



Financial Reporting Council

Post Implementation Review of Technical Actuarial Standards

Position Paper

November 2021

Contents

	Page
Introduction	2
Summary of responses to the Call For Feedback	2
Proposed position	3
Kingman Review and Actuarial Regulatory Reform	6
Next Steps	6
Appendix A – Analysis of Response to the Call For Feedback	7

1. Introduction

- 1.1 In this position paper, the Financial Reporting Council (FRC) summarises the feedback received to the [Call For Feedback](#)¹ (CFF) published in February 2021 and provides clarity over how the FRC proposes to respond to feedback, taking into account the events arising that have implications for actuarial regulation.
- 1.2 The FRC is the UK's independent regulator responsible for promoting high quality corporate governance and reporting to foster investment. Following the Morris Review of the UK Actuarial Profession (published in March 2005) the FRC took on responsibility for independent oversight of the UK Actuarial Profession and the independent setting of technical actuarial standards (TASs) in April 2006.
- 1.3 It is the FRC's duty to keep the TASs and other actuarial standards under regular review and reconsidered at least once every five years. As part of the post implementation review (PIR) of the TASs, the FRC published a CFF in February 2021 to invite feedback from actuaries and 'users' of technical actuarial work (e.g. Directors, Board members, pension scheme trustees). The CFF posed questions covering the overall framework of the TASs, and more detailed questions on specific topics which relate to developing areas or issues which have been brought to our attention since the TASs were last revised. The CFF was complemented by an outreach programme consisting of more in-depth and focused discussions with representatives from across the industry.

2 Summary of responses to the Call For Feedback

- 2.1 In total 21 written responses were received, of which 16 responses were non-confidential and have been published on the FRC website. The table below summarises the number of responses by respondent type.

Respondent Type	Number
Individuals	4
Regulators and Government bodies	2
Professional Bodies	1
Representative Bodies	2
Pensions-focussed organisations	8
Insurance-focussed organisations	4
Total	21

¹ <https://www.frc.org.uk/consultation-list/2021/technical-actuarial-standards-post-implementation>

-
- 2.2 A detailed summary of the responses submitted is provided in Appendix A.
- 2.3 In addition, the FRC conducted an extensive outreach programme to gather further informal feedback. Over 35 in-depth discussions were conducted with experts from various fields, actuarial organisations of different sizes, regulators, the Institute and Faculty of Actuaries (IFoA) working parties' representatives, and users of actuarial information such as insurance non-executive directors and pension scheme trustees.

3 Proposed position

- 3.1 The FRC's proposals in respect of the responses to questions posed in the CFF are set out in this section. Our summary of feedback and proposals below draw on both the formal responses to the CFF and extensive stakeholder outreach undertaken earlier in the year.

Questions 5 to 9 – Overarching questions

- 3.2 The CFF posed some high-level questions on the general effectiveness and clarity of the TASs, and what difficulties individuals faced in applying TASs.
- 3.3 Feedback received suggested that the framework of the current TASs has achieved benefits for both practitioners and users and contributed to raising the quality of work overall. In particular, the principles-based approach allows the TASs to withstand changes in practices over time meaning they are 'future-proofed' for new areas of work. A principles-based approach also leaves room for practitioners to apply judgement and proportionality. This has led to practitioners being able to focus more on what the TASs are aiming to achieve, rather than approaching the standards as a compliance exercise. These were the intended aims at the last cycle of TAS review. Further, the FRC considers these aims continue to apply, and agrees that the principles-based nature of the standards should be retained.
- 3.4 There are also features of this framework which it is felt can be improved. We discuss these in the following paragraphs.
- 3.5 One consequence of a principles-based approach is that the TASs are open to interpretation. This has led to a range of interpretations and practices in application. At times practitioners have focused on how to comply or whether they are compliant with the TASs. To provide better clarity on how the principles should apply, the FRC is minded to introduce expectations and/or guidance to clarify the requirements, where relevant.
- 3.6 The scope of the technical actuarial standards is set out in the [Framework for TASs](#)², including the definition of Technical Actuarial Work (TAW) and the geographic scope. This was further supplemented by the [IFoA guidance on the application of TAS 100](#)³, in particular Appendix 1 of that document "Examples of work in and out of scope of TAS 100". Feedback has shown whilst many have found the existing guidance to be beneficial, there is still a substantial level of uncertainty remaining on whether a piece of work classifies as TAW. This has at times led to undue focus by practitioners on deciding on whether the work should be classified as TAW, rather than the quality of the work itself. The FRC is not considering changes to the current definition of TAW but is minded to provide clarity on the existing definition through issuing further guidance and will be coordinating with the IFoA on revising its guidance. The FRC considers the current geographic scope adequate but will consult on revision to the wordings used in the definition of the geographic scope and issue guidance to improve clarity.
- 3.7 Feedback from users of actuarial information emphasised the need for actuaries to draw out, in their communications to users, the key judgements made which would have a material effect on the outcome. Users of actuarial information also emphasised the importance of being presented with the reasons supporting these judgements and any limitations of the advice given. Feedback suggested that in some cases, the identification of the most material judgement is obscured by the extensiveness of the communication, whilst in other cases,

