



Regulation Board

5 May 2021, 10:00 - 13:30 hours

Meeting held virtually via BlueJeans

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| Attending: | Neil Buckley, Chair Ben Kemp Edwin Sheaf Helen Brown Sue Lewis Frank Devlin Marcia Cantor-Grable Matt Saker Melanie Puri Simon Martin | Apologies: | N/A |
| Executive Staff: | Emma Gilpin Leisha Watson (Secretary to the Board) Gina Thomas (note taking) Clifford Friend, Director of Engagement and Learning (for item 7) Kirsten Mavor (observed for item 7) Judith Joy (for items 10 and 12) Fiona Goddard (for item 11) | | |
| Guests: | Nick Reynolds, Chair of the Sustainability Board (for item 9) | | |

| Item | Title |
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| 1. | Welcome and Apologies |
| 1.1 | The Chair welcomed everyone to the meeting, noting the upcoming scheduled attendance of guests for agenda items 7 and 9. The Chair noted congratulations to Board member Matt Saker for his election as President Elect of the IFoA. |
| 2. | Declaration of Conflicts of Interest |
| 2.1 | No Conflicts of Interest were declared. |
| 3. | Minutes and Actions |
| 3.1 | Within agenda item 10 of the February Board minutes, it was agreed that the wording be amended to reflect that some life actuaries on the Board had expressed a view that a CDC Scheme was similar to a with profits annuity fund. Subject to this amendment, the minutes of the February Board meeting were approved. |
| 3.2 | <ul style="list-style-type: none">[redacted] |
| 4. | Update from the Chair |
| 4.1 | The Board noted this paper and received an update on the recruitment of a new practitioner member of the Board. The recommended appointment is with Management Board (MB) for approval and a communication will be sent out to the Board when it is confirmed. |



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| | <p>The Chair noted that, subject to the outcome of the member vote, this appointment will be the last one to follow the current process. Further appointments will be made by the independent Regulatory Appointments Committee (RAC), subject to the outcome of the member vote which closes today. It was noted that there will be a review of the independent process later this year.</p> <p>In relation to the composition of the current RB, it was noted that there is an upcoming lay-member vacancy later in the year and suggested that the Board would benefit from adding further educational expertise.</p> |
| 5. | Update from the Executive |
| 5.1 | <p>The Board noted this update and were informed in particular of the QAS SC's approval of two new organisations. The Board discussed the process for assessment and approval of organisations based outside the UK. The Executive noted that a review of the QAS is scheduled for discussion later in the year which could also take into account the future international strategy. The Chair requested a meeting with the QAS SC Chair to take place beforehand to discuss the issues raised by the Board.</p> <p>Actions:</p> <ul style="list-style-type: none"> • The Chair HB and exec to meet with the QAS SC Chair to discuss the future QAS deep dive and issues raised by the Board at the May meeting |
| 6. | Post-Kingman BEIS Consultation |
| 6.1 | <p>The Board noted this paper and in particular, that the parliamentary process of the proposals will be critical to the final form of the arrangements. A discussion with BEIS officials and the IFoA is being arranged.</p> <p>Concerns were raised about unintended consequences of the proposals, such as individuals giving up their IFoA membership in order to be out of scope of new statutory requirements, leading to unsatisfactory regulatory and public interest outcomes. The Board were advised that, despite a challenging year, both the finances and membership numbers of the IFoA are looking healthy.</p> <p>The Board noted that the draft response to the consultation, which is being led by the Regulatory Strategy Group, will be circulated to them by email. An interim call to discuss could be arranged upon request.</p> |
| 7. | Regulatory Governance Changes |
| 7.1 | <p>The Board were introduced to paper 6 on new ways of working and prioritising work going forward, with a look at the Board's increased remit and limited time. The Board were asked for feedback on how to optimise Board time going forward and prioritise. They noted the member vote on the disciplinary changes, required to give effect to some of the governance changes, closes today.</p> <p>Clifford Friend, the IFoA's Director of Engagement and Learning, attended the Board meeting and introduced himself. He noted that the focus of the Board should be on how it will deliver the public</p> |



