

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

Date	8 February 2016
Start Time	14.00
Finish Time	17.20
Place	Staple Inn, High Holborn, London, WC1V 7QR

Council Members present:

Fiona Morrison	President and Chair
Kelvin Chamunorwa	Mark O'Reilly*
Deborah Cooper	Louise Pryor
Jules Constantinou	Andrew Rear
Charles Cowling	Nick Salter
Stephen Cunningham	Edwin Sheaf
Marian Elliott	Nick Silver
Andrew Hitchcox	Malcolm Slee
Keith Jennings	Mike Smedley
Patrick Lee	Peter Tompkins
Kathryn Morgan	Colin Wilson
Marjorie Ngwenya	Ellen Yang

* By telephone.

In attendance:

Derek Cribb	IFoA, Chief Executive
Clifford Friend	IFoA, Director of Education
Ben Kemp	IFoA, General Counsel
Memoria Lewis	IFoA, Membership Director
Anne Moore	IFoA, Director of Finance and Operations
Paul Reynolds	IFoA, Director of Public Affairs
Kimberley Russell	IFoA, Corporate Secretary
Alan Whalley	Chair, IFoA Management Board
Tim Birse	Chair, IFoA Education Board
Mark Stocker	IFoA Fellow, as Observer
	Item 7 only
	Items 5 – 7 only

PART I – INTRODUCTION AND PROTOCOLS

1. WELCOME AND APOLOGIES

The President welcomed attendees to the first day of the third Council meeting of the 2015 – 2016 session. There were apologies from Carole Ryden, Martin Potter, Elliot Varnell, Suzanne Vaughan, Haijing Wang, Cynthia Yuan and Feifei Zhang. The following proxy votes had been given by those members absent:

- The President for both Martin Potter and Suzanne Vaughan,
- Kathryn Morgan for Elliot Varnell, and
- Ellen Yang for both Cynthia Yuan and Feifei Zhang.

2. REGISTRATION AND DECLARATION OF INTERESTS

No declarations of interest were made.

3. AN INTRODUCTION TO THE DIRECTOR OF EDUCATION

The President formally welcomed the newly appointed Director of Education, Clifford Friend, to his first meeting of the Council.

PART II – SPECIFIC ITEMS

4. REPORT FROM THE NOMINATIONS COMMITTEE

Nick Salter, Immediate Past President and Chair of the Nominations Committee, highlighted key issues arising from Paper 01 16. More specifically, two of six candidates emerging as strong candidates for the 2016 presidential elections had expressed an immediate aspiration and would stand for election. The Nominations Committee did not, accordingly, intend to speak to all members of Council on a one-to-one basis as had originally been anticipated in the selection process. As an alternative, members of Council who wished to have a discussion around the 2016 nominations and their personal aspirations or other Nomination Committee matters were asked to contact Nick Salter or the Corporate Secretary directly. Nick further clarified that both the two candidates standing for election and the other members of Council shortlisted by the Nominations Committee would meet a third party provider appointed by the IFoA to aid the objective validation of Council members as potential candidates.

It was agreed that the Chief Executive would attend the presidential-elections meeting as an active participant, recognising the importance of the Chief Executive's relationship with the Presidential team.

Separately, Council were content that the Executive replicate the processes used in the 2015 Council elections for 2016, including the use of a digital platform, communication methods and Electoral Reform Services as the IFoA's third party elections provider.

By majority vote (all members of Council present and by proxy voting in favour, with no votes against and three abstentions), Council supported Mark Stocker attending meetings of the Council until the end of the 2015 – 2016 session as an active observer, in recognition of his valuable education experience in aiding the refresh of the education strategy.

Paper 01 16 noted.

