



Institute  
and Faculty  
of Actuaries

# Governance Manual

of the Institute and Faculty of Actuaries

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**Notes:**

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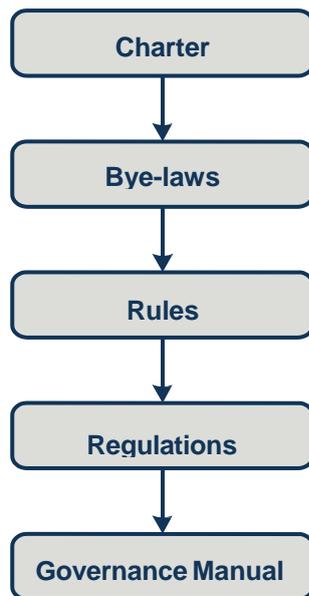
# 1. GOVERNANCE FRAMEWORK

## Introduction

- 1.1 We, the **Institute and Faculty of Actuaries (IFoA)**, are a royal chartered body established under a Royal Charter dated 29 July 1884 as amended by a variation allowed by an Order of the Privy Council dated 9 June 2010.
- 1.2 Collectively, the IFoA and its subsidiary undertakings, include the Executive (in other words staff employed by the IFoA), Honorary Officers (including the President, President-elect and Immediate Past President), members of Council and members of our Boards and Committees and their sub-committees and working parties.
- 1.3 In this Governance Manual, “we” refers to the IFoA as a professional body made up of its constituent parts collectively or individually (as the context so requires). “You” refers to the reader as an individual.
- 1.4 We are an international organisation operating out of offices in Edinburgh, London, Oxford, Beijing, Hong Kong and Singapore. Our principal office is: 7th Floor, Holborn Gate, 326 – 330 High Holborn, London, WC1V 7PP.
- 1.5 In general, when it comes to governance we adopt a stakeholder approach that recognises not only the primary interests of our members but also those of other third parties, including independent regulators, government, the users of actuarial advice and the general public. We follow the provisions of the UK Corporate Governance Code, issued by the Financial Reporting Council, to the extent appropriate.
- 1.6 The objects of the IFoA, as set out in the Charter, shall be, in the public interest, to advance all matters relevant to actuarial science and its application and to regulate and promote the actuarial profession. Our objects, together with our strategy, set out what we do.
- 1.7 This is reinforced by our values framework developed through consultation with our Executive, Council, our members and other external stakeholders in line with our brand and personality. Our values, Community, Integrity and Progress, set out what we stand for and how we go about delivering our objects and strategy. They drive our decisions, reflect our beliefs and unite us as one professional body – establishing a collective purpose and consistent way of making decisions so that together we deliver our strategy and grow the reputation and trust of our audiences. It is important to us that all audiences have a consistent, positive experience of the IFoA as a high quality, credible, sustainable and international professional body.
- 1.8 These values are consistent with the Actuaries’ Code – the Code which applies to our members with the aim of protecting the public interest.

## Governing Documents

- 1.9 As a professional body we can operate in any way we think appropriate, provided always that we act legally and within the constraints of our own governance.
- 1.10 In that regard, we must operate within the following governance hierarchy:



- 1.11 First, our Royal Charter (Charter) and Bye-laws set out at a high level our main powers and duties. It is not possible to amend our Charter or Bye-laws without the consent of the Privy Council and a vote of our membership (see section 1.24). We are to that extent constrained in respect of what we can and cannot do under our Charter and Bye-laws.
- 1.12 The next two tiers of our hierarchy set out more detailed operating rules. These are split into Rules (amendment of which requires a vote of our membership) and Regulations (amendment of which is determined by Council). The Regulations are not exhaustive and further “regulation” is set out elsewhere; for example, separate regulations exist to govern our educational processes. In particular, we are required under Bye-law 13 and Regulation 13 to adopt procedures for the regulation of our business and to put in place a “schedule of delegations” to ensure responsibility is delegated to those best placed to exercise it.
- 1.13 Bye-law 13 and Regulation 13 are given effect to by the fifth tier of our governance: this Governance Manual and its List of Reservations and Delegated Authorities in Annex 1 (Scheme) (together, and including all Annexes, referred to as the Governance Manual).
- 1.14 The Governance Manual's primary purpose is, therefore, to set out in more detail not only the roles and responsibilities of the various bodies in our governance structure but also to delegate authority for the making of key decisions in the name of, or on behalf of, the IFoA.
- 1.15 We must also be aware of, and abide by, all legal requirements that impact on how we operate and carry out our business. We are also expected to comply with any operational procedures put in place to give effect to this Governance Manual; particular regard should be given to any Financial Regulations and Procedures put in place by the Chief Executive.

## **Compliance**

- 1.16 You must contact our Corporate Secretary if you doubt, or have reason to believe, that a decision taken or proposed to be taken may not be compliant with this Governance Manual. No action can then be taken until the Chief Executive, consulting with the President and the Chair of Management Board – or, Chair of Audit and Risk Committee in the case of a decision taken by or proposed by the President or the Chair of Management Board – decides what further action is required.

- 1.17 Where there is a failure to comply with this Governance Manual, full details of the circumstances and a justification must be sent to the Chief Executive. The Chair of Management Board must also be notified where the non-compliance may fall within the parameters of section 1.38 (h). The Chief Executive and/or the Chair of Management Board will consider appropriate next steps. They may, for example, choose to ratify the decision or report non-compliance to a formal meeting of the Management Board (for ratification or other steps as may be recommended).
- 1.18 If, for any reason, you are uncomfortable or feel it inappropriate in the circumstances to report non-compliance to the Chief Executive and/or the Chair of Management Board, please contact the Chair of Audit and Risk Committee or the President.

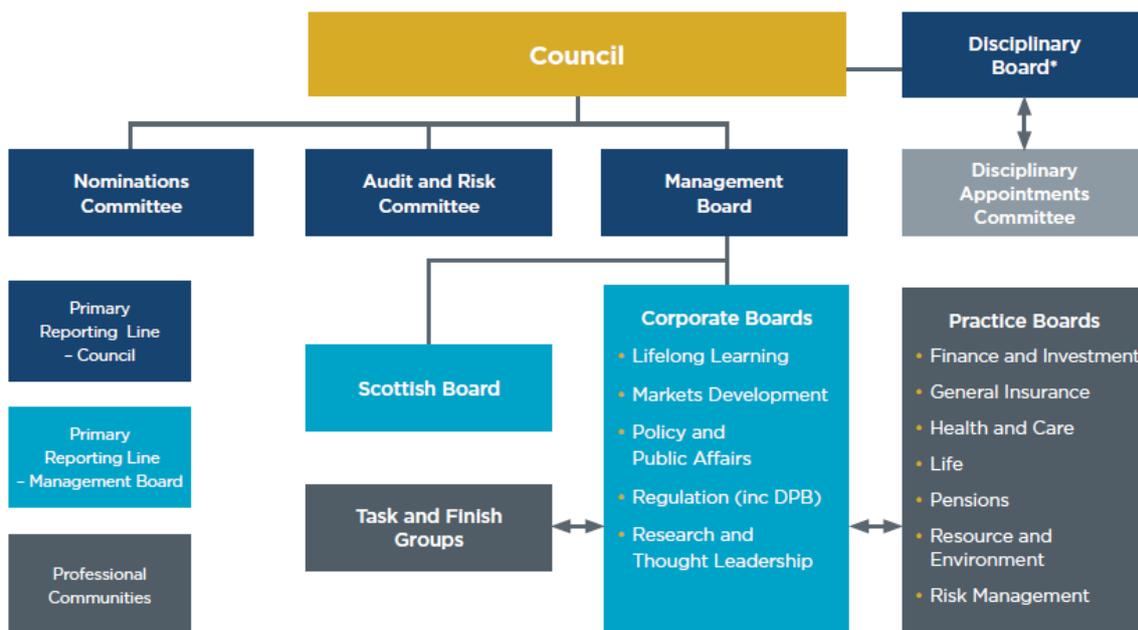
**What if I have questions on our governance?**

- 1.19 If you have any questions on the IFoA's governance or this Governance Manual please contact our Corporate Secretary. If you have any questions on the legal obligations which impact the IFoA please contact the General Counsel Directorate.

**Governing Structure**

- 1.20 Our high-level governance structure is set out below (note: the diagram only shows the IFoA's Boards and Committees). Council is the body that governs and controls the IFoA and its affairs. It discharges this responsibility by determining vision, values and strategy while delegating oversight to Management Board (and other main boards and committees) and delivery to the Executive. In essence:

- Council is ultimately responsible for the vision, policy direction and strategic objectives of the IFoA and to ensure good governance.
- Management Board is responsible for overseeing, in general terms, the management and operation of the IFoA and holding accountable the Executive.
- The Executive is responsible for the day-to-day management and administration of the IFoA and implementation of its strategic objectives and policy decisions.



\*While the Disciplinary Board is accountable to Council, for reasons of independence it operates at arm's length

1.21 More details on the role of Council, Management Board, the Boards and Committees and the Chief Executive are set out in the sections that follow.

### General Meetings

1.22 Importantly, however, under our governance structure certain matters are reserved to, and may therefore only be approved by a vote of, our members in a General Meeting. These matters are set out in the Charter, Bye-laws, Rules and Regulations but also in the table below for ease of reference.

Power	Provision
Amendment of or addition to the Charter. Only takes effect after formal approval by the Privy Council.	Article 15, Charter
Making, revocation, alteration or amendment of any Bye-law or Bye-laws. Only takes effect after formal approval by the Privy Council.	Article 14, Charter
Making, revocation, or amendment of any Rule or Rules (including revocation, alteration or amendment of the Disciplinary Scheme).	Bye-law 27
Reinstatement of a member previously removed from Council.	Bye-laws 11 and 50
Election of Honorary Fellow.	Bye-law 37
Any resolution passed in General Meeting in response to a requisition under Bye-law 55 or 56.	Bye-law 57
Any increase in subscriptions where such increase is more than price inflation plus 1%.	Rule 18

1.23 The conduct of a General Meeting is subject to procedural requirements established in the Bye-laws and Regulations. In particular Bye-laws 50 to 57 and Regulations 6 to 16 are relevant.

1.24 Specific voting thresholds apply to amend the Charter, Bye-laws, Rules and Regulations. Those thresholds are set out below in summary for ease of reference:

	Voting Thresholds
Charter	<p>Resolution passed either by:</p> <ul style="list-style-type: none"> <li>• Not less than 75% of Council members (i.e. at least 23 where there are 30 Council members); then</li> <li>• Not less than two-thirds of members entitled to vote and voting.</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• Not less than 75% of the members entitled to vote and voting.</li> </ul> <p>Approval by the Privy Council is then also required.</p>

	Voting Thresholds
Bye-laws	<p>Resolution passed either by:</p> <ul style="list-style-type: none"> <li>• Not less than 75% of Council members (i.e. at least 23 where there are 30 Council members); then</li> <li>• Not less than 50% of members entitled to vote and voting.</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• Not less than two-thirds of members entitled to vote and voting.</li> </ul> <p>Approval by the Privy Council is then also required.</p>
Rules	<p>Passed by:</p> <ul style="list-style-type: none"> <li>• Not less than 75% of Council members (i.e. at least 23 where there are 30 Council members); then</li> <li>• Not less than 50% of members entitled to vote and voting.</li> </ul>
Regulations	<p>Passed by:</p> <ul style="list-style-type: none"> <li>• Not less than 75% of Council members (i.e. at least 23 where there are 30 Council members); then</li> <li>• Published on the IFoA's website for members to view and raise objections during a 4 week period. If 50 or more members raise formal objections then Council will be required to re-consider the proposed amendments, taking into account the views expressed by members.</li> </ul>

### The role of Council

- 1.25 Council is set up under Article 4 of the Charter to exercise control over the IFoA's affairs and ensure good governance. At this time, for reasons of efficiency and to reflect the formal inclusion of a Management Board in the governing documents as approved by our membership, Council has decided that its role is primarily strategic. This is exercised by setting and reviewing our vision, values, strategic objectives and risk appetite and monitoring our achievements. In addition, Council plays an important role as a wise, experienced and informed sounding board able to offer guidance, constructive challenge and sensible advice to the Executive and Boards and Committees on an appropriate direction of travel.
- 1.26 More specifically, under our governance structure certain powers are reserved to Council. These matters are set out in the Scheme and include any changes to our constitution and material changes to our governance structure and framework.
- 1.27 In addition, Council delegates certain powers to Management Board, the Executive and Boards and Committees. Council has authority to do so under Article 8 of the Charter and Bye-laws 13, 17 and 18. These delegated matters are also set out in the Scheme and the Terms of Reference of each Board and Committee, which can be found in Annexes 3 and 7-16.
- 1.28 As our governing body, the majority of the procedural rules applying to the conduct of Council's business, the election of its membership, and composition can be found in our Charter, Bye-laws, Rules and Regulations, for example Bye-laws 4 and 9. In addition, Council operates on the basis of agreed Terms of Reference. Its Terms of Reference can be found at Annex 2 and in the Rules and Procedures for Boards and Committees (which also apply to Council) at Annex 6.

- 1.29 Council recognises it is impossible for this Governance Manual to cover all eventualities for a diverse and ever-evolving professional body such as ours but, where there are gaps, Council and its Boards, Committees, sub-committees, working parties and the Executive will use the principles set out in this Governance Manual to help inform the way in which we act and take decisions sensibly. We must be aware of, and abide by, the principles of delegation set out below to ensure consistent decision making.

