



## Regulatory Board

14 May 2024, 10:00-13:30

Council Chamber, Staple Inn and virtually via Microsoft Teams

<b>Attending</b>	David Broadbent (online), David Innes, Emma Gilpin, Edwin Sheaf, Helen Brown, Mike Smedley, Mitesh Soni, Neil Buckley (Chair), Nicola Williams, Oliver Bettis, Simon Martin, Sue Lewis
<b>Apologies</b>	Sam Condry
<b>Executive</b>	David Gordon (online), Cargill Sanderson (online), Kirsty Mill, Sarah Borthwick (Board Secretary), Serrina Galleymore, Stephanie McGowan
<b>Guests</b>	Glyn Bradley (online - item 6)

### 1. Welcome and apologies

The Chair welcomed everyone to the meeting and thanked them for their attendance. The Chair advised that the External consultant carrying out a review of the effectiveness of the Board had planned to join this meeting to observe but unfortunately was now unable to do so.

### 2. Declaration of Conflicts of Interest

No conflicts of interest were declared.

### 3. Minutes and Actions

3.1 The Board approved the minutes of the 14 February 2024 meeting.

3.2 The Board approved the minutes of the 20 March 2024 interim meeting.

3.3 The Board noted the running actions.

### 4. Chair's update

The Board noted the update from the Chair, in particular that he would be meeting with Lord Currie, the inaugural Chair of the new IFoA Board.

### 5. Executive update

The Board noted the Executive update.

## FOR DISCUSSION

### 6. Horizon scanning – Key focus risk

6.1 The Executive introduced the paper which provided an in-depth review of UK pensions developments, with a focus on recent regulatory and government initiatives and associated

considerations for actuaries. The Chair welcomed Glyn Bradley, Vice Chair of the Pensions Board.

The Board had a full discussion on the current risks for actuaries and their clients and the mitigations already in place. The Board noted that the risks to pensioners was a public interest issue and should consider 'adding value' in that space. The Board further agreed that the equity of current, deferred and retired pension scheme members and how they could be affected by these developments was an important issue which could potentially be the subject of a paper. The Horizon Scanning Sub-Group would consider this further.

The Board agreed that there was no requirement for a risk alert to members at this time, but that would be reconsidered if there were to be a change of Government in July 2024.

During discussions the Board noted the Virgin Media case, which was currently under appeal, and agreed this should be monitored to see if there was any relevant best practice and risks that could be relevant to members.

It was noted that the Horizon Scanning Sub-Group would reflect on the Board's discussions.

The Chair thanked Glyn Bradley for his helpful input and also thanked the Horizon Scanning Sub-Group for their work.

**Action:**

- The Horizon Scanning Sub-Group to reflect on the discussion and consider paper.

## **7. Actuarial Profession Standards (APS)**

7.1 The Executive introduced the paper which provided a grid setting out a high level summary of the review status of each APS. It was agreed that this would be expanded to include some further information such as the scope of each standard and the FRC's TAS. The Executive were also asked to provide suggested review dates for the standards. It was agreed the grid should be provided as a standing item at each Board meeting.

**Action:**

- Executive to update the table and provide as standing item.

7.2 The Executive introduced the paper which asked the Board to approve the use of a survey to review APS X2 and its non-mandatory guidance. The Board noted that APS X2 was due for review but Executive review concluded that APS X2 remained appropriate, with no compelling rationale for full consultation on a revised standard. However, given the extensive scope of APS X2, it was considered appropriate to give members the opportunity to provide feedback. The Board agreed this should be done via a survey, however, they were mindful of the timing of the QAS/PC review and if members could be asked about any other APS at the same time as APS X2.

**Action:**

- Executive to prepare survey for Members on APS X2.

**BREAK 11:30-11:40**

## **8. DEI Guidance**

### **8.1 REDACTED**

**Actions:**

- Executive to review guidance and prepare consultation materials for Board approval.
- Board to respond to Council.

## **9. Pensions on Divorce (PoD) – review of recent disciplinary cases**

9.1 The Executive advised that this paper was being presented to the Board following the discussion at the 20 March interim meeting, when the relevance of disciplinary cases was discussed. The Board noted that there have been, on average, two complaints relevant to PoD work per year. However, the Board acknowledged that it is a very unusual market where they are providing advice for clients who may be in conflict and one of the few roles where actuaries provide advice directly to individuals.

