

COUNCIL MEETING, INSTITUTE AND FACULTY OF ACTUARIES

MINUTES

Date 4 July 2017
Start Time 09:30 BST
Finish Time 15:30 BST
Place Staple Inn, London

Council Members present:

Marjorie Ngwenya President and Chair

Nico Aspinall	Matt Saker
Chantal Bray	Hilary Salt
Kelvin Chamunorwa	Edwin Sheaf
Jules Constantinou	Andrew Slater
Stephen Cunningham	Malcolm Slee
Colum D'Auria	Paul Sweeting
Lee Faulkner	Kartina Tahir Thomson
Dermot Grenham	Tan Suee Chieh
Andrew Hitchcox	John Taylor
Keith Jennings	Perry Thomas
Patrick Lee	Michael Tripp
Louise Pryor	Elliot Varnell
Alan Rae	Alan Watson

Apologies

Bruce Porteous
Haijing Wang
Colin Wilson

In attendance:

Derek Cribb	IFoA, Chief Executive
Clifford Friend	IFoA, Director of Education
Anne Moore	IFoA, Director of Operations
Paul Reynolds	IFoA, Director of Public Affairs
Kimberley Russell	IFoA, Corporate Secretary
Kristel van der Meijden	IFoA, Assistant Corporate Secretary

Mike Kilgour IFoA, Chief Risk Officer and Head of Corporate Planning Item 7 only

PART I – INTRODUCTION AND PROTOCOLS

1. WELCOME AND APOLOGIES

The President welcomed attendees to the first Council meeting of the 2017–2018 session and in particular the newly elected members of Council able to attend: Nico Aspinall, Lee Faulkner, Dermot Grenham, Malcolm Slee, Paul Sweeting, Tan Suee Chieh, Perry Thomas, Kartina Tahir Thomson and Michael Tripp. The other newly elected member, Bruce Porteous, had sent his apologies due to a pre-arranged commitment. In addition, there were further apologies from Council members Colin Wilson and Haijing Wang. The President held the proxy vote for Colin Wilson. Council member Elliot Varnell was present at the meeting from approximately 13.00 hours and Kartina Tahir Thomson left the meeting at approximately 12.30 hours.

Lastly, apologies from IFoA, General Counsel, Ben Kemp, and Chair of Management Board, Alan Whalley, were recorded.

2. REGISTRATION AND DECLARATION OF INTERESTS

No declarations of interests were made.

3. WAYS OF WORKING

(Including the Review of Council's Effectiveness 2016 – 2017)

Ways of Working Document

The President presented a document setting out her expectations as to the ways of working for Council, including before, during and after meetings, as well as general conduct. In particular, the President emphasised the ambassadorial role for members of Council and the importance of responding to requests sent outside formal meetings. Members were reminded of the invitation to observe quarterly Management Board meetings and encouraged to engage with the Corporate Secretary and/or author of papers to provide substantive feedback, seek clarification or raise issues prior to the meeting.

A number of Council members expressed that they had found it helpful to discuss Council papers informally on the evening before Council meetings. Requests were made to incorporate more time the day before meetings to encourage informal discussion.

Feedback on StrengthsFinder Session 3 July 2017

Council expressed mixed views on the StrengthsFinder Session held on 3 July, some members hoped to have explored the strengths of Council as a group in more detail.

Results: Council Effectiveness Review 2016 - 2017

Council explored the results of its effectiveness review, the President commenting on the low response rate and seeking input on possible reasons. While positive progress had been made in respect of the effectiveness of Council, some members recognised the need to continue to improve the visibility and profile of Council with internal and external stakeholders, including the membership. Accordingly, some members felt the assessment called for the annual assessment to focus on engagement.

In that respect, Council members were encouraged to act as the best ambassador for Council, promoting Council and popularising its role and activities, in their workplaces or other forums.

Council reflected on its achievements for 2016 – 2017, acknowledging that there remained a great number of challenges for Council to consider.

There was a view expressed that the ambitions set out in the Presidential Theme (see Agenda Item 4) may act as Council "objectives" for the forthcoming year.

Regarding improvements, a number of Council members called for an increase in the number of less formal mechanisms for Council members to engage with each other – and also opportunities to discuss Council matters and papers the evening prior to Council meetings.

An action plan would be developed.

Action 1 – Corporate Secretariat

Papers 41 17 and 42 17 noted.

PART II – SPECIFIC ITEMS

4. PRESIDENTIAL THEME 2017-2018

Activity Plan and Task-forces

The President introduced Paper 43 17 regarding her theme of “Advancing the Profession” based on the following three ambitions:

- Proactively seeking to be future fit,
- Creating relevant professionals, and
- Serving our diverse membership,

and invited comment and input. The President also sought expressions of interests to join task forces to deliver on the ambitions.

Council saw merit in the ambitions and felt them helpful in setting the agenda for the forthcoming year. Members of Council spoke strongly about the need for the profession to be future fit; to react and evolve at pace. Some members of Council saw the three ambitions as helpfully forming part of a wider collective journey.

