

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

Date and Time: Thursday 4 June 2020, 09.00 – 14.30 BST
Via videoconference

Council Members Present:

John Taylor (President and Chair)

Laura Andrikopoulos	Lee Faulkner	Louise Pryor	Perry Thomas
Nico Aspinall	Richard Galbraith	Alan Rae	Kartina Thomson
Kelvin Chamunorwa	Dermot Grenham	Andrew Rear	Michael Tripp
Jules Constantinou	Jennifer Hartley	Matt Saker	James Tufts
Charles Cowling	Keith Jennings	Kalpana Shah	Steven Yu
Mahidhara Davangere	Patrick Lee	Malcolm Slee	Cynthia Yuan
Marian Elliott	Prosper Matiashe	Paul Sweeting	
Gilli Engel	Bruce Porteous	Tan Suee Chieh	

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
Charles Toomer	Chief Risk Officer
Kate Shasha	Chief of Staff
Beate Degen	Chair, Markets Development Board (item 8 only)
Stephen Redmond	Chair, Disciplinary Board (item 12 only)
James Harrigan	Corporate Secretary
Ruby Fitzpatrick	Assistant Corporate Secretary

PART 1 – INTRODUCTION AND PROTOCOLS

1. Introduction and Apologies

1.1 The President welcomed everyone to the 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 covering both the key areas of the Executive's focus since the last Council meeting, and what the main areas of focus (and anticipated risks) would be ahead of Council's next meeting in September. Key points arising from the discussion of this item were as follows:

3.2 Future Business Model

The Council commended the Executive's focus on cost reductions. Stephen Mann assured Council that investment would still be made in essential areas (for example, the exam platform and employee engagement) as appropriate, albeit with caution, given the risks inherent to spending on the basis of estimated future growth in the membership. It also confirmed that, in respect of the IFoA's future structure (both in the near future and

longer term), possibilities to facilitate employees coming together were being explored and options to reduce the office footprint in the future were also being evaluated.

3.3 Exam Delivery

Council commended the Executive on successfully moving the vast majority of the April examinations diet online. It was confirmed that going forward the entire suite would be delivered online in September, with learning from the April diet taken into account. It was confirmed that while there were currently no significant concerns about potential collusion or other misconduct in relation to the April exams, further steps would be taken to ensure the security around future examination diets. In response to questions about the move online from a financial perspective, Stephen Mann confirmed that more investment was required in the exam platform and for 2020 IFoA had to accept some costs from preciously booked exam venues.

3.4 Events

It was confirmed that the current working assumption was that no in-person events would take place for the remainder of the year, though options were being kept open from an operational perspective. It was also confirmed that a model for events in 2021 would be developed once there was more knowledge of the outcomes of Covid-19 and its effects on face-to-face gatherings. These discussions would include exploration of increased virtual meetings and 'hybrid' events as suggested by Council members.

3.5 Actuary Magazine

A number of suggestions were put forward in relation to the future of the Actuary magazine, including an opt-in/out for the print version and possible wider circulation through the current Actuary subscription option.

4. **Management Board Update**

4.1 Grahame Stott presented an update for Council on the activity of the Management Board (the Board) since Council's last meeting, including the decisions and input of the Oversight Committee (which was noted to have been created to enable fast decision-making, and advice and support for the Executive in the current circumstances, where bringing together the whole of the Board in good time was not feasible). Grahame confirmed he was content that the Board was now in a position to move on from the immediate response to Covid-19, which had focused on finances and operations, to moving forward and the implementation of strategy, as well as turning its attention back to other priority considerations that had necessarily been deferred in the short term.

4.2 Council noted the results of the Board's Effectiveness Review and the intention for the Board's objectives for 2020/21 to be brought to the September Council meeting for approval.

4.3 Grahame Stott updated Council on the IFoA's membership of the Actuarial Association of Europe (AAE) and the ongoing negotiations, and asked that delegated authority be given to the Board to take further decisions in relation to this matter. In the ensuing discussion, Council members expressed a variety of views on what the IFoA's future relationship with the AAE should look like and how this could be achieved. It was broadly agreed that whatever action the IFoA ultimately took, it would need to be consistent with the principles of its international strategy and should not compromise the IFoA's position as a leader in progressing the actuarial profession in Europe.

4.4 In conclusion of this item Council **agreed** to delegate authority to Management Board to take the required decisions as to the IFoA's way forward with regard to AAE.

Paper 23 20 noted and agreement given.

5. Chief Risk Officer's Report

- 5.1 Charles Toomer presented his newly-formatted risk report to Council, which included a focus on the eight interrelated workstreams developed by the IFoA to deliver its transformational change programme, and which sought Council's feedback on the risk appetite definitions and mitigation strategies set out for each workstream. Charles confirmed that the risk report was not a finalised piece of work and welcomed input from Council members.
- 5.2 Council members were keen to discuss further the risk appetites proposed for each workstream. It was suggested that a subgroup of Council members be formed to work with Charles Toomer on this. A number of Council members volunteered

Action 1: Charles Toomer

Paper 24 20 noted.

