

INSTITUTE AND FACULTY OF ACTUARIES COUNCIL MEETING MINUTES

12 June 2024, 09:30 – 17:30 GMT
13 June 2024, 08:45 – 16:30 GMT
Staple Inn Hall and by Videoconference

Council Members Present:

Kalpna Shah (President and Chair)			
Nico Aspinall	Dan Georgescu	Melanie Puri	Katie Sokolowski
Oliver Bettis	Simon Jones	Alan Rae	Kartina Tahir Thomson
Cherry Chan	Yan Liu	Matt Saker	Peter Tompkins
Kudzai Chigiji	Hannah Long	Hilary Salt	Sandy Trust
Charles Cowling	Janet Moss	Hitesh Shah	Mark Williams
Matthew Edwards	Mukami Njeru	Sunil Sharma	Cynthia Yuan
Richard Galbraith	Matthew Pearlman	Malcolm Slee	Masimba Zata

In Attendance:

David Currie	IFoA, Chair of IFoA Board
Ben Kemp	IFoA, Interim Chief Executive Officer
Peter Walker	IFoA, Director of Marketing and Public Affairs
James Harrigan	Corporate Secretary
Note-taker	Company Matters (Corporate Secretarial support) <i>12th June only.</i>
Note -taker	Company Matters (Corporate Secretarial support) <i>13th June only.</i>

CLOSED SESSION

A closed session of the Council was held for Council members only before the main meeting.

- 1. Welcome, Apologies, Register of Interests**
 - 1.1 The Chair welcomed everyone to the meeting. Apologies were received from Council members Matthew Pearlman and Melanie Puri.
 - 1.2 Council members noted the Register of Interests, and no new interests were declared.
- 2. Minutes of past Council meetings**
 - 2.1 The minutes of the Council meetings held on 7-8 March 2024, 20 March 2024 were subject to minor amendments and would be returned for approval at Council's upcoming meeting on 20 June. The minutes of the Council meetings held on 28 March 2024 and 3 May 2024 were **approved** as a true and accurate record of those meetings.
- 3. Update from IFoA Board Chair**
 - 3.1 The Chair invited David Currie, Chair of the IFoA Board, to present to Council the Board's annual update, which outlined the key areas of work over the past year and intended areas of focus for the coming year, including:
 - the recruitment of the independent and member non-executive directors for the new Board;
 - the recruitment of a permanent Chief Executive Officer and the advertising and search process, which was underway; and
 - a thorough review of the organisational structure and business model.The update was noted with no substantive comments made or questions asked.
- 4. Council's Action List**
 - 4.1 Council reviewed its action list and made the following comments:
 - a) the action on IFoA 'Culture Transformation' was to be separated into two distinct parts namely (i) to consider the broader outcomes that could be achieved through the new governance structure and (ii) to set key performance indicators for the Board;

- b) the action list should include set target completion dates, which should be adhered to; and
- c) the action list should be made available to the Chair promptly after a meeting and agreed so that realistic completion dates could be assigned to new actions and progress actively monitored by the Corporate Secretary.

Action: Corp Sec

5. Regulatory Board – Update

- 5.1 Neil Buckley introduced this item. He reported that the Board would proceed with the member consultation on the Diversity, Equity and Inclusion (DEI) Code changes and proposed Guidance, subject to any material issues arising out of the Council-led DEI mid-strategy review. This consultation would allow for further responses from members on the Code changes and on the proposed Guidance.
- 5.2 Council discussed the response prepared by the Board regarding the Spring 2023 consultation. The paper included matters relevant to the status of the Actuaries' Code, the developing policy, the UK's legal position on DEI and the broader human rights dimension.
- 5.3 It was queried why IFoA responses to FRC consultations were not always published, which had led to some members expressing concerns. It was confirmed that the IFoA did respond to the TAS consultations but agreed with the FRC that certain of these responses would not be published. It was agreed that for future consultations we would look to provide a summary to members of our response.
- 5.4 There was some discussion of what the reporting line for the Regulatory Board should be (whether to Council or the IFoA Board) under the IFoA's revised governance arrangements as introduced on 1 April 2024. Council and the IFoA Board were encouraged to consider the implications – intended and otherwise – of whatever is ultimately decided here. Acknowledging that no immediate changes should be made, it was agreed to maintain the reporting line to Council until at least the end of this year, after which time the matter will be reconsidered.

