Institute and Faculty of Actuaries

Minutes

DPB Board Meeting
8 May 2025, 09:30am – 1:00pm
Via MS Teams

Attending:	James Smith, Chair (JS) Alison Carr (AC) Andrew Allsopp (AA) Colin Mayger (CM) Darius Mayhew (DM) John Birkenhead (JB) Sophie Wright (SW) Tim Russell (TR)	**Apologies:**	N/A
Executive Staff:	Sophia Salim (SS), DPB Manager Ashley MacIntyre (AMc), Senior Regulatory Lawyer Kirsty Mill (KM)		
Guests:	Emma Fountain (EF), ICAEW Dean Neaves (DN), ICAEW		

Item	Title	Action
1.	**Welcome**	**JS**
	Welcome The Chair welcomed everyone to the meeting. **ICAEW** The Chair thanked EF and DN from the ICAEW for presenting their report, "Licensed firms – 2024 annual returns". DN took the paper as read, and EF summarised the key findings. Thirteen firms were reviewed this year, with no changes in licence numbers. Three firms indicated they are in the process of winding down their DPB activities, and one has already submitted a formal request to surrender its licence. ICAEW aims to conduct monitoring visits on a five-year cycle, with a history of previous visits included in the appendix. REDCATED Four further visits are scheduled between July 2025 and June 2026. There were a few instances of higher risk scores, particularly where income from regulated activities exceeded 10%. Excluding the impact of visits, overall risk scores have remained relatively stable, with one firm seeing an increase due to PI insurance and three others showing reductions due to changes in reported income.	**EF**

Item	Title	Action

REDACTED

EF confirmed there were no other PI-related concerns. The annual returns system is currently being reworked, and there is only one drop-down option for licence types at present. A few firms had not completed required confirmations, but this has since been followed up and resolved.

REDACTED

The Board discussed the ongoing suitability of the current risk model, which dates from 2012. DN advised that the model appears to remain effective.

On the topic of monitoring visits, the Board questioned why ICAEW continues to conduct these remotely. DN responded that pre-Covid, all visits were on-site, but remote visits had been effective during and post-Covid. ICAEW is content to continue with remote or in-person visits and leaves this decision to the IFoA. Board members expressed support for in-person visits, particularly for larger firms, noting that they allow for richer dialogue and informal discussion. A hybrid model was suggested for larger firms, combining remote and in-person elements. DN confirmed this would not affect pricing.

The Board discussed whether to adjust the list of firms scheduled for review in 2025/26 or defer one visit to 2026. The Chair confirmed that this would be considered further and noted that visits could be scheduled later in the visit year. The ICAEW typically provides firms with around three months' notice.

REDACTED

There was a brief discussion on setting clearer "as at" dates for monitoring purposes, with the Board suggesting standardising dates such as 30 March. DN noted that while monitoring is generally on a five-year cycle, the timing can be flexible depending on the firm's circumstances.

The Board asked whether surrendering a licence removes a firm from the DPB scheme altogether. It was confirmed that while regulatory powers end upon surrender, the firm would still fall under the IFoA Disciplinary Scheme if applicable.

REDACTED
The Chair concluded by welcoming the Senior Regulatory Lawyer to the meeting and thanking EF and DN for their attendance and contributions. It was noted that the ICAEW would be contacted if any further questions arise.

Actions:

Item	Title		Action
		• **The Executive to advise the ICAEW re: the DPB Board's decision on firms visits over the next year.** • **The Executive to advise the ICAEW of the DPB Board's decision re: in-person or online firm visits.** • **The Executive to update the DPB webpage to make it more accurate.** **Meeting minutes** **To approve minutes of March 2025 and redactions in yellow** The Board approved the minutes of March 2025.	SS
	3.2	**To approve redacted minutes of July 2024 for publication.** The Board approved the minutes of July 2024.	
	3.3	**To approve redacted minutes of May 2024 for publication.** The Board approved the minutes of May 2024.	
4.	**Standing items**		**JS/SS**
	4.1	**To declare any conflicts of interest** There were no declared conflicts of interest.	
	4.2	**To note updated Issues Log** At the March 2025 DPB Board online meeting, the Chair and DPB Manager agreed to reduce the Issues Log to a smaller, active list. The Board found the existing documentation helpful but suggested adding clear descriptions at the top of each document for easier navigation. They raised the question of where decisions related to the DPB Handbook should be recorded. AMc advised keeping the DPB Handbook decisions in a separate document as a distinct project, with potential actions from its review added. The Board recommended reviewing past decisions made over the last year to ensure nothing is lost, with these captured in an appendix or comments section of the issues log.	