6. Covid-19 Action Task Force (ICAT) Update

- 6.1 Louise Pryor gave a verbal update to Council on the activities of the task force, which had been set up by the Oversight Committee to coordinate the IFoA's response to the virus. Key points raised in the update were:

- Over 550 volunteers were involved in c. 90 work streams which were currently producing objectives and timelines for their outputs (these would be shared with Council for information).

Action 2: Louise Pryor

- Most of the work streams had been suggested by Practice Boards and a survey had been conducted of the volunteers which included questions on the outputs they would like to see.
- Where necessary the ICAT group was working with appropriate Practice and Corporate Boards. For example, the Policy and Public Affairs Board had answered a number of consultations from Government Bodies.

7. Visions, Skillsets, Mindsets, Domains (VSMD)

- 7.1 Stephen Mann presented a report on the activity underway to support progress against the key tenets of the VSMD strategy

- 7.2 Following brief discussion Council:

- **Approved** the next steps outlined in the report for taking forward the concept of Chartered Designations;
- **Noted** the activity underway to support progress against the key tenets of VSMD; and
- **Noted** the creation of a Learning Committee to carry forward the work to be undertaken as part of the syllabus review and review of IFoA's wider educational offering (as agreed by Council at its meeting in March 2020), and the Committee's indicative Terms of Reference.

Paper 25 20 approved.

8. Global Model

8.1 Grahame Stott and Beate Degen presented this item, which outlined the International Strategy prioritisation framework policy document developed by the Markets Development Board further to Council's discussions of international strategy at its March 2020 meeting. The main points from the following discussion were:

- It was clarified that any action in developing markets would not be at the expense of home or mature markets and that elements of the International strategy would have to be developed alongside the Member Value and VSMD strands.
- A number of Council members commented on the IFoA's ability to regulate members abroad. In response it was clarified that this was a matter that Regulation Board regularly considered as part of its strategy.
- It was acknowledged that in some international markets the local regulator and membership look to IFoA to set a gold standard of conduct, even if they are not regulated by the IFoA.
- Council members highlighted the importance of using local members to engage internationally.
- A number of Council members raised the different perception of member value between UK-based and international members.

8.2 In conclusion to this item Council:

- **Approved** the prioritisation framework policy document;
- **Noted** the action steps contained at the end of this document to progress implementation of this policy; and
- **Noted** the methodology so far developed by the Member Directorate Group, and reviewed by both Markets Development Board and Management Board, to prioritise markets.

Paper 26 20 approved.

9. Expansion of Affiliate Membership: Data Science

9.1 Stephen Mann presented the proposal to expand the Affiliate Membership category, in particular to accommodate the admission of data scientists.

9.2 Some members of Council questioned whether Affiliates should be exempt from the CPD requirements and Disciplinary Scheme. In response it was confirmed that Affiliates would still be required to comply with the Actuaries' Code, which would be a less onerous imposition for would-be Affiliates (and thus less of a potential barrier to entry) but would still allow the IFoA to protect itself sufficiently from a reputational standpoint, in the event of an Affiliate member failing to uphold the IFoA's standards. Council also noted that removal of the disciplinary overheads for Affiliates would make the membership level profitable, as it was currently loss making.

9.3 In conclusion of this item Council:

- **Approved** the proposed approach to expanding the Affiliate Membership Category (with three Council members dissenting), and the timeline for its implementation; and
- **Approved** the increase to the Affiliate Membership subscription fee from £73 p.a. to £100 p.a. for the coming subscription year.

Paper 27 20 approved.

10. Corporate and Practice Boards: Future Structure

- 10.1 Grahame Stott presented his report, which outlined the various problems and challenges posed by the current governance structure of the IFoA's Corporate and Practice Boards, and asked Council to provide input as to the problems outlined and the proposed principles to be followed when amending their roles and governance.
- 10.2 Council members strongly supported the proposals, with a number of members expressing a need for significant change in how the IFoA is organised if the organisation's strategy was to be effectively delivered. Numerous members expressed an interest in supporting this work.
- 10.3 In conclusion of this item, Council **agreed** to the establishment of a small group to obtain Council members' input to the issues identified in the report, with an aim to prepare detailed proposals for change based on the headline principles in the report. These proposals would be brought to Council's November meeting.

Action 3: Grahame Stott

Paper 28 20 noted and steer given.

11. Review of 2020/21 Subscriptions, in light of Covid-19

- 11.1 Anne Moore presented this paper, which sought agreement as to whether any changes to subscription arrangements should be made in light of Covid-19.
- 11.2 Council **confirmed** its decision to keep fees flat for 2020/2021, which was agreed at the March meeting (excluding the Affiliate Membership fee, which as noted earlier in these minutes would be increased to £100).
- 11.3 Council **agreed in principle** to a proposal to explore spreading subscription payments, with the final decision on such being taken by Management Board.
- 11.4 Council **agreed in principle** (with two members dissenting) to a proposal to explore the option of setting up a small, exceptional, hardship fund for those members who were genuinely struggling to pay their subscription fee, with the final decision on such being taken by Management Board.
- 11.5 Council **approved**, with over the required majority of at least three-quarters of the whole number of the Council in favour, an amendment of Regulation 23 to reduce the surcharges for late payment of member subscription fees to 1% and 2% respectively. Two Council members dissented.
- 11.6 Council **approved** a proposal for an exceptional, one-off, payment extension for the subscription year beginning 1 October 2020 (as detailed in the report). Two Council members dissented.
- 11.7 Council **approved**, with over the required majority of at least three-quarters of the whole number of the Council in favour, an amendment of Regulation 25 to remove the current interdependency between the provisions of the IFoA's CPD Scheme and its subscription policy.

