Institute and Faculty of Actuaries

Minutes

Regulatory Board

18 February 2025, 10:00 - 13:30

Virtually via Microsoft Teams

Attending	David Broadbent, David Innes, Edwin Sheaf, Emma Gilpin, Helen Brown, Mike Smedley, Neil Buckley (Chair), Oliver Bettis, Simon Martin, Sue Lewis
Apologies	-
Executive	Alan Marshall (Item 8), Ashley MacIntyre, Cargill Sanderson, Darren Kerr (Item 7), David Gordon (item 9), Kirsty Mill, Mairi McIntyre (Item 11), Sarah Borthwick (Item 6), Serrina Galleymore, Stephanie McGowan (Items 7 & 11), Mike McDougall (Item 5)
Guests	Andreea Penman (F&I Board Deputy Chair) (Item 8), Lord David Currie (IFoA Board Chair) (Item 1 and to observe), Nico Aspinall (F&I Board Chair) (Item 8), Peter Heffernan (PSWG Chair) (Item 11), Velia Soames (Disciplinary Committee Interim Chair) (to observe)

1. Welcome and apologies

The Chair welcomed everyone to the meeting and thanked them for their attendance. The Chair introduced Lord David Currie.

1.1 Introduction from IFoA Board Chair

The IFoA Board Chair summarised his work with the IFoA Board during the last year, including the formation of the new board, the appointment of a new CEO, and the formation of new sub-committees, including the Audit and Risk Committee, Remuneration People committee and Education Committee. It was noted that a Membership Experience Committee and Technology Committee will shortly be established.

The IFoA Board Chair noted that the IFoA Board has gelled well and discussions are robust.

The IFoA Board also continues to further develop its relationship with Council, with Council responsible for the vision and the IFoA Board responsible for developing strategy.

The IFoA Board Chair also discussed the one-year bridging strategy.

The IFoA Board Chair then summarised key priorities for the IFoA Board, including the ongoing work in relation to the April exam session, discussions with the FRC and other engagement in relation to the proposed ARGA legislation, work in relation to DEI, and noted that DEI is an important part of the strategy of the IFoA Board, and the IFoA organisational review.

It was also discussed that it would be useful to consider at a later date how the IFoA Board could help increase the understanding of the role of the Regulatory Board across the IFoA.

The Chair thanked the IFoA Board Chair for the helpful update and it was agreed that it would be helpful for IFoA Board Chair to come back and observe another Regulatory Board meeting.

Actions:

- **The Executive to arrange for Lord David Currie to attend the Regulatory Board May 2025 in-person meeting as an observer.**

2. Declaration of Conflicts of Interest

There were no conflicts of interest raised.

3. Minutes and Actions

3.1 Approve 19 November 2024 minutes

The Board approved the minutes.

3.2 Approve 17 December 2024 minutes

The Board noted a small change to the minutes. On page 84 of the Board paper pack, the reference to AGM should be changed to EGM. The Board then approved the minutes.

3.3 Approve 23 January 2025 minutes

The Board discussed the wording on page 16 of the Board paper pack in relation to the changes to the respect provision and noted that it should be clarified that the change was to remove an ambiguity that may exist with the current wording, and the purpose was not in any way to remove members' rights to free speech.

The Board then approved the minutes.

Actions:

- **The Executive to amend the wording in the 19 December 2024 minutes to clarify reference to an EGM.**
- **The Executive to amend the wording in the 23 January 2024 minutes to clarify the purpose of the change to the respect provision.**

3.4 Note running actions

The Chair noted that the running actions need a review and the Chair intends to take this off-line to add/remove information.

It was noted that the governance process in relation to mutual recognition agreements with other actuarial bodies may need to be added to the running actions list.

Actions:

- **The Executive and Chair to review the running actions.**
- **The Executive and Chair to consider a running action in relation to the governance process for mutual recognition agreements with other actuarial bodies.**

4. Chair's update

The Chair updated the Board on his attendance at the Council engagement session on DEI and noted the positive engagement.

The Board noted the remainder of the update from the Chair.

5. Executive update

5.1 General update

The Chair raised a couple of queries from the general update. The first relates to the reference in the Learning Group Update to the decision to appoint the Deputy Chair and Chair of the Exam Board. The Chair queried who made this decision. The Director of Learning noted that this was a mistake and that the position will be advertised. The Education Committee will be involved in the appointment.

The Chair also enquired about the DPB update and the DPB Board's work in relation to the consultation on amendments to the DPB Handbook. The Chair queried if there would be an opportunity for the Board to provide a steer before any decisions are made by the DPB Board. The Executive advised that an updated work plan is being prepared and that this will include review by the Board of proposed decisions by the DPB Board to allow the Board to provide effective overview and be kept up to date with proposed changes.

5.2 [Redacted]

FOR DISCUSSION

6. Disciplinary Committee Annual Report

The Board noted the Disciplinary Committee Annual Report which covered the period 1 June 2023 to 31 May 2024. The Board was also provided with an interim update on the 2024/25 year.

