



Professional Oversight Board

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Sir Philip Mawer
Chairman
Professional Regulation Executive Committee
The Actuarial Profession
Maclaurin House
18 Dublin Street
Edinburgh EH1 3PP

20 July 2011

Dear Sir Philip

The Actuarial Profession's Progress and Priorities in Regulating its Members

Thank you for your letter of 18 July in which you describe the progress made by the Profession over the last year, in response to our earlier recommendations and the regulatory priorities identified in Dame Barbara Mills' letter of 1 June 2010. We will publish your letter and this response at the same time as our annual report to the Secretary of State.

We are pleased that the Profession has developed a programme which includes detailed milestones and focuses on responding to our recommendations and the drivers of actuarial quality in the FRC's Actuarial Quality Framework (AQF). We note the progress which has been and is being made, especially with guidance on conflicts of interest and whistleblowing. We would encourage you to finalise this work, having regard to clear public interest outcomes, and in particular to:

- clarify the expected technical skills of practising actuaries, and establish a robust framework (involving qualifications, CPD and practising certificates) for developing, maintaining and confirming their professional competence;
- review the adequacy of ethical and conduct standards, guidance and other materials for practising actuaries in each sector; and
- develop and finalise proposals for improving the regulatory reliance which can be placed on quality controls at actuarial firms.



We look forward to reviewing the Profession's proposals and its developing regulatory strategy over the coming year, as well as offering an objective assessment of the quality of some of the regulatory processes which are already in place.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Kellas'.

John Kellas

Interim Chairman

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