² <https://www.frc.org.uk/getattachment/03a1d210-621b-411a-8605-4f8a51cbeb21/Framework-for-FRC-actuarial-standards-April-2019.pdf>

³ https://www.actuaries.org.uk/system/files/field/document/2018_01_15_TAS%20100%20guidance%20with%20specific%20case%20studies.pdf

reasoning and limitations are not brought to users' attention. From the practitioners' perspective, the tension between the perceived level of detail required by TAS 100 and the need to take into account materiality creates difficulties. The FRC will consult on proposals to improve the clarity on the requirements for documentation and communication.

- 3.8 Some respondents reflected on how actuaries are increasingly working in multi-disciplinary teams with different approaches and timeframes for delivering advice to users, compared to the more traditional route of a single final report. The FRC will review the framework and TAS 100 to ensure the standards are relevant in these environments and is minded to issue guidance to provide clarity to practitioners on the requirements expected of them in these circumstances.
- 3.9 Where feedback was given on specific examples of suggested improvements that are not already covered above and in subsequent sections below, the FRC will consider these and will consult on proposals to revise the standards, where appropriate.
- 3.10 Comments in relation to statements of compliance are covered in sections below.

Question 10 – Further standards

- 3.11 The CFF asked for comments on any areas which require further standards. Feedback to this question related mainly to models and climate change and new emerging risks. The FRC's proposals with respect to modelling are covered under questions 15 to 19.
- 3.12 As part of the outreach, the FRC specifically sought views on areas such as climate change. Informal feedback suggested that there are concerns on whether climate change risks are adequately considered when actuaries are performing TAW and whether these are the only non-traditional risks which the profession should be concerned about. The FRC will consult on proposals to revise the TASs to ensure TAW considers all relevant risks in a proportionate way.
- 3.13 Feedback on sector specific issues will be considered in Phase 2 of the review. There were no other themes emerging from the responses.

Question 11 – Approach to staggering the revision of TAS

- 3.14 Respondents generally did not foresee issues with the staggered approach taken by the post implementation review. Comments made related to whether a transitional period would apply and the risk of inconsistencies between the TASs if they are not reviewed at the same time. The FRC will take this into account in the next phase of work.

Questions 12 to 14 – Judgement

- 3.15 The CFF invited comments in relation to the principle of judgement.
- 3.16 There is a clear consensus from actuaries that the existing one-sentence principle on judgement gives sufficient direction to practitioners on the nature of judgement and what it involves, especially when considered in conjunction with other actuarial standards (e.g. the Actuaries' Code).
- 3.17 Feedback from users of actuarial information paints a different picture. Feedback suggests actuaries have not always communicated clearly how they form their judgement, and alternatives to key judgements are not always considered or presented.
- 3.18 The FRC will therefore consider whether further clarification should be given in the standards, whilst preserving the principles-based nature of the standards. The FRC is also considering whether guidance would help to promote good practice.