The Board noted that there were not any requirements for firms, with the exception of QAS firms, to have a complaints process. The importance of having complaints process was going to be mentioned at the upcoming PoD webinar. It was agreed that when APS X3: The Actuary as an Expert in Legal Proceedings was next reviewed, consideration would be given to guidance around having a dispute resolution process. It was further noted that during the thematic review concerns had been raised about delays in pension schemes giving PoD actuaries access to information and it was agreed this would be raised at the next meeting with The Pensions Regulator.

**Actions:**

- Consideration to be given to dispute resolution when APS X3 next reviewed.
- Delays in accessing information to be raised with The Pensions Regulator.

## **10. Risk alert – Climate change scenario analysis**

10.1 The Executive advised that there were three outstanding matters for the Board to consider before the risk alert could be finalised. After discussion the Board agreed on the final risk alert for issuing to members. The Executive also advised they would prepare a framework for the drafting and issuing of risk alerts, including specific points for the Board to consider during the process.

**Actions:**

- Executive to finalise and publish the risk alert.

- Executive to prepare framework for drafting and approval of risk alerts.

## **11. Performance of Committees**

11.1 The Executive summarised the paper and asked the Board to consider if the current way in which they oversee the performance of Committees which report to it provides sufficient assurance. The Executive advised this matter would be further considered at the strategy day in September 2024, but thought it helpful for the Board to have an early discussion on this.

The Board noted that the current annual reports they receive from Committees are of a good standard, but sometimes timing on the agenda could be challenging. The Board also agreed that it would be useful for the Committees to be able to demonstrate to the Board that they are discharging their terms of reference and the Board noted that the Executive already prepared this for the Disciplinary Committee to consider at each meeting.

The Board discussed the importance of understanding the potential risks in the work of the Committees and the Executive agreed to produce an appropriate risk matrix ahead of the strategy day.

The Board discussed the importance of the relationship between the Board and the Committees and it was agreed that the Chair should attend one Committee meeting per year. The Board further agreed it would be beneficial to invite Chairs to attend the Board, along with the relevant Executive, when their annual report is being presented. It was also agreed that the Executive should look at the cycle for reporting and whether this can be scheduled so they are more staggered.

It was further agreed that the Chair would contact all the Committee Chairs to seek their views about the relationship between the Board and the Committees and how the Board carries out its oversight function.

### **Actions:**

- Executive to produce a risk matrix ahead of the Strategy Day in September 2024.
- Executive to arrange for Chair to attend Committee meetings.
- Chair to write to Committee Chairs about the relationship and oversight.

### **FOR NOTING ONLY**

## **12. Update on Professional Support Service (PSS) review**

12.1 The Executive updated the Board on the new PSS helpdesk and advised it was planned to launch at the end of May 2024, with communications planned to support the launch. The Board noted that the new helpdesk had been developed to provide a more accessible and efficient process for members.

### **13. Professional Support Service (PSS) Annual report**

13.1 The Board noted the Annual report.

### **14. Designated Professional Body (DPB) Board Annual report**

14.1 It was agreed that this report would be considered at the next Regulatory Board meeting, due to the absence of the DPB Manager. It was further agreed the Chair of the DPB Board should be invited to attend.

### **15. Financial Reporting Council (FRC) private oversight report**

15.1 The Board noted the oversight report and that the FRC would present it at the July Board meeting. The Board commented that it was a positive report and a good reflection on the work of the Executive.

### **16. Standing items**

#### **16.1 Learning Group update**

The Board noted the report.

#### **16.2 Horizon scanning register**

The Board noted the horizon scanning register.

#### **16.3 Forward agenda**

The Board noted the forward agenda.

#### **16.4 Board Members' tenure**

The Board noted the Board Members' tenure.

### **17. AOB**

Nothing was raised.

### **Dates of Future Meetings**

- 16 July 2024
- 24 September 2024 (Strategy Day, in person, Staple Inn)
- 19 November 2024
- 18 February 2025
- 14 May 2025 (in person, venue TBC)
- 16 July 2025
- 24 September 2025 (Strategy Day, in person, venue TBC)
- 18 November 2025