

**INSTITUTE AND FACULTY OF ACTUARIES
COUNCIL MEETING
MINUTES**

Wednesday 25 November 2020, 08.30 – 14.30 GMT
Via videoconference

Council Members Present:

Tan Suee Chieh (President and Chair)			
Laura Andrikopoulos	Richard Galbraith	Louise Pryor	John Taylor
Kelvin Chamunorwa	Dermot Grenham	Danny Quant	James Tufts
Cherry Chan	Jennifer Hartley	Alan Rae	Kartina Thomson
Charles Cowling	Keith Jennings	Andrew Rear	Peter Tompkins
Mahidhara Davangere	Prosper Matiashe	Craig Ritchie	Maribel Vasquez Flores
Marian Elliott	Sarah Neil	Matt Saker	Steven Yu
Gilli Engel	Mukami Njeru	Kalpana Shah	Cynthia Yuan

In Attendance:

Grahame Stott	Chair of Management Board
Stephen Mann	Chief Executive Officer
Clifford Friend	Director of Engagement and Learning
Ben Kemp	General Counsel
Anne Moore	Director of Finance and Operations
Sarah Sim	Director of Markets Development
Annette Spencer	Director of Public Affairs and Research
Kate Shasha	Chief of Staff
Simon Wilson	External Facilitator
Neil Buckley	Chair of Regulation Board (Item 7 only)
Gareth Groarke	Head of Marketing and Corporate Communications (items 6-9)
James Harrigan	Corporate Secretary
Ruby Fitzpatrick	Assistant Corporate Secretary

PART 1 – INTRODUCTION AND PROTOCOLS

1. Introduction and Apologies

- 1.1 Tan Suee Chieh welcomed everyone to the meeting. Charles Toomer, IFoA's Chief Risk Officer, was unable to join the meeting.
- 1.2 Council members Kartina Tahir Thomson and Marian Elliott would not be able to attend the complete meeting.
- 1.3 The Chair reminded Council members of the Rules of Engagement for Council meetings.
- 1.4 The Chair summarised some of the key points of progress since Council's last meeting including;
 - Management Board had discussed a risk framework which was to be discussed at this meeting
 - The Purpose and Values of the IFoA had been redrafted following further engagement with Council members, and a paper was presented to this meeting for agreement. The Purpose and Values of the profession had been a key part of the Away Day discussion on 24 November.
 - 6 Engagement Sessions had taken place focusing on the Governance Review and the Climate Risk Policy Statement which were both to be discussed at this meeting following the feedback at the sessions.

1.5 The Chair reminded Council members of the Objectives Council had agreed at their September meeting.

2. Registration and Declaration of Interests

2.1 No declarations of interest were made.

3. CEO Update

3.1 Stephen Mann presented an update to Council on the key areas of the Executive's work since the last Council meeting, including the progress made towards implementing the revised Corporate Plan for 2020/21 and the continued focus on adapting flexibly to the various challenges to the organisation posed by Covid-19, as well as highlighting what the main areas of focus (and anticipated risks) would be ahead of Council's next meeting in March 2021. Council members were invited to give detailed feedback outside the meeting on what should be included in future CEO reporting to Council.

3.2 The main areas of discussion on this item were as follows:

Exams

3.3 Following Council members' questions about the monitoring of examination misconduct, Clifford Friend provided Council with an update on the completion of the April diet of examinations and the progression of the September diet. Council was advised that the Board of Examiners had yet to meet following the conclusion of the September diet, but there were only small areas for concern which were concentrated geographically and to certain examinations.

3.4 Council members praised the work that had been undertaken to ensure the smooth running of both the April and September exams diets, and the clear positive impact they had had on the organisation's financial position. In response to questions on the delivery of exams in 2021, Stephen Mann indicated to Council that it was likely that exams would remain online in the future.

Employer Engagement

3.5 It was suggested that employer engagement should be widened to include non-actuarial organisations that could employ actuaries. It was confirmed in response that conversations to this end were already underway.

4. Management Board Update

4.1 Grahame Stott presented an update for Council on the activity of the Management Board since Council's last meeting, notably including its work in overseeing the various agile teams established to drive forward the implementation of Council's Strategy.

4.2 Discussion of this item focused primarily on the recently-initiated review of the IFoA's events strategy which was due to be brought back to Council in 2021. This review would inform the IFoA's events offering, based on what Members would value going forward. Concerns were raised that the interim charge of £25 for webinars bought in during March 2020 to cover the costs of running events online had not been well received by some members. It was explained that events had historically been self-funding, with the larger face-to-face events (which could not be held this year) subsidising other events. The CEO linked this to a need to be clearer with members which of the IFoA's activities were and were not paid for by their subscription fees as part of the Member Proposition work.

- 4.3 Other points raised by Council in the course of this discussion were the need to better understand the costs of events to understand the financial position, and clear support for the continuation of virtual events mixed with face-to-face events when possible. This feedback would be taken forward as part of the review which would also consider alternate funding models across the whole organisation with increased cross-subsidisation

Action 1: CEO

Paper 56 20 noted.

5. Risk Outlook and Position

- 5.1 Grahame Stott and Stephen Mann introduced this item, which informed Council of the process the Management Board had followed to establish its understanding of the key threats to the IFoA and its risk oversight, shared with Council its emerging view of those key threats that remained outside of risk appetite, and invited Council to comment on this work and related considerations. In the absence of the IFoA's Chief Risk Officer, who would also have spoken to this item, it was pointed out that the paper contained his independent view on the matter.
- 5.2 In support of the paper, the Chair advised Council that the discussion of IFoA's risk outlook and position at the most recent Management Board meeting (upon which this paper was based) had been the most effective discussion of risk he had been involved with during his time on Council.
- 5.3 Key points arising from Council's consideration of this item were:
- There was general agreement that the approach taken to the threats and risks to the IFoA was correct, and that the proposed allocation of oversight between Council and Management Board was appropriate.
 - There needed to be a common understanding between Council, Management Board and the Executive of the risk ratings to be used (what would constitute a high/medium/low risk, and why).
 - It was important that the framework was operationalised. Council was keen to understand where risks were outside appetite and what was being done to minimise them.
- 5.4 In recognition that Council members desired further assurance in this area, it was agreed that there would be further engagement with a subset of Council members on the details of this work. The precise details of that engagement would be determined in due course.

Action 2: CEO, MB Chair, CRO

Paper 57 20 noted.

6. Purpose and Values of the IFoA and of the Profession

- 6.1 The Chair and Stephen Mann presented this item, which sought Council's approval of the proposed Purpose and Values of the IFoA (as revised from the draft version presented to Council's meeting in September 2020, following further consultation with key stakeholders), and which invited reflection on the current positioning of the purpose and Values of the Profession, following detailed discussion of this area of work at Council's strategy away-day the previous day.

Purpose and Values of the IFoA

- 6.2 There was broad support for the revised Purpose and Values of the IFoA, though a number of suggestions were made on both refining and expanding the current draft, such as: specifically referencing our members in the Purpose; incorporating Diversity and Inclusion within the Purpose; recognising the importance of valuing action over

perfection; and specifying the need to be bold in looking to improve and innovate. Concerns were also raised that there was too great a focus on the present and too little on the future, and as such needed to be more forward-looking. Questions were also asked about the precise emphasis of the focus, and how this would be influenced by whether the IFoA considered itself to be a global body or a UK-based organisation with a global outlook.

Purpose and Values of the Profession

6.3 The Chair prefaced discussion of this matter by summarising Council's discussions on this subject at its away-day, highlighting the complementarity between this work and that of the Purpose and Values of the IFoA, and the connection between the Purpose of the Profession and the development of the Visions, Skills, Mindsets and Domains (VSMD) strategic agenda that had underpinned much of Council's thinking in the past two years. In conclusion of his summary, the Chair asked Council for its endorsement of the broad direction of this work, with the Profession's Purpose being developed around possible alternative themes:

- Creating a sustainable future
- Actuaries making a difference
- Professionals in risk and uncertainty and a force for good
- Force for sustainability

6.4 Council noted the VSMD narrative presentation made by the Chair, and commented that the Purpose and Values of the Profession should be more explicitly connected to the discussions of the previous day. Points were also made about the need for the Profession's Purpose to appropriately reflect how the professional is described in the IFoA's Royal Charter, and on emphasising the public interest aspect of actuaries' work.

6.5 In conclusion of this item it was agreed that:

- The Purpose and Values of the IFoA would be amended in line with the specific feedback received, and thereafter circulated to Council for final views; and
- In developing further the Purpose and Values of the Profession, the essence of Council's discussions at its away-day would be captured and reflected in future communication.

Action 3: Chair, CEO

Paper 59 20 agreed with minor amendments.

7. Boards Governance Proposal

7.1 Neil Buckley, Chair of the Regulation Board, was welcomed to the meeting.

Corporate and Practice Board Governance

7.2 Grahame Stott presented this item, which asked Council to approve a proposal to dissolve four of the IFoA's Corporate Boards (the Lifelong Learning Board, the Markets Development Board, the Policy & Public Affairs Board, and the Research & Thought Leadership Board), and to provide feedback on the intention to create two sub-committees of Management Board in place of those boards.

7.3 Council members were broadly supportive of the proposals. Some members expressed unease at the proposal to dissolve the four Corporate Boards without first having greater visibility on how the intended future arrangements would work in practice, and how the key work of the boards would be taken forward in those arrangements. However, it was emphasised in response that those concerns about lack of visibility essentially reflected the flaws in the existing governance structure. A number of Council members of

Management Board described to Council the difficulties posed by the bureaucracy of the existing structure, and how the more agile and flexible arrangements put in place to drive certain workstreams forward during 2020 had been developed *despite* those arrangements.

- 7.4 On being called to a vote, Council **approved** the proposed dissolution of the four aforementioned Corporate Boards, with one member abstaining.
- 7.5 It was noted that the roles of Management Board (and Council) would likely need to change in due course to reflect the requirements of the new arrangements. This would be taken forward in a separate phase of the IFoA's Governance Review and would be informed by the development in practice of the two proposed sub-committees of Management Board. It was agreed that Management Board, as the responsible body for implementing the new arrangements, would be expected to report to Council at each meeting on how well the new arrangements were bedding in and achieving their aims.

Action 4: Grahame Stott

- 7.6 Council noted the progress of the ongoing work in relation to the governance arrangements for the IFoA's Practice Boards, and made no substantive comments.

Paper 60 20 approved.

Regulatory Governance Proposal

- 7.7 Neil Buckley introduced this item, which asked Council to agree to the establishment of a new, single Regulatory Board, which would effectively consolidate the existing Regulation and Disciplinary Boards as well as the public interest regulatory aspects of the Lifelong Learning Board's current remit. Council was also asked to note the proposed Terms of Reference to the Regulatory Board, and to note the changes to the IFoA's constitution that would in due course need to be made in order to give proper effect to the proposals.
- 7.8 Council unanimously **agreed** to the establishment of the new Regulatory Board and **approved** its proposed Terms of Reference. A related question of whether one seat on the Board should be reserved for Council (so that it may appoint someone from among its own number to the Board) would be addressed at a future meeting.

Paper 70 20 approved.

8. Member Propositions

- 8.1 Stephen Mann presented this item, which provided Council with an update on the work carried out to date in this area and which invited Council members to:
- Agree the key sentiments of the overarching core proposition for all members;
 - Give feedback on the benefits and proof points of this proposition to members; and
 - Confirm that the emerging proposition complemented the sentiments underpinning the "purpose and values" of both IFoA and the wider profession (the discussions of which are minute at item 6 above)

Stephen committed to sharing the work on the member proposition with Council as it developed.

- 8.2 Council was broadly supportive of the proposition and its key sentiments, and made little challenge to or comment on the information presented. The main feedback was:

- The need to bring out the global nature of what the IFoA does.
- References to the Royal Charter should be less static, more forward looking.
- The importance of mentioning Diversity and Inclusion.
- Volunteering was a key benefit the IFoA offers to members that should be mentioned directly.

Paper 61 20 approved.

9. Climate Policy Statement

- 9.1 The Chair and Louise Pryor introduced this item by noting that the proposed IFoA Climate Policy Statement had been a key focus of discussion by Council at both the most recent series of its engagement sessions (held in mid-November) and at Council's Away Day on 24 November. It was noted that during these prior discussions it had generally been agreed that the IFoA should issue the statement, though its exact content remained contentious.
- 9.2 The discussion of this item centred on a specific bullet point within the proposed statement: whether the IFoA should commit to develop and implement a plan to be operationally net zero 'by 2030', as originally proposed, or 'as soon as reasonably practicable', which was developed as an alternative further to the discussion of the statement at Council's away day.
- 9.3 Council was first asked to vote on their preference for the statement on carbon neutrality. A majority of Council was in favour of using the original version with the explicit 2030 target. With that matter settled, Council then **approved** the statement (with the date of publication to be confirmed further to consultation with the IFoA's Public Affairs team on suggested timing).

Paper 62 20 approved.

10. Report from Nominations Committee – President-elect Spec & Process, and other matters

- 10.1 John Taylor presented this paper, which covered a number of items requiring Council's approval that had been discussed at the Nominations Committee's meeting in October 2020.

President-elect election 2021

- 10.2 The proposed Process for deciding the President-elect for 2021/2022 was presented to Council along with the Task and Person specification. Council members were encouraged to discuss between themselves their intentions to stand for election, and those they would support should they decide to run as part of the nominations process.
- 10.3 There was a short discussion on the proposed addition of strategic leadership skills and experience as an essential requirement in the Person Specification. Nominations Committee had deemed this as a key element of the Presidential role and it would be for Council members to determine during the course of the voting process that the candidates had the right skills in this area.
- 10.4 Council **approved** the Task and Person Specification and Process for the President-elect Election.

Retirement from Council in 2021, and potential impact of President-elect election

- 10.5 Council was advised of the current position regarding Council members' retirement from Council at the Annual General Meeting in 2021, and the potential for these arrangements

to be affected by the outcome of the 2021 President-elect election (and, in turn, for potential conflicts of interest in the election to arise as a result). Council noted that the Nominations Committee was minded to recommend that Council utilise its powers of co-optation to alleviate this issue should it arise, as had been done in 2019. The situation would become apparent by the end of January 2021, and so would be taken forward as required at that time.

Casual Vacancy on Council

- 10.6 Council **agreed** with the Nominations Committee's recommendation not to co-opt a member of the General constituency to fill the casual vacancy which had arisen as a result of the recent resignation from Council of Patrick Lee.

Paper 63 20 approved.

11. Consent Agenda

- 11.1 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 10 September 2020**

Paper 65 20 approved.

- b) **Council's Action List**

Paper 66 20 noted.

- c) **Council's Forward Agenda**

Paper 67 20 noted.

- d) **Council Dashboard**

Paper 68 20 noted.

- e) **Update from the Thought Leadership Curation Group**

Paper 69 20 noted.

12. Death Announcements

- 12.1 Council members noted, with regret, those members who had died recently.
- 12.2 Stephen Mann highlighted that his parents had been good friends with Mr Edward John Brister, and noted his passing. Stephen also paid tribute to Mr Peter William Sharman, both for his work at Chief General Manager at Norwich Union and his wider impact in the industry.
- 12.3 Peter Tompkins paid tribute to Sir David John Prosser, describing him as having been a significant figure in the industry and noting his enthusiasm for the actuarial profession and his work as the Chief Executive at Legal and General. The Chair also noted Sir David's remarks of the cautious and introverted nature of actuaries which was quoted in the Presidential address of Mr Nick Dumbreck.

12.4 The Chair paid tribute to Mr Derek Conway Bourdon, describing him as an actuary he had looked up to and highlighting that Mr Bourdon had once been the General Manager of Prudential.

Paper 64 20 noted.

13. Any Other Business

13.1 Council discussed a confidential matter which is minuted separately.

End.