

INSTITUTE AND FACULTY OF ACTUARIES COUNCIL MEETING

Thursday 30 November 2023, 09.00-17.30 GMT
In person at Staple Inn Hall, London and by videoconference

Council Members Present:

Kalpana Shah (President and Chair)			
Nico Aspinall	Dan Georgescu	Melanie Puri	Katie Sokolowski
Oliver Bettis	Simon Jones	Alan Rae	Kartina Tahir Thomson
Cherry Chan	Patrick Kelliher	Matt Saker	Sandy Trust
Kudzai Chigiji	Yan Liu	Hilary Salt	Peter Tompkins
Charles Cowling	Janet Moss	Hitesh Shah	Mark Williams
Matthew Edwards	Mukami Njeru	Sunil Sharma	Cynthia Yuan
Richard Galbraith	Matthew Pearlman	Malcolm Slee	Masimba Zata

In Attendance:

Grahame Stott	Chair of IFoA's Management Board
Ben Kemp	IFoA, Interim Chief Executive Officer
Clifford Friend	IFoA, Director of Learning and Engagement
Anne Moore	IFoA, Director of Finance and Operations
Kate Shasha	IFoA, Director of Strategy
Sarah Sim	IFoA, Director of Markets Development
Peter Walker	IFoA, Director of Marketing and Public Affairs
Serrina Galleymore	IFoA, Head of Risk
Neil Buckley	Chair of Regulatory Board (item 8 only)
Jo Jones	IFoA, Chief of Staff
James Harrigan	IFoA, Corporate Secretary
Ruby Fitzpatrick	IFoA, Assistant Corporate Secretary

Closed Session

A closed session was held for Council members only.

1. Introduction, Apologies, Register of Interests

- 1.1 The Chair welcomed everyone to the meeting. Apologies were received from Council member Hannah Long, who appointed Matt Saker as her proxy.
- 1.2 Council members noted the Register of Interests, which was noted to be incomplete and out of date in part. There was brief discussion of how the register would be presented at future Council meetings.

Action 1: Corporate Secretariat

2. Council's Action List

- 2.1 Council noted its action list and made the following comments:
 - a) An update was requested on benchmarking of the IFoA's activity on Diversity, Equity and Inclusion. Kate Shasha updated Council that this work was in train and will be a focus for next year following the work already undertaken to establish baseline data in years 1 and 2 (to benchmark IFoA's year-on-year progress and facilitate external comparison).

- b) There was brief discussion of IFoA's member engagement activity and the publication of annual survey results. Council members noted that Peter Walker was due to seek the Management Board's feedback, at its meeting on Monday 4 December, on using a range of measures to measure member engagement going forward (with the same also due for discussion at the Board's Member Engagement Committee meeting on Friday 1 December). Peter Walker confirmed that he would also arrange for the member satisfaction scores already published were clearly presented on the IFoA's website.

Action 2: Peter Walker

3. Follow-up from Vision and Strategy Day

- 3.1 Following Council's Vision and Strategy Day on 29 November 2023, the Chair informed Council that the next steps would be for Kate Shasha to share with Council images of the content produced by the breakout groups, along with a summary of the key arising themes.

Action 3: Kate Shasha

- 3.2 Kate Shasha then confirmed that Council would then have opportunity to develop the strategy at further engagement points throughout the year before the strategy was launched in 2025.

4. Chief Executive Officer's Report

- 4.1 The Chair welcomed Ben Kemp, IFoA's interim CEO, who then provided Council with a synopsis of the IFoA's key achievements and activity in the past three months and of the priorities and outlook for the period ahead. The key points summarised in his update were:

- a) the most recent member engagement activities
- b) the most recent employee survey results
- c) an update on the Government's consultation on regulation of the actuarial profession, as it was now clear there would be no legislation in this Parliament which gives the IFoA more opportunities for influence.

- 4.2 It was commented that although the IFoA being under budget for the year (as was currently the case) was a broadly positive position, it was nevertheless important that budgets were as close to real cost and spend as possible.

