Institute and Faculty of Actuaries, Regulatory Board

Subject	IFoA Executive Update
Meeting date	18 February 2025
Author	Executive Team
Reviewer	Emma Gilpin, Head of Regulatory Policy
Purpose	Noting

A: Introduction

1. This paper provides an update on the work of the IFoA Executive Team since the meeting of the Board in July 2024 and highlights key issues and developments for the Board to note.

2. **PLEASE NOTE**: Board Members are asked to let the Board Secretary (rbsecretary@actuaries.org.uk) know **at least three days in advance** if there are aspects of the update paper that they would like to discuss, so that appropriate time can be allocated in the agenda and the appropriate member of the Executive team can arrange to attend the meeting. We would also be happy to answer any questions on the below topics via email.

B: Key developments and updates

IFoA organisational updates

3. Paul Lewis has now joined the IFoA as Chief Executive Officer and Ben Kemp has returned to his role as Director and General Counsel. Ben will re-assume his role as Regulatory Board Member after the February 2025 meeting, when Emma Gilpin will step down as a Board Member.

4. The process for recruitment by the Regulatory Appointments Committee of a new Chair of the Disciplinary Committee (and Board Member) and of a new lay Board member is at an advanced stage, with interviews taking place over the next fortnight.

5. The role of Board Secretary remains vacant following Hannah MacLeod's internal move to the role of IFoA Corporate Secretary. Proposals for filling that resource gap are currently being considered by HR.

6. A new Reflective Practice Discussion (RPD) Executive, Katie Davidson will join the team in March.

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7. **[Redacted].**

8. **[Redacted].**

9. **[Redacted].**

10. **[Redacted].**

Disciplinary matters

11. The Disciplinary Committee met in December 2024. This meeting was the first to be Chaired by the Interim Disciplinary Committee Chair, Velia Soames. At the December meeting, the Committee considered a draft Complaints Statement. The purpose of the statement is for it to act as a policy on what matters the Committee will consider feedback and complaints on. It aims to manage users' expectation about the matters which the Committee will and will not consider, how that will be managed and suggest alternative routes for providing feedback or making complaints. Once the Executive has updated the draft statement to reflect the Committee's comments, it will be shared with the FRC prior to it being finalised and published on the IFoA's website.

12. Recruitment is underway for a new Disciplinary Committee Chair with interviews set to take place in the second half of February.

CPD and professional skills

13. A member of the Professional Skills Working Group (PSWG) hosted a Professional Skills plenary session at the GIRO conference in November. The feedback from the session was very positive with ratings of 4.7 out of 5 for content and 4.9 out of 5 for presenters.

14. A Professional Skills session was also held at the recent Association of Consulting Actuaries Conference, where an unreleased pensions related video was previewed ahead of general release later in the year.

15. The next release of professional skills content is being finalised for publication in March. The upcoming release includes four videos with follow-ups and two storyboards. Preparation is also underway for the September release of content, with filming expected to take place in the Edinburgh Hub in June.

16. The PSWG's annual report is also included for discussion at agenda item 11 of this meeting.

QAS

17. Since the Board's last meeting, work has been carried out on proposals for a pilot of a possible **QAS PC Scheme.** This is on the agenda for discussion at item 7.

18. Nick Ong-Seng commenced his tenure as Chair of the **QAS Committee** on 5 December, replacing Victor Olowe, who had been Chair for 6 years. Nick brings extensive experience to the role having had international board and executive leadership roles in risk management, audit and assurance, and regulatory compliance across financial and professional services. Nick's immediate priority is to address and demonstrate the value proposition of the QAS to new and existing members.

19. The **QAS Committee** met on 6 February and approved a re-accreditation application from an international organisation. The Committee also discussed the proposed QAS PC Scheme, topics for the upcoming Specialist Reviews and SQAR forums. A new annual return form was also considered by the Committee but additional work is required before being approved. Reviewing

the annual return form is an action from the SQAR action plan which addresses feedback received from SQARs.

20. The QAS Committee is currently seeking to recruit an Actuary member. The vacancy will close on 28 February.

21. The next SQAR forum will take place online on 11 April.

DPB

22. The DPB board last met on 30 October 2024 and discussed various matters, including next steps following the **consultation on proposals for changes to the DPB processes and procedures**.

23. It was agreed the Executive will prepare a summary of consultation responses for the next DPB board meeting to allow the Board to consider areas to amend or develop in terms of its policy proposals. This will come to the Regulatory Board for approval.

Practising Certificates

24. The Practising Certificates Committee (PCC) has seen some changes to its membership over the last few months with two members of the Life Panel and three members of the Pensions panel stepping down. After a successful recruitment process, the team has onboarded three new Life Panel members and is in the process of appointing five new members to the Pensions Panel.

25. It has been a busy period for the team, with over 270 PCs renewed and the recruitment of eight new PCC members since the last Board meeting. Therefore, further development of guidance following the Post-Implementation Review of the PC Scheme has not yet commenced This is planned for the coming months and will be informed by a new feedback survey that will be sent to members upon issue of their PC.

