lloyd's Syndicate Actuary and therefore generally only support partners of our firm to take on these roles. The standard of experience and competence required to become a partner is set at a far higher level than that required to hold a PC. Given this, the work involving in renewing PCs is disproportionate and overly bureaucratic.

## Question 1

To what extent do you agree with the proposal that a streamlined Practising Certificates Scheme be created for QAS accredited firms?

### Agree

We are supportive of having a competency-based PC Scheme. However, we are of the view that it is not realistic for a group of IFoA volunteers to assess whether an individual demonstrates the necessary competencies by reviewing a written submission (as per the current approach). We recruit staff using competency-based criteria

We support ways in which QAS accredited firms ("QAS firms"), and the members who are employed by them, can get further benefit from QAS accreditation, and we see this proposal as potentially providing that. The Practising Certificate ("PC") Scheme is a standard requirement on certain members, and renewals are a regular requirement. Also, QAS firms are accredited based on the strength, and an audit, of their policies and processes. As such, the PC Scheme seems a reasonable area for development in relation to QAS accredited firms. Focusing on PC renewals and stopping short of QAS firms being able to issue certificates makes this proposal more agreeable to us. However, all that said, we don't experience issues with the current PC renewals, so the benefits from participation do not seem so significant that we would definitely participate. Benefits of the proposal are likely to differ between QAS firms. Therefore, we "agree" rather than "strongly agree".

Note that GAD's responses relate solely to Practising Certificates (PC) for Scheme Actuaries.

We agree that there is merit in providing the option to streamline the PC approach for QAS accredited firms. As noted in the consultation, actuarial firms will usually be best placed to assess individual's competency and compliance with overarching professional standards.

We believe that it is important for the streamlined approach to be optional for QAS accredited organisations, as the impact and considerations for each firm will vary. The value in a PC assessment conducted by the IFoA will also vary across organisations, with smaller firms likely to benefit from regular access to an independent IFoA review, where there is wider visibility and best practice insight across the profession. We also feel that the IFoA will benefit from regular engagement with organisations whose circumstances are not typical (such as GAD) as that can help inform ongoing monitoring and broader awareness across the actuarial community.

In GAD's circumstances, the streamlined option would lead to time efficiencies from less frequent (individual certificate) full renewals. However, at an organisational level, these governance savings could be (more than) offset by the need to implement and maintain a robust internal review process. Further, some of the challenges, such as potential conflicts of interest, are likely to require additional consideration for GAD as an organisation with relatively few certificate holders. Due to the additional governance requirements on SQARs and potential conflicts that would need to be managed carefully, GAD's preference may not be to opt for a streamlined approach.

We see this proposal as a positive development. As we've been QAS accredited since the scheme's inception in 2016, it's important for us to see new benefits emerging from our accreditation. This proposal would let us make changes to benefit the PC holders we employ.

When individuals fill in PC full renewal applications under the current process, there's often a back-and-forth with the IFoA to ensure all the information is supplied according to the IFoA's requirements. Under the proposal, we could design our own efficient processes to make the administrative burden lighter for PC holders, freeing them up for other work, such as client work.

We employ around 30 PC holders, so we're likely to save our actuaries a lot of time if we design our processes efficiently – and save the firm as a whole a lot of time as a result.

Extending the time between full renewals from three to six years would also help to reduce the administration that PC holders need to do.

Each firm would need to weigh up the relative benefits for the PC holders it employs against the extra administration to manage the PC scheme in-house. However, as the scheme would be optional, a QAS firm could choose to maintain the status quo if it wants to.

In any event, the firm retains the reputational, financial and regulatory risk if a PC holder is inappropriate. It's therefore in the best interest of the firm to ensure its PC holders are still competent.

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We have created a training and development programme to support the ongoing development of our Scheme Actuaries and have embedded process and procedures to maintain high standards of advice and performance. We would expect other QAS firms to have similar systems in place such that QAS firms are well placed to confirm that PC holders remain fit and proper and are comfortable with individuals put forward as Scheme Actuaries. Therefore, we support the principles of allowing QAS accredited firms to opt into a QAS PC Scheme.

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We agree with the principle of implementing a streamlined Practising Certificates Scheme.

However, as explained in our responses to the other questions, we have some concerns that the current proposals will not achieve this “streamlining” for many QAS employers. We are concerned that the professional responsibility placed on any SQARs involved in the annual declaration process (under the Actuaries’ Code) may make the underlying work in support of the declaration far more onerous than the IFoA seems to believe or intend.

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We agree that having a choice of options for the renewal accreditation of PC holders is generally desirable: QAS firms may consider that a new approach will be advantageous to their organisation in terms of efficiencies, particularly time-saving.

We see this as another option for QAS firms, in a similar way to which the QAS CPD scheme operates.

The largest advantage would appear to be the increased time for full renewal applications from 3 to 6 years. Under the recently updated PC holder accreditation process, most PC holders find the renewal process in years in between the full renewal quick and straightforward, so there would not seem to be much effort to be saved here.

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We agree that creating a voluntary option for a QAS PC scheme (for light touch renewals with 6-yearly intervals – not initial applications or full renewals) in the context of the current APS QA1 requirements including QAS outcomes, will be potentially helpful to streamline current arrangements.

This view is subject to satisfactory arrangements being made for potential conflicts, for QAS/PC/CPD administration, and indemnity insurance issues (see below) in addition to the specific training envisaged for the assessment of competencies.

We expect there will be some QAS firms who do not foresee any benefits of the QAS PC scheme for themselves or their actuaries, and who will elect not to take-up the voluntary option. (This comment is in line with the general bipartisan results (58%/42%) of the earlier and wider IFoA PC consultation).

Firms taking-up the option will also need to invest time initially developing new processes, before net efficiencies can be garnered. A number of firms do not see savings emerging, rather a permanent increase in administration and responsibility placed on SQARs, so that control rather than efficiency would be the reason to take-up the scheme.

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## Question 1

To what extent do you agree with the proposal that a streamlined Practising Certificates Scheme be created for QAS accredited firms?

### Neutral

We are in agreement with the principle of a streamlined Practising Certificates Scheme be created for QAS accredited firms to reduce time spent by actuaries in the renewal process.

We are not against the idea of introducing a streamlined Practising Certificates scheme as proposed, but we do not expect that we would use this route for our Scheme Actuaries. The two key reasons for this are as follows:

- Cost: Unless there was a material reduction (or complete waiver) of the fee from the IFOA for Scheme Actuary renewals, we could expect the cost of introducing and managing rigorous processes for approvals to outweigh any savings. This is particularly an issue for firms of our size, as we have fewer than 25 Scheme Actuaries, of which at least three would not be able to be approved by the process (due to conflicts or SQAR duties.)
- Risk: If we were to approve our own Scheme Actuaries, we would be concerned about the appearance of conflicts to external parties, and the potential for opportunistic claims against us in the event that any of those Scheme Actuaries made a mistake.

We consider these points further in our response, and give some practical suggestions as to how these concerns could be reduced; however we would not expect these tweaks to lead us to adopt the scheme.

In forming this conclusion, we note that we have assumed that the route adopted would not change the likelihood of an individual being granted a certificate, due to the checks and balances in place under the IFOA scheme and under this new proposed scheme; and we strongly agree that this should be the case. Therefore our view is very much framed by a cost-benefit analysis, taking account of business risks that may arise due to using the QAS route.

We have no objection to such a scheme being created but are unlikely to participate based on the details provided in the consultation. This is because we see no clear benefit to firms from the proposals (for example a cost reduction or less time spent on the renewal process).

We agree with the proposal as a concept, as the employer of PC holders should be best placed to judge their ongoing suitability for the role. We would also be supportive of a scheme that streamlined the renewal process.

However, we believe there are a number of practicalities which could make the proposal inefficient and expensive from an employer's perspective and difficult to implement and maintain. In particular, the existing PC renewal process is already very streamlined for two years out of three and any steps (e.g. additional audit trails and/or random sampling) that expand the process/work required for renewals in these years will be inefficient. There is also a concern around the amount of responsibility that would rest with the SQARs and the time/resource it would take for them to be able to make the required declarations in a robust and professional manner with an adequate audit trail.

A simpler alternative may be to simply allow a six year (rather than three year) full renewal period provided the individual is a member of a QAS firm and follows the annual renewal self certification. This could be combined with a less onerous comment on the annual QAS submission, which simply confirms that the organisation is not aware of any reason why any of its existing PC holders may no longer be competent or able to continue to fulfil that role. This should reduce the work and responsibility placed on SQARs and limit the potential for conflicts of interest to undermine the process and reduce the number of required (or recommended) opt outs.