5. Management Board – Chair's Update

- 5.1 Grahame Stott presented his report to Council on the activity of the Management Board since Council's meeting on 28 September 2023.
- 5.2 Council discussed the decision taken by the Learning Change Programme (LCP) Board to not proceed to the new online examination delivery system for the April 2024 examination session. Council members had questions around the continuing relationship with those third-party organisations the IFoA had engaged with on this project, in the light of these developments. Grahame Stott advised that the LCP Board would consider options to progress at its next meeting and that a lessons-learned review from the original tender process was to be carried out by Crowe LLP, the IFoA's internal auditors.

- 5.3 Council discussed the external perception of the IFoA's examinations and the importance of invigilation and effective onboarding processes in ensuring that the exams are not seen as being exposed to cheating or any other potential misconduct. Grahame Stott emphasised the importance of ensuring the reputation of the third parties involved in exam delivery and invigilation in contributing to that perception.
- 5.4 There was a discussion of other ways that students could sit exams, and how these would fit in with the IFoA's digital first position.
- 5.5 It was agreed that feedback from Council members on this topic would be shared with Management Board at its next meeting.

Action 4: Corporate Secretariat

- 5.6 Grahame Stott updated Council on the activities of the Board's Committees. Council briefly discussed the make-up of these committees and the importance of executive expertise for them to be effective.

6. Strategic Risk Report

- 6.1 Serrina Galleymore introduced this item, which presented for Council's information and discussion updates from the IFoA's Strategic Risk Register that she considered relevant to provide Council with a clear understanding of the IFoA's current residual risk profile. The main comments on her report were:
- a) The need for clear actions and accountability for bringing those risks currently outside appetite back into appetite.
 - b) Consideration of adding a 'mass lapse' event (IFoA members not renewing their membership) as a specific risk to the strategic risk register in addition to its inclusion as a consequence of other risks in the register.
 - c) Several Council members considered that Artificial Intelligence was an important risk to the profession that had not yet been captured on the register.
 - d) Council members suggested amendments to be made to the presentation of the risks so that the risk appetites are presented alongside the narrative section of the report.

Action 5: Serrina Galleymore

- e) Council was also asked to approve the IFoA's Risk Appetites, as required annually, taking into account the discussions that took place at Council's Vision and Strategy Day the preceding day. Some Council members expressed a preference for having an opportunity for further and deeper discussion of the appetites before being asked to approve them, and other members proposed that the appetites should also first be reviewed (by the IFoA's Audit & Risk Committee) before Council was asked to review and approve them.
- 6.2 It was ultimately **agreed** that an 'engagement session' of Council would take place on the Risk Appetites before they were brought back to Council for formal approval at its next meeting (in March 2024). It was acknowledged that this would mean that when Management Board was asked to approve the IFoA's Corporate Plan for 2024/25 at its meeting in February 2024, it would be assessing the Plan against the IFoA's current risk appetites (i.e. before they were reviewed by Council).

Action 6 (engagement session and rescheduling): Chair, Corp Sec, H/Risk

7. Council's oversight responsibilities in relation to the IFoA's Regulatory Board

- 7.1 Council received and noted external legal advice provided to the Chair concerning the exercise of its oversight responsibilities in respect of the IFoA's Regulatory Board, recognising the latter's independence within its delegated authority.
- 7.2 It was suggested that following the Annual Update on the Board (next agenda item), Council might ask a sub-group to collate any further questions it wished to put formally to the Regulatory Board, as this would allow for an audit trail of Council's oversight activities.

8. Regulatory Board Annual Update

- 8.1 The Chair invited Neil Buckley, Chair of the IFoA's Regulatory Board, to present to Council that Board's annual update, in which was outlined the key areas of the Board's work over the past year and its intended areas of focus for the coming year. The key points of the following discussion concerned:
- a) Regulatory Board's role in monitoring the relationship between the IFoA and the Financial Reporting Council, in particular in light of the delay to legislation with regard to regulation of the actuarial profession.
 - b) The consultation process for Regulatory Board's proposed amendments to the Actuaries' Code to incorporate Diversity, Equity and Inclusion (DEI). Council questioned Neil Buckley around the process followed so far, how the proposals fit in with the DEI Strategy, and the upcoming development of guidelines and the members consultation on these.
- 8.2 Peter Walker agreed to help with the Regulatory Board's consultation process in relation to the proposed incorporation of DEI into the Actuaries' Code.