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| | <p>interest in relation to standard setting of qualifications, the regulatory framework of qualifications, assurance around delivery of examinations and qualifications against operational standards.</p> <p>The Board went on to discuss the Board of Examiners (BoE), including new draft ToR's for the BoE which reflects an obligation to provide a report to the Board and for this to be scrutinised and challenged. A clear Scheme of Delegation will further help to make clear the responsibilities of BoE, RB and the Executive. The Board also discussed examination arbitrage and how this is dealt with, as well as the independence of the BoE. There is a proposal that the Chair of BoE to be an independent lay Chair who could attend RB meetings on an annual basis. This has been supported by MB. With the FRC's oversight arrangements in mind, the Board felt strongly about the BoE being independent. The Board need to ensure that they are overseeing the key specific areas and consider how the Board can best do this with BoE.</p> <p>The Board discussed, as a way of managing Board time, having representatives or leads who would liaise on behalf of the Board on certain subject matters such as education. The Board supported identifying a shortlist of areas and volunteers. The 'lead' could, in partnership with the appropriate executive leads, take on initial discussions at board level and be responsible for looking at documents if the Executive require any Board steer. These representatives should preferably rotate every 12 to 18 months.</p> <p>The Executive reported that the requested training session on IFoA qualification and admissions will be arranged in early June. The Board will also be updated on the outcome when the member vote closes today.</p> <p>Actions:</p> <ul style="list-style-type: none">• The Executive to identify a shortlist of key areas for the Board representatives to take the lead on and request volunteers |
| 8. | Regulatory Vision Statement |
| | <p>8.1 The Board were advised that the Executive has taken on the Board views from the February meeting discussion and is now proposing three different options of the Regulatory Vision Statement.</p> <p>[redacted]</p> |
| 9. | Green Finance Regulatory Task and Finish Group |
| | <p>9.1 The Board Secretary introduced paper 8, which asks for the Board's approval on proposals to go out to consultation on changes to the Actuaries' Code and accompanying guidance, following consideration by the Task and Finish Group on the regulatory framework and the green finance education charter.</p> <p>The Board's discussion included the following:</p> |



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| | <ul style="list-style-type: none"> - Some Board members felt that the language of “new and emerging areas” was too wide. - Some raised concerns around levels of compliance with the Code should the proposed wording changes be made and about the timing for implementation - Some Board members raised questions around whether it was appropriate for climate change to be flagged and not other areas of the profession - Some Board members asked whether the introduction of an APS would be more suitable - Other Board members felt strongly about the importance of climate change being included within the Code, and spoke of the previous Risk Alert around climate change from 2017 and members having had sufficient time to prepare for and consider this - Some Board members flagged that, while the changes proposed to the Code were unlikely to change the substance of the requirements, it would have an important and significant impact in terms of the attention drawn to it. - Some members felt that including something in the code would be of symbolic value, signifying the importance placed upon this topic by the IFoA and how members engage with it. <p>Although there was not consensus amongst the Board members as to the approach that should be taken, the Board were supportive of issuing a broader, more open member consultation on the proposals, including some alternative options around the regulatory framework.</p> <p>The Board provided a steer that the consultation should include options of wording to include within the Code, guidance and what considerations there are around APSs, CPD and other support. The Board will then decide on the appropriate steps, taking into account the feedback and suggestions received. The Board requested to have sight of the consultation document, prior to publication.</p> |
| 10. | CDC Working Party |
| | <p>10.1</p> <p>The Executive introduced paper 9 and asked the Board for a steer. ES declared a conflict to the extent that his firm is involved in the design of the royal mail CDC scheme.</p> <p>The Board’s discussion included the following points:</p> <ul style="list-style-type: none"> - That the public interest element of the first CDC scheme and the first actuary to be involved, will be significant - Any communication on interim arrangements proposed will be very important, including being clear on all of the regulatory requirements (to which the PC is one component) that will apply actuary and how the public interest is assured by this. This will include the wider regulatory requirements from the FRC - Consideration to be given to whether guidance on peer review will be needed for the first CDC actuary - The need for any analysis to be carried out to compare CDC schemes to ‘with profits’ funds (specifically, a with profits annuity fund) - Pension actuaries’ lack of familiarity with ‘with profits funds’ and actuaries working in silos |