Lloyd's supports the intentions of the IFoA to create efficient processes. However, the real and perceived conflicts of interest that arise from the proposed scheme, particularly for Syndicate Signing Actuaries, should be carefully managed in order for the risks to be outweighed.

Lloyd's currently places strong reliance on the PC Scheme framework put in place by the IFoA and in particular considers the application requirements for Lloyd's Syndicate Signing Actuaries to be a core control over the ongoing appropriateness of the Lloyd's market reserves.

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Lloyd's considers it to be a risk that stakeholders, such as international regulators, could view the proposal as a weakening of the controls of the Lloyd's market. If the IFoA's professional oversight is perceived (by Lloyd's or its stakeholders) to significantly reduce as a result of the proposed changes, Lloyd's would then be required to create new requirements/controls to mitigate this.

Lloyd's preference is to be able to rely on the IFoA's PC Scheme for appropriate appointment of Signing Actuaries and Chief Actuaries.

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### Question 1

To what extent do you agree with the proposal that a streamlined Practising Certificates Scheme be created for QAS accredited firms?

Disagree

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## Question 2

To what extent do you agree that the mitigations set out in the proposal address any concerns you may have about the proposed scheme?

### Yes

We have some concerns in regard to the administrative burden on QAS firms, as this is transferred to them from their members. For a smaller firm, this burden may outweigh the benefit of participation. Record keeping by QAS firms in regard to their members PC may be onerous. SQARs providing the required declaration in the Annual Return would have to be confident they have all required information. So, this could make the relatively simple process of completing the Annual Return more onerous. However, participation being optional rather than a mandatory part of the QAS Scheme helps here.

We don't think the proposal adequately sets out transition arrangements – both for a QAS firm starting to participate or choosing to stop participating. The interaction between individual renewal dates and submission of a firm's QAS Annual Return will need careful consideration. There is also the possibility of members not being aware of requirements when they change employer from a participating QAS firm to a firm that doesn't participate – we have seen similar issue in relation to the QAS CPD Scheme when members transfer employer. So, some general guidance on actual mechanics/logistics would be helpful.

The Conflict of Interest risk continues to exist, although we recognise that the mitigation contained in the proposal reduces that risk.

It might be beneficial if a pilot was run in the same way as happened when the QAS CPD scheme was introduced.

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Our key concern about the proposed Scheme is that we believe the requirement that individuals who hold Practising Certificates under the QAS PC Scheme complete a full renewal process after 6 years should be removed. This is for two reasons.

Firstly, while it is no doubt a benefit to Aon's Practising Certificate holders to only go through a full review every 6 years rather than every 3 years, this is a relatively small benefit relative to the wider process/policy/procedure that QAS accredited companies will need to put in place to allow the SQARs to make the required declaration via the QAS annual return. We are concerned that larger QAS accredited companies like ourselves may decide not to join the QAS PC Scheme as the benefits could be viewed as not worth the extra effort/responsibility from the perspective of the additional obligation placed on the SQARs. As such, in our view it is important that the benefits offered for joining are more material – so that the employees of QAS accredited companies benefit and as a result the IFoA gets the take up it would hope for. One way to make the benefits more attractive would be to remove the requirement for Practising Certificate holders under the QAS PC Scheme to ever complete a full renewal process with the IFoA.

Secondly, we believe there is no reason to justify requiring individuals to go through a full renewal process when there are no material changes in their circumstances. Under the proposal, the declaration in the QAS Annual Return requires SQARs to confirm there have been no material changes. As such, to the extent this is not the case, there is already provision for those with material circumstance changes to require a more full renewal to be considered (which we consider appropriate, depending on how restrictive the guidance is around this and exactly what "material changes in circumstances" means). We note there is already a provision for people moving from a firm participating in the QAS PC Scheme to one which is not to complete a full renewal application in due course thereafter – which Aon agrees is appropriate.

We did consider whether it could be sensible for initial applications for Practising Certificates to also be delegated to QAS Accredited companies as part of the QAS PC Scheme. We think there is some rationale for this, with precedents existing elsewhere (for example, the FCA already allows Aon to determine which employees are able to give investment and/or risk settlement regulated advice - as such a regulatory framework already exists for a regulated Company to determine which employees are able to give regulated advice). On balance however we concluded that it makes sense for the IFoA to set the bar in a consistent manner between QAS Accredited and non-QAS Accredited companies, and therefore to retain control over granting initial applications for Practising Certificates, as per the proposal. Our view is that if the IFoA retains control over initial applications but delegates in its entirety the control and management of renewals to QAS Accredited companies, the proposal is likely to be a net benefit to QAS Accredited companies.

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The proposals as drafted seem to assume that the SQARs will take the ultimate decision as to whether each individual is appointed as Scheme Actuary. The approval (or denial) of a Scheme Actuary certificate is a material business decision so we would not expect firms to



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allow the SQARs to take this decision alone; for example, we might expect representation from HR and from the risk function. Therefore, we would propose that the scheme makes it clear that the firm is approving appointments rather than the SQARs.

This clarification would help resolve a couple of other practical issues:

- Not all SQARs will be Scheme Actuaries or have expertise within Scheme Actuary work, in particular where investment specialists are SQARs. It would not necessarily be appropriate for them to be involved in the approval of Scheme Actuaries. Therefore it is beneficial to clarify that the SQARs are not personally responsible for the approvals.
- By giving scope for the firm to create a decision-making committee outside of the role of the SQARs, this would help resolve the conflicts issues around SQARs having responsibility for the renewals of individuals who are senior to them. Many consulting firms have relatively flat structures, with SQARs not necessarily senior to their Scheme Actuary counterparts (who may have other senior roles within the business) so it is possible that large numbers of actuaries could be excluded due to conflicts if SQARs were individually responsible for the decision.

We are also concerned about the potential for reputational issues if actuarial firms are seen to be “self-approving” so we would be interested in whether any focus groups have been carried out to assess whether pension scheme trustees are happy with the proposals.

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Over the 5-year period between 6-yearly ‘full’ renewals:

- The current requirement is for one additional ‘full’ renewal form to be completed by the individual and four short ‘tick box’ renewal forms by the individual.
- The proposals would replace this for participating firms with an annual requirement for firms to assess all their Scheme Actuaries against the stated competencies, and for a sample of 25% of these (5% a year for 5 years) to complete an interview process with the IFoA.

This appears potentially to place a greater overall administrative burden on individual PC holders, and certainly a greater burden on firms than the current arrangements. We do not agree with the conclusion of the regulatory impact assessment that the task will not be onerous, since we do not believe that QAS employers will generally be seeking specific feedback and assessing all their PC holders on all the relevant competencies each year. Clarification of the extent of investigation required by firms to make the annual declaration would be helpful.

It is unclear what the incentive is expected to be for firms to participate in the proposed scheme, given that there is no proposed reduction to the practising certificate cost to reflect the transfer of risk and administrative cost/burden from the IFoA to participating firms.

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We have two main concerns: the opt-outs for individuals and the process to assess competence.

The proposals don’t make it clear how individual actuary opt-outs would work in practice. Would we need to track whether any staff have opted out? Would an individual get in touch with the IFoA directly (and if so, would the IFoA notify the firm), or would an individual need to contact a SQAR in the first instance?

It seems appropriate for the firm, rather than the individual, to have the power to remove a PC holder from the proposed scheme in case of a conflict of interest. If the onus is on an individual to opt out, there’s a risk that some staff might not be confident enough to do so, as they might see it as going against their employer. A firm that opts in to the scheme but has many individuals who have opted out could find administering the scheme inefficient.

We’d welcome detailed guidance for individuals as well as for QAS firms.

Our other concern is about the random sampling to assess the continued competence of PC holders. Experience and associated competence increase with time in the role. We can’t see how one of our PC holders could become incompetent without us and our SQARs becoming aware as we have a tight career development review process in place and actuaries meet their managers regularly to discuss this.

We’re not sure how an interview with a representative from the IFoA Executive Team or a PCC member alone could adequately assess a PC holder’s competency. It’s unclear how the IFoA Executive, who aren’t themselves PC holders, are qualified to carry out these assessments.

If an actuary is deemed incompetent, it has far-reaching professional consequences for the individual and associated commercial implications for their firm, so the process needs to be rigorous and transparent.

