

Institute and Faculty of Actuaries

Noting report

Subject	IFoA Executive Update
Regulation Board Meeting	17 November 2020
Author	IFoA Executive Team
International Issues considered?	Yes

A: Introduction

1. This paper provides an update on the work of the IFoA Executive Team since the last meeting of the Board and highlights key issues and developments for the Board to note.
2. The Board is invited to let the Chair know at least three days in advance of the meeting if there are any aspects of the update paper that they would like to discuss, so that appropriate time can be allocated in the agenda.

B: Update

		UPDATE	NEXT STEPS AND KEY DATES
1	Annual Report of the DPB Board	The Annual Report of the DPB Board is included as Appendix 1 .	
2	Annual Report of the Practising Certificates Sub Committee (PCC)	The Annual Report of the PCC is included as Appendix 2 .	
3	Professional Skills update	An update on Professional Skills activities is included for noting as Appendix 3 .	Progress phased launches of Professional Skills CPD resources from November through to June 2021.
4	2018/2019 CPD audit report	An update on the 2018/2019 CPD audit for noting, along with comparisons for previous years is included as Appendix 4 .	
5	Review of PC Scheme	An update, for noting, on initial proposals for changes to the PC regime is included as Appendix 5	

6	Replacement of UK Practice Modules (UKPM)	<p>Work is continuing on the new UKPM, following the Board's approval in principle for the replacement of the modules.</p> <p>This has included discussions with the key regulators to get their input into the appropriate materials and information that might be included.</p> <p>The matter has also been considered by the PCC.</p> <p>The IFoA's education team are now working on the content and on communications that can be shared with members to explain the new modules.</p>	<p>New UKPM scheduled to come into effect from 1 April 2021 with current UKPM ending on 31 March 2021.</p> <p>PC Scheme being amended to reflect changes.</p> <p>Communication of changes to members will be issued before 1 January 2021.</p>
7	Update on Covid-19 Taskforce	<p>An update on the work of the IFoA's Covid-19 Action Taskforce (ICAT) and steps taken by the IFoA Executive Team to identify any public interest regulatory issues is included as Appendix 6.</p>	
8	Proposals for February risk Deep Dive on GI Pricing	<p>A paper setting out proposals for the February 2021 risk deep dive on GI pricing is included as Appendix 7. The Board is invited to comment on the proposals.</p>	
9	AMS Thematic Review Programme - 2021 topic selection	<p>The Board held a meeting on 27 October 2020 to approve the Thematic Review topics to commence in 2021. The Board approved in principle all of the proposed topics:</p> <ul style="list-style-type: none"> - Corporate pensions advice - Actuaries as experts (including for example Funeral Trusts) - Equity-release mortgage pricing - Information-gathering on climate related risks. <p>Background papers can be found on BoardPacks under "Interim Business".</p>	<p>As attendance at the meeting did not reach quorum for approval, the Board is asked to ratify this decision.</p> <p>The Review Team will publish the approved topics on the IFoA website, inform JFAR members, and commence more detailed planning and scoping on the chosen topics.</p> <p>The Review Team will provide Board updates</p>

		Included as Appendix 8 is a note of the meeting held on 27 October. Appendix 9 contains an indicative timeline for these reviews.	before formally launching each Review.
10	AMS Thematic Review Programme update – GI pricing review	The submission window has been extended slightly to allow for organisations struggling with competing priorities. Some submissions have already been received and review work will commence during November.	Review work commencing following submissions. Targeting draft report available mid-late Q1 2021.
11	IFoA specific ethical guidance on data science	Following the Board’s approval of the Guide at the July meeting, the final Guide is included at Appendix 10 . This now includes case-studies and illustrations created with members of the Data Science MIG. The FRC (both policy and oversight teams) also provided the executive with some comments that resulted in minor changes.	The Guide will be published on the IFoA website and communicated to Members w/c 23 November.
12	Guidance for QAS CPD Scheme	Guidance for QAS accredited organisations in support of the new QAS CPD Scheme was published in September. The guidance provides additional information and makes suggestions for good practice in following an outcomes focussed CPD scheme. The Guide can be viewed here .	Review of guide in September 2021
13	Organogram of FRC Board and Regulatory Committees and supporting Executive Teams	At its meeting in July, the Board asked to be provided with an organogram of the FRC regulatory boards and committees. An organogram provided by the FRC is included as Appendix 11 , together with a list showing the supporting executive teams.	
14	Redacted minute from Board’s strategy day for publication	Included as Appendix 12 is a redacted version of the minutes from the Board’s strategy day for publication on the Board’s webpage. The proposed redactions are highlighted in yellow.	