Questions 15 to 19 – Modelling

- 3.19 The CFF invited comments in relation to the principles relating to Modelling.
- 3.20 Feedback suggests the principles-based approach to the TASs means they have remained relevant over time as modelling techniques and practices have evolved - the standards do not contain details on how the requirements should be met and leave room for actuaries to exercise their own judgements. However, there are areas in which the standards should be revisited or where guidance may be useful. For example:
- i) Governance and communications of complex / complicated models;
 - ii) Better consideration and communication of testing of models and limitations of models;
 - iii) Documentation and testing around material assumptions;
 - iv) Model governance / change management;
 - v) Consideration of interactive models developed for the provision of self-service advice.
- 3.21 The FRC will consult on proposals to revise the standards, where appropriate, to reflect the feedback provided whilst preserving the principles-based nature of the standards. The FRC is also considering whether guidance would help to promote good practice.

Questions 20 to 22 – Statement and evidence of TAS compliance

- 3.22 The CFF invited comments on the effectiveness of the statement and evidence of TAS compliance.
- 3.23 Whilst there was little support that a mandatory standardisation of the statement of TAS compliance could lead to better clarity on the quality of the work provided, the feedback and informal outreach shows a range of practices, and in some cases, potential mis-representation of the level of compliance of the work.
- 3.24 Whilst the FRC acknowledges that a standardised statement of TAS compliance may not suit all circumstances, concerns remain around the need to ensure the clarity of the level of compliance of actuarial work. The FRC will consult on proposals to revise the standards such that, whilst no standardisation will be required, any departure from full compliance is clearly identified, justified, and communicated. The FRC is also considering whether guidance would help to promote good practice.
- 3.25 Feedback from written submissions and informal outreach suggests there is a wide range of practices in evidencing of TAS compliance, with some actuaries using checklists to evidence TAS compliance whilst others rely on self-evidencing. As TAS is a principles-based standard, judgement is sometimes involved in assessing compliance. The FRC considers that the evidence of compliance, including any judgements or assumptions made in considering compliance, must be available in a clear and accessible form. The FRC will consult on proposals to revise the standards to support this.

Questions 23 to 24 – IFRS 17

- 3.26 The CFF invited comments on adopting ISAP 4 in relation to IFRS 17.
- 3.27 The majority of the feedback received does not support the FRC adopting ISAP 4. Some respondents are concerned that ISAP 4 is inconsistent with the principles-based nature of the TASs, and the generic nature of TAS 100, whilst others rejected the idea of incorporating the material in ISAP 4 into standards regardless of form.
- 3.28 The FRC considers these concerns valid and the FRC remains convinced that the TASs should continue to be principles-based. The FRC is also mindful of the additional burden of cost to practitioners and insurers of regulation. In adopting a proportionate approach, the FRC considers there to be no compelling case to adopt

ISAP 4 as is. The FRC will continue to consider whether the TASs, in particular for TAS 200 in the next phase of work, would benefit from revision given the implementation of IFRS 17.

4 Kingman Review and Actuarial Regulatory Reform

- 4.1 In the Independent Review of the FRC in 2018, Sir John Kingman raised the question of the FRC's (or its successor, Audit, Reporting and Governance Authority) role in overseeing the actuarial profession. The Government considered Sir John Kingman's recommendations and published a [consultation](#)⁴ in March 2021. The consultation is now closed and the Government is considering its response to the consultation.
- 4.2 As the Government considers the future of the actuarial regulatory regime, the FRC will continue to discharge its duty to keep the TASs and other actuarial standards under regular review and proceed with the post implementation review as planned. The FRC will examine and adjust the timetable of the post implementation review regularly against the development of policies on actuarial regulatory reform.

5 Next Steps

- 5.1 The FRC will develop any revisions to TAS 100 as set out in line with Section 3, with the aim to publish a consultation on the revision to the TAS 100 in 2022. The FRC will be planning to introduce guidance over time, prioritising areas which are in most need.
- 5.2 A further CFF will also be published in 2022 to invite feedback on sector specific issues including TAS 200, TAS 300 and TAS 400.

⁴ <https://www.gov.uk/government/consultations/restoring-trust-in-audit-and-corporate-governance-proposals-on-reforms>

6 Appendix A – Analysis of Response to the Call For Feedback

In this section we summarise the points raised in the written submission responses to questions in the Call For Feedback.