### **The role of the IFoA's Honorary Officers (Presidential Team)**

- 1.30 Under the IFoA's governing documents (specifically Bye-laws 1 and 2, and Regulations 2-8), Council will decide who serves as the Honorary Officers of the IFoA. Our existing Honorary Officers are the President, Immediate Past President and President-elect (collectively the Presidential Team). The President acts as Chair of Council.
- 1.31 The President of the IFoA is a volunteer role held by a Fellow or Associate of the IFoA. The commitment for this role is three years as part of the three-person Presidential team, sequentially as President-elect, President and Immediate Past President.
- 1.32 The Presidential team has two main roles:
- a. To represent the IFoA at internal and external events and generally, together with the Chief Executive, to be the outward face of the IFoA.
  - b. To support Council and the Chief Executive by ensuring that its agenda addresses the right issues and that processes to support their discussions and decision-making are effective and efficient.
- 1.33 Council will agree the 'Task and Person Specification' for the President annually, recognising the need for a balance of skills and experience across the Presidential team.
- View the existing "Task and Person Specification"*
- 1.34 The Nominations Committee will manage the selection process (approved by Council) of candidates for the role of any Honorary Officer and will make a recommendation to Council.
- 1.35 Honorary Officers are not remunerated but are entitled to reimbursement of expenses in accordance with the IFoA's volunteers' expenses policy.
- 1.36 Honorary Officers have no power to commit IFoA resources unless otherwise specified in this Governance Manual or without appropriate written approval obtained in advance by the Chief Executive.

### **Principles of Delegation**

- 1.37 In general, for reasons of efficiency decisions should be taken at the level within the IFoA that is best placed to make them in order to achieve the desired objective, subject to appropriate consultation, checks and balances. Decisions must be based on properly set out recommendations which provide all the necessary information on which the relevant decision-making body will require to be able to make a well-informed decision. Where this information is lacking, the decision-making body may defer a decision until such information is provided.

- 1.38 Further, those who exercise delegated decision-making should act in accordance with the following principles:
- a. Not act contrary to, or alter, a policy or strategy set by Council or its Boards and Committees without proper consultation and approval of Council or the relevant Board or Committee.
  - b. Always act in accordance with our Charter, Bye-laws, Rules, Regulations, this Governance Manual and within a structure of accountability, ultimately reaching Council, in order to ensure that the interests of our membership as a whole are considered and decisions taken are consistent with our strategy.
  - c. Act within the confines of the budgets approved by Council, unless we first obtain further approval in accordance with the rules set out in this Governance Manual and any Financial Regulations and Procedures put in place by the Chief Executive.
  - d. Not act in such a way as to give rise to a conflict of interest.
  - e. Consult appropriately with our peers and relevant stakeholders (internal and external) in accordance with the requirements of this Governance Manual.
  - f. Operate within the constraints of our delegated authority and communicate effectively and on a timely basis with those delegating that authority about how we have exercised it. In particular, those who exercise delegated decision-making should consider when it may be appropriate to inform or consult with those delegating that authority before making the decision.
  - g. We may delegate any of our powers to such body or person(s) we consider appropriate but only if it does not conflict with the terms of our delegated power and the provisions of this Governance Manual. A written record must be made of any such delegation, together with any procedures to be followed and/or constraints imposed on the exercise of the delegated power. A person or body delegating powers to another will remain accountable for the actions and decisions of their delegates. A note of such actions and decisions must be included when reporting under section 1.38 (f).
  - h. Consult Management Board where a decision or action to be taken is or is likely to be regarded as controversial or have a significant financial impact or increase to reputational risk or impact on the achievement of the IFoA's strategic objectives, before any such decision or action is taken.
- 1.39 The Chief Executive will, insofar as provided in this Governance Manual, be able to take all decisions necessary to put in place at an operational level a decision taken by another body, such as Council, Management Board, a Board or Committee or a sub-committee.
- 1.40 Delegated or sub-delegated power may be revoked at any time. Any revocation will not alter any decision previously made under delegated or sub-delegated power.
- 1.41 An appropriate written record must be kept of any delegation or sub-delegation.
- 1.42 It is possible for decisions to be taken out of formal meetings for the reasons of urgency. If so, for Council or Management Board, you must first contact our Corporate Secretary. The Corporate Secretary will then consult the President (for Council) or the Chair of Management Board (for Management Board) to decide if the matter will be circulated for a decision, or reserved for a formal meeting.

## **Operating Framework**

- 1.43 In addition, Council has agreed the following framework to guide the management and operational activities of IFoA:
- a. Strategy – the strategy sets our strategic objectives to drive the mission, vision and values of the IFoA over the medium to long term.
  - b. Corporate Plan – identifies the key actions and activities that will be undertaken in any given year to drive forward the strategy.
  - c. Budget – identifies the financial and other resources that will be needed over the year to deliver the corporate plan.
  - d. Risk framework – the risk appetite, risk register and monitoring framework that will be used to monitor and mitigate risks to the IFoA and the delivery of its strategic objectives.

## **The role of Management Board**

- 1.44 Management Board is set up under Bye-law 17. Under delegated authority in accordance with the Scheme and the strategy set by Council, Management Board has oversight responsibility for the operation and management of the IFoA in implementing Council's strategy and, in addition, holds the Executive accountable for its management and operational activities. In contrast with Council its role is, therefore, primarily oversight of operational management.
- 1.45 Management Board should report to Council in a timely manner regularly with information on its activities in a form and of a quality deemed appropriate by Council to enable Council to discharge its duties.
- 1.46 As previously noted, to fulfil its role certain powers are delegated to Management Board. These delegated powers are set out in the Scheme.
- 1.47 Management Board may sub-delegate its powers to such other persons as appropriate but will remain ultimately accountable to Council.
- 1.48 Members of Management Board are either members by virtue of their office (for example, the President, President-elect, and Chief Executive) or appointment by Council. Council may, in particular, appoint an independent member (someone who is a Fellow or Associate of the IFoA but is not a member of Council and who has no other role within the IFoA) to act as chair, an independent Lay member, up to three further members of Council (which includes a member of the Scottish Board should the Scottish Board so nominate) and up to two other senior members of the Executive nominated by the Chief Executive. Full details relating to the composition of Management Board are set out in Regulations 10 - 12. Management Board also operates on the basis of an agreed Terms of Reference. Its Terms of Reference and current composition can be found at Annex 3.
- 1.49 Management Board is constituted to enable it to fulfil its role effectively. As a unitary board (i.e. including both non-Executive and Executive members) it has a carefully chosen balance between non-Executive and Executive members together with a degree of independence provided by the Chair and Lay member (should such independent members be so appointed by Council). As in all unitary boards, we recognise that conflicts may arise between an individual's role and responsibilities under that role and their duties to the board as a whole. Any such conflicts are

managed by declaring them when they arise and appropriately taking them into account in the discussion and decision-making process on that issue (see section 4.2).

### **The role of the Chief Executive**

- 1.50 The Chief Executive is appointed by Management Board under Bye-law 18 with such title and responsibilities as Council may decide. Those responsibilities can be found at Annex 4.
- 1.51 The Chief Executive is, with the Presidential team, a core part of the leadership of the IFoA. The Chief Executive has day to day responsibility for the management of the Executive and reports to Management Board. The Executive works collaboratively and shares information as appropriate with Council, Boards and Committees and other volunteers to support the development of strategy, create operational plans to deliver it and provide the management and administration of the IFoA to deliver the agreed strategy and operational plans.
- 1.52 The Chief Executive may sub-delegate his or her powers to other members of the Executive (but will remain ultimately accountable) and must establish Financial Regulations and Procedures as are appropriate for the effective and efficient operation of the IFoA's affairs. Any sub-delegations and Financial Regulations and Procedures must not conflict with the Charter, Bye-laws, Rules, Regulations or this Governance Manual.

### **The role of Boards and Committees**

- 1.53 In addition to Management Board, Council may set up other Boards and Committees. A Board or Committee may not be dissolved or established without Council's approval. Each of the existing Boards and Committees are set out in the diagram at section 1.20. Their objects, primary reporting line and a link to their Terms of Reference and current composition can also be found at Annex 5.
- 1.54 To help more clearly show the reporting lines, any new body set up to report to Council is to be known as a Committee and any new body set up to report to Management Board is to be known as a Board. The main exceptions to this are the Management Board and Disciplinary Board which both report to Council.
- 1.55 The title and primary reporting line given to a Board or Committee is simply for ease of administration (and in no way reflects the status of a Board or Committee). Accordingly, it is recognised that it may be necessary for a Board to report directly to Council on strategic matters and a Committee to Management Board on operational and budgetary matters, irrespective of its primary reporting line.
- 1.56 Each Board and Committee must operate in accordance with the Charter, Bye-laws, Rules and Regulations, this Governance Manual and under an agreed Terms of Reference. Unless set out in a particular Terms of Reference, Council and all Boards and Committees must operate under the same procedural rules to conduct their business. Those procedural rules can be found at Annex 6.
- 1.57 Chairs of Boards and Committees (and, where designated, Deputy Chairs) are appointed by Council or Management Board depending on their primary reporting line. Chairs are responsible for the effective operation of their Board or Committee and should consider the balance of skills, experience and diversity available to it from their members, training and development needs and succession planning.

- 1.58 Many Boards and Committees have designated Council members' seats and Council will oversee any such appointments. Management Board will be responsible for approving all other Board and Committee member appointments on the recommendation of the relevant Chair.
- 1.59 All appointments to Boards and Committees will normally be for a fixed term, typically two or three years, with one renewal option of the same duration. They will be subject to an open and transparent appointment process (using the volunteer recruitment process or similar). Positions will normally be on an unremunerated basis, but, where a remunerated position is agreed by Management Board, terms will be set by the Chief Executive in consultation with Management Board (or Council where it relates to the chair of a board or committee reporting directly to Council). Expenses will be reimbursed in line with the IFoA's volunteers' expenses policy.
- See "Volunteers' Expenses Policy"
- 1.60 In line with our values, it is important that Boards and Committees (and any of their working parties or sub-committees) co-ordinate their work to avoid wasteful resources and inconsistency in our decisions, policies, processes and outputs.
- 1.61 Each Board and Committee (and working party or sub-committee) must keep Council and other Boards and Committees appropriately informed and consulted about any activities which do, or may potentially, impact or touch on the work or responsibility of Council or another Board or Committee. It is therefore vitally important to be familiar with the Terms of Reference for Council, Management Board and each Board and Committee to recognise as soon as possible where a "dialogue" is required. In circumstances where a topic falls within the remit of a number of different groups within the IFoA, it is important to ensure those interested parties are brought into the proposal to the topic at an early stage to ensure a coherent approach. In particular, it is recognised that the Chairs for each Board or Committee (including all Practice Boards, working groups and sub-committees) play an important role in information sharing and are expected to pro-actively engage with his or her fellow Chairs on a regular basis.
- 1.62 Where a Board or Committee is ultimately accountable for a specific element of work under this Governance Manual or its Terms of Reference, another Board or Committee (albeit consulted and its views considered) will not have the authority to override or overturn a recommendation made by the accountable Board or Committee. Any disagreement that cannot be resolved between the Boards and Committees should be referred in the first instance to Management Board. Where the disagreement cannot be resolved to a mutual satisfaction by Management Board or a proposed resolution will require a change in strategy, the disagreement or the proposed resolution should be referred by Management Board to Council.
- 1.63 It is also recognised that a key part of our strategy is to speak up on relevant matters of public interest and to raise awareness of the work of actuaries and the value we add to society, and to develop and deliver upon a proactive stakeholder engagement programme in the UK and internationally. It is important that external engagement is coordinated. Opportunities may become available, from time to time, to represent the IFoA at an external event or meeting or to speak to the press, regulators, government bodies and others as our representative. Specific procedures apply in such circumstances, including where applicable the need first to gain clearance from our Public Affairs team. Those procedures are set out in our Volunteer Information Pack and must be observed.

## **Trust Funds, CERA, ARC, Scottish Endowment Fund, Subsidiaries and The Actuary**

- 1.64 The IFoA has in place three Trust Funds for which it acts as sole trustee. The Trust Funds and their primary objectives are set out below for ease of reference.

### **The Memorial Education and Research Fund**

The objectives of the Fund are:

- The promotion for educational purposes of research in actuarial science and subjects related, that research and the publication of the results of such research.
- The advancement of education in actuarial science and subjects related to that education.
- Awarding to actuaries, or persons intending to become actuaries, exhibitions, scholarships or grants tenable either at any educational establishment approved by the IFoA or for the purposes of obtaining professional training.

### **The Memorial Prize Fund**

The objectives of the Fund are to apply the funds towards prizes in connection with the examinations of the IFoA or for the meritorious contribution to actuarial science.

### **The Faculty of Actuaries in Scotland Charitable Trust**

The objectives of the fund are the encouragement, advancement and support of education, research and study in actuarial science and related subjects.

- 1.65 The IFoA plays a key role in the governance, operation and management of three significant actuarial initiatives, acting in association with other associations and/or affiliations, as follows:
- Chartered Enterprise Risk Analyst (CERA)** – on 13 November 2009, fourteen actuarial associations from countries across the world joined together in signing the Global Enterprise Risk Management Designation Recognition Treaty. The IFoA is one of the fourteen founding members. The purpose of CERA is to facilitate the growth and international spread of the actuarial profession within the sphere of enterprise risk management by establishing and recognising on a global basis a professional credential for the actuarial profession – the “CERA designation” – representing expertise in the field of enterprise risk management. A legal entity known as the CERA Global Association (CGA) has been established to further the tasks in connection with this purpose. The General Assembly is the supreme corporate body of the CGA. In addition, a Treaty Board and a board of directors have been established; both being composed of the same members. Being a founding member, the IFoA may nominate a delegate to sit on the General Assembly, the Treaty Board and the board of directors. Vacancies shall be advertised by the IFoA with such appointments being approved by Management Board. The IFoA is also entitled to appoint a representative(s) to a Review Panel put in place by the CGA. Vacancies shall be advertised by the IFoA with appointments being approved by the Chief Executive. The IFoA’s Directors shall report to Management Board at least annually on any significant activities relating to CERA.
  - Actuarial Research Centre (ARC)** – originally launched in 2012, today the ARC is a global network of actuarial researchers. Its purpose is to provide cutting-edge actuary research programmes, in collaboration with industry, which are relevant, innovative and practical. It, accordingly, acts as the main vehicle for the delivery of the IFoA’s commissioned research

programme, complementing the working party research carried out by volunteers. The Research and Thought Leadership Board (RTLB) oversee the strategic direction of the ARC and sets its objectives, subject to the IFoA's overall strategy. The RTLB is also responsible for overseeing and monitoring the operation and funding of the ARC. Academic oversight of the research programmes running through the ARC is provided the ARC Director and Associate Directors, who together form a panel of leading academics in actuarial science. Vacancies for the position of ARC Director and Associate Directors shall be advertised by the IFoA, with the appointment of the ARC Director being approved by Council and the Associate Directors by RTLB. Activities of the ARC are funded by IFoA resources (dedicated research budget, the Trust Funds, Scottish Endowment Fund and other funds available to the IFoA) and third party funding. Those activities funded by the Scottish Endowment Fund (projected to run up to 2019) are overseen by the Scottish Board and, as such, a member of the Scottish Board shall be a member of the RTLB. The RTLB shall report regularly to Management Board and Council on its ARC activities.

