



Institute
and Faculty
of Actuaries

Governance Principles for Legal Entities Working With the IFoA

For wholly owned subsidiaries of the IFoA

March 2019

Policy

1 General

These governance principles set out the ways of working between legal entities who are wholly owned subsidiaries (legal entities) of the Institute and Faculty of Actuaries, a professional body incorporated by Royal Charter (company number RC000243) and having its principle office at 7th Floor, Holborn Gate, 326-330 High Holborn, London, WC1 7PP (“the IFoA”) and the IFoA.

*see the appendix for a full current list of legal entities to which these principles currently apply.

2 Principles

Principle 1: The IFoA will support the legal entity in achieving its aims and objects. It will do this by:

Providing strategic direction and support to the legal entity as agreed at the outset and subject to review.

Providing access to “house” policies and governance materials, to allow adoption by the legal entity as agreed between the IFoA and the legal entity.

Respecting the separate legal status of the legal entity and not seeking to fetter its independent legal status, nor to interfere unduly with the day to day management of the legal entity.

Providing reasonable administration, financial, accounting, audit and legal support to the legal entity and to facilitate its operation.

Principle 2: The legal entity will have primary responsibility for the day to day conduct of its business. It will do this by:

Acting at all times in a manner consistently with the IFoA Royal Charter objects, mission and values.

Acting consistently with the IFoA governance manual and financial procedures manual.

Setting out and maintain ways of operational working, management and a day to day operational framework.

The legal entity will not be empowered to employ staff unless by express agreement with the IFoA.

Dealing with financial expenditure in the following way: The legal entity will be required to compile a budget and / or business plan which the Directors should share with the IFoA once agreed. The entities can then spend within that agreed budget / business plan and provide reports on progress / achievements as reasonably required.

Principle 3: Both the IFoA and the legal entity will work together, at all times, in good faith, and deal fairly and transparently with one another. They will do this by:

Working at all times in a manner consistent with good practice in governance and in risk assessment.

Agreeing and recording the process for senior appointments to the legal entity at the outset and on an ongoing basis. It is envisaged that, save for legal impediment, the IFoA Management Board will have the ability to make appointments or remove appointed officers for the legal entities on cause shown. The arrangements for appointment, appraisal, renewal and removal of positions within the legal entities shall be agreed at the outset and capable of review.

Agreeing and recording procedures for the formal notification, reporting, and accountability arrangements between them at the outset. It is envisaged for example that legal entities will submit a report of their work to the IFoA Management Board annually to provide opportunity for engagement, challenge and evaluation of the work of the legal entity.

Agreeing and recording at the outset the process for dealing with financial, legal and reputational rights arising from the legal entity.

Agreeing at the outset the process for dealing with the management of reputational risk and mutual stakeholder engagement.

Agreeing and recording the process for change, amendment or modification of the ways of working at the outset. It is envisaged that any substantive change shall be brought to the attention of the IFoA MB for consideration.

Agreeing and recording the method for resolving any dispute between the parties at the outset.

Agreeing and recording the process for dissolution, wind up or buy out of the legal entity at the outset subject to review.

Appendix:

1. IFoA Foundation
2. ICA 98 Limited
3. Institute and Faculty Education Limited
4. Continuous Mortality Investigation Limited
5. IFoA Research Limited

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