		<p>Included as Appendix 13 is a note setting out which papers from the strategy day will be published.</p> <p>The minutes and papers from the July meeting have now been published.</p>	
15	Regulation Board updated Terms of Reference	<p>The Board's updated Terms of Reference (ToR), as approved by Council, are included as Appendix 14.</p> <p>The new ToR reflect the updated compositional arrangements of the Board and its up to date sub-committee structure.</p>	
16	Induction process for new Board members	<p>The Board previously asked to have sight of the induction process for new members. A copy of the contents of the induction pack is included as Appendix 15. The full induction pack is available on request.</p>	
17	Updates from other Boards and Committees	<p>An update from the August meeting of the Lifelong Learning Board is included as Appendix 16.</p>	
18	JFAR update	<p>The JFAR met on 12 October where there was a special focus on the work of the IFoA's ICAT task force, with President Elect Louise Pryor attending to present on that work. More detail on the meeting is included in the Chair's update note.</p>	
19	Update on IAA, AAE and International Standards	<p>REDACTED</p> <p>BK attended (virtual) meetings of both the AAE and IAA Professionalism Committees in October. The former included discussion of the different approaches to the regulation of CPD, and the extent to which the AAE should have any oversight role in this respect. It is likely that any such role would envisage some considerable flexibility of approach</p>	

		<p>as between member associations. BK briefed the Committee on the changes made by the Regulation Board in this area.</p> <p><u>IAA</u></p> <p><u>ISAP 4</u>: The FRC's Actuarial Council recently decided to adopt ISAP 4, which the FRC's actuarial policy team are now taking forward to potentially introduce a new Actuarial Statement of Recommended Practice (ASORP). The Executive will continue to engage with them going forward and keep the Board updated.</p> <p>The IAA Standards Committee is otherwise exploring whether to introduce a more 'basic' set of core standards, intended principally to support smaller associations which do not yet have a set of basic professional standards.</p> <p>Included at Appendix 17 is a table of the current AAE and IAA model standards, and their status.</p>	
20	<p>UK Pre-paid Funeral Plan Trusts</p>	<p>The Executive, Chair of Regulation Board and FRC's Actuarial Policy Team had a facilitated meeting in October with actuaries involved in pre-paid funeral plan trust work.</p> <p>The group discussed potential risks in the transition to FCA supervision of UK pre-paid funeral plan trusts as some trust providers may fail to obtain FCA authorisation, or may choose not to apply in the transition period. Additionally, they may seek to extract surplus funds from the trusts which could raise risks for trust members and reputational risks for the actuarial profession.</p> <p>It was agreed that the Executive put together a proposal for a Risk Alert on these 'transitional risks' and the</p>	<p>Executive to draft a proposal for a Risk Alert and provide to the Board for comments/approval.</p>

		<p>considerations for actuaries in this area.</p> <p>This is also included as an entry in the Board's Horizon Scanning Register.</p>	
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C: Recommendations

The Board is asked to note this update.

D: Appendices

- Appendix 1: Annual Report of the DPB Board
- Appendix 2: Annual Report of the PCC
- Appendix 3: Update on Professional Skills activities
- Appendix 4: 2018/19 CPD Audit Report
- Appendix 5: Proposals for changes to the PC regime
- Appendix 6: Update on ICAT
- Appendix 7: Proposals for February risk Deep Dive on GI Pricing
- Appendix 8: Note of Board meeting held on 27 October
- Appendix 9: Indicative timeline for 2021 Thematic Reviews
- Appendix 10: IFoA Ethical and Professional Guidance on Data Science
- Appendix 11: FRC organogram
- Appendix 12: Redacted minute from Board's strategy day
- Appendix 13: Note of strategy day papers for publication
- Appendix 14: Board's updated ToR
- Appendix 15: Induction process for new Board members
- Appendix 16: Update from Lifelong Learning Board
- Appendix 17: Table of IAA and AAE model standards