

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

<b>Date</b>	<b>23 February 2017</b>
<b>Start Time</b>	<b>09:30</b>
<b>Finish Time</b>	<b>16.30</b>
<b>Place</b>	<b>Edinburgh International Conference Centre</b>

**Council Members present:**

Colin Wilson	President and Chair
Chantal Bray	Louise Pryor
Kelvin Chamunorwa	Alan Rae
Deborah Cooper	Edwin Sheaf
Jules Constantinou	Matt Saker
Charles Cowling	Hilary Salt
Stephen Cunningham	Andrew Slater
Colum D'Auria	Malcolm Slee
Marian Elliott	John Taylor
Andrew Hitchcox	Elliot Varnell
Keith Jennings	Haijing Wang*
Patrick Lee	Alan Watson
Fiona Morrison	Ellen Yang
Marjorie Ngwenya	Cynthia Yuan
Mark O'Reilly*	Feifei Zhang*
Martin Potter	

\* By telephone

**In attendance:**

Sally Bridgeland	Master, Worshipful Company of Actuaries	Item 7 only
Derek Cribb	IFoA, Chief Executive	
Clifford Friend	IFoA, Director of Education	
Ivo Holanec	IFoA, Research Project Manager	Item 6 only
Ben Kemp	IFoA, General Counsel	
Suzie Lyons	IFoA, Head of Adjudication	Items 11 – 13 only
Anne Moore	IFoA, Director of Operations	
Keith Oliver	Chair, IFoA Disciplinary Board	Items 11 – 13 only
Paul Reynolds	IFoA, Director of Public Affairs	
Kimberley Russell	IFoA, Corporate Secretary	
Liz Stewart	Partner, Heidrick & Struggles	Item 9 only
Mark Stocker*	Chair, IFoA Education Task and Finish Group	Item 4 only
Michael Tripp	Chair, MAID	Item 6 only
Kristel van der Meijden	IFoA, Assistant Corporate Secretary	

## **PART I – INTRODUCTION AND PROTOCOLS**

### **1. WELCOME AND APOLOGIES**

The President welcomed attendees to the third Council meeting of the 2016–2017 session. John Taylor and Martin Potter provided their apology for the afternoon. Alan Watson held the proxy for Martin Potter. The Chair of the Management Board had given his apologies, as a usual attendee.

### **2. REGISTRATION AND DECLARATION OF INTERESTS**

No declarations of interests were made. In any event, the two candidates standing for election as president-elect were not present for part of Agenda Item 9.

## **PART II – SPECIFIC ITEMS**

### **3. FEEDBACK ON THE INSTITUTE OF ACTUARIES OF INDIA**

Council discussed the presentation provided by the Institute of Actuaries of India on 22 February. Council had in particular been struck by the desire to engage on a collaborative basis and comments given regarding aspects such as CPD etc. Council had found the presentation very useful and acknowledged that some of the views expressed could potentially resonate with other overseas sister organisations and also have broader application. The President formally noted his gratitude to the Indian Institute for their presentation.

### **4. EDUCATION**

The president welcomed Mark Stocker to the meeting.

Firstly, Council noted an update on the International Actuarial Association's work on a global education standard for actuaries.

Thereafter, Charles Cowling and Mark Stocker provided verbal updates regarding two Education Task and Finish Groups (respectively, the first chaired by Charles to review the IFoA's qualifications framework, the second chaired by Mark to consider specific educational implications (e.g. the study pathways and individual approaches to the individual certification of study)). Firstly, regarding the former, Charles outlined the main high level direction of travel being considered which may encapsulate the following:

- Maintain and support the Certified Actuarial Analyst but bridge to the full qualification,
- Redefine the Associate level as the main exit point (potentially renaming the Associate), to aid agility of the qualification, but provide an opportunity for further specialism distinct from the Fellowship,
- Consideration of the Fellowship and possible experience based requirements.

The second Task and Finish Group were exploring pathways to Fellowship, more specifically with an eye on possible mandatory and discretionary elements. Lifelong learning was also being considered. The two Groups were working closely to ensure that the level of detail e.g. regarding syllabus subjects would follow once the proposals under Group 1 were fully developed and agreed.

Charles aimed to bring a decision report to Council in May 2017, which would include a proposed implementation timetable, legal and regulatory implications, financial impact, and international implications. It was, however, recognised that the Groups face a significant challenge in the time available prior to May, accordingly, this would be contingent on the

extent of progress reasonably practicable. A (optional) call for Council would be scheduled before May, in the event that would be helpful to discuss progress.