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| | <p>Ensuring that the CDC PC competencies reflect that specific role and are not inappropriately treated as being the same as existing PCs.</p> <p>The Board confirmed they were supportive of the interim voluntary arrangements proposed in the paper.</p> <p>The Board also provided a steer that they supported introduction of a CDC Scheme PC in the longer term, to be developed taking into account the outcome of the PC Scheme Review. The Executive agreed to reflect the discussion points in the work to develop that PC proposal.</p> |
| 11. | Review of Professional Skills Training Content |
| 11.1 | <p>The Chair welcomed FG who introduced paper 10. Paper 10 outlined proposed improvements to the Professional Skills Training to make it more up to date and interesting, as well as more user friendly to members.</p> <p>The Board welcomed and noted the suggested changes.</p> |
| 12. | CPD |
| 12.1 | <p>The Chair noted paper 11's update on the trial of the Reflective Practice discussions (RPD's) and thanked the members of the Board who have volunteered and taken part.</p> <p>The Executive explained the findings of the RPD's which are scheduled to be rolled out in September 2021. The findings included, amongst others, that more material is required to facilitate the discussions as well as around the selection process for the members. There is also a plan for a communications campaign, highlighting what the live discussions will look like so members have a better indication of what is expected of them when being chosen to attend a RPD.</p> <p>The Board asked about the time scales for the discussions and whether there should be a time limit placed on the CPD examples of the member. Some Board members felt the discussion could lose value if the member's CPD session to be covered is too wide spread or has been some time ago. Some Board members felt that the discussions should focus more on future plans for learning than on previous CPD. The Executive reported that this was a main concern of those involved in the trial and proposed to produce more documents to help people reflecting on their CPD soon after the activity by consulting with their appropriate person. The Executive hopes that in this way, potential gaps would be identified that the member could then report on at their RPD.</p> <p>It was suggested by Board members to dedicate the last 15 mins of a RPD towards forward thinking and to develop a plan around the gaps identified during the discussion.</p> <p>The Board also asked around steps that will be taken should the RPD identify a member who has not complied with their CPD requirement. The Executive explained that a skeleton process for the team had been set out in the paper.</p> |



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| | The Board will be updated on the initial roll out of the RPDs before the end of 2021. The Executive was specifically asked to feedback on issues around confidentiality aspects of the disclosures. |
| 13. | For noting only |
| 13.1 | FRC's private oversight report (Regulation and Education Reports) The Board is expecting FRC attendance later in the year to speak to their private oversight report. |
| 13.2 | Professional Support Service (PSS) annual report The Board noted this paper and found it helpful to see the geographical breakdown of where the PSS queries originated. It was suggested that this be compared with a breakdown of the geographical location of where members are based and question why queries are not being received from certain areas. This could be picked up in the implementation of the new support service. |
| 13.2 | Horizon Scanning Register The Board noted this paper, with one member requesting a further copy as she was unable to read the version sent in Board packs. |
| 14. | Standing items |
| 14.1 | Forward Agenda for 2021 / 2022 The Forward Agenda was noted. |
| 14.2 | Board members tenure The document was noted. |
| 15. | AOB |
| | The Board expressed their views about the new format of the Board papers and thanked the Executive for the positive improvements, stating that the papers are now much easier to read and follow. It was noted that the July meeting will not take place in person. BK advised that options can be explored to have the Strategy Day in September taking place in person and that the IFoA is planning a phased re-opening of offices at the end of 2021. |
| | Dates of Future Meetings |
| | 27 July 2021 - Bluejeans (1000-1330) 29 September 2021 – TBC (1000-1430) 10 November 2021 - London (1000-1430) 8 February 2022 – TBC (1000-1430) 26 April 2022 – TBC (1000-1430) 5 July 2022 – TBC (1000-1430) 27 September 2022 (Strategy Day) – TBC (1000-1430) 6 December 2022 – TBC (1000-1430) |