



Regulatory Board

8 February 2022, 10:00 – 13:30

Via VC

Attending:	Neil Buckley, Chair Ben Kemp Edwin Sheaf Helen Brown Sue Lewis Matt Saker Melanie Puri (until 11:50) Stephen Redmond Simon Martin Mike Smedley Mitesh Soni David Broadbent	Apologies:	N/A
Executive Staff:	Emma Gilpin Leisha Watson (Secretary to the Board) Gina Thomas (note taking) David Gordon (for item 7) Alan Marshall (for item 7) Chiara McCormick (for item 7) Sarah Borthwick (for item 8) Michael Scott (for item 8) Stephanie Snowden (for item 9) Caoimhe McKinney (for item 9) Alex Theophilus (for item 10) Fiona Goddard (for item 11)		
Guests:	Ian Farr, Chair of the Disciplinary Scheme Review Working Party (for item 8) Malcolm Slee, Chair of the PSSC (for item 11) Kevin Doerr, Disciplinary Committee member (observing)		

Item	Title
1.	Welcome and Apologies
1.1	The Chair welcomed and introduced two new Board members Mitesh Soni (MITS) and David Broadbent (DB). The Chair advised that this is the last Board meeting for Stephen Redmond (SR) and thanked him for all of his contributions.
1.2	The Chair noted that Kevin Doerr (KD), a member of the Disciplinary Committee, would be observing the meeting for training purposes.
2.	Declaration of Conflicts of Interest
2.1	No conflicts of interest were declared.
3.	Minutes and Actions



Item	Title
3.1	The minutes of the Board meeting held on 10 November 2021 were approved with no comments.
3.2	The minutes of the interim Board PC Review meeting held on 15 December 2021 were approved with no comments.
3.3	The action list was noted. In relation to action 242, the Board noted an ongoing governance review of the Practice Boards. A meeting between the Chair of the Board and the Practice Board Chairs is arranged for 16 February.
4.	Update from the Chair
4.1	The Board noted paper 4.
5.	Update from the Executive
5.1	<p>The Board noted paper 5.</p> <p>The Board discussion included:</p> <ul style="list-style-type: none"> - The FRC's intervention in relation to the Practising Certificates Scheme review and resulting changes that were made to the Scheme before publication on 24 January. - The FRC's position paper on their review of the Technical Actuarial Standards (TASs), including how the FRC had addressed the IFoA's submissions around TAS 100. It was noted that at a meeting attended by the Chair and the FRC (including their CEO) the Chair had reiterated the importance of the issues raised by the IFoA.. - The PRA Dear CEO letter, including noting that this set out a high number of activities for members working in life insurance. - The ongoing review of actuarial regulation in the UK, with the Board noting that the IFoA is continuing to progress and escalate activity through the IFoA Steering Group, which has now engaged external public affairs advice.
6.	Regulation – Climate Change and Sustainability
6.1	<p>The Executive presented paper 6 for the Board which provided them with an update on the recent consultation to incorporate climate change and sustainability issues into the regulatory framework. The paper sought approval for recommendations on the future direction of travel as well as suggestions for a response to the findings of the recent AMS climate-related risk information gathering exercise.</p> <p>The Board were advised of recent correspondence between the Executive, Chair and the IFoA Sustainability Board. The Chair in particular highlighted specific questions and issues posed by the Sustainability Board in a recent email.</p> <p>The Board's discussion and comments included:</p> <ul style="list-style-type: none"> - That there is evidence that some members have a lack of knowledge in this area, despite having an increased awareness and desire for more support within their roles.



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	<ul style="list-style-type: none"> - There was no evidence presented of any specific breaches of the Code that amounts to misconduct (which has been raised as a question). The Board noted that if there was, there would be action taken against those members under the Disciplinary and Capacity for Membership Scheme - There is no clear distinction of these issues being either ethical or technical in nature. It was therefore suggested that the Executive and Board work closely with the FRC and look to collaborate given the blurring between ethical and technical matters here. - It was also suggested that a letter emphasising the importance of the results of the consultation and recommendations should be sent to the FRC. - The consultation reflects the differing views held within society, with the widespread difference of opinions. The majority of respondents want to take action around climate change and sustainability. The only clear rejection in the results from the consultation are any additions to the Code. - Some Board members felt disheartened by the results of the consultation and others felt that the feedback provided a strong mandate for the recommendations going forward. - The benefits of issuing a new Risk Alert on climate change and sustainability and the possibility of ensuring that members consider these issues within their CPD Reflective Practice Discussions (RPDs). - A need for an action plan for the recommendations going forward. - That decisive and direct actions were necessary to reflect the consultation outcome and findings of the AMS report. - It would be useful for the JFAR climate change deep dive report to be circulated to the Board when this is available. <p>The Board therefore approved:</p> <ul style="list-style-type: none"> - All of the recommendations set out in the paper. They agreed that the Executive would use proactive language in communications, where possible; - Raising the importance of the findings with the FRC in a formal letter; and - Issuing a new and updated Risk Alert on climate change and sustainability issues. <p>Actions:</p> <ul style="list-style-type: none"> - The Executive to circulate a new and updated Risk Alert on climate change and sustainability issues for approval and the consultation feedback document, in advance of publication, for noting. - The Executive will share the JFAR climate change deep dive report to the Board when available. - The Chair would write a letter to the FRC to emphasise and raise the importance of the feedback and recommendations.
7.	AMS Funeral Plans Thematic Review outputs
7.1	The Executive introduced paper 7 which asked the Board to note and receive the AMS Funeral plans thematic review report and findings.



