

# **Actuarial Standards Oversight Council**

## **Terms of Reference**

### **Mission**

1. The mission of the Actuarial Standards Oversight Council (ASOC) is to serve the public interest by overseeing and providing input to the activities of the Actuarial Standards Board (ASB).
2. The mission of the ASB is to support informed economic decision making by users of actuarial reports. The ASB serves the public interest by developing, establishing and maintaining high-quality standards of practice for actuarial reporting in Canada.
3. As a body that has a broad perspective on the complex issues facing standard setters from the point of view of users of actuarial reports, actuaries, and the public, ASOC supports the ASB in its mission as an independent standard-setting body. ASOC recognizes that the authority to set technical agendas and the resulting actuarial standards of practice rests with the ASB.

### **Responsibilities**

4. ASOC has the following authority and responsibilities:
  - (a) To oversee ASB activities by:
    - i) Approving its terms of reference and any amendments to them;
    - ii) Monitoring and evaluating its performance, the fulfillment of its responsibilities, the accomplishment of its work program and the adequacy and use of available resources; and
    - iii) Ensuring that the ASB has developed and approved statements of operating procedures that are appropriate and responsive to the public interest.

- (b) To appoint members to ASOC in accordance with paragraphs 11 and 12, including the chair and vice-chair of ASOC.
- (c) To appoint members to the ASB, including the chair and the vice-chair.
- (d) To provide input to the ASB on its strategic direction and priorities. By providing ASOC's views on the preliminary agenda planning decisions of the ASB, ASOC actively assists the ASB to determine its priorities and strategies in its work program with due regard for domestic needs and international developments. ASOC evaluates whether the ASB has considered the needs of all categories of stakeholders appropriately in determining its priorities and strategies.
- (e) To inform the ASB of the views represented by the diverse interests on ASOC, as well as the views of other individuals or groups with an interest in actuarial standards of practice. This input includes views as to ASB priorities and the technical matters before it.
- (f) To protect the independence of the ASB and to be satisfied that the ASB has maintained its independence in carrying out its mission.
- (g) To ensure that ASB standard-setting activities are appropriate and responsive to the public interest and conducted in accordance with acceptable due process procedures that adequately address real and perceived conflicts of interest. In this regard, ASOC undertakes an annual review of ASB's performance relative to its long-term strategic plan and annual operating plan.
- (h) To ensure that an appropriate process is established and maintained that will enable members of the Canadian Institute of Actuaries to request the review of a standard of practice adopted by the ASB.
- (i) To report to the public on the discharge of its responsibilities and disseminate to the public, as appropriate, information about its activities and those of the ASB. In this

regard, ASOC reports annually to the public on its own activities and ensures that the ASB reports annually to the public on its activities.

- (j) To evaluate whether ASOC and the ASB have the financial and human resources necessary to support their work.
- (k) To advise the ASB on any matters as requested by its chair.

### **Membership**

5. ASOC comprises not fewer than eight and not more than 12 volunteer members as follows:
  - (a) A chair;
  - (b) A vice-chair; and
  - (c) Six to 10 other members.
6. The term of each ASOC member is determined by ASOC on a basis that ensures an orderly changeover of membership over time while maintaining the experience and balance of backgrounds necessary to meet ASOC's objectives.
7. The following have a right to attend and participate in ASOC meetings and receive any meeting materials, except the *in camera* portions of the meetings that exclude CIA staff and any materials distributed in respect of those *in camera* meetings:
  - (a) The ASB chair;
  - (b) The Executive Director of the Canadian Institute of Actuaries.
8. ASOC members are expected to attend all ASOC meetings. If any ASOC member either fails to attend more than two regularly scheduled ASOC meetings in succession, or fails to attend, in any 12-month period, at least two-thirds of all regularly scheduled ASOC meetings, the chair (or the chair of the Nominating Committee) will initiate a conversation with the member as to the reasons for the absences and determine whether the member

can reasonably be expected to adequately participate on ASOC in the future. A member is deemed to be absent from an ASOC meeting unless he or she is in attendance for substantially all of it.

9. ASOC members are expected to vote according to their own beliefs, experience, and judgment based on the information they have and the discussions they have taken part in, keeping in mind the public interest and not according to the views of any firm, organization, or constituency with which they are associated.

### **Appointments Process**

10. Members of ASOC are selected on the basis of individual merit. Members are selected also on a basis that ensures that ASOC reflects a broad cross section of backgrounds and points of view so that it is able to discharge its responsibilities relative to the ASB. A diverse membership enables ASOC to have a broad perspective on the issues and potential issues facing the ASB.

11. ASOC has established a Nominating Committee to recommend nominees to fill vacancies in the membership and in the positions of chair and vice chair of ASOC and the ASB. The five members of the Nominating Committee comprise the chair and/or vice chair of ASOC and three or four ASOC members who are appointed from time to time by the ASOC chair and vice-chair and the chair of the Nominating Committee. The ASB chair and the Executive Director of the Canadian Institute of Actuaries have a right to attend and participate in Nominating Committee meetings and receive meeting materials.

12. The Nominating Committee presents its recommendations to ASOC for approval.

### **Operations**

13. ASOC reviews its terms of reference at least once every five years to ensure that they continue to meet the needs of ASOC and the public interest it represents.
14. ASOC develops and adopts a statement setting out the principal operating procedures it follows in fulfilling its responsibilities. ASOC reviews its principal operating procedures at

least once every five years to ensure that they continue to meet the needs of ASOC and the public interest it represents.

15. ASOC will create such committees of its members, in addition to the Nominating Committee, as it deems necessary in carrying out its responsibilities. The ASOC chair is an ex officio member of all ASOC committees.

### **Relationships with the Canadian Institute of Actuaries**

16. The results of ASOC's periodic reviews of its terms of reference are submitted to the Board of Directors of the Canadian Institute of Actuaries. Amendments to the ASOC terms of reference require the approval of the Board of Directors of the Canadian Institute of Actuaries.
17. The Canadian Institute of Actuaries supports ASOC in the performance of its activities. In doing so, the Canadian Institute of Actuaries respects the independence of ASOC, which is not subject to direction or influence by the Canadian Institute of Actuaries or other representatives of the actuarial profession.
18. Funding for reasonable and necessary expenses of ASOC and its members in carrying out their duties is provided from the budget of the Canadian Institute of Actuaries, based on a proposed budget submitted as part of the Canadian Institute of Actuaries' annual budget approval process.
19. ASOC provides such other reports as may reasonably be required by the Board of Directors of the Canadian Institute of Actuaries.
20. The Executive Director of the Canadian Institute of Actuaries has liaison responsibilities to administer the relationship between ASOC and the Canadian Institute of Actuaries.

*Approved by ASOC on December 7, 2006; revised on September 1, 2010; September 18, 2013 and April 4, 2017.*

*Approved by the CIA Board of Directors on December 19, 2006; revised on September 22, 2010; September 10, 2013 and September 17, 2017.*