

INSTITUTE AND FACULTY OF ACTUARIES COUNCIL MEETING MINUTES

Wednesday 24 November 2021, 08.15 – 15.00 GMT
Via videoconference

Council Members Present:

Louise Pryor (President and Chair)			
Cherry Chan	Mukami Njeru	Sunil Sharma	Maribel Vasquez Flores
Charles Cowling	Danny Quant	Malcolm Slee	Mark Williams
Gilli Engel	Alan Rae	Nick Spencer	Yang Yu
Dermot Grenham	Craig Ritchie	Tan Suee Chieh	Cynthia Yuan
Jennifer Hartley	Matt Saker	Kartina Thomson	
Patrick Kelliher	Hitesh Shah	Peter Tompkins	
Prosper Matiashe	Kalpana Shah		

In Attendance:

Grahame Stott	Chair of Management Board
Stephen Mann	Chief Executive Officer
Ben Kemp	General Counsel
Anne Moore	Director of Finance and Operations
Annette Spencer	Director of Public Affairs and Research
Sarah Sim	Director of Markets Development
Charles Toomer	Chief Risk Officer
Kate Shasha	Chief of Staff
Jo Jones	Deputy Chief of Staff
Belinda Dee	General Manager, IFoA Foundation (item 6 only)
Trevor Spires	Chair of Audit and Risk Committee (item 13 only)
Neil Buckley	Chair of Regulatory Board (items 15 and 16 only)
James Harrigan	Corporate Secretary
Ruby Fitzpatrick	Assistant Corporate Secretary

PART 1 – INTRODUCTION AND PROTOCOLS

1. Introduction and Apologies

- 1.1. The Chair welcomed everyone to the meeting.
- 1.2. Apologies were received from Council members Hannah Coleman, Michelle Darracott, Sarah Neil, Andrew Rear and Masimba Zata.

2. Registration and Declaration of Interests

- 2.1. Item 6 – Mukami Njeru declared an interest as a Director of the Actuarial Academy of East Africa, which has partnered with the IFoA Foundation.
- 2.2. Item 15 – Louise Pryor declared an interest as a past employee of the Financial Reporting Council.

3. Chief Executive Officer's (CEO) Update

- 3.1. Stephen Mann presented this item, which provided Council with a synopsis of the IFoA's key achievements and activity in the past quarter, its priorities and outlook for the period ahead, and its current performance against stated objectives. There was general acknowledgement from Council that the IFoA was currently in a good position.

3.2. Following the presentation Council members discussed the following:

- Council members questioned the reliance on external consultants for the progression of the Member Experience work. Stephen Mann clarified that although some areas were heavily reliant on external consultants there were also some actions identified as part of the project that the Executive were looking to instigate in the short term.
- Council sought clarification on the intended audience of IFoA's recently launched Impact Report. Stephen confirmed that this was intended to present to members the work that was being done whilst also outlining externally the work that actuaries do.
- Council asked how the investments in member experience over the 2021/2022 and 2022/2023 accounting periods would be spent. Stephen confirmed that these investments would be spent to support the roll out of the proposed Digital Communities and to ensure that the IFoA had the capacity to maximise the effectiveness of the Member Experience Programme.

Paper 55 21 noted.

4. Management Board Update

4.1. Grahame Stott presented this item, which provided Council with an update on the activity of the Management Board since Council's last meeting.

Finances

4.2. Council members asked questions around the income from exams, and if the savings had turned exams into a source of surplus for the IFoA. Grahame Stott informed Council that currently the increase in income from exams was being used to fund the Learning Change Programme, but that in due course Council would be asked to consider how the savings should be used.

4.3. Council received an explanation of the key cost-cutting exercises that had taken place over the last 18 months from Grahame and Stephen Mann, who also outlined those that were thought to be sustainable for the IFoA in the long term.

4.4. Council asked for an update on the state of the IFoA's reserves. Grahame Stott informed Council that these were reviewed annually by Management Board and were currently at an acceptable level.

Member Engagement

4.5. Council Members discussed the importance of highlighting recent, and in train, member benefits at the time of the launch of the Member Engagement Survey. It was also commented that the improvements that would be felt most by Members, such as the updated website and Customer Relationship Management tool, were still to be implemented.

4.6. Council briefly discussed the Practice Boards' position as the main conduit of member benefit and the need for clarity in governance around this, which would be discussed in more detail later in the meeting. Council also discussed the importance of high engagement levels among volunteers.

Paper 56 21 noted.

