

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

Wednesday 28 September 2022, 08.30 – 15.00 GMT
Via videoconference

Council Members Present:

Matt Saker (President and Chair)

Oliver Bettis	Jennifer Hartley	Craig Ritchie	Nick Spencer
Cherry Chan	Hannah Long	Hilary Salt	Kartina Tahir Thomson
Kudzai Chigiji	Sarah Neil	Hitesh Shah	Peter Tompkins
Charles Cowling	Matthew Pearlman	Kalpana Shah	Cynthia Yuan
Dan Georgescu	Louise Pryor	Sunil Sharma	
Dermot Grenham	Danny Quant	Malcolm Slee	

In Attendance:

Grahame Stott	Chair of Management Board
Stephen Mann	Chief Executive Officer
Ben Kemp	General Counsel
Anne Moore	Director of Finance and Operations
Annette Spencer	Director of Public Affairs and Research
Sarah Sim	Director of Markets Development
Charles Toomer	Chief Risk Officer
Kate Shasha	Chief of Staff
Jo Jones	Deputy Chief of Staff
Trevor Spires	Chair of Audit and Risk Committee (item 9 only)
Richard Evans	Audit Partner, Crowe (item 9 only)
James Harrigan	Corporate Secretary
Ruby Fitzpatrick	Assistant Corporate Secretary

PART 1 – INTRODUCTION AND PROTOCOLS

Closed Session

A closed session was held for Council members only.

1. Introduction and Apologies

- 1.1. The Chair welcomed everyone to the meeting.
- 1.2. Apologies were received from Council members:
 - Patrick Kelleher
 - Yan Liu (who appointed the Chair as his proxy for this meeting)
 - Mark Williams (who appointed the Chair as his proxy)
 - Masimba Zata (who appointed Kudzai Chigiji as his proxy)
 - Michelle Darracott (who appointed Kalpana Shah as her proxy)
 - Mukami Njeru (who appointed Nick Spencer as her proxy)
- 1.3. In addition, Council members Charles Cowling, Craig Ritchie, and Sarah Neil gave apologies for parts of the meeting they could not attend. Where votes were to be held during those periods of time, Charles Cowling and Craig Ritchie appointed the Chair as their proxies; Sarah Neil submitted her votes in advance of the items in question.

2. Registration and Declaration of Interests

- 2.1. No interests were declared.

3. Council ways of working

- 3.1. The Chair set out his expectations on the way that Council will operate for the 2022-23 sessional year. Council's main feedback was:

- That a Register of Interests should be set up to improve transparency on individual Council Members' interests.

Action 1: Corporate Secretariat

- It was suggested that the Executive should be invited to present more often on their projects to increase their visibility amongst Council members.

- 3.2. A Council member asked for clarification on where in the IFoA's governance structure the oversight of Human Resources-related topics was taking place. It was confirmed that Management Board received an annual update from HR as well as periodic management information on that area of the organisation, and that the Board would discuss employee-related matters where appropriate outside that schedule.

Paper 48 22 noted.

4. Council Effectiveness

- 4.1. The Chair presented the results of Council's effectiveness survey for the 2021/2022 session, as sent to those members who served on Council during that session.
- 4.2. Council members noted the results of the survey, and the accompanying table summarising the Chair's view of the key points of feedback and the actions either taken or planned to address the identified issues. There was some disappointment at the low number of responses received to the survey, followed by a brief discussion on how the return of in-person meetings could potentially impact on engagement by enabling Council members to connect more.

Paper 49 22 noted.

5. Council Areas of Focus (incl. Forward Agenda)

- 5.1. The Chair presented Council's forward agenda for the 2022/2023 session and its anticipated areas of focus for the year, as highlighted within the forward agenda.
- 5.2. There was a discussion around how best to ensure that Council members receive updates on key ongoing developments within the IFoA, such as the implementation of the Climate Risk Related Taskforce's recommendations and the progress of the Learning Change Programme's work. It was pointed out that the Management Board receives regular updates on these matters, which Council members are able to view (as they are routinely given access to read the Board's papers). The Chair encouraged Council members to read these reports and inform him if there was additional information they required.
- 5.3. Council members expressed an interest in being engaged early and often in the design of the new strategy, the process for which would begin in 2023. It was emphasised that

this would also be an opportunity to discuss those domains that could benefit from the work of actuaries, and what skills actuaries will need for the future.

Paper 50 22 noted.

6. Chief Executive Officer's (CEO) Update

- 6.1. Stephen Mann presented this item, which provided Council with a synopsis of the IFoA's key achievements and activity in the past quarter, and priorities and outlook for the period ahead.
- 6.2. Council members enquired about the latest position with the IFoA's regulatory strategy, given the volatile political climate at present. There was also a discussion about the strain on the capacity of the Executive, with Council members acknowledging the need for Council to provide a strong steer on organisational priorities so that this risk could be managed, and resource planned effectively.
- 6.3. Council discussed the recent unsuccessful vote on amending the process for electing Honorary Fellows, and the implications it might have for the member vote to be held later this year on introducing Chartered designations. Council members emphasised that it was important that as many members as possible were encouraged to vote on the proposals, and that making information available on the vote to enable members to make an informed decision was therefore paramount. It was also suggested that employer relationships be leveraged where possible to encourage members to vote (and to promote the rationale for voting in support of the proposal).