Paper 29 20 noted, and approvals given where sought.

12. Disciplinary Board – Annual Report

- 12.1 Stephen Redmond presented the report from the Disciplinary Board covering its activities over the last 12 months.
- 12.2 After brief discussion, Council **approved** the Disciplinary Board's Annual Report. It was agreed that a breakdown of disciplinary proceedings by UK and international members would be provided.

Action 4: Ben Kemp

Paper 30 20 approved.

13. Death Announcements.

- 13.1 Council members noted, with regret, those members who had died recently.
- 13.2 Mahidhara Davangere noted the death of Mr. Navnit K. Parikh, an Associate member of the IFoA and senior figure in the actuarial profession in India.

Paper 31 20 noted.

14. Any Other Business

Consent Agenda

- 14.1 The President invited Council to note and (by exception) comment on the items in the consent agenda for this meeting:
- 14.2 The President confirmed the results of the correspondence votes that had taken place prior to the meeting.
- Council **approved** the four proposed nominations for Honorary Fellowship; these would be taken forward with the relevant individuals.
 - Council **approved**, with over the required majority of at least three-quarters of the whole number of the Council, to award Ronnie Bowie the Finlaison Medal.
 - Council **agreed** to reduce the frequency of voting of Honorary Fellows and Medal nominations to once every two years

a) Minutes of Council's meetings on 4 and 5 March 2020

The minutes of both meetings were agreed as a true record.

Paper 32 20 and 33 20 approved.

b) Audit & Risk Committee Annual Report

Paper 34 20 noted.

c) Council Action List

Paper 35 20 noted.

d) Council's Forward Agenda

Paper 36 20 noted.

e) **Update to External Strategy Narrative (in light of Covid-19)**

Paper 37 20 noted.

f) **Management Board Effectiveness Review**

Paper 38 20 noted.

g) **Council Effectiveness Review**

The President thanked Council members for completing the effectiveness survey. He acknowledged the good progress that had been made with regards to effectiveness but there remained room for improvement. Tan Suee Chieh then made some brief remarks on how he would like to develop Council during his Presidential Term.

Paper 39 20 noted.

h) **Council Dashboard (end of 2019/20 Financial Year)**

Paper 40 20 noted.

Farewell to Retiring Council Members

14.3 The President gave his thanks to the members of Council who would be stepping down at the AGM.

General Constituency

- Nico Aspinall
- Lee Faulkner
- Malcolm Slee (end of second consecutive term)
- Paul Sweeting
- Perry Thomas
- Kartina Thomson (standing for re-election)
- Michael Tripp
- Mahidhara Davangere (standing for re-election)

Scottish Constituency

- Jules Constantinou
- Bruce Porteous
- Dermot Grenham (standing for re-election)

14.4 Tan Suee Chieh, as President-Elect, thanked John Taylor for his hard work and contributions to the IFoA as President.

Actuaries for Transformational Change

14.5 A discussion took place around a document published by a group called 'Actuaries for Transformational Change', members of which included Tan Suee Chieh, Louise Pryor and Nico Aspinall. The key points raised were:

- The lack of clarity in the document about the nature of the group's relationship to the IFoA.
- The apparent critical and strategic nature of the document.
- The presence of two members of the Presidential Team, and their identification as such, in the authorship of the document.
- The requirement under the Volunteer Information Pack for members to inform the Public Affairs and Research Team when speaking on behalf of the IFoA.

14.6 In response the members of the group emphasised that the group had been set up as a space for IFoA members to discuss thought leadership elements relating to the future of the actuarial profession, which were not well catered for in the Research and Thought Leadership Board. It was not intended to cut across the IFoA's strategy, or be seen as going against Council. The intention was to create a space for creative thought encouraging actuaries to think outside the box.

Practice Certificates

14.7 Council members noted that some long-standing members had faced difficulties when applying for their practicing certificates as they had not completed specific tasks in the past 12 months. This had left them feeling disengaged. Ben Kemp advised in response that a review had been instigated into the Practicing Certificate regime, which would be a good context for further investigation into this issue. Ben confirmed that recommendations were due to Regulation Board in July and would be shared with Council Members for information at that time.

Action 5: Ben Kemp

Engagement with other actuarial association

14.8 The President informed Council that he had been approached by another actuarial association with a view to exploring how the two organisations could work together. Council members were broadly supportive of exploring this offer, and a number of members volunteered to be part of a sub-group to take this forward.

End.