6. Audit & Risk Committee – Annual Report

- 6.1 Trevor Spires introduced the Audit and Risk Committee's Annual Report of its activity for 2023-2024. He thanked the Council for their valued support during his term as Chair of the Committee.
- 6.2 In response to a question about the 'limited assurance' rating given in an internal audit report received during the year, which concerned an internal technology-related issue in late 2022, Trevor Spires explained that this was due to the lack of supporting documentation for the remedial work carried out. Council was given comfort that actions drawn from the audit were monitored by the Executive Team via monthly reports, confirming their completion within the required timescales.
- 6.3 On the broader topic of risk, Trevor Spires advised (in response to questions from Council members) that the risk culture at the IFoA was improving, and had particularly moved forward at senior levels but needed to be driven further at operational level before the IFoA could consider itself a truly mature organisation in risk terms.

7. CEO Update

- 7.1 Ben Kemp presented this item, which provided Council with an overview of recent/notable developments, highlights of key progress made against the Corporate Plan and an update on relevant metrics and challenges. Council's main discussion points were:

- the formal response to the Actuaries Institute of Australia's (AIA) trademark application in the UK;
- the IFoA's inaugural Middle East conference, which had overall been a success, and the next steps to explore growth opportunities and the development of the profession in the region;
- continued efforts to enhance consistency of member and volunteer service and experience;
- the preparation of a proposal to strengthen the Learning Change Programme platform and introduce online invigilation;
- plans for the 2024 Annual General Meeting that were fully underway, with the event to be streamed virtually to facilitate global participation; and
- strategy ideation and development sessions with the Executive Leadership Team (ELT) and key colleagues from across the organisation contributing to strategy development and the shaping of Council's vision.

7.2 Council discussed the emerging themes from the 2025+ Strategy which it was anticipated would lead to greater member confidence, actuarial reach, and influence.

8. Risk Report

8.1 Serrina Galleymore introduced this item, which presented high-level updates from the IFoA's Strategic Risk Register and IFoA's current strategic residual risk profile, together with assurance that risks were being managed. The main comments on her report were as follows:

- an operational risk manager had joined the team with a remit to enhance the risk framework;
- efforts were ongoing to facilitate risk awareness training at an operational level; to embed risk thinking in activity on a day-to-day basis across the organisation;
- a number of aggregated reputational risks remained but the residual risk was back within appetite for as long as future events did not attract further adverse media attention;
- China/UK Relationships and the IFoA impending AGM were presented as emerging risks. Several China-based Council members were concerned about losing the connection with the IFoA and inquired if any plans were in place to continue fostering the community should relations between the countries deteriorate further; and
- the delay in the delivery of the planned online examination solution was cited as an emerging risk that would expose IFoA to reputational damage.

8.2 Council members further noted the various groups working on risk in the organisation and proposed that they liaise closely to limit overlap and in doing so create a coherent message.

9. DEI Strategy Mid-Point Review

9.1 Chloe Duncan presented this item which requested Council's endorsement of the recommended modifications to the DEI Strategy and welcomed any additional feedback. The key points of the discussion were as follows:

- whether a strategy statement by the IFoA could be interpreted as the imposition of standards, as was indicated by some of the language in the paper;
- the proposed timeline for the next steps which would be determined by the IFoA Board;
- some Council members suggested that claims noted as stemming from a scientific outcome ought to be properly referenced; and
- the importance of aiming for diversity of thought and application and not diversity for the sake of it, as DEI initiatives could run afoul of the Equality Act 2010.

9.2 Council discussed the strategy modifications that would be implemented in both the short and longer term through relevant amendments to strategy context and strategic principles, amendments to strategy actions or themes where relevant and evolution of Strategy beyond 2027. Following this, a few additional amendments were proposed to the redlined version of the DEI Strategy document.

Action: Chloe Duncan

9.3 At the conclusion of this item, Council **approved** the recommended modifications subject to the additional amendments proposed at the meeting, with two Council members objecting.