Paper 51 22 noted.

7. Management Board Update

- 7.1. Grahame Stott presented this item, which provided Council with an update on the activity of the Management Board since Council's last meeting, shared the results of the Board's effectiveness review for the 2021/22 sessional year, and asked Council to agree the Board's areas of focus in the coming year (as agreed by the Board at its last meeting).
- 7.2. In reference to the Board's effectiveness review results, Council members asked Grahame Stott for his opinion on how the score for engagement between the Board and Council might be improved in future. Several suggestions were offered, including having the Council member appointees to the Board play a more active and prominent role in engaging with Council on the work undertaken by the Board. The need to strike an effective balance between consistently introducing fresh thoughts and perspectives into the Board's thinking (through appointment of new members), whilst retaining essential corporate memory and consistency of approach, was also discussed. Grahame Stott confirmed that he was generally satisfied that the IFoA had made reasonable steps across the year towards delivering the organisation's strategy.
- 7.3. In giving its support for Management Board's proposed areas of focus for the coming year, Council recognised the need to identify priorities in what was noted to be a relatively heavy workload across the year.
- 7.4. Council was asked to vote to reappoint Trevor Spires as the lay Non-Executive Director on Management Board for a second term of three years. The reappointment, which required the support of a simple majority of Council, was overwhelmingly **approved**.

Paper 52 22 noted.

8. CRO Report

- 8.1. Charles Toomer presented his risk report to Council highlighting key risks to the IFoA and the actions taken to manage and mitigate these. As part of his presentation Charles highlighted some specific areas for concern or attention, notably pressures around internal resourcing, and potential dependency on third party suppliers.
- 8.2. Council members asked how the IFoA would fare should inflation rise as high as was currently predicted in the UK's economy. Stephen Mann confirmed that the IFoA was in a good financial position and that there were several savings and efficiency benefits in the pipeline for future years (with known delays to some elements of this work having no material impact on finances either). Stephen added that there was a more mixed picture in the employment market, where some potential headwinds were developing, and confirmed that he was working closely with the IFoA's Markets Developments Team to monitor this.
- 8.3. It was agreed that when Council discussed the IFoA's strategy at its upcoming strategy day meeting, there would need to be an assessment of the level of Executive resource required to achieve the agreed/desired outcomes.

Action 2: Stephen Mann

- 8.4. Charles Toomer was asked to consider amending future reports so that, where a risk has materialised or increased, detail is included of what had been done to manage or mitigate it before this point.

Action 3: Charles Toomer

Papers 53 22 noted.

9. Risk Reporting Templates and Appetites - Feedback

- 9.1. Stephen Mann presented the draft risk reporting templates and appetites for feedback from Council. Trevor Spires presented his opinion as the Chair of the IFoA's Audit and Risk Committee, with the Committee having seen earlier drafts of these documents at its meeting in early September.
- 9.2. Council was supportive of a simple framework that allowed discussions to focus on areas that were out of appetite and allowed them to quickly assess the strategic risks to the IFoA. Some suggestions for further improvement were made – for example, by noting that the Framework did not include a high level professionalism issue risk, such as occurred with Equitable Life, that could be a threat to the IFoA if it were seen to not have been regulating members effectively.
- 9.3. It was agreed that a further draft of the framework taking into consideration Council, Audit and Risk Committee, and Management Board's feedback would be presented to Council at its November meeting.

Action 4: Stephen Mann

- 9.4. Council members suggested that the Risk Management Practice Board be given an opportunity to see the draft framework and content and invited to make any relevant observations and/or offer practical support to the next stage of development.

Action 5: Stephen Mann

Paper 54 22 noted.

10. Council Regulatory Strategy Steering Group – Update

- 10.1. Ben Kemp updated Council on the latest position in relation to the UK Government's proposed changes to the framework for actuarial regulation, and the IFoA's ongoing discussions with His Majesty's Government in respect of that. It was highlighted that given the recent external political uncertainty it was unclear what position the new government would take in relation to the review of actuarial regulation. It was confirmed that the IFoA would continue to monitor the situation and have conversations with relevant departments.
- 10.2. Ben Kemp then presented the proposed refreshed composition of the IFoA's Regulatory Strategy Steering Group. Council **approved** the revised composition, which included the appointment of Matt Saker as Chair of the Steering Group (replacing Andrew Rear), Kalpana Shah (replacing Tan Suee Chieh), and Peter Tompkins (as an additional Council member). Council was also supportive in principle of the proposed addition of another Council member to the Steering Group in the future, should the Steering Group consider this beneficial.
- 10.3. It was agreed to share with Council the briefing document for key stakeholders on this matter that the IFoA had developed.

Action 6: Annette Spencer

Paper 55 22 approved.

