

COUNCIL MEETING, INSTITUTE AND FACULTY OF ACTUARIES

MINUTES

Date	11 October 2017
Start Time	09:15 BST
Finish Time	16:45 BST
Place	Staple Inn, London

Council Members present:

Marjorie Ngwenya President and Chair

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

In attendance:

Derek Cribb	IFoA, Chief Executive
Clifford Friend	IFoA, Director of Engagement and Learning
Anne Moore	IFoA, Chief Operating Officer
Ben Kemp	IFoA, General Counsel
Kimberley Russell	IFoA, Corporate Secretary
Kristel van der Meijden	IFoA, Assistant Corporate Secretary
Mike Kilgour	IFoA, Chief Risk Officer and Head of Corporate Planning
Alan Whalley	Chair, IFoA Management Board

Bronwen Curtis	Observer, Senior Independent Non-Executive Director	
Charles Cowling	Chair, Qualification Framework Task and Finish Group	Item 5 only
Keith Oliver	Chair, IFoA Disciplinary Board	Item 8 only
Sarah Sim	IFoA, Head of Global Markets Development	Item 9 only
Debbie Atkins	IFoA, Head of Engagement	Item 9 only
Des Hudson	Chair, IFoA Regulation Board	Item 6 only
Jane Curtis	Guest speaker	Item 6 only
Seamus Creedon	Guest speaker	Item 6 only
Simon Carne	Guest speaker	Item 6 only

1. BOARDPACKS

Immediately prior to the start of the formal meeting, Council were provided with a brief demonstration of BoardPacks, by an eShare representative.

PART I – CLOSED SESSION – COUNCIL ONLY

2. CLOSED SESSION

Members of Council only, plus the Corporate Secretary and Assistant Corporate Secretary, attended a confidential discussion, the minutes of which were recorded separately.

PART II – INTRODUCTION AND PROTOCOLS

3. WELCOME AND APOLOGIES

The President welcomed attendees to the second Council meeting of the 2017–2018 session and in particular the newly elected member Bruce Porteous whose first meeting it was. The President also welcomed Bronwen Curtis, Senior Independent Non-Executive Director on Management Board, as an observer. There were apologies from Council members Keith Jennings and Haijing Wang. The President held the proxy vote for Keith Jennings.

Lastly, apologies from IFoA Director of Public Affairs and Research, Paul Reynolds, were recorded.

4. REGISTRATION AND DECLARATION OF INTERESTS

No declarations of interests were made.

PART III – SPECIFIC ITEMS

5. QUALIFICATIONS FRAMEWORK

The President welcomed Charles Cowling to the meeting. Charles provided a brief history leading to the proposal presented to Council from the Education Task and Finish Group. Members of Council, thereafter, participated in a confidential discussion regarding the direction of travel proposed for the future of the IFoA's qualifications framework. The discussion has been minuted separately due to its sensitive nature.

Action 1 – C Friend
Action 2 – P Reynolds

6. ACTUARIAL REGULATION AND ITS IMPLICATIONS

The President welcomed Des Hudson and guest speakers Jane Curtis, Seamus Creedon, Simon Carne to the meeting.

Des Hudson set the purpose of the discussion as to debate how the IFoA is able most appropriately and effectively to discharge its Royal Charter obligation to regulate its members in the public interest. He did so providing a reminder of the Regulatory Strategy in place as at the date of the meeting. Ben Kemp also provided a reminder of some regulatory initiatives in place to deliver the Strategy.

Each guest speaker, and Bronwen, thereafter provided brief presentations sharing their personal, but differing views, on regulation.

Members of Council recognised the rare privilege afforded to the IFoA as a self regulated profession, the commitment by Regulation Board to take a proportionate approach to regulation, and could see how being a regulated profession was a positive differentiator, yet expressed some concerns.

For instance, some members of Council noted the difficulties caused by cultural differences (i.e. particularly in defining the “public interest”) and how IFoA regulation translates globally. Similar concerns were expressed regarding wider fields, and more specifically a member of Council

encouraged the Regulation Board to think carefully about the regulation put in place for members operating in less traditional areas. In that connection, a member of Council felt the approach to regulation and the direction of travel for the qualifications framework sat at odds; the former possibly being seen as dis-incentivising and the latter about encouragement. The viewpoint of employers would be important, most driven largely by cost and, therefore, creating a level playing field, where possible, with other professionals would seem important.

