



Report to Council
from the Executive Committee Meeting
September 5, 2013

1. Committees

a. Advice and Assistance Vice-Chair and IAA Delegate to IFRS Advisory Council

The Executive Committee (EC) approved the recommendation from the Nominations Committee to appoint José Luis Lobera as Vice-Chair of the Advice & Assistance (A&A) Committee for an initial 2 year term. José Luis, currently Chair of A&A Latin America Subcommittee, will replace David Goodsall who is not available for a reappointment. The EC also approved the recommendation of Micheline Dionne to replace Francis Ruygt as IAA Delegate to the IFRS Consultative Advisory Council; Micheline is co-Vice-Chair of the Insurance Accounting Committee. It was noted that her appointment and term of office were subject to approval by IFRS. These will be submitted to Council for ratification in Singapore.

Both appointments will become effective January 1, 2014.

b. Education Committee Revised Terms of Reference

The EC approved proposed revised Terms of Reference (ToRs) for the Education Committee to take into account that the Advice and Assistance (A & A) Committee ToRs had been revised to reflect their role in the Implementation of the Strategic Objective 4. The reporting procedures were also updated to reflect changes from the restructure of the EC in 2010.

The EC requested that the Secretariat ensure all committee TORs reflect the reporting procedures under the new EC structure.

2. Report from Strategic Planning Subcommittee (SPS): Implementation of the Strategic Plan

The EC received the implementation document developed by the SPS to report on activity and goals with respect to each of the strategic objectives, noting that this document also serves as the basis for the 5-year business plan and budget. The document included activity for several years and it was agreed that it be prepared on an annual basis, with prior years being available for historical and comparative purposes.

The EC requested some minor updates prior to circulation to Council as part of the EC's responsibility for reporting on the implementation of the strategic objectives.

3. IAA Relationship with International Valuation Standards Council (IVSC)

Francis Ruygt, Chair of Insurance Accounting Committee, and Gary Hibbard, Chair Pensions & Employee Benefits Committee joined the EC for discussion of this topic. In concluding, the EC supported continued meetings with IVSC officials on a regular basis. This would allow for a close relationship, but would also provide the opportunity to comment on their work. This would involve a lower commitment in terms of time and resources. In response to a suggestion of engaging in a Memorandum of Understanding with IVSC, it was suggested that that should be one of the last steps after a period of 2-4 years and upon identification of areas of collaboration. The EC requested an update on the relationship with IVSC at its October meeting.

5. **Finances: [2Q Financial Statements and year-end forecast](#)**

The EC reviewed the 2Q financial statements dated June 30, 2013, including a year-end forecast which continued to project a deficit, although slightly less than what had been budgeted. The loss in investments was highlighted, noting that it was an unrealized loss for the first 6 months. This all relates to the values of fixed interest rate bonds; when interest rates go up, the market value of a fixed interest bond goes down and under the current accounting rules the IAA is obliged to reflect this in the books. It was confirmed that the IAA still owns these bonds and it is within the IAA's power to entirely reverse these losses by holding the bonds to maturity and collecting the principal and interest.

6. **Changes to Statutes and Internal Regulations**

Chairperson Kurt Wolfsdorf introduced proposed amendments to the Statutes and Internal Regulations which had been in the process for some time through various committees. These changes were being submitted now in order to put into effect decisions already taken, namely:

- Removal of the position of Secretary General
- Provide clarity between the governance of committees and working groups
- Membership accreditation requirements
- Editorial changes

A briefing note accompanied the documents to explain the process followed for each set of changes.

The intent is to include these documents on the [30-day Council agenda](#) for discussion in Singapore, followed by approval through electronic ballot thereafter, subject to Council agreement. Concern was raised regarding the timing of these changes in the light of the governance review underway and how this fits into that process. In response to this concern it was explained that it would be extremely helpful for the Strategic Planning Subcommittee to have a clean set of documents with the accurate and updated information as a starting point for making further changes as a result of the current review process.

The EC supported this documentation being submitted to the EC, subject to some minor editorial changes and additional clarification in some areas.

7. **Review of ICA 2022 Bids**

The EC was presented with a document "[ICA 2022 Proposal Requirements](#)" outlining how each bidding association's (Australia, Hong Kong, and Malaysia) proposal measured up to the criteria. The EC supported inviting all associations to present at the EC meeting in Singapore on October 13. The EC agreed to allocate 30 minutes to each association as follows: 15 minutes for the presentation and 15 minutes for questions from the EC.

8. **Future IAA Council and Committee Meeting Venues**

The EC supported the three venue proposals for 2015 and 2016. The Secretariat will continue to investigate Zurich as a venue and, once confirmed, an electronic ballot of Council will be issued to seek approval of all three venues: Zurich, Switzerland (2Q 2015); Vancouver, Canada (4Q 2015); and St. Petersburg, Russia (2Q 2016).

Kurt Wolfsdorf, Chairperson