10. AI in the Learning Offer

10.1 Karen Brocklesby presented this item, which provided Council with information and assurance on the IFoA's work relating to Artificial Intelligence in qualification curriculum development, lifelong learning and its real/perceived threat in assessments.

10.2 It was acknowledged that the decision to move online and the use of digital tools had made possible a greater variety of assessment practices, however the issues of assessment integrity and security had raised concerns over plagiarism, impersonation, collusion and the use of 'essay mills'.

10.3 Council noted the core elements of IFoA's focus which was to maintain the integrity of the assessments and using artificial intelligence in the assessment delivery.

10.4 It was noted that the IFoA was applying for funding from the Flexible AI Upskilling Fund, which would cover up to 50% of the cost of AI skills training for employees.

11. Introduction/Taster for 'Celebrating our Actuarial Heroes'

11.1 David Raymont, Librarian, invited Council members to engage after the meeting in a celebration of actuarial heroes by viewing his curated display of artifacts that dated back to the 13th century. He explained the inner workings of the library and reported that a provision for an e-library was in development.

12. Reflections from the President on her Presidential year / Handover to President-elect

12.1 The outgoing IFoA President, Kalpana Shah, reflected on her tenure, noting the challenges faced and the transformative progress made. She thanked the Council members, volunteers and the executive team for their contributions and acknowledged their collective efforts that facilitated significant progress.

13. Proposal for Council Culture Task Force

13.1 Richard Galbraith introduced this item, the purpose of which was to seek input from Council on whether to introduce a Council Culture Task Force to formally support the development of an appropriate culture within the IFoA.

13.2 Council discussed the proposed purpose of the one-year task force which would be to support the formal development of an effective culture within the IFoA to support both the Council Working Group recommendations as well as embedding the new Governance framework. Council reviewed the business case for the task force and the risks and mitigations of delaying or rejecting the proposal. The importance of including members of the Executive (and, potentially, the IFoA Board as well) was emphasised, given the Task Force's ultimate aim of improving how everyone works together.

13.3 At the conclusion of this discussion, Council expressed its support for the proposed Task Force. Next steps would be for the proposal to be fleshed out further, with those interested in participating in this work encouraged to contact Richard Galbraith accordingly.

14. Closed Session Council Workshop

14.1 A closed session for the Council workshop was held for Council members only.

End of Day 1

15. Welcome / Introduction to the day

15.1 The Chair welcomed everyone to the second day of the meeting.

16. Annual Report & Accounts for 2023/24

16.1 David Currie introduced this item, noting that the 2023 audit had been a smooth process with no contentious items identified. The IFoA Board had reviewed the 2023/24 Annual Report (including the Finance and Governance Report) and Annual Accounts (the "Annual Report and Accounts") at its meeting on 10 June 2024 and recommended the Accounts to the Council for endorsement.

16.2 The Council discussed the accounts of CMI Ltd, including consideration of hedging and the separation of expenditure and income in the annual accounts. Anne Moore agreed to consider for next year.

Action: Anne Moore

16.3 It was noted that the Annual Report and Accounts for the current financial year would be presented to Council only for noting rather than endorsement, in accordance with the new governance structure. The Board was responsible for approving the Annual Report and Accounts on the recommendation of the Audit and Risk Committee.

16.4 Council noted that it would be useful to verify how member subscription fees were being used and therefore requested a comparison of actual and budgeted results to provide further insight.

Action: Anne Moore

16.5 Anne Moore noted that a new Investment Policy was developed last year and at the 2023 year end it was halfway through implementation. The Q1 reports against the new Investment Policy would come to the Board for review.

16.6 David Currie explained that in his capacity as IFoA Board Chair, he and the IFoA President would be working together over the next six months to identify how best the Board should report into Council and what information was required by Council to sufficiently hold the IFoA Board to account.