Action 7: Peter Walker

- 8.3 Following further discussion after Neil Buckley left the meeting, Council members raised additional questions that it wanted to put to the Regulatory Board. It was agreed that a small group was to be set up, led by Oliver Bettis, to put written questions to the Regulatory Board to enable Council to fulfil its overarching responsibilities, being mindful of the independence of the Board. It was agreed that this would include working with external legal advisors to make sure that Council is fulfilling its responsibilities appropriately before requesting further information from Regulatory Board.

Action 8: Oliver Bettis/General Counsel's Group

9. DEI Strategy – 2 Year Review

- 9.1 Ben Kemp presented an update to Council on the progress of implementation of the DEI Strategy agreed by Council in November 2021. Council members noted and gave general feedback on the report, and it was agreed that (further to the discussion of DEI during the Regulatory Board's annual update, an engagement session would be organised for Council to further discuss the IFoA's DEI strategy. It was also agreed to circulate the document version of the strategy to Council.

Action 9: Corporate Secretariat

10. Updates from Council Members

- 10.1 Council members were invited to speak to their fellow members on any matter of specific interest or concern to Council or the IFoA more broadly. The following points of note were raised in the ensuing discussion:

- a) There was a plan to develop a newsletter for other actuarial clubs and societies so that they were kept up to date with developments and events at the IFoA.

Action 10: Peter Walker

- b) A regular briefing note would be developed for Council members to assist them when talking to fellow members about the IFoA or when attending IFoA events.

Action 11: Peter Walker

- c) Feedback had been received on the recent webinars on the IFoA's governance reforms (both positive and negative).
- d) Attending the IFoA's recent Life and GIRO conferences had been a positive experience for Council members who were able to. This led to a brief discussion about the positive impact of in-person member events and conferences.
- e) Sarah Sim responded to feedback on the conferences saying that the provision of large events going forward, and their profitability, would be part of a discussion around the how the IFoA's events strategy will evolve in the future. Council members were keen to emphasise the wider, indirect benefits that members can enjoy from conferences (not least, the opportunity to network with other members).

11. Governance Review: Update from Council Working Group (CWG)

- 11.1 Peter Tompkins updated the Committee on the work of the CWG, which he chairs, and its workplan going forward.
- 11.2 There was a discussion about the CWG's planned consultation in the new year, and how as part of that to obtain members' views on the future role of Council in a way that would allow the Working Group to most efficiently consult on ideas that could be developed and refined, rather than taking an approach this was ultimately too wide-ranging and unfocused to be effective. Council acknowledged that there were many views on the topic amongst the membership but not all would work in the context of the proposed new structure.

12. Governance Review: Member Engagement Feedback

- 12.1 Peter Walker presented to Council the feedback that had been received during the listening exercise undertaken by the IFoA further to the concerns raised by members during the summer about the IFoA's proposed governance reforms. Council members commented that the increased transparency and communication following the receipt of the objections had been well received by members, and assurance was given that plans had been developed to contend with any further feedback or challenge to the reforms that members may raise in the future, particularly once Council formally reconsiders the proposed amendments at its meeting on 15 December 2023.

13. Governance Review: Draft paper for Council's objections reconsideration meeting, 15 Dec 2023

- 13.1 The Chair presented, for discussion, an early draft of the paper to be brought to the 15 December Council meeting where Council will be asked to consider amendments to the proposed changes to the regulations. The main topics of the following discussion were:
 - a) Council discussed the proposed amendments to the constitution of the IFoA Board and the decision to keep the Chair as a non-member independent non-executive member. Council members had varying views on whether this position needed to be specified as a non-member.

