



Regulatory Board (Strategy Day)

24 September 2024, 13:00 – 16:30, Council Chamber, Staple Inn

Attending	David Broadbent, David Innes, Edwin Sheaf, Emma Gilpin, Helen Brown, Mike Smedley, Mitesh Soni, Neil Buckley (Chair), Nicola Williams, Oliver Bettis, Simon Martin, Sue Lewis
Apologies	-
Executive	Alan Marshall, Ashley MacIntyre, Sarah Borthwick (Board Secretary), Cargill Sanderson, David Gordon, Kirsty Mill, Serrina Galleymore, Stephanie McGowan
Guests	-

1. Welcome and apologies

The Chair welcomed everyone to the meeting. No conflicts of interest were declared.

Part 1: Information gathering and reflection

2. Ethical and technical requirements for actuaries - challenges and future direction

Following a presentation from the Executive, the Board discussed a number of matters, including:

- The relationship between the International Actuarial Association (IAA) International Standard of Actuarial Practice ISAP 1, the Actuarial Association of Europe (AAE) European Standard of Actuarial Practice ESAP 1, and the IFoA's Actuarial Profession Standard (APS) X1. It was discussed that there was a need to co-ordinate the review of APX X1 with the IAA and AAE's reviews of ISAP 1 and ESAP 1.
- The potential new actuarial regulation and how this may be relevant to the timings of APS reviews, including APS X1.
- How professional standards are considered during thematic reviews.
- The difference between technical and ethical standards and how this may be impacted by the creation of a statutory regulator to replace the Financial Reporting Council (FRC).
- The extent to which Technical Actuarial Standards (TASs) in the UK and APSs assist actuaries in their role.
- The importance of having international expertise on the Board for the on-going consideration of how APSs impact members outside the UK and to consider this as part of Board recruitment.

Actions:

- **APS X1 review to take place following ESAP 1 and ISAP 1 review.**

3. Future of Actuarial regulation

3.1 The Executive introduced the paper emphasising that the most recent King's Speech indicated that legislation will be forthcoming. The Chair invited comments.

3.2 The Board discussed:

- The proposed purpose, timing and process for new legislation. It was discussed that the need for legislation appeared to be driven by matters arising within the audit profession, and not specifically the actuarial profession.
- Engagement with the FRC and the UK government in relation to the future actuarial regulation. It was noted that there is a Steering Group led by Council which will steer the discussions with the FRC and other stakeholders. The Chair is the Board's representative on the Steering Group and the Board will have input into discussions.
- The role of other UK regulators in relation to actuarial regulation and the possibility of dual or conflicting regulation.
- The existing Memorandum of Understanding (MoU) between the IFoA and FRC. It was discussed whether there would be updates to the MoU prior to the new legislation and the possibility of an MoU between the IFoA and the new statutory body.

Actions:

- **Chair and Executive to update Board on developing legislation, as appropriate.**
- **Chair to communicate Board's considerations in his role as Regulatory Board representative on the Steering Group, and to seek feedback from the Board when appropriate.**

4. International regulation

4.1 The Executive summarised the paper and the Chair invited comments.

4.2 The Board discussed:

- The timing of the new IFoA vision and strategy and how this will include international aspects.
- How the Board currently performs the international aspects of its regulatory role.
- APS X1 and that international regulation will be revisited as part of the APS X1 review.
- That the IFoA receives numerous requests for guidance from local actuarial bodies in other countries, seeking advice on introducing their own regulation, which allows the IFoA to influence standards in other countries.

Actions:

- **Further consideration to be given to international regulation as part of future APS X1 review.**

5. Board performance

5.1 The Executive summarised the paper and the Board noted the results of their annual self-assessment and the feedback received within the 2024 Board effectiveness surveys.

5.2 In response to the comments received, the Board discussed the following points:

- The need to engage with the IFoA Board, noting that the Chair will have meetings with the IFoA Board Chair every two months.
- The need to continue to develop the relationship with Council.
- The need to consider diversity of age in the Board's membership and the international nature of its membership.
- The frequency of the Board effectiveness surveys. It was noted that it may be more effective to conduct these surveys every two years to help with participation and to receive a more varied range of responses.
- How to optimise channels of communication between the Board and Council.
- How to better communicate the work of the Board to Practice Boards and other stakeholders. It was discussed inviting observers to attend Board meetings and considering a wider communication campaign.
- Whether new Council members are provided with information about the Board as part of their induction.

Actions:

- **Chair and Executive to discuss inviting Chairs of Practice Boards, IFoA Board and Council members to attend Board meetings as observers.**
- **Executive to explore different ways to communicate what the Board does to stakeholders, including Council, the IFoA Board, Practice Boards and members.**
- **Executive to suggest to new Corporate Secretary including more information about the Board in Council members induction.**

BREAK 14:35 – 14:45

6. Board Priorities

6.1 Work plan 2024/26

The Executive summarised the paper and the Chair invited comments.

The Board discussed the following points:

- The need to extend the Board's priorities to include education. It was noted that the new Director of Learning will be asked to attend the next Board meeting to discuss education priorities.
- The need for the Board to satisfy itself that oversight of its Committees is being conducted in the most appropriate way.

- The board effectiveness report received from the external consultant, Excel Consulting, and the action points arising from the report. It was noted that the Executive had prepared a matrix of action points coming out of the report and this was included in the board papers. It was discussed that the Board should agree when and how to take forward the action points.

Actions:

- **Executive to ask new Director of Learning to attend next Board meeting to discuss education priorities.**
- **Executive to update Board priorities to include education following discussion from new Director of Learning.**
- **Executive and Chair to discuss how the Board oversees its committees and any actions to take forward.**
- **Board to agree how and when to follow up on action points arising from board effectiveness report.**

6.2 Horizon scan

The Executive summarised the paper and the Chair invited comments.

The Board discussed the updates to the content of the horizon scan, in particular noting climate risk and AI items. The Board noted the benefits of the new format of the horizon scan and approved the updated Horizon Scanning Register.

The Board further noted the good work of the horizon scanning sub-group and considered that at some point membership of the sub-group may need to be refreshed.

6.3 Thematic review topics for 2025

The Executive summarised the paper.

The Board discussed the proposed thematic review topics for 2025. It was discussed that these are the broad themes, and the final scoping will be agreed at the time of each future review.

The Board raised a specific question about the on-going Virgin Media court case. It was discussed that this was not an appropriate topic for a thematic review, but the Board requested an update from the Executive at the November Board meeting.

The Board endorsed the future thematic review themes.

Actions:

- **Executive to provide an update of the Virgin Media case at November Board meeting.**

6.4 Professional skills training plan for 2025

The Executive summarised the paper and the Chair invited comments.

The Board praised the professional skills videos produced by the IFoA. It indicated that it may be worth applying more resource on facilitating in-person sessions again if that was possible. The Board noted that from the members' perspective, taking the time to get together and discuss

professional issues, was perhaps more important than the specific topics. The Board was supportive of the forward plan.

7 AOB

The Executive suggested that it would be appropriate to get a photo of the Board, since it was the first time they had all met together in person for a considerable period and that this would be useful for Board plans to communicate its work. With the consent of the Board, it was agreed to take a photograph in the garden.

Dates of Future Meetings

- 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