#### **Action 1 – Corporate Secretariat**

By way of immediate reaction, Council encouraged consideration of regulatory requirements set by some legislation, particularly internationally, separately the review of the Practising Certificates regime. Further, Council saw obvious merit in engagement with employers and service providers. Potential tensions were obvious and communication with the existing membership would be vitally important.

To assist new members of Council it was agreed that the paper submitted to Council in June 2016 would be circulated to help remind Council of the historical context.

#### **Action 2 – Corporate Secretariat**

Paper 02 17 noted and steer provided.

### **5. INTERNATIONAL FOCUS**

#### Implementing the IFoA Corporate Plan and Strategy Internationally

Charles Cowling (as Chair of the International Board) spoke of the increasingly international nature of the IFoA as an organisation and the membership as a profession (greater than half of student members being based outside the UK). Further, he emphasised the considerable contribution to the IFoA's financial position (and, therefore, its ability to deliver services and so forth) by the international members. The IFoA does not, therefore, operate a standalone international strategy. The Strategy agreed by Council in June 2016 has international application. It was however open to debate as to whether the IFoA, currently, services the needs of its international members. Council, thereafter, discussed a presentation on the delivery of the Strategy internationally, recognising the inevitable need to prioritise.

A range of views were expressed by members of Council regarding the role of the IFoA internationally and how best to deliver. Challenges such as global versus local standards and practices, cultural differences and so on were raised. Council, however, acknowledged that delivery internationally should not necessarily equate to international equivalence. Further, although there were some opposing views expressed, on balance Council also acknowledged the value which the IFoA could continue to add in developing international communities e.g. assisting local societies establish and develop (but queried the appropriate extent of IFoA support). There was also some support that a prime role played by the IFoA internationally would be in regard to education. Separately, questions arose regarding how the IFoA perceives itself and any limitations as a result of the Charter. Suggestions were also made about how Council itself may structure its meetings to support international matters. In conclusion, it was agreed that the development of a set of principles or objectives which are collectively agreed would be beneficial.

#### **Action 3 – Derek Cribb International Board**

In the meantime, Council were asked to provide any feedback on a draft external facing brochure regarding the delivery of the Strategy internationally to Charles.

Paper 03 17 noted and steer provided.

### **6. DATA SCIENCE UNIVERSE: RISKS AND OPPORTUNITIES**

The President welcomed Michael Tripp and Ivo Holanec to the meeting.

Firstly, Michael provided an update to Council on the work activity being undertaken by the Modelling, Analytics and Insights from Data (**MAID**) working party. A sessional meeting on big data was scheduled for 3 April 2017 (to be advertised prominently on the website). The suggestion of a global symposium on big data was also being explored with the Executive.

Thereafter, Council discussed the issue of data science (colloquially “Big Data”), particularly what this means for actuaries and the profession. Council recognised the importance of this area as having a fundamental impact on core actuarial practices, but also the fast pace of evolution of data science and the challenges (but importance) with keeping pace with developments / change. Council also acknowledged the breadth of the professions engaged in the data science sphere and, accordingly, that actuaries do not monopolise this area. Some members of Council encouraged a collaborative (“joined forces”) approach with other professionals working in the data arena. Some also felt that changes to the education syllabus would not alone be sufficient (a syllabus having natural limits), accordingly, it would also be important to equip members with the skills to keep pace with developments. Further, some queried the important role that the IFoA could play in regard to the policy aspects of data use, interpretation and analysis (e.g. the ethical, policy, regulatory impact of data use). Michael thanked Council for their input and acknowledged the importance of a tangible output. A “strategic” paper would be brought back to Council in the coming months, post the meeting in April.

**Action 4 – M Tripp  
Ivo Holanec**

The President expressed his thanks for the efforts of the working party.

Paper 04 17 noted and steer provided.

## **7. WORSHIPFUL COMPANY OF ACTUARIES**

The President welcomed Sally Bridgeland, Master of the Worshipful Company, to the meeting. Sally provided an update on the latest activities of the Worshipful Company, in particular in respect of its education (e.g. developing relationships at a primary school level) and charitable work. In addition, Sally highlighted areas where there may be opportunities for the IFoA and the Worshipful Company to work jointly together, for example in terms of promoting events, volunteering and resources (in Sally’s view, the biggest challenge faced by the Worshipful Company being a lack of resources).

**Action 5 – C Friend**

Thanks were expressed for the support provided to date. It was noted that the Scottish Board supports a variety of maths challenges in schools and it might be useful to share learning.

The President commended Sally for the work carried out by the Worshipful Company and thanked her for her presentation.

Paper 05 17 noted.

## **8. COUNCIL COMPOSITION PROJECT**

The President thanked the members of Council who attended the call on 24 January 2017 for their feedback. The paper presented to Council had been refined on the basis of the comments received. Views from Council on two potential concepts were sought.