Other matters raised by members of Council encouraged the IFoA not to overburden actuaries already operating in heavily regulated spheres. A member of Council also called for greater consistency in what is meant by “actuarial work” and for clarity between an “actuary” and “actuarial work”, recognising not all work would be “actuarial work” simply because it had been completed by an “actuary”. Lastly, a member of Council spoke positively of professional judgement and responsibility and felt it important that regulation should not narrow the ability for individual judgements.

Des, on behalf of Regulation Board, extended thanks to Council for their input. The President thanked the guest speakers for their presentations.

Paper 58 17 noted.

7. DATA SCIENCE STRATEGY

Michael Tripp led a discussion on the Data Science Strategy and provided Council with an update following the IFoA Data Summit, held in September. Notably, the majority of actuarial associations in attendance had been aligned in their sense to progress at pace and not to reinvent but collaborate and utilise what was already available in the market.

Council were asked to provide a steer on the direction of travel outlined in Paper 59 17.

Council members noted that it would be important that any data science material in the syllabus is kept under regular review to ensure that it is kept up to date with regard to movements in the data science area. Indeed, it was noted that the aim is to have core material as part of the curriculum which should be refreshed annually. In addition, the IFoA is working on a Life Long Learning strategy, with the aim to be more agile in amendments to the curriculum. It was noted that it was unlikely that the IFoA would become the core provider of Data Science education. The IFoA would look to link with other sources of learning, such as Universities. It was noted that a number of organisations have or are building data science credentials and there was a consensus amongst Council members that now is the opportune time for the IFoA to undertake urgent activity in the Data Science field. In this regard, a member of Council felt it important not to require some practices in this area, such as peer review.

Regarding next steps, Derek Cribb clarified that further updates would be provided, at least, at the next two Council meetings. He would hope, by the end of December 2017, to have a MOOC (e.g. massive open online course) up and running. He also expected, by January 2018, to be well advanced regarding a venture with another or other associations.

Action 3 – D Cribb

Paper 59 17 noted and steer provided.

8. DISCIPLINARY BOARD COMPOSITION

The President welcomed Keith Oliver to the meeting.

Council had debated the proposals in May 2017 and, at their request, Keith spoke of an updated report which aimed to provide further clarity on the proposals by the Disciplinary Board to alter its composition. Keith clarified that the proposal was fully supported by the

Management Board, Disciplinary Appointments Committee and Regulation Board. He also emphasised that no changes were proposed to the degree of actuarial members across the disciplinary processes and panels. The only change proposed would be to the Disciplinary Board itself.

A member of Council raised concerns about the proposals. In particular, the member of Council felt that the proposal failed to identify sufficiently a clear justification. The member did not see the “perception” argument holding firm with members that an additional lay member on Disciplinary Board would demonstrate greater public accountability. Other members spoke positively of the proposals and saw the benefit of diverse views; adopting the proposal being a small change towards being seen as holding actuaries to the highest possible standard and public scrutiny, and avoiding the risk of “group-think”. For some, however, it was not clear what skillset was lacking from the Disciplinary Board as composed.

Members of Council voted on the proposal; all members present and by proxy voting in favour, except three members against and five abstentions. A 75% majority of approval was not met and the proposals, therefore, not passed.

The President thanked Keith Oliver for the proposal of the Disciplinary Board.

Paper 60 17 not approved.

9. GLOBAL STRATEGY AND INTERNATIONAL PRINCIPLES

The President welcomed Sarah Sim and Debbie Atkins to the meeting.

Derek Cribb summarised Paper 61 17, highlighting that the paper had not sought to set out any strategy but an early framework for the development of markets and relationships. Sarah Sim further spoke of the importance of the IFoA targeting the right people and right markets. While a large number of requests for the IFoA’s input are made, for example at external conferences, resource would be limited and prioritisation needed to ensure the IFoA derives the greatest value possible. The framework presented to Council represented, in Sarah’s view, refinement of practices already in place.

