



## Regulatory Board

14 February 2024, 10:00-13:30

Meeting held virtually via Microsoft Teams

<b>Attending</b>	David Broadbent, David Innes, Edwin Sheaf, Helen Brown, Mike Smedley, Mitesh Soni, Neil Buckley (Chair), Nicola Williams, Oliver Bettis, Simon Martin, Sue Lewis
<b>Apologies</b>	N/A
<b>Executive</b>	Alan Marshall (Items 8 and 11), Cargill Sanderson, Colin Thores (Item 7), Fiona Goddard, Hannah MacLeod (Items 9 and 12), Kirsty Mill, Peter Walker (Item 12), Sam Condry (Item 10), Sarah Borthwick (Board Secretary), Serrina Galleymore, Stephanie McGowan
<b>Guests</b>	Pauline Gibson, Excel Coaching and Consultancy (Observing)

Item	Title
1.	<b>Welcome and apologies</b>
	The Chair welcomed everyone to the meeting and thanked them for their attendance. The Chair noted that David Innes, the new Regulatory Board Member, was attending their first meeting. It was also noted that Pauline Gibson, the external assessor, was observing the meeting.
2.	<b>Declaration of Conflicts of Interest</b>
	No conflicts of interest were declared.
3.	<b>Minutes and Actions</b>
3.1	The minutes of the 21 November 2023 meeting were approved.
3.2	The Board discussed the action sheet and with regard to action 288, it was clarified that the Memorandum of Understanding between the FRC and the IFoA, was owned by Council and the Board may be asked for their view at the appropriate time. The Chair confirmed he would speak to the Interim CEO on this point and report back to the Board.
	It was agreed that action 310 was now completed as David Innes has been appointed to the Board. It was also agreed that action 307 could be closed.
	With regard to action 305, which was for the Executive to develop the Regulatory Toolkit, the Board noted that this was an ongoing project, but it would be useful for the Board to be provided with an update.
	<b>Actions:</b>

Item	Title
	<ul style="list-style-type: none"> <li>• Chair to discuss MoU with Interim CEO and report back to Board.</li> <li>• Executive to close actions 307 and 310 and insert the July 2024 Board meeting as the due date for Action 320 and 321.</li> <li>• Executive to provide an update on action 305.</li> </ul>
4.	<b>Update from the Chair</b>
4.1	The Board noted the update from the Chair.
5.	<b>Update from the Executive</b>
5.1	The Board noted the Executive update.
<b>FOR DISCUSSION</b>	
6.	<b>Reviewing Actuary</b>
6.1	<p>The Executive introduced the paper which asked the Board to approve the removal of the requirement for Reviewing Actuaries (RA) to hold a Practising Certificate (PC), along with corresponding changes to APS L1, the PC Scheme and the PC Handbook. The paper also asked the Board to approve the consultation feedback document for publication and to approve the creation of draft guidance for those acting as the auditor's expert.</p> <p>The Executive reminded the Board that in May 2023 they agreed to consult on the removal of the requirement for RAs to hold a PC and this consultation ran from August to November 2023. The Board considered the responses to the consultation, which had been analysed by the Executive.</p> <p>It was noted that the consultation responses demonstrated that there were some concerns about the removal of the requirement and the Board agreed that the outcome of the changes should be monitored. The Board agreed that, at a relevant time, the Executive could consider undertaking a Thematic Review in relation to the work of Reviewing Actuaries regarding Life Insurance and G.I. The Thematic Review might identify risks and be a way of the Board assessing the outcome of these changes.</p> <p>The Board approved the removal of the requirements for RA to hold a PC, and approved corresponding changes to APS L1, the PC Scheme and PC Handbook. The Board also approved the consultation feedback document for publication and for draft</p>

Item	Title
	<p>guidance to be created, as recommended. The Board thanked Stephanie McGowan for all her work on this.</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• <b>Executive to consider a thematic review in relation to work of RA.</b></li> </ul>
<p><b>BREAK 11:00 – 11:10</b></p>	
7.	<p><b>UK Practice Modules</b></p>
7.1	<p>The Board noted the paper providing an update on the operation of the first year of the new UK Practice Modules (UKPM). The Board noted that the programme had been well received.</p> <p>The Executive advised that other workshop topics were under consideration. The Board requested that the Executive provide information about the levels of participation, year on year.</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• <b>Executive to provide Board with information about levels of participation in UKPM.</b></li> </ul>
8.	<p><b>Thematic Review – Data Science</b></p>
8.1	<p>The Executive introduced the paper and advised that approval was being sought on the foreword and to publish the report.</p> <p>The Board discussed the draft report, which they advised was very interesting and noted it was a very fast-moving topic. The Board discussed fairness and ensuring that the public interest was a consideration when using AI technology. It was agreed that a session on actuaries involvement in pricing and fairness should be included at the strategy day.</p> <p>The Board also discussed the importance of outcomes balancing commercial and consumer benefit, and that actuaries play their part in helping to ensure this happens. Furthermore, the Board considered the varying factors that may be relevant depending on whether actuaries are building complex models, or whether they were reviewing or using output from the models.</p> <p>The Board approved the report for publication and asked that the draft foreword be amended to reflect the above discussion points.</p>

