

Institute and Faculty of Actuaries, **Regulatory Board**

Subject	IFoA Executive Update
Meeting date	14 February 2024
Author	Executive Team
Reviewer	Fiona Goddard, Interim Head of Regulatory Policy
Purpose	Noting

A: Introduction

1. This paper provides an update on the work of the IFoA Executive Team since the meeting of the Board in November 2023 and highlights key issues and developments for the Board to note.
2. **PLEASE NOTE:** Board Members are asked to let Sarah Borthwick, Interim Board Secretary (rbsecretary@actuaries.org.uk) know **at least three days in advance** if there are aspects of the update paper that they would like to discuss, so that appropriate time can be allocated in the agenda and the appropriate member of the Executive team can arrange to attend the meeting. We would also be happy to answer any questions on the below topics via email.

B: Key Developments and Updates

3. The **Ethical and professional guidance on climate change: A Guide for Members**, was published with effect from 17 January 2024.
4. The **Disciplinary Committee** has welcomed Jeremy Hill as a new Actuary member. The FRC and IFoA Executive Team held a closing meeting on 12 December 2023 to discuss the FRC's oversight of the IFoA's disciplinary function during 2023. The FRC provided positive feedback and confirmed that there are no formal recommendations for the disciplinary function. Their draft report will be available in 2024. The Disciplinary Committee conducted a self-assessment exercise in late 2023. Overall the results were positive and showed the Disciplinary Committee to be effective in meeting its overarching purpose of overseeing the management and operation of the Disciplinary Scheme.
5. The AMS team continues its work in progressing its thematic reviews into **Data Science and Pensions on Divorce**.

The data science review is covered elsewhere on the agenda. The report is due to be published at the end of February 2024, and an all-member webinar will take place in March.

The Pensions on Divorce review is continuing. The Review team is currently assessing submissions, carrying out interviews with practitioners and drafting the report. An additional Board meeting has been scheduled for 20 March 2024 to consider the thematic review findings and the Board's potential response.

6. Alan Marshall and Jenny Higgins, Head of Disciplinary Investigations, presented at the Life Conference in November 2023, covering thematic review work and the recent updates to the Disciplinary Scheme.

7. In January, the **Prudential Regulation Authority** published its 2024 priorities for the insurance sector, under the following broad headlines:
 - Financial markets and the economic environment
 - The business and operating environment
 - Expansion of the life insurance sector
 - General insurance sector reserving risk and model drift
 - Financial risks arising from climate change

The IFoA Regulatory Policy team will reference this when planning relevant activities, and there is ongoing bi-lateral interaction with the PRA.

8. The second release of **professional skills content** for the 2023-24 CPD year will be published in March. The content will include three videos and two mini case studies. Work is in development for the first release of content for the 2024-25 CPD year.
9. The **Reflective Practice team** have completed 436 IFoA led RPDs to date. Anecdotal feedback remains positive and suggests that the discussions are enabling members to gain greater understanding of the benefits reflective practice can bring. The Executive continue to explore new KPI's for the Reflective Practice programme, in cooperation with the FRC.
10. The competency-based approach to **Practising Certificates** has now been in effect for more than one year, with all PC holders having now gone through the new process at least once. As indicated at the November Board meeting, a Post-Implementation Review of the new Scheme is being carried out, with a request for feedback included in the PCC's Annual Report. Whilst this is ongoing, the Executive is also considering further support for Members in completing PC applications and will be working on producing further guidance and case studies over the coming months.
11. The FRC and IFoA Executive Team held a closing meeting on 16 January 2023 to discuss the FRC's oversight of the QAS during 2023. The FRC provided very positive feedback and confirmed that there are no new formal recommendations for the QAS. Two recommendations from the previous year (relating to the consideration of incorporating sustainability requirements into QAS; and the review of the QAS CPD requirements to ensure they are the equivalent standard as the IFoA CPD requirements) remain open. An update on the QAS executive team is provided at paragraph 17.
12. On 11 December 2023 the **FRC published version 2.0 of Technical Actuarial Standard 300: Pensions (TAS 300)**. The Board will recall that Members of the Executive met with members of the FRC's Actuarial Policy team in September 2023 to discuss the IFoA's response to the FRC's consultation on the revised TAS 300 and a new TAS 310. The feedback statement has been published and all the consultation responses are available at the foot of the consultation page.
13. On 22 January 2024 the **FRC announced revisions to the UK Corporate Code** which aim to enhance the transparency and accountability of UK plc. The updated Code will come into effect on 1 January 2025. However, in response to stakeholder feedback about the need for Boards to

have more time to develop their approaches to Internal Controls that part of the Code will come into effect on 1 January 2026. Further information is linked below.

14. The **FRC supervision period for 2023/4** is drawing to a close and we will receive oral feedback from the FRC at the end of this month, with a draft private report to follow shortly thereafter. Informal feedback confirms our own view that the significant effort across the Executive has resulted in a significant improvement in relationships at a working level, particularly with the FRC PBS (Professional Body Supervision) team. An outline of the areas of FRC activity in 2024/5 should be available for the May meeting of this Board. Our strategy at a working level aligns closely with the Regulatory Strategy Steering Group's work on reform of our relationship with the FRC. Insight into the fresh, welcome cultural approach to the regulatory role is available in FRC CEO Richard Moriarty's recent [podcast](#) and in its publication of the [UK Corporate Governance Code](#) and related [guidance](#).
15. Various **proposals to revise international actuarial standards** are ongoing within the International Association of Actuaries (IAA) and Actuarial Association of Europe (AAE), with the latter meeting in Vilnius in April. An overview has been tabled into the Regulatory Board's agenda for later in the year.
16. The **DPB Board** has now completed a round of recruitment, with a strong field of candidates and will be recommending through written process three new appointments (one actuary and two lay persons) to the Regulatory Board. The DPB Board is also expecting to take forward a period of consultation on its Handbook Review during the spring (its proposals are presented to the Board elsewhere in this agenda).
17. [REDACTED]

C: Key Planned Activities for Next Period (Up to next full Board meeting)

18. In addition to work mentioned above, over the next period, we anticipate the following key activities:
 1. Progress proposals to consult on possible integration of the QAS and PC Scheme
 2. Begin implementation of new Professional and Regulatory Support Helpdesk.
 3. Start the consultation on the Guidance supporting the DEI changes to the Code
 4. In January, the Reflective Practice team began work to progress a trial of Group Reflective Discussions to take place with newly qualified members.
 5. Progress the Post-Implementation Review of the Practising Certificates Scheme