Council were broadly supportive of the direction of travel proposed for the framework, but felt the proposals lacking in certain respects. More specifically, the report had not identified any specific measurable targets or objectives (for example, membership targets, student numbers, retention targets etc.). Members of Council called for measurable targets and greater clarity on the financial/budgetary impact and the pace of investment – and felt Council should, at an early stage, have an involvement in setting those. Derek Cribb clarified that it had not, in the early days since the 2011 strategy, been realistic to set any meaningful targets; the IFoA having started from a standing start. He agreed that it would be possible (indeed key) to develop more sophisticated growth targets going forward. Growth should not, however, be the only driver. Quality must remain at the heart of the IFoA’s offering.

A good number of Council members also expressed a view that there was a lack of clarity as to what the IFoA’s international strategy looks like i.e. the IFoA’s vision, trajectory, short-and-medium term objectives. In this connection, a member of Council could not recall an “international strategy” being discussed in any detail by Council in past years and questioned who set the priorities (as defined in the report) and when.

Derek Cribb undertook to share an exposition of what the international strategy is with Council out of meeting post the Council meeting.

Action 4 – D Cribb

Members of Council encouraged the framework to encapsulate areas of practice, and not only geographical priorities.

It was noted that the new Markets Development Board would likely be responsible for the development, with oversight from Management Board, of objectives and targets.

Paper 61 17 noted and steer provided.

10. KEY ISSUES DISCUSSED BY MANAGEMENT BOARD

Alan Whalley, Chair of Management Board, updated Council on the key issues discussed by Management Board (the **Board**).

Council Observers

Council members were reminded that they have an open invite to observe Board meetings. In particular, two Council member positions on the Board may become vacant in June 2018 and Council members were encouraged to join a meeting should they likely be interested in the forthcoming positions.

Executive Staff matters

The restructure had now been completed. The Board were carefully monitoring staff turnover, which had been of late at the high end of acceptable levels. The Board would expect the IFoA Executive to be fully staffed by March 2018. Alan recorded that a number of key positions in respect of the Director of Public Affairs and Research, the Corporate Secretary and the Chief Risk Officer required recruitment (following recent resignations). It was intended that the two latter positions would be recruited on an interim period of one year.

It was noted that Mark Cross' position as Chair of the Research and Thought Leadership Committee (RTLTC) had been extended for a period of one year. In addition, the Board had welcomed Bronwen Curtis as a Senior Independent Non-Executive Director to its composition and felt that her fresh perspective had made a difference in terms of challenging the status quo.

Governance Structure Review

Alan provided a brief history of the Governance Structure Review Project, which was initiated through an external review of the structure by Moore Stephens LLP and the consultation exercise which had subsequently been undertaken culminating most recently with a webinar (which had been open to all members of the IFoA's boards and committees and members of Council). The consultation process had helped formulate the proposals presented to Council.

It was noted that a final proposal would be tabled for decision by Council in January.

A member of Council expressed concerns that the new structure appeared a step towards a more corporate environment, and less member led, and felt it important to hear the views of the Chairs of the boards. It was clarified that all Chairs had participated in the consultation and three members of Council, holding or having recently chaired a board or committee, expressed their support for the proposals and spoke positively of the consultation process. One in particular felt assured that the new structure proposed would result in a quicker pace of development in a less traditional area, than under the structure in place at the time of the meeting. Another member of Council sought assurance on the voice of Council, particularly how its voice would permeate through the various structural layers. In this regard, there was some consensus regarding the value of a member of Council being a formal member of each of the boards and committees, including the Practice Boards.

It was noted that a final proposal would be tabled in January, but in the meantime Council provided its support for the direction of travel proposed to date. Further, Council saw the value in a new Markets Development Board and gave its support to Management Board taking steps prior to January Council to begin to shape what that board may look like (the idea of having a “Task and Finish Group” to start developing the Terms of Reference etc. was supported). Thereby, allowing the Markets Development Board to “hit the ground running” post January.

Paper 62 17 noted and endorsed.