The Board discussed how the new Disciplinary Scheme was operating, the complaints received and, in particular, the process for dealing with vexatious complaints.

It was also noted that there were a low number of complaints received. It was discussed that work has been done to raise awareness of the complaints process, including raising awareness outside of actuaries, for example, by the users of actuarial work.

The interim Chair of the Disciplinary Committee noted that over the last 18 months, the new Disciplinary Scheme was working effectively and, in particular, the new triage system for dealing with complaints had been very effective. It was noted that the Disciplinary Committee had received generally positive feedback on the new Disciplinary Scheme. It was also noted that the small number of complaints was also a concern of the Disciplinary Committee.

The interim Chair of the Disciplinary Committee thanked the Executive colleagues for the disciplinary work.

The Chair thanked the interim Chair for taking on the role for the interim period. It was noted that the appointment of the new Disciplinary Committee Chair will be finalised shortly.

7. [Redacted]

BREAK 11:25am – 11:35am

8. Horizon scan - key focus risk

The Board noted the paper in relation to the growing challenge and debate around established economic and market theory, and how this may be increasing the risk of flawed decision-making and lack of appropriate actions.

The Board also heard from Nico Aspinall (F&I Board Chair) and Andreea Penman (F&I Board Deputy Chair).

The Board discussed the points raised in the paper and how they relate to the Horizon Scan entry which covers challenging established theory in the context of actuarial work.

The Board agreed that a deep-dive into the subject would be useful for the Board, before it considers its position and the need for IFoA regulatory activity on the topic.

It was noted that the Executive and horizon scan sub-group would consider further sessions for the Board, including in relation to modelling. It was also noted that it would be useful to consider whether thematic reviews on this topic would be useful and the role of the Board on the education aspects of this topic.

Actions:

- **The Executive to arrange a deep-dive on the topic of challenging established economic theory to present to the Regulatory Board.**
- **The Executive and horizon scan sub-group to consider further sessions for the Board, including in relation to modelling.**
- **The Executive to consider whether a thematic review on this topic would be useful.**
- **The Executive to consider the role of the Board on the education aspects of this topic.**

9. [Redacted]

10. DEI consultation

The Executive introduced the paper and gave an update on feedback received following the member communication of 30 January 2025. This included emails from some members with general support for the decision, and less positive comments in the media, including an article in the Telegraph and a news item in GB news.

The Board considered the draft of the consultation feedback paper, and in particular the foreword. The Board noted that it was important to clarify in the foreword that the decision to not include, at this time, a provision in the Code that ‘members should encourage DEI’ did not preclude such a

provision in the future. It was also noted that it was important to emphasise the Board's continued commitment to DEI. In addition, the feedback paper should further clarify the rationale for the amendment to principle 1.1.

It was agreed that the consultation feedback paper should be updated and re-circulated to the Board for comment.

The Board then discussed the revised Code guidance including the new wording which aims to clarify the distinction between misconduct and the Actuaries' Code. It was noted that the wording in the guidance should be reviewed for consistency with the wording in the Disciplinary Scheme. It was also discussed that the wording in the guidance in relation to the scope of the Code could be further reviewed.

The Board agreed the publication of the consultation feedback paper, the amended Code and Code guidance, subject to further amendments to reflect to the Board's comments. It was agreed that the Executive would revise the documents and circulate to the Board for final comment.
The Board also discussed a request from a member to share the benchmarking report. The Chair noted that all documents, including minutes and board papers, which informed the Board's decision in relation to DEI will be published once a final decision is made by the Board.

Actions:

- **The Executive to revise the consultation feedback paper and guidance and re-circulate to the Board for comment within the next two weeks, to publish w/c 17 March.**
- **The Executive to liaise with the comms team on publishing the consultation feedback paper.**

11. Professional Skills Working Group (PSWG) Annual Report

The Executive presented the annual report. It was confirmed that the annual report is not published but the content is included in the Board's annual report.

Peter Heffernan, the Chair of the PSWG noted two particular points. Firstly, the PSWG is looking for two new members, particularly someone with pensions experience. Secondly, the Chair noted and is grateful for the positive feedback received on the professionalism content.

The Chair thanked the PSWG for all the work they do.

FOR NOTING ONLY

12. Standing items

12.1 Standards grid

It was agreed that the Executive should update the Standards Grid to reflect proposed review dates going forward.

Actions:

- **The Executive to update the Standards Grid in advance of the Regulatory Board May 2025 meeting.**

12.2 Horizon scan

Noted without further comment.

12.3 Forward agenda

Noted without further comment.

12.4 Board Members' tenure

The Chair noted that the following appointments should shortly be made:

- Disciplinary Committee Lay Chair/Regulatory Board Lay Member
- Regulatory Board Lay Member

The Chair hoped that the new Board members will be able to attend the May in-person meeting.

13. AOB

Dates of Future Meetings

- 14 May 2025 (in person, Staple Inn)
- 16 July 2025
- 2 September 2025 (Strategy Day, in person, Staple Inn)
- 18 November 2025