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	<p>The Board's discussion on the report's findings included:</p> <ul style="list-style-type: none">- The issue of conflicts of interest and noted that the current guidance for APS Z1 to funeral plans includes a section on conflicts.- What could be done to support actuaries in this area to use consistent and less formal language.- Issues around the use of trust funds for administrative purposes and the role of actuaries.- The approach used for burial societies and that organisations taking part in the review all undertook a similar approach to more commercial funeral plan trusts.- It was noted that the findings of the review will be shared with other regulators in due course.- Some consideration should be given to amend the Chair's opening statement of the report to be a bit more action orientated and reflect the good work that went into the review. <p>The Board noted and received the findings of the report, acknowledging the report as an excellent piece of work.</p> <p>7.2 The Board noted paper 8 which asked them to consider their response to the findings of the funeral plans thematic review report discussed. The Executive will consider the findings once the AMS report is finalised and come back to the Board with some recommendations at the next meeting.</p> <p>The Board's discussion included comments around the overall AMS thematic review programme, including:</p> <ul style="list-style-type: none">- How the AMS recommendations are tracked and what actions are being taken to follow-up on these. Some members felt that the Board should be proactive in following up on the recommendations and consider what powers it has to enforce actions. It was noted that some actions are for external and co-regulators where the IFoA does not have any power to mandate actions.- Whether any formal approaches could be taken with external bodies to hold them accountable for the recommendations, such as a letter from the Board's Chair to their counterpart. It was suggested that the recommendations should also be formally followed up internally at the IFoA.- It was suggested that there have been external developments since the publication of the GI thematic review report and it was questioned if it should be re-visited. <p>The Board were advised that, as previously agreed, an update on recommendations was on the forward agenda for the Board's April 2022 meeting and these issues are to be incorporated into the post-implementation review of the AMS programme which they will also be updated on at the next meeting.</p>



Item	Title
8.	Disciplinary Scheme Review
8.1	[redacted]
9.	CPD and RPDs
9.1	<p>The Executive introduced paper 10 for noting.</p> <p>The Board noted that so far 106 members have been invited to take part in a Reflective Practice Discussion (RPD) and that 52 discussions have taken place to date. The Executive provided their insight as to the RPD process and interactions with members. The majority of feedback states that members believe the RPDs to be beneficial and of value to their professional development.</p> <p>The Board were advised that 300 members have declined their CPD declaration for the 2020 CPD year. The team are currently contacting those members and an initial observation shows that those individuals have either applied for non-practicing status, resigned their membership or did not have to record CPD with the IFoA in the past. Others appear to not have understood the new CPD Scheme yet and therefore chose to decline their declaration which is why the Executive anticipated a high number of non-declarations in the first year.</p> <p>The Board's discussion included:</p> <ul style="list-style-type: none">- The process in which the members are being selected; and- The FRC engagement in relation to the RPD programme. The Chair suggested sharing RPD feedback with the FRC to show that members embrace the RPDs as part of their life-long learning.
10.	Horizon Scanning Register
10.1	<p>The Board were asked to consider Paper 11 which asked for a steer on the Horizon Scanning Register (HSR). The Board were asked for a steer on any particular risks of concern on the HSR that they would like to have a future deep dive on.</p> <p>The Board's discussion included:</p> <ul style="list-style-type: none">- The nature of the register as a horizon scanning document versus an operational risk register.- A suggestion to include the FCA consumer duty fair value work and the role of actuaries within that as well as an action for the Executive to prepare a note on this for the Board.- Linking the HSR with the 2022 JFAR Risk Perspective document, with some members acknowledging the benefits of linking the two.- The importance of taking an integrated approach to the HSR and clearly identifying the Board's responsibilities with a particular focus on the public interest.- That the IFoA Risk Management Framework is currently under review by a small working group and findings of the review will be shared with the Board. <p>Actions:</p>



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	<ul style="list-style-type: none"> - The Executive to prepare a note on the FCA's consumer duty fair value work and the role of actuaries within that for the Board <p>The Board members will send on ideas for future deep dives to the Executive (linked to an existing and ongoing action).</p>
11.	Professional Skills Sub-Committee
11.1	<p>The Chair of the Professional Skills Sub-Committee (PSSC) presented their Annual Report.</p> <p>The Board thanked the Chair and Executive for their contribution over the years and noted the high quality of the content.</p> <p>The Board's discussion included:</p> <ul style="list-style-type: none"> - If more activity can be undertaken to enhance communication around the videos to the membership; and - Board members working more with the Committee to share any ideas for future professionalism case studies and/or engaging with future professionalism presentations.
11.2	<p>The Board received paper 13 for approval. They approved the recommendation for the Chair of the PSSC to continue in role beyond August with the provision that the tenure of the PSSC Chair will have a 'hard stop' by the end of 2022.</p>
12.	For noting only
12.1	Paper 14 was noted.
12.2	Paper 15 was noted.
13.	Standing items
13.1	Paper 16 was noted.
13.2	Paper 17 was noted.
14.	AOB
	No further business was declared.
15.	Dates of Future Meetings
	<p>26 April 2022 – (1000-1330) Bluejeans</p> <p>5 July 2022 – (1000-1330) Bluejeans</p> <p>27 September 2022 (Strategy Day) – in-person, venue TBC (1000-1430)</p> <p>6 December 2022 - (1000-1330) Bluejeans</p>