



## Regulation Board

14 May 2020, Time: 10:00 – 13:00

By videoconference

<b>Attending:</b>	Neil Buckley, Chair Andy Rear Frank Devlin Jerome Kirk Marcia Cantor-Grable Melanie Puri Mark Stocker Nicola Bevan Ben Kemp Shane O'Dea Matt Saker (for part of meeting)	<b>Apologies:</b>	Edwin Sheaf
<b>Executive Staff:</b>	Emma Gilpin Elena McLachlan (Secretary) Gina Thomas (Minutes) Leisha Watson Judith Joy David Gordon (for item 9) Alan Marshall (for item 9) Patricia McLaughlin (for item 6)		
<b>Invitees:</b>			

Item	Title
<b>1.</b>	<b>Welcome / apologies</b>
1.1	The Chair welcomed everyone to the meeting. Apologies were noted from Edwin Sheaf.  It was noted that the July Board meeting would also likely need to take place virtually as the IFoA offices were unlikely to be open by then.
<b>2.</b>	<b>Declaration of Conflicts of Interest</b>
2.1	There were no declarations of interest relevant to the business of the Board.
<b>3.</b>	<b>Minutes and Actions</b>

Item	Title
3.1	<p>The Minutes of the Board's meeting on 28 February 2020 were approved subject to the following corrections:</p> <ul style="list-style-type: none"> <li>- At item 5, paragraph 4, 'profits' should be changed to 'surplus'</li> <li>- At item 9, missing wording to be added in decision section</li> </ul> <p>The Chair confirmed that going forward redacted versions of any approved minutes would be shared with the Board in advance of publication.</p>
3.2	<p>The actions were noted.</p>
<b>4.</b>	<b>Note from the Chairman</b>
4.1	<p>The Chair's summary of recent activities was noted.</p> <p>The Chair said it was expected that the post-Kingman consultation would still go ahead it was just a case of Ministers finding time to focus on it. A further meeting between the IFoA and BEIS was being planned for June.</p> <p>It was suggested that a discussion on post-Kingman matters could be added to the agenda for a future Board meeting.</p>
<b>5.</b>	<b>Note from the Executive</b>
5.1	<p>The Board was invited to comment on the update on the recent work of the IFoA Executive Team, as summarised in paper 4.</p> <p>It was explained that in relation to item, 7, the FRC was keen to attend a Board meeting to answer questions on its private oversight report. The Executive was looking into potential dates for a meeting as the FRC was unable to make any of the planned Board dates in 2020.</p> <p>Comments on the Disciplinary Board's Annual Report were invited.</p> <p><i>* redaction due to confidential discussion*</i></p>
<b>6.</b>	<b>Review of the CPD Scheme</b>

6.1	<p>The Executive updated the Board on the feedback from the recent consultation on proposals for a new CPD Scheme. Around 230 people had responded and the feedback was very positive. The paper recommended that the scheme consulted upon be implemented.</p> <p><b>* redaction due to confidential discussion*</b></p> <p>A number of Board members said they believed the removal of the requirement to record CPD was a mistake. As a minimum, they considered recording should be required as an aide memoire. One Board member said they felt removing the reporting requirement was a weakening of the CPD scheme.</p> <p>Another suggested the removal of recording requirements could be piloted to ensure there was a level of compliance with the regime before it was fully rolled out. It was also suggested that while there should be flexibility about what could count towards CPD, the requirement to record encouraged people to do CPD and was necessary.</p> <p>One Board member queried whether there would be enough evidence of what people were doing without recording requirements. They were concerned the IFoA would not be able to say it was doing all it could to support a proper compliance culture if it could not point to the CPD being carried out.</p> <p>Another referenced the response from the FRC, emphasising that the proposals should reflect their feedback as well as the views of Members.</p> <p>One member said the feedback also suggested there was challenge from members on the idea of reflective practice discussions and how that would be resourced. It also raised questions about how the Board would be able to provide appropriate oversight. It was noted that while the consultation was not a vote, the Board needed to have proper regard to the quantitative and qualitative feedback that had been provided.</p> <p>The proposed CPD Scheme was a philosophical departure from the current tick box and compliance oriented approach. The purpose of CPD wasn't about logging what you had done but how you were developing as an individual.</p> <p>In relation to the FRC feedback, it was explained that this had been provided on a private basis. It was felt important to have the discussion with the Board first before going back to the FRC to discuss their concerns in light of the Board's steer.</p> <p>On the point about non-compliance, it was pointed out that the IFoA dealt quite robustly with those that had a poor attitude to professionalism and didn't take professional development seriously. The issue with the current scheme was that it wasn't an optimal regulatory approach to CPD and didn't engage Members in relation to their actual learning and development or focus on outcomes.</p> <p>It was also noted that where other regulators had taken a similar approach, it had initially been contentious but was seen as a far more beneficial approach to learning. Some regulators had gone even further and had removed with hours based requirements altogether.</p> <p>One member pointed out that the Board had already had a substantive discussion about what to do with regards to CPD and that it had agreed the current proposals to go out to consultation. The Board should continue as proposed, in light of a generally very positive response.</p> <p>It was suggested that a potential compromise could be to require recording (in whatever form) but without it needing to be on a specific IFoA system. If an IFoA Member was asked to take part in a reflective practice discussion, they would be expected to be able to produce records detailing the activities carried out.</p>
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One member noted the other areas of the feedback for the Board to consider, including comments about non-practising members and the potential confusion with practising certificates terminology and for those members that didn't class themselves as doing actuarial work.

