

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

Wednesday 11 March 2021, 08.15 – 14.00 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
Annette Spencer	Director of Public Affairs and Research
Charles Toomer	Chief Risk Officer
Kate Shasha	Chief of Staff
Simon Wilson	External Facilitator
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. Sarah Sim, Director of Markets Development, sent her apologies.
- 1.2 The Chair briefly summarised the previous day's President-elect election meeting. He thanked the three candidates for their distinctive propositions, noting also that none of the candidates' presentations disagreed with the strategy that Council had decided, but rather had different styles and points of emphasis. The Chair congratulated Matt Saker, the incoming President-elect, on his success in the election.
- 1.3 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.

2. Registration and Declaration of Interests

- 2.1 No declarations of interest were made.

3. CEO Update

- 3.1 Grahame Stott, Chair of Management Board, introduced this item by reminding Council of the position the IFoA had been in at the end of the previous financial year, with the

potential impact of the Covid pandemic also then just coming into focus. He praised the efforts of both the executive and volunteers towards achieving the positive position of the IFoA at the end of the financial year, and in respect of the progress made in implementing the IFoA's new strategy. Grahame then highlighted the importance of improving the Net Engagement Score in future member surveys, and acknowledged the importance of building in flexibility into next year's Corporate Plan to enable the IFoA to continue to respond quickly to external pressures.

- 3.2 Stephen Mann presented an update to Council on the key areas of the Executive's work over the last year. He revisited the commitments made in last year's Corporate Plan and outlined the progress that had been made over the year. Stephen highlighted the progress made against areas of the strategy that it had been agreed would be brought back to Council.
- 3.3 It was noted that performance against the KPIs in last year's Corporate Plan was largely on track, although it was agreed that more work was required on member engagement this year. Following last year's positive financial performance, which Council congratulated the Executive on, it was suggested that some one-off expenses from outer years would be brought forward where possible. Stephen thanked Council for its guidance during the year, and his executive colleagues for their good teamwork. Council members echoed Stephen's praise for the Executive in moving events and exams online at pace.
- 3.4 Stephen Mann informed Council that a recommendation following the outcome of the first phase of the ongoing review of CAA Global would be brought to Council's meeting in June. Council members had a number of comments on this, which would be taken forward by forming a small group of Council members to discuss further the future of CAA Global to feed into the recommendation to the June Council meeting.

Action 1 (CAA Global discussion group) (CEO, MB Chair)

Paper 06 21 noted.

4. Corporate Plan 2021/2022

- 4.1 Stephen Mann presented the Corporate Plan to Council for its feedback and approval. Council was asked specifically for its feedback on the direction of the plan, the key outcomes identified therein and the financial principles underpinning it.
- 4.2 Council was supportive of the overall objective to increase the Net Engagement Score (NES) for members, and agreed that this should be an important guiding principle for decision making within the Plan. This would be incorporated as a Key Performance Indicator in the Plan.

Action 2 (KPI) (CEO, MB Chair)

- 4.3 Several Council members emphasised that having a strong, integrated, communications plan with Members, to effectively communicate the work being done as part of the Plan (and how this was delivering value to them), would be key to increasing the NES. Relatedly, it was agreed that IFoA's volunteers should be seen not just as a 'customer' to improve relations with, but also as the backbone of the IFoA's resources to drive its ambitions forward. To that end, it was recognised that a review of the volunteer structure and culture was intended to take place in the coming sessional year. It was proposed to have a deep dive conversation about this at a future Council meeting (provisionally, September 2021).

Action 3 (Engagement & Communications) (CEO, ELT)

Action 4 (Volunteer Structure & Culture) (CEO)

4.4 Other key points raised in discussion of this item were, in summary:

- a) Council members commented on the implicit cross-subsidy in the finances of the Plan between different areas of the organisation and agreed that this would need to be monitored, to ensure fairness for all members.
- b) Council members asked questions around the priority being given to Data Science as part of the strategy. Stephen Mann confirmed that work was ongoing in this area, and that a report would be brought to Council in due course outlining the progress that had been made.
- c) In noting the IFoA's success in moving its exams and events online at short notice, Council members questioned what else the IFoA might focus investment in over the next couple of years to take forward at pace (but without being reckless). It was noted in response that the Management Board were supportive in principle of taking such an approach, subject to capacity and capability constraints, and further to the need for a discussion to establish what the risk appetite for such activity should be.
- d) It was suggested that Council members and the CEO should aim to be more visible in their roles, by meeting face to face with major employers of actuaries, and IFoA community groups, on a regular basis.
- e) Council noted the Chief Risk Officer's view on the key risks in the Plan, as articulated in the presentation, and did not comment substantively on them.