A range of views were expressed, and broadly Council had the view (not unanimously) that it is beneficial for Council to be representative of the wider membership and there is benefit in encouraging a diverse membership. Further, broadly, the development of a reserved seat concept was preferred to constituencies, but any model would require to be simple to execute and understand. By and large, in discussion, a range of views were expressed regarding the scope of the project and its timing in light of, for example, external influences and Council priorities (e.g. some members strongly in favour of change, others expressing caution, and some against change). In conclusion, on balance, Council felt it too early to formally consult the membership but supported the President's recommendation that development activity with regard to a potential model continue, at an appropriate pace taking further soundings from the Taskforce. In addition, Council agreed that additional "softer" measures, possible under the current system, should in any event be introduced for the 2017 elections (such as communications highlighting desirable communities, demographics and so forth for the purpose of aiding, for example, members in their voting). In reaching its conclusion, irrespective of next steps, Council acknowledged that the question of the composition of Council will, in any event, in due course require consideration given the current position regarding Constituencies under the Bye-laws, agreed at the merger in 2010. A concern regarding the retirement position of members of Council and tenures may also require consideration, in any event.

Paper 06 17 noted and steer provided.

#### **9. REPORT FROM THE NOMINATIONS COMMITTEE**

The Immediate Past President and Chair of the Committee firstly extended her thanks for the support from the Corporate Secretariat and introduced Liz Stewart who had been supporting the Committee in regard to the presidential election process. Liz, thereafter, provided a presentation to Council giving a brief overview of the process adopted by Heidrick & Struggles to assess the competencies of the presidential candidates. Liz, in particular, spoke of the characteristics and the factors believed to be most relevant for the presidential role within the IFoA and the importance of Council to evaluate the candidates based on the agenda for the IFoA and profession for the next 2 – 3 years.

The President thanked Liz for the presentation.

Paper 07 17 and 08 17 noted.

#### **10. UPDATE ON PRESIDENTIAL THEME 2017 – 2018**

The President-elect provided an update on her presidential theme which would concentrate on advancing the profession, i.e. in respect of aspects such as the continued applicability and relevancy of the actuarial skillset and relationships outside the traditional spheres.

#### **11. TO APPROVE CAPACITY OF MEMBERSHIP SCHEME**

The President welcomed Suzie Lyons and Keith Oliver to the meeting. All those present and voting by proxy voted in favour of all items set out in Paper 09 17. Those included the approval of the Capacity Scheme Rules and resulting changes to the Disciplinary Scheme. The Capacity Scheme would be put to a members vote at the first convenient opportunity. Council also approved delegating operational implementation to the Disciplinary Board and Executive and endorsed a more flexible and simplified approach to support other members suffering from ill health but who are not subject to a conduct allegation(s) (and for whom therefore the Capacity Scheme would be neither necessary nor appropriate).

Paper 09 17 approved.

## **12. DISCIPLINARY BOARD**

### Disciplinary Board Annual Report

Subject to a minor amendment to reflect the approval of the Capacity Scheme by Council, all those present and voting by proxy voted in favour of the Disciplinary Board Annual Report. The President expressed thanks to the Disciplinary Board for its efforts and its positive year.

Paper 10 17 approved.

### Disciplinary Scheme Rules

All those present and voting by proxy voted in favour of changes to provide greater clarity to the Disciplinary Scheme. Those changes related to two aspects (a) the Independent Examiner process, and (b) the current role of the IFoA and Respondent in an appeal process. As per the Capacity Scheme, the changes would, subsequently, be put to a members vote at the next convenient opportunity

Paper 11 17 approved.

## **13. APPOINTMENTS TO THE DISCIPLINARY APPOINTMENTS COMMITTEE**

All members present and by proxy voted in favour of the appointment of Stuart Leckie to the Disciplinary Appointments Committee.

Paper 12 17 approved.

## **14. CORPORATE PLAN AND BUDGET 2017 - 2018**

As a result of the change in delegation, Council were invited to note the Corporate Plan and budget for 2017 – 18, as approved by the Management Board in February 2017, subject to an update of KPIs, and to raise any final observations prior to its publication scheduled for 8 March.

Council sought an update on the substantial investment made by Council with regard to the research programme. Council noted the sponsorship secured to date (circa. £400,000) - while this had been on target it was below what had been optimistically hoped for and further opportunities for promotion would materialise. The ARC 'directors' would be able to assist in engaging with other organisations for that purpose. Council also sought clarification regarding the treatment of business as usual activity and the plan to disseminate the Corporate Plan to stakeholders. It was clarified that while business as usual activity played a significant part it was not carved out as a specific targeted deliverable as part of the Corporate Plan. Lastly, it was clarified that the Corporate Plan would be disseminated, firstly, at the forthcoming annual staff away-day and would be communicated to all relevant stakeholders including the boards and committees.

