



## 2. REGISTRATION AND DECLARATION OF INTERESTS

No declarations of interests were made.

## PART II – SPECIFIC ITEMS

### 3. EDUCATION

#### Qualifications Framework - Sensitive

Charles Cowling and Clifford Friend highlighted key points arising with regard to a recommendation for the longer term strategy for the IFoA's qualifications framework.

Council were asked to consider, and vote for, five decisions each with the objective of allowing the diversification of the IFoA's qualifications framework and the repositioning of the Associateship as the primary pathway to qualification as an actuary. As part of those decisions Council were also asked to consider the name to be given to the exit qualification for actuaries. Council supported, unanimously, the repositioning of basic level of the Associateship. They also supported, in principle, two further potential changes to the framework (Decision 2 and 3 of Paper 27 17, unanimously and by majority vote, respectively), but subject to a consultation process in stages. The first stage of the consultation would be with a selected group of key stakeholders. In doing so, the importance of early consultation with key regulators (such as the FRC) was emphasised.

By majority vote, Council also supported the decision that the credential Diploma in Actuarial Techniques be revived or an alternative introduced for those members who have passed the exams for Associateship but have, yet, to complete the required work experience.

One decision (Decision 4 of Paper 27 17) was deferred, to allow in due course further information and debate.

Next steps would be taken forward, accordingly, and the outcome of the first stage of consultation brought to Council at its meeting in October 2017.

#### **Action 1 – C Friend**

Paper 27 17 noted and Decision 1, 2, 3 and 5 supported.

### 4. REPORT FROM THE AUDIT AND RISK COMMITTEE

The President welcomed Iraj Amiri to the meeting.

Iraj provided an overview of the purpose of the Audit and Risk Committee (**Committee**) and highlighted key points arising from his report to Council, including in regard to (a) the internal audit activity undertaken since his report to Council in June, 2016 and (b) the results of the Committee's effectiveness review which had rated performance highly. Iraj also expressed his thanks to Irene Robinson, Lay member of the Committee, for her significant contribution to the Committee, noting that Irene would retire from the Committee in June. Council noted that the recruitment for a new Lay member was in progress.

Council noted that the Committee had reviewed the Financial Statements and associated documentation for the IFoA, the Memorial Prize Fund, the Memorial Education and Research Fund and the Faculty of Actuaries in Scotland Charitable Trust. They had been satisfied that the IFoA had complied with its requirements and the presentations were fair. The post year end timetable had run smoothly. Further to a recent delegation by Council, Council also noted that the Financial Statements would be put to Management Board for approval at its meeting on 24 May. The drafts would, however, be shared with members of

Council, prior to that date. Members of Council were invited to contact Iraj, Alan Whalley or the Corporate Secretary with any comments or questions.

Council approved, subject to ratification by the membership at the AGM 2017, that haysmacintyre be appointed as the IFoA's external auditors for a further year. Council noted, in the meantime, the plan to put the provision of external audit services to competitive tender, with the intention that the successful bidder be appointed with effect from the AGM in 2018.

The procurement exercise arose for reasons of best procurement practice and not because of any concerns regarding haysmacintyre's performance.

In reply to a question, the Chair clarified that the Committee had not identified any significant concerns – but, risks such as cyber risk and adverse publicity had, however, increased in prevalence.

The President extended thanks to the Chair for his contribution and continued efforts of the Committee.

Paper 28 17 noted and approved.

## **5. DISCIPLINARY BOARD COMPOSITION**

Council considered a recommendation from the Disciplinary Board for changes to the Disciplinary Scheme relative to its own composition. Alternate views were expressed; some members of Council reinforcing the importance of independence, and others expressing a view that a compelling case had not, yet, been presented. A member of Council, in particular, considered there already to be an appropriate degree of Lay representation across the Disciplinary Scheme and felt the change too significant (in the absence of a more compelling case being presented). It was important that Council had a wider understanding within which to make the decision – including a better overall view of the disciplinary process and a wider selection of comparator bodies. Further to a majority vote, on balance, Council therefore agreed to defer its decision to a later date, to allow further information to be provided.

Paper 29 17 noted and agreed to defer.

