



Regulatory Board

10 November 2021, 10:00 – 13:30

Via VC

Attending:	Neil Buckley, Chair Ben Kemp Edwin Sheaf Helen Brown Sue Lewis Melanie Puri Simon Martin Stephen Redmond Mike Smedley	Apologies:	Matt Saker
Executive Staff:	Emma Gilpin Leisha Watson (Secretary to the Board) Gina Thomas (note taking) Kirsty Mavor (observing item 6) Julia Wanless (observing item 6) Katie Wood (item 7) Karen Brocklesby (item 9) Stephanie Snowden (item 10) Chiara McCormack (observing until item 11)		
Guests:	Erica Nicholson (FRC oversight, observing and for item 9) Rory O'Brien (FRC oversight, observing) Richard Jones QC (Lay Chair of the Regulatory Appointments Committee, for item 6) Victor Olowe (Lay Chair of the QAS Committee, for item 7) Karen Butroid FIA (Chair of the PC Committee, for item 10) Mouna Turnbull (Policy Lead TPR, for item 11) Andrew Dodd (Business Lead TPR, for item 11)		

Item	Title
1.	Welcome and Apologies
1.1	The Chair welcomed everyone to the meeting, noting attendance from Erica Nicholson (EN) and Rory O'Brien (RO) from the FRC oversight team, in an observing capacity. Apologies were noted from MS.
2.	Declaration of Conflicts of Interest
2.1	No general conflicts of interest declared although a specific conflict was declared in relation to item 10.1.
3.	Minutes and Actions
3.1	The minutes of the Strategy Day meeting on 29 September 2021 were approved with no comments.
3.2	The action list was noted.



Item	Title
4.	Update from the Chair
4.1	<p>The Board noted paper 3. The Chair provided an update on the recruitment process for the two vacancies on the Board, noting a high calibre of candidates for the roles. The Regulatory Appointments Committee (RAC) is now going through the formal appointment process with one of the candidates who will be a great addition to the Board.</p> <p>Board Members asked whether there has been an update or any recent communication on ARGA. They noted that two conversations had been held between the Executive and HMT to answer some additional queries from HMT. The conclusion of the consultation is yet to be finalised and a further update provided within paper 4.</p>
5.	Update from the Executive
5.1	<p>The Executive introduced paper 4 for noting.</p> <p>Board Members raised a query around the number of Members within the new CPD Scheme making declarations of non-compliance and whether this was more than expected. It was noted that this was the first time Members were asked for this declaration so there was no other data to compare it against.. It was explained that there was a follow up communication from the executive team with anyone who had opted not to declare. The Executive will report back to the Board in February once these conversations have been completed. It was noted by some Board members that the declaration will be useful in reminding Members to record their CPD. A reminder for Members that they can still record their CPD on the IFoA webpage might also be considered.</p> <p>The Board noted that the IFoA's assessment regulations are currently under an Executive review and that a further update will be provided at the February meeting.</p> <p>Some Board Members asked for further background on the update around Mutual Recognition Agreement (MRAs). The Executive advised that all MRAs had been reviewed due to changes in the curriculum, and from a legal and governance point of view. It also reflected Council discussions on different, more flexible, approaches to recognising qualified individuals.</p> <p>The Board noted a delay in finalising the Disciplinary Scheme Review, which will now come to the Board in April 2022 before then going to Council soon after. The Board expressed a concern that this may be problematic if they do not approve them in April and asked that some additional time to discuss them be found before that.</p> <p>Action:</p> <ul style="list-style-type: none">• The Executive and the Chair to consider an earlier update for the Board, before April 2022, on the Disciplinary Scheme Review.
6.	Introduction from the Chair of RAC



