

The Actuarial Profession

The Governance of the Profession – Framework, Rules and Guidance

Chapter 3 Arrangements related to the Management Board

Authority and responsibilities

1. The Management Board has delegated authority from Council for the operational management of the Profession's business. Its terms of reference are detailed at appendix 1.
2. The following report to the Management Board:
 - Scottish board
 - Member support executive committee
 - Professional regulation executive committee
 - Qualifications executive committee
 - CMI executive committee
 - International committee
 - Public affairs advisory committee

Membership

3. There are up to nine members on the Management Board. There are 5 *ex officio* appointments – the President, Immediate Past President, Honorary Treasurer, leader of the Scottish board and the Chief Executive - who serve on the Management Board during their term of office. In addition Council may appoint up to four other members to the Management Board each of whom may serve for a term of up to three years. These appointees must be Fellows or Associates, but need not be members of Council.

Management Board chair

4. The Management Board elects its chair, who cannot be the Chief Executive, from amongst its number.
5. The chair is responsible, with support from the Chief Executive and the Management Board secretary, for managing the Management Board's business in accordance with its terms of reference and within the annual business cycle. Specific duties include:
 - deciding, in agreement with the Chief Executive, what is to be included on the meeting agenda
 - chairing the meeting
 - agreeing the first draft of minutes to be sent to the members of the Management Board
 - directing the development and implementation of the Profession's corporate plan
 - sponsoring Management Board projects (or ensuring that another member of the Board is appointed as a sponsor)
 - ensuring that regular briefing reports are submitted from the Management Board to Council
 - reviewing the Management Board's terms of reference and those of the committees reporting to it annually and, where appropriate, recommending changes to the Management Board and, if appropriate, to Council

Management Board secretary

6. The Management Board secretary is appointed by the Chief Executive and is not a member of the Board so does not have a vote.
7. The Management Board secretary's specific responsibilities include:
 - ensuring the meeting papers are prepared in accordance with the framework and in a timely manner
 - recording and producing minutes of meetings
 - progressing actions agreed at meetings
 - supporting the chair in governance matters, for example by advising the chair on the detailed requirements of the governance manual or other organisational policies, rules or processes
 - ensuring the effective induction of new Management Board members
8. The Management Board secretary is the formal holder of the Management Board's budget. As such, the secretary is responsible for the financial management of any expenditure of the Management Board in accordance with the Profession's rules on financial management detailed in chapter 10.

Meetings/Decisions

Frequency and location

9. The Management Board will normally meet monthly. The location of meetings is at the discretion of the chair, but the majority of meetings will take place in London.
10. Decisions may be taken outside of the normal meeting schedule by email or conference call.

Dates

11. Management Board should agree and publish the dates of its scheduled meetings.

Quorum

12. A meeting is quorate if there are present at least four members of the Management Board, two of whom should be ex officio members. "Present" for this purpose includes participation by conference call or, for a 'paper' meeting (see chapter 14), sending a written response. In addition, consistent with the section on 'voting' below, where a decision is being taken on the basis of a resolution that has been clearly articulated in a paper circulated prior to the meeting, a member who is unable to attend the meeting may appoint a proxy.
13. A non-quorate meeting may continue, but any decisions made must be upheld in order to be valid. Decisions may be upheld in one of two ways. The first is by the same meeting, if it becomes quorate by the arrival of additional members (including by conference call). The second is by a post-meeting circulation of the decisions for upholding. In this case, a sufficient number of responses must be received to make a quorum, and the rules on voting must be followed in determining whether the decision is upheld (see section on 'voting' below).

Attendance

14. Management Board members are expected to attend each meeting. Those members unable to attend should tender their apologies to the Management Board secretary. A record of attendance will be kept and will be published in the Profession's annual report.
15. Only with the agreement of the chair may someone who is not a member of the Management Board be in attendance at a meeting. In these circumstances, the person has no voting rights (see 'voting' below). The President-elect will be invited to meetings as an observer.
16. If the chair is unable to attend, the chair should ask another member to act as chair. If, on the day of the meeting, the chair is unavailable and has not organised an acting chair, those attending may appoint one of the members present to chair the meeting.
17. The author(s) of a paper will normally be invited to attend for the part of the meeting when their paper is being discussed. The head of core services and/or finance manager will normally attend for any item of a financial nature.

Voting

18. Agreement may be reached at meetings by general assent without a formal vote needing to be taken. This is expected to be the norm (see chapter 14 for guidance on decision-making).
19. Should a vote be required, the chair will invite any member present (including by conference call) to vote. Each member's vote is of equal standing.
20. Any member present (including by conference call) may call for a vote at any stage of decision-making or request that his/her dissent/views be formally recorded in the minutes.
21. Where a decision is being taken on the basis of a resolution that has been clearly articulated in a paper circulated prior to the meeting, a member unable to attend the meeting is permitted to appoint a proxy.
22. In the case of an equality of votes, the chair has a casting vote in addition to his/her original vote.

