

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

Thursday 28 September 2023, 09.00-17.30 BST
In Person at Staple Inn, London and by Videoconference

Council Members Present:

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

In Attendance:

Grahame Stott	Chair of IFoA's Management Board
Ben Kemp	IFoA, Interim Chief Executive Officer
Clifford Friend	IFoA, Director of Learning and Engagement
Anne Moore	IFoA, Director of Finance and Operations
Kate Shasha	IFoA, Director of Strategy
Sarah Sim	IFoA, Director of Markets Development
Peter Walker	IFoA, Director of Marketing and Public Affairs
Serrina Galleymore	IFoA, Head of Risk
Toby Moseley	IFoA, Global Partnerships Lead (item 6 only)
Jo Jones	IFoA, Deputy Chief of Staff
James Harrigan	IFoA, Corporate Secretary

Closed Session

A closed session was held for Council members only.

1. Introduction, Apologies, Register of Interests

- 1.1 The Chair welcomed everyone to the meeting, particularly those members who had recently been elected or re-elected to Council.
- 1.2 Apologies were given by the following Council members:
 - Matthew Edwards (who appointed Nico Aspinall as his proxy for the meeting)
 - Hannah Long (who appointed Matt Saker as her proxy)
 - Simon Jones (who appointed Nico Aspinall as his proxy).
- 1.3 Apologies were also given by Sarah Sim (IFoA's Director of Markets Development) and Ruby Fitzpatrick (Assistant Corporate Secretary).
- 1.4 Council members noted the Register of Interests forms submitted by some but not all Council members in advance of the meeting. The Chair confirmed that the Register would be brought to each subsequent Council meeting and that the Corporate Secretariat would follow up in due course with those members who had not yet submitted their form.

2. Council's Action List

- 2.1 Council noted its action list and made no substantive comments save for agreeing that an outstanding action on the governance concerning pre-Associate membership of the IFoA should be considered by the Management Board.

3. Chief Executive Officer's Report

- 3.1 The Chair welcomed Ben Kemp, IFoA's interim CEO, who then provided Council with a synopsis of the IFoA's key achievements and activity in the past three months and of the priorities and outlook for the period ahead. He emphasised to Council his intention to engage effectively with Council to best enable a constructive working relationship between Council and the Executive during the busy and complex period the organisation was currently working through. He thanked Council members for their words of support for him and paid specific tribute to Stephen Mann, the IFoA's former CEO, for his support in general and particularly during the handover period.
- 3.2 Council noted the report and did not ask questions or make any substantive comments on it.

4. Strategic Risk Report

- 4.1 Serrina Galleymore introduced this item, which presented for Council's information and discussion updates from the IFoA's Strategic Risk Register (SRR) that she considered relevant to provide Council with a clear understanding of the IFoA's current residual risk profile.
- 4.2 There was a detailed discussion of the key points raised in the report, in particular on those strategic risks that were assessed to currently be outside appetite and/or that had a high residual risk rating. Objections from members to the recently proposed changes to the IFoA's governance arrangements, along with negative press coverage earlier in the summer and the recent departure of the IFoA's then Chief Executive Officer – and associated negative commentary on social media on all these fronts – were noted to be significant contributing factors to the current situation. It was highlighted that a new strategic risk, specifically focusing on the reputation of the IFoA, had been created in consequence of this.
- 4.3 In praising the thoroughness of the report, Council members raised challenges and queries on a number of topics covered therein, and in conclusion of this item Council agreed that:
- a) 'Red'-rated strategic risks should in future explicitly include mitigation plans and timings
 - b) 'Reputation of the IFoA' should be retained as a permanent standalone risk on the strategic risk register.
 - c) Consideration should be given to how the IFoA might seek to mitigate the risk to its reputation, particularly with regard to adverse commentary on social media.
 - d) The IFoA's cyber risk appetite should be brought back to Council for consideration of whether it is currently set at the correct level.
 - e) The deliverables in the risk framework workplan (and impacts on their implementation) should be discussed with the Management Board.