Professional and Regulatory Support Helpdesk

26. Between 1 November and 11 February, the **Professional and Regulatory Support Helpdesk** received and responded to seven queries covering topics including the requirements around competence, conflicts of interest and the requirements relevant to specific work being carried out.

27. The Helpdesk has now been in place for eight months and has received 21 queries to date, compared to nine queries over the same period in the previous year, demonstrating a substantial increase in queries since the Helpdesk was launched.

Standards and guidance

28. The Board had two interim meetings (in December and January) to consider next steps relating to changes to the Actuaries Code in relation to DEI, following the consultation on draft Guidance to support the proposed changes, with a communication being issued to members on 30 January. This matter is included in the agenda for the Board’s meeting at item 10.

29. Updated **non-mandatory data science and AI guidance** was published on 25 November, following a Board recommended action from the 2024 thematic review report. The AMS team are participating in upcoming webinar and in-person sessions alongside FRC colleagues to promote relevant updated guidance from both organisations.

30. Following its annual review and consultation on Actuarial Standard Technical Memorandum 1 (AS TM1), the FRC confirmed on 6 February that no changes will be made to the actuarial assumptions used to calculate Statutory Money Purchase Illustrations. Following discussions with Pensions Board, the IFoA had not responded to this consultation.

31. On 9 December 2024, the FRC published a consultation proposing revisions to TAS 300 to reflect recent developments in pension scheme funding. The Executive is liaising with the Pensions Board to prepare a response, which will be shared with the Regulatory Board. The consultation closes on 10 March 2025.

Actuarial Monitoring Scheme (AMS)

32. The findings of the **cyber risk thematic review** were published on 9 December 2024, with some good trade press pick-up of the key headline findings, There was a follow-up all member webinar held on 28 January, which had 180 attendees on the day.

33. The **pension scheme design review** is now well into the review phase. There are 11 participating firms who have provided over 40 pieces of advice. Reporting on this topic will take place in Q2 2025.

34. The AMS team published plans for future reviews in December 2024, covering Climate and Sustainability, Consumer fairness, and new pension scheme funding arrangements. Scoping for the Climate and Sustainability review is now taking place with a launch planned in late Q1 or early Q2.

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35. The Learning Group update is attached at Appendix 1.

Engagement meetings

36. The IFoA had their regular quarterly catch up with the FRC's Actuarial Regulation team in January 2025 where the FRC provided updates on their current standards related activities.

37. The IFoA had their regular engagement meeting with the Association of Consulting Actuaries (ACA) in January 2025 where they discussed the UK Government actuarial regulation proposals, the IFoA's Code changes re DEI and the Virgin Media Case (the ACA's involvement in the latter is discussed at agenda item 9).

38. The IFoA had their regular catch up with the ACCA in January where they primarily discussed the UK government's proposals for creation of ARGA.

FRC oversight

39. The FRC are currently preparing their Annual Oversight Report for 24-25 and we expect to have the findings shared at a meeting in late February with the written report to follow. The FRC have

made changes to their process so there is a requirement for a more formal response from the IFoA.

40. The FRC recently published the following:

    1. a letter to the Secretary of State for Business and Trade setting out their priorities to support economic growth https://media.frc.org.uk/documents/FRCs_Priorities_for_Growth_28_November_2024.pdf
    2. Draft 3-year strategy 25-28 and plan and budget 25-26, for consultation https://www.frc.org.uk/consultations/2025-28-strategy-consultation/

AAE and IAA matters

41. The IFoA recently responded to a survey from the International Actuarial Association (IAA) in relation to considerations around whether the IAA should require its Full Member Associations to comply with a minimum level of CPD for their own individual members as part of its membership criteria. A final report on the findings and options will be considered by the IAAs Education Committee in May. The Board will be kept up to date with the outcome of the IAAs considerations. The IFoA is already subject to a requirement around CPD provisions through its AAE membership (which it meets through the CPD Scheme).

42. The IAA has published the following exposure drafts for comment: (i) proposed IAN 300 on professional judgement and (ii) proposed ISAP 8 on IFRS S2 climate-related disclosures. The Executive is reviewing and preparing responses which will be shared with the Regulatory Board.

C: Key planned activities for next period (up to next full Board meeting)

43. In addition to work mentioned above, over the next period, we anticipate the following key activities:

    - Pilot of QAS PC Scheme (depending on decision)
    - Publication of revised Code Guidance and Feedback document for ‘fatal flaw exposure’ re DEI changes to the Code along with webinars and work to support implementation.
    - Continued work in relation to the introduction of the draft Audit Reform and Corporate Governance Bill (draft expected May-June 2025).
    - Engagement meetings with PRA, FCA, ICAS and FRC’s Actuarial Regulation Team.
    - Further progress on APS X2 review.
    - Scoping and launch of Climate and Sustainability thematic review.
    - Joint webinar and symposium sessions with the FRC focused on data science and AI guidance.
    - Release of March Professional Skills content
    - Further work on PC Guidance following the Post Implementation Review