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We also have concerns about timing. It's unclear how annual declarations in the QAS annual return would interact with each individual's six-yearly assessment. Presumably these will be based on the six-year anniversary from the date the PC was granted so they will be staggered within a firm.

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Individuals could face challenges if they are in the process of transitioning between firms around their renewal date, clear guidance should be given for these circumstances to protect members.

For the spot checks, we question how the IFoA Executive would be better placed to carry out the assessment than the firm.

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Our main concerns are around the additional work involved and responsibility required for the SQARs (and/or the individual responsible for signing off the annual QAS submission) to be in a position to provide the required declarations. We also have concerns regarding their potential exposure in the unfortunate scenario of a future disciplinary case arising in respect of a member they had 'signed off'. We feel the sign off process as described, which specifically requires a view on the individual's meeting of the relevant competencies would also require input from PC holders' managers and/or colleagues as the SQAR themselves may not have first hand experience of the individual's work. This further increases the work involved/cost associated with this process from an employer perspective and could be mitigated by our revised proposal in our response to Q1.

We would welcome confirmation that there would be no legal / professional liability for the SQAR in the event of subsequent professional failings of PC holders signed off by SQARs (assuming a reasonable process was followed).

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With full renewal having just moved to be every 3 years, extending it to every 6 years for PC holders at QAS firms feels a long time and increases the risk of PC holders operating for extended periods beyond which they are able to demonstrate their appropriateness to hold the role.

Topical issues and considerations that PC holders must make change frequently, particularly in the insurance market in accordance with the underwriting cycle and changing risk environment. Therefore, Lloyd's disagrees with the extension to 6 years for Syndicate Signing Actuary PCs. Instead, the benefits granted to QAS accredited firms could be around the format of the 3 year renewal.

Alternatively additional controls should be added by the ICAEW reviewing what QAS firms processes are around ensuring ongoing appropriateness of their PC holders, including specifically targeted CPD and learning. Lloyd's would welcome the opportunity to work with the IFoA to determine what this should include (potentially providing a list of relevant topics on an ongoing annual basis to confirm the QAS firms are aligned with Lloyd's requirements and focus areas).

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The mitigations address the key risks that we would have noted.

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Our key concern is that participation would significantly increase the workload and potential professional risk for SQARs involved in making annual declarations. Without sight of either the precise wording for annual declarations or the guidance on assessing PC holders' competencies, it is unclear what is being expected of participating employers, SQARs, or indeed, their PC Holders.

In particular, the suggestion of a potential conflict for a SQAR being required to complete a renewal for a manager implies something more like an individual assessment being made of each PC holder, rather than a more general conclusion that based on firm-wide processes and monitoring that there is no reason to believe anything material has changed.

Likewise, the IFoA's suggestion that there is a need for them to provide participating employers with clear guidelines around assessing continuing competency implies some form of individual testing of each PC Holder in support of every annual declaration. This goes far beyond what the IFoA currently does through its triennial full renewals. It could result in individual PC holders concluding that they would be better off opting back into the IFoA's process, which could in turn undermine the effectiveness of the QAS PC scheme for employers and the IFoA.

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One clear change would be the transfer of responsibilities from the IFoA to individual firms. For individual firms there would be the additional time involved to create, implement and monitor new processes as well as the transfer of risk to individual firms. It is not clear how the limited benefits of the scheme would justify these costs, and we suspect this is likely to affect the number of QAS accredited firms that choose to opt in.

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It appears slightly confusing that what is being proposed is not necessarily a binary choice between maintaining the current process or moving to the QAS process. It seems to be that individual members would have the ability to opt out of the QAS process (how would this be done?) and instead be covered by the IFoA process: would for instance the SQAR need to keep a record of this, or sanction this on an individual basis?

It is not clear, but perhaps can be inferred, that the ultimate sign-off in the annual return would be a blanket sign off for all the PC holders in terms of all PC holders' CPD declarations and other matters (eg whether an individual is subject to any regulatory/HMRC investigations etc). Again, there would need to be internal policies and processes to address these matters.

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We have two main concerns on the amount of detail provided for: (i) the opt-outs for individuals, and (ii) the process to assess competence.

(i) The current proposals do not cover how individual actuary opt-outs would work in practice. Would a firm need to track whether any staff have opted out? Would an individual get in touch with the IFoA directly (and if so, would the IFoA notify the firm), or would an individual need to contact a SQAR in the first instance?

It seems appropriate for the firm (not just the individual) to have the power to remove a PC holder from the proposed scheme in case of an identified conflict of interest. If the onus is on an individual to opt out, there's a risk that some staff might not be confident enough to do so, as they might see it as going against their employer. A firm that opts in to the scheme but has many individuals who have opted out, could find administering the scheme inefficient.

More guidance for individuals and for QAS firms would be welcome.

(ii) The proposed random IFoA sampling to assess the continued competence of PC holders raises concerns. Experience and associated competence should increase with time in the role. It's unclear how a member in mid-career could lose competence over a fairly limited time without the employer becoming aware. The proposed full renewal at 6 years is an opportunity identify any cases. Interim spot-checks, that will aim to assess competence, can be expected to take up a significant amount of time, potentially eradicating any efficiencies gained for PC holders.

Actuaries and employers would need full confidence in the spot-checks process, as the implications of an apparently adverse finding would be very significant for the firm, the actuary and the public interest.

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## Question 2

To what extent do you agree that the mitigations set out in the proposal address any concerns you may have about the proposed scheme?

No

The inclusion of an opt-in option for individuals in the IFoA Scheme, in case of conflicts, adds complexity to the administrative process for firms. The ability to opt-in should be at firm level rather than PC holder level.

Requiring detailed information on any material changes in circumstances for PC holders, as established by the person completing the form, could impose a significant administrative burden and risk on the individual completing the annual return.

The inclusion of “The professional responsibilities on individual members and on members of the QAS, and the potential consequences in terms of discipline or removal from the QAS of failing to meet these responsibilities” can potentially increase the risk for the QAS organisation if issues arise with individual PC holders.

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We do not have any material concerns about the proposed Scheme in principle, but expect that further detail and guidance will be needed to help inform an organisation’s choice. We note that alternative implementation routes could reasonably be considered; for example, a phased implementation involving a shorter initial full review period (4 years, say) rather than 6 years.

Similarly, an enhanced level of random spot checks in the initial years following roll-out may provide additional comfort that the changes introduced are operating as intended. We recognise that the next few years may be a defining period for many pension schemes and the IFoA will wish to ensure it has sufficient regulatory comfort and oversight during that period.

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## Question 2

To what extent do you agree that the mitigations set out in the proposal address any concerns you may have about the proposed scheme?

### Not sure

The mitigations do not address the concerns we have outlined in Q2.

They do, however, address the main concern outlined in the proposal around real or perceived conflicts of interest. We note, in this context, that the IFoA's proposed annual sampling of 5% of QAS PC holders will be conducted via interview, rather than by written submission. We are reassured by this since this approach will make it far easier for the IFoA to form a realistic view of the individuals' competencies

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### Question 3

Do you have any concerns about the proposed Scheme?

#### Agree

We have two concerns:

(1) We do not believe that the proposals go far enough. For the reasons outlined in Q1, our view is that it is difficult for the IFoA to

Our primary concerns were around conflicts of interest. We are content that the mitigations proposed are sufficient.

We do have some concern on the potential consequences for SQARs should a provided declaration in an Annual Return turn out, for example with the benefit of new information in the future, to be wrong for a member. We would expect that consequences would only apply in circumstances where there was clear negligence, however some reassurance may be needed on this point.

We believe that the ultimate sign-off should be with the PC Committee each year to avoid potential issues with firms being accused of “marking their own homework” which could bring both firms and the profession into disrepute. This could be achieved by auditing a QAS firm’s internal signatory requirements as part of QAS re-accreditation and reducing the information required in a full renewal every 3 years.

It is noted that the proposal suggests that the administrative requirements of holding a Professional Certificate (PC) would reduce by half. We believe the saving could be significantly less than half when considering additional administrative tasks at a QAS firm level.

It is mentioned that the IFoA will conduct random interviews with 5% of QAS PC holders. However, it is unclear whether this sampling is done annually, over a period of 3 years, or over 6 years at the time of renewal. It would be helpful to know the current number of interviews conducted with PC holders, as there is concern that this could increase the time it takes for individual renewals and offset the savings from reducing the frequency of full renewals.

