

Mr Stephen Haddrill
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5th February 2013

Dear Stephen,

FRC Draft Plan and Budget 2013-14

I am writing to confirm the comments on the FRC's Draft Plan and Budget 2013-14 which representatives of the Institute and Faculty gave you at our Liaison meeting on 31 January. First, we welcome the approach the FRC has again adopted of consulting key stakeholders on its draft plan and budget. We are particularly glad to see that this year's draft plan has been drawn up with reference to a three year time period. The development of a rolling three year programme of FRC activity should help all actuarial stakeholders (as well as your stakeholders in other fields) in planning their own programmes of work and thus help promote the formation of an agreed, consistent and coordinated programme of work across all important actuarial issues.

Secondly, we welcome the inclusion, among the five priority projects mentioned in the plan, of a programme of activity focussed on the FRC's responsibilities for actuarial oversight and standards. As you know, we are actively committed to assisting the FRC, under the banner of Project Capri, in drawing up an agenda for its actuarial work over the next three years. We hope that this exercise will also be helpful in establishing a shared understanding between us on high level regulatory issues so that we can move forward together purposefully over that period.

Thirdly, we note that, while consistent with the three year timescale of the draft plan, the table on page 9 suggests that much of the FRC's activity within that period will be focussed on 2013-14. We agree that it will be essential to resolve a number of first order questions of mutual concern in that period but believe that some of the Capri work streams will inevitably be of longer duration, at least in their implementation phase. For example, establishing sound arrangements for ensuring the quality of actuarial work across the whole range of actuarial firms will inevitably take more than a year to implement and to oversee. In short, the outcome of the project signalled in the draft plan will be an agenda for the three years ahead, not just 2013-14.

The Actuarial Profession is the brand name of the Institute and Faculty of Actuaries

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Fourthly, we welcome and support the strategic emphasis in the draft plan on furthering the FRC's communication and engagement, at home and internationally. As you know, we are already working collaboratively with you in contributing to the shaping of international actuarial regulation. In the coming year, we look to strengthen the contribution actuarial skills can make to the achievement of the FRC's objective of deepening public confidence in the UK in wider (not purely actuarial) areas mentioned in the plan such as corporate reporting, stewardship and the effective regulation of the banking sector.

Finally, we note and welcome the proposed budget, which, in respect of the actuarial levy, envisages a broadly standstill position over the next year.

My colleagues and I will be happy to amplify any of these points as you may find helpful.

Yours sincerely



Derek Cribb

Chief Executive
Institute and Faculty of Actuaries