Some members called for “future fit” to be interpreted in its widest sense and not be contained to the qualifications strategy, expressing concern regarding changes employer attitudes and changing business models (some employers potentially being less inclined to make a significant investment in actuarial employment). Council noted that it was hoped that a panel presentation would take place, pre October Council, for hear from employers.

Data science was, equally, identified as a potential disruptor.

Data Science Universe

Council, thereafter, considered three potential strategic positions of the IFoA and its members in the data science universe, and how these might look across the dimensions of education, employment, research and collaboration. The majority of Council supported Option 2 as the most suitable strategic position for the IFoA; the IFoA being leading financial business experts applying knowledge and understanding of the outputs of the technical data science. Steps would be taken to analyse the strategic proposition further and resubmit a further paper to Council in October (post the data science summit in September).

Action 2 – D Cribb

A member of Council encouraged identification now of possible advances or disruptors which may potentially impact the profession in ten years or so.

Papers 43 17 and 44 17 noted and steer provided.

5. QUALIFICATIONS FRAMEWORK

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

Papers 45 17 and 46 17 noted.

6. NOMINATIONS COMMITTEE REPORT

2017 Council Elections

Council noted the report from the Nominations Committee which summarised the processes undertaken in 2016 – 17 for the election of the President-elect and members of Council. By means of initial analysis, Council questioned the decrease in voter turnout across both Constituencies. Council acknowledged that Nominations Committee would meet reasonably soon to discuss the 2016 – 17 processes (and, therefore, the 2017 – 18 processes) and the turnout, amongst other matters, would be considered as part of that discussion. Council were invited to pass any feedback on the 2016 – 17 processes to the Corporate Secretary or to the Chair of the Nominations Committee, to aid the Committee in its review of the processes.

Lay Non-Executive Directorship

The President updated Council on the exercise to recruit an Independent Lay Non-Executive Director to the Management Board, of which there had been approximately 260 applications. Shortlisted applicants had been interviewed and one particular candidate had been identified as very strong. A member of Council queried the number of actuary applicants. The Corporate Secretary explained that the position had been reserved for a non-actuary, as previously agreed by Council. A recommendation from the Nominations Committee would be circulated to Council out of meeting.

Action 3 – Corporate Secretariat

Appointment: Chair of Committee

Council voted unanimously to appoint Colin Wilson as the new Chair of the Nominations Committee, with immediate effect.

Paper 47 17 noted and approved.

7. REVIEW OF RISK FRAMEWORK AND RISK APPETITE

The President welcomed Mike Kilgour, Chief Risk Officer and Head of Corporate Planning, to the meeting for the annual review of the Risk Framework and Risk Appetite Statement.

A summary of the changes to the Risk Framework and the risk processes was provided. Further, Mike presented the results of the Risk Management Culture Survey. Three main areas were identified as areas for improvements although the overall results had largely been positive. Mike acknowledged that additional staff training may result from the survey. However, a member of Council felt, in their view, that the staff training alone would not alone address some aspects identified for improvement, for example the suitability of mechanisms for two-way communication between management and staff.

A member of Council questioned the regularity by which the Chief Risk Officer attended meetings of the Management Board, raising a concern that the Chief Risk Officer had only attended a few meetings in full in the past year. The same member of Council also expressed concerns that the Chief Risk Officer had not attended a Council meeting in full (although had attended in part from time to time), and requested that the Chief Risk Officer meet regularly with the President (as was the case with the Chair of Management Board and the Audit and Risk Committee). Members of Council were reminded that the Chief Risk Officer has a standing invitation to attend Council and Management Board meetings, meets regularly with the Chair of the Management Board and Audit and Risk Committee and receives all Council and Management Board reports. Further, in reply, the President reassured Council that the Chief Risk Officer may also contact her directly.

A discussion also took place on whether there is a need to distinguish risks relating to the IFoA as a UK Royal Chartered body, and the IFoA as a global body. Further, one member raised concerns that the risk processes appear to focus on “risks” in a negative sense and queried the opportunity and avenues for members of staff and the IFoA to record opportunities.

While Council endorsed the recommendation that no material changes are needed to the Risk Framework or the Risk Appetite Statement, and Paper 48 17 gave a useful articulation of the risk processes and the management’s assessment of the risks, some members of Council suggested, for future meetings, a separate Chief Risk Officer report providing an independent and holistic appraisal of the risks and where management’s attention should be focussed.

Action 4 – M Kilgour

Paper 48 17 noted and endorsed.

8. KEY ISSUES DISCUSSED BY MANAGEMENT BOARD

Update Report

Council noted the report providing an update on the key issues discussed by Management Board, in Alan’s absence. There were no questions arising.