- f) IFoA's activity on diversity, equity and inclusion should be benchmarked against other organisations, if this has not already been done.
- g) Assurance should be provided on how the IFoA monitors membership attrition rates and the potential slow-burn effect this could have on its revenue and reserves levels.

Actions (a-g above): Serrina Galleymore and other Executives

5. Management Board – Chair's Update

- 5.1 Grahame Stott presented his report to Council on the activity of the Management Board since Council's meeting on 14 June 2023. The report highlighted that the Board had met several times during that period, notably to consider a number of important and time-sensitive matters relating to the proposed amendments to the IFoA's governance arrangements (and members' objections to these) as well as the Times newspaper article on matters concerning the IFoA that was published in July. Updates were also given on the progress of the IFoA's Operational Processes and Systems Review, its Learning Change Programme, and on the initial thinking around both the IFoA's Corporate Plan for 2024 and on what the Board's priority areas of focus would be in the near term in the light of the proposed governance changes.
- 5.2 Council members asked a number of questions that focused on ensuring that the Board's consideration of the issues set out above struck an appropriate balance between protecting the reputation of the IFoA and ensuring that the best interests of the membership are fully served in all respects, whilst also ensuring that work being undertaken is appropriately prioritised and resourced to deliver on both fronts.
- 5.3 Grahame Stott also presented for Council's approval a proposal (submitted by the Scottish Board) to reappoint Patrick Kelliher as the Scottish Board's Council member representative on Management Board for the 2023/24 sessional year (concluding either at the IFoA's Annual General Meeting in 2024, or when (if) the Management Board is replaced in line with the proposed amendments to the IFoA's governance arrangements, whichever occurs first). Following clarification that Council was not obliged to endorse the Scottish Board's nominee, Council voted to **approve** the proposal.

6. IFoA 2020-24 Strategy: Update

- 6.1 The chair introduced this item, which provided for Council's information:
 - An update on the progress made against the 2020-2024 IFoA Strategy, in terms of its three strategic pillars and success factors;
 - An update on the ongoing and planned activity to further support delivery of the IFoA's strategic aim; and
 - The indicative timetable for development of the IFoA's 2024+ Strategy.
- 6.2 In advance of discussing the strategy itself, Council members were given an introduction/reminder to some of the key projects and deliverables related to the strategy, and an update on the progress made in these areas, namely:
 - Member Propositions and Insights
 - Brand Advancement
 - Markets Delivery

- Sustainable Membership Model
- IT Transformation and Operational Processes and Systems Review
- Regulatory Strategy
- Education (Learning Change Programme)

6.3 In the comments and feedback given on each update, Council members consistently emphasised the importance of the IFoA communicating effectively with its members on how these deliverables will benefit them, whether in terms of improving the service they can expect to receive or in supporting and securing the future of the profession. The importance of engaging with members to help guide and shape this work, where appropriate, was also highlighted. Specific feedback was given on the updates, notably including:

- a) For the work on markets delivery, to ensure that volunteer engagement plans explicitly include an emphasis on engaging with senior and influential members, and to use the IFoA's Presidential Team to promote involvement to that end.
- b) As part of the Operational Processes and Systems Review, to explore the possibility of developing an application through which to access the Digital Communities platform, in order for the platform to reach its highest potential.
- c) For the Learning Change Programme, to be proactive in communicating to students that with the tools IFoA now has in place to monitor its examinations, any attempts to cheat or collude will be identified, and culprits will be caught and appropriately disciplined.

Actions: a) Sarah Sim, b) Anne Moore/Peter Walker, c) Clifford Friend

6.4 Following these updates Kate Shasha provided Council with a summary of two key lessons learned from the IFoA's current five-year strategy: (a) that the five-year timeframe of the current strategy is too long, and that a shorter timeframe for the next strategy will enable the IFoA to act with more agility in a rapidly-changing world, and (b) the importance of having clearer, firmer measures (or 'critical success factors') through which to assess and determine whether the strategy is succeeding and achieving the intended aims. Council was then given an outline of how it as a body engages with the strategy through the course of the sessional year, mapped across the cycle of Council meetings, Council's own annual strategy day, and both the corporate planning and annual report processes.

