

MINUTES OF MEETING #3–21
Actuarial Profession Oversight Board
Video conference call
October 18, 2021

Present: Michel Benoit (Chair) Suzanne Michaud
 Danielle Boulet Alain Paquet
 John Carter Neil Parkinson
 Harold Geller Marian Passmore
 Philip Howell Dave Pelletier
 Anne Kleffner Michel St-Germain
 Raymond Léger Kim Young

Staff: Leona Campbell, Lynn Blackburn, Michel Simard (ex-officio)

Guests: Josephine Marks (for ASB), Jean-Claude Primeau (for PCB), Amy Pun (for PCMB),
Simon Curtis (for DTP)

Item 3–21.1 Welcome

Michel Benoit, Chair of the Actuarial Profession Oversight Board (APOB), confirmed quorum, welcomed Michel St-Germain to his first meeting and called the meeting to order.

Item 3–21.2 Approval of the Agenda

Motion 3–21.2.1

That the agenda be approved, as presented.

Carried

Item 3–21.3 Approval of the Minutes

Motion 3–21.3.1

That the minutes of the APOB meeting held on June 21, 2021 be approved, as presented.

Carried

Item 3–21.4 Report from the APOB Nominating Committee (NC) Chair

John Carter presented the report with nominations from the June 21, 2021, NC meeting. The matrices for all boards under APOB were updated.

1. APOB Membership

Motion 3–21.4.1.1

That the term for Raymond Léger be extended on the APOB by one year to December 2022.

Carried

Motion 3–21.4.1.2

That Ann Etter be appointed to the APOB for a three-year term, effective January 1, 2022.

Carried

2. Actuarial Standards Board (ASB)

Motion 3–21.4.2.1

That Edward Gibson be appointed as vice-chair of the ASB, effective January 1, 2022, and subsequently as chair of the ASB, effective July 1, 2022.

Carried

3. Professional Conduct Board (PCB) Membership

Motion 3–21.4.3.1

That the term for Hudson Lopez be extended on the PCB to June 30, 2022.

Carried

Motion 3–21.4.3.2

That Edward Skwarek be appointed to the PCB for a five-year term, effective January 1, 2022.

Carried

4. Professionalism and Credential Monitoring Board (PCMB)

There are no new PCMB appointments at this time.

5. Disciplinary Tribunal Panel (DTP) Membership

There are no new DTP appointments at this time.

Action item:

- **Leona Campbell will update the matrices with the new appointments.**

Item 3–21.5 Report from the PCB

Jean-Claude Primeau provided an update from the PCB. The documentation included his regular report as well as one related to a recent case that went to an appeal tribunal.

It was noted that the recently published charges for the new cases that will be going to a disciplinary tribunal were not clear as to the issue/charge. A few members had contacted Michel St-Germain for more clarity. It was also questioned whether it will be done as one or five separate tribunals. This will be confirmed during the pre-hearing meeting.

There was concern expressed that the legal fees in the Dziadyk matter were so considerable for the disciplinary/appeal tribunals, yet the appeal tribunal reduced the amount that would be payable by the respondent in its decision, as it was deemed unreasonable. It is not expected that the CIA will recuperate any of the costs from the respondent.

Item 3–21.6 Report from the PCMB

Amy Pun provided a report from the PCMB. The audit process is currently underway and is expected to be completed by the end of October. There continue to be questions about members who have retired but are still sitting on boards and whether they should be doing CPD. The EQC recently conducted a survey of the members in order to analyze professional development needs. The PCMB will coordinate with them to address issues that were noted in the survey.

Item 3–21.7 Report from the CIA

Michel Simard provided an update of the activities of the CIA and the Head Office.