## **6. COUNCIL COMPOSITION PROJECT**

The President introduced Paper 30 17 and the results of a survey completed by members of Council exploring questions related to the representativeness of Council. While some members expressed concerns regarding the resource needed for the Project, balancing other competing priorities for Council and the IFoA - and a variety of views as to the scope and degree of any change – there was support by Council that improvements could be made. Some members of Council called for more ambitious proposals than that proposed in Paper 30 17 and expressed strong support for the membership to be represented in Council, by geography at least. On balance, Council agreed it not appropriate, yet, to engage with the membership by means of formal consultation but agreed it important that the Council continues to debate the Project. In doing so, Council felt there may be other ways of ensuring the membership are represented than the methods proposed in the report, and in particular the concept of Regional Councils was suggested by one member of Council. Further discussion would take place following a review of the effectiveness of the “softer measures” being trialled in the current Council elections.

Paper 30 17 noted and steer provided.

## **7. RESEARCH AND THOUGHT LEADERSHIP UPDATE**

The President welcomed Professor Mark Cross and Sarah Mathieson to the meeting.

Mark introduced Paper 31 17 and highlighted key matters arising. In response, some members questioned the IFoA's role as a funder of research. It was agreed that in most instances the IFoA should encourage others e.g. from industry to fund, or contribute to the funding of, research. Third party funding had been sourced for some projects. However, it was also acknowledged that there was no, or very little, national institutional desire (e.g. by research Funding Councils) to fund research in the financial sector. Mark also emphasised the strategic leadership role of the IFoA in research and the need, from time to time, to fund specific research because of the IFoA's public interest role. Mark reassured Council that the commissioned research programme was focussed on research of practical relevance and, in response to a challenge from Council, that careful consideration was given to how best to disseminate research activity. This included consideration of the structure and accessibility of Sessional meetings, as a critical dissemination channel. Funding of further major projects would be dependent on review of the effectiveness of the current programme and funding structure.

The President thanked Mark for the update and continued efforts of the Committee.

Paper 31 17 noted.

## **8. KEY ISSUES DISCUSSED BY MANAGEMENT BOARD**

The President invited the Chair of Management Board, Alan Whalley, to provide a summary of the key issues discussed by Management Board (**Board**).

Alan spoke of the review of the IFoA's performance for 2016 – 2017 against the Key Performance Indicators; the performance overall having been positive with the majority of KPIs being met. The Board had also set the KPIs for 2017 – 18 which focussed on five specific targets and the Chief Executive's objectives for the same year. By way of update, Alan clarified that the special risk projects commissioned in 2015 had been completed; a copy of the final report shared with Council by email. As a next step, the internal auditor would audit the effectiveness of mitigation measures against the IFoA's strategic risks. Further, the Remuneration Sub-committee, newly established in February 2017, had been a successful addition; the two Lay members in particular providing valuable and specialist input and challenge. The Board had approved that the Sub-committee continue in being and had extended the appointment of the Lay members by two years. Lastly, Alan confirmed that principles regarding the remuneration of certain board and committee positions would be considered at the Board meeting on 24 May.

On request, Anne Moore and Ben Kemp provided an update to Council on two legal proceedings involving the IFoA.

### Task and Person Specification Lay NED

More specifically, Council unanimously voted in favour of the Task and Person Specification for the role of the Senior Non Executive Director for the Board, subject to the time expectation being fifteen days and it being desirable for the successful candidate to have an understanding of working in an international organisation.

Paper 32 17 approved.

### Independent Governance Review - Sensitive

The Board Chair introduced the independent report prepared by Moore Stephens regarding the IFoA's board and committee structure (excluding Council and the Board) and

accompanying documents which included an engagement plan. He also explained his interpretation of the options presented in the Moore Stephen's report (which included continuation of the status quo). Council noted that the same reports had been sent to the Chairs of all IFoA boards and committees.

Council agreed it critically important not to lose the valuable work carried out by, for example, the Practice Boards, but recognised that improvements could be made with regard to some aspects. On balance, as a steer (and at an early stage in the consultation process) Council could see merit in Option 3 (b) of the Moore Stephens report. However, some members of Council called for more radical proposals with consideration of an appropriate structure to support the IFoA's community globally. How the IFoA collaborates and connects with other global societies and communities was questioned.

Alan thanked members of Council for their input; the report being deliberately provocative to start the debate. He, however, also reminded Council that the Project was at a very early stage and would involve a broad consultation to ensure any final proposals were carefully considered and not unnecessary.

Paper 33 17 noted and steer provided.