Meeting management

23. Meetings should be managed in accordance with the general guidelines in chapter 14. Agenda items would usually focus on:
 - operational delivery by committees which report to the Management Board
 - risk management
 - progress on corporate plan themes
 - financial monitoring
 - resource allocation
 - stakeholder relationships:
 - public affairs/communications
 - reports to Council
24. Papers for the meeting will be categorised as:
 - Briefing
 - Steer
 - Decision

25. Each year in January/February the chair should arrange for Management Board members to provide feedback on the effectiveness of meetings. Guidance on obtaining feedback is given in chapter 14.
26. The agenda and supporting papers are normally circulated to Management Board members one week prior to the meeting.
27. It is important that the papers are read in advance of the meeting in order that any point of detail requiring clarification from the author(s) of a paper can be undertaken before the meeting.
28. Members of the Management Board who cannot attend a meeting are still expected to read all the papers, raise questions if they have any, and give the Management Board secretary any views on decision items.
29. Any decision taken between meetings will be formally recorded in the next meeting's minutes.
30. Minutes will normally be produced by the Management Board secretary for initial approval by the chair within 48 hours of the meeting. They will not be routinely circulated more widely than Management Board members and any attendees of the meeting as appropriate.

The Actuarial Profession

Management Board

Terms of Reference

Reports to: Council

Purpose: Under delegated authority, runs the Profession on an operational basis in accordance with the Profession's scheme of delegations, powers and principles and with the strategy set by Council.

Key responsibilities:

1. Strategic development

- 1.1. Develops proposals for strategy and submits these to Council for approval.
- 1.2. Recommends major changes in structure to Council.

2. Planning, budgeting and reporting

- 2.1. Develops and agrees the corporate plan in line with agreed strategy with input from the functional executive committees.
- 2.2. Approves the overall budget for the Profession.
- 2.3. Conducts risk appraisal for the Profession
- 2.4. Allocates resources to structures of professional administration.
- 2.5. Monitors delivery of the corporate plan and expenditure against budget.
- 2.6. Reports to Council on activities and progress.
- 2.7. Receives reports from the Audit and governance committee and responds formally to the committee on any decisions taken and matters discussed. The chair of the Audit and governance committee would attend meetings of the Management Board to present these reports if he thought it appropriate.

3. Governance

- 3.1. Complies with the governance manual.
- 3.2. Approves material changes to the governance manual on the recommendation of the Chief Executive. (The Chief Executive has been given delegated authority to approve minor changes to the governance manual.)

4. External liaison, public affairs and research

- 4.1. Takes overall responsibility for representing the Profession externally.
- 4.2. Protects the Profession's reputation and, with advice from the Public affairs advisory committee, decides which matters require the Profession's attention from a public interest perspective.
- 4.3. Agrees which consultations and public statements by other bodies warrant a formal response from the Profession, makes arrangements for a response to be drafted, and approves the final version.
- 4.4. Identifies issues that require addressing using external research funded by the Profession and approves grants for this purpose as recommended by the Qualifications executive committee and others following a competitive process.

5. **Ad hoc activity**

Sets up task forces to deal with any new area of activity or special projects

6. **Operational**

6.1. Sets terms of reference, approves the plans and monitors the performance of:

6.1.1. Scottish board

6.1.2. Member support executive committee;

6.1.3. Professional regulation executive committee;

6.1.4. Qualifications executive committee;

6.1.5. CMI executive committee;

6.1.6. International committee; and

6.1.7. Public affairs advisory committee.

6.2. During the year it may direct a committee to undertake a specific activity and/or reorder its priorities.

6.3. Approves the detail of the scheme of delegations beyond the main principles, which are approved by Council.

6.4. Deals with matters outside the authority of any committee.

6.5. Rules on matters on which a committee has been unable to reach a decision by a substantial majority on a matter of principle, and/or where the chair believes there is a matter of contention.

6.6. Deals with matters concerning more than one committee which have not been resolved between them and with any disputes between committees.

6.7. Deals with matters where the chair of the relevant committee has considered it appropriate to seek endorsement from the Management Board.

6.8. Appoints members of the committees which report to it and the chairs and deputy chairs of practice executive committees.

6.9. Approves appointments of representatives to the IAA and Groupe Consultatif, on the recommendation of the International committee.

7. **Staff**

7.1. Hires, reviews performance and sets remuneration of the Chief Executive.

7.2. Responsible for the executive and their services through the Chief Executive.

August 2010