Institute and Faculty of Actuaries, Regulatory Board

Subject	Practising Certificates Committee (PCC) Annual Report
Meeting date	19 November 2024
Previous Steer/Approval	N/A – this is an annual noting report
Related horizon scan code	N/A – this is an annual noting report
International issues considered?	Relates to a UK specific matter
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Reviewer(s)	Emma Gilpin, Head of Regulatory Policy
Purpose	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 2023/24.

2. It provides details on the ongoing casework of the PCC, an update on the Practising Certificates (PC) Scheme 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 October 2023 to 31 October 2024. It shows the number of applications renewed, renewed through discretion, rejected and cases where conditions have been applied to a certificate. Member names have been redacted.

4. Two applications have been declined during the period and two PCs have been granted with conditions over this period. One condition was confirmed to have been met and has been concluded. The other condition was also confirmed to have been met by the deadline provided, however more information has been requested on how the conditions were met.

5. The PCC has not received any appeals over the period since the last report.

C: PC Scheme

6. The new PC Scheme has now been in effect for almost two years.

7. The Executive has committed to reviewing the example applications on the IFoA website, with further updates being worked on currently to assist members with the application process.

8. A full post-implementation review of the new scheme was carried out by the Executive and a report on the findings of the post-implementation review has been included as a separate paper for discussion and noting.

9. There have been discussions with PCC members, notably the pensions panel, around the competency framework and whether applicants are required to cover the competency framework in its entirety, including all the elements under each competency heading. The current understanding is that this is the case whilst noting that one example could cover multiple elements of the competency framework.

10. PCC members will be carrying out a review of the executive process over the coming months to ensure processes are being followed correctly and consistently. If of interest to the Board, the report from this work can be made available upon request.

11. The PCC has historically published an annual report to members. However, PCC updates will now be reported to members through input to the IFoA annual report and the Regulatory Board annual report.

D: Current or ongoing topics

12. *PC requirements for Reviewing Actuaries*

    Following the consultation earlier this year the requirement for Reviewing Actuaries to hold a PC was removed, with effect from 2 April.

13. *PC/QAS consultation*

    The PCC has been kept informed of the possible integration of the PC Scheme with the QAS and discussed the consultation feedback at its October meeting.

14. **[Redacted]**.

E: Financial Reporting Council (FRC) engagement

15. Following feedback from the FRC last year, a Competency Assessment Matrix (CAM) was introduced as part of the new application review process to assist PCC members in assessing applications and to show the rationale behind the PCC's decision. The PCC is using the CAM on all initial applications.

16. The FRC commenced its oversight work earlier in the year and the information request list for PCs has been completed by the Executive. We are currently waiting for confirmation of the applications they would like to review as part of this work.

F: Executive team, Committee membership and meetings

17. **[Redacted]**.

18. The membership of the Committee currently consists of:

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

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

20. Four Actuary members have stood down from their roles since the last report and one new Actuary member has been recruited. We are currently recruiting for two members of the Life panel and will shortly be recruiting for three members of the Pensions panel.

21. The full PCC meets biannually and since the last report, meetings were held on 19 March 2024 and 15 October 2024. In accordance with the PCC Terms of reference, Appendix 2 to this report summarises the attendance statistics of the PCC.

22. 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 over the past two years with the transition to the new Scheme and the move to a competency-based approach. The Life panel has been short of panel members for some time which has resulted in some delays, extra work by the Executive and the Chair reviewing some of the applications, so the recruitment of new panel members will be particularly welcome.

23. The Chair also thanks the Executive for their efforts in ensuring the smooth running of the administration of the PC Scheme, in particular over the last year following staff changes.

G: Conclusions

24. The Board is asked to note the report and provide any comments on its contents.

H: Appendices

- **Appendix 1**, Casework Summary 1 September 2022 to 31 August 2023
- **Appendix 2**, Meeting attendance and calls