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	<p>The Board welcomed the Chair of the RAC who joined the meeting for agenda item 6 and provided a background to the RAC.</p> <p>The RAC Chair stressed the importance of independence of the regulatory process and appointment system, ensuring the public has confidence in the profession, acting in the public interest. He added that the independent appointments processes helps to ensure outcomes and processes are fair, appropriate and proportionate. In order to assist with the exchange of information between the Board and the RAC, the RAC Chair suggested that the Chairs occasionally attend each other's respective meetings.</p>
7.	QAS Review
	<p>KW, along with the Chair of the QAS SC, joined the meeting to introduce agenda item 7.</p> <p>KW provided a background to the review of QAS which had been developed over the past 6 months. She emphasised the aim of the review to focus on retention of current QAS Members, as well as making sure that the QAS is fit for purpose.</p> <p>The Board's discussion included the following:</p> <ul style="list-style-type: none"> - the proposal that the organisation's SQAR be in a senior leadership role and also be responsible for liaising with the IFoA for their organisation. It was questioned if the SQAR would be the appropriate liaison for the IFoA to have a broader relationship with the relevant organisation. It was noted that the expectation is that the SQAR have 'board-level' influence within their organisation and that any liaison role would be in relation to QAS only; and - the suggestion that the requirement for international Members of the Committee be removed. It was noted that whilst it is desirable to have international representation on the Committee, this does not necessarily mean the Member has to be based outside the UK, but that they have international knowledge and experience. Additionally, removing this requirement will assist with the quorum rules for the Committee, allowing meetings to go ahead when required. <p>The Board therefore approved the following items within the paper:</p> <ol style="list-style-type: none"> a. Revised APS QA1, subject to any further minor amendments; b. The addition of DEI as a sub-outcome and DEI update added to the handbook; c. Remote assessments (with a caveat that in-person assessments would still be possible in particular circumstances but will be remote in the first instance given the IFoA's 'digital first' approach.); d. The proposed process for re-accreditation; and e. Revised ToR's for QAS SC. <p>The QAS SC Chair expressed his gratitude to the Executive for the amount of work and effort that has gone into the review. This was echoed by the Board.</p>
8.	Diversity, Equity and Inclusion (DEI)
	<p>EG introduced Paper 6 to the Board which explained the regulatory aspects of DEI work completed by IFoA Council. The paper provides suggested actions for the Board to look at the regulatory</p>



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	<p>framework, including the Code, and the expectations set for Members on DEI. It was noted that we will also be looking at other regulators, including JFAR, for a steer on our direction of travel.</p> <p>The Board's discussion included the following:</p> <ul style="list-style-type: none"> • If there was a baseline on where the IFoA is placed right now and if we have surveyed the Membership on DEI. It was noted that the initial Members' survey results for benchmarking only represented 10% of the Membership. It was noted that the Membership data is a wider piece of work being led by the Council Steering Group and that there will be a lot of work to do within each of the proposed projects. It may be that external assistance will be required in some areas. • That other Codes of conduct for professional bodies, and educational syllabus' already address DEI and that we need to keep up with the pace of other regulators and employers. Although some Board members warned caution over 'tokenism' and about the need to ensure that change is meaningful and well thought out; • The pace of the work to deliver the strategy was praised and the questions to explore within the paper were excellent, wide-ranging and challenging; • Whether there should be reference within the papers to diversity of experience, background or thought; • Thinking about the Code in a thoughtful and meaningful way, supported by guidance for Members; • If the IFoA's values should be reviewed in order to reflect its DEI strategy; • Any focus on clearly laying out the benefits of DEI to the Membership to increase engagement scores and ensuring the use of plain English for the Strategy to ensure understanding by the profession/public; • If it would be beneficial to include the definition of equity vs equality within the paper; and • The need to recognise the potential difference in perspectives of international and UK Members. <p>It was noted that Council is expected to deliver the Strategy by December 2021. The various DEI work streams will be brought back to the Board for discussion in 2022.</p>
9.	FRC private oversight report
	- [redacted]
10.	PC Scheme
10.1	<p>PCC Annual Report</p> <p>Due to a conflict of interest, MSm left the meeting for agenda item 10.1</p> <p>The Chair of the PC Committee introduced the PCC's annual report for the Board for noting. The Board noted the report and expressed their thanks to the PCC Chair, as well as other Board Members on the Committee.</p>
10.2	<p>PC Scheme Review</p> <p>EG introduced paper 9 which provided a first look at the responses to the consultation, initial analysis and a proposed direction of travel, inviting the Board to provide a steer to allow the</p>



