



Governance Sub-Committee Update

Patrick Needham

17 May 2007



Membership

Derek McNamee

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Significant Achievements 2006/2007

- ASP PEN 10 – Compliance Monitoring Reviews of the Statutory Work of Scheme Actuaries.
- Significant work and consultation involved
- Effective from 1 April 2007
- New era for Pension Scheme Actuaries



Compliance Monitoring: Framework

- Scheme Actuary appoints Reviewing Actuary
- Reviewing Actuary selects and reviews sample of Scheme Actuary's work
- Reviewing Actuary issues Compliance Certificate
- From 1 November 2008 Scheme Actuaries will need a Certificate of Compliance to renew their Practising Certificate



Compliance Monitoring: Key Dates and Sample Sizes

- First Review Period: **1 April 2007 – 31 March 2008**
- **1 November 2008** – Compliance Certificate required to renew Practising Certificate
- Sample Sizes
 - Valuation Reports/AFCs/Funding Proposals **10%**
 - Actuarial Statements **5%**
- Most of reviewing work for first Review Period completed Summer 2008
- Appoint Reviewing Actuary as soon as possible



Compliance Monitoring: Pensions Board

- Pensions Board can ask a Scheme Actuary to have a particular item of work reviewed
- Also covered in ASP PEN 10
- Process is the same
- Output is different
- Timescale - 3 months from date of request



Compliance Monitoring: Implications of Non Compliance

- No Compliance Certificate
- Compliance Certificate required for renewal of Scheme Actuary Practising Certificate
- Referral under disciplinary scheme
- Scheme Actuary revise non compliant work for Trustees
- Scheme Actuary must review items of work outside the sample



Current Activities: Conflicts of Interest

- Spotlight on Conflicts of Interest
- Next major item on the agenda of the Governance Sub-Committee
- Currently only covered by the PCS
- PCS paragraph 5.1 “Clients are entitled to assume that advice given by a member is unaffected by interests other than those of the client”
- Development of new guidance for Pensions Actuaries



Conflicts of Interest

- UK profession has been working on this for some time
- Working party set up in UK
- First step for us - Invited to join the UK working party
- Gain the benefit of the experience of the profession in the UK as we set about this task



Conclusion

- Successful development and implementation of the Compliance Monitoring guidance is a significant achievement
- Major focus and challenge for the months ahead on the development and introduction of guidance on Conflicts of Interest