

Institute and Faculty of Actuaries

Regulatory Board

Noting report

Subject	IFoA Diversity Equity and Inclusion (DEI) Strategy and plans for reviews relating to regulation
Regulatory Board meeting	10 November 2021
Previous Board Update/Steer/Approval	None
International issues considered?	Yes, the DEI strategy and overall proposals for review will apply to all IFoA members but there will be a need to consider international issues within specific reviews
Author	IFoA Executive
Purpose	Noting

A: Executive summary

1. This Paper provides an update on the IFoA's wider work on its strategy around Diversity, Equity and Inclusion (DEI), including the recent steer provided by Council.
2. It also sets out, for discussion and comment, initial plans for various regulatory work to implement the strategy.

B: Background

3. The IFoA has, over the last year, been looking at its strategy, around DEI. This has included consideration in the context of its roles as an employer and as a professional body, including, significantly for this Board, its role as a regulator.
4. In March 2021, Council agreed to set up a Strategy Group to develop a five-year strategy around DEI. That Group was co-chaired by Marjorie Ngwenya (Past President) and Chika Aghadiuno (Chair of the IFoA's Diversity Action Group) and was supported by Matt Saker (President Elect), Siobhan Martin (HR Director at Aegon Asset Management) and various IFoA Executive team members. The Group also benefited from the external help of INvolve Consulting to facilitate a workshop.
5. The Group also took into account wider recent regulatory responses to DEI issues, including the [Discussion Paper](#) published jointly by the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) in July 2021, the commitments made in the [FCA's 21/22 business plan](#), the [DEI strategy](#) set out by The Pensions Regulator (TPR) in June 2021 and the work of the [City of London Socio-Economic Taskforce](#) (a sub-stream of which the IFoA's CEO is directly involved in).
6. After significant work and with a range of input, the Group presented an early draft Strategy and Commitment paper to Council for consideration and steer in September. That Council paper is included at **Appendix 1**. Council endorsed that strategy paper and agreed that it

should be used as the basis for a published Strategy and Commitment Paper. That is being drafted and is due to be considered by Council at the end of November, with a view to launch in January 2022.

C: Proposals for regulatory work

7. Members of the Board will observe from the Council Paper included at **Appendix 1** that it sets out a range of approaches, standards and commitments, some of which have a regulatory aspect. The paper recognises that those will need to be taken forward under the direction of the Regulatory Board.
8. Council has asked the Regulatory Board to consider the IFoA's DEI strategy and recommended that there is a review of the regulatory framework to ensure that the strategy is reflected in: (1) the way in which the IFoA regulates; and (2) the professional expectations of members.
9. More specifically, the strategy anticipates that some aspects of the IFoA's regulation will be reviewed in light of the DEI strategy. Those include:
 - **The addition of DEI as an outcome within the Quality Assurance Scheme (QAS)**
 - **Review of the regulatory framework**, including the Actuaries' Code, to ensure the DEI strategy is reflected in the expectations of Members.
 - **Considering the publication of guidance and/or other forms of support** to help members with meeting DEI expectations.
 - **Reviewing regulatory processes** to ensure they align with the DEI strategy, including CPD, Practising Certificates, and disciplinary processes.
10. There is also a specific reference to looking at how the **regulatory appointments process** supports the DEI strategy, which will be picked up in the review of that process that will go to Council for approval.
11. A number of regulatory projects are already underway that have specifically looked at how DEI objectives can be achieved, for example the review of the Practising Certificates process and the proposed refresh of the QAS (both of which are covered in separate agenda items). Others will involve new regulatory projects to be set up.

D: Next steps

12. The executive team will be taking forward the various DEI strategy work and will bring proposals to the Board for consideration and approval. The work has been divided up into different projects:

	Project	Existing project?	Status
1	Review of regulatory framework (including Actuaries' Code) to reflect DEI expectations of members	No	Planned – start Q1 2022
2	Review of PC process to reflect DEI strategy	Yes – PC review	Underway
3	Review of CPD process to reflect DEI strategy (including Reflective Practice Discussions (RPD))	Partially – considered as part of wider CPD scheme review but still needs to be	Complete/Planned – CPD scheme review concluded but will be looked at as part of

		considered in context of RPD programme	RPD process planning
4	Review of disciplinary process to ensure it reflects DEI strategy and considers DEI issues	Yes - Disciplinary Scheme Review	Underway
5	Review of need for regulatory support and non-mandatory guidance for members	No	Planned - start Q1 2022
6	Review of QAS to consider including DEI requirements	Yes – QAS review	Underway
7	Review of whether regulatory governance meets DEI strategy and commitments, including the regulatory appointments process	Yes – review of regulatory appointments process by Council	Underway

E: Discussion

11. Members of the Board are invited to note this update and provide any steer or comments on the plans for review.

APPENDIX 1: Council paper