QUESTION 5:

To what extent have the TASs been effective in supporting high quality technical actuarial work?

Most respondents provided an answer to this question.

Many actuaries commented that the TASs are working well and are effective in supporting high quality work, although some added that the TASs are merely documenting existing good practice.

Respondents cited the principles-based nature of the standards allows standards to be applied in many circumstances, allows proportionality to be applied and allows the exercise of judgement. The current TASs are considered an improvement relative to previous versions. The standards encourage practices of good communication and documentation. Some cited that given the principles underlying TAS 100 are relatively generic, colleagues in their organisations who are not members of the Institute and Faculty of Actuaries, but are involved in related work, or work of a technical nature, apply TAS 100 to the work they do. The focus on reliability and user perspective is also helpful.

Users of actuarial work commented that, whilst they believe the work they receive to be of high quality and view the TAS compliance statement as additional assurance, they are unclear on the scope (and limitations) of the TASs.

QUESTION 6:

What aspects of the TASs have caused difficulties? Please explain what those difficulties were and how you were able to overcome them.

Most respondents provided an answer to this question.

Some respondents suggested that communicating and documenting what is required can result in lengthy documents. This has been overcome by either removing some content considered to be immaterial or disproportionate or moving content to appendices. The perceived need for lengthy documents seems to stem from the issue that applying materiality and proportionality require significant judgement.

Respondents cited that some requirements are open to interpretation and whether more detailed guidance can be supplied. Respondents invited the FRC to consider whether compliance bar has been set at the right level.

Some respondents cited concerns about the scope of TAS 100 and the geographical scope of the TASs, resulting in the unintended consequence of driving individuals outside the scope of the UK actuarial regulatory system. Some respondents cited difficulty in interpreting the definition of Technical Actuarial Work and some respondents have overcome this initial issue by training. One respondent believed TAS 100 to be duplicative of the ethical standards issued by the IFoA and unnecessary and ought to be removed.

Some respondents cited difficulties in complying with TAS for work done under time pressure and have overcome this issue by preparing a follow-up report even though some users may not appreciate the need for the report. Others cited issues in applying TASs in a multi-disciplinary team environment.

One respondent cited some difficulty in catering for the 'user' of actuarial work as well as other stakeholders who also make use of it or situations where the request for a piece of work is made indirectly and there is little clarity on who the user is. This was overcome by ensuring communications consider all potential users or defining 'intended user' so that those relying on the work check whether they fit the 'intended user' definition.

A range of views were given on the statement of compliance. This is covered in questions 20 and 21 below.

QUESTION 7:

***[for users of technical actuarial work]* Have the TASs been effective in ensuring the quality and clarity of the actuarial information you receive is reliable to any decisions that you take based on that information?**

As might be expected, there were fewer responses to this question. Respondents included pension scheme trustees, audit firms, a regulator and a researcher.

Respondents have found TASs to be useful in general - one respondent cited using these as part of the overall risk and quality framework for audit work.

Respondents also preferred principles-based standards (as opposed to rules-based) as this encourages the actuary to present their work tailored to the specific circumstances rather than communication more akin to a compliance-based exercise.

Respondents also commented on the good quality of communications from some actuaries and material judgements covered off well.

Some respondents commented on the poor levels of disclosure around (stochastic) assumptions and judgements in documents in the public domain claiming to be TAS 100 compliant, and how this makes it difficult to assess how these affected conclusions drawn.

One audit firm mentioned that there is a wide range in quality of TAS compliant work meaning that the TASs may not be as effective as is desirable in driving an adequate quality standard, although it is noted that the intended user in each case may be different, driving different approaches to communication.

One respondent commented on the unhelpfulness of blanket TAS statements which makes the reliance unclear and devalues the purpose of the standards.

One respondent suggested more clarity is needed (for users of actuarial work) in relation to the rationale for the TASs and their scope.

QUESTION 8:

Are there any aspects of the TASs that do not help to ensure the quality of actuarial information? Please explain your response with examples of where this has been an issue.

Most respondents answered this question.