Item	Title
	<p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Executive to include a session at the strategy day on actuaries role in pricing and fairness.</li> <li>• Executive to amend foreword to reflect the points discussed.</li> </ul>
9.	<p><b>Regulatory response to Data Science review report</b></p>
9.1	<p>The Executive presented the paper seeking a steer from the Board on potential regulatory steps to take following the findings of the AMS Thematic Review report on data science. The Board noted the extent of actuarial activity in data science and AI and considered the scope of developing standards in this area. The Board agreed with the recommendations set out in the report, which included a review of the IFoA's non-mandatory ethical guidance. They also agreed that the findings of the review should be shared with relevant IFoA teams to support their on-going work. This included the Professional Skill Working Party, who may pick up on this for future Professional Skills videos. The Board noted that the IFoA have a Data Ethics Working Party.</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Executive to progress agreed regulatory responses.</li> </ul>
10.	<p><b>Designated Professional Body Scheme</b></p>
10.1	<p>The Executive presented the report which set out policy proposals relating to authorisation, supervision, data collection and complaints of the DPB regime. These proposals would form the basis of a consultation.</p> <p>During discussion the Board noted several years ago the IFoA made a strategic decision to continue with the DPB regime. The Chair suggested it was worth further consideration whether the DPB regime was something the IFoA wished to continue with, considering the potential exposure to risk.</p> <p>The Board questioned the suggested approach in relation to complaints, in that it was proposed that timescales would be variable. After discussion it was agreed that the Executive should consider the approach of the Disciplinary Committee, who have published indicative timescales for disciplinary matter.</p> <p>The Board approved the proposals, subject to the refinement of time limits in relation to complaint handling.</p>

Item	Title
	<p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• <b>Executive to amend time limits in relation to complaint handling in the proposal.</b></li> <li>• <b>Executive to launch consultation.</b></li> <li>• <b>Executive to ensure discussion of strategic approach of DPB function is on future agenda.</b></li> </ul>
11.	<p><b>Horizon Scanning</b></p> <p>11.1 The Executive presented the deep dive on post-covid mortality assumptions and pandemic modelling. After discussion the Board accepted the Executive's recommendation not to take any significant regulatory action on this risk in the immediate, based on its "low" rating in the Horizon Scanning Register, and instead to conduct a deeper dive on the subject. The Board noted that this was a public interest issue and noted the Life Board's interest in this area. It was agreed that a tripartite discussion between the CMI, the Life Board and this Board, would be useful.</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• <b>Executive to arrange a discussion between the Board, the CMI and the Life Board.</b></li> <li>• <b>Executive to consider a thematic review on post-covid mortality assumptions and pandemic modelling.</b></li> </ul>
12.	<p><b>DEI guidance - member engagement plan</b></p> <p>12.1 The Executive introduced the engagement plan, noting it was a four phased approach between now and planned publication of the guidance in Autumn 2024.</p> <p>During discussion, the Board were clear that the consultation should be as open and collaborative as possible. The Board suggested that as well as engaging with members, it would be useful to engage with firms/employers, including some of the QAS firms. It was also agreed it would be useful to engage with other organisations, such the Association of Consulting Actuaries, to encourage them to respond to the consultation.</p> <p>The Board were advised that the next Council meeting was on 7 March, and the Chair of the Board would not be present, but OB, in his capacity as a member of Council would speak about the Guidance and the engagement plan.</p>

Item	Title
	<p>During discussion the Board agreed it could be effective to publish a ‘myth buster’ question and answer document. The Chair also called for volunteers to attend any consultation engagement meetings with him, and NW, SL and ES volunteered.</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• <b>Executive to revise the Engagement Plan and circulate to the Board.</b></li> </ul>
<b>FOR NOTING ONLY</b>	
<b>13.</b>	<b>Professional Skills Working Group Annual Report</b>
13.1	<p>The Board noted the annual report. The Chair thanked the new Chair, Peter Heffernan, and Fiona Goddard, for their work across professional skills.</p> <p>The Board had a general discussion about the Boards, Committees and Working Groups which report to the Board and it was agreed that the performance of and relationship with them could be discussed at the strategy day in September.</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• <b>Executive to add a discussion on performance of and relationship to Subcommittees to be added to the strategy day agenda.</b></li> </ul>
<b>14.</b>	<b>Standing Items</b>
14.1	<p><b>Learning Change Programme update</b></p> <p>The Board noted the report and requested a copy of the July 2023 Education Oversight Committee meeting minutes.</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• <b>Executive to provide the Regulatory Board with the Education Oversight Committee Minutes from the July 2023 Board meeting.</b></li> </ul>
14.2	<p><b>Horizon Scanning Register</b></p> <p>The updated Horizon Scanning Register was noted and the Board thanked the subgroup for their work.</p>
14.3	<p><b>Forward Agenda</b></p> <p>Noted without further comment.</p>

Item	Title
14.4	<p><b>Board members' tenure</b></p> <p>Noted without further comment.</p>
15.	<p><b>AOB</b></p>
15.1	<p><b>Risk alert - Climate change scenario analysis</b></p> <p>The Chair advised that the draft risk alert, which had already been seen by the Board, would be circulated again for approval.</p>
16.	<p><b>Dates of Future Meetings</b></p> <ul style="list-style-type: none"> <li>• 20 March (interim)</li> <li>• 14 May 2024*</li> <li>• 16 July 2024</li> <li>• 24 September 2024 (Strategy Day)*</li> <li>• 19 November 2024</li> </ul> <p>*Planned to be in person meeting, with venues to be confirmed</p>