- b) Council discussed the impact of extending the Presidential Term, and the interaction of this with the removal of the Immediate Past President role. Some Council members commented on the lack of Presidential Team support available to the President in the year when there was no President-elect and they would be the only formal honorary officer. It was noted that the President would be able to informally use Council members, or other trusted members, as support.
- 13.2 The Chair confirmed that this feedback would be taken into consideration when drafting the final paper for discussion and approval at the 15 December meeting.

14. Reports for Nominations Committee

14.1 Matt Saker presented two reports from Nominations Committee.

President-elect 2024

- 14.2 This paper detailed the proposed process for election of the President-elect for the 2024-2025 sessional year, as recommended by Nominations Committee. The main feedback received was:
- a) To be as transparent as possible it was suggested that the President-elect role vacancy be circulated widely.
 - b) The precedent of having previously used an external search firm to help identify suitable President-elect candidates from among the IFoA membership was pointed out.
 - c) In view of Council's potential bias towards nominating a candidate from among its current number to be President-elect, it was agreed that mitigations would be put in place to ensure that any candidate from outside of Council got fair consideration.
- 14.3 At the end of this discussion Council **approved** the nomination form to be used in the 2024 President-elect process and **agreed** to delegate final sign-off of the Task and Person Specification to the Nominations Committee.

Amendments to the Nominations Committee's Terms of Reference

- 14.4 Matt Saker presented the recommended amendments to Nominations Committee's Terms of Reference for Council to consider.
- 14.5 Council members considered the proposed amendments to the Committee's Terms of Reference but concluded that the current proposals did not state with sufficient clarity the extent of the Committee's authority to decide whether a member who has submitted a nomination to serve on Council should be permitted to formally stand as a candidate for election (with regard to the IFoA's Fit and Proper Process and Guidance for Council election candidates).
- 14.6 Following brief further discussion of the point above and other proposed amendments to the Terms of Reference, it was agreed that these would be revisited by the Committee in correspondence and brought back to Council at its meeting on 15 December for approval.

Action 12: Corporate Secretariat and Matt Saker

15. Consent Agenda

- 15.1 The President invited Council to note or (where specifically required) approve the items on its consent agenda for this meeting, and to comment by exception only:

- a) *Litigation Update*
- b) *Report of the Regulatory Board's Strategy Day meeting on 20 September 2023*
- c) *Report of the Audit & Risk Committee's meeting on 7 November 2023*

Council **approved** the proposed changes to the Audit & Risk Committee's Terms of Reference.

- d) *IFoA Foundation Annual Update*
- e) *Sidebottom Report recommendations – progress update*
- f) *Update on Investigation into the leak of information to The Times newspaper*
- g) *Minutes of Council's meeting on 1 September 2023*

Council **approved** the minutes of this meeting without amendment.

- h) *Minutes of Council's meeting on 28 September 2023*

Council **approved** the minutes of this meeting subject to one minor amendment, to be made by the Corporate Secretariat prior to publication on the IFoA's website.

- i) *Decisions made by Council in correspondence since its last meeting*

It was agreed that future versions of this report should specify the outcome of votes taken by Council in correspondence (e.g. that x members voted in favour of the proposal, y members voted against, and z members abstained or did not vote).

Action 13: Corporate Secretariat

- j) *Council's forward agenda*

16. Death Announcements

16.1 Council members noted, with regret, those members who had died recently.

- Mr Peter Barrow
- Mrs Julia Beresford
- Miss Barbara Scott Cairns
- Mr Nandan Nadkarni
- Mr Ian Lee Salmon
- Mr Peter Silvester
- Mr Fraser Wallace Smart
- Miss Celine Pek Shang Tang

17. Any Other Business

17.1 It was agreed that a group of Council members, to be led by Matthew Edwards, would come together to explore the topic of AI and its potential impact on the IFoA and the actuarial profession more broadly, and report back to Council on this in due course.

Action 14: Matthew Edwards

End.