Paper 13 17 noted.

## **PART III - GOVERNANCE**

### **15. REPORT FROM THE AWARDS COMMITTEE**

All members present and by proxy approved the recommendation from the Awards Committee to put forward to election as Honorary Fellows the following five candidates:

- Professor Aled Jones
- Professor Donald Mackenzie

- Lord Adair Turner
- Professor Zhigang Xie
- Professor Li Xiaolin

In doing so, Council encouraged a greater proactivity in recommending potential nominees (recognising that only male candidates had been nominated this year), even if by bringing to the Committee's attention a potential future nominee in brief.

In addition, all members of Council present and by proxy approved the recommendation that David Martin be awarded the Finlaison Medal.

Separately, Council considered a potential gap in the current portfolio of prizes and awards such as in relation to regional prizes. The prizes provided by the Worshipful Company were acknowledged and the potential to work jointly in that regard.

Paper 14 17 approved and noted.

## **16. ITEMS APPROVED BETWEEN MEETINGS**

The following items had been approved by Council between meetings (i.e. since the Council meeting held on 19 October 2017):

### Amendment to Regulation 17A

By a majority vote, twenty eight members of Council had voted in favour to amend Regulation 17A regarding the student actuarial analyst category. There had been no votes against and no abstentions.

### Governance Proposals

- By a majority vote, twenty five members of Council had voted in favour to amend the Scheme of Delegations set out in the Governance Manual. There had been one vote against and one abstention.
- By a majority vote, twenty four members of Council had voted in favour to amend Bye-law 23. There had been no votes against and three abstentions.
- By a majority vote, twenty three members of Council had voted in favour to alter the composition of the Management Board. There had been three votes against and one abstention.
- By a majority vote, twenty four members of Council had voted in favour to amend the Governance Manual to include wording regarding expected performance. There had been three votes against and no abstentions.

Council noted that a further governance recommendation regarding the potential amendment of Regulations 10 and 12 had not, at this time, been approved. There had been seventeen votes in favour, five against and five abstentions.

Separately, it was noted that not all members of Council had participated in the electronic vote. The President expressed his disappointment and encouraged all members to vote particularly with regard to important matters where a 75% majority is required.

Paper 15 17 noted.

## **17. ACTION LIST**

Paper 16 17 noted.

## **18. FUTURE AGENDA**

Further to discussions held at Council, several items would be likely to be considered in May by Council not already identified on the future agenda. Moreover, the agenda would be subject to some changes in light of the change in the Scheme of Delegation. Separately, Council were notified of a forthcoming event on 11 October as part of the Professionalism Lecture series.

Paper 17 17 noted.

## **PART IV – BRIEFING PAPERS**

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

In the absence of the Chair of the Management Board, Council noted a summary report of some of the key issues discussed by the Management Board in recent months.

Paper 18 17 noted.

### **20. 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 19 17 noted.

### **21. REPORT FROM THE RESEARCH AND THOUGHT LEADERSHIP COMMITTEE**

Council noted a report from the Research and Thought Leadership Committee which provided an update on the progress of the three large research programmes established under the Actuarial Research Centre, other ARC activity and an indication of future activity.

Paper 20 17 noted.

### **22. DEATH ANNOUNCEMENTS**

Council noted the names of the members who had died in recent months. In addition, the Immediate Past President spoke of the death of Charles Young, who had died since the circulation of the announcement report.

Paper 21 17 noted.

## **PART V – ANY OTHER BUSINESS**

### **23. ANY OTHER BUSINESS**

Members of Council travelling to Asia in May would be provided with briefing packs regarding the stakeholder meetings being arranged. The need for a potential pre-briefing would be assessed closer to the time.

As it was her last meeting in attendance, the President expressed his sincerest gratitude and thanks to Fiona Morrison, Immediate Past President, for her years of contribution to the IFoA and the profession – as a Council member and as part of the presidential team.

### **24. NEXT MEETING**

The next meeting of the Council would be held on 29 March in London.



### Schedule of Actions

<b>Item</b>	<b>Action</b>	<b>Member</b>	<b>When</b>
4	1	Corporate Secretariat	31 March 2017
4	2	Corporate Secretariat	31 March 2017
5	3	Derek Cribb International Board	11 October 2017
6	4	Michael Tripp Ivo Holanec	3 July 2017
7	5	Clifford Friend	10 May 2017