

# Institute and Faculty of Actuaries

## Noting report

<b>Subject</b>	Board self-assessment
<b>Regulation Board meeting</b>	1 October 2020 (strategy day)
<b>Author</b>	IFoA Executive Team

### A: Executive Summary

1. The purpose of this paper is to share results from the Board's recent self-assessment exercise and to ask the Board to evaluate the feedback and determine whether it identifies any areas where action is required.

### B: Background

2. The Board agreed last year to look at possible improvements to the way in which it assesses its own performance as a Board and the individual performance of Board members.
3. Currently, in line with its Terms of Reference, the Board reports to Management Board on its activities and progress and to Council on strategic matters.
4. It was decided that as additional ways of assessing its performance, the Board would introduce:
  - i. appraisals of individual Board members on a yearly basis by way of 1:1 meetings between the Chair and members; and
  - ii. a yearly self-assessment questionnaire to be completed by all members of the Board to identify the Board's strengths and areas in which it might improve its functioning.
5. A Survey Monkey questionnaire was developed by the Executive Team and has been completed by all current members of the Board as well as some retired members whose terms recently came to an end.

### C: Discussion

6. The results of the survey are included as **Appendix 1**. The feedback has been anonymised to ensure confidentiality.
7. The key messages that have been identified from the results are that the Board assess their own performance as broadly satisfactory and, in general, the Board feels that it works well as a group and is well chaired.
8. Some areas for improvement have been identified, for example:

Board performance

- i. A majority of Board members feel the Board works effectively as a group with some positive comments saying that interactions are positive and respectful. One member suggested however there are some pockets of tribalism and another said there can be too many 'personal crusades';
- ii. One member suggested that it would be useful to present a gap analysis measuring the Board's performance in delivering against its overarching objectives within the current Regulatory Strategy;
- iii. A few Board members suggested that there is not a great deal of visibility in terms of managing relationships with other boards and that the Board could be more effective at monitoring the work of its sub-boards and committees. One member suggested that it would be useful to include a schematic in the Board's papers listing the sub-boards and committees, when the Board last had an update/the date of any upcoming update and their key issues;

#### Meetings and agendas

- iv. Half the Board agreed that agendas are planned effectively to allow appropriate time for discussion of topics, however one or two Board members noted that meetings often over-run their allotted time as there is a lot to cover;
- v. One member suggested that they would prefer agendas to be split between day-to-day activities that need attention and consideration of more strategic matters on an ongoing basis (rather than a single strategy day a year);
- vi. One member suggested that the Board could be more focussed in terms of how it reviews documents, for example by identifying Board members who have the right skills and experience to look at certain topics rather than all board members reviewing every document;
- vii. Another suggested there should be fewer short notice papers in between meetings and that when interim business is circulated it should be made clearer what the role of Board members is and how items link into the Board's broader governance (e.g. whether being circulated for sign-off or just awareness);
- viii. The majority of Board members said that minutes are comprehensive and circulated promptly. A couple of Board members however said they would appreciate minutes being circulated more promptly after meetings and that minutes should include more detail on any dissenting options to show that healthy debate exists;

#### Risk Management

- ix. There was some suggestion that the Board's approach to risk management could be improved, albeit it is recognised that this is an area that is evolving and improving. No suggestions were advanced as to ways this could be improved over and above the measures currently being implemented;

#### Board training and induction

- x. Not all Board members are clear what the induction process is for new members and a few felt there is room for improvement in relation to this process. One member suggested that the IFoA's internal governance structure might be a little unclear/confusing to new members and another that lay members were unlikely to be familiar with actuarial standards and jargon and would benefit from a more comprehensive induction;

- xi. One Board member suggested that mandatory online training should be completed by all Board members each year on items such as the Actuaries' Code to help them understand the regulatory environment.

#### **D: Recommendation**

9. The Board is asked:

- i. to consider the results of the self-assessment questionnaire and determine any necessary actions that might arise from the feedback;
- ii. to provide a steer on whether any further performance indicators, or measures of success, ought to be added to future versions of the questionnaire; and
- iii. whether it considers any additional measures should be taken in future, in addition to the self-assessment questionnaire, to allow it to evaluate its performance (e.g. formally seeking 'external views' from other corporate Boards, the Executive, Management Board etc.)

#### **E: Appendices**

Appendix 1 – Results from Survey Monkey questionnaire