11. ROADMAP FOR FUTURE COUNCIL COMPOSITION PROJECT

The President introduced Paper 63 17, summarising the history of the Council Composition Project and invited Council's steer on the proposed roadmap for the future of the project. A great number of Council gave their support that the Council Composition Project should continue and felt that the status quo was not entirely satisfactory and therefore changes should be made. In particular, members of Council referred to the results of a survey regarding the Council elections and some negative views expressed regarding the General and Scottish Constituency model. Council members felt it was important to articulate the issue that was being solved and to keep the debate alive. Further, some members of Council called for the Project to be more ambitious (i.e. a root and branch review with an external lens) and felt it important first to reach consensus on the purpose of the Council; the composition then designed to deliver that purpose.

Conversely, a few members of Council felt strongly that the Project should not be continued; those members being of the view that other matters were of greater priority and/or there being no need to revisit the composition of Council.

Paper 63 17 noted and steer provided.

12. REPORT FROM NOMINATIONS COMMITTEE

The Immediate Past President, Colin Wilson, presented the update report from the Nominations Committee (**Committee**).

In particular, Colin extended thanks to Council members who had expressed an interest to become members of the RTLK and the Committee itself.

Council approved the Task and Person Specification for President 2019 – 2020 and the selection process for president-elect to be used by the Nominations Committee and Council for the 2017 – 2018 session. In this connection, a Council member raised reservations regarding the continued use of a third party validator as part of the presidential candidate assessments. A further Council member questioned the costs involved in that process. Members of Council would be contacted on a one-to-one basis, prior to them being asked to submit their presidential nomination forms. All items set out in Paper 64 17 requiring a vote were approved by a majority vote, including the involvement of a third party.

A member of Council requested that the Chief Executive and the Executive Directors are not invited to attend the Presidential Election meeting. It was clarified that the IFoA Executive Directors do not attend the meeting. It was further clarified that the Chief Executive has done so historically on invitation, due to the importance of the Chief Executive and the Presidential relationship. Council, thereafter, approved the Selection Process which includes the attendance of the Chief Executive.

Members of Council then explored a recommendation from the Committee regarding co-option. Due to the sensitive nature of the discussion, this item has been minuted separately.

Paper 64 17 approved.

PART IV GOVERNANCE

13. REPORT FROM CHIEF RISK OFFICER

Council considered a report provided by Mike Kilgour; a number of members thanking Mike for his report which they had found helpful. Questions focussed on resource allocated to IT, concerns being raised that IT may be under-resourced. While some developers had recently been recruited to minimise any disruption caused by the recent departure of contractors, Mike believed it important to keep the IT budget under regular review particularly as the impact of some significant projects (such as GDPR) on resource was not, yet, clearly known. In this regard, Anne Moore advised that the Executive was examining the impact of the GDPR in detail and an internal audit was scheduled on this topic.

Questions were also raised regarding IFoA conferences and whether there was a risk other conferences, like Momentum, would be cancelled. Derek Cribb spoke of the decline in attendance numbers at the IFoA's residential conferences, yet increase in smaller or online events (although the Life and GIRO conferences were healthy). A review of the conferences was scheduled to take place; it being anticipated that the "Lifelong Learning Board" (at the time of the meeting, Education Board) will undertake a review of CPD delivery in the next twelve months.

A member of Council asked whether Mike had access to all Council and Management Board papers and is invited to comment on the papers. Mike confirmed that he has access and a standing invite to comment, albeit receives those papers at the time of issue.

On behalf of Council, the President thanked Mike for his contribution to the IFoA and wished him the best for future endeavours.

Paper 65 17 noted.

14. ITEMS APPROVED BETWEEN MEETINGS

The items approved between meetings were noted.

Paper 66 17 noted.

15. TO REVIEW COUNCIL'S ACTION LIST

Council's action list was noted.

Paper 67 17 noted.

16. TO REVIEW COUNCIL'S FUTURE AGENDA

Council's future agenda was noted. The President reminded members of Council to come forward to her or the Corporate Secretary to raise any matters which they believe should be considered by Council (particularly matters of a strategic nature).

Paper 68 17 noted.