Action 5 (feedback on Corporate Plan) (CEO, ELT)

4.5 At the conclusion of this item Council voted unanimously to **approve** the Corporate Plan 2021/2022 for implementation.

Paper 08 21 (Corporate Plan) approved.

Paper 09 21 (Chief Risk Officer's view on Plan's key risks) noted.

5. Risk Outlook and Framework – worked example

- 5.1 Stephen Mann introduced this item by noting that the many dynamic risk-based decisions that had been made in the last year had underscored the need to implement an overall risk framework across the organisation, and that the material presented here was intended to assure Council in the first instance that the decisions being made by the Management Board (and elsewhere within the organisation as appropriate) were in line with Council's risk appetite.
- 5.2 Charles Toomer then presented the high-level risk framework, with a worked example following on from agreement on risk appetite and the major risks faced by IFoA at recent Council and Management Board meetings. Charles explained that this had been developed to demonstrate how evaluation takes place consistently across threats, to understand where key risks are above appetite and the checks that are applied to mitigations in place.
- 5.3 Council was generally supportive of the framework and of developing a regular cadence of reporting to Council. It was agreed that the key management information in the framework would be whether a risk was inside or outside appetite – and if outside, what the route back (with actions and timelines specified) would be.

Paper 10 21 noted.

6. Member Propositions

6.1 Stephen Mann presented this item, which sought Council's feedback on the work in progress to develop IFoA's member propositions (more specifically, agreement to the propositions and actions identified, and directional steers on other key considerations) before presenting the propositions and IFoA's revised events strategy (item 7 below) for final agreement at June's meeting. The key feedback received from Council was:

Delivery

6.2 Council members strongly supported the content of the propositions but emphasised that effective delivery of the message, and its associated actions, was crucial to it registering with members and having the desired impact. The need for an integrated delivery plan was highlighted: comparisons were drawn with IFoA's recent launch of its Purpose and Values, for which concerns were raised that this had not captured members' attention as had been hoped. The IFoA was encouraged to look at how to use its voice, in combination with Council and all available technologies/media channels, to raise awareness of this work – though Council members also noted that this would be but one step on a longer-term journey to fully change members' perceptions.

Easy to do business with

6.3 Council members expressed the importance of members' interactions with the IFoA being smooth and frictionless. This was related both to processes, and a change in the culture of the organisation. Relatedly, Council members supported the IFoA's intention to move to a more digital and agile operating model, seeing this is a key factor in the IFoA's intention to be good value and easy to do business with, but noted that the cultural aspect of improving the service to members was the critical consideration here.

Engagement

6.4 Council members suggested that a key way to change members' perceptions of the IFoA was through effective communication and engagement with members. Council members suggested that clearly presenting to members how their subscription fees are spent could be an effective way of improving members' perception of the value of their membership.

International

6.5 Council members were keen that all improvements facilitated engagement with international members.

6.6 In conclusion of this item, the Chair and Stephen Mann thanked Council members for their feedback, and confirmed that an overall development plan would be presented to Council's meeting in June for final approval.

Action 6 (Development Plan) (Chair, CEO)

Paper 11 21 noted and feedback given.

7. Events Strategy – Follow-up from engagement sessions

7.1 This item followed on from the Council Engagement sessions that had taken place on 1, 3 and 5 March, at which Council members were updated on the progress of IFoA's strategic review of events and asked for their directional input on some of the key topics and themes emerging from that review. Discussion of this item centred around the main points of feedback given during those sessions, as summarised by Stephen Mann in his introduction:

- a) Council agreed that events were a key part of IFoA's member value proposition, and also a key element of the IFoA's engagement with its members. There was strong

support for making online events free for members (with specific exceptions where appropriate), with recognition also that this would provide a powerful message to members on the value of their membership.