- c. **Certified Actuarial Analyst (CAA)** – the CAA is an international professional qualification for those who excel in technical and analytical skills as trained analysts, giving financial institutions qualified professionals to fill key roles. CAA is offered by CAA Global Limited, a joint venture of the IFoA and the Society of Actuaries.

1.66 Following the merger in 2010 of the Faculty of Actuaries in Scotland and the Institute of Actuaries to form the IFoA, it was agreed to earmark a fund of £500,000 (plus interest) to facilitate actuarial activities in Scotland (the Scottish Endowment Fund). The Scottish Board oversees the use of the Scottish Endowment Fund.

1.67 The IFoA has three wholly-owned subsidiary undertakings as follows:

- a. **Institute and Faculty Education Limited** – provides tuition for students taking the actuarial examinations by contracting with the Actuarial Education Company (ActEd).
- b. **Continuous Mortality Investigation Limited** – CMI carries out research into mortality and morbidity and makes this available to organisations and individuals who register as CMI users.
- c. **ICA 98 Limited** – provides the framework through which the IFoA operates its overseas representative offices.

1.68 Each of the subsidiary undertakings has its own board of directors responsible for governance and management oversight. Management Board on behalf of the IFoA appoints the directors of each subsidiary.

1.69 The IFoA has full responsibility of running The Actuary Magazine. The governance structure for The Actuary is set out below. In summary, designed to carefully align with the IFoA's Strategy, provide practitioner and member representation and give the IFoA sight of content prior to publication, importantly the structure includes a Volunteer Editor ensuring editorial independence. The Volunteer Editor shall report at least annually to Management Board on operational matters, and on strategy to Council.

## 2. FINANCE AND OPERATIONS

2.1 Although this Scheme sets out some explicit financial delegations, it does not set out the operational procedures that apply to financial matters. Under the Scheme that our annual budget is approved by Management Board after consulting Council. However, the rules on unbudgeted expenditure and how the budget is prepared and compliance monitored can be found in the Financial Regulations and Procedures (which include the financial thresholds in section 2.2). It is therefore vitally important at an operational level that this Governance Manual is read with the Financial Regulations and Procedures, particularly where any decision or action is or is likely to have a financial impact.

2.2 However, it is not possible to account for every eventuality in this Governance Manual or in the Financial Regulations and Procedures. As a result, if any transaction, project, action, contract, commitment or decision, has or may possibly have a financial impact – and an approval process is not set out in the Scheme or the Financial Regulations and Procedures for that transaction, project, action, contract, commitment or decision – the following “rules of thumb” will apply for budgeted and unbudgeted expenditure:

### Budgeted Expenditure

Financial Impact	Approval Required (to authorise spend)
Over £2 million	Council
£500,000 - £2 million	Management Board
Less than £500,000	Chief Executive

### Unbudgeted Expenditure

Financial Impact	Approval Required (to authorise spend)
Over £1 million	Council
£250,000 - £1 million	Management Board
Less than £250,000	Chief Executive

2.3 Advice on how to estimate the value of a potential transaction, project, action, contract, commitment or decision is set out in the Financial Regulations and Procedures. In general the value will be assessed over the lifetime of the contract using best estimates where the amounts are uncertain or variable and ignoring any break clauses.

2.4 As a professional membership organisation acting in the public interest it is also important that we operate as efficiently as we can and because of that should not assume that what we have always done or that our existing suppliers deliver best value for the IFoA. As such, the Chief Executive is expected to put in place rules setting out how the IFoA awards and enters into contracts, including for the procurement of works, goods and services. These rules cannot simply be ignored for reasons of “convenience” and compliance is expected at all times.

- 2.5 It is also recognised that once a financial commitment has been approved in accordance with this Scheme, in most circumstances pen will, at some point, then need to be put to paper, for example, to sign a contract, a letter, or other document. Specific rules are in place setting out who is authorised to sign (and therefore commit) the IFoA to a financial, contractual or quasi-contractual arrangement. Those rules can be found in the Financial Regulations and Procedures and must be complied with at all times. In short, however, it is only the Executive that has the power to sign on behalf of the IFoA, and not volunteers or members of any Board or Committee or sub-committee unless such power is given under this Scheme, a Terms of Reference or is otherwise approved by Council.

### **3. VOLUNTEERING**

- 3.1 Volunteers are fundamentally important to our success. We are committed as a membership organisation to valuing, growing and encouraging our volunteering community, and to help achieve that aim will publish our Volunteer Induction Pack bringing together in one place all the material to support our volunteers and to give additional tips and hints for best practice.

“View the “Volunteer Information Pack”

### **4. CONFLICTS**

- 4.1 If there is any conflict between this Governance Manual and the Charter, Bye-laws, Rules and Regulations, the Charter, Bye-laws, Rules and Regulations will always prevail.
- 4.2 Any personal interest or perceived or actual conflict of interest in any issue under consideration must be declared to the secretary of the body concerned ideally in advance of the meeting or failing that during the meeting but before the relevant issue is discussed. This will be taken into account and managed appropriately when discussing and/or deciding the issue (see section 19 of Annex 6).

### **5. MONITORING AND UPDATING**

- 5.1 Management Board will monitor the effectiveness of our governance structure and framework and will report to Council at least annually on the appropriateness of our governance regime.
- 5.2 Management Board will also keep under review the operation of this Governance Manual and make such changes as it thinks appropriate from time to time for the smooth and efficient running of our affairs, submitting any significant changes in principles, policy or structure to Council for approval.

## List of Reservations and Delegated Authorities (the “Scheme of Delegations” under Bye-law 13)

### Notes:

- a. This Annex lists those people or bodies to whom authority is reserved or has been delegated in accordance with Article 8 of the Charter by the IFoA’s Council to take decisions on its behalf and/or to commit the IFoA to financial, contractual or quasi-contractual arrangements. It represents the “scheme of delegations” under Bye-law 13.
- b. Where persons or a body with reserved or delegated authority is Council (“C”), Management Board (“MB”) or the Chief Executive (“CE”), this is shown by a tick. Where delegated authority is given to others there is no tick and the delegation is specified in the notes.
- c. The notes contain further details of any delegation limits, a cross-reference to the relevant section of the Charter, Bye-laws, Rules or Regulations and additional helpful context (such as the recommending body to the person or body with authority to review recommendations and make decisions).
- d. In general, any documents that commit the IFoA to financial, contractual or quasi-contractual arrangements should be signed by the CE or his/her delegate as specified in the IFoA’s Financial Regulations and Procedures published internally by the CE (and therefore not set out in this Annex). The President (or his/her delegate) is authorised to sign documents approved by Council. The Chair of MB (or his/her delegate) is authorised to sign documents approved by MB.
- e. Any person or body to which powers have been delegated may further delegate that authority to any sub-committee or person under Bye-law 14, provided the delegation does not conflict with the principles of this Governance Manual. All such delegations must be made in writing and clearly set out any constraints imposed on the delegated power.
- f. This Annex is sub-divided as follows:
  1. Governance Framework
  2. Membership
  3. Finance and Operations
  4. Relationships with other Bodies
  5. Volunteering

	C	MB	CE	Notes (delegation limits, context and process)
<b>1. GOVERNANCE FRAMEWORK</b>				
<b>1.1 Governing Documents</b>				
Amendment or addition to Charter	✓			Final approval sits with the Privy Council but only after approved by Council and vote of general membership. Approval process as stipulated in Article 15 of Charter and Bye-law 50.
Making, revocation, alteration or amendment of any Bye-law or Bye-laws	✓			Final approval sits with the Privy Council but only after approved by Council and vote of general membership. Approval process as stipulated in Article 14 of Charter and Bye-law 50.
Making, revocation, alteration or amendment of any Rule or Rules (including revocation, alteration or amendment of the Disciplinary Scheme)	✓			Approval process as stipulated in Bye- laws 27, 29 and 50. Approved by Council and vote of general membership but, in relation to the Disciplinary Scheme, on the recommendation of the Disciplinary Board.
Making, revocation, alteration or amendment of any Regulation or Regulations	✓			Approval process as stipulated in Bye- laws 28 and 29.
Making, revocation, alteration or amendment of Governance Manual and terms of reference of the main boards and committees (excluding List of Reservations and Delegated Authorities)		✓		<p>MB will keep under review the operation of the Governance Manual and make such changes as it thinks appropriate from time to time, having consulted Council as appropriate and/or submitting any significant changes in principles, policy or structure to Council for approval.</p> <p>Council is responsible for approving the terms of reference of Disciplinary Board, Audit &amp; Risk Committee, Nominations Committee and any other new committee established and intended to report primarily to Council.</p>
Making, revocation, alteration or amendment of Governance Manual (List of Reservations and Delegated Authorities)	✓			Decided by Council but on the recommendation of MB.
<b>1.2 General Meetings</b>				
Calling of a General Meeting	✓			As stipulated in Bye-law 50.

	C	MB	CE	Notes (delegation limits, context and process)
Time and location of Annual General Meeting			✓	As stipulated in Bye-law 54. Set by CE in consultation with the President.
Date, time, location of a member-led requisitioned General Meeting			✓	As stipulated in Bye-law 55. Set by CE in consultation with the President.
Wording of Motions	✓			As stipulated in Bye-law 56. Decided by Council but on the recommendation of MB in consultation with the General Counsel Directorate.
Notification of specified majority required by any Motion.	✓			As stipulated in Rule 12. Decided by Council but on the recommendation of MB.
Selection of chair of meeting if President or his/her delegated is absent.	✓			As stipulated in Rule 10.
Appointment of electoral services provider, including consideration of the associated costs.			✓	As stipulated in Rule 15.
Deferment or delay of General Meeting			✓	As stipulated in Rule 16. Set by CE in consultation with the President.
<b>1.3 Council</b>				
Setting of IFoA Vision, Values and Strategy	✓			In consultation with the appropriate Boards and Committees.
Number of Council member(s), qualifications and election	✓			As stipulated in Article 5 of Charter and Bye-law 4 and Rules 3, 4 and 5.
Retirement of Council member(s)	✓			As stipulated in Bye-law 8 and Rule 2. Decided by Council but on the recommendation of Nominations Committee.
Co-options to Council	✓			As stipulated in Bye-law 9 in relation to co-options to fill casual vacancies or otherwise Regulation 9. Decided by Council but on the recommendation of Nominations Committee.
Removal of Council member(s)	✓			As stipulated in Bye-law 13.
Resignation of Council member(s) with a contract of employment	✓			As stipulated in Bye-law 12.

	C	MB	CE	Notes (delegation limits, context and process)
Procedures for the regulation of Council	✓			As stipulated in Bye-law 15.
Procedures for the regulation of delegated bodies	✓			As stipulated in Bye-law 16. Decided by Council but on the recommendation of MB. The current procedures can be found at Annex 6.
Nomination Form to stand for election to Council		✓		As stipulated in Rule 3. Decided by MB but on the recommendation of the Nominations Committee.
Form of Ballot for election to Council.	✓			As stipulated in Rule 5. Decided by Council but on the recommendation of Nominations Committee.
<b>1.4 Management Board</b>				
Terms of reference for MB	✓			As stipulated in Bye-law 17.
<b>1.5 Chief Executive</b>				
Title and responsibilities of the CE		✓		As stipulated in Bye-law 18.
<b>1.6 Boards and Committees</b>				
Establishment or dissolution of Boards and Committees and their primary reporting lines	✓			Decided by Council but on the recommendation of MB.
Membership constitution and terms of reference for the Corporate Boards (Lifelong Learning, Markets Development, Policy and Public Affairs, Regulation and Research and Thought Leadership Boards), Scottish Board and Practice Boards or any other new Board established and intended to report primarily to MB		✓		As stipulated in Bye-law 23 and Regulation 15 in relation to the Scottish Board.
Membership constitution and terms of reference for the Disciplinary Board, Audit and Risk Committee, Nominations Committee or any other new Committee established and intended to report primarily to Council	✓			As stipulated in Bye-laws 59 and 60 and Rules 20 in relation to Disciplinary Board. Decided by Council but on the recommendation of Nominations Committee.