We agree that the mitigations (in respect to concerns around potential conflicts and the process for SQAR sign-off) will help to address key concerns. We expect this would be bolstered with flexibility permitted around the SQAR sign-off process. For example, the SQAR may wish to delegate responsibility for assessments to someone else in the organisation who may be better placed. There may be practical challenges for SQARs in confirming that each and every individual remains competent (which potentially needs input from line managers and disclosure of a change in individual circumstances, relevant to the assessment). It would be helpful if the IFoA could confirm that such a route would be permitted / recommended should the proposals proceed. Any accompanying training and guidance materials could helpfully set out scenarios and options for managing this process effectively, and will enable firms to decide whether this option is the best choice for them.

Organisational approaches to annual accreditation will vary and we note that commercial objectives could present a risk (e.g. a more demanding renewal process would lead to lower retention rates, but that could present operational difficulties). The IFoA and actuarial firms will need to be comfortable a suitable balance can be achieved to manage (potentially) competing objectives. The potential consequences in terms of disciplinary action, reputational risk and removal from the QAS will go some way to minimise the risk.

Whilst we agree the mitigation proposed address concerns that others may hold about the scheme (eg regulators, users of actuarial advice), we have concerns that the possible impact of these mitigations on QAS employers and their SQARs may outweigh the benefits.

### Question 3

Do you have any concerns about the proposed Scheme?

#### Neutral

Whilst we generally support the mitigations outlined, we encourage the IFOA to consider whether any further measures are required to protect members.

For example, in the case of members who are in the process of changing firms or who may be unjustly blocked from renewing by an individual at their firm such as disgruntled colleague. Whilst there are wider protections against the later scenario (including the integrity requirement of the Actuaries' Code) there could be challenges in certain circumstances which should be considered.

We recognise that there may be some occasions when it is suitable for individuals to opt out but consideration as to the appropriate processes is required with steps to manage the risk that individuals opt out if their firm reasonably judges them unsuitable for renewal. This could include a requirement for the firm rather than the individual to elect who opts out or for the firm to submit a comment on their renewal form.

Clear guidance and processes will be needed for individuals who are moving firms and for the opt out procedures in general.

The IFOA maintaining responsibility for all initial applications, will not only help mitigate potential conflicts of interest but also help maintain consistency in standards and expectations across firms. We don't feel it would be appropriate to pass this element onto individual firms.

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The mitigations set out address some concerns but not all. In some cases they also appear to make the proposed scheme more onerous than the existing IFOA one.

We would welcome the setting of clear guidelines on how the process should work within firms, in particular clarifying the remit and responsibilities of the SQARs and/or the individual signing off the annual QAS return.

We agree that there should be the option for individuals to opt back into the standard IFOA process (or for their employer to ask them to do so), particularly to manage conflicts of interest (either actual or perceived). However, depending on the process requirements there is a danger this may affect a significant number of people within an organisation eg could include all SQARs, managers of SQARs, and all other more senior staff. If so, this could make the scheme unattractive. On the flip side, there are clearly potential risks associated with, for example, two staff members 'approving' each other or a SQAR feeling obliged or being pressured to sign-off a more senior individual.

We also have some concerns around the random spot check process and would welcome clarification on the extent of this. In particular, we would appreciate some assurances that it would not be more onerous for individuals than the current IFOA process, particularly for those years completing the reduced annual return. In this context, it would make sense for the sampling to be limited to those at their three yearly point (or potentially a smaller sample of those at or beyond the three year point).

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The mitigations proposed appear reasonable on the whole.

The proposal that 5% or so of members would be individually reviewed would need more detail: it is not clear who would be overseeing the review of competence - we would expect this to be a PC holder rather than an IFOA executive.

The chance of being reviewed is therefore very small (1 in 20 years), so it is not clear this would be an effective monitoring regime.

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### Question 3

Do you have any concerns about the proposed Scheme?

#### Disagree

In Aon's view we think that some of the mitigations set out go too far, and as such we disagree that the mitigations address the concerns we have about the proposed scheme.

Ultimately, the benefit of being a QAS accredited Company is that we are left to get on with particular responsibilities, with the IFoA monitoring this as part of the QAS annual return. As such, in Aon's view QAS accredited firms should be trusted to manage the entire Practising Certificates renewals process in the QAS PC Scheme, with the IFoA monitoring the processes and procedures we put in place annually – as opposed to the more “halfway house” approach that has currently been proposed. We are concerned that the proposals made do not go far enough, and as such the benefits of joining the QAS PC Scheme are not as attractive as they could be – which may have a knock-on implication on take up.

We have elaborated further on the concerns we have about the proposed scheme in our answers to Questions 3 and 4.

Whilst the proposed mitigations would be useful and address some issues that have been highlighted we do not believe they go far enough to allay our concerns.

The cost of a Scheme Actuary certificate is currently around £1,000 which we would expect covers most of the administration and work needed by the IFoA to grant a practising certificate. If a significant part of this cost could be waived for firms adopting the proposed scheme then that may make the proposal more appealing. As it stands the additional costs involved in adopting this proposal are expected to outweigh any benefit gained.

Measures to mitigate conflicts are important. However, it seems inconsistent that individual PC holders can opt out of their firm's PC scheme and into the IFoA scheme, but they can't opt out of other elements of their firm's QAS accreditation, such as the QAS CPD scheme.

It's unclear whether we'd need to declare a conflict of interest for an individual PC holder to opt out, or if they can opt out for any reason. If an actuary could opt out by going directly to the IFoA, rather than through our SQARs, we'd find it hard to administer the PC scheme.

Another disconnect is the annual declarations process. Actuaries currently make a CPD declaration directly with the IFoA (even if they work for a QAS CPD firm), but a QAS PC firm would be required to make the PC declaration on behalf of PC holders in the QAS annual return. The IFoA should revisit the declarations process for the PC and CPD scheme, as inconsistent approaches to declaration could be confusing.

Another area in need of clarity is the content of firms' PC declarations. Would we need to make a single declaration for all our PC holders, or a declaration for each one? Making a declaration for each member could be impractical for large firms like ours. We already employ numerous PC holders, and we expect the number to increase.

It's sensible that the IFoA will continue to issue first-time PCs directly. This process mitigates a conflict of interest that would arise if a QAS firm is tempted to issue a first-time PC to an individual who does not yet meet the required competencies. The proposed approach also removes the risk of pressure a manager and SQARs may feel if an actuary is keen to get a PC but we feel they are not quite ready.

QAS firms should be required to declare how they have sufficiently managed the conflict of interest that arises as a result of opting into the proposed scheme. Not granting an annual renewal of a Lloyd's Signing Actuary certificate for even a single employee of a consultancy firm, means the QAS accredited firm will potentially lose multiple millions of pounds of revenue through not being able to continue to support clients as they have previously done or intended to do. This also applies for Chief Actuary certificates where consultants are being seconded to in-house Chief Actuary roles in the market, or syndicates or insurance companies where practising certificate roles are held internally to avoid costs of outsourcing. The QAS accredited firm will need to mitigate this conflict of interest and accept the potential consequence of the SQAR acting appropriately.

It is unclear as to the consequences of a SQAR acting inappropriately. It would be helpful to clarify if these are captured by the IFoA's disciplinary procedures and if the SQAR must be an IFoA member.



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It would be helpful to clarify how the information the QAS firms submit is reviewed by the IFoA to be able to issue the practising certificates. It is our view that the Practising Certificates Committee should have some visibility and involvement in this in order to mitigate the risk of inconsistency of application outcomes between QAS and non-QAS appli

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The introduction of random spot checks and third party assessments (ICAEW), and development of the QAS Annual Return alongside existing professional responsibilities, and the IFoA retention of initial applications should help dispel concerns for not maintaining standards. Certain areas appear to need further development and/or guidance, for example:

Consistent processes : Individuals cannot opt-out of QAS CPD (or QAS accreditation generally within a QAS firm) but could now individually opt-out of QAS PC that a firm has decided to utilise generally.

Declarations : Individuals currently make a PC declaration to IFoA each year; how would this interact with the proposed QAS PC declaration made by the firm in the QAS Annual Return? If the firm makes a blanket declaration covering all PC holders, how would this identify QAS PC opt-out cases?. If this firm has to make declarations for each PC holder, this could be impractical for large firms.

Conflicts of interest : Potential conflicts of interest could arise for actuaries who need to abide by the Actuaries' Code. These may not be completely prevented by the stated mitigation measures. Section 5 of the Code for example identifies dangers of "Group Think" - which could conceivably arise in the assessment of individual competencies. The current IFoA PC system separates any direct employer influence on the application. Seniority within a firm may also create issues between applicants/assessors.

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### Question 3

Do you have any concerns about the proposed Scheme?