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	The Board also noted that multiple separate documents might be overcomplicating things and suggested combining logs, actions, and Handbook notes into one Excel file with different tabs. They emphasized linking issues and actions to the risks they affect, to prioritize better and ensure focus on the right matters. The Chair agreed this was a work in progress and would discuss improvements with the DPB Manager. <u>Annual return:</u> The Chair asked about the DPB annual return being moved online later in the year, as part of the OPSR project. The DPB Manager confirmed that contact had been made with the OPSR team but there had been no update yet. They hope to follow up further before the September 2025 meeting, when the annual return will also need to be reviewed. The Chair noted that this transition was expected to happen this year and expressed concern over the delay. The DPB Manager confirmed they would continue to push for progress and keep the Chair informed. The Chair added that they regularly raise the matter with the Head of Regulatory Policy and reiterated the desire to see it completed. <u>Review and creation of DPB processes document:</u> The Chair advised that in the past, one of the ICAEW's firm reports did not get on the DPB Board meeting agenda promptly. The DPB Manager advised that they are working on process documents. <u>Pension Consolidators:</u> The Chair advised that this would be discussed with the FCA in the future. <u>PI and Run off difficulties for firms:</u> The Chair advised that this was to be considered as part of the DPB Handbook review. **Actions:** • **The Executive to combine different logs into one spreadsheet.** • **The Executive to provide an update re: IFoA OPSR progress to the Board Chair.**	

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	4.3	**To note updated Risk Register (with highlighted risks DPB 5 and DPB 8 to be subject to a "deep dive" at meeting)** The Chair updated some outdated parts of the document, focusing on sections DPB 05 and DPB 08. The Board noted that DPB 05's risk assessment should reflect a likely decrease in the number of firms, which is significant given the small overall number. They discussed whether the DPB Guide falls under operational matters. The Board emphasized that their role is inputting into the DPB Handbook rather than handling direct operational issues like firm emails, which are managed by the DPB Manager and occasionally reviewed by the Chair. The Chair confirmed that Board Members are not heavily involved operationally but may assist the Executive using their DPB and other experience. **Actions:** • **The Executive to clarify the wording re: 'operation' and the DPB Board's role in the Risk Register.**	
	4.4	**Work plan currently in progress** The Chair enquired if the Board have a copy of the Work Plan? The DPB Manager advised that the Executive are currently working on this.	
	4.5	**To review updated action list** The Chair asked whether the Board wants to discuss in-person QAD (Quality Assurance Department) visits. The Board emphasized the need to justify any in-person visits, including understanding costs (such as from ICAEW) and IFoA's expense policies, and highlighted the benefits of in-person or hybrid visits for better insight into firm culture and more thorough reviews. Some Board members felt the decision on visit format should rest with the Board, independent of IFoA's digital policy. They noted in-person visits allow more detailed, open dialogue and better spotting of issues compared to remote reviews, which can be limited by firms choosing what documents to send. There was discussion about how ICAEW currently conducts visits, including file walkthroughs, and concerns about ensuring ICAEW's review methods are effective and appropriately guided. The Board agreed clearer instructions should be given to ICAEW about their expectations. The Senior Regulatory Lawyer advised that any proposal for in-person visits needs to be discussed with and approved by the Regulatory Board, with	

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contract terms reviewed by General Counsel, especially regarding costs. The Board questioned whether approval lies with the Regulatory Board or IFoA Board; the lawyer will clarify.

The Chair concluded that the Board supports resuming in-person visits, pending confirmation on approval processes and drafting a brief paper outlining the rationale for the Regulatory Board or IFoA Board's consideration.

Actions:

- **The Executive to check with the General Counsel Group re: which IFoA Board(s) approve the DPB Board's request for in-person ICAEW firm visits and revert to the Board.**

- **The Executive to draft a paper on behalf of the DPB Board setting out the request for ICAEW in-person firm meetings to go to the relevant Board in due course.**

Outstanding Invoices:

The DPB Manager advised they had not heard back from the IFoA's Finance Team yet, and the Executive is still looking for a one liner re: finance reporting.

Changes to legislation re: FCA providing help to DPB Board:

A meeting with the FCA and DPB had not yet taken place.

Governance Plan:

The work on governance was ongoing.

REDACTED

Actions:

- **The Executive to draft correspondence to relevant firms setting out the Board's concerns and asking for further information.**

REDACTED.

Risk Sub Group:

The Chair asked about the scope of the monitoring visits. The Board admitted they have been unsure and want to revisit first principles to clarify what instructions to give the ICAEW. The Board confirmed they cannot see

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	the ICAEW contract, as it remains internal to the IFoA. The Senior Regulatory Lawyer clarified that the DPB Board's role relates to annual returns and any concerns about ICAEW's reviews REDACTED	
5.	**Firm specific matters**	**AMc/SS**
	To note developments, and matters arising since the last meeting. REDACTED	
	BREAK: 11:00am – 11:15am	
6.	**Governance**	**AMc/SS**
	To approve FCA Annual report The Chair thanked the DPB Manager for completing the document and confirmed it hadn't been issued yet. The Board raised a query about section 6E regarding compensation, noting that while the DPB Board can award compensation under the Handbook, no formal scheme exists. It was clarified that compensation would be paid by the firm, not the IFoA. The Chair proposed adding a clarifying comment, which the DPB Manager agreed to, along with removing repeated wording. Other minor edits were discussed, including a missing bracket in section 1D and confirming that the Annual Seminar occurs every other year. After reviewing sections 1B and 1C, the Board agreed to issue the document to the FCA once the updates are made. **Actions:** • **The Executive to update the annual report to the FCA.**	
	To note Terms of Reference and Roles and Responsibilities of the board	
	The Senior Regulatory Lawyer provided the Board with the current Terms of Reference (TORs) and a separate document outlining the split of responsibilities between the DPB Board and the Executive. The Chair has an action to propose an alternative TOR to the Regulatory Board. The Senior Regulatory Lawyer noted that any extension of the Board's remit would require formal sign-off. The Board agreed the TORs should be updated to reflect	

