

## Financial Reporting Council

---

### FRC progress in implementing the Morris Review of the Actuarial Profession

FRC PN 121

22 September 2005

A central recommendation of the Morris Review of the Actuarial Profession, published in March 2005, was that the Financial Reporting Council (FRC) should establish a new regime to set actuarial standards and oversee the regulation of the actuarial profession. The Government accepted the recommendation and asked the FRC to take on this new role.

The FRC has been taking forward a programme of work to put the new regime in place, in close co-operation with the actuarial profession, HM Treasury, the Financial Services Authority and The Pensions Regulator. The FRC is planning to commence the new regime in April 2006.

The FRC is:

- establishing an FRC Board for Actuarial Standards
- extending the remit of the FRC's Professional Oversight Board for Accountancy to cover the actuarial profession
- extending the remit of the FRC's Accountancy Investigation and Discipline Board to cover public interest cases involving actuaries

The FRC proposes to fund the cost of the new regime, expected to be in the order of £2m a year, on the basis envisaged in the Morris Review – through contributions from the actuarial profession, insurance companies and pension funds. In early October, the FRC will publish a consultation paper setting out its proposals for funding the new regime. This will be available on the FRC website.

A report on the FRC's programme of work to establish the new regime is available on its website at: [www.frc.org.uk](http://www.frc.org.uk)

The FRC have started to recruit a new team to lead this work. Details are available on the FRC website.

The FRC's existing role will continue on the same basis as at present.

Commenting on the implementation of the FRC's new responsibilities, Paul Boyle, FRC Chief Executive, said:

"We have welcomed the positive response of the actuarial profession to our work to establish the new arrangements and look forward to working with them to implement the recommendations of the Morris Review.

Through the new regime, we will seek to enhance the quality of actuarial reporting and promote the integrity, competence and transparency of the actuarial profession – to the benefit of all those who rely on actuarial advice.

We intend that our approach to our new responsibilities will mirror our market-led and consultative approach to our existing responsibilities.

There will be consultation to ensure that those affected by the new regime have the opportunity to comment on the way it will be funded."

#### Notes to Editors

1. The Financial Reporting Council (FRC) is the UK's independent regulator for corporate reporting and governance. Its aim is to promote confidence in corporate reporting and governance.
2. The FRC's current functions are the setting, monitoring and enforcing of accounting and auditing standards, overseeing the regulatory activities of the accountancy profession, statutory oversight and regulation of auditors, operating an independent investigation and discipline scheme for public interest accountancy cases, and promoting high standards of corporate governance. These functions are delivered principally by its operating bodies - the Accounting Standards Board, the Auditing Practices Board, the Financial Reporting Review Panel, the Professional Oversight Board for Accountancy and the

Accountancy Investigation and Discipline Board – and by the FRC Council.

3. The Morris Review of the Actuarial Profession, published in March 2005, recommended that the FRC should take on two new functions: setting actuarial standards and overseeing the regulation of the actuarial profession. The FRC is establishing a new operating body, the Board for Actuarial Standards (BAS), to set actuarial standards. It is extending the remit of the Professional Oversight Board for Accountancy to oversee the regulation of the actuarial profession; and is extending the remit of the Accountancy Investigation and Discipline Board to cover public interest cases involving actuaries.
4. The Morris Review is available on the HM Treasury website at:  
[www.hm-treasury.gov.uk/independent\\_reviews/morris\\_review/review\\_morris\\_index.cfm](http://www.hm-treasury.gov.uk/independent_reviews/morris_review/review_morris_index.cfm)
5. All Press enquiries should be directed to: David Andrews. Tel: 020 7492 2382.  
E-mail: [d.andrews@frc.org.uk](mailto:d.andrews@frc.org.uk)