It was noted that the definition of non-practising was being substantially aligned with the TAS definition of actuarial work in part to avoid that issue. Also, if IFoA Members were non-practising they would have to declare that publicly which should also act as a mitigant against people saying they were non-practising if they weren't. Members noted the relevance of these proposals to the actuarial NED community.

It was noted that, in principle, the IFoA did not expect to have a large number of Members who would call themselves non-practising. The purpose of having a non-practising category was to allow a greater sense of clarity while allowing those that wanted to remain part of the IFoA while not practising to do so. This would allow the IFoA to embrace a breadth of Members and was reflected in the approach taken by other regulators. It wouldn't absolve them of any requirements under the TASs as that was something separate.

**Decision:**

The Board approved the implementation of the proposed CPD scheme in the form consulted upon, subject to introducing a requirement around keeping a record of CPD. It was clarified that the requirement was for mandatory recording in some form that could be used for the purposes of a reflective practice discussion but that the form of recording could be left up to the Member and it was not necessary for recording to be done in an IFoA system.

**Action:**

Executive to update the draft scheme to include a requirement around recording of CPD and share the updated scheme documentation with the Board before final sign off.

Item	Title	
	<b>Scheme of Delegation</b>	
7.1		<p>The Executive introduced the draft scheme of delegation. <i>*redaction due to confidential discussion*</i></p> <p><b>Decision:</b></p> <p><i>* redaction due to confidential discussion*</i></p> <p><b>Action:</b></p> <p><i>* redaction due to confidential discussion*</i></p>
8.	<b>Horizon scanning register</b>	

Item	Title
8.1	<p>The Executive introduced the horizon scanning register which had been updated to: a) refine the wording of those risks previously included in the register, b) add in a number of additional risks identified since the Board's last meeting as being potential issues of public interest relevant to actuaries and their work, and c) refine the register's impact scale. Input had been obtained from colleagues in the AMS, policy and CRO teams, as well as from the Practice Boards of the IFoA.</p> <p>The Board was invited to comment on the register.</p> <p>One member said the impact rating of certain risks more accurately reflected the potential impact to the IFoA than the public interest. The definitions of the ratings were appropriate but they were not being applied properly. It was also suggested that the subject matter of a previous PRA letter relating to claims reserving should be included as a risk.</p> <p>It was noted that the FCA was seeking legal advice in relation to business interruption insurance and the uncertainty faced by companies over Covid-19 related claims. It was seeking clarity in relation to disputed policy clauses that gave rise to uncertainty about whether losses related to the pandemic were covered. It was queried whether this should be included in the register as a risk.</p> <p>A few members said they did not think there were any issues for actuaries in that area. The uncertainty was about contract wording so it was more a matter of legal interpretation. The only unusual thing was that the FCA was getting involved but that could be a reflection of context and the scale of the issue in the current pandemic rather than anything else.</p> <p>Another member queried how long risks would stay on the register for. As an example, climate related risks were included but they would likely be there for 50+ years. It was queried whether present and emerging risks should be distinguished.</p> <p>The Chair said he saw the register as more of a tool for horizon scanning than a traditional risk register. The register would be included as a standing agenda item at future Board meetings and used to inform the Board's deep dives and other activities. It could also be used to captures issues identified as part of the thematic reviews that were outwith the scope of the reviews.</p> <p><b>Action:</b></p> <p><b>Executive to refine the register in light of the Board's comments in advance of next Board meeting.</b></p>
9.	<b>GI Thematic Review</b>

	9.1	<p>The Board considered paper 8 which provided an update on the scoping of the GI thematic review.</p> <p><b>* redaction due to confidential discussion*</b></p> <p><b>Action:</b></p> <p><b>Board's discussion to be reflected in scoping of the review. Update as to how the review is progressing to be provided as part of the executive report for the next Board meeting.</b></p>
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Item	Title	
10.	<b>Standing Items</b>	
	10.1	<p><b>Forward Agenda for 2020/2021</b></p> <p>The forward agenda was noted.</p>
	10.2	<p><b>Board members tenure</b></p> <p>It was noted that the terms of JK, AR and MS had been extended to cover the upcoming July Board meeting. The Chair thanked each of them for agreeing to stay on for that meeting.</p> <p>Recruitment of new Board members would take place once Management Board had made a decision on any compositional changes to the Board.</p>
11.	<b>AOB</b>	
	11.1	<p>A question was raised about the process for communicating the Board's recent decision to withdraw the conflicts guides for employers and trustees to the working party that had worked on these proposals, and for thanking them for their time.</p> <p><b>Action:</b></p> <p><b>Update to be provided as part of the executive report for the next Board meeting.</b></p>
12.	<b>Dates of future meetings 2020</b>	
	12.1	<p>Wednesday 1 July, London (10:00-14:30)</p> <p>Thursday 1 October (Strategy Day), Edinburgh (10:00-14:30)</p> <p>Tuesday 17 November, London (10:00-14:30)</p>