



Regulatory Board

21 February 2023, 10:00-13:30 via Microsoft Teams

Attending	Ben Kemp, David Broadbent, Edwin Sheaf, Helen Brown, Melanie Puri, Mike Smedley, Neil Buckley (Chair), Nicola Williams, Oliver Bettis, Simon Martin
Apologies	Sue Lewis, Mitesh Soni
Executive	Alan Marshall (item 8), Emma Gilpin (as Head of Regulatory Policy), David Gordon (item 7), Fiona Goddard (item 9), Hannah MacLeod (as Board Secretary), Serrina Galleymore (as Head of Risk)
Guests	Dawn Dickson (FRC) (item 11), Karen Brolly (item 8), Malcolm Slee (item 9)

Item	Title
1.	Welcome and apologies
	<p>The Chair welcomed all to the meeting.</p> <p>The Regulatory Board agreed to provide Financial Reporting Council (FRC) colleagues with access to the recording of the meeting for oversight purposes.</p>
2.	Declaration of Conflicts of Interest
	<p>No conflicts of interest were declared.</p>
3.	Minutes and Actions
3.1	The Board approved the minutes of the Board meeting held on 16 November 2022.
3.2	The Board approved the minutes of the interim Board meeting held on 10 January 2023.
3.3	<p>The action list was noted. In relation to action 246, the Board asked about the timing of the deep dive on Defined Benefit (DB) pension scheme funding. The Board Secretary undertook to ask the Review Actuaries about the timing of this deep dive.</p> <p>Actions</p> <ul style="list-style-type: none">• Executive to consider the scheduling of the deep dive on Defined Benefit (DB) pension scheme funding and confirm to the Board.

Item	Title
4.	<p data-bbox="276 293 531 322">Update from the Chair</p> <p data-bbox="276 376 1042 405">4.1 The Board noted Paper 4 from the Chair, who invited comments.</p> <p data-bbox="276 423 884 452">4.2 <u>DEI webinar, February 2023 (para 6 of the Paper)</u></p> <p data-bbox="347 472 1147 501">The Board asked for more detail about the DEI webinar . It was noted that:</p> <ul data-bbox="395 521 1385 645" style="list-style-type: none"> • 75 delegates had attended the webinar; • 44 questions were asked at the event, 25 of which were answered in the available time; • the Executive has since been in touch via email to answer questions which could not be covered on the day, but only where the delegate’s contact details were provided; <p data-bbox="347 665 1366 752">The Chair noted that the questions asked at the webinar provided a useful indication of matters on which guidance may be helpful, should the Board decide to amend the Code following the consultation.</p> <p data-bbox="347 772 904 801"><u>Stakeholder engagement plan (para 3 of the Paper)</u></p> <p data-bbox="347 822 1347 882">The Board requested more detail on this plan and the Chair indicated that the full stakeholder engagement plan could be shared with the Board.</p> <p data-bbox="347 902 448 931">Actions:</p> <p data-bbox="276 952 1220 981">4.3 • Executive to share stakeholder engagement plan with the Board by email</p>
5.	<p data-bbox="276 1025 580 1055">Update from the Executive</p> <p data-bbox="276 1108 975 1137">5.1 The Board noted Paper 5 and the Chair invited comments.</p> <p data-bbox="276 1155 515 1184">5.2 <u>DEI workshops</u></p> <p data-bbox="347 1205 1342 1265">Given the QAS focus to the DEI workshop held on 7 February, the Board requested a further session, potentially based on existing Professional Skills materials.</p> <p data-bbox="347 1285 1339 1314">The Executive and Chair agreed to develop a proposal based on the Board’s considerations.</p> <p data-bbox="347 1335 782 1364"><u>New Practising Certificate (PC) Scheme</u></p> <p data-bbox="347 1384 1394 1444">The Board asked if there had been a detectable increase in applications following the introduction of the new Scheme. The Executive undertook to check the data and update the Board.</p> <p data-bbox="347 1464 1394 1552">The Board indicated a more general interest in the success of the new scheme and the Executive indicated that a Post-Implementation review would be conducted later in the year and reported at the November board meeting.</p> <p data-bbox="276 1572 448 1601">5.3 Actions:</p> <ul data-bbox="347 1621 1362 1709" style="list-style-type: none"> • Chair and Executive to coordinate on new proposals for a DEI session • Executive to provide comparison data regarding application numbers for new and old PC schemes