5. KEY ISSUES DISCUSSED BY MANAGEMENT BOARD

Alan Whalley highlighted key issues arising at Management Board (**Board**) since the Council meeting held on 28 October, 2015. The following items were noted by Council:

- The publishing contract for the The Actuary magazine had been signed. Transition had gone smoothly and the existing editorial arrangements would continue until such time as the review of the governance framework in Q2 of 2016.
- All principle decisions with regard to the winding-up of the IFoA's Defined Benefit Pension Scheme had been made. The IFoA could expect a return of surplus funds in the next six months.
- Charles Cowling had been appointed as the Chair of the International Board for a period of three years, with effect from the expiry of Nick Dumbreck's tenure in June 2016.

- There had been a small decrease in the scores arising from the annual staff survey to that completed in 2014. A decrease had been expected as a result of, amongst other factors, the stretch on staff resources. The Executive would take steps to understand the reasons behind the scores and address those by way of an action plan.
- As a result of the increase in audit thresholds, the financial statements for the Memorial Education and Research Fund, the Memorial Prize Fund and the Faculty of Actuaries in Scotland Charitable Trust would no longer be subject to external audit. The financial statements would be prepared by appropriately qualified members of the Executive. They would also be reviewed by the Board and submitted to the Audit and Risk Committee for consideration and Council for approval.
- The Board had approved a policy aimed at dealing with situations where individuals undertaking volunteer or lay roles were subject to disciplinary or criminal investigations and convictions. Its scope would extend the duty of disclosure incumbent upon IFoA members under the Actuaries' Code and Disciplinary Scheme also to lay members of boards and committees. The policy would allow flexibility and proportionality in its application.

6. CORPORATE PLAN AND BUDGET 2016 - 2017

Anne Moore highlighted key points arising. By a majority vote (all Council members present and by proxy voting in favour, no votes against and three abstentions), Council approved the draft Corporate Plan and base budget for 2016 – 2017. In doing so, Council proposed some minor amendments, for example in respect of the terminology of some of the deliverables, and separately with regard to some of the indicators of success. It was further noted that the net position for the base budget was in line with the IFoA's five year financial plan and had not taken into account any impact of the winding-up of the IFoA's Defined Benefit Pension Scheme (noting, in particular, the potential to utilise any surplus for additional investment). Council considered the implications of a significant (i.e. up to 20%) increase or decrease in the base budget. In particular, noting that an increase would support, for example, additional investment in the IFoA's research programme, the subject of which would be considered more fully by Council at its meeting on 9 February.

Paper 02 16 approved, subject to minor amendments.

7. REFRESH OF STRATEGY - EDUCATION

The President welcomed Tim Birse, who highlighted key issues arising from Paper 03 16.

The subsequent discussion largely focussed on the direction of travel for the Certified Actuarial Analyst (**CAA**), the Associate qualification and the conceptual structure and design of the educational framework.

Whilst Council remained supportive of the proposal that an agile and flexible education framework (in recognition of the pace of change) be developed, on the advice of the educationalists it was felt preferable for the CAA not to form part of a tiered integrated education pathway and instead remain untouched, except for the launch of a bridge to the core qualification. Ensuring the applicability of the actuarial skillset would be fundamentally important and, accordingly, Council also supported the concept of a core qualification focussed on a core set of skills (including a set of specialist topics developed on reasonable demand as the wider environment evolved), with "bolt-on" additions (for example, relating to specific business skills or specialist subjects). In other words, allowing IFoA student members the ability to build their own qualification (so to speak) in a modular approach within a series of controlled pathways. It was recognised that there would be

scope for the bolt-on additions to be adapted across the globe to address international variations. Council acknowledged that, to some extent, a change of model would require a mind-set change and, as such, further consultation with a wider range of employers and others would be important in developing definitive proposals for consideration by Council prior to June 2016. It was further recognised by Council that certain actuarial roles, such as reserved roles, would remain important and should not be ignored; the eventual frameworks being complementary and not creating extra layers of process.

Certified Actuarial Analyst

This agenda item would be minuted separately as a confidential item of these minutes.