- 16.7 Following discussion, and subject to two amendments discussed at the meeting, the Council **endorsed** the Annual Report and Accounts, as approved and recommended by the IFoA Board.
- 17. Member Subscription Fees for 2024/25**
- 17.1 Anne Moore introduced this item, the purpose of which was to commend to Council the proposed subscription fee levels and changes to the reduced rate thresholds. The proposals were in line with the principles and practices framework for fee and threshold increases, as approved by Council in May 2023.
- 17.2 The changes to the fee levels and structure introduced in October 2023 were broadly in line with anticipated budget, the Board therefore recommended that the fee increases for October 2024 should remain in line with the principles, with some minor adjustments. These were:
- to keep the increase to the Fellow full rate in line with agreed practice for the coming year and not to invoke the option to increase the rate year on year with RPI; and
 - to increase the Student Full Rate by RPI plus 1% rounded up to the nearest £5 in order to reach a fee of £275 and close the gap with the target of half the Associate fee (£285). This increase would be phased over another full year to prevent a large jump in fee.
- 17.3 The Council discussed the membership subscription fees, with particular reference to the cost and benefits of the Associate and Fellow membership rates and the need to be competitive against other qualification membership fees in order to attract members. The consensus amongst Council was that the relativity between the Associate and Fellow memberships needed serious consideration. In particular, the Fellow membership required additional benefits to make the cost worthwhile, and that the Associate fee should be reduced. It was noted that despite the high cost of a Fellow membership, lapse rates were within the expected number.
- 17.4 The Council noted the need to establish a sub-group of the Council to develop the changes to the member subscription fees over the next 12 months, and that the work of the sub-group should be integrated with the work of the IFoA Board to ensure alignment.
- 17.5 After careful consideration, Council **approved** the proposed subscription fee levels and changes to the reduced rate thresholds, with two objections and one abstention.
- 18. Criteria re non-practising members**
- 18.1 Anne Moore introduced this item, which asked Council to approve the alignment of the criteria for the non-practising subscription fee for non-retired members, with the criteria to be registered as non-practising under the CPD scheme. The current differing criteria had caused confusion and complaints amongst members and the alignment of the two would give a clear and simplified arrangement that would be easier to communicate and administer.
- 18.2 The Council discussed the criteria and considered whether those eligible for the non-practising subscription fee should automatically be given the reduced rate, or whether these individuals should be required to apply for the reduced rate.
- 18.3 Following discussion, and on the Board's recommendation, the Council **approved**:
- the alignment of the criteria for the non-practising subscription fee for non-retired members with the non-practising criteria under the CPD scheme; and
 - that the reduced rate should be automatically applied to those eligible for the non-practising subscription fee under the revised criteria.
- 19. Council Vision**
- 19.1 Peter Walker introduced this item, which requested Council's approval of the vision statement (the "vision") of the IFoA: *"to be the leading global professional body qualifying, supporting, and championing actuaries, serving the public interest, and advancing actuarial science"*.
- 19.2 The Council discussed the vision and noted that the full vision document would be made available on the IFoA's website. Further detail on the vision would be developed by Council for the Board's guidance in due course.
- 19.3 After detailed discussion and consideration, Council **approved** the vision statement for the IFoA.

20. Member Insights and Brand of the IFoA

20.1 Peter Walker introduced this item, which updated Council on the brand of the IFoA and actuarial profession and requested Council's input and approval on a number of decisions relating to the IFoA brand. Council was asked to:

- agree to consult the membership on the possibility of changing the name of the IFoA to the *Institute of Chartered Actuaries*;
- provide feedback on the tagline options;
- approve the brand narrative for the IFoA; and
- approve the brand narrative for the "brand of actuary".

20.2 Council discussed the proposed change of name to the *Institute of Chartered Actuaries*, which was presented as an opportunity for the IFoA to confer its chartered status, improve distinguishability and ease of pronunciation. At this early stage, Council was not requested to approve the change of name, rather to approve proceeding to consult the membership on the possible change. Council acknowledged that any change in name requires extensive member engagement; an outline engagement plan was produced by the Executive and considered by Council. Council gave careful consideration to the timing of the window for engagement, to ensure members have full opportunity to participate. It was noted that in addition to a member vote, Privy Council approval would be required in order to make this change.

20.3 Council discussed the proposed options for a tagline for the IFoA, and it was established that, at this stage there was not a consensus on which tagline, if any, should be adopted. Peter Walker thanked the Council for the useful discussion and noted that this would continue to be considered.