5. Chief Risk Officer's (CRO) Report

- 5.1. Charles Toomer presented this item, which invited Council to consider his opinion on the key risks facing the IFoA and the lessons that could be learned from the IFoA's response to Covid-19.
- 5.2. Council's comments on the risk report were:
- Whilst acknowledging that the overall 'amber' risk rating given by the CRO was reasonable in the prevailing circumstances, concerns were raised that the report did not make clear whether the overall risk profile of the IFoA was improving, or provide the CRO's assessment of the risk mitigations in place.
 - A Council member suggested developing a risk taxonomy as part of the ongoing risk management framework review, this was to be considered, although it was noted that any such taxonomy would need to be flexible to cover new risks that the IFoA would face.
 - Charles Toomer confirmed that following advice from Council members and the internal auditors a new combined Council and Management Board risk report format is planned approach to better reflect the organisation's appetite for risk and give further clarity to the CRO's views on mitigation effectiveness
 - Council briefly discussed the risks related to inflation in the UK. It was confirmed that modelling was underway and that Employee experiences would have to be taken into account as responses were developed.
- 5.3. Council asked Charles Toomer to outline what key actionable point had come from the Covid-19 Lessons Learned Review His response was that the IFoA should continue to communicate difficult situations with members as this had been well received.

Paper 57 21 and 58 21 noted.

6. IFoA Foundation Update

- 6.1. Kartina Tahir Thomson presented this item, which provided Council with an update on the Foundation's activities to date. Council was very impressed with the Foundation's progress in its first year but sought comfort on the governance in place to manage the large individual donations, which Kartina assured Council was robust and flexible to allow the Foundation to work effectively and fund itself. Council also expressed concern at the lack of funds earmarked for disbursement in the UK, and that certain donations were made under the agreement that the funds donated would not be used to cover Foundation overheads, requiring that these be met by other donations. Kartina confirmed that the Foundation's strategy included work to increase funds raised in the UK.
- 6.2. At the conclusion of this item Council **agreed** to the Foundation's request to advocate its work, to use their influence to support activities that will increase awareness within the actuarial community and to donate and support fundraising.

Paper 59 21 noted.

7. Follow Up from Strategy Day

- 7.1. Stephen Mann presented this item, which was a summary of the discussions and proposed next steps from the Council Strategy Day held on 23 November 2021.

- 7.2. During the discussions on 23 November the following actions had been agreed:
- The analysis of progress on Governance in the Strategic Framework was to be completed and presented to the next Council meeting.
 - Update on perceived IFoA advantages and disadvantages compared to other actuarial organisations to be brought to the next meeting.
 - The 'key principles' that the Sustainable Membership Model should reflect and support were to be explored.

Actions 1, 2 and 3 – CEO and Sarah Sim

- 7.3. Council then continued to discuss the Sustainable Membership Model and its link to how the IFoA engages with members and stakeholders outside of the UK. A wide range of opinions were expressed, including the option for the IFoA to decide to withdraw from international markets, although this had been considered, and rejected by Council when developing the 2020-2024 strategy. This conversation would feed into the development of an overall Sustainable Membership Model that would work for all members regardless of where they are based in a fair and equitable way.

8. Diversity, Equity and Inclusion Five-Year Strategy

- 8.1. Stephen Mann presented to Council the proposed Diversity, Equity and Inclusion Strategy for approval.
- 8.2. Council was heavily supportive of the strategy and asked a number of questions around the next stages and ongoing monitoring of the strategy by the Diversity Action Group.
- 8.3. Council briefly discussed the absence of concrete targets in the strategy. Stephen Mann confirmed that he believed the prevailing regulatory landscape was moving towards the implementation of targets but that there was currently a lack of data to be able to know what those targets were for the IFoA, so they had not been included.
- 8.4. One Council member raised a question about the balance to be struck between the reasonable expectation that members will respect diversity, in accordance with the Actuaries' Code, while also respecting freedom of expression. Ben Kemp noted that disciplinary action in this area should be used with appropriate caution, to protect the reputation of the profession. He noted that the IFoA was cognisant too of the evolving relevant case law and the approach adopted by other professional bodies and regulators.
- 8.5. At the Conclusion of this item Council voted to **approve** the strategy. Stephen Mann was to update Council on its progression in 12 months' time.

Action 4 - CEO

Paper 60 21 approved

9. Digital Communities

- 9.1. Grahame Stott presented to Council the current proposals for the development of the digital communities for feedback for inclusion in the final proposal to be brought to the March Council meeting.
- 9.2. Council members were generally supportive of the direction of the proposals, but gave feedback on areas of concern. These included the need for good ongoing connection with Management Board, minimising potential reputational risk by having appropriate safeguards, and the risk of rushing the democratisation of the Boards.

- 9.3. At the conclusion of this item Grahame agreed to communicate with Council ahead of the March meeting so that there would be no shocks in the progress or direction of what Council would be asked to approve.

Action 5 – Grahame Stott

Paper 61 21 noted and feedback given.

10. Consent Agenda

- 10.1. The President invited Council to note and (by exception) comment on the items in the consent agenda for this meeting:

a) **Minutes of Council’s meeting on 15 September 2021**

The draft minutes were approved.

