



Institute  
and Faculty  
of Actuaries

## Agenda item 7: Regulatory Governance changes (for steer) **New ways of working for the Board (paper 6)**

Regulation Board Meeting: 5 May 2021

# New ways of working for the Board

## Previous Board steer on regulatory governance changes – for noting

- Proposed changes and objectives of regulatory governance review shared with the Board at its strategy day on 1 October 2020
- An update was provided in the Chair and Executive notes at the November 2020 meeting
- Board were emailed with council decision and updated further at the 2 February 2021 meeting

	Milestones	Status
September 2020	Gated decision in principle from Council	COMPLETE
September - November 2020	Work to refine details, draft necessary documents (including necessary rule changes), plan implementation	COMPLETE
November 2020	Council consideration of rule changes and detailed proposals	COMPLETE
January 2021	Council formal vote on disciplinary changes	COMPLETE
January – June 2021	Implementation work	STARTED
1 March 2021	Regulation Board assumes some LLB responsibilities	COMPLETE
7 April to 5 May 2021	Member vote on disciplinary changes	ONGOING
5 May 2021	Board discussion about new ways of working	ON TRACK
1 June 2021	New arrangements in effect	DATE TBC



# New ways of working for the Board

## Previous Board steer on regulatory governance changes – for noting

- As of 1 March 2021, the Board took on the regulatory aspects of the qualifications and admissions frameworks, with the Lifelong Learning Board being wound up
- A Member vote, required to give effect to the changes to the disciplinary aspects of the governance arrangements, went live on 7 April. This will conclude at noon on 5 May and the outcome communicated to members on 7 May

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# New ways of working for the Board

## Two stage process

- The Board's current remit and scope has now increased, taking on responsibility for overseeing the public interest regulatory aspects of the IFoA's qualifications and admissions frameworks
- Dependent on the outcome of the member vote on changes to the disciplinary scheme, the Board may also take on further oversight responsibility for disciplinary and enforcement matters
- There is a need to take time to focus on optimising ways of working as future Board time will be very limited in overseeing all of the activities within the Board's remit
- Welcome Board member's views and feedback on some possible new ways of working and prioritisation



# New ways of working for the Board

## Two stage process

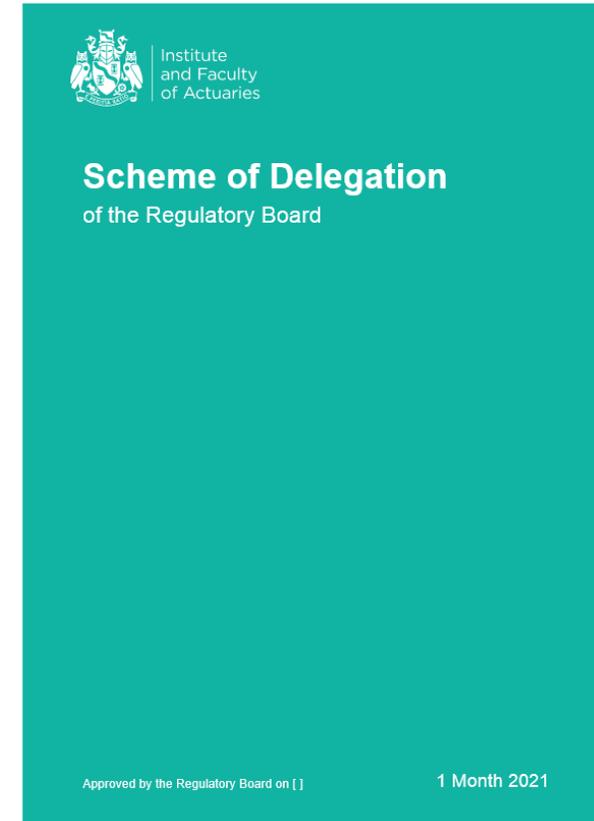
- It is proposed that the Board focus on new ways of working in two stages at the May and upcoming July meeting
- The first stage (today) will cover:
  - Scheme of Delegation - for noting
  - Board interactions with the FRC - for noting
  - **Oversight of qualifications/admissions frameworks – for discussion**
  - **Interaction with the Board of Examiners – for discussion**
  - **Board leads/representatives – for discussion**
- At the July meeting, dependent on the outcome of the member vote, the Board will carry out the second stage and consider the disciplinary remit.



# New ways of working for the Board

## Scheme of Delegation (SoD) - For noting

- A clear SoD will help to set out the division of responsibilities between the Board, Executive and Sub-Committees/Sub-Boards
- A SoD empowers and enables timely and effective decision making, to free up Board time to deal with reserved and strategic matters that are not capable of being delegated
- The Executive will bring a draft SoD for approval at the Board's July meeting, once the outcome of the member vote is known and, if required, the disciplinary aspects can be incorporated



# New ways of working for the Board

## Board interactions with the Financial Reporting Council – For noting

- Following the February meeting, the Board had an action to give further consideration to ways in which the Board might interact with the FRC
- This is due to be discussed with David Childs, FRC Board member, at a senior oversight meeting which is being arranged. The Board will be updated following this.



# New ways of working for the Board

## Oversight of qualifications/admissions frameworks – For discussion

- Welcome and introduction from Clifford Friend
- The Board's current remit and scope has recently increased, taking on responsibility for overseeing the public interest regulatory aspects of the IFoA's qualifications and admissions frameworks
- Lifelong learning executive are arranging training for Board members in relevant educational matters
- Further information on the Board of Examiners is provided on the next slide



# New ways of working for the Board

## Interaction with the Board of Examiners (BoE) – **For discussion**

- The BoE sets and marks exam papers, agrees pass lists and prepares reports on results. They assist with the review of the syllabus and core reading, and with the preparation of specimen papers and solutions
- The BoE have a specific role in relation to the appropriateness of standards and processes for IFoA examinations - other relevant Education and Lifelong learning matters outside the scope of the BoE's role will also be brought to the Regulation Board by the Lifelong Learning and Education Executive, as appropriate
- New arrangements: The BoE will operate under a new terms of reference and will provide formal assurance to the Board in relation to the standards and operation of the IFoA's qualifications



# New ways of working for the Board

## Board leads/representatives – For discussion

- Would it be valuable for Board members to be appointed ‘leads’ for set topics to help to improve time and efficiency when dealing with interim business?
  - ✓ For example, would it be helpful for the Board to appoint a representative for educational matters and to liaise with the Board of Examiners, on behalf of the board?
  - ✓ This may free up time at full Board meetings, with leads reporting back to the Board and allow for ad-hoc meetings with these representatives when required
    - There could be a risk, particularly with more technical matters, that this would lead to deferring decisions on these topics to one Board member in their capacity as ‘the expert’ on the topic and not as a member of the Board.
    - Do Board members have sufficient time/days to take these roles on?



# New ways of working for the Board

## Conclusions and recommendations

- Thank you for all of the steer and input provided so far
- The outcome of the member vote will be communicated to the Board as soon as possible after 5 May
- An updated organogram, showing the new structure, will be shared with the Board following confirmation of the arrangements and the member vote
- A further discussion on new ways of working and the Board's remit will take place at the July meeting
- Appropriate training for board members to be arranged. Education/Lifelong learning training in late May/early June.