Several respondents commented that proportionality and materiality principles are often missed, meaning TAS compliance can be taken to be more onerous than is needed, leading to the inclusion of more detail than is strictly necessary. One user highlighted that a more detailed and lengthy report is preferable to one where the actuary has cut corners. Another commented that it is often unclear from reports with lengthy appendices (often including information required in order to comply with TAS) whether the appendices should be read / are important.

Several respondents also cited issues relating to scope and lack of enforcement powers where actuarial work is carried out by non-IFoA members. This could cause confusion for users and a competitive disadvantage for actuaries.

Other individual responses commented on the following:

- The standards required for TAS compliance could mean that the latest data or model are not used (even if they represent an improvement) because the relevant requirements have not (yet) been met;
- Some terminology used with the TASs isn't language that users would understand and there is, therefore, a risk associated with using this terminology purely for compliance purposes;
- The need for a separate framework document which is sufficiently covered within the TASs itself;
- Challenges in evidencing compliance when the communication is not in the form of a report.

QUESTION 9:

Is TAS 100 of sufficient detail to enable you to have a clear understanding of what is required in order to comply with this TAS? Are there areas of guidance which are vital to your understanding to the TASs?

The majority of respondents answered this question expressing a view that the TASs are sufficiently detailed to enable them to have a clear understanding of what is required in order to comply, when read in conjunction with the Framework, Glossary and IFoA Guidance.

One respondent, who felt they were not sufficiently detailed, suggested the requirement for documentation to “contain enough detail for a technically competent person with no previous knowledge of the technical actuarial work to understand the matters involved and assess the judgements made” is capable of wide differences in interpretation.

Some respondents favoured further guidance, others cautioned against it at risk of the guidance being viewed as being too prescriptive and treated as mandatory.

Suggestions for improvement made by respondents included:

- Update / expand upon IFoA Guidance or prepare new guidance including further illustrative examples, more information on scope and materiality;
- Define ‘actuarial science’ and replace ‘user’ with ‘intended user’;
- Update TAS to allow for modern (different) approaches of delivering actuarial advice as well as team structures where the work is a mixture of technical actuarial work and other work, carried out by actuaries and non-actuaries.

QUESTION 10:

***[for users of technical actuarial work]* Are there any areas where you would welcome further standards; in particular, new areas where an increasing number of actuaries are performing technical actuarial work?**

As might be expected, there were fewer responses to this question. Respondents included pension scheme trustees, audit firms, a regulator and a researcher.

Suggested improvements made by respondents included:

- TAS 100 should encourage consideration of multiple models and alternative judgements – examples of complex modelling situations include scenario-based modelling (stochastic models, ESGs and catastrophe risk modelling);
- Additional guidance on the development and use of models;
- TAS should make it clear that Technical Actuarial Work should consider all changing, new and emerging risks, including climate change.

One respondent noted that actuaries increasingly working in less traditional areas where TASs may not apply to their work, and so additional standards would also not apply and are, therefore, not required.

QUESTION 11:

Do you foresee any issues with the TASs being reviewed and updated in a staggered approach?

Around two-thirds of respondents answered this question.

The general consensus was that no issues are foreseen. Some respondents noted that there is potential for inconsistencies to arise when TAS 200, TAS 300 and TAS 400 are reviewed, others noted that there may be a need for a transitional period when each of the new TASs are released.

QUESTION 12:

Are there specific considerations or factors that actuaries should take into account when making professional judgements?

Most respondents submitted a response to this question.

Many respondents voiced that the considerations and factors that should be taken into account when making judgements are dependent on the context, specific circumstances and work-specific. As such, the principles-based approach in the TAS 100 is adequate and should continue and that it is not appropriate to include specific factors within TAS 100. Some respondents considered the AAE guidance useful in assisting actuaries when making judgements. Some respondents voiced concerns in including further detail in the standard leading to a 'check-list' mentality.

QUESTION 13:

Does TAS 100 currently give sufficient direction on the nature of professional judgement and what it involves?

Most respondents submitted a response to this question.

Most respondents suggested that the current level of guidance (of which there is little) is appropriate. One respondent suggested that there are safeguards such as the Work Review requirement and CPD scheme which help to uphold professionalism generally.