#### Strongly disagree

There will be concerns raised about potential conflicts of interest – ie organisations approving PC renewals when they should not be justified.

However, we take the view that it is not credible that an organisation would risk its professional reputation by approving a PC unless a number of senior members of that organisation are convinced that it is justified. For this reason, the proposed QAS PC Scheme is likely to be more robust than the current system (ie it is less likely that a borderline applicant would have their PC renewed).

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### Question 3

Do you have any concerns about the proposed Scheme?

### Not answered

We have a concern that firms opting into the QAS PC scheme and investing in new processes to assess the competency of their PC holders could potentially find that a large number of them opting out. This could be, for example, because they think the IFoA process is 'easier' (particularly in years this would mean only needing to tick a box to confirm compliance) or to avoid challenge from those with greater visibility of their work. While we agree that conflicts of interest for the SQAR making the relevant declaration are a valid reason for opting out, we would suggest that opt outs be confirmed as part of the annual declaration and not at the sole discretion of the individual PC holder.

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#### Question 4

How significant do you think the impact of the proposed QAS PC Scheme would be on the responsibilities of the Senior Quality Assurance Representatives (SQARs)?

#### Very significant

If SQARs are individually responsible for the approval, then it would be very significant, especially if situations arise where a Scheme Actuary may need to have their certificate removed. Further, our understanding is that the SQARs would need to review each Scheme Actuary renewal on an individual basis, which would not be scalable without increasing the number of SQARs.

The consultation does not provide any details of the specific requirements on the SQARs, but if they are expected to obtain and review sufficient information to make judgements about the extent to which each individual PC holder meets the competencies then this is potentially a very significant role in firms with large numbers of PC holders.

See Q3.

Although the proposed scheme only requires SQARs to declare that there have been no material changes, we feel that there would have to be a robust process in place to allow the SQARs to certify this for each individual. The potential for issues to arise when being asked to challenge more senior members of staff on their competency should also not be underestimated.

We suggest that the confirmation should be more limited in scope / clarified to be no changes that would raise questions regarding continued suitability for PC eligibility. In a number of cases, an individual's role or responsibilities may change within the organisation (e.g. mid-level promotions and/or shuffling of internal responsibilities) that might be a material change to the individual/employer but would not affect their underlying competencies or ability to act in a PC role. Retaining the continued self-certification as used for the streamlined annual renewal process would appear to mitigate the risks associated with a less onerous signoff from the employer.

The proposed scheme will create a very significant conflict of interest for the SQAR to manage the reality and perception of.

Not granting an annual renewal of a Lloyd's Signing Actuary certificate for even a single employee of a consultancy firm, means the SQAR's company will potentially lose multiple millions of pounds of revenue through not being able to continue to support clients as they have previously done or intended to do. This also applies for Chief Actuary certificates where consultants are being seconded to in-house Chief Actuary roles in the market, or syndicates or insurance companies where practising certificate roles are held internally to avoid costs of outsourcing. The SQAR will need to be comfortable with this potential impact of their actions and demonstrate the ability to act with the highest integrity in taking on the role. The QAS accredited firm will also need to accept this conflict of interest and provide appropriate support and reassurance to the SQAR.

As consultancies often remunerate their employees based on billable hours (through bonus), the SQAR takes on the conflict of interest of directly impacting PC holders earnings, as well as their firms'.

As noted in our answer to Q3, without further clarity on either the precise wording for annual declarations or the guidance on accessing PC holders' competencies, it is very unclear what is being expected of participating employers, SQARs, or indeed, their PC Holders.

One particular concern we have is that the proposals refer to a declaration that "there have been no material changes to their PC holders in terms of fitness and properness, their roles and their meeting of the relevant competencies". At First Actuarial we currently have 40 PC holders.

For the named person submitting the QAS Annual Return, making this specific declaration could be onerous - noting Actuaries' Code Principle 6.3: "Members must take reasonable steps to ensure that any communication for which they are responsible or in which they have a significant involvement is accurate, not misleading, and contains an appropriate level of information".

Another concern is the vagueness in the proposals around the assessment of individual PC holders' competency. Currently the IFoA does this every third year as part of full renewals, relying on the individual's declarations for the two annual renewals in between. Annual QAS return declarations with the wording specified in the proposals may compel organisations to carry out fresh and detailed competency assessments every year.

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We think that SQARs are likely to face a much greater, and potentially uncomfortable, burden of responsibility in discharging their 'sign-off' duties. In a large organisation, the SQAR is unlikely to know the competence of each individual PC holder or have detailed knowledge of the work they have done over the year. Hence, certifying that a firm's PC holders actuaries have been compliant with the requirements and can be 'certified' under the firm's policies and procedures in line with expectations is likely to be problematic (as well as time-consuming in terms of gathering information on CPD etc).

A concern for SQARs would be what if, after signing off PC holder compliance as part of the annual return, something went wrong after the event. The concern would be the potential finger-pointing that either policies and procedures were not sufficiently watertight, or the monitoring of them and identification of rogue cases could be judged to have been inadequate.

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#### Question 4

How significant do you think the impact of the proposed QAS PC Scheme would be on the responsibilities of the Senior Quality Assurance Representatives (SQARs)?

#### Significant

There will clearly be a material initial investment of time by the SQARs to put in place the relevant processes and procedures to ensure the SQARs have the substantial evidence required to be able to make the declaration. There will also be an additional time requirement the first time we go through the QAS annual return thereafter to articulate the process followed. This will be a one-off investment of time.

In our view, there will potentially be more time required on an annual basis to get comfortable with making the declaration – in particular for individuals with not very many scheme actuary appointments, or for those whose role has changed where they now spend a material amount of time doing more specialist work, as opposed to traditional reserved actuarial work. This would be an increase in work required each year by SQARs – how much exactly will be determined by the guidance that is provided by the IFoA around what constitutes material changes in circumstances.

In addition, under the current PC Scheme, all of the chasing of individuals is currently managed (very well) by the IFoA. Under the QAS PC Scheme, we envisage the responsibility for sending reminder emails to individuals saying their renewal is coming up, and collecting evidence from each Scheme Actuary annually to allow SQARs to make the necessary declaration in the annual return, will pass over to SQARs. This will be a significant logistical exercise for a big organisation employing lots of Practising Certificate holders like ours, which will lead to a significant investment of time for our SQARs.

We note that under the proposals 5% of PC holders will be audited by the IFoA annually. This has the potential for the IFoA to raise questions with individuals around their ongoing competency, with questions then potentially being raised to the SQARs as to how they were comfortable giving a declaration for a particular Practising Certificate holder previously when the IFoA is not happy. This dynamic, with any burden currently falling on individuals but essentially moving to SQARs under the QAS PC Scheme, further increases the responsibilities of SQARs to think long and hard about what evidence they need to ensure they have been through a thorough enough process to make the declaration.

Further to this, it isn't entirely clear to us what the remit and outcome of the annual audit of 5% of PC holders will be. In our view the audit of any individual Practising Certificate holder should essentially be an audit on the SQARs, and their competence in making the declaration with regards to that individual. We think that the outcome of the audit should be confirmation (or otherwise) that the IFoA remains comfortable delegating the annual declarations to the SQARs of any QAS Accredited Company that opts in to the QAS PC Scheme – and not to expose the individual PC holder to any potential peril where their PC certificate is taken away, as clearly this puts the individual (and the Employer) in a very difficult position. If the outcome of the audit is to potentially put individuals in jeopardy of removal of their Practising Certificate, it is unclear why QAS firms would take the risk of making that declaration at all, when they can remain in the IFoA Scheme and have annual certainty.

More widely, our experience of being a QAS Accredited firm to date is that the amount of time and work needed seems to continually increase, not decrease. The completion of the QAS annual return is a time intensive process each year – and there has been scope creep with additional specialist reviews that we need to input into on an annual basis. As such, we do have a concern that whatever the requirements are for SQARs at the outset of a QAS Accredited firm joining the QAS PC Scheme, these may well increase over time.

In summary, if the only real benefit for our employees being part of the QAS PC Scheme is the administrative saving of not having to go through a 3-year renewal (given annual renewal is already a trivial exercise for individuals), if we undertake a cost benefit analysis of joining the QAS PC Scheme as it is proposed, in our view this is unlikely to be favourable based on the current proposed benefits of the QAS PC Scheme.

Without additional details our initial view is that this could create significant additional time and risk for SQARs to certify that each individual PC holder continues to meet the required standards and that there have been no material changes in circumstance. This will put additional time and professional risk on SQARs and the QAS organisations.