11. Strategic Initiatives Update

- 11.1. Stephen Mann presented an update on the progress of the IFoA's key strategic initiatives. Key points arising from the ensuing discussion were as summarised below:
- a) Council members asked for more visibility on what initiatives are targeted at specific member groups, so that they can better facilitate conversations with members on the benefits of membership.
 - b) Council members asked the Executive to provide a clear steer on the actions they can take (or will be expected to take) to promote ongoing initiatives most effectively.

Action 7: CEO/Corporate Secretariat

- c) It was suggested that future versions of this paper should include specific examples of the work done to date to progress each initiative, to give Council members a better idea of how it is progressing (and on the delivery of the IFoA's overarching strategic objectives as a whole).

Action 8: CEO/Corporate Secretariat

Paper 56 22 and Paper 57 22 noted.

12. Consent Agenda

- 12.1. The President invited Council to note and (by exception) comment on the items in the consent agenda for this meeting:
- a) **Minutes of Council's meeting on 14 June 2022**

The draft minutes were approved without amendment.

Paper 58 22 approved.

b) Council's Action List

Paper 60 22 noted.

c) List of Decisions Out of Meeting

This paper confirmed the decisions that had been taken by Council in correspondence since its meeting on 9 June 2022.

- Approval of the proposed changes to the Regulatory Appointments Committee's Terms of Reference.
- Appointment of Council member representatives to the following positions:
 - Hitesh Shah to Management Board until the AGM in 2024
 - Mukami Njeru to Management Board until the AGM in 2023
 - Oliver Bettis to Regulatory Board until the AGM in 2025
 - Jennifer Hartley to Nominations Committee until the AGM in 2025
 - Hannah Long to Finance and Investment Board until the AGM in 2024
 - Mark Williams to Health and Care Board until the AGM in 2024
 - Malcolm Slee to Pensions Board until the AGM in 2024

Paper 61 22 noted.

d) Report of Audit & Risk Committee's meeting on 5 September 2022

Paper 62 22 noted.

e) Report of Regulatory Board's meeting on 5 July 2022

Paper 63 22 noted.

f) Litigation Update

Paper 64 22 noted.

g) Update on international strategy

Paper 65 22 noted.

h) Loyal Address to King Charles III

Paper 66 22 noted.

13. Death Announcements

13.1. Council members noted, with regret, those members who had died recently. Specific tribute was paid to Howard Gracey, Hassan Masood and Peter Nowell.

Paper 67 22 noted.

14. Honorary Fellowship – Update from Nominations Committee:

14.1. Louise Pryor presented this item, which updated Council on the discussions that had taken place at the Nominations Committee's meetings in August and September on both the 2021-22 nominees for Honorary Fellowship of the IFoA and the process to be used for identifying and scrutinising nominees in the future.

14.2. Council noted the Nominations Committee's decision not to make any recommendations at this time on who among the 2021/22 Honorary Fellow nominees should be formally

presented for consideration by Council, pending further consideration of the nominees' diversity and their alignment to the IFoA's strategy.

- 14.3. Council then considered the proposed outline process for identifying and scrutinising future Honorary Fellow nominees, as detailed in the paper for this item, and after brief discussion **approved** that proposal.

Paper 68 22 approved.

15. Finlaison Medal Nominees

- 15.1. Louise Pryor presented to Council the Nominations Committee's recommendation that Stuart McDonald MBE and Sundeep Raichura should each be awarded the IFoA's Finlaison Medal.
- 15.2. Following a short discussion of the merits of each nominee, as set out in the Nominations Committee's paper for this item, Council voted to **approve** the award of Finalison Medals to Mr McDonald and Mr Raichura, with each nominee receiving the support of more than the required majority of three-quarters of the whole of Council.

Paper 69 22 approved.

16. Proposed Amendments to Regulation 21

- 16.1. James Harrigan presented to Council the proposed amendments to Regulation 21. It was explained that the Regulation as currently drafted does not fully represent the day-to-day position in terms of how the IFoA securely and lawfully process members' data, and that it was appropriate to update it to provide a more thorough and accurate reflection of IFoA's obligations to its members as a data controller. It was emphasised that, irrespective of the accuracy of the Regulation as currently drafted, the IFoA had always acted in accordance with its legal and regulatory requirements when processing members' data (and would continue to do so).
- 16.2. Council members briefly discussed the IFoA's data handling processes and the restrictions of referring to them in the regulations. In response to a concern raised about potential limitations to communication within and between Practice Boards and their members, it was explained that the proposed amendments were a positive step toward ensuring that the IFoA is open and transparent in enabling the consent required to do the things that the IFoA and its members legitimately want to do. Council members emphasised the importance of explaining to members the reasons for the change and that it would not have any impact on their experience of interacting with the IFoA.
- 16.3. In conclusion of this item Council **approved** the proposed amendments to Regulation 21 by more than the required majority of three-quarters of the whole of Council.
- 16.4. It was agreed that the IFoA's Bye-laws, Rules and Regulations would be reviewed to ensure that no other updates were required in the light of recent regulatory changes (such as Brexit, or the introduction of the General Data Protection Regulations).

Action 9: Ben Kemp, Corporate Secretariat

Paper 70 22 approved.

17. Any Other Business

- 17.1. There was no further business.

End.