	C	MB	CE	Notes (delegation limits, context and process)
Review and monitoring of the effectiveness and performance of Boards and Committees		✓		
In 2025, review and approval of number of members of Council elected by Scottish Constituency	✓			As stipulated in Bye-law 22
<b>1.7 Trust Funds and the Scottish Endowment Fund</b>				
Transfer of funds between Trust Funds		✓		Decided by MB but on the recommendation of CE.
Allocation of legacies and bequests where no specific destination is specified		✓		Decided by MB but in consultation with the Awards Committee and Research and Thought Leadership Board.
Use of legacy or bequest (for example, to establish a new prize)		✓		Decided by MB but on the recommendation of the Lifelong Learning Board and/or Research and Thought Leadership Board and/or the Scottish Board as appropriate.
Use of Funds for the <b>IFoA Memorial Prize Fund</b>			✓	Decided by CE but on the recommendation of the Research and Thought Leadership Board (subject to MB endorsement for items over £20,000).
Use of Funds for the <b>IFoA Memorial Education and Research Fund</b>			✓	Decided by CE but on the recommendation of Lifelong Learning Board and/or the Research and Thought Leadership Board as appropriate (subject to MB endorsement for items over £20,000).
Use of Funds for the <b>Faculty of Actuaries in Scotland Charitable Trust</b>			✓	Decided by CE but on the recommendation of Scottish Board (subject to MB endorsement for items over £20,000).
Use of Funds for the <b>Scottish Endowment Fund</b>			✓	Decided by CE but on the recommendation of Scottish Board. Where the financial impact to the IFoA exceeds the thresholds set out in <a href="#">section 2.2</a> the approval of MB or Council (as applicable) shall, in addition, be necessary
<b>1.8 Subsidiaries</b>				
Establishment of IFoA subsidiary companies		✓		Decided by MB but on the recommendation of CE.

	C	MB	CE	Notes (delegation limits, context and process)
Sale of equity or transfer of business in IFoA subsidiary companies		✓		Decided by MB but on the recommendation of CE.
Holdings in other companies	✓			Decided by Council but on the recommendation of MB.
<b>1.9 Designated Professional Body (DPB)</b>				
Licensing of firms, approval of DPB Handbook and other requirements needed to be a DPB				Delegated to the DPB Board, in consultation with the Regulation Board.
<b>2. MEMBERSHIP</b>				
<b>2.1 Student matters</b>				
Student complaints procedure			✓	Decided by CE but on the recommendation of Lifelong Learning Board.
Admission fees for Students, Affiliates and Certified Actuarial Analysts		✓		At stipulated in Regulations 15 and 28. Decided by MB in consultation with the Lifelong Learning Board.
Rules and regulations for the award of qualifications		✓		As stipulated in Article 13 of Charter. Decided by MB but on the recommendation of Lifelong Learning Board in consultation with Regulation Board. Note: Formal approval for the introduction of rules and regulations for the award of a chartered qualification sits with the Privy Council.
Examinations and modules required for qualifications		✓		As stipulated in Regulation 18. Decided by MB but on the recommendation of Lifelong Learning Board. Council shall be consulted with regard to any material changes to the qualifications curriculum.
Examination fees, approval of examination regulations and student's handbook, and rules and regulations relating to exemption and accreditation schemes				Delegated to Lifelong Learning Board.

	C	MB	CE	Notes (delegation limits, context and process)
<b>2.2 Members</b>				
Making, revocation, alteration or amendment to categories of membership and associated admission criteria, educational, professional and regulatory requirements.	✓			As stipulated in Article 9 of the Charter, Bye-law 31 and Regulations 16 and 17. Decided by Council but on the recommendation of Lifelong Learning Board and/or Regulation Board as appropriate.
Award and removal/suspension of honorary fellowships	✓			As stipulated in Bye-laws 32 and 37. Decided by Council but on the recommendation of the Policy and Public Affairs Board. Subject to a vote of the general membership.
Subscription levels	✓			As stipulated in Bye-law 43, Rule 18, Regulation 22 and 26. Decided by Council but on the recommendation of MB. Subject to a vote of general membership if any proposed increase in subscription is more than RPI plus 1%.
Surcharge for overdue subscription levels and cancellation of membership if not paid		✓		As stipulated in Regulation 23
Conditions applicable to Practising Certificates				As stipulated in Bye-law 40 and Regulation 27. Delegated to Regulation Board.
Fees applicable to Practising Certificates		✓		As stipulated in Bye-law 40 and Regulation 27
The regulation of the actuarial profession, including but not limited to the development, issuing and communication of codes and standards relating to professional conduct and competence				As stipulated in Article 2 of Charter and Bye-law 47. Delegated to Regulation Board and, in relation to the setting of UK technical standards, the Financial Reporting Council.
IFoA response to an external consultation				Delegated to Policy and Public Affairs Board, after appropriate consultation with any other relevant Board or Committee.
Development and maintenance of Register of Members			✓	As stipulated in Bye-laws 41 and 42 and Regulation 19. A register of members is currently available online as the 'Actuarial Directory'.
Communication with members			✓	As stipulated in Article 3 of the Charter and Bye-law 30.

	C	MB	CE	Notes (delegation limits, context and process)
<b>3. FINANCE AND OPERATIONS</b>				
<b>3.1 Corporate plan, budget and financial systems</b>				
System of internal financial management, control and accountability, including risk management, value for money procedures, financial regulations and financial procedures, write off of moneys due to the IFoA, and long term and short term borrowings			✓	As stipulated in Bye-law 62. Subject to oversight responsibility which Council has delegated to MB and Audit and Risk Committee in accordance with their terms of reference
Annual Corporate plan and budget (including capital expenditure)		✓		MB shall develop the corporate plan and budget in consultation with Council. MB shall exercise oversight of progress against the corporate plan and budget. Determination and monitoring of detailed budgets within the overall approved budget framework shall be in accordance with the CE's Financial Regulations and Procedures.
Annual report and accounts		✓		As stipulated in Bye-law 62. Decided by MB after external audit but on the recommendation of the Audit and Risk Committee and after consultation with Council.
Rules of the operation of bank accounts, including the appointment of bankers, opening of bank accounts, designation of bank account signatories and transfers to and from accounts			✓	Carried out in accordance with the CE's Financial Regulations and Procedures. Subject to oversight by Audit and Risk Committee.
Making of investments (for example, level or type of any holdings of surplus working cash, stocks, bonds, and investment of Trust Funds)		✓		As stipulated in Article 3 of the Charter. Decided by MB on the recommendation of CE. Policies relating to level of reserves, liquidity and investment strategy shall be subject to approval by Council.
Agreements with any financial, VAT, tax authority or any other body dealing with company trust or charity registration, regulation or reporting			✓	If the financial impact to the IFoA exceeds the thresholds set out in <a href="#">section 2.2</a> the approval of MB or Council (as applicable) shall, in addition, be necessary

	C	MB	CE	Notes (delegation limits, context and process)
Appointment or re-appointment of External Auditors including the setting and approval of their fees		✓		As stipulated in Bye-law 54. Decided by MB but on the recommendation of the Audit and Risk Committee and after consultation with Council. Subject to confirmation by a vote of the membership at the Annual General Meeting.
Appointment of Internal Auditors				Delegated to Audit and Risk Committee.
Approval of Letters of Representation for External Auditors		✓		
<b>3.2 Policies</b>				
Corporate policies that impact significantly on the working conditions or environment for staff and volunteers and/or policies impacting upon the IFoA's brand or reputation			✓	Decided by CE in consultation with MB and Council as appropriate.
Corporate policies related to specific IFoA Directorates or more operational matters			✓	
Risk Management Framework (including risk register, risk appetite and risk management processes)		✓		Decided by MB in consultation with the Audit and Risk Committee. The Audit and Risk Committee shall keep the framework and processes under review. Council will review at least annually. The CE will conduct monthly operational reviews subject to oversight responsibility by MB. In addition, MB will conduct quarterly reviews of top risks.
Use of the IFoA's name, branding or logo			✓	
Information Technology and Information Security Policies (including in relation to data protection and approval of external use of the IFoA computing and software facilities) and application of applicable sanctions			✓	
Authorisation of media and press releases			✓	Subject to policy established by the Policy and Public Affairs Board.

	C	MB	CE	Notes (delegation limits, context and process)
Donations		✓		Decided by MB but on the recommendation of CE. Note: See Trust Funds for approvals relative to receipt of bequests and legacies.
<b>3.3 Appointments and staffing matters</b>				
Appointment of President	✓			As stipulated in Bye-law 1 and Regulation 5
Election of President-elect	✓			As stipulated in Bye-law 2 and Regulation 4. Decided by Council on the recommendation of the Nominations Committee.
Appointment of Immediate Past President	✓			As stipulated in Regulation 6.
Appointment of Honorary Officers in addition to President, Immediate Past President and President-elect, their functions and tenure	✓			As stipulated in Article 6 of the Charter, Bye-law 3 and Regulations 2, 7 and 8.
Appointment or removal of Chair of Management Board	✓			Decided by Council but on the recommendation of the Nominations Committee. As stipulated in Regulations 10 and 12.
Appointment or removal of Council members to Boards and Committees as appropriate	✓			Decided by Council but on the recommendation of Nominations Committee, in consultation with the Chair of each Board or Committee as appropriate.
Designation of non-executive office holder roles on Boards and Committees as Lay and/or remunerated		✓		Decided by MB but in consultation with Council where the relevant Board or Committee reports primarily to Council.
Terms of appointment of remunerated non-executive office holders (excluding Chair of Management Board)			✓	Decided by CE but in consultation with MB (or Council where it relates to the chair of a Board or Committee that reports primarily to Council).
Terms of appointment of Chair of Management Board		✓		To be delegated by MB for decision by Remuneration Sub-committee
Appointment of members of Disciplinary Appointments Committee	✓			As stipulated by Bye-laws 59 and 60 and Rule 20. Decided by Council but on the recommendation of the Nominations Committee.

	C	MB	CE	Notes (delegation limits, context and process)
Appointment or removal of Chief Executive and his/her terms and conditions of employment		✓		As stipulated in Bye-law 18. Note: Members of MB who are also members of the Executive will not be entitled to vote on any appointment or removal, or terms and conditions of employment, of the CE.
Appointment or removal of Executive Directors			✓	Note: The IFoA Executive Directors are non-statutory directors.
Appointment or removal of Directors of the boards of IFoA subsidiary undertakings		✓		
Appointment or removal of Chair of a Corporate Board (Lifelong Learning, Markets Development, Policy and Public Affairs, Regulation and Research and Thought Leadership Boards), Scottish Board, Practice Boards or any new Board established or intended to report primarily to MB		✓		As stipulated in Bye-law 23 for the Scottish Board (i.e. that the Scottish Board members themselves will select the Leader (Chair) of the Scottish Board).
Appointment or removal of Chair of the Audit and Risk Committee, Awards Committee, Nominations Committee or any new Committee established and intended to report primarily to Council	✓			Decided by Council but on the recommendation of Nominations Committee.
Appointment or removal of other members of the IFoA's Boards and Committees		✓		Decided by MB but on the recommendation of the Chair of the relevant Board or Committee.
Employment, dismissal and terms and conditions of employment for Executive staff			✓	As stipulated in Article 3 of the Charter. Decided by CE within budget set and in consultation with MB as appropriate.
Executive staff disciplinary and grievance procedures			✓	MB is responsible in relation to CE.
Approval of outside work/consultancy by IFoA staff			✓	MB is responsible in relation to CE.

	C	MB	CE	Notes (delegation limits, context and process)
Appointment or removal of the Volunteer Editor for The Actuary	✓			Decided by Council but on the recommendation of a taskforce comprising members of Council, the Chief Executive and the Executive director responsible for The Actuary. The taskforce must comprise a greater number of non-Executive members, than Executive.
Appointment or removal of the ARC Director		✓		
<b>3.4 Estates</b>				
Acquisition and disposal of property – including land and including leasing and licencing – or change in use or size of property. This includes the opening of a new office whether in the United Kingdom or overseas			✓	Subject to approval by Council on the recommendation of MB on matters of property strategy (e.g. decision to open a new office). The approval of the property documentation itself (e.g. lease or licences) will be subject to the applicable Financial Regulations and Procedures. If the financial impact to the IFoA exceeds the thresholds set out in <a href="#">section 2.2</a> the approval of MB or Council (as applicable) shall, in addition, be necessary.
Other dealings with land (e.g. charges, rights of way, way- leaves and servitudes)		✓		
<b>3.5 Contracts, Agreements and Licences</b>				
Approval of business case for delivery of a project			✓	Approval dependent on estimated project value in accordance with applicable Financial Regulations and Procedures. If the financial impact to the IFoA exceeds the thresholds set out in <a href="#">section 2.2</a> the approval of MB or Council (as applicable) shall, in addition, be necessary.
Approval of contracts and agreements (where otherwise not specified in this Scheme.)			✓	As stipulated in Article 3 of the Charter. Approval dependent on contractual value estimated on a total life basis in accordance with applicable Financial Regulations and Procedures. If the financial impact to the IFoA exceeds the thresholds set out in section 2.2 the approval of MB or Council (as applicable) shall, in addition, be necessary. Note: it shall not be necessary for a contract to be separately approved where that contract falls part of the delivery of a project – that project having had prior business case approval – provided the contract is entered into in accordance with the applicable Financial Regulations and Procedures.

	C	MB	CE	Notes (delegation limits, context and process)
Approval of funding bids to other external agencies' initiatives and including joint bids for such funding with other institutions			✓	
<p>Research grants, contracts and ancillary transactions related to research, including but not limited to:</p> <ul style="list-style-type: none"> <li>a. applications for research grants</li> <li>b. acceptance of research grants</li> <li>c. contracts which are ancillary to research grants (including collaborative arrangements)</li> <li>d. contracts for the provision of research</li> <li>e. contracts for the provision of goods, materials, data or other resources to or from the IFoA for no consideration ancillary to research</li> <li>f. contracts for students to do research if there is funding from the IFoA or a third party</li> <li>g. granting or receiving an assignation or licence of intellectual property to facilitate research</li> </ul>			✓	Specific procedures apply for the award of research grants and contracts ancillary to research. Decided by CE but on the recommendation of the Research and Thought Leadership Committee. If the financial impact to the IFoA exceeds the thresholds set out in <a href="#">section 2.2</a> the approval of MB or Council (as applicable) shall, in addition, be necessary.
Registration and all subsequent dealings (e.g. assignment, disposal or expiry of a registered intellectual property right) with patents, design rights, trademarks and all other intellectual property rights			✓	Decided by CE in consultation with MB.
Dealings with copyright (including approval of requests from third parties to use the IFoA's copyright), know-how and all other unregistered intellectual property rights			✓	Decided by CE in consultation with MB.