6.5 Lastly under this item, Council was given an outline for a shared definition of 'strategy', and how strategy links to governance, with reference to each of the following (and the relationship between each of them):

- The Vision for the Profession – articulating the role of the actuarial profession in society and the world; to be defined by actuaries, and to be distinct from the IFoA but explaining therein the existence of the IFoA.
- the IFoA's *Purpose*, as agreed by Council in 2020, which creates a bridge between vision and strategy and ensures that the IFoA supports the direction of the wider actuarial profession.
- the IFoA's strategy (strategic plan), a multi-year plan set by Council containing a series of agreed choices and actions with a focus on measuring key results.
- the IFoA's annual corporate (operating) plan, as set and overseen by the Management Board.

7. Governance Review

Update from the Governance Review Steering Committee

- 7.1 Grahame Stott provided Council with an update on the progress of the work being undertaken and overseen by the Governance Review Steering Committee (now the Project Oversight Committee), regarding the implementation of the proposed amendments to the IFoA's governance arrangements. It was acknowledged that the formal objections received from members to those proposals, and Council's subsequent decision to defer the formal reconsideration of the proposals in the light of those objections until later in the year, posed a challenge to the Committee in terms of finalising implementation plans and associated timings. It was also highlighted that Council's decisions at its meeting on 14 June also left some key considerations outstanding, including the precise future role of Council, the role and composition of the Nominations Committee(s), and the appointment of the Chair of the proposed Unitary Board (and, after that, the appointment of the Board's members).
- 7.2 Council members had several questions on the challenges the IFoA would face in identifying the right candidates for the role of Unitary Board Chair (both in terms of determining the skills and experience required for the role, and then setting out a sufficiently compelling proposition to attract the required calibre of candidate, all within a new and developing structure and within a challenging timeframe. The steps taken to date to progress this work, including the composition and ongoing work of the Board Chair's appointment panel, was summarised.
- 7.3 Reference was made to two key 'sticking points' on the governance review proposals: the composition of the proposed Unitary Board (specifically, the question of whether actuary members should be in the majority), and what the precise responsibilities of both the Unitary Board and Council would be with respect to the IFoA's strategy, with the point being made that current thinking on the latter had progressed from what was articulated in the draft terms of reference for both bodies that Council saw at its meeting on 14 June. It was argued that these two questions needed to be resolved before any further progress towards appointing the Chair of the Unitary Board was made.

Update from the Council Working Group

- 7.4 Peter Tompkins provided Council with an update on the work carried out to date by the Council Working Group, which had been set up following Council's meeting on 14 June 2023 to look at the future operating model for Council, its purposes and its membership. Approval of the Working Group's proposed Terms of Reference was sought, and Peter Tompkins outlined the Working Group's intention to engage directly with members in due course on the various matters within its remit, at a time to be confirmed.
- 7.5 There followed a wide-ranging discussion on the situation with the governance review in general, notably including the considerations and challenges to be borne in mind when engaging (as essential) on the topic with members. Key points arising from the discussion are as summarised below:
- a) More definition was sought on the nature, remit and scope of the Working Group's intended engagement with members. It was explained that it was, at the present time, envisaged as being an open discussion (focused solely on the future of Council, as per the Working Group's stated remit) rather than advancing proposals or recommendations.
 - b) Some Council members pointed to the need to learn from past IFoA consultation and engagement exercises that had perhaps lacked the necessary focus and had resulted in more confusion than clarity as a result.