17. AMENDMENT TO GOVERNING DOCUMENTS

Council voted unanimously in favour of amendments to Bye-law 23 and Regulation 10, to give practical effect to the policy decision previously made by Council regarding the Scottish Leader. Council also noted the draft voting package for a forthcoming members' vote, which would

present the amendments to Bye-law 23, Regulation 10 and other amendments to the Disciplinary Scheme Rules which had been approved by Council earlier in the year (but not yet in force) for approval by members eligible to vote at an electronic general meeting.

Paper 69 17 approved.

PART V – BRIEFING PAPERS

18. REPORT FROM POLICY AND PUBLIC AFFAIRS COMMITTEE

Council noted the report from the Policy and Public Affairs Committee.

Paper 70 17 noted.

19. REPORT FROM AWARDS COMMITTEE

Council noted a final update report from the Awards Committee. In addition, the following recommendations were approved by Council – all members present and by proxy having voted in favour:

- the award of the 2017 Peter Clark Prize to *Ersatz Model Tests* by Stuart Jarvis, James Sharpe and Andrew D Smith;
- that the Peter Clark Prize retains the Peter Clark name indefinitely;
- that the following paper authored by Ronald Richman and Rob Dorrington be Highly Commended:
 - *Mortality rates and Improvement over time at advanced stages in South Africa – Insights from the national-level data*; and
- the IFoA decline a joint prize proposal submitted to the IFoA by another actuarial association.

Council further noted that no Geoffrey Heywood Prize be awarded and the date of the Awards Dinner on 22 March 2018.

Paper 71 17 noted and approved.

20. ACTUARIAL ASSOCIATIONS FACT SHEET

Council noted the Actuarial Associations Fact Sheet.

Paper 72 17 noted.

21. LEGAL AND CORPORATE GOVERNANCE DEVELOPMENTS

Council noted a report which provided an update on both developments in corporate governance and recent legislative or legal developments.

Paper 73 17 noted.

22. DEATH ANNOUNCEMENTS

Council noted, with regret, the names of the members who had died in recent months. The President indicated that, while not a formal policy of the IFoA, she personally would seek to write to the families of senior volunteers who had passed during her presidency, where it would seem appropriate to do so.

Paper 74 17 noted.

PART VI – OTHER BUSINESS

23. ANY OTHER BUSINESS

India Council January 2018

Derek Cribb noted that further information about the India Council meeting would be distributed to Council by email reasonably soon post the meeting.

Action 5 – D Cribb

He encouraged Council members to attend India, given the importance of the relationship with India, although a video-link would be available in London. Council members were reminded that the meeting held in May had worked well by video-link.

Disciplinary Board Composition Vote

A member of Council expressed concerns about the vote held at Agenda Item 8. In particular, the member of Council felt that it was a matter for serious consideration that Council had rejected the strong recommendation of the Chair of the Disciplinary Board on two occasions; that recommendation having been supported by a number of other senior stakeholder groups. The member of Council queried if members abstaining had been aware doing so resulted, in this circumstance, as a “no” vote. The Corporate Secretary confirmed that it would be possible to re-vote (there being no rule against doing so), in the event Council wishes to do so, however at least one member of Council had since left the meeting and was unable to recast their vote. In addition, some Council members expressed a strong view that a re-vote should not be held. It was, therefore, agreed that the decision taken under Item 8 would stand.

Membership fees brochure

A member of Council sought a more detailed breakdown of how member subscriptions were spent. Anne Moore agreed to provide details out of meeting.

Action 6 - A Moore

Closing remarks

The President thanked Kimberley Russell for her service to the IFoA and to her personally in her role as Corporate Secretary and services to Council and the Presidential team.

The President also extended thanks to Paul Reynolds, Director of Public Affairs and Research, and recorded well wishes to Council member Keith Jennings.

Lastly, she extended, on behalf of Council, congratulations to Council member Haijing Wang, who had given birth to her baby in the summer.

24. NEXT MEETING

The next meeting of the Council would be held on 31 January in India, with a video link to London.

Schedule of Actions

Item	Action	Member	When
5	1	Clifford Friend	31 January 2018
5	2	Paul Reynolds	31 January 2018
7	3	Derek Cribb	31 January 2018
9	4	Derek Cribb	30 November 2017
23	5	Derek Cribb	31 October 2017
23	6	Anne Moore	31 October 2017