20.4 Council discussed the IFoA brand narrative and the brand of actuary, noting that the narratives would be used as the basis for all future communications and marketing for the IFoA and the actuarial profession.

20.5 After careful consideration the Council **approved** the following:

- to consult with members on the possibility of changing name to the *Institute of Chartered Actuaries*;
- the brand narrative of the IFoA; and
- the brand narrative for the 'brand of actuary'.

21. Council Working Group

21.1 Peter Tompkins introduced this item, which reported on future working arrangements for Council and made the following recommendations to Council:

- to amend the 'Purpose' statement at the start of the Council's Terms of Reference as set out in the appendix to the paper;
- to adopt a single constituency;
- for the appointments committee to consider co-options;
- to keep the size of Council the same;
- to move to four plus four-year Council terms and a five-year gap after two terms;
- to introduce some student participation at Council;
- to establish the reporting line from Practice Boards to Council;

all as more fully set out in the corresponding paper to Council.

21.2 After careful consideration and discussion, Council gave the following **approvals***:

- to amend the Council's Terms of Reference as set out in the paper; and
- to proceed with the further development of all other recommendations in the paper, and to re-visit the more advanced recommendations in September.

It was agreed that the powers of co-option would continue to be used only sparingly.

*Following this discussion, and for the avoidance of any doubt as to the approval given by Council, a note (attached as appendix 1 hereto) was circulated to Council inviting approval by correspondence of all CWG recommendations. The CWG recommendations were approved in correspondence, with 23 votes in favour, two against and one no vote.

21.3 One suggestion made during the course of Council's discussion was to consider aligning the renewal of member subscription fees to the IFoA's Annual General Meeting and associated Council elections process, as a way of improving voter turnout in the election.

22. Updates/Insights from Council members

22.1 The President introduced this item, noting that its purpose was for Council members to share updates and insights relating to their volunteering roles. Each Council member provided an update, and the President thanked all the contributors for their insights.

23. Update from Regulatory Board representative

23.1 Oliver Bettis introduced this item and provided an overview of recent activity of the Regulatory Board. He noted that the next meeting of Regulatory Board was scheduled for July, where it would be decided whether to go ahead with the 8-week consultation on the Diversity, Equity and Inclusion (DEI) Code changes and proposed Guidance, running to mid-October. Council discussed the DEI strategy, and noted that it would be useful to undertake a review of how DEI was being handled in the ethical codes of other organisations around the world.

Action: Oliver Bettis / Richard Galbraith

24. GenAI Working Group – Update

24.1 Matthew Edwards and Karen Brocklesby introduced this item and provided an overview of the work of the Generative AI Working Group.

24.2 The Council discussed the ongoing risk of cheating during exams. To mitigate this risk and to ensure the most appropriate and fair assessment worldwide, there were plans to introduce invigilation as part of the existing exam platform, due to delays with the development of the new exam platform, and to record students during the exam sittings. In the long-term, the IFoA was investigating returning to in person test centres, as a more secure option than online exams.

24.3 Karen Brocklesby provided a brief overview of possible updates to the AI modules on the syllabus, noting that initial steps were to develop the machine learning generative AI aspects. Further, the IFoA were investigating ways in which existing projects and processes could be modified to use AI to increase efficiency, such as using AI to mark exams.

24.4 The Council provided feedback on the Certificate in Ethical Artificial Intelligence Course (the "Course"), which was an online interactive course of five modules, over 8-10 hours, with a non-trivial test at the end of each module. Council agreed that the Course provided a high level and generic overview of AI, and it was noted as being more suitable as a CPD course for Non-Executive Directors, rather than for recently qualified students. After careful consideration, and subject to the Course having appropriate and clear labelling and communication on its intended audience, it was **approved** for promotion by the IFoA.

25. Sustainability Update

25.1 Sandy Trust introduced this item, the purpose of which was to provide an update on the reaction to the latest IFoA sustainability paper *Climate Scorpion*, as well as progress relating to the next initiative. Sandy reported that the IFoA was gaining increased traction around its sustainability work and had been invited to partake in a number of different sustainability events. The Council discussed the sustainability initiatives in place, including suggestions for future initiatives, and commended Sandy and Oliver for their work on the Climate Scorpion paper.