	C	MB	CE	Notes (delegation limits, context and process)
The entering into a Power of Attorney relating to Intellectual Property matters			✓	Decided by CE in consultation with the General Counsel.
Documents and terms relating to the settlement of court actions or other disputes, for instance settlement agreements			✓	Decided by CE in consultation with MB.
Establishment of Framework Agreements			✓	Reference should be made to be IFoA's procurement policy approved by CE.
Appointment of third party legal services or the giving of legal instructions			✓	Decided by CE in consultation with the General Counsel.
Initiating, entering into, defending and withdrawing from legal proceedings			✓	Decided by CE in consultation with the General Counsel.
<b>4. RELATIONSHIPS WITH OTHER BODIES</b>				
Approval of new or amendments to existing Mutual Recognition Agreements (MRAs) or Memorandum of Understandings (MoUs) between the IFoA and another professional or regulatory body (such as another actuarial association)		✓		As stipulated in Bye-law 45. Decided by MB in consultation with Regulation Board and/or Lifelong Learning Board as appropriate. Council shall be consulted on any significant issues.
Formal associations or affiliation with any other association or affiliation for strategic purposes and/or involving significant resource or capital implications and/or the potential for reputational risk and not being another actuarial association		✓		Decided by MB but on the recommendation of the Board or Committee most appropriate to the purpose of the alliance.
Alliances with any other association or affiliation involving no significant resource, capital or reputational implications and not being another actuarial association			✓	Decided by CE but in consultation with the Policy and Public Affairs Board.

	C	MB	CE	Notes (delegation limits, context and process)
Making, revocation, amendment or alteration to the IFoA's volunteering strategy or policies having an impact on those who volunteer to the IFoA		✓		IFoA has published a Volunteer Information Pack and Guidance for Member-Led Research Working Parties which provide relevant guidance for those volunteering with the IFoA.

## COUNCIL Terms of Reference

### Purpose

To discharge its responsibilities as the governing entity of the IFoA in accordance with the Charter. Exercises governance and control over the IFoA and its affairs. Represents and is accountable to the IFoA's members and takes their views into account when making decisions. Demonstrates leadership and drives the mission, vision and values of the IFoA by setting strategic direction. Council delegates operational oversight to the Management Board and various other powers and responsibilities to other Boards and Committees and to the Executive. Council determines the governance structure and framework, including at a high level the IFoA's scheme of delegations.

### Key Responsibilities

#### 1. Strategy

- a. Decides on the strategy for the IFoA, being satisfied that it fairly reflects the interests of the profession, and ensures that it remains appropriate.
- b. Decides on major changes of policy that are put to it by the Management Board or any other appropriate Board or Committee.

#### 2. Planning and Reporting

- a. Considers the annual corporate plan and budget.
- b. Considers the Annual Report and Financial Statements.
- c. Reviews annually the risk management framework, including risk appetite.
- d. Approves changes in subscriptions and other membership charges.

#### 3. Governance

- a. Manages the election process for members of Council and the election or appointment of Honorary Officers.
- b. Approves changes to the Charter, Bye-laws, Rules and Regulations, where appropriate to be put to the membership for approval.
- c. Approves significant changes to the governance structure and framework, including the main principles of the IFoA's scheme of delegations as recorded in the Governance Manual.
- d. Appoints chairs to and approves the terms of reference of:
  - i. Management Board
  - ii. Audit and Risk Committee
  - iii. Nominations Committee.
- e. Appoints Council members to designated positions on Boards and Committees.
- f. Appoints the Volunteer Editor for The Actuary.
- g. Complies with the Governance Manual.

#### **4. Oversight**

- a. Monitors progress towards achievement of strategic objectives.
- b. Monitors risks that may threaten the achievement of strategic objectives and how these are managed.
- c. Ensures that the Management Board is operating effectively.
- d. Ensures that the volunteer structures of the professional body are appropriate and operate effectively.

#### **5. Wise counsel**

- a. Considers and takes appropriate action on reports from Boards and Committees.
- b. Considers issues raised by individual Council members.

#### **6. Reserved decisions**

- a. Takes decisions on any matters reserved to Council under the scheme of delegations.

#### **Membership**

Council shall comprise 30 Fellows or Associates who shall be elected by vote of the members of the constituency of which they are a member, plus up to 3 co-opted Council members.

View the “List of members of Council”

The IFoA conducts elections to the Council every year when nine members retire. Any Fellow or Associate may stand for election, subject to completing and submitting forms prescribed by Council.

View the “Task and Person Specification for members of Council”

The Honorary Officers – the President, Immediate Past President and President-elect – are appointed by Council. The President-elect is elected at least 60 days before the Annual General Meeting from which time he or she will start their one year term as President-elect. If not a member of Council, the President-elect will be co-opted to Council and remain on Council until they cease to be an Honorary Officer. The term of the President is one year. The Immediate Past President will remain on Council for one year after the end of their Presidency.

**Executive Support:** Corporate Secretary

#### **Specific Procedural Rules**

1. The quorum for meetings of the Council is 10 members of Council.
2. The minutes of all Council meetings shall be made publicly available on the IFoA’s website, but only after they have been formally approved by Council (note: certain aspects of the minutes may be redacted if considered necessary by Council).
3. Specific voting thresholds apply to amend the Charter, Bye-laws, Rules and Regulations as described in section 1.24 of this Governance Manual

## MANAGEMENT BOARD

### Terms of Reference

#### Purpose

Under delegated authority, in accordance with the Governance Manual and with the strategy set by Council, oversees the operation and management of the IFoA and holds the Executive accountable for their activities. Management Board also monitors the effectiveness of the governance structure and framework and keeps the Governance Manual including its scheme of delegations up to date.

#### Key Responsibilities

##### 1. Strategy

- a. Develops proposals for strategy and submits these to Council for consideration and approval.

##### 2. Planning and Reporting

- a. Develops and agrees the corporate plan and budget in line with the agreed strategy and with input from other Boards and Committees and Council.
- b. Reviews and agrees the Annual Report and Financial Statements in consultation with the Audit and Risk Committee and Council.
- c. Develops and agrees the risk framework and risk appetite in conjunction with the Audit and Risk Committee and Council.
- d. Develops proposals for subscriptions and other membership charges for approval by Council.
- e. Reports to Council on activities and progress in a timely and regular manner.
- f. Receives reports from the Audit and Risk Committee and responds formally to the Committee on any decisions taken and matters discussed.

##### 3. Governance

- a. Complies with the Governance Manual
- b. Maintains the Governance Manual, including the scheme of delegations, consulting with Council on significant changes in principles, policy or structure.
- c. Appoints chairs (and where designated deputy chairs), except where expressly otherwise stated in the Scheme, and sets up terms of reference for, approves the plans and monitors the performance of:
  - i. Lifelong Learning Board
  - ii. Markets Development Board
  - iii. Policy and Public Affairs Board
  - iv. Practice Boards
  - v. Regulation Board
  - vi. Remuneration Sub-committee
  - vii. Research and Thought Leadership Board
  - viii. Scottish Board

- d. Appoints the Chief Executive.
- e. Appoints members to all boards and committees where not otherwise designated or appointed by Council on the recommendation of the relevant chair.
- f. Appoints the trustees of the IFoA Foundation (including, for governance reasons related to the Foundation's registration with the Office of the Scottish Charity Regulator), the trustee position reserved for a member of Council).
- g. Approves appointments of representatives to the International Actuarial Association (IAA) and Actuarial Association of Europe (AAE), on the recommendation of the Policy and Public Affairs Board.
- h. Appoints delegates to the General Assembly, the Treaty Board and board of directors of CERA.
- i. Appoints the Actuarial Research Centre Director.

#### **4. Other Responsibilities**

- a. Conducts performance reviews and, through the Remuneration Sub-committee, sets the remuneration of the Chief Executive.
- b. Subject to consultation, as appropriate, approves new or amendments to Mutual Recognition Agreements or Memorandums of Understandings between the IFoA and another professional or regulatory body.
- c. Sets up task forces or project boards to deal with any new areas of activity or special projects.
- d. Subject to referring any matter for steer or decision by Council as it deems appropriate may:
  - i. Request a Board or Committee to undertake a specific activity and/or reorder its priorities.
  - ii. Deal with matters outside the authority of any Board or Committee, with matters concerning more than one Board or Committee that have not been resolved between them and with any disputes between Boards and Committees.
  - iii. Rule on matters on which a Board or Committee has been unable to reach a decision on a matter of principle, and/or where the relevant chair believes there is a matter of contention and/or considers it appropriate to seek endorsement.

#### **5. Oversight**

- a. Oversees the operation and management of the IFoA and holds the Executive accountable for their activities.
- b. Oversees the allocation of resources to agreed projects and work streams.
- c. Oversees the operation of The Actuary.
- d. Monitors delivery of the corporate plan and expenditure against budget.
- e. Monitors risks and ensures that they are appropriately managed in line with the risk framework and appetite set by Council.
- f. Oversees the effectiveness of the Boards and Committees and the overall governance structure and framework.

## **Membership**

The Board shall comprise ten members, including:

1. A chair who is an actuary but is independent of both Council and the Executive
2. An independent lay member.
3. Three ex officio appointments – the President, President-elect and the Chief Executive.
4. Three further members of Council, one of who may be nominated by the Scottish Board from among their number.
5. Two further Executive Directors nominated by the Chief Executive.

**Executive Support:** Corporate Secretary

## **Specific Procedural Rules**

1. The quorum for meetings of Management Board is four members of Management Board, two of whom should be members of Council.
2. Should a vote be required, all votes are of equal standing and the Chair has no second or casting vote. However, no binding decisions can be made when the number of Executive members voting exceeds the number of non-Executive members voting.
3. The non-Executive members of the Management Board may convene a closed meeting if there are any matters that need to be discussed without any of the Executive members present.

**CHIEF EXECUTIVE'S RESPONSIBILITIES****Purpose**

Leads the development of the strategic and operational plans, as directed by Council and enables the executive to deliver it. Creates the organisational capacity and reputation and the desired culture to support the plans. Accountable to Management Board (MB) for the delivery of the agreed strategy and operational plans and setting the priorities for the IFoA's executive management team.

**Key Responsibilities****1. Leadership**

- a. Promotes a member-centric culture in line with the values of the IFoA which supports high performance at an organisational and individual level.
- b. Acts as an active participant in the IFoA leadership structure articulating the IFoA's mission, vision and values in a way which engages all stakeholders in supporting and delivering the strategic objectives.
- c. Sets the standard for leadership, creating a clear direction for the Executive, volunteers and members.
- d. Sets the standards of behaviour, as a visible role model for the mutually respectful relationship between and within the Executive, Council, Boards and Committees, volunteers and members.
- e. Ensures appropriate reward and measurement systems are in place to drive progress towards strategic goals.
- f. Develops appropriate networks with key volunteers.
- g. Ensures that the IFoA is resourced effectively at all levels to deliver the operational plans.
- h. Supports the Executive's management team in building strong effective resources to deliver their respective goals.
- i. Develops succession plans for all key roles.
- j. Oversees the operation of the IFoA to ensure compliance with all legal and regulatory requirements.

**2. Planning**

- a. Engages with Council, MB and appropriate Boards and Committees to enable the development of the overall strategic vision for the IFoA for approval by Council.
- b. Works as an MB member and leads the executive team to create annual operating plans aligned with the overall strategy for ratification by Council.
- c. Ensures that MB is briefed on all relevant matters to enable it to fulfil its governance responsibilities.
- d. Identifies and scopes new opportunities and strategy to help build the IFoA's long term viability and strength.

**3. External Promotion and Representation**

- a. Supports the IFoA's volunteers, particularly the Presidential team, in their efforts to raise the profile and enhance the reputation of the IFoA.

- b. Develops networks with other organisations and individuals where appropriate.
- c. Acts as an advocate of the IFoA by representing its interests (other than on technical actuarial matters).

#### **4. Financial and Risk Management**

- a. Manages the IFoA's resources within agreed budgets and in accordance with legal, regulatory and accounting requirements.
- b. Ensures MB is regularly advised of the IFoA's financial health.
- c. Maintains the risk register, manages all risks in accordance with the risk appetite agreed by Council and ensures MB is regularly advised on the current and future risks to the IFoA.
- d. Ensures that the Governance Manual and its scheme of delegations are adopted in practice.
- e. Develops and implements appropriate Financial Regulations and Procedures.