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As noted above, we expect this will depend on the organisation and the individual SQAR, but it does have the potential to significantly increase the SQAR responsibility, or workloads relating to the implementation of a new approach. We would support an approach which enables the SQAR to delegate authority, as appropriate. We expect the impact may be (proportionally) higher for smaller organisations, or offices, where some issues (e.g. potential conflicts) may require additional consideration, but we note that the streamlined route would be optional, and other mitigations are in place to ensure oversight is not increased or unduly onerous.

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The proposed scheme would give SQARs significant extra responsibility and add to the administrative burden of the already onerous annual returns process.

A SQAR has to 'certify that each individual PC holder continues to meet the required standards and that there have been no material changes in circumstance which affect eligibility to do so'. The SQAR would need to draft new policies and procedures, communicate these and train staff in them – and do so regularly to capture new joiners to their firm and new PC holders.

In large firms like ours, PC holders' managers are likely to play a bigger role than SQARs in ensuring that PC holders continue to meet the required standards. Some SQARs may feel uncomfortable making an attestation if they've had no direct involvement in the assessment. At Hymans, SQARs might not feel uncomfortable, but they'd find it tricky to assess individuals, because they're removed from individual people management discussions – this is probably true for all large firms.

We'd welcome detail about the 'required standards', and whether QAS firms or the IFoA will define these. We'd prefer the IFoA to publish principles from which we could design our own policies and procedures that work for us. That way, annual competency reviews wouldn't become a box-ticking exercise against a set of rigid IFoA requirements.

It's unclear whether we'd need to keep track of renewal deadlines for all our PC holders, or if the IFoA will prompt us when a deadline is approaching. Keeping track of renewal deadlines for many PC holders would not be trivial. It's unclear what the implications would be if SQARs missed a renewal deadline.

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The proposals shift the burden for reviewing the competency of PC holders to the firm and the SQAR.

The SQAR will need to certify on behalf of the firm so they will need a register and sufficient processes in place that they can trust to rely on to make this certification. This will be a material addition to the current annual renewal process and significant time would be required by SQARs and their firms to keep track of PC holders, communicate procedures and complete the renewal processes internally.

Firms who opt in will need new processes and monitoring frameworks in place which will need to be established and tested. Sufficient transition time will be needed to facilitate this. We anticipate this would likely need at least two touch points with the IFoA before finalising accreditations and going live as it is likely to be an iterative process of understanding and reviewing new procedures.

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The proposed scheme would give SQARs significant extra responsibility and add to the administrative burden of the already onerous annual returns process.

Under the proposal a SQAR has to 'certify that each individual PC holder continues to meet the required standards and that there have been no material changes in circumstance which affect eligibility to do so'. To do so, the SQAR and QAS firm will need to draft new policies and procedures, communicate these and train staff regularly to capture new joiners and new PC holders.

In large firms, PC holders' managers are likely to play a larger role than SQARs in ensuring that individual PC holders continue to meet the required standards.

We would expect that discussions regarding continued competence would be part of discussions at annual performance reviews. Some SQARs may feel uncomfortable making an attestation where they have had no direct involvement in the assessment and decision-making process for a particular PC holder.

Detail is needed about the 'required standards', and whether individual QAS firms or the IFoA will be responsible for defining these. We expect firms would apply similar processes to those already used by the IFoA.

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It's unclear whether a QAS firm would need to keep track of renewal deadlines for all its PC holders, or if the IFoA will prompt firms when a deadline is approaching. Keeping track of renewal deadlines for a firm with many PC holders would be a non-trivial task. Alignment of future renewals may prove helpful in this regard.

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SQARs will need to take responsibility for stating that there have been no material changes to their PC holders in terms of fitness and properness, their roles and their meeting of the relevant competencies set out in the PC Scheme. This will require training and guidance from the IFoA, as covered in the proposal and a detailed knowledge of the PC Scheme (SQARs may not be PC holders and therefore not familiar with the Scheme). This would seem a particularly significant responsibility in larger firms with a large number of PC holders, where it is unlikely the SQARs know of all PC holders in detail.

SQARs would need to be involved with the design of the necessary processes to ensure they would be comfortable making the required statement in their Annual Return.

SQARs making the assessments and making the required statement in the Annual Return would need to be of a sufficient seniority level in the QAS firm – this in itself illustrates the potential impact on SQAR responsibilities.

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We might more accurately assess this as moderately significant. To give a more considered view, we would need to

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#### Question 4

How significant do you think the impact of the proposed QAS PC Scheme would be on the responsibilities of the Senior Quality Assurance Representatives (SQARs)?

#### Neutral

The SQARs already work with our Risk Committee for the firm, who manage the risk around PCs and ensure that only appropriately qualified, experienced and competent individuals hold PCs. It would therefore be a natural evolution to expand the role of the SQARs to include oversight of the QAS PC Scheme at our firm.

The SQARs at our firm include partners who themselves hold PCs, so there are no concerns about having suitable senior individuals available to administer the QAS PC Scheme.

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#### Question 4

How significant do you think the impact of the proposed QAS PC Scheme would be on the responsibilities of the Senior Quality Assurance Representatives (SQARs)?

Not answered

## Question 5

Do you think the proposals go far enough?

Yes

We are of the view that it is sufficient to streamline the PC renewal process and not include, for example, the granting of PCs. One possibility for going further would be to remove the need for members employed by a participating QAS firm to submit a full renewal at any time – this would standardise the process from year to year (as all members would be subject to the same renewal every year). However, perhaps any further streamlining can be assessed on the basis of the success, or otherwise, of the current proposal.

Our view is that moving the approval process further away from the IFoA would risk reputational issues for the profession.

Yes, we believe the proposals strike a reasonable balance, and further easements in some areas (e.g. a period longer than 6 years for a full renewal) may not provide adequate regulatory assurance or meet the stated aims.

Typically, firms will be better placed to assess the competency of their staff and the proposals support this notion. However, transitioning the responsibility to firms will require IFoA oversight through monitoring processes, similar to the monitoring required for firms who opt into the QAS CPD scheme. In addition, we believe it is appropriate to stop short of allowing firms to issue their own first-time PCs.

With recent changes to the PC application framework (to be competency based) and renewal timeline (full renewals every 3 years), any further increase in scope of QAS authority around approving PCs at this point in time would potentially risk systemic issues arising. This could cause disruption that the IFoA could not identify quick enough through any controls to be beyond an appropriate risk appetite. For example, a large number of individuals having (or not having) practicing certificates when under the IFoA's assessment they should not (or should), risks undermining the profession.

Lloyd's supports the intention to be more inclusive through QAS firms being able to assess competence in other ways than through a written assessment. However, this would benefit from additional monitoring by the ICAEW to ensure fairness.

Lloyd's would support there being specific arrangements for PC holders undertaking family leave, such that QAS firms are able to carry out their renewal in their absence, potentially deferring any requirements of the PC holder until they return from leave (as long as they are not acting under the responsibilities their PC grants them during any keeping in touch days etc).

It is appropriate for the IFoA to be involved with the QAS PC Scheme and to provide the QAS organisation with an element of external review and oversight. On balance, the proposals go far enough at the moment, although we can see that once the QAS PC Scheme has been running for a few years there may be an argument to pass more responsibility onto the QAS Accredited organisation.

The proposals sensibly stop short of letting firms issue their own first-time PCs.

Depending on the success of the new scheme, greater devolvement could be considered in future, for example around full renewals. If, in actual practice the IFoA has generally approved full renewals in the past for experienced actuaries, this suggests proposals could reasonably be extended, with standardised renewal policies approved by ICAEW.

## Question 5

Do you think the proposals go far enough?

No

As detailed in Q2, we do not believe that the proposals go far enough. For the reasons outlined in Q1, our view is that it is difficult for the IFoA to determine whether an applicant has the necessary competencies under the current process. This is as true of initial applications as it is of renewals. Consequently, we would like the QAS PC Scheme to be extended to initial applications and all renewals (rather than initial applications and every sixth renewal having to be submitted to the IFoA).

We accept that, under this proposal to extend the scheme and to counter any perceived conflicts of interest, the IFoA may find it necessary to randomly sample more than 5% of QAS PC holders each year.

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Aon does not believe the proposals go far enough – please see our response to Question 3 where our key concern has been set out, together with our suggestions for how the proposals could reasonably be amended to go further.

