

June Lansdell

From: andrew.f.hoddinott@uk.pwc.com
Sent: 30 September 2008 18:02
To: Actuarial Quality
Cc: peter.tompkins@uk.pwc.com
Subject: Promoting Actuarial Quality - Response from PwC

Dear Emily

PwC supports the Financial Reporting Council's initiative to investigate what factors drive the quality of actuarial practice and how those factors are or could be threatened. We have a few comments we hope will be useful in taking this important exercise forward.

We share the wide view of quality the FRC appears to have - that goes beyond the narrow definition of merely "not being wrong" - and, with this view in mind, we believe the drivers of quality identified in the paper are the right ones to focus on. One driver the FRC identifies is "*technical skills of actuaries*". These are clearly vital; but we suggest that simply *having* technical skills may not in itself be sufficient. To promote quality successfully may require more focus on the willingness of actuaries to use those skills to the fullest extent and to innovate them as necessary. This can be very difficult, given the complexity of actuarial practice, and sometimes may also be at odds with commercial considerations.

We would welcome any action to promote quality but caution against trying to achieve this by introducing further standards or asking firms to change practices and procedures that are already working satisfactorily. This could be counterproductive. We think the major role in promoting quality should rest with the Profession. Education and CPD are clearly vital but we see the forthcoming Information and Assistance Notes, and their development over time, as becoming the most important drivers of quality in practice. Their success will depend on how effective they are in (a) informing actuaries and (b) setting precedents for quality advice that go beyond merely complying with the minimum standards laid down by BAS. This should include taking into account latest research and where appropriate looking to innovate and move actuarial practice forward.

Please contact me if you would like to discuss this further.

Kind regards
Andrew Hoddinott

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01/10/2008

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