International Actuarial Association
Association Actuarielle Internationale

Risk Register

Version: 1.1, May 2024
Date of last full review: May 2024

Introduction

This Risk Register sets out the key risks, controls and monitoring activities undertaken by the International Actuarial Association (IAA).

An important point of reference for assessing risks and risk management within the IAA is the organisation's mission and values. Assessment of risks is performed in the context of the IAA's mission:

- Impact: Supranational Relationships
- Assure: Promotion of the Profession
- Advance: Development of Competence

and with a view to upholding the IAA's values: integrity, diversity and inclusion, accountability, transparency and objectivity when engaging with our volunteers, Member Associations, other stakeholders and the public.

This document summarises risks into five overarching risk categories:

1. Cyber Security and IT
2. Loss of FMA Support and Management of FMAs and supra-national organisations
3. Secretariat
4. Fraud & Finance; and
5. Volunteers

Risks are regularly identified, assessed and monitored by the IAA, its committees and support functions with reporting and response actions as set out for each risk. Severity and likelihood ratings are included for each risk category.

Roles and responsibilities

The Audit & Finance Committee has overall responsibility for the Risk Register, including regular risk assessment / monitoring and periodic review of the Risk Register.

Other IAA committees and support functions are responsible for assessment / monitoring and reporting of specific risks as outlined in this document. Key IAA responsible committees and support functions include the Executive Committee (EC), the Strategic Planning Committee (SPC), Secretariat and the IAA Operations team.

Regular review and monitoring

Ongoing risk monitoring

Monitoring of individual risks undertaken by the relevant IAA committees and support functions will occur on an ongoing basis. The Audit & Finance Committee is ultimately responsible for seeking updates from the relevant IAA committees and support functions.

Annual review of the Risk Register

The Risk Register will be reviewed annually by the Audit & Finance Committee, with input from relevant IAA committees and support functions, to ensure it remains fit for purpose. The review should consider new and emerging risks as well as the ongoing appropriateness of monitoring activities and controls.

Annual briefing to the Council

Following the regular review and monitoring throughout the year, the Chair of the Audit & Finance Committee will provide an annual briefing to the Council. This agenda for this briefing may cover topics such as a summary of monitoring throughout the year, any changes proposed to the Risk Register, any concerns or issues (e.g.: emerging risks identified) and any other topics

1. Cyber Security and IT

Committee	Audit and Finance	**Date assessed**	May 2024
Risk Category	Operational		
Description	Risk of stolen, compromised, or unusable data/software/hardware. Risk of denial of services/ransomware attack impacting the day-to-day operations of the IAA.		

Cause	**Impact**	**Controls**
Interception and/or stealing of sensitive or confidential information via Malware/ransomware/other attack impacting the ability to run the IAA. Phishing or bogus emails to/from Staff/Officers/Third party providers. Possible cyber-crime or hacking attempt resulting in fraudulent instructions being issued or unlawful transfer payment. Inadequate data protection policies. Failure to manage and/or notify data breