

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

Wednesday 17 June 2021, 08.15 – 14.00 GMT
Via videoconference

Council Members Present:

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

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
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
Simon Wilson	External Facilitator
James Harrigan	Corporate Secretary
Ruby Fitzpatrick	Assistant Corporate Secretary

PART 1 – INTRODUCTION AND PROTOCOLS

1. Death Announcements

- 1.1. At the beginning of the meeting Council members held a minute's silence for Council Member Mahidhara Davangere, who had passed away in May. Led by John Taylor, Council members then paid tribute to Mahidhara, describing him as a selfless volunteer and an engaging colleague with an irrepressible passion for modernising the profession. He will be deeply missed.
- 1.2. Council members noted, with regret, those members who had also died recently. Council members paid specific tribute to:
 - Stewart Lyon, who was President of the Institute of Actuaries 1982-84 and who received a Gold Medal from the Institute in 1991;
 - Nicholas Hornby Taylor, who served three terms on the Council of the Institute for Actuaries and was its Vice-President from 1990 to 1992;
 - Brian Wilson, a Finlaison medal recipient and a key contributor to the CMI analysis of pensioners;
 - Peter Parker, a former Vice-President of the Institute; and
 - Jim Galbraith, former Chief Executive at the Scottish Friendly Society.

Paper 17 21 noted.

2. Introduction and Apologies

- 2.1. Tan Suee Chieh welcomed everyone to the meeting. Sarah Neil and Cynthia Yuan, Council Members, had sent their apologies.
- 2.2. The Chair reminded Council members of the Rules of Engagement for Council, and of the objectives Council had agreed to set for the current sessional year at its September 2020 meeting.

3. Registration and Declaration of Interests

- 3.1. Item 6 – CAA Global: Anne Moore, Ben Kemp and Clifford Friend declared interests as named directors of CAA Global.

4. CEO Update

- 4.1. Stephen Mann presented a report to Council focussing on the IFoA's headline achievements since the Council meeting in March and on key priorities before the next Council meeting in September. The key comments from Council on the report were:
- 4.2. Stephen Mann was asked for his opinion on whether the progression of the strategy in general was on track. Stephen confirmed that he thought it was.
- 4.3. The Chair highlighted the opportunities that could come of Stephen Mann's involvement in the City of London socioeconomic diversity task force.

Paper 18 21 noted.

5. Management Board Update

- 5.1. Grahame Stott presented an update for Council on the activity of the Management Board since Council's last meeting, and the key areas of focus for the Board in the next few months. Council noted this update without substantive comment.

Paper 19 21 noted.

- 5.2. Grahame Stott presented to the Council the proposed changes to Management Board's composition and its Terms of Reference (ToR) following the agreements in principle to the same at the March Council Meeting.
- 5.3. Council members sought comfort that these arrangements would ensure that Council members on the Board could not be outvoted by the non-Council members. Grahame Stott confirmed that if the proposed changes were implemented, a majority in favour of both the Council members of the Board, and the Board as whole, would be required for the Board to make a binding decision. Council's powers in respect of making appointments to, and removing/dismissing appointees to the Board, were also clarified.
- 5.4. Council members briefly discussed the best timing for appointments of Council members to Management Board. Louise Pryor informed Council that Nominations Committee had taken the view that in order to best benefit Management Board Council members required a certain amount of experience of Council and knowledge of the issues under discussion. To ensure this Nominations Committee had made recommendations for appointment before new Council members were appointed at the AGM.
- 5.5. In conclusion of the discussion on this matter Council:

- a) **agreed** to approve the proposed amendment to Regulation 10 in order to change Management Board's composition (subject to passing the 28-day notice period allowed for members to raise objections to the amendment);
- b) **agreed** the proposed changes to the Board's ToR, in line with a) above (and subject to a) being passed); and
- c) **agreed** to appoint Beate Degen to Management Board, in her capacity as Chair of the Board's Member Engagement Committee, until February 2022 (again subject to a) above being passed).

Paper 20 21 approved.

- 5.6. Council also noted without substantive comment the results of the Management Board's recent effectiveness review.

Paper 21 21 noted.

6. CAA Global (CAA) – Final Recommendations

- 6.1. Stephen Mann presented this report, which sought Council's agreement to:
 - Management Board's recommendation that CAA is closed to new entrants and that it begins an extended process of winding it down.
 - Further exploration of part qualified designations to meet a clearer market need than CAA (as currently positioned), to respond to a potential strategic challenge from SoA and to enable our communications strategy to refer to some form of CAA "transition" rather than complete closure.
 - The key messaging for students and stakeholders.
- 6.2. Council members were generally in agreement that the decision to close CAA to new entrants and begin winding it down was, regrettably, the most appropriate in the circumstances.
- 6.3. Charles Toomer was asked for his risk assessment of the wind down. He was of the opinion that this was a necessary decision due to the current position of CAA, the stance of the Society of Actuaries and the projected market for the qualification. Stephen Mann added that there was some reputational risk with relation to stakeholders but that this was within appetite and a plan was in place for direct communication to mitigate this.
- 6.4. It was agreed that a 'lessons learned' report on CAA would be produced for Council's September meeting.

Action 1: Stephen Mann

- 6.5. Stephen Mann confirmed that the proposed exploration of part qualified designations would look to fill the demand, especially in developing markets, for a global qualification below Associate level, which some Council members had suggested a need for.
- 6.6. At the end of this item Council **agreed**:
 - to approve that CAA is closed to new entrants and that it begins an extended process of winding it down, subject to a formal decision by the CAA Board.
 - Further exploration of part qualified designations to meet a clearer market need than CAA (as currently positioned), to respond to a potential strategic challenge from SoA and to enable our communications strategy to refer to some form of CAA "transition" rather than complete closure.
 - The key messaging for students and stakeholders.

Paper 22 21 approved.

7. CRO Report

- 7.1. Charles Toomer presented his risk report and the latest version of the IFoA's in-development Council risk framework. Charles highlighted three major areas of risk to the IFoA that he considered were outside of appetite even after accounting for existing controls in those areas, and recommended courses of action for each.
- 7.2. Council members' main comments on the current framework and report were based on the need for more transparency on the scrutiny of risk and mitigations and the plans in place to lower risk where it was out of appetite. Concerns were raised that where it was recommended to accept certain risks being outside of appetite for a certain period, there was a lack of visibility on what was expected to happen during those periods, and no detail on what should be done to ultimately bring those risks back to within tolerance (with Council being asked to approved those proposed 'routes'). In response, Stephen Mann suggested that this may be a presentational issue, as he was content that the actions set out within the framework demonstrated those 'routes', but agreed that it would be beneficial to discuss these matters more deeply with Council in due course (including, what could happen if any of the identified 'big risks' to the IFoA came to pass).
- 7.3. Council members were informed that a review of IFoA's risk management process was scheduled to be carried out soon by the IFoA's internal auditors. It was agreed that once this review had been completed, a deeper conversation on the risk framework and how risk was approached at the IFoA would be planned, with senior Council members asked to take an active role in the group that would be formed to take this work forward.

Action 2: Stephen Mann/Charles Toomer

Paper 23 21 noted.

8. Propositions Implementation Update

- 8.1. Stephen Mann presented this item, which updated Council on the ongoing implementation work being undertaken by Oomph. Council had no substantive comments on the propositions and noted the update on implementation.

Paper 24 21 noted.

9. Events Review: Final Recommendations

- 9.1. This item followed on from the Council Engagement sessions that had taken place on 7, 9 and 11 June, at which Council members were asked for their directional input on some of the ideas and considerations emerging from that review.
- 9.2. The Comments from Council on the recommendations were:

The primary channel for most IFoA events content will be digital; this will be complemented by a small number of in-person conferences (once post-pandemic conditions allow).

- 9.3. Council members were generally in agreement with a mixture of online and in person events going forward, with in person events being largely self-funding, recognising that since events had gone online members based outside of the UK had had a much larger opportunity to attend events than previously.

- 9.4. Council members suggested that the Executive look at ways to make online events more interactive. Annette Spencer informed Council that the events team were looking at different ways to bring more interactivity to online meetings.

From the start of the 2021/22 sessional year (1 September 2021), all regular online events will be free at the point of registration / access for IFoA members (all categories). The delivery of the events programme will be funded through a combination of member subscriptions and sponsorship revenue.

- 9.5. Council were supportive of free events as a key representation of value for members.

- 9.6. Council members sought comfort that the budgeted income from sponsorship was achievable, and what plans were in place, should this not be reached. Annette Spencer and Anne Moore confirmed to Council that given previous performance the figure seemed attainable, and that other ways of absorbing the costs of running events would be considered prior to cutting the events budget.

Non-members will be charged £20 per online event/session to attend.

- 9.7. Some Council members suggested that the charge for non-members should be higher than the £20 proposed to increase the perceived value of events to members.

The same charging (i.e. free for IFoA members, £20 for non-members) will apply to on-demand content for 18 months after its original transmission (free to all thereafter).

- 9.8. Council made no substantive comments on this proposal.

An annual budget (and broad content plan) will be set for online events each year.

- 9.9. A short discussion took place around the possibility of providing a small number of free in person events, to enable members, particularly those based in London and Edinburgh, to network. As this was not currently in the budget the budget would be reviewed to ascertain the possibility of this.

Action 3: Management Board

- 9.10. Council was asked to provide feedback on other areas of the review, Council's key feedback was:

No-show fees

- 9.11. Council were generally against the introduction of no-show fees for attendees.

Central Curation of Content

- 9.12. Council was generally in favour of some top-down curation of events content, and emphasised the importance of high quality events for member value

Multidisciplinary in-person conferences

- 9.13. Council was supportive of the networking opportunities that a multi-disciplinary conference would provide, but suggested the Executive explore how these could seem most valuable to employers.

Promoting third party content

- 9.14. Council was supportive of the IFoA signposting third party events, but with clear indication that the quality of these events was not guaranteed by the IFoA.

Success measures

- 9.15. Council feedback suggested that the key measures for success should be: an increase in the Net Engagement Score (NES), number of attendees at live events, and watching on demand, number of members attending multiple events and feedback.
- 9.16. In conclusion of this discussion Council members **agreed** to the five recommendations on the events strategy going forward.

Paper 24 21 agreed, where agreement was sought, and feedback given.

10. 2021/2022 Member Subscription Fees

- 10.1. Anne Moore presented this item for Council to confirm the Member Subscription Fees for 2021/2022. The budget that had been agreed by Council at its March meeting had contained the assumption that these remain flat.
- 10.2. Following a short discussion Council members **agreed** to confirm that all subscription and practising certificate fees would remain unchanged for the coming subscription year (from 1 October 2021).

Paper 25 21 agreed.

11. Update from Regulatory Strategy Steering Group

- 11.1. This item had been discussed by Council members at the Council Engagement Sessions that had taken place on 7, 9 and 11 June, at which Council members were asked for their feedback on the IFoA's position on the recent Government white paper on reform of audit and corporate governance in the UK. Andy Rear, Chair of the Steering Group, updated Council on the position of current discussions and the development of the IFoA's response to the consultation (with that response due to be published imminently). The key points of the discussion that followed were:

Proportionality and Effectiveness of Regulatory Regime

- 11.2. Council members appreciated the critical importance of having a proportionate and effective regulatory regime for UK actuaries, but expressed concerns that the current proposals might not achieve this objective and would instead leave actuaries at a disadvantage compared to others doing similar work who would not be subject to regulation.

International Members

- 11.3. Council members were keen that the new regime was clearer for international members, where there were currently some areas of ambiguity.

Engagement with Stakeholders

- 11.4. Council members were updated on the various areas of stakeholder engagement that were underway and were encouraged to engage their employers where possible.

Possible Outcomes

- 11.5. Council briefly discussed the possible outcomes of the consultation and their effects on the IFoA, however as the outcomes were currently unpredictable they would not be considered further at the moment. These potential outcomes would be raised in discussion with FRC where appropriate.
- 11.6. There was a suggestion that to discourage the new regulator from seeing actuaries as a secondary element of their role the use of the word Audit in the name should be discouraged. This was to be raised in the IFoA's response.

Action 4: Ben Kemp

Paper 26 21 noted and steer given.

12. International Strategy: Progress in last 12 months

- 12.1. Sarah Sim presented to Council an update on the progress of the international strategy in the last 12 months.
- 12.2. In response to a question about key messages from overseas employers, Stephen Mann advised that all such conversation had been positive in terms of having a sense of partnership, though with recognition that there was no 'one size fits all' approach. For those markets without employers, it was confirmed that online events had been free for students since April 2020. The link between serving those members, and the discussion on developing a part-qualified credential, was noted.
- 12.3. In conclusion of this item, Council members requested that (a) the agreed international strategy and definition of priority markets be included in future updates, and (b) that the membership charts used in the presentation, though useful, should in future include an appendix detailing which countries were counted within the groupings used.

Action 5: Sarah Sim

Paper 27 21 noted.

13. Review of Council Priorities 2020/21

- 13.1. The Chair presented this item, which summarised to Council the progress against the VSMD strategy and its objectives agreed by Council at its September meeting. Council noted these without comment.

Papers 28 21 and 29 21 noted.

14. Council Annual Effectiveness review

- 14.1. The Chair presented this item for Council to discuss the results of its annual effectiveness review. Council members praised the increased focus on the strategic priorities and the introduction of Council Engagement sessions (the latter being discussed in more detail in the following item).

Paper 30 21 noted.

15. Council Efficiency and Effectiveness

- 15.1. Louise Pryor presented this item, which asked Council for its feedback on how the efficiency and effectiveness of Council could be improved going forward at both an individual and a collective level. The key comments from Council were:

Engagement with Practice Boards and other communities

- 15.2. A number of Council members suggested a need for greater clarity around the role of Council members appointed to Practice Boards, as well as greater clarity for Council on the activity of the Practice Boards and better communication of initiatives to the wider membership.
- 15.3. There was a short discussion supportive of the possibility of formalising the relationships between Council and local groups of actuaries and collaborating with local actuarial organisations.

Engagement in between meetings

- 15.4. The current system of engagement sessions before meetings was praised as enabling Council members to discuss important matters before Council meetings. Some Council members also suggested they would be open to ad-hoc meetings outside of the cycle as necessary.
- 15.5. Some Council members suggested more social and informal engagement between Council meetings, including using technology to discuss ideas between meetings.

Council meetings

- 15.6. Council had a range of views on how Council meetings should be conducted going forward with a range of preferences for the number of in person meetings and ideas such as 'hubs' for hybrid meetings.
- 15.7. In conclusion of this item Louise Pryor agreed to incorporate this feedback into her thinking on Council going forward, and this discussion would be brought back to the September Council meeting to get the feedback of new Council members.

Action 6: Louise Pryor

Paper 31 21 feedback given.

16. Consent Agenda

- 16.1. 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 meetings on 10 and 11 March 2021**

Papers 33 21 and 34 21 approved.

b) **Council's Action List**

Paper 35 21 noted.

c) **Recent Council Decisions**

- The approval of the proposed IT support and infrastructure contract with 6 Degrees
- The appointment of Kalpana Shah to Management Board for the remainder of her term on Council.
- The appointment of Kartina Tahir Thomson and Dermot Grenham to Audit and Risk Committee for the remainder of their terms on Council.
- The appointment of Peter Tompkins and Jennifer Hartley to Nominations Committee for the remainder of their terms on Council and the re-appointment of Charles Cowling to Nominations Committee for the duration of his term on Council subject to his re-election at the AGM.

- The re-appointment of Trevor Spires as Chair of Audit and Risk Committee for a second three-year term.
- The agreement of the Terms of Reference for the Regulatory Appointments Committee.

Paper 36 21 noted.

d) **Audit and Risk Committee Annual Report**

Paper 37 21 noted.

17. Forward Agenda

17.1. Council Members had no immediate comments on the Forward Agenda, but following the earlier discussion on future meetings there may be future amendments required.

Paper 32 21 noted.

18. Any Other Business

18.1. The Chair thanked all of the Council member that would be standing down from Council at the AGM on 24 June: Laura Andrikopoulos, Kelvin Chamunorwa, Marian Elliott, Richard Galbraith, Keith Jennings, John Taylor and James Tufts and wished Charles Cowling luck for his re-election.

18.2. Louise Pryor thanked Tan Suee Chieh for his time as President of the IFoA and Chair of Council.

End.