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	actual responsibilities, including renewal and monitoring activities, which currently are vague. The Board asked if there is clear documentation on what parts of DPB oversight the Board does and what the Executive handles. The Senior Regulatory Lawyer confirmed the TORs cover the Board's duties, while the Executive manages other matters. She offered to review the IFoA Governance Manual to clarify this and update the Board, which the Board welcomed and offered to assist with. **Actions:** • **The Executive to check if a proposed change to the TOR of the Board should go to the IFoA Board and revert to the DPB Board.** • **The Executive and the Chair to draft changes to the TOR and then revert to the Board.**	
7.	**ESG**	**JS**
	REDACTED The FCA is proposing changes to the Regulated Activities Order (RAO) that would classify ESG ratings as a regulated activity. This could impact DPB firms' ability to provide this service unless ESG-related activities are made exempt. The DPB Manager said that she had arranged periodic meetings with FCA starting June 2025. The Chair suggested having the Board Chair, one other DPB Board member, and someone from the Executive attend these meetings. It was agreed that the potential changes to the RAO in respect of ESG be added to the agenda. The Senior Regulatory Lawyer said the IFoA regularly submits consultation responses and will check if one was submitted regarding this matter. She will also investigate the legislative timeline and share updates with the Board. The Chair emphasized the urgency of securing a meeting soon to avoid DPB firms being unable to perform current activities during any transition period. **Actions:** • **The Executive to check with the IFoA if a consultation response had been submitted by the IFoA to the ESG consultation and revert to the Board.**	

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	• **The Executive to arrange a meeting with the FCA, DPB Board Chair, DPB Board Member and the DPB Manager to discuss ESG along with other matters.**	
8.	**Handbook review and policy development**	**AMc**
	To review project plan, timings and next steps The Senior Regulatory Lawyer provided an update on the DPB Handbook review process. A detailed project plan and a late Board paper were shared, summarizing consultation responses and outlining next steps. The plan includes drafting a proposal for the DPB Board's review before submitting to the Regulatory Board. External Counsel will be engaged for detailed legal drafting. The revised DPB Handbook will go through FCA approval, expected in Q1 2026, with implementation starting from August 2025. The Executive will manage implementation during the approval period. The Senior Regulatory Lawyer plans to share a proposal paper with the DPB Board by May 2025 and suggested a Board meeting in June to discuss it, ideally before presenting it to the Regulatory Board by July. The Board emphasized the importance of a meeting (rather than email) for initial review and stressed the need for external legal assurance that the draft Handbook complies with legislation and licensing requirements. They also suggested improving the Handbook's structure and readability to be more user-friendly, with a principle-based approach and specific examples. The Senior Regulatory Lawyer confirmed the DPB Guide will be included in the review and that timescales seem feasible. The Chair will monitor progress and keep it on the DPB Board meeting agendas. **Actions:** • **The Executive to add the DPB Handbook review and policy development as a running agenda item at future online DPB Board meetings.**	
9.	**DPB Seminar**	**JS**
	To discuss The Chair confirmed the Board is ready and comfortable with the upcoming seminar. The Chair and one Board Member are preparing the PowerPoint presentation and planning a quiz with three rounds to engage attendees and help them get into the right mindset after lunch. The Chair will also lead a morning case study.	

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	The DPB Manager noted that the ICAEW will join the seminar virtually for their session. The Senior Regulatory Lawyer will lead a session reviewing the DPB Handbook consultation and upcoming plans.	
10.	**Regulation Round Up**	**SS**
	To note and discuss	
11.	**All firms communication**	**SS**
	To discuss if any of the agenda items need to be shared with firms It was noted that the item relating to the regulatory perimeter of investment consultants in the FCA's regulatory initiatives grid had changed and that timescales would be made available towards the end of the year. The Board agreed to highlight this and the ESG issue at the DPB seminar. **Actions:** • **The Chair to highlight this at the DPB Seminar discussions on 22/05/2025.**	
12.	**AOB**	**All**
	The Board noted that the next DPB Board online meeting will be 3.5 hours in length, not 2-hour long meetings. **Actions:** • **The Executive to update the September 2025 DPB online meeting calendar invite to reflect the longer meeting time.** **Next interim meeting: TBC June 2025** **Next full meeting: 4 September 2025**	