A few respondents suggested that if further direction is considered, an aide-memoire / guidance would be more appropriate. One respondent suggested the guidance could provide details of some elements of how a User would normally expect an actuary to have exercised judgement.

One respondent suggested that the lack of any requirement to consider alternative judgements is a significant shortcoming, and that there is a risk that assumptions could be cherry-picked to lead to a desired conclusion and nothing in the current TAS protects users of actuarial information from being misled.

QUESTION 14:

***[for users of technical actuarial work]* In making your decisions based on the actuarial information requested, how much reliance do you place on the professional judgement made which resulted in the actuarial information, and has there been sufficient clarity of how these judgements are arrived at?**

Around one-third of respondents submitted a response to this question (as expected given that the question is specifically targeted at users of technical actuarial work).

Most respondents commented that they place significant reliance on actuaries' judgement, as they would not have the data / time / skill set / experience to form their own opinion.

Feedback shows there is a mix of experience in clarity on how these judgements are arrived at. At times, further clarity would be desirable, in particular there can be a lack of clarity on what is and what is not a function of judgement and, where there is such judgement, the process as to how it was arrived at. This might be more the case where the user of the actuarial information is not the direct user. One respondent suggested that the user should have the ability to question the basis of the judgements made. Another respondent suggested TAS required actuaries to discuss alternatives to key judgements and show sensitivities to the corresponding assumptions. Whilst in many cases, actuaries provide such sensitivities voluntarily, mandating this would enhance public good.

QUESTION 15:

How has TAS 100 supported you in determining whether a model is fit for purpose?

Around two-thirds of the submissions responded to this question and a wide range of views were given.

Some respondents noted that the requirement for documentation for checks and controls and requirement for documentation and explanation for the model itself is helpful. Whilst some respondents suggested the standards have encouraged consideration of limitations of models, others have suggested that the standards are unlikely to protect users of actuarial information against model cherry-picking.

Some respondents suggested the standards are too high-level and offered little practical support when determining if a model is fit for purpose. Some respondents noted that a main consideration of in whether a model is fit for purpose is whether there is a proper framework in place and how it is tested and noting any limitations of the model.

Some respondents noted that proportionality should be a consideration in adopting ISAP 1A, if considered.

QUESTION 16:

How have changes in modelling techniques in recent years impacted on your models used in technical actuarial work? What changes should be made to TAS 100 to reflect these developments?

Around two-thirds of the submissions responded to this question.

Most respondents acknowledged newer / more sophisticated modelling techniques, such as stochastic modelling, artificial intelligence (AI), big data, and machine learning (ML) techniques. Quite a few respondents noted that these techniques are considerably more complicated and can be viewed as 'black box'. Some respondents noted that governance and communication with respect to these techniques needed improvement.

Many respondents considered that principled-based standards continue to be applicable and remain relevant with recent modelling development, but some suggested guidance to be introduced to address specifics.

Some commented on the move away from the more limited and traditional modelling platform preferred by the profession (e.g. Excel) to a wider number of (and less accessible) tools (e.g. R, Python).

One commented on the use of interactive models delivering actuarial information which are accessed directly by users.

QUESTION 17:

How has TAS 100 supported you in determining whether sufficient controls and testing is in place for the models used in technical actuarial work?

Around two-thirds of the submissions responded to this question, though a number of respondents referred back to Question 15.

Most respondents see the requirement in TAS 100 for documentation for sufficient controls and testing to be helpful and contribute to the Reliability Objective, and that to remain principles-based standards no further detail is required.

One respondent noted that proportionality should be a consideration in adopting ISAP 1A.

QUESTION 18:

How are recent or anticipated changes in modelling techniques, or other influences, changing the nature of model governance and validation? What changes should be made to TAS 100 to reflect these?

Around two-thirds of the submissions responded to this question, some respondents referred back to Question 16.

Many respondents suggest the principled-based standards do not need to be changed in light of new techniques. Two respondents suggested further consideration of requirements around documentation of material assumptions and whether the TAS 100 guidance can be strengthened and modernised. One suggested further guidance on model governance could be useful noting ISAP 1A. One respondent questioned the practicality for independent validation and model risk and change management in an agile environment.