26. Matters for Noting

26.1 The President invited Council to note the following items:

- a) Council decisions in correspondence since 7-8 March 2024 meeting;
- b) Universities Engagement – Hackathon Event;
- c) Council Effectiveness Review; and
- d) Notice re upcoming Honorary Fellow member vote.

27. Death announcements

27.1 Council members noted, with regret those members who had died recently.

- Mr Nils-Anders Ainslie
- Mr Peter Brittain Bell
- Mr Peter John Clarke
- Mr George David Gwilt
- Mr Duncan Henry Heald
- Mr Peter Milburn-Pyle
- Mr Philip Read
- Mr Walter Rugland
- Mr Peter Stubbs
- Mr Robert Willis

28. Any other business

28.1 The President commented that it had been a busy and important year for the IFoA, which had seen significant governance reform, cultural transformation and positive member engagement, and she thanked the Council for their contributions this past sessional year, in particular those retiring from Council at the AGM.

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Chair

Appendix 1

Request for Council approval of recommendations set out in Council Working Group paper and to note next steps

1. Council members are asked to **approve**:-

The package of recommendations from the CWG paper to Council on 13 June 2024, which are set out below.

Recommendations:

1. Amendments to the 'Purpose' statement at the start of Council's Terms of Reference, as set out in Appendix 1 to the CWG paper. – **Approved by Council on 13 June 2024**
2. Constituencies **[requires constitutional change (member vote plus Privy Council approval)]**
 - A single constituency proposed
 - Council to work with the IFoA Board to influence the way in which regional groupings can be developed for the benefit of better member experience.
3. Co-options to Council
 - To make use of Bye-laws that allow co-options to Council
 - Council Appointments Committee to review the elected make-up of Council after election and make recommendations to Council as appropriate on using co-option powers
4. No change to size of Council
5. Move to 2x4-year terms on Council (and IFoA Board), with a 5-year gap at end of second consecutive period of service **[requires constitutional change (member vote plus Privy Council approval)]**
6. Student members
 - To have one or two student members as observers at Council meeting to give them opportunity to consider topics for debate, speak to Council (but not vote)
 - Small sub-group of Council to work with Executive to look at possibilities here, how student representative body could be established to listen to their views/let them participate in development of vision.
7. Practice Boards
 - Practice Boards, and Practice Boards Committee, to report to Council not IFoA Board
 - Practice Board chairs and Council representatives to work with the Executive and the Practice Boards Committee to develop a workable process of oversight and reporting to Council.
 - Council Appointments Committee to continue recommending Council member representative on Practice Boards
 - Council to approve Chairs, Deputy Chairs of Practice Boards
 - Invite Board Chairs to attend some/all Council meetings for discussion of issues relevant to the practice areas
 - Firm agreement to be sought with IFoA Board on the planning for finance and resources both for the Practices Boards and for the Council and its officers.
8. Council Agenda
 - Public Interest and Policy

- Council to have closer oversight over matters of public policy and public affairs.
- Regulatory Board
 - Chair of the Regulatory Board should continue to be invited to attend Council meetings to address regulatory developments.
 - Discussions should focus on the extent to which Regulatory Board should be obliged to consult with Council and the extent to which Council can reasonably challenge the Regulatory Board's activity (e.g. the appropriateness of its expenditure on legal costs in respect of perhaps marginal areas).
 - To review the relationship between Council and Regulatory Board and Regulatory Board's reporting to Council post conclusion of current Actuaries' Code DEI matter.

9. Budget

- To propose to the IFoA Board the level of budget and resource necessary to support Council's responsibilities.
- Council to formally establish a process, possibly via a subcommittee, to identify the resources and budgets needed to deliver its responsibilities and agree these with the IFoA Board and Executive.

10. Council Terms of Reference (ToR)

- Specified amendments to the ToR as set out in the CWG paper to Council June 2024. - **Approved by Council on 13 June 2024**

2. Council members are asked **to note**:-

That the recommendations will be implemented by Council under the leadership of the President, collaborating with IFoA Board, the Executive and/or a series of its own working groups. Some of the recommendations will require to come back to Council for further approval in order to effect constitutional amendment.