- c) Council members emphasised the need for alignment between the Working Group's engagement with members on the future of Council, and the wider member engagement work that would be undertaken on the governance reforms as a whole. The need for careful sequencing of all this activity was noted to be key given the complexity of the issues, the inextricable links between the Working Group's remit and the engagement work on the wider reforms, and the relative urgency of proceeding with these activities. In response to these and other related points, Peter Walker confirmed that an integrated communications plan was in the process of being developed for engaging with members on the wider governance reforms, and that the need for this to dovetail with the Working Group's activities was keenly recognised.
- d) A variety of views on the scale of the engagement required with members (and consequent impact on the timescales for implementing the reforms, if proceeded with) were shared by members. There was recognition that engagement needed to be thorough, transparent and persuasive, all of which pointed to a potentially lengthy period of engagement. However, others pointed to the need to act with relative swiftness, given the requirement to consider the objections already submitted to the proposed reforms.
- e) It was argued that the information gap between Council (who had seen the report of the external review into the IFoA's governance as produced by Giles Peel and DACBeachcroft LLP, which recommended the reforms in question), and the IFoA's members (who had not seen the report) presented a significant risk to the progression of the governance reforms. In response to the suggestion that the report should be put into the public domain, numerous members of Council expressed concern that the negative impact of doing this outweighed the potential benefits.

7.6 It was ultimately agreed to **approve** the Working Group's Terms of Reference, though with acknowledgement that these could be amended in due course to incorporate any variables that might arise from Council's formal reconsideration of the objections to the proposed Regulations amendments, as well as from any other source that might emerge during the course of this complex and ongoing matter.

8. Areas of Focus for Council in the 2023/24 Sessional Year

8.1 The Chair presented this item and outlined the intended areas of focus for Council during the 2023-24 sessional year, as previously identified within her Presidential address on 14 September 2023, as being:

- To improve the experience of IFoA's members and volunteers,
- To embark on a cultural transformation (and governance reform) of the IFoA, and
- To update the IFoA brand and raise the profile of the IFoA and its members.

9. '30-Second Sales Pitch' for Prospective Members of the IFoA

9.1 The Chair introduced this item, which provided Council with a recap of the activity it had undertaken at its induction the day before this meeting, on identifying the factors to be considered in developing a series of '30-second sales pitches' for various categories of prospective future members of the IFoA. It was noted that the outputs from the session would be collated and analysed, and then brought back to Council for further discussion and refinement at its meeting in November 2023.

10. Consent Agenda

10.1 The President invited Council to note or (where specifically required) approve the items on its consent agenda for this meeting, and to comment by exception only:

- a) ***Litigation Update***
- b) ***Report of the Regulatory Board's meeting on 25 July 2023***
- c) ***Report of the Audit & Risk Committee's meeting on 6 September 2023***
- d) ***Chartered Actuary – Position Update***
- e) ***Sidebottom Report recommendations – progress update***
- f) ***Minutes of Council's meeting on 14 June 2023 (approved)***
- g) ***Minutes of Council's meeting on 1 September 2023***

It was agreed that as Council members had had only limited time before the meeting to review these draft minutes, they would not be approved here but would instead be circulated for comments in correspondence (with those members who were present at that meeting but had since retired from Council invited to comment on them), with a revised version to be circulated for approval by Council either in correspondence or at its next meeting.

Action: Corporate Secretariat

- h) ***Decisions made by Council in correspondence since its last meeting***
- i) ***Council's forward agenda***
- j) ***Amendments to the Regulatory Board's Terms of Reference (approved)***

11. Death Announcements

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

- Mr Stephen James Allchin
- Mr Raymond Anderson
- Mr Patrick Amos Bloomfield
- Mr Peter Edwin Croucher
- Mr Georg Harbitz
- Mr Warren Rodney McGillivray
- Mr Trevor Anthony Sibbett
- Mr Julian Hugh Renwick Tonks
- Mr Peter William Wright

12. Any Other Business

12.1 Several brief items of other business were raised:

- a) The IFoA's upcoming GIRO and Life conferences were highlighted.
- b) It was suggested that, in the light of the concerns and objections raised by members to the proposed amendments to the IFoA's governance, it would be preferable to

postpone the scheduled implementation process for the introduction of regulatory requirements on diversity, equity and inclusion into the Actuaries' Code.

- c) The IFoA's recently published Thought Leadership policy prospectus ('Beyond the Next Parliament - the case for long-term policymaking') was praised by Council members as an impressive piece of work.
- d) Council members were notified that a message would be circulated tomorrow inviting expressions of interest in vacant seats (as reserved for Council members) on various of the IFoA's boards and committees. Members were encouraged to apply for these positions.

End.