Two respondents commented on models / calculators which are increasingly being used directly by users, and suggested that TAS 100 should acknowledge this new breed of model where reasonableness checks are not performed by actuaries before the user consumes the information. One respondent suggested TAS 100 could require communications to be clear that users should get additional actuarial input if the decision is significant enough. Another suggested that the guidance note published by the IFoA on modelling for employers and pension scheme trustees is helpful and could be applicable more widely.

QUESTION 19:

***[for users of technical actuarial work]* How are recent or anticipated changes in modelling techniques affecting the communication of a) methods and measures used in the technical actuarial work and b) significant limitations to the models?**

Around one-third of respondents submitted a response to this question (as expected given that the question is specifically targeted at users of technical actuarial work).

Most respondents noted the increasing difficulty to understand the models from the outside with these more complex techniques. In particular, most respondents emphasised the need for clearly communicating the workings of the model, specifically the limitations of the models, and how the outcome might change if a key judgement is changed.

QUESTION 20:

Do you consider standardising the wording of the statement of TAS compliance would lead to better clarity on the quality of the work provided? Please provide rationale for your view.

Around two-thirds of respondents submitted a response to this question.

Most respondents did not feel that the FRC should standardise the wording of the TAS compliance statement. Some has suggested that providing guidance around sample wordings could be useful and others suggested ability to tailor the statement is helpful. A number of respondents commented that their organisations do provide standard compliance statements. A small number of respondents questioned the need for a compliance statement at all.

There is nonetheless an underlying desire to avoid compliance statements being applied blindly to pieces of work without thought.

QUESTION 21:

As an actuary completing a work review as defined in [APS X2](#), or as a user of technical actuarial work, is the evidence supporting the statement of TAS compliance clear and accessible, and how important is it to have this evidence available to you?

Around two-thirds of respondents submitted a response to this question. Some respondents have provided responses to separately consider the viewpoint of a work reviewer or a user of technical actuarial work.

It was difficult to pick out common themes as there was a wide variety of responses. The responses also revealed a wide variety of practices currently exist within the profession, including the level of detail and responsibility to check TAS compliance expected of the work reviewer.

Some respondents felt that the work itself is self-evidencing and additional evidence documentation is not necessary or should only be provided when asked. Other respondents felt that the evidence for TAS compliant on more complex work should be separate to the work itself and clearly set out against each provision of the standards.

Some respondents commented that a user of technical actuarial work will often not have enough knowledge of the TAS framework to find evidence of TAS compliance meaningful.

QUESTION 22:

Have there been circumstances where you have experienced issues with making a statement of compliance with TAS 100? Please can you provide examples of such.

Around two-thirds of respondents submitted a response to this question.

Most respondents commented that they have not experienced issues with making a statement of TAS compliance. Where issues were commented upon, they were mainly where the work was produced by both actuaries and non-actuaries.

QUESTION 23:

Should ISAP 4 be adopted by the FRC? Please provide your rationale supporting your view.

Just over one-third of respondents submitted a response to this question.

None of the responses were in favour of the FRC adopting ISAP 4. The main rationale was that the high-level nature of the TASs was not consistent with the more detailed nature of ISAP 4, and that many respondents felt that the TASs were sufficient without the need for ISAP 4. This is especially the case in relation to TAS 100. Some respondents felt it would be more suitable for the FRC to consider any issues arising from the implementation of IFRS 17 in the review of TAS 200 (but keep to the principles-based nature of the TASs).

QUESTION 24:

If ISAP 4 is adopted as a UK standard, are there either additions or deletions that we should consider to ensure that it best reflects UK conditions?

Around one-third of respondents submitted a response to this question.

Some of the responses were a repeat of the response to Question 23. Where a different response was submitted it was mainly to say that if ISAP 4 was adopted by the FRC, then it should be made consistent with the high-level nature of the TASs.



Financial Reporting Council

**Financial
Reporting Council**

8th Floor
125 London Wall
London EC2Y 5AS
+44 (0)20 7492 2300

www.frc.org.uk