

## Institute and Faculty of Actuaries, Regulatory Board

<b>Subject</b>	Practising Certificates Committee (PCC) Annual Report
<b>Meeting date</b>	21 November 2023
<b>Previous Steer/Approval</b>	N/A – this is an annual noting report
<b>Related horizon scan code</b>	N/A
<b>International issues considered?</b>	Relates to a UK specific matter
<b>Author</b>	Stephanie Snowden, Senior Regulatory Manager Karen Butroid, Chair of the PCC
<b>Reviewer</b>	Fiona Goddard, Interim Head of Regulatory Policy
<b>Purpose</b>	Noting

### A: Introduction

1. This noting report provides an annual update to the Regulatory Board (the Board) summarising the work of the Practising Certificates Committee (PCC) for 2022/23.
2. It provides details on the ongoing casework of the PCC, an update on the new Practising Certificates (PC) Scheme, a copy of the PCC Report to Members for noting, as well as current and ongoing topics of interest and information on the PCC membership and recent meetings.

### B: Casework

3. **Appendix 1** to this paper summarises the casework over the period from 1 September 2022 to 31 August 2023, split between the old and new scheme. It shows the number of applications renewed, renewed through discretion, rejected and cases where a restricted certificate was issued under the old scheme. Member names have been redacted.
4. One application was declined under the previous scheme during the period and no applications have been declined, or PCs granted with conditions, since the new scheme came into effect.
5. The PCC has not received any appeals over the period since the last report.

### C: New PC Scheme

6. In advance of the new PC Scheme coming into effect, 15 members of the PCC attended two Competency Assessment Training sessions. PCC members in attendance found the sessions engaging and helpful. A Competency Assessment module has been created from videos of both sessions and has been made available to all PCC members. The module will also be shared with any new PCC members as part of the induction process.
7. The new PC Scheme has now been in effect for almost one year, with 849 renewal applicants and 58 new applications received to the end of August.

8. Ad hoc feedback received indicates that Members welcome the shorter annual renewal process and find the full renewal process straightforward, more relevant, engaging and inclusive than the previous process.
9. Feedback from a recent PCC meeting suggests that some PCC members are concerned about the subjectivity of the new competency-based approach and whether it is possible to decline an application under the new scheme.
10. The Executive has highlighted the options available to the PCC, which includes requesting further information and/or interviewing applicants to ensure they are fully confident in the decision made on an application.
11. Feedback has also been requested from the PCC to gain a better understanding of the concerns.
12. The Executive has also committed to reviewing the example applications on the IFoA website, with the Scheme Actuary renewal example having been updated earlier in the year to better reflect the information required for a successful application.
13. A full post-implementation review of the new scheme will be carried out by the Executive over the coming months to assess whether the objectives of the new scheme have been met and to gather feedback on the process. The PCC will be consulted as part of the review, along with other relevant stakeholders.
14. Once feedback has been collated, further work will be carried out to enhance the guidance available to assist applicants when completing their application.
15. A report on the findings of the post-implementation review will be shared with the Board in 2024.
16. In addition, PCC members will be carrying out a review of the executive process to ensure processes are being followed correctly and consistently.
17. If of interest to the Board, the report from this work can be made available upon request.

#### **D: PCC Report to Members**

18. [REDACTED]
19. [REDACTED]
20. [REDACTED]

#### **E: Current or ongoing topics**

##### PC requirements for Reviewing Actuaries

21. The PCC raised concerns in its last annual report in relation to the PC requirements for Reviewing Actuaries (RAs). The PCC was particularly concerned that members requiring a PC for RA roles only would not be able to demonstrate the required competencies for a full Chief

Actuary (Life) PC and, with the absence of the option to restrict PCs, this would lead to current PC holders having renewal applications declined.

22. The PCC was therefore pleased when an interim solution was agreed with the Chair of the Board in relation to those who may be affected, which has helped to avoid any unfair outcomes in relation to PC applicants.
23. The PCC notes the Board's decision to consult on the removal of the requirement for RAs to hold a PC and looks forward to hearing the outcome of the consultation.

PC/QAS consultation

24. [REDACTED]
25. [REDACTED]
26. [REDACTED]
27. [REDACTED]
28. [REDACTED]

**F: [REDACTED]**

29. [REDACTED]
30. [REDACTED]
31. [REDACTED]
32. [REDACTED]
33. [REDACTED]
34. [REDACTED]
35. [REDACTED]
36. [REDACTED]
37. [REDACTED]
38. [REDACTED]

39. [REDACTED]

40. [REDACTED]

41. [REDACTED]

42. [REDACTED]

### **G: Executive team, Committee membership and meetings**

43. [REDACTED]

44. The membership of the Committee currently consists of:

- 1 Lay member
- 26 Actuary members (Including the Chair)

The Actuary members are split into five panels covering the practice areas relevant to each PC.

45. One Actuary member has stood down from their role since the last report and four new Actuary members have been recruited.

46. Since the introduction of the CDC Scheme Actuary PC in March, a new CDC panel has been formed with two new panel members. Very few CDC applications are expected, therefore a smaller panel is sufficient at this stage, with all CDC applications also being shared with the Chair of the PCC. The Executive is working on some specific conflict management plans for this panel, given the very small group of members likely to be involved in this work initially.

47. The Life panel has also been extended to six panel members to bring it in line with other comparable panels.

48. The Chair's initial three-year term is coming to an end and after discussions with the Chair of the Board, it is recommended that this is extended for a second term. This item will be taken offline for consideration by the Board.

49. The full PCC meets twice yearly and since the last report, meetings were held on 29 March 2023 and 10 October 2023. In accordance with the PCC Terms of reference, Appendix 5 to this report summarises the attendance statistics of the PCC.

50. The Chair notes the extensive workload of the Committee, and the time panel Members commit to the work of the PCC. This has particularly been the case this year with the transition to the new Scheme and the move to a competency-based approach. The Chair would also like to

extend particular thanks to the members of the Life Panel for their patience and understanding whilst the PC requirements for Reviewing Actuaries are reconsidered and consulted on.

51. The Chair also thanks the Executive for their efforts in ensuring the smooth running of the administration of the PC Scheme.

#### **H: Conclusions**

52. The Board is asked to:

- **Note** the report and provide any comments on its contents; and
- **Consider** whether more frequent reporting of PCC matters is required.

#### **I: Appendices**

- **Appendix 1:** Casework Summary 1 September 2022 to 31 August 2023
- **Appendix 2:** PCC Report to IFoA Members
- **Appendix 3:** FRC findings from PC oversight work
- **Appendix 4:** FRC observations from PCC meeting
- **Appendix 5:** Meeting attendance and calls