## BOARDS AND COMMITTEES

Board or Committee	Objects	Primary Reporting Line
<b>Disciplinary Board</b>	Oversees the management and operation of the Disciplinary Scheme.	Council
<b>Audit &amp; Risk Committee</b>	Provides oversight to ensure that key risks are identified and addressed and that the IFoA adopts a sound approach to financial management and reporting.	Council
<b>Nominations Committee</b>	<p>Oversees succession planning. Makes recommendations to Council on:</p> <ul style="list-style-type: none"> <li>• Retirements from and co-options to Council</li> <li>• Appointment of honorary officers (Presidential team)</li> <li>• Appointment of chairs to Boards and Committees with a primary reporting line to Council</li> <li>• Appointment of Council members to Boards and Committees where designated.</li> </ul>	Council
<b>Lifelong Learning Board</b>	<p>Lifelong Learning Board Ensures that the IFoA lifelong learning objectives are being delivered and remain appropriate. Sets examination and exemption fees and authorises regulations dealing with IFoA qualifications.</p> <p>Oversees the admission, pre- and post-qualification learning processes, including links with universities and the content of continuous professional development (CPD).</p>	Management Board
<b>Markets Development Board</b>	Ensures that the IFoA markets development objectives are being delivered and remain relevant. Oversees market development activities including priorities for geographic regions and areas of work, relationship management with both existing and prospective employers and further development of the member proposition.	Management Board
<b>Policy and Public Affairs Board</b>	<p>Ensures that the IFoA public affairs objectives are being delivered and remain appropriate. Authorises consultation responses, media releases, and communications to key stakeholders, policy briefings and position statements.</p> <p>Oversees all public affairs and policy outputs. Makes recommendations to Council for honorary fellowships and medals.</p>	Management Board

Board or Committee	Objects	Primary Reporting Line
<b>Regulation Board</b>	<p>Ensures that the IFoA regulatory objectives are being delivered and remain appropriate.</p> <p>Authorises codes and standards relating to professional conduct and competence, including the CPD Scheme.</p> <p>Oversees the proper integration of the IFoA's regulatory framework in all activities.</p>	Management Board
<b>Research and Thought Leadership Board</b>	<p>Ensures that the IFoA learned society and thought leadership objectives are being delivered and remain appropriate.</p> <p>Oversees coverage, dissemination, quality and funding of research and thought leadership activity as well as recognising excellence in research through the award of prizes.</p>	Management Board
<b>Scottish Board</b>	Encourages development of the actuarial community, advancement of academic development and a raised public profile in Scotland.	Management Board
<b>Practice Boards</b>	<p>Support IFoA objectives by adopting and promoting the values of Community, Integrity and Progress among actuaries working in each practice area. Acts as a source of expertise among actuaries and to other Boards and Committees and promotes, supports and champions the interests of members of each community. Practice Boards have been established in the following practice areas:</p> <ul style="list-style-type: none"> <li>• Finance and Investment</li> <li>• General Insurance</li> <li>• Health and Care</li> <li>• Life</li> <li>• Pensions</li> <li>• Resource and Environment</li> <li>• Risk Management</li> </ul>	Management Board

## RULES AND PROCEDURES FOR BOARDS AND COMMITTEES

### **Application**

1. These rules and procedures apply to Council and to any Board, Committee, sub-committee or working party established by and within the IFoA (referred to as a Body hereafter), other than where specific rules or procedures are set out in the Terms of Reference for a Body (when such specific rules and procedures shall take priority).

### **Membership**

2. The membership of each Body shall vary dependent on what is appropriate given its nature and purpose. The membership constitution must, however, be set out in the Body's Terms of Reference.
3. Other than where specifically designated otherwise, members shall be appointed to the Body by the body to which the Body reports on the recommendation of the Chair. In making such recommendations, the Chair shall seek to ensure an appropriate balance of skills, experience and diversity. Appointments will normally be for a fixed term, typically two or three years, with one renewal option (any such renewal being of the same duration). The body to which the Body reports shall have the authority to remove the Chair or member of the Body.
4. Members may resign at any time by giving written notice to the Chair.

### **Chair and Deputy Chair**

5. Meetings of Council shall be chaired by the President. The President may nominate either the President-elect or Immediate Past President to act as chair. In the absence of such nomination the President-elect and Immediate Past President shall agree who will chair the meeting between them. In the absence of the President or such designate, such other person as the members of Council present shall determine may act as chair.
6. In all other cases, meetings shall be chaired by a Chair appointed by the body to which the Body reports. The Chair must designate another member to chair a meeting in his/her absence, unless the position of Deputy Chair is designated in the Body, in which case the Deputy Chair will chair the meeting. In the absence of such designate, such other person as the members of the body concerned shall determine may act as chair in his/her place.

### **Quorum and Adjournment**

7. Unless otherwise stated in a Terms of Reference, a Body shall be quorate if at least one third of the membership is present (rounded up to the nearest whole number). A Body may continue to act notwithstanding any casual vacancy in its membership, but the quorum requirement shall be applied as if there were no such casual vacancy.
8. In the absence of a quorum, any decisions taken shall be subject to ratification at the next quorate meeting.

### **Notice of Meetings**

9. A schedule of meetings shall be agreed with the Chair and made available to members one year in advance. The frequency of meetings shall vary dependent on the purpose and work load of each Body, however at least two meetings shall be scheduled per annum. It is recognised that sub-committees and working parties by their very nature may be convened to deal with specific matters and shall therefore meet as and when the need arises.

10. Unscheduled meetings of a Body may be called by the Chair at any time (provided notice is given as per paragraph 11) where specific or urgent attention must be given to a particular matter.
11. Notification of a meeting together with its agenda shall be given to members by e-mail at the address supplied to the Body's secretary not less than seven days in advance of the meeting. Each notice shall specify the date, time and place of the meeting. The accidental omission to give notice of a meeting shall not, however, invalidate the business of the meeting.
12. A meeting may be called at short notice if all the members of the Body at that time so agree.

### **Confidentiality**

13. The business of all IFoA Boards, Committees, sub-committees and working parties is confidential to the IFoA, and should not be disclosed outside the IFoA without the written consent of the IFoA's Chief Executive. This does not prohibit members of a Body discussing papers with:
  - a. members of other IFoA Bodies and in fact pro-active consultation and dialogue is encouraged (see sections 1.60 and 1.61 of the Governance Manual); or
  - b. a person or persons (such as colleague(s)) whose reactions or views may serve as a measure of the effectiveness of proposals, ideas, etc. being put forward for consideration by a Body, therefore helping members of the Body frame their own reactions or views.
14. Where it is determined that a paper is confidential only to a particular Body the degree of confidentiality should be made clear. In such cases, members shall not divulge the papers or discussion to anyone who is not a member of the Body without the consent of the Chair.

### **Conduct of Meetings**

15. The business of meetings shall be as set out in the pre-circulated agenda.
16. Members must give notice to the Chair at the earliest opportunity prior to the next scheduled meeting of a proposed item of business. The Chair shall decide on its inclusion in the business for the next scheduled meeting or at a subsequent meeting. Agendas and papers must be approved by the Chair prior to issue to other members.
17. Papers shall normally be issued to members with the agenda within the timescales set out at paragraph 11. Where this is not practicable for valid reasons, papers shall be issued to members no later than two days prior to a meeting. Papers tabled at the meeting will only be considered at the discretion of the Chair.
18. The consideration of any business not notified in the agenda may only be permitted at the discretion of the Chair.
19. Any member who has a personal interest or any perceived or actual conflict of interest in any item of business shall, as soon as practicable, disclose that fact to the Body and shall withdraw from that part of the meeting unless specifically requested to be present by the Chair. A list of such personal interests and conflicts shall be maintained by the secretary of the Body.
20. Any member shall be entitled to speak to an item but the Chair may, having regard to equity of opportunity, limit the duration and frequency of a members' contribution to any one item of business.
21. Unless otherwise stated in a Terms of Reference, a decision shall be passed by a majority of members present. Agreement may be reached at meetings by general assent without a formal

vote. Where a vote is considered necessary by the Chair, this shall be carried out by way of a show of hands. In the case of an equality of votes, the Chair shall have a second or casting vote.

22. Participation at any meeting may take place remotely, including through the use of telephone or video conference facilities where one or more members may be in a different location, provided that each member is able to speak to and hear the other members and be heard by them. The conduct of any meeting by such remote means shall be regulated in such a manner as the Chair may from time to time see fit.
23. A member who is unable to attend a meeting may vote either in advance by e-mail to the relevant secretary or may authorise the Chair or another member of the Body to vote on their behalf.
24. Other non-members attending a meeting shall be entitled to attend, and allowed to speak at, meetings strictly on invitation of the Chair. Attendance by non-members should, however, be occasional (not permanent), for example where it may in particular be necessary to allow suitable persons to speak to the content of papers submitted to the Body.
25. A note of attendees at each meeting shall be recorded in the minutes. Apologies for absence from a meeting must be given to the Chair (or nominated member).
26. Each Body shall be provided with a secretary by the IFoA or, if not appropriate, the Body shall elect a member to act as secretary to prepare draft minutes of each meeting. Draft minutes shall be circulated to the Chair for consideration prior to wider circulation to other members normally within one week of the meeting. All minutes must be approved as an accurate record at the following quorate meeting. All minutes must be stored securely in an IFoA central depository held by the Executive.
27. Some business may be dealt with out of formal meeting by correspondence, telephone or video communication, or by other means, where deemed necessary by the Chair. Any decisions taken between meetings shall be formally recorded in the minutes of the next meeting.

#### **Effectiveness**

28. The Chair shall carry out a review of the effectiveness of the Body at least once each year. The result of this review shall be reported by the Body to the body to which the Body reports.

#### **Delegation**

29. The Body may delegate any of its powers to such body or person(s) it considers appropriate. A written record shall be made of any such delegation, together with any procedures to be followed and/or constraints imposed on the exercise of the delegated power. Any decisions made under such delegated powers shall be reported to the Body at the next meeting.

#### **Expected Performance**

30. All members should comply with the rulings from the Chair in the conduct of the business at IFoA meetings. All members should respect the Chair, colleagues and employees of the IFoA and treat them with courtesy. All members should apply this principle in their dealings with IFoA stakeholders and members of the public when performing duties as representatives of the IFoA. Members should devote sufficient time to undertake their work with due diligence and care. Levels of individual performance will be considered by the Chair when reviewing the Body's effectiveness each year and included in the report that is made on the Body's effectiveness to the body to which the Body reports.

## DISCIPLINARY BOARD Terms of Reference

### Purpose

Oversees the management and operation of the Disciplinary and Capacity for Membership Schemes.

*Note: A number of capitalised terms used in this Terms of Reference are as defined in the Disciplinary and Capacity for Membership Schemes.*

### Key Responsibilities

#### 1. Planning and Reporting

- a. Provides bi-annual reports to Council and such other interim reports on specific issues as it deems necessary, working with the Regulation Board.
- b. Produces an annual report to the IFoA.
- c. Gives feedback to Council and/or Regulation Board and/or Financial Reporting Council (FRC) and/or any of its operating bodies on lessons learned from any proceedings conducted under the Disciplinary and Capacity for Membership Schemes, in respect of any standards, advice, guidance, memorandum or statement on professional conduct, practice or duties issued by them.
- d. Provides such guidance on procedures as it considers necessary for the performance by the IFoA of functions under rule 4.20 of the Disciplinary and Capacity for Membership Schemes.
- e. Provides advice and guidance to Council about entering into mutual disciplinary agreements with actuarial associations outside the UK who are members of the International Actuarial Association.

#### 2. Governance

- a. Complies with this Governance Manual except where there is any conflict with the Disciplinary and Capacity for Membership Schemes, in which case the Disciplinary and Capacity for Membership Schemes will take priority.

#### 3. Oversight

- a. Oversees the management and operation of the Disciplinary and Capacity for Membership Schemes.
- b. Receives and considers reports from the Independent Examiner, from any Chair, committee, panel or tribunal appointed under this Scheme, from the Financial Reporting Council regarding Allegations considered under the FRC Scheme and from the Chief Executive on the operation of the Disciplinary and Capacity for Membership Schemes.

#### 4. Oversight

- a. Decides the maximum fine which an Adjudication Panel may invite a Respondent to pay under Rule 6.6(b) of the Disciplinary and Capacity for Membership Schemes.
- b. Sets and monitors the time frames for investigations and proceedings under the Disciplinary and Capacity for Membership Schemes.

- c. Organises training of those involved in the Disciplinary and Capacity for Membership Schemes.
- d. Makes and varies such regulations (not being inconsistent with the Charter, Bye-laws, Rules or the Disciplinary and Capacity for Membership Schemes) as it considers necessary for the implementation of the Disciplinary and Capacity for Membership Schemes and for the performance of the Investigation Actuaries, Interim Orders Panels, Adjudication Panels, Disciplinary Tribunal Panels and Appeal Tribunal Panels of their respective functions under the Disciplinary and Capacity for Membership Schemes.
- e. Provides guidance on procedure it considers appropriate not being inconsistent with the Disciplinary and Capacity for Membership Schemes for the performance of functions under the Disciplinary and Capacity for Membership Schemes.
- f. Such other functions as shall be agreed from time to time by the Council.
- g. The Board may at any time, subject to the agreement of the Council or such other body delegated by them for the purpose, arrange for a review of the provisions and operation of the Disciplinary and Capacity for Membership Schemes or any aspect of it to be undertaken.
- h. The Board shall from time to time provide guidelines for the manner in which sanctions involving education, retaining and/or supervised practice under the Disciplinary and Capacity for Membership Schemes may be imposed. Such guidelines shall be published by the IFoA.
- i. Works with Regulation Board in relation to delivery of enforcement elements of the IFoA's regulatory strategy.

## **Membership**

The Board shall comprise nine members appointed by the Disciplinary Appointments Committee:

- Three lay members, one of whom shall be nominated as chair
- Six Fellows

The Disciplinary Appointments Committee shall comprise six members:

- A lay member appointed by the President of the Chartered Institute of Personnel and Development
- A lay member being a Queen's Counsel, appointed alternately by the Dean of the Faculty of Advocates and the Chair of the General Council of the Bar, who shall be Chair
- Four Fellows appointed by Council. Each appointment shall be for three years.

**Executive Support:** Senior Disciplinary Lawyer

## **Specific Procedural Rules**

1. Specific procedural rules apply to the operation of the Disciplinary Board and the various judicial committees and panels established under the Disciplinary and Capacity for Membership Schemes. The Disciplinary and Capacity for Membership Schemes takes priority in the case of any conflict with these Terms of Reference.
2. The minutes of Disciplinary Board shall be made publicly available on the IFoA's website but only after they have been formally approved at a subsequent meeting of the Disciplinary Board (note: certain aspects of the minutes may be redacted if considered necessary by the Disciplinary Board).

*View the Disciplinary and Capacity for Membership Schemes*

**AUDIT AND RISK COMMITTEE**  
**Terms of Reference**

**Purpose**

Provides oversight to ensure that key risks are being identified and addressed and that the IFoA adopts a sound approach to financial management and reporting.