#### **9. SUBSCRIPTION RATES APPLICABLE 1 OCTOBER 2017**

Anne Moore presented the proposal for the subscriptions applicable from October 2017. It was recommended to Council that the subscription rates be increased from £710 to £730, representing an increase of 2.8%. It was noted that the increase was lower than that which would require a member vote (RPI plus 1%). It was also noted that a programme of operational efficiency assessments continued, but efficiencies alone were not likely to go sufficiently far to alter the assumption for subscription fee increases (the increase supporting business as usual and the current level of pace of change).

By a majority vote, Council accordingly approved the recommendation from the Board that the subscription rate be increased in accordance with the recommendation. Similarly, they approved an increase in the fee for practising certificates by £20, to £890, and an increase in admission fees by £5, to £135. All Council members present and by proxy having voted in favour, except three members who abstained.

Council did so, however, with some members expressing concerns regarding the level of subscriptions and questions regarding the IFoA's long term subscription strategy. It was agreed there should be further discussion of longer term expectations in due course.

Paper 34 17 approved.

#### **10. UPDATE ON FUTURE OF ACTUARIAL REGULATION**

This item has been minuted separately as a confidential item of these minutes.

**Action 2 – B Kemp**

Paper 35 17 noted.

#### **11. PROCESS FOR COUNCIL EFFECTIVENESS REVIEW 2016-2017**

Council unanimously agreed the process for the review of Council's effectiveness, with the addition of a question regarding whether having the Council meeting in Hong Kong had enhanced the effectiveness of Council. The President encouraged all members of Council to participate in the survey.

Paper 36 17 approved.

## **12. UPDATE ON PRESIDENTIAL THEME 2017-2018**

The President-elect provided an update on the Presidential Theme 2017 - 2018. The theme of Advancing the Profession was designed particularly to continue the work by recent Past Presidents i.e. aspects to ensure the IFoA is "future fit", effectively collaborating with other experts, professionals and industries, and serving the IFoA's diverse membership.

## **PART III GOVERNANCE**

### **13. ITEMS APPROVED BETWEEN MEETINGS**

Four items had been approved by Council between meetings i.e. since the Council meeting held on 23 February, as undernoted:

1. The draft minutes of the Council meeting held 23 February 2017.
2. An amendment to Regulation 10 and 12 to facilitate a change in the composition of the Board. Twenty four members of Council had voted in favour. There had been no votes against and one abstention.
3. An amendment to Section 1.48 of the IFoA's Governance Manual, also to facilitate a change in the composition of the Board. Twenty four members of Council had voted in favour. There had been no votes against and one abstention.
4. Amendments to the Terms of Reference for the Board and for Council itself, to reflect changes to the Scheme of Delegations. Twenty two members of Council had voted in favour. There had been one vote against and one abstention.

Council noted the intent to make some further small, drafting, changes to the Terms of Reference (which may include some suggested by some members of Council during the voting process) for the Board and Council, later in the year.

### **14. ACTION LIST**

The actions on the action list were noted.

Paper 37 17 noted.

### **15. FUTURE AGENDA**

The items included on the future agenda were noted. A member of Council suggested that it may aid Council for major items for future consideration to be emphasised on the Future Agenda and highlighted at the preceding meeting, to aid identification of where advance dialogue may be required.

**Action 3 – Corporate Secretariat**

Paper 38 17 noted.

## **PART IV – BRIEFING PAPERS**

### **16. REPORT FROM THE POLICY AND PUBLIC AFFAIRS COMMITTEE**

Council noted a report from the Policy and Public Affairs Committee which set out, in high level terms, the public affairs activity undertaken in recent months.

Paper 39 17 noted.

**17. DEATH ANNOUNCEMENTS**

Council noted, with regret, the names of the members who had recently passed away which had included the death of a Past President to whom several members paid tribute.

Paper 40 17 noted.

**PART V – OTHER BUSINESS**

**18. ANY OTHER BUSINESS**

The President noted that the Asia Quality Assurance Scheme pilot would be announced at the IFoA Asia Conference the following day.

The President-elect, on behalf of Council, thanked the President for his contribution to the IFoA during his term as President 2016-2017. The President in return thanked Council for their support during his term and in particular, thanked the retiring members of Council present at the meeting and presented them with a small token of appreciation.

**19. NEXT MEETING**

The next meeting of the Council would be held on 4 July in London.

### Schedule of Actions

<b>Item</b>	<b>Action</b>	<b>Member</b>	<b>When</b>
3	1	Clifford Friend	11 October 2017
10	2	Ben Kemp	31 May 2017
15	3	Corporate Secretariat	3 July 2017