Item	Title
FOR DISCUSSION	
6.	Regulatory Toolkit
6.1	<p>The Executive summarised Paper 6 and the Board's discussion included the following points:.</p> <ul style="list-style-type: none"> • an overview discussion of the Actuarial Profession Standards (APs) (including the interaction between the APs and the Technical Actuarial Standards (TASs)) would be useful. • The purpose of and criteria for Risk Alerts should be considered in more detail; • The Toolkit might be developed ahead of further discussion at the Strategy Day in September to include discussion on: i) the frequency of use of each tool, ii) the hierarchy of the tools, and the situations in which each should be used; iii) consideration of assessing the impact of the various tools; and iv) providing clarity to Practice boards and Members as to the Board's use of the regulatory toolkit. <p>Actions:</p> <ul style="list-style-type: none"> • Executive to agenda discussion on APs (and TASs) • Executive to agenda a discussion on Risk Alerts • Executive to develop the Toolkit ahead of Strategy Day
BREAK	
7.	LDI strategies
7.1	<p>The Chair invited an update from the Executive.</p> <p>The Executive noted the paper and indicated that a review of the role of actuaries in LDI work and the application of the Actuaries' Code to those environments is being undertaken, and will be presented to the May Board meeting.</p> <p>The Chair invited comments from the Board, who raised the following points in discussion:</p> <ul style="list-style-type: none"> • The focus for the Regulatory Board is the roles of responsibilities of actuaries involved in this work, rather than with the wider issue. • This is a fast-developing public issue, and, in particular, a report is expected imminently from the House of Commons Work and Pensions Select Committee. • The focus for the Board is communication to members regarding the ethical aspects of this issue (as opposed to technical aspects), in the context of conduct, standards, and guidance. • It may be useful to obtain insight from senior IFoA members working in this area.

Item	Title
8.	<p data-bbox="276 297 512 324">FCA Consumer Duty</p> <p data-bbox="276 376 1394 517">8.1 KB delivered a presentation to the Board which provided a summary of the rules and guidance which comprise the FCA Consumer Duty, and how these may impact actuarial practice. Following the presentation, the Chair thanked KB and the Board discussed the key considerations. The Board agreed to reflect on how the Consumer Duty may be incorporated into the UK Practice Module, future Professional Skills videos, or other CPD materials.</p> <p data-bbox="352 568 448 595">Actions:</p> <ul data-bbox="352 618 1246 674" style="list-style-type: none"> • Board to reflect on including UK Consumer Duty in the UK Practice Module, Professional Skills videos and other CPD materials.
9.	<p data-bbox="276 730 767 757">Professional Skills Sub-Committee (PSSC)</p>
9.1	<p data-bbox="352 808 1374 931">The Chair welcomed MS to the meeting and sought an update. In light of this being the last time MS would present to the Board as Chair of the PSSC, the Chair thanked him for his lengthy service in the role. The Chair then invited comments from the Board, and the following points were raised:</p> <ul data-bbox="352 954 1366 1066" style="list-style-type: none"> • The Board praised the quality of the Professional Skills materials, noting how well they captured the kinds of situations relevant to work as an actuary. • It was noted that members' employers can now facilitate their own sessions, internal to their organisation, thanks to the new Toolkits.
10.	<p data-bbox="276 1126 600 1153">IFoA's new Risk Framework</p>
10.1	<p data-bbox="352 1205 1318 1261">The Executive highlighted aspects of Paper 10 and the Board raised the following points in discussion:</p> <ul data-bbox="352 1283 1382 1473" style="list-style-type: none"> • It was suggested that the Executive may wish to (i) incorporate a risk statement into Board papers which seek a decision of the Board, in order to make clear its considerations of relevant risks; and (ii) include the consideration of IFoA risks in the Board's on-going meeting agendas and programme of work. • It is not clear that risks to the public interest and risks to the IFoA will always be aligned. • The Board should consider how the Horizon Scan and management of Regulatory Risk align. <p data-bbox="352 1507 1394 1630">The Board wanted better to understand how the IFoA's risk appetite had been agreed and the definitions used. It was noted that across all risks to the IFoA, including Regulatory Risks, setting the risk appetite is the responsibility of Council. SG agreed to share slides explaining the categorisation that has been used to set the risk appetite.</p> <p data-bbox="352 1653 448 1680">Actions:</p> <p data-bbox="276 1686 1294 1731">10.2 • SG will share PowerPoint slides outlining the IFoA's definitions of risk appetite.</p>
11.	<p data-bbox="276 1783 448 1809">FRC Oversight</p>
11.1	<p data-bbox="352 1850 1394 2029">The FRC oversight reports were noted by the Board. DD provided an update, which included considerations as to what might be expected following planned UK government legislation to form a new regulator with statutory powers over UK actuaries and over the IFoA as the regulator of the UK profession. Following that update there was a discussion between Board members and DD about the future of UK actuarial regulation, and the on-going relationship between the FRC (and its replacement) and the IFoA.</p>

Item	Title
12.	Horizon scanning
12.1	<p>The Executive introduced the topic. It was noted that each risk featured in the Horizon Scan has been updated, and that some risks have been combined. From now on, the Review Team will act as the Executive lead for the Horizon Scan. The Chair then opened the topic up for discussion, and the following points were raised:</p> <ul style="list-style-type: none"> • Consideration of cost of living and consumer duty concerns should be integrated into HS13, 16, and 17 • The Board requested a new item be added to encapsulate the reputational risk to the profession because of the protection gap, such that customers are increasingly priced out of acquiring cover because of the combined effects of the cost-of-living crisis and high inflation • With respect to the economy as a whole, consideration should be given to better encapsulating the long-term economic risks faced, accounting for increasing debt and inequality and the consequent social and political implications. <p>Actions:</p> <ul style="list-style-type: none"> • Executive to add item on protection gap. • Executive to include cost of living consideration at HS13, 16, 17
FOR NOTING ONLY	
13.	Learning Change Programme update
13.1	<p>The Chair noted that this would now be a new Standing Item for future meetings. The following points were raised in discussion:</p> <p>The Chair noted that a document has been developed by the IFoA Management Board setting out a protocol for interactions between the Education Operations Committee (a Sub-committee of Management Board) and the Regulatory Board. Both this protocol, and the annual report on the exam process, will be brought to the May Regulatory Board meeting.</p> <p>Board noted that there had previously been discussion of a session for the Board to learn more about the exam process, including coverage of how the standards are set. The Chair indicated that he would coordinate with the Executive to arrange this.</p> <p>Actions:</p> <ul style="list-style-type: none"> • Chair and Executive to coordinate on a session on the exam process for the Board, including how the standard is set. • Education Operations Committee/Regulatory Board protocol to go to May Board • Annual education report to go to May Board
14.	Standing Items
14.1	The Forward Agenda was noted without comment.
15.	AOB
15.1	The Board members tenure table was noted without comment.

Item	Title
16.	Dates of Future Meetings
	<p>The Chair noted that the May 2023 meeting will be in person at Staple Inn.</p> <p>17 May 2023 - (1000-1330) in person at Staple Inn</p> <p>25 July 2023 - (1000-1330) Virtual</p> <p>20 September 2023 (Strategy Day) – in person, venue TBC</p> <p>21 November 2023 - (1000-1330) Virtual</p>