In addition, as the QAS PC Scheme proposals are essentially a transfer of risk away from the IFoA and onto QAS Accredited firms for those companies who choose to participate, we did wonder if one way this could be viewed as more beneficial would be for the IFoA to discount the cost of obtaining an annual Practising Certificate for employees of QAS firms participating in the QAS PC Scheme.

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As outlined in Question 1 we believe that it would be possible to create an opt-out which reduces the burden on parties.

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We question whether there is a need to impose the additional burden on QAS firms to make annual declarations in relation to individual PC holders' competency. Has the IFoA ruled out allowing QAS firm PC holders to complete the full renewal every 6 years with the existing short form renewal applying in the intervening years?

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The proposals sensibly stop short of letting firms issue their own first-time PCs. There might be more scope for conflict if a firm issues its own first-time PCs, although we don't put forward people to the IFoA if we don't think they're appropriate.

However, there is merit in considering whether QAS firms should also be responsible for the proposed six-yearly full renewals. It's unclear how PC holders could become less competent over time. We're not sure what the benefit is of the IFoA keeping responsibility for this part of the process. If the IFoA has declined no PC renewal applications to date for QAS firms, this aspect feels at odds with the scheme's intended flexibility and efficiency. We already have robust career development review processes to assess competency and development in roles throughout each year.

To mitigate the risks of more flexibility, ICAEW could scrutinise the PC renewal policies and processes during its existing six-yearly reaccreditation visits and the PC sampling that will be carried out by the IFoA. Any written implementation guidance the IFoA issues to firms should also go to the ICAEW ahead of reaccreditation visits, to ensure its monitoring is appropriate.

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## Question 5

Do you think the proposals go far enough?

### Not sure

As stated in Q1, we agree that the employer of PC holders would be best placed to judge their suitability. However, we see the proposals in their current form as being potentially unattractive from an employer perspective (no financial incentive, but significant additional cost/time/responsibility) and therefore risk having poor take up. This however could be addressed by some changes as suggested in our earlier responses.

We would also suggest that the employer's input and involvement would potentially be more valuable at the initial application stage to support/simplify the process for awarding certification to new PC holders.

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We understand why the proposals do not extend to initial practising certificates (and include a six-yearly full renewal carried out by the IFoA).

For the reasons noted in previous answers, however, we think the proposals do not go far enough to justify the potentially increased burden on organisations, individual SQARs and PC holders.

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Whilst recognising it would be difficult to have consistency and fairness across the board, giving QAS firms some say, or more say, regarding new scheme actuary initial applications/appointments could be considered.

In our experience, we would only put forward an individual to be a first-time PC holder if we were comfortable with that individual's competence and knowledge/expertise. In the past, although perhaps less so now following the changes to the PC scheme, we have experienced what we would consider to be perfectly competent potential PC holders being rejected at initial application.

The proposed QAS certification at annual renewal seems to have parallels with the former 'Attestation' requirements, which no longer apply. Under the proposals there is what amounts to be an individual QAS firm's attestation across all PC holders, so introducing something similar, even if not an attestation, for new PC applicants could be considered.

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### Question 5

Do you think the proposals go far enough?

Not answered

## Question 6

Do the proposals make your organisation reconsider whether or not it wishes to hold QAS Accreditation?

### Yes

Ultimately if a QAS Accredited organisation doesn't view the QAS PC Scheme as worthwhile (for example because the benefits do not outweigh the additional obligations) it doesn't have to join the QAS PC Scheme. As such, there is already the flexibility for a QAS Accredited organisation to choose not to participate, whilst continuing to be QAS Accredited.

That said, in our view the QAS Accreditation is only of arguable benefit at the moment generally speaking. If we were to conduct a business review of the rationale for remaining QAS Accredited, there needs to be enough positives to outweigh the negatives, from a business perspective. The proposed QAS PC Scheme does not provide a business benefit in its current form – as such in our view it is a missed opportunity for the IFoA to make the QAS Accreditation more beneficial to accredited companies.

At present, in our view the one area that is of most business benefit from us being QAS Accredited is being able to operate our own CPD Scheme – I note this is the one function of QAS which is delegated to us in its entirety – this is in our view not a coincidence.

So from Aon's perspective in the round the QAS PC Scheme proposals do make us reconsider whether we wish to hold a QAS Accreditation, as they are a reminder of the general lack of perceived business benefit from being QAS Accredited.

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## Question 6

Do the proposals make your organisation reconsider whether or not it wishes to hold QAS Accreditation?

No

[Click here to provide any reasons or further explanation for your response](#)

As there is the option to not participate in the streamlines PC Scheme, and therefore does not automatically increase requirements of the QAS on us, the proposal does not affect our desire to hold QAS accreditation.

We welcome the IFoA exploring ways to make the QAS more beneficial to accredited firms.

[Click here to provide any reasons or further explanation for your response](#)

As the proposals are optional, they would not discourage us from holding QAS accreditation. However, we do not expect to adopt the scheme so they equally do not provide any additional benefit from being QAS accredited. So overall they have no impact.

Given the streamlined approach is optional, it is expected that this would not influence GAD's decision to maintain our QAS accreditation. GAD remains committed to retaining its QAS status in any case. We expect other firms will value the availability of the proposed option within the QAS framework.

We are already QAS accredited.

We wouldn't reconsider our accreditation, so long as the scheme is optional. We'd be likely to opt in, but we'd welcome the ability to opt out if we find we prefer the existing way after running our own scheme for some time (even if there were no formal pilot).

If the Scheme is optional, QAS firms can opt in if and when it is appropriate for them and we don't anticipate QAS firms revisiting their accreditation.

We value the QAS Accreditation and as long as it is an option to opt-in to this proposed PC scheme and not mandatory (in a similar way to the CPD flexibility) we would not have any concerns. However, as noted in our answers above, we do not see the current proposals (as we understand them) as being particularly attractive or enhancing the benefits of QAS accreditation from an organisation perspective.

Lloyd's does not have enough PC holders for the proposals to impact the decision to be QAS accredited.

We would expect that some QAS accredited firms may not have the appetite to take on the conflict of interest and may prefer to opt out and have transparency of the PC process remaining completely independent to the revenue-generating functions of their business.

Although these proposals do not make our organisation reconsider QAS Accreditation, we constantly keep our membership under review as the QAS Scheme needs to add tangible value to our organisation and we need to be able to justify our continued membership of the Scheme from a commercial point of view.

These proposals would make the case for future QAS Accreditation much stronger and more compelling.

Whilst we would like to see more detail on the QAS PC scheme before committing, we remain very supportive of the QAS accreditation overall, and the benefits it brings to us as an employer and to our Members.

No - the wider benefits of QAS membership would continue to remain so this in itself would be unlikely to be a material deciding factor, particularly given this is optional (in a way not dissimilar to the QAS CPD scheme as referred to earlier).

This response has been provided on behalf of the Association of Consulting Actuaries, which is a representative body and not an employer. QAS firms' responses may vary, but if the scheme is optional, then a firm can simply retain the status quo while keeping its QAS accreditation.



#### Question 6

Do the proposals make your organisation reconsider whether or not it wishes to hold QAS Accreditation?

Not sure

## Appendix 6 – Comments from individuals

Where the individual responding to the consultation agreed for their response to be published, their full comments in responses to questions have been included below. If an individual wanted their responses to remain confidential, no entry appears.

### Question 1

To what extent do you agree with the proposal that a streamlined Practising Certificates Scheme be created for QAS accredited firms?

#### Strongly agree

I think QAS based organisations are better placed to assess the ongoing suitability of individuals to hold a PC compared with individual attestation.

It's important that the IFoA focusses resources where there is greatest risk. The QAS accreditation is a key way to externally assess whether an actuary is practising in an environment which is lower risk due to the support of actuarial colleagues and appropriate training etc. It makes sense to use this to focus resource on higher risk areas. It also creates an incentive for bigger firms to continue to support the QAS scheme.

Makes good sense

At my firm, we already have a rigorous process and qualification criteria before anyone is allowed to act as Scheme Actuary on one of the firm's clients. To support anyone acting as a Scheme Actuary and to enable them to keep up to date with professional, regulatory and best practice developments, we offer:

- a comprehensive in-house training / information programme, covering all aspects of pensions actuarial work (including compliance with actuarial standards) as well as new developments (e.g. the influence of AI). Sessions are recorded for those unable to attend on the day
- in-house procedures and policies that anyone providing scheme actuary advice must follow
- regular sessions on professional skills training, making use of the IFoA material
- internal sessions and guidance on risk management
- support and encouragement for colleagues to join the Association of Consulting Actuaries and to attend regular sessional meetings as well as conferences and webinars

In addition, actuarial trainees and recently qualified actuaries benefit from working with my firm's experienced Scheme Actuaries, who provide on-the-job guidance, mentoring and experience for individuals who aspire to becoming Scheme Actuaries in due course.