Update Report, Governance Structure Project

Council noted the salient outputs of the discussions held with the Chairs of the main boards and committees on 2 May and 1 June. There were, in some respects, mixed views expressed by members of Council; some members feeling proposals had developed positively, others expressing a view that the direction of travel seemed less progressive compared to the proposals proffered by the Independent Consultant. There was, however, a general feeling that the consultation, thus far, had been led in an open and genuine manner. Some members did not feel it obvious how the proposals, as framed, would achieve the benefits sought, but appreciated that the Proposals were some way from being finalised. Council, however, urged for a greater level of detail for each of the identified parts in the (current) proposals.

Synergies between the Project, the Council Composition Project and the 4th limb of the Presidential Theme (namely, serving the IFoA’s diverse membership) were identified. Geographical area representation was identified as a key objective, by a member of Council.

Separately, Council considered the recommendation to disband the Awards Committee, as a discrete tranche of the Project. With the exception of one abstention, Council voted unanimously in favour of the recommendation.

In doing so, Council, however, acknowledged the current activity of the Awards Committee regarding the award of prizes and, as such, also unanimously voted in favour that Deborah Cooper continue in position as Chair of the Awards Committee until such time as the, current, Prizes process was complete (anticipated to conclude at the end of August, 2017).

Steps would, therefore, be taken post the Prizes process to disband the Awards Committee and redistribute its responsibilities, as per the recommendation, to (a) Research and Thought Leadership Committee, (b) Policy and Public Affairs Committee, and (c) Education Board.

Action 5 – Corporate Secretariat

Review of Management Board Effectiveness 2016 - 2017

Council considered a report from Alan regarding an assessment of Management Board’s effectiveness. In particular, the President challenged the low response rate to a survey

requested of members of Council and sought to understand the reasons why. No feedback was given as to the response rate, per se, but a few members of Council had found some of the questions difficult to answer from the perspective of an external audience (the Management Board not being seen as very outward facing) and felt some aspects of the survey could be reshaped as a result.

Papers 49 17 and 50 17 noted and approved.

PART III GOVERNANCE

9. TO APPROVE DRAFT MINUTES

The draft minutes from the meetings held on 29 March and 10 May were approved, subject to a minor typographical amendment to the 10 May minute.

It was noted that the confidential minute from 10 May had been accidentally omitted from the papers and approval would be sought out of meeting.

Action 6 – Corporate Secretariat

Papers 51 17 and 52 17 approved.

10. ITEMS APPROVED BETWEEN MEETINGS

There had been no items approved out of meeting since Council had last met.

11. TO REVIEW COUNCIL'S ACTION LIST

The actions arising from the Council visit to Asia in May 2017 (i.e. actions arising outside the formal Council meeting) would be collated and shared with Council.

Action 7 – Corporate Secretariat

Paper 53 17 noted.

12. TO REVIEW COUNCIL'S FUTURE AGENDA

The President sought input from members of Council on the future agenda, to help prioritise and identify key matters for consideration. The following topics were identified: Global Principles, Data Science, Financial Strategy and the impact of BREXIT on the profession; noted that the first two would be tabled in October and the latter two to be scheduled for a future meeting. More specifically, a member of Council expressed concern that BREXIT could have significant implications for aspects of industry and urged proactive engagement prior to BREXIT policy being well-formed. Derek Cribb informed Council that the Executive were keeping a watchful-eye on BREXIT. Noting reports from the Chief Risk Officer were also discussed, as per Agenda Item 7.

The Executive were asked to provide details on relationships with international actuarial associations and activities to provide a greater understanding of the global actuarial profession (particularly for newly elected members of Council).

Action 8 – D Cribb

PART IV – BRIEFING PAPERS

13. LEGAL AND CORPORATE GOVERNANCE DEVELOPMENTS

Council noted a report which provided an update on both developments in corporate governance and recent legislative or legal developments – and, in particular, an update on a decision by the Competition Appeals Tribunal against another professional body.

Paper 55 17 noted.

14. DEATH ANNOUNCEMENTS

Council noted, with regret, the name of the member who had died in recent months.

Paper 56 17 noted.

PART V – OTHER BUSINESS

15. ANY OTHER BUSINESS

A member of Council raised concerns about the TAS100, which came in force on 1 July 2017. Colleagues had expressed concern regarding the potential impact of the requirements, particularly regarding the market competitiveness of members for employers. The Executive acknowledged the challenge of “selling” the benefits of regulation and undertook to revert with a briefing in October.

Action 9 – B Kemp

16. NEXT MEETING

The next meeting of the Council would be held on 11 October in London.

Schedule of Actions

Item	Action	Member	When
3	1	Corporate Secretariat	11 October 2017
4	2	Derek Cribb	11 October 2017
6	3	Corporate Secretariat	28 July 2017
7	4	Mike Kilgour	11 October 2017
8	5	Corporate Secretariat	11 October 2017
9	6	Corporate Secretariat	7 July 2017
11	7	Corporate Secretariat	11 October 2017
12	8	Derek Cribb	11 October 2017