**Key Responsibilities****1. External Auditors**

- a. Agrees, for approval by Council subject to confirmation by a membership vote, the appointment of the external auditor and their fees.
- b. Reviews any non-audit services provided by the external auditor to ensure this provision does not impair the external auditor's independence or objectivity.
- c. Discusses with the external auditor, before audit commences, the nature and scope of the audit, and reviews the external auditor's quality control procedures and steps taken by the external auditor to respond to regulatory and other requirements.
- d. Reviews the external auditor's recommendations and management letters together with management's response.
- e. Monitors the performance of the external auditor.

**2. Financial Statements**

- a. Reviews the annual financial statements and challenges where necessary the actions and judgements of management in relation to them before submission to Council, paying particular attention to:
  - i. Critical accounting policies and practices, and any changes in them.
  - ii. Decisions requiring a major element of judgement.
  - iii. The extent to which the financial statements are affected by any unusual transaction in the year and how such transactions are disclosed.
  - iv. The clarity of disclosures.
  - v. Significant adjustments resulting from the audit.
  - vi. The going concern assumption.
  - vii. Compliance with accounting standards and other legal requirements.
- b. Reports to Management Board and to Council on the appropriateness of the annual financial statements.

**3. Internal Auditors**

- a. Appoints the internal auditor and reviews the internal auditor's performance.
- b. Agrees the annual internal audit plan and the internal auditor's fees.
- c. Reviews reports from the internal auditor and management's responses to those reports.
- d. Discusses with the Management Board the effectiveness of the internal audit arrangements.

#### **4. Risk Management**

- a. Reviews the approach to the identification of the key risks that might affect the achievement of strategic objectives, how these risks are being monitored and the steps that are taken to mitigate those risks.
- b. Reviews management's reports on the effectiveness of systems of internal financial control, financial reporting and risk management.
- c. Reviews the statement on internal control systems (part of the corporate governance statement) prior to endorsement by Council and reviews the policies and processes for identifying and assessing strategic and operational risks and the management of those risks by the IFoA.
- d. Reviews the procedures for handling allegations from whistle-blowers.
- e. At the discretion of the Chief Executive and the Chair of the Audit and Risk Committee, receives and considers the results of any investigations of allegations of fraud or corruption carried out under the Fraud Response Policy.
- f. Reviews the procedures for handling offers of gifts and hospitality.
- g. Gives feedback on staff procedures and policies related to internal controls.

#### **5. Governance**

- a. Reviews changes to the governance structure and framework.
- b. Complies with the Governance Manual.

#### **Membership**

The Committee shall comprise four members:

1. A lay chair
2. One additional lay member
3. Two members of Council.

**Executive Support:** Corporate Secretary

#### **Specific Procedural Rules**

1. A quorum comprises three members of the Committee, including at least one lay member.

## NOMINATIONS COMMITTEE Terms of Reference

### Purpose

Oversees succession planning. Makes recommendations to Council on:

- Retirements from and co-options to Council
- Appointment of honorary officers (Presidential team)
- Appointment of chairs to Boards and Committees with a primary reporting line to Council
- Appointment of Council members to Boards and Committees where designated.

### Key Responsibilities

1. Makes recommendations to Council on:
  - a. Appointment of honorary officers (Presidential team)
  - b. Which members of Council should retire each year.
  - c. Co-options to Council.
  - d. Appointment of chairs of the following boards and committees:
    - i. Management Board
    - ii. Audit and Risk Committee
    - iii. Nominations Committee
  - e. Appointment of Council members to boards and committees where designated.
  - f. Appointment of Council member to the Council member trustee position on the IFoA Foundation.
2. Maintains succession planning arrangements for future appointments of the President-elect, and for Council members in relation to appointments to boards and committees where designated.
3. Makes recommendations to Council and Management Board as appropriate on administrative matters pertaining to the election process for members of Council.
4. Provides advice on, and makes recommendations to Council and Management Board as appropriate on specific work delegated to the Committee by those bodies.
5. Champions diversity and inclusion.
6. Complies with the Governance Manual.

### Membership

The Committee shall comprise six members:

- Presidential team (President, Immediate Past President, President-elect), one of whom shall act as Chair.
- Three additional members of Council.

**Executive Support:** Corporate Secretary

**Specific Procedural Rules:** A quorum comprises three members of the Committee, including at least one member of the Presidential Team.

## **LIFELONG LEARNING BOARD (LLB)**

### **Terms of Reference**

#### **Purpose**

Ensures that the IFoA lifelong learning objectives are being delivered and remain appropriate. Sets examination and exemption fees and authorises regulations dealing with IFoA qualifications. Oversees the admission, pre- and post-qualification learning processes, including links with universities and the content of continuous professional development (CPD).

#### **Key Responsibilities**

##### **1. Strategy**

- a. Supports Council in future reviews of IFoA lifelong learning objectives and sets strategy for achieving these objectives.
- b. Collaborates with other boards to ensure that cross cutting organisational and cross-practice opportunities and initiatives are appropriately addressed.
- c. Ensures that the IFoA's learning is globally benchmarked against competing credentials, CPD and Lifelong Learning.
- d. Sets the strategic framework for development of the IFoA's pre-qualification learning, ensuring strategic developments respond to the contemporary needs of the global actuarial profession.
- e. Sets the framework for assessment of all qualification and certifications, responding to contemporary good practice.
- f. Sets the strategic framework for development of a lifelong learning offer that responds to the growing professional needs of members.
- g. Sets the strategic framework for all education-related prizes (prizes for actuarial examinations and university students, plus any ad hoc prizes with an education objective)

##### **2. Strategy**

- a. Supports Management Board in developing the annual corporate plan by developing proposals for that plan as they relate to the lifelong learning.
- b. Provides Management Board, and where necessary Council, with formal assurance on all aspects of the IFoA's learning activities.
- c. Reports to Management Board on activities and progress and to Council on strategic matters.

##### **3. Governance**

- a. Complies with the Governance Manual.
- b. Chair to be responsible for ensuring the Board's activities support the IFoA principles of equality, diversity and inclusion.
- c. Appoints chairs and approves terms of reference of the Board of Examiners and Education Committee.
- d. The Lay Chair will be subject to performance reviews conducted by the profession's CEO and the Lay Member will be subject to performance reviews conducted by the Lay Chair.

#### 4. Oversight

- a. Monitors delivery against the annual corporate plan.
- b. Oversees delivery of learning, assessment, CPD, lifelong learning and relevant conference content to ensure they align with strategic frameworks and feedback from members and other IFoA stakeholders.
- c. Oversees operation of the University Global Partner Programme.
- d. Oversees the work of the Board of Examiners and the Education Committee.
- e. Oversees the delivery of the services provided by ActEd on behalf of IFE Ltd.

#### 5. Other Responsibilities

- a. Approves rules and regulations in relation to the IFoA's qualifications, learning and assessment.
- b. Accredits universities.
- c. Approves examination and exemption fees.
- d. Proactively seeks input from practice areas to strategic learning developments.
- e. In partnership with Regulation Board, sets the framework for:
  - i. relevant aspects of Mutual Recognition Agreements (MRA)
  - ii. relevant areas of the IFoA's CPD learning content, ensuring it meets the public interest test by responding to current needs of the actuarial profession and its oversight body.
- f. In partnership with Research and Thought Leadership Board, sets the framework for operation of the IFoA's Global Partner Programme of universities.
- g. In partnership with the conference team and practice area boards, sets the strategic framework for IFoA's conferences so that they respond to demand from members, are value for money and complement the CPD and lifelong learning needs of members.
- h. Ensures effective engagement on learning activities with other relevant professional organisations.
- i. Develops strong two-way communication with students, members, volunteers, employers and universities.
- j. Engages with the Chief Risk Officer to ensure that strategic and significant operational risks and their mitigation are understood and appropriately managed.

#### Membership

The Board shall comprise ten members:

- Chair
- Lay member
- Council member
- Four volunteers
- Director of Engagement and Learning
- Head of Education Partnerships and Lifelong Learning
- Head of Quality and Assessment

**Executive Support:** Member of the Engagement and Learning team

**Specific Procedural Rules:** The quorum for meetings shall require a majority of non-Executive members.

**MARKETS DEVELOPMENT BOARD (MDB)**  
**Terms of Reference**

**Purpose**

Ensures that the IFoA markets development objectives are being delivered and remain relevant. Oversees market development activities including priorities for geographic regions and areas of work, relationship management with both existing and prospective employers and further development of the member proposition.

**Key Responsibilities****1. Strategy**

- a. Supports Council in future reviews of IFoA markets development objectives with a global focus.
- b. Collaborates with other Boards to ensure that cross cutting organisational and cross-practice opportunities and initiatives are appropriately addressed, particularly in relation to emerging global issues.
- c. Agrees development priorities for geographic regions and areas of work.
- d. Agrees priorities and approach to developing and managing relationships with existing and prospective employers.
- e. Agrees priorities for further development of the member proposition.
- f. Considers and advises on commercial development opportunities.

**2. Planning and Reporting**

- a. Supports Management Board in developing the annual corporate plan by developing proposals as they relate to markets development..
- b. Reports to Management Board on activities and progress and to Council on strategic matters.

**3. Oversight**

- a. Monitors delivery against the annual corporate plan.
- b. Reviews the allocation of resources and budget to IFoA markets development activity and assesses its strategic fit with the markets development objectives.
- c. Oversees representative visits in pursuit of markets development activity.

**4. Governance**

- a. Complies with the Governance Manual.
- b. Chair to be responsible for ensuring the Board's activities support the IFoA principles of equality, diversity and inclusion.

**5. Other Responsibilities**

- a. In consultation with other Boards, as appropriate, identifies opportunities for Memoranda of Understanding (MOUs) between the IFoA and other organisations that will assist in the

promotion of the profession and the IFoA, recommending such opportunities to the authorising body under the Governance Manual.

- b. Authorises MOUs where the primary purpose is markets development, in consultation with the appropriate Board where there is a secondary purpose.
- c. Provides input on MOUs and Mutual Recognition Agreements (MRAs) to other boards on aspects of markets development.
- d. Establishes task forces to deal with any new areas of activity or special projects relating to markets development.
- e. Supports the Lifelong Learning Board in the development of qualifications and continuing education to ensure relevance to developing opportunities.
- f. Engages with the CRO to ensure that strategic and significant operational risks and their mitigation are understood and appropriately managed, particularly in developing markets.

### **Membership**

The Board shall comprise no fewer than six, and no greater than ten members, including:

- Chair
- Two Council members
- At least one and no more than six additional members (of which up to two may be lay members)
- Chief Executive
- Director of Markets Development

**Executive Support:** Member of Markets Development team

### **Specific Procedural Rules**

The Quorum for meetings shall require a majority of non-Executive members.

**POLICY AND PUBLIC AFFAIRS BOARD**  
**Terms of Reference**

**Purpose**

Ensures that the IFoA public affairs objectives are being delivered and remain appropriate. Authorises consultation responses, media releases, communications to key stakeholders, policy briefings and position statements. Oversees all public affairs and policy outputs. Makes recommendations to Council for honorary fellowships and medals.

**Key Responsibilities****1. Strategy**

- a. Supports Council in future reviews of the IFoA public affairs objectives.
- b. Collaborates with other Boards to ensure that cross cutting organisational and cross-practice opportunities and initiatives are appropriately addressed.
- c. Provides input regarding the identification of emerging issues, through IAA and AAE current issues and other horizon scanning approaches, globally.
- d. Develops, in conjunction with appropriate Boards and Committees, and agrees the IFoA's public affairs policy, including the key policy priorities, policy briefings and position statements.
- e. Considers and makes recommendations to Council on the policy for the award of medals.

**2. Planning and Reporting**

- a. Reports to Management Board on activities and progress and to Council on strategic matters.
- b. Supports Management Board in developing the annual corporate plan by developing proposals for that plan as they relate to the policy and public affairs objectives.
- c. Agrees the public affairs stakeholder engagement plan.
- d. Approves the annual public affairs and policy plan.
- e. Ensures regular communications on the progress of public affairs activities to Boards and Committees and to the wider membership.

**3. Governance**

- a. Complies with the Governance Manual.
- b. Chair to be responsible for ensuring that the Board's activities support the IFoA principles of equality, diversity and inclusion.
- c. Appoints chair and sets up terms of reference for the International Nominations Committee (INC) and the Supranational Associations Liaison Sub-committee SALS).

**4. Oversight**

- a. Monitors the IFoA's public affairs and policy outputs, including, but not limited to:
  - i. Media releases
  - ii. Communications to key stakeholders
  - iii. Consultation responses

- iv. Policy briefings and position statements.
- b. Monitors delivery against the corporate plan and the public affairs and policy plan.
- c. Monitors delivery of individual communication campaign plans.
- d. Monitors delivery of stakeholder engagement plan.
- e. Monitors the Actuary Magazine. The Volunteer Editor shall report at least annually to PPAB.
- f. Oversees the work of the International Nominations Committee (INC) and the Supranational Associations Liaison Sub-committee SALS).

## 5. Other Responsibilities

- a. Authorises the IFoA's public affairs and policy outputs (with responsibility for technical content resting with the appropriate Boards and Committees).
- b. Works with the Research and Thought Leadership Committee to support the development of an evidence-based approach and appropriate research that improves the effectiveness of our public affairs and policy outputs.
- c. Supports the delivery of an integrated public affairs programme by representing the IFoA with appropriate key stakeholders.
- d. Works with the Markets Development Board to support the implementation and development of the markets development objectives.
- e. Recommends to Management Board for its approval specific IFoA representatives and candidates for other appointments to the IAA and AAE, paying due regard to succession planning.
- f. Relationships with IAA, AAE and other supranational bodies:
  - i. Optimises the IFoA's engagement with and influence within the IAA and the AAE by promoting active involvement by IFoA members in those bodies through sub-committees and working parties.
  - ii. When appropriate and with relevant members of the executive, engages directly with supranational bodies where active participation in the IAA / AAE is unlikely adequately to serve the needs of the IFoA.
  - iii. Provides a conduit for IFoA input to the IAA and AAE, including responding to surveys and general requests for information, consulting the executive, boards, committees or sub-committees as appropriate.
  - iv. Provides a conduit for IFoA input to other supranational bodies, consulting the executive, boards, committees or sub-committees as appropriate.
- g. Considers the nominations received and, taking into account the criteria agreed by Council, makes recommendations to Council for the award of:
  - i. Medals (Gold and Finlaison) to members
  - ii. Honorary Fellowships
- h. Recommends to Management Board donations to international bodies, to other associations or in appropriate circumstances.
- i. Engages with the Chief Risk Officer to ensure that strategic and significant operational risks and their mitigation are understood and appropriately managed.