In order to be QAS accredited, we have to demonstrate many of these qualities, policies and procedures already.

### Question 1

To what extent do you agree with the proposal that a streamlined Practising Certificates Scheme be created for QAS accredited firms?

Agree

### Question 1

To what extent do you agree with the proposal that a streamlined Practising Certificates Scheme be created for QAS accredited firms?

#### Neutral

I welcome the proposals to make the renewal process easier for Scheme Actuaries. However I think this will result in a lot of additional work for us as firm to satisfy ourselves that Scheme Actuaries remain competent. It will be important to see the guidance to determine what will be required. Also if the period extends to 6 years then I feel it will be more difficult every 6 years to complete the form given the length in between. It will depend on course of what the QAS internal process would then need to cover and whether this will make it easier for Scheme Actuaries for the IFOA renewals.

As I don't work for a QAS accredited firm, the proposals don't impact me directly although I am a PC holder. I don't particularly have any objections to PC holders in QAS firms only having to complete a full renewal application every 6 years but I wonder if that will really save them much time (sometimes it is harder to update a form that you haven't revisited in a long time).

### Question 1

To what extent do you agree with the proposal that a streamlined Practising Certificates Scheme be created for QAS accredited firms?

#### Disagree

I would like to support the extension of the QAS regime into PC renewal: it seems natural, as the ground covered is much the same and admin would be reduced. But I don't have any information on how many PCs are withdrawn on renewal, for what reasons, and how/whether these would be caught under the QAS proposals. And we've already cut down the renewal process down to a 'full' renewal every three years - we haven't been given a justification for why this should be cut down to every six years just because renewal is happening via QAS.

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This proposal would set up a two-tier system. The IFoA should apply consistent criteria to all applicants. PC holders are the pinnacle of the profession and wider stakeholders should be confident that all holders have met the same standards.

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### Question 1

To what extent do you agree with the proposal that a streamlined Practising Certificates Scheme be created for QAS accredited firms?

Strongly disagree

Penalises smaller firms, uses QAS for a process for which it was not designed.

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## Question 2

To what extent do you agree that the mitigations set out in the proposal address any concerns you may have about the proposed scheme?

### Strongly agree

I think the initial PC application continuing to provide the initial screening is the most important mitigation to the greatest potential conflict of interest.

These seem proportionate and designed well to assess competence of senior actuaries while mitigating the bureaucracy. I like that there will still be a regular check-in for all members, but just less frequent.

## Question 2

To what extent do you agree that the mitigations set out in the proposal address any concerns you may have about the proposed scheme?

### Agree

The random sampling by the IFoA and expectation of opting back into the PC scheme where there are conflicts of interest should mitigate any concerns. However the interview process for those randomly sampled could create more work for all concerned (including the volunteers on the PCC) compared to completing a full renewal form at the three year point.

The proposals address my own concerns, in relation to my firm. The proposals may need to be modified / strengthened in light of experience; and in light of any input or challenge from regulatory authorities (FRC / ARGAs) or accusations of self-interest / "marking our own homework" from external bodies.



## Question 2

To what extent do you agree that the mitigations set out in the proposal address any concerns you may have about the proposed scheme?

### Disagree

See question 11

Regardless of mitigations, it remains a proposal to create a two-tier system.

The mitigations cover the risks for the IFOA and individuals rather than the additional burden that will be placed on SQARs.

## Question 2

To what extent do you agree that the mitigations set out in the proposal address any concerns you may have about the proposed scheme?

### Strongly disagree

Does not address the impact on smaller firms. Option for people to "opt in" to the standard scheme is weak, particularly as most QAS coordinators will be lower in the organisation than the practicing certificate holder.

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### Question 3

Do you have any concerns about the proposed Scheme?

Yes

See answers already given

See question 11

In addition to points raised above, I would also consider the cost angle. This introduces a new set of rules/guidelines/documentation which will need to be maintained. This will have a cost. Currently that cost is being met in a more efficient way by having a single scheme.

As mentioned above, additional responsibilities for SQARs and maybe onerous internal procedures required to monitor compliance for firms

### Question 3

Do you have any concerns about the proposed Scheme?

No

I think it is an improvement on current arrangements.

I feel it makes good use of the expertise of firms to properly assess how fit members are to maintain certificates.

No material concerns but it will be interesting to see how the scheme operates in practice and there should be a review point within the IFoA to assess how successful it has been.

It makes good sense, it reduces duplication, and the risks to pension scheme trustees and the reputation of the actuarial profession are very low.

#### Question 4

How significant do you think the impact of the proposed QAS PC Scheme would be on the responsibilities of the Senior Quality Assurance Representatives (SQARs)?

#### Very significant

Huge conflict of interest as SQAR is likely lower in the organisation than the practicing certificate holder

There is a lot of work for SQARs already and I think this additional responsibility will be unwelcome. The proposals so far are not clear on what will be required but as a SQAR myself I would want to be satisfied on Scheme Actuary's competency to act before I could sign off the position annually.

#### Question 4

How significant do you think the impact of the proposed QAS PC Scheme would be on the responsibilities of the Senior Quality Assurance Representatives (SQARs)?

#### Significant

I think SQARs will want to develop a process by which they are comfortable in providing the attestation.

SQARs will become responsible for withdrawing the certification of colleagues they consider not up to scratch - or for aiding and abetting their continuation in role.

It needs a person of suitable status / seniority to fill the role; and to be aware of possible conflicts.

#### Question 4

How significant do you think the impact of the proposed QAS PC Scheme would be on the responsibilities of the Senior Quality Assurance Representatives (SQARs)?

#### Neutral

I do not have enough knowledge of SQAR to comment.

In the case of our firm, we already have senior people acting as SQARs so it does not seem a significant additional responsibility. However this might not be the case if a firm is using a more junior support role as their SQAR.

Hard for me to answer as I don't work for a QAS firm but I imagine some extra work will be involved if the specific competencies being assessed differ from those assessed as part of normal fitness and propriety requirements or role-based competency requirements.

### Question 5

Do you think the proposals go far enough?

Yes

I like that there are still checks and balances.

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### Question 5

Do you think the proposals go far enough?

No

Practicing certificates should be removed. Roles are regulated by the PRA's approved person scheme. Additional complication should not be made to mitigate their impact, they should just be removed, as happened in Ireland with the introduction of Solvency II and as happens in all other jurisdictions. An IFOA actuary should not be "punished" for working in the UK in this way when a non-IFOA actuary would not be subject to such a restraint in employment and an IFOA actuary would not face the same restraints in other countries.

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See answer to question 11

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### Question 5

Do you think the proposals go far enough?

#### Not sure

I have always had doubts about the true benefit of the PC system to actuarial users. I hold the view that "large" users will generally be perfectly capable of assessing suitability themselves whereas users who do not have that depth of understanding will likely benefit from any actuarial input. This view assumes that professional responsibilities are recognised and upheld by members.

Strange question - what is meant by ""far enough""?

I don't think this change to the PC scheme is beneficial.

I'm not sure what problem the IFoA are trying to "solve" here so hard for me to answer ie are you trying to reduce admin for PC holders, for firms, for the IFoA, for PCC volunteers or improve standards or reduce PC renewal fees? (or all of these?)

## Question 6

### Other comments

Fundamentally the practicing certificate regime remains a restraint on employment and should be removed.

Despite the consultation and request for feedback - is this matter already decided? In recent history the IFoA has not generally listened to the voice of the Fellows.

I am very positive that the proposal will help focus certificate reviews on genuine higher risk cases rather than a tick-box type approach which has resulted in very senior and competent actuaries to be asked for lots of extra examples.

This may not have been the aim of the scheme but I note that this change in itself is unlikely to encourage non-QAS firms to join the QAS scheme. My firm (a small life insurer) does not participate in the QAS and I don't think would see any benefit in having to pay both for QAS and for the PC renewal fee - they're happy to leave me to deal with the admin of renewing my PC!

This may not have been the aim of the scheme but I note that this change in itself is unlikely to encourage non-QAS firms to join the QAS scheme. My firm (a small life insurer) does not participate in the QAS and I don't think would see any benefit in having to pay both for QAS and for the PC renewal fee - they're happy to leave me to deal with the admin of renewing my PC!



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