- b) It was recognised that the IFoA's current events model was no longer relevant or viable, and that online events would need to be the cornerstone of the new model, though with hybrid elements (in recognition that face-to-face events would remain sought after, particularly for the valued networking opportunities these provide).
- c) Ensuring that the IFoA retained the quality of IFoA's physical events was noted as an important consideration for the review. The need to consider providing more and better technical content, or taking a more general approach, was also raised.
- d) Council members looked for assurance that the financial position of the organisation would not be overly affected by the proposal, and supported charging non-members to attend events. There was also strong support for taking a 'whole picture' approach when considering the financial aspect of events and similar matters (rather than dividing income and expenditure into 'fixed buckets' and looking at the detail of which activities are subsidised and which are not).
- e) Council members were keen that events that members were required to attend, such as professionalism and regulatory sessions, would remain free of charge.
- f) When asked for their thoughts on the use of Staple Inn going forward a number of Council members expressed their view on the importance of Staple Inn as a spiritual home for actuaries, although they were not against investigation into use by third parties.

7.2 In conclusion of this item, the Chair and Stephen Mann thanked Council members for their input to the review, and confirmed the next steps to be taken ahead of bringing the conclusions and recommendations of the review to Council's meeting in June.

Action 7 (Review) (Chair, CEO)

Paper 12 21 noted and feedback given.

8. Management Board Update

8.1 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 07 21 noted.

9. Boards Governance Review – implementation progress update

9.1 In introduction to both this item and item 10, the Chair reminded Council members of the key points raised in the discussions that had taken place at Council's engagement sessions the week prior, regarding the proposed governance changes both formal (requiring amendment to IFoA's constitution) and otherwise, to both Council and Management Board.

9.2 Grahame Stott presented this item, which provided Council with an update on the establishment of the two Management Board Committees (further to Council's agreement, at its meeting in November 2020, to dissolve four of IFoA's Corporate Boards and replace these with the aforementioned Committees) and the consequential

proposed changes to Management Board that had been discussed at Council's recent engagement sessions.

- 9.3 Council members briefly discussed the role and intended responsibilities of the Committees, as well as their size and composition. Council then held indicative votes on the following proposals, which (subject to receiving sufficient support, and remaining consistent with the intended development of Management Board's governance over the coming months) would be formally submitted to Council at its meeting in June:
- a) To agree, in principle, that the Chairs of the two Management Board Committees should be members of Management Board. This vote **was agreed with the three quarters majority that would ultimately be required** at the June Council meeting, with one member voting against and two abstaining.
 - b) To agree, in principle, the appointment of one additional INED to Management Board, if both of the Chairs of the Sub-committees (once appointed) are members of the IFoA. This vote **was agreed in principle, but not by the three quarters majority that would ultimately be required** at the June Council meeting, with 8 members voting against and 5 abstaining.
 - c) To agree, in principle, to reduce the number of Executive Members of Management Board from 3 to 1 (Chief Executive only). This vote **was agreed with the three quarters majority that would ultimately be required** at the June Council meeting, with one member voting against and four abstaining.
 - d) To agree, in principle, to adopt the following Procedural Rule into Management Board's Terms of Reference: *'Should a vote be required, all votes are of equal standing and the Chair has no second or casting vote. However, binding decisions of the Board can only be made with a majority vote in agreement of (i) the Board as a whole and (ii) Council members on the Board.'* This vote **was agreed with the simple majority that would ultimately be required** at the June Council meeting, with two members voting no and four abstaining.
- 9.4 Council was reminded that the composition of Management Board was set in the IFoA's Regulations, and thus any amendments to the composition (per votes a-c above) that might be formally agreed at Council's meeting in June, would – in addition to requiring the support of at least three-quarters of all Council members – need to be posted on the IFoA's website for 28 days, to allow members to consider and (if so minded) object to the proposals.

Paper 13 21 steer given.