Item	Title
	<p>Executive to come back with a more detailed proposal at the additional meeting scheduled for 15 December. The Board noted an overall positive response to the consultation, with differences in opinion over some details such as any QAS integration, the attestations and DEI implications</p> <p>The Board's discussion included the following:</p> <ul style="list-style-type: none"> Members should be given the opportunity to comment on all of the proposed competency frameworks. The Executive advised that this will be the long-term plan, however not all of the frameworks will be available at the same time as informing the Membership of what we are proposing to do. All of the competency frameworks will need to be consulted on before they are put into effect and until then, the current PC Scheme will continue to run. That the renewal process should not be more onerous than the current one; and The value of the attestation and whether this adds into any issue around accessibility of the Scheme. The Board discussed self-attestations and references. <p>The Board provided a steer that the attestation should be removed as a requirement however remain as a voluntary option for Members to use if they have any difficulty defining how they meet the competencies. The Executive will take on the steers provided ahead of the 15 December meeting.</p> <p>The Board noted that the Executive will look at the question of QAS integration after a conclusion has been reached about the PC review and that this is likely to require further separate engagement before proposals come back to the Board.</p>
11.	Deep Dive on DB Scheme funding
	<p>The Board welcomed Mouna Turnbull (MT) and Andrew Dodd (AD) from the Pensions Regulator who provided them with a background to TPR's proposal for fast-track DB Scheme funding.</p> <p>MT advised that TPR are still in the process of developing the details and are expecting to be able to have more meaningful conversations around the specific detail in the coming months. It was noted that the proposals will impact the role of the actuary and TPR are keen to engage as their thinking develops. The DWP regulations will provide a framework and form the outer edge of what the acceptable use of flexibilities are within TPR's regime.</p> <p>The Board's discussion included the following:</p> <ul style="list-style-type: none"> That bespoke and fast track options are both equally valid to comply with the underlying legislation. The fast-track route is a sub-set of requirements which are much more directive for long-term objectives. The fast track option is more prescriptive but less homework, while bespoke gives more freedom and flexibility; If there is any risk that trustees make the wrong choice because they are motivated by the easy compliance route, when that might not be the one most suited for the scheme



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	<p>and Members of the scheme. It was noted that there is always a risk of driving behaviours and levelling down, and TPR therefore need to make sure that fast track is robust enough and that strong communication is shared around the details of the Scheme, encouraging trustees to mitigate their risks and think about recovery plans;</p> <ul style="list-style-type: none"> • What was the problem that TPR are trying to resolve by introducing fast-track. The UK Government white paper identified a few problems identified by the White Paper however noted that there were no systematic problems and that it was broadly fit for purpose. Some issues were raised around a lack of long term focus by some trustees and a lack of clarity in the system. There were also some abuses of the flexibilities in a way that TPR did not find appropriate. DWP and UK Government want to be clearer in legislation and the Code on what 'good' looks like, while maintaining flexibility. This is what led to TPR's proposed twin track approach. • What proportion of schemes will already meet the fast track requirement, with TPR not looking for everyone to go down the fast-track option and are conscious about any risk of levelling down; • If the new approach undermines the Scheme Actuary in any way. It was noted that there are potential risks with trustees not engaging with the actuary or not giving them an opportunity to advise. At this stage however, TPR is not sure the actuary role will change that much; and • What an acceptable level of risk is with fast-track for TPR and the IFoA. TPR aims to introduce something that seems broadly reasonable for most schemes. <p>It was agreed that the Board and wider groups within the IFoA, will continue to engage with TPR and consider what they can do for Members in this area.</p> <p>Action:</p> <ul style="list-style-type: none"> • The Executive and Board to liaise with the IFoA Pensions Board and policy team, once TPR's proposals are published in early 2022.
12.	For noting only
	<p>12.1 Professional Skills update The Board noted that they were impressed with this update and the work of the professional skills team. The Board thanked the Executive and the Professionalism Content Development Committee for the hard work in developing such a wide range of material.</p> <p>12.2 Update on IFoA offices and volunteer expenses policy The paper was noted.</p>
13.	Standing items



Item	Title
13.1	Forward Agenda for 2022/23 The paper was noted.
13.2	Board Members tenure The paper was noted.
13.3	Horizon Scanning Register The paper was noted.
14.	AOB
14.1	The FRC oversight team who observed the meeting advised that they will share their observation feedback with the Chair and the Executive. No further business was declared.
	Dates of Future Meetings
	8 February 2022 – (1000-1430) (Bluejeans) TBC 26 April 2022 – (1000-1430) TBC 5 July 2022 – (1000-1430) TBC 27 September 2022 (Strategy Day) – in-person TBC (1000-1430) 6 December 2022 - (1000-1430) TBC