

Anne Kleffner, Phelim Boyle, and Susan Philpott have agreed to extend their terms for an additional three years.

Suzanne Michaud, Philip Howell, and Wendy Mizuno have been approached as potential candidates to become members of ASOC and all have agreed.

The NC will be looking for a member with investment background. Michel Benoit will be contacting Mike Boychuk. Bob Baldwin will be contacting Raymond Léger as a potential member with labour experience.

Motion 2–16.3.1

That the ASOC extend the appointment of Anne Kleffner, Phelim Boyle, and Susan Philpott for an additional three years to December 31, 2019.

Carried

Motion 2–16.3.2

That the ASOC appoint Suzanne Michaud, Philip Howell, and Wendy Mizuno each for a three-year term starting January 1, 2017.

Carried

2. ASB Membership

There are no appointments being recommended at this time.

Ty Faulds would like there to be a vice-chair of the ASB on an ongoing basis. The current process has the member that is appointed as chair be appointed as the vice-chair for the six months prior to assuming the role of chair. The ASB will be revisiting the appointment process and the terms of reference for changes with regards to the chair and vice-chair succession plan. This should also include the creation of a position description for vice-chair. It was suggested that advertising should be for ASB members instead of the chair, with the intent that members be groomed for possible succession to vice-chair and chair.

Jill, Anne, and Susan have agreed to form a working group to discuss potential changes and bring recommendations to the December meeting.

Action item:

- **The working group (WG) (Jill, Anne, Susan) will review the ASB recruitment process and bring recommendations to the December meeting.**

Item 2–16.4 Report from the ASB Chair

Josephine Marks provided an overview of the ASB report with the following additional notes:

Use of Models: This continues to be one of the most controversial projects of the ASB. The biggest issue revolves around the definition of a model. A re-exposure is currently underway.

ISAP2: The designated group (DG) recommended that the actuary be permitted but not required to opine on sustainability. The ASOC expressed concerns that the absence of an appropriate statement from the actuary could be misinterpreted and that the Canadian standards could be perceived as lower than the international standards as a result of this recommendation. A definition of financial sustainability should also be included. It was asked if/how this was adopted by the other international organizations.

Calibration Criteria: There was an extensive discussion at the ASB meeting regarding criteria that were used to calibrate the asset returns for pension purposes. The pension and insurance practitioners need to come to an agreement. Consistency is required across the practice areas but this is proving to be a challenge.

Pension Disclosures: Bob raised concerns about specific numerical metrics being used in different types of tests.

Strategic Plan:

The key items/issues are the following:

- ASB membership;
- Consistency between standard areas;
- Globalization and the implications from the international level;
- Process improvement; and
- Emerging practice areas.

ASB Self-Assessment: It was questioned whether it would be beneficial for the ASB and ASOC to meet more than once a year. The ASOC will review the document on public interest to ensure it continues to be comprehensive and that is clear on what oversight means. It should then be shared with the ASB and with new ASOC members as part of the orientation package to help clarify its role. ASB members should be encouraged to attend the public meeting. ASOC would like clarification on some comments in the self-assessment. It was suggested that the ASB agenda should include an item of a formal written report/memo which includes feedback and suggestions from ASOC and then in turn the ASB's response to this report should be brought back to ASOC.

Action items:

- **Tricia will provide to ASB a report on feedback from ASOC following each meeting.**

Item 2–16.5 Guest Speaker

Linda Mezon, the Chair of the Canadian Accounting Standards Board, presented on the status of the IASB's insurance contracts project and Canadian involvement.

Item 2–16.6 ASB/ASOC Terms of Reference

The main areas of change to the ASB Terms of Reference are in the area of composition and length of terms of members.

Suggested changes:

- To promote the development of applicable international standards *and to promote the adoption or adaptation of those standards.*
- Review use of “shall”.
- Organization of document to ensure sections are under the appropriate headings.
- Objectives should be changed to responsibilities.
- Terms shouldn’t be temporal and subject to change on an annual basis. Some of the goals should go under strategic direction.

ASOC is asked to review the redlined version to determine if any further changes are required and report to Ty and Tricia.

Ty, Tricia, Michel B., Michel S., and Susan will make up a working group to review the terms of reference and the integration of both. Preliminary versions will be presented at the December meeting.

Action items:

- **ASOC members are to review ASB ToR and provide any comments to Ty and Tricia.**
- **The WG (Ty, Tricia, Michel B., Michel S., Susan) will review the ASB and ASOC ToR and provide new drafts at the December meeting.**

Item 2–16.7 Conflicts of Interest

Michel Benoit presented his memo on issues of conflict of interest and suggested that a discussion should take place to resolve how conflicts should be addressed when required. During the ASB’s review of the general section of the standards, it was determined that it was necessary to remove certain items from the standards that were better suited to the rules of professional conduct. Disclosure is key. It is important to ensure that DGs and WGs include members who are not directly affected by or who benefit from the work being reviewed. Given that the ASB is the final voting power over any changes proposed, it provides a separation from potential conflict of interest resulting from the conflict that could arise given the volunteers who are required with the necessary knowledge. A requirement for diversity of opinion should be referenced in the terms of reference. Real and perceived conflict of interest is to be clarified in the review of the terms of reference.

Item 2–16.8 Report from the CIA

Michel Simard reported on the activities of the Board which included the following:

- Ratification of a bylaw change for voluntary disclosure of criminal conviction;
- Implementation of a strategic plan pursuing four main areas of focus:
 - Governance;
 - Education autonomy;
 - Public statements and the process to issue them; and
 - Emerging practices.

Item 2–16.9 Public Meeting

In order to continue having the ASB/ASOC updates as well as an international update or presentation on another subject, it was suggested that a webcast be presented ahead of the public meeting for the updates. Michel Simard suggested that general counsel from the Privacy Commissioner should be considered as the presenter. The NC will have a conference call a week before in order to be able to schedule more time for the public meeting.

Action items:

- **Michel S. will confirm speaker availability for public meeting.**
- **Leona will poll for conference call for NC prior to the December meeting.**

Item 2–16.10 2016 ASOC Action Chart

Phelim suggested Jeremy Gold and John Murray as potential speakers for a future meeting.

Action items:

- **Leona will circulate the self-assessment to determine if any questions need to be revised or added.**
- **Tricia will circulate the Board presentation for review.**
- **Suggestions for guest speakers are to be sent to Tricia.**

Item 2–16.11 Review of Action Items

All items were completed.

Item 2–16.12 2016/2017 Meeting Dates

The schedule for upcoming **ASOC** meetings is as follows:

- December 14, 2016 – Toronto
- April 3, 2017 – Toronto (joint ASB/ASOC meeting and dinner)
- April 4, 2017 – Toronto
- August 22, 2017 – Toronto
- November 22, 2017 (public meeting) – Montréal

The schedule for upcoming **ASB** meetings is as follows:

- October 5, 2016 – Toronto airport
- December 7, 2016 – Toronto airport
- April 3, 2017 – Toronto (joint ASB/ASOC meeting and dinner)

Item 2–16.13 In-Camera Session

The ASOC held its in-camera session.

There being no further business, the meeting was adjourned at 2:54 p.m.