Paper 62 21 approved.

b) **Council’s Action List**

Paper 63 21 noted.

c) **Council’s Forward Agenda**

Paper 64 21 noted.

d) **Thought Leadership Update**

Paper 65 21 noted.

e) **Report of Audit & Risk Committee’s meeting on 29 September 2021**

Paper 66 21 noted.

- 10.2. The Chair noted that since the papers for this meeting had been circulated a decision had been taken in correspondence, namely to appoint Ruolin Wang as the volunteer editor of The Actuary Magazine from January 2022, for a period of 12 months.

11. Death Announcements

- 11.1. Council members noted, with regret, those members who had died recently. Specific tribute was paid to Geoff Ross, Paul Berry and Piyush Majmudar.

Paper 67 21 noted.

12. Reappointment of Grahame Stott as Chair of Management Board

- 12.1. All non-Council members apart from the secretariat left the meeting room for this item.

- 12.2. Council were overwhelmingly supportive of the proposal and voted to **approve** the re-appointment of Grahame Stott as Chair of Management Board for a term of three years beginning in February 2022.

Paper 68 21 approved.

13. RICS Governance Review and Implications for the IFoA

- 13.1. Ben Kemp introduced this item, which was a report recommending a focused governance review following the joint session of the IFoA’s Audit and Risk Committee and Management Board led by IFoA’s internal auditors on the recent independent review of the Royal Institution of Chartered Surveyors.

- 13.2. Council discussed the areas of focus for the review. It was agreed that it was important to ensure transparency and clarity in relation to the roles and authorities of the different bodies within the IFoA's governance structure, along with effective communications between those bodies, and a clear process for escalation and whistleblowing where required.
- 13.3. Council members **agreed** to a Council-led focused review of relevant aspects of the IFoA's governance framework. It was agreed that members of the Presidential Team should not lead this review, in order to increase its independence.

Action 6: Dermot Grenham

- 13.4. The IFoA's Audit and Risk Committee was invited to consider a number of governance improvement 'quick wins' for early implementation.

Action 7: ARC

Paper 69 21 noted.

14. President-elect 2022/23: Role Specification and Process

- 14.1. Tan Suee Chieh presented this item, which presented the Nominations Committee's recommendations for the Task and Person Specification and the Selection Process for the President-elect 2022/2023.
- 14.2. Council discussed the expectations of workload from the President/Presidential Team. The current Presidential Team acknowledged that in recent years they had taken on much larger roles than had previously been undertaken, and were planning to work towards a more sustainable commitment from future Presidents in line with the stated requirements. It was confirmed that the Nominations Committee had also discussed this at its recent meeting and had agreed that future Presidents should be expected to undertake a part-time commitment, as this would allow for a better range of candidates, and was more in line with the expectations of the role per the IFoA's current governance arrangements.
- 14.3. At the conclusion of this item Council **agreed** to the Task and Person Specification and Selection Process proposed.

Paper 70 21 approved.

15. UK Regulation Update

- 15.1. The Chair presented this item, which updated Council on the latest position with IFoA's continuing engagement with the UK Government on the ongoing review of actuarial regulation in the UK.
- 15.2. Council was concerned that the outcome of the Government consultation could go against the public interest, as well as the profession's best interests, and encouraged the Executive to increase lobbying efforts. Council expressed support for the engagement of external public relations advisors.
- 15.3. Council also encouraged the Executive to continue efforts to develop alternative options to mitigate against potential negative outcomes.
- 15.4. At the conclusion of this item Council members were asked to provide any potential contacts that could be influential in decision making to Annette Spencer or Ben Kemp.

Action 8: All

16. Regulatory Board Update

- 16.1. Neil Buckley presented to Council the Regulatory Board's Annual Report on its activities.
- 16.2. Council asked questions on the relevance of the Regulatory Board's work for members outside of the UK, to which Ben Kemp responded that the regulatory regime applied to members doing UK actuarial work, which included UK work done internationally. Aspects of the current framework apply to all members, including the Actuaries' Code, Reflective Practice (CPD) requirements and Disciplinary Scheme. It would be important to continue efforts to communicate how the regulatory framework applies, and its role, value and importance, to members. A new communication campaign was planned for the new year.
- 16.3. In response to Council questions on the success of the Board's thematic reviews, Neil Buckley responded that they generally found good technical compliance with the Technical Actuarial Standards, but there was more to be done around following up on the recommendations made and encouraging more actuaries and employers to take part in the reviews.
- 16.4. There was a short discussion about the new governance of the Regulatory Board and its interaction with Practice Boards, as the ongoing interaction between these bodies had been the subject of discussion at the Regulatory Board's strategy day. This was seen as part of the Regulatory Board's important role in communicating the public interest work of the IFoA.
- 16.5. Following questions on the Disciplinary Scheme Neil Buckley confirmed that a review of the scheme was well underway and would be completed in 2022.
- 16.6. At the conclusion of this item Council thanked Neil Buckley and the Regulatory Board for their work.

Paper 71 21 noted.

17. Any Other Business

- 17.1. There was no further business.

End.