- A skills matrix is being created to determine requirements for members on the Board. This will assist the Elections Committee as well for future nominations.
- The changes resulting from the review of the Rules of Professional Conduct are expected to be ready for member ratification in June 2023.
- There will be a proposal submitted to the Board to modernize and expand IT offerings to members and to Head Office.
- There is a recommendation to the Board for returning to in-person meetings starting January 1, 2022. Chairs will be contacted for discussion of budget considerations and the number of in-person meetings required. It is expected that a hybrid option will need to be available so that some members can still attend virtually if required.

Item 3–21.8 Guest Speaker: Janet Gillies

Janet Gillies provided an overview of CPA Ontario, including its regulatory scope, role, committee structure, governance, conflicts of interest and accounting standard setting. Membership and discipline processes were also discussed.

Michel Benoit asked Janet if she could provide their full conflict of interest policy to be circulated within the APOB for review.

Item 3–21.9 Report from the ASB

Josephine Marks provided an overview of the report from the ASB with additional comments as follows:

General Standards: Joint policy statement modifications will be considered, which will hopefully strengthen ties between the accounting and actuarial professions. Auditors, under their guidance, often feel the need to repeat the work of actuaries, which incurs additional costs to clients.

IFRS Standard: The recommendation of the designated group (DG) is to avoid promulgation unless necessary. There will be a formal response to the AMF.

IFRS 17: Some work is still underway to address issues related to Part 2000. Some entities still use these standards, which will not be subject to IFRS, and it is expected that a hybrid option will be created. Effective date logistics are being considered, as both old and new will need to be accommodated at the same time for the transition year.

A DG is being formed to review an issue related to where standards rely on third-party providers for economic inputs. This primarily relates to the pension practice area but may apply elsewhere in the standards.

Part 4000: The DG is striving to achieve consistency between actuarial evidence and pension standards.

Meeting with regulators: There is concern that pension regulators are not adopting our standards related to CV determinations for target benefit pension plans, and this will be discussed with them as to the reasons and whether further changes are required to address any issues or concerns they have.

Conflicts of interest: The ASB will be providing an update to the APOB at the next meeting on the results of the work of the working group.

ASB will revisit the issue of non-actuaries using CIA standards.

Item 3–21.10 Bylaw Task Force Update

Dave Pelletier provided an overview of the changes being recommended to the Bylaws. Two memos to the members were provided, which outline the recommendations. The first memo outlines the structural changes whereby a significant amount of detail is to be moved out of the Bylaws to separate policy (process) documents. A draft of the proposed new Bylaws will be included along with a mapping document of the changes. The second memo will deal with the substantive changes primarily related to membership and discipline.

Harold Geller suggested that it may not be possible to fully eliminate the option of appeal even for those respondents who do not appear for the tribunal. Often regulatory matters resolve on the eve of mediation, so it should be considered to allow for it even later in the process (5.6).

Any additional comments or suggested changes should be sent to Lynn Blackburn ASAP, as documents will be sent to the CIA Board in November for approval prior to their going out to members.

Item 3–21.11 APOB Self-Assessment

Members were surveyed to provide their assessment of the APOB. The results were reviewed, and generally it seems that the APOB is doing a good job.

A few suggestions were provided:

- The assessment should be sent out shortly after a meeting, even though it is intended to be generic, not meeting specific.
- More time should be allocated to some substantive items (this may be addressed when longer in-person meetings will be permitted again).
- The APOB should be more proactive in determining issues to be discussed, rather than just reacting to reports received.
- There should be more strategic vs. operational discussion.
- A liaison from the APOB can attend PCMB meetings, but there is some concern about the oversight role of APOB and the need to stay at arm's length from the boards it oversees.

Item 3–21.12 Next Meeting

The next meetings will be scheduled for early February virtually, and late April/early May as a joint in-person meeting with hybrid options.

Action item:

- **Leona Campbell will poll for meeting dates in 2022.**

Item 3–21.13 Other Business

Michel Benoit provided his heartfelt thanks to Phil Howell, who will be completing his term in December.

Item 3–21.14 In-Camera Meeting Review

APOB held an in-camera session.

There being no further business, the meeting was adjourned.