## **Membership**

The Committee shall comprise no fewer than nine and no greater than twelve members:

- Chair
- The Presidential team (President, Immediate Past President and President-elect
- Chair of Regulation Board
- At least two and no more than five additional members (of which up to two may be lay members)
- IFoA Director of Public Affairs and Research
- Chief Executive

**Executive Support:** Public Affairs Executive

## **Specific Procedural Rules**

The Quorum for meetings shall require a majority of non-Executive members.

## REGULATION BOARD Terms of Reference

### Purpose

Ensures that the IFoA regulatory objectives are being delivered and remain appropriate. Authorises codes and standards relating to professional conduct and competence, including the CPD Scheme. Oversees the proper integration of the IFoA regulatory framework in all activities.

### Key Responsibilities

#### 1. Strategy

- a. Supports Council in future reviews of IFoA regulatory objectives.
- b. Collaborates with other Boards to ensure that cross cutting organisational and cross-practice opportunities and initiatives are appropriately addressed

#### 2. Planning and Reporting

- a. Supports Management Board in developing the annual corporate plan by developing proposals for that plan as they relate to regulation.
- b. Reports at least annually to the Financial Reporting Council.
- c. Reports to Management Board on its activities and progress and to Council on strategic matters.

#### 3. Governance

- a. Complies with the Governance Manual.
- b. Chair to be responsible for ensuring that the Board's activities support the IFoA principles of equality, diversity and inclusion.
- c. Appoints chairs and sets up terms of reference for the following sub-committees:
  - i. Membership
  - ii. Professional Skills
  - iii. Standards review
  - iv. Regulation Board International
  - v. Pensions Standards
  - vi. Practising Certificates
  - vii. Quality Assurance Scheme
  - viii. Financial Reporting Group
  - ix. Designated Professional Body Board

#### 4. Oversight

- a. Monitors delivery against the corporate plan.

- b. Monitors the work of the Membership, Professional Skills, Standards Review, Regulation Board International, Pensions Standards, Practising Certificates, and Quality Assurance Scheme Sub-committees, the Financial Reporting Group, and the Designated Professional Body Board.
- c. Establishes and oversees the operation of such compliance monitoring arrangements as may be appropriate and proportionate, in the public interest.
- d. Oversees the effectiveness of the IFoA's regulatory enforcement arrangements at a policy level and in the context of the IFoA's regulatory strategy.
- e. Ensures appropriate liaison with, and recognition of international actuarial bodies such as the IAA and AAE.
- f. Ensures Practice Boards are informed of and share the Board's understanding of regulatory matters.
- g. Oversees operation, by the IFoA's QAS sub-committee, of the Quality Assurance Scheme.

## 5. Other Responsibilities

- a. Develops, issues and communicates to members, co-regulators and to the public at large appropriate codes and standards relating to professional conduct and competence.
- b. Engages with the Chief Risk Officer to ensure that strategic and significant operational risks and their mitigation are understood and appropriately managed.

*View the "Standards"*

- c. Works with Designated Professional Body Board to ensure proper integration of the IFoA's regulatory framework (including the Practising Certificate regime) with its qualification and educational requirements and syllabus.
- d. Develops, issues and promotes an appropriate CPD scheme, including requirements in relation to professionalism and promote and review compliance to ensure effective enforcement arrangements in the event of non-compliance with the CPD scheme.

*View the "CPD Scheme"*

- e. Works with the Designated Professional Body Board to ensure that the IFoA Bye-Laws, Professional Guidance and DPB Handbook, taken together, provide an adequate basis for investor protection within the scope of the IFoA's powers as a DPB.
- f. Works with the Disciplinary Board in relation to its reports to Council and delivery of enforcement elements of the IFoA's regulatory strategy.
- g. Ensures regulatory aspects of Mutual Recognition Agreements (MRAs) meet required standards.
- h. Liaises with the Markets Development Board on the international aspects of its remit
- i. Maintains productive and effective working relationships with the FRC, FCA, PRA, TPR, PPF and Lloyd's together with other relevant regulatory bodies and stakeholders.
- j. Develops and maintains effective relationships as required with actuarial associations based outside of the UK.

## Membership

### Executive Support: Head of Professionalism

The Board shall comprise at least ten and no more than thirteen members:

- A lay chair
- Council member
- At least seven and no more than ten additional members (of which at least two and no more than four shall be lay members)
- IFoA General Counsel

### **Specific Procedural Rules**

The quorum for meetings shall require at least one lay member.

**RESEARCH AND THOUGHT LEADERSHIP BOARD****Terms of Reference****Purpose**

Ensures that the IFoA learned society and thought leadership objectives are being delivered and remain appropriate. Oversees coverage, dissemination, quality and funding of research and thought leadership activity, as well as recognising excellence in research through the award of prizes.

**Key Responsibilities****1. Strategy**

- a. Supports Council in future reviews of IFoA learned society and thought leadership objectives. Collaborates with other Boards to ensure that cross cutting organisational and cross-practice opportunities and initiatives are appropriately addressed.
- b. Reviews coverage of IFoA research activity carried out under the auspices of the Practice Boards and through certain other groups and assesses its strategic fit with the learned society and thought leadership objectives. Ensures the Practice Boards and other relevant member communities are informed of developments in the IFoA's overall research agenda.
- c. Maintains awareness of relevant research being carried out beyond the IFoA and brings such awareness to the attention of the relevant Practice Board(s) or other member groups.
- d. Carries out appropriate horizon scanning and identifies themes on which research activity should be initiated by the IFoA.
- e. Champions the initiation of new research activity on any themes identified, recognising the importance of cross-Practice collaboration.
- f. Considers and makes recommendations to Council on the policy for the award of prizes wholly within the research field and ensures prize funding is available (for example, through the IFoA Foundation).
- g. Ensures that the IFoA's library strategy, in terms of content, remains fit for purpose and meeting the needs of the IFoA membership.

**2. Planning and Reporting**

- a. Supports Management Board in developing the annual corporate plan by developing proposals for that plan as they relate to research and thought leadership.
- b. Reports to Management Board on activities and progress and to Council on strategic matters.
- c. Engages with the Chief Risk Officer to ensure that strategic and significant operational risks and their mitigation are understood and appropriately managed.

**3. Governance**

- a. Complies with the Governance Manual.
- b. Chair to be responsible for ensuring that the Board's activities support the IFoA principles of equality, diversity and inclusion.

#### **4. Oversight**

- a. Monitors delivery against the annual corporate plan, including activities delivered through the IFoA's Actuarial Research Centre (ARC).
- b. Research funding and resources:
  - i. Reviews the allocation of resources and budget to IFoA research activity and assesses its strategic fit with the learned society and thought leadership objectives.
  - ii. Champions any additional resources and/or budget to IFoA research activity that is considered necessary to achieve the learned society and thought leadership objectives.
  - iii. Provides advice on, and helps resolve, any significant issues regarding IFoA research activity that may arise from time to time.
- c. Research quality:
  - i. Reviews the quality assurance process that is followed in respect of IFoA research activity.
  - ii. Champions any strengthening of the quality assurance process that is considered appropriate, particularly in the light of experience.
- d. Research dissemination:
  - i. Reviews the dissemination of IFoA research activity and assesses its effectiveness.
  - ii. Champions the most appropriate knowledge exchange channels for IFoA research, both within and outside the IFoA.
- e. Recognising success and excellence in research:
  - i. Considers papers presented or published in the relevant session and awards on behalf of Council the Peter Clark Prize for Best Paper and the Geoffrey Heywood Prize and any other best research paper prizes that may be considered appropriate.
  - ii. Notes the Brian Hey Prize for Best Paper in General Insurance.
  - iii. Considers and makes recommendations to Council on the award of prizes relating to research.
- f. Oversees the content and service offering by the IFoA's library and information service.

#### **Membership**

The Committee shall comprise up to ten members:

- Lay chair
- Council member
- Up to seven additional members (which may be lay members)
- IFoA Head of Research and Knowledge

**Executive Support:** ARC Co-ordinator

#### **Specific Procedural Rules**

A quorum comprises seven members of the Committee, including at least:

- One lay chair and Council representative; and
- IFoA Head of Research and Knowledge or delegate.

**SCOTTISH BOARD  
Terms of Reference**

**Purpose**

Encourages development of the actuarial community, advancement of academic development and a raised public profile in Scotland.

**Key Responsibilities****1. Governance**

- a. Complies with the Governance Manual
- b. Chair to be responsible for ensuring that the Board's activities support the IFoA principles of equality, diversity and inclusion.
- c. Appoints leaders and members, and sets objectives for the following sub-groups:

**Lifelong Learning**

<b>Group</b>	<b>Tasked with</b>
KSS/actuarial CPD	Continue the existing CPD sessions
Schools/university engagement	Highland maths challenge, Lothian schools, university prizes, schools prizes
RTLB & SFRA	Representation & liaison

**Being Sought After**

<b>Group</b>	<b>Tasked with</b>
Professional Bodies Forum/wider networking	Liaison/events with other professional bodies
Communications	Liaise with The Actuary, draft Scottish Newsletter, charitable trust communications
Employer engagement	Employer events, Student/Qualified transition

**Leading Professional Body**

<b>Group</b>	<b>Tasked with</b>
Public affairs	Interfaces with Scottish community/public affairs
Endowment Fund & Charitable Fund	Oversee existing commitments and source additional funding, organize events. Come up with ideas, review suggestions

## **2. Planning and Reporting**

- a. Reports to Management Board on activities and progress.
- b. Makes recommendations on the use of funds from:
  - i. Scottish Endowment Fund
  - ii. Faculty of Actuaries in Scotland Charitable Trust.

## **3. Oversight**

- a. Monitors the work of the sub-committees.
- b. Ensures that there is sufficient and appropriate professional activity taking place for members of the Scottish constituency.

## **4. Other Responsibilities**

- a. Represents the Scottish constituency where appropriate but acts primarily to develop the actuarial community in Scotland.
- b. Develops closer links with key Scottish stakeholders such as academics, employers, government and other professional bodies.
- c. Enhances the profile of actuaries in Scotland.
- d. Encourages and advances academic development in Scotland.
- e. Encourages volunteers for IFoA activities from the Scottish constituency.

## **Membership**

The Board shall comprise:

- Members of Council elected by the Scottish constituency.
- In addition, members of Council elected by the Scottish constituency may co-opt as many other persons as they consider appropriate.

The Leader (Chair) shall be elected annually by the Board.

**Executive Support:** Stakeholder Relationship Manager

## **Specific Procedural Rules**

Should a vote be required, all votes are of equal standing. However, binding decisions of the Board can only be made with a majority vote in agreement of (i) the Board as a whole and (ii) Council members on the Board.

**PRACTICE BOARDS' MODEL TERMS OF REFERENCE**  
**Terms of Reference**

**PRACTICE BOARD: [PRACTICE AREA]**

**Terms of Reference**

**Purpose**

Support IFoA objectives by adopting and promoting the values of Community, Integrity and Progress among actuaries working in the [PRACTICE AREA]. Acts as a source of expertise among actuaries and to other boards and committees and promotes, supports and champions the interests of members of the [PRACTICE AREA] community ('the Practice').

**Key Responsibilities**

**1. Strategy**

- a. Supports Council and other Boards in future reviews of the IFoA's strategic objectives.

**2. Planning and Reporting**

- a. Supports Management Board in developing the annual corporate plan.
- b. Reports as required to Management Board and other Boards.

**3. Governance**

- a. Complies with the Governance Manual.
- b. Chair to be responsible for ensuring that the Board's activities support the IFoA Principles of equality, diversity and inclusion.
- c. Appoints chairs and sets up terms of reference for any Practice sub-committees.

**4. Oversight**

- a. Monitors the work of the Practice Board sub-committees.
- b. Ensures that there is sufficient and appropriate professional activity taking place for members of the Scottish constituency.

**5. Oversight**

- a. Promotes, supports and champions the interests of members, including supporting relevant Member Interest Groups.
- b. Provides input to the Lifelong Learning Board and the Executive, including on the examination syllabus and core reading and on CPD opportunities, and oversees CPD events.
- c. Provides input to the Policy and Public Affairs Board and the Executive, including consultation responses, stakeholder management and policy development.
- d. Provides input to the Research and Thought Leadership Board and the Executive, including research opportunities and oversees member-led research.

- e. Provides input to the Markets Development Board to ensure that the IFoA and the Practice are supported on a global basis.
- f. Provides input to the Regulation Board to support the development and maintenance of robust technical and ethical standards and non-mandatory resource material for the Practice.
- g. Provides input to the Task and Finish Groups as appropriate.
- h. Collaborates with other Boards on cross-practice opportunities.
- i. Supports effective communication with members working in the Practice area.
- j. Ensures that there is sufficient and appropriate professional activity taking place for members of the Scottish constituency.

### **Membership**

The Board shall comprise at least eight and no more than fifteen members:

- Chair
- Deputy chair
- Council member
- At least five but no more than twelve additional members (of which up to two may be lay members)

**Executive Support:** Communities Manager

### **Specific Procedural Rules**

None