10. Council Governance

- 10.1 The Chair introduced this item for Council to discuss its appetite for a wider review of Council's governance, further to the discussions held at the recent engagement sessions. Simon Wilson then took Council through the key considerations that should be taken before beginning a review.
- 10.2 Council members noted the case for reviewing its governance but many recognised that this would be a time-consuming exercise, and it was broadly agreed that Council should instead focus its time and energy primarily on ensuring the effective delivery of IFoA's strategy. It was accepted however that due consideration would need to be given to Council's governance ahead of the 2025/26 sessional year (at which point the arrangements within the Bye-laws for the current constituency representation arrangements on Council would expire).

- 10.3 In conclusion of this item, Council members voted by clear majority not to undertake a fundamental review of its governance at this point in time. There was some interest in looking to progress with limited changes, and a discussion was to take place to develop a more targeted review, taken forward by the current President-elect as appropriate.

Action 8 (Targeted review) (Louise Pryor)

11. Affiliates (Removal of new Affiliates from scope of the Disciplinary Scheme)

- 11.1 Ben Kemp presented this paper, which looked to implement Council's decision on 4 June 2020 to agree a change in the criteria for the IFoA's Affiliate membership to allow the IFoA to attract a wider variety of potential members, particularly in the field of data science and other fields related to actuaries. Council was asked to agree to remove new Affiliates (those who joined on or after 27 January 2021) from the scope of the Disciplinary Scheme.
- 11.2 Council suggested that it be made as clear and transparent as possible to Affiliates who joined the IFoA before 27 January 2021 how they could transition to membership under the new terms, if eligible.
- 11.3 In conclusion of this item Council voted unanimously to **approve the proposed amendment** to the definition of a 'Member' in the Disciplinary Scheme (subject to confirmatory approval by the membership in a vote).

Paper 14 21 approved.

12. Practicing Certificate Review

- 12.1 Ben Kemp updated Council on the Regulation Board's review of the approach to and process for determining the suitability of candidates for UK Practising Certificates. In noting the update, Council members encouraged a continuing reduction of extraneous compliance activity, and emphasised the importance of IFoA using its communications on this issue to make clear to affected members that it had listened to the concerns they had been raising and had acted on them.

Paper 15 21 noted.

13. Consent Agenda

- 13.1 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 25 November 2020**

Paper 17 21 approved.

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

Paper 18 21 noted.

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

Following a short discussion of how the Forward Agenda could better reflect issues that Council wanted to discuss it was agreed that Council members would feed back to the President items that they wanted to place on the Agenda for the June meeting.

Action 9 (Council, President, Corp Sec)

Paper 19 21 noted.

d) **Council Dashboard**

Paper 20 21 noted.

e) **Current legal/ reputational risks and issues**

Paper 21 21 noted

f) **Update from the Thought Leadership Curation Group**

There was a short discussion about the good work that had been done by the Thought Leadership Curation Group. It was highlighted that the description of five pillars of strategy, in the appendix to this paper, is not the strategic statement agreed by Council.

It was agreed that the strategic statement signed off by Council in March 2020 would be circulated to Council members for information. It was also agreed that Council should consider their role in communicating this as part of their broader engagement with members.

Action 10 (Statement) (Corp Sec)

Action 11 (Communications) (Council, Chair)

Paper 22 21 noted.

g) **Sustainability Board Interim Appointment**

Council agreed to appoint Gilli Engel as an interim Council member replacement on the Sustainability Board for Sarah Neil, for the period of Sarah's absence from her duties.

Paper 23 21 approved.

h) **Recent Council Decisions**

- The approval of the proposed changes to the Disciplinary and Capacity for Membership Schemes (subject to approval in an upcoming member vote).
- The reappointment of Fiona Morrison FIA as a member of the Disciplinary Appointments Committee for a second three year term.

Paper 24 21 noted.

14. Death Announcements

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

14.2 A number of Council members paid tribute to Hugh Scurfield, who served as President of the Institute from 1990-1992.

14.3 Council members also paid tribute to Mark Stocker, a former Council member who had undertaken numerous other volunteering roles within the IFoA and the wider profession.

14.4 The President paid tribute to Kendall Gaze, who had been a contemporary of his at Prudential.

Paper 16 21 noted.

15. Any Other Business

15.1 Sarah Neil announced that she was going on maternity leave from mid-March and would also step back from her Council duties for the period of her leave. Council members gave their best wishes to Sarah on her impending arrival.

End.