

Institute and Faculty of Actuaries

Regulation Board

Steer report

Subject	Regulatory Vision Statement
Regulation Board meeting	5 May 2021
Previous Board Update/Steer/Approval	Strategic conversation with Board at its strategy day on 1 October 2020
	Steer provided at 5 February 2021 Regulation Board
International Issues Considered	Yes
Author	IFoA Executive
Purpose	Approval

A: Executive summary

1. The Board previously discussed, at a high-level during the strategy day, its strategic position and focus as a regulator. Some options were then considered by the Board at its meeting on 5 February, with a steer provided around favoured options.
2. The steer was then used to produce a shortlist of three options, which were discussed by the Council Regulatory Strategy Steering Group to ensure consistency with the overall strategic vision for the IFoA in its role as a regulator, before coming back to this Board for approval.
3. It is anticipated that this vision statement would apply to the whole of the IFoA's regulatory functions (reflecting the remit of the new Regulatory Board), so would also apply to its disciplinary function and to the public interest regulatory aspects of the IFoA's qualifications and admissions.
4. It is drafted with two audiences in mind: an external audience, to demonstrate what Regulation Board is trying to achieve in the public interest, including to organisations such as the FRC; and members, to ensure that they understand the IFoA's approach to its regulatory role.

B: Feedback from Strategy Group


5. The Strategy Group considered and discussed the shortlist of three options (that are set out below – with a slight modification to reflect some feedback from the Strategy Group).
6. There was some discussion about whether this should be a 'vision' statement (that implies something that the Board is not doing yet) or a 'purpose' statement. It was observed that this might be more in line with the IFoA's wider work on developing its purpose and values. It was also important that the statement was not entirely aspirational.
7. There were a range of views discussed around the options, with no objections to any of the options but overall preference expressed for statements 2 and 3.

8. It was observed that option 2 acknowledged members, the public interest, and independence and was well aligned with what the IFoA is trying to do more broadly. It was also consistent with the more independent model of the Regulation Board.
9. It was also observed that the term 'dynamic' was a benefit of option 3 as well as its acknowledgement of members and those affected by the regulation (i.e. users of actuarial advice). However, there was some question about whether using the term 'dynamic' was reasonable given the uncertainty around the outcomes of the BEIS White Paper proposals.

C: Shortlist of options

10. The following table sets out the three shortlisted options, which reflect the steer from Regulation Board at its last meeting and have also had the benefit of input from the Strategy Group.

11. Options table:

Internally focused (members, reputation of the profession, standards)	Regulatory Vision Statement – options		Comments
	1	Upholding high standards in an evolving actuarial profession, by supporting members in delivering positive outcomes for consumers.	<p><i>More focused on role in supporting members to drive high standards</i></p> <p><i>Specifically addresses evolving profession</i></p> <p><i>Doesn't use term 'regulation'</i></p> <p><i>Specific reference to outcomes</i></p>
	2	Regulation of the actuarial profession in a way that protects the public interest by holding members to high standards of professional competency and conduct.	<p><i>Adapted from the RICS' statement</i></p> <p><i>Focused on the 'how' rather than the outcomes</i></p> <p><i>Specific mention of 'public interest'</i></p>
	3	Dynamic regulation of the actuarial profession, achieving positive outcomes for consumers of actuarial work and services.	<p><i>'Dynamic' used to reflect flexible, modern regulation adapting to changes in the profession</i></p> <p><i>More focused on public protection and outcomes for consumers/public</i></p>
Externally focused (public, consumers, public interest, outcomes)			

12. Members of the Board are reminded that the articulation of the strategic vision for IFoA regulation in terms of its geographic scope was agreed in February 2020. That articulation was:

“The IFoA imposes and maintains core professional standards for all of its members worldwide

The IFoA imposes core professional standards and values upon all of its Members, whether based in the UK or elsewhere. In doing so it focuses on regulatory outcomes and recognises that a different approach may be required in different geographies and markets.

It additionally has wider responsibilities in relation to the regulation of the UK actuarial profession. Including specific responsibilities, for example, supporting the statutory regulation of those involved in key, public interest actuarial roles and activities.”

13. Additionally, one of the overarching member propositions of the IFoA is a shared investment in the public interest and ‘doing good’ through upholding high standards and helping to address society’s biggest challenges as a trusted thought leader.

C: Next steps

14. The vision statement (and articulation of the geographic position) will be used to develop strategic objectives for the Regulatory Board, which will be shared with the Board for discussion and agreement. Those will then inform the regulatory programme for the Board.
15. The current Regulatory Policy Statement will also be redrafted and replaced.

E: Discussion

Members of the Board are invited to:

- 1) Approve one of the options set out at [X] above (modified as appropriate);
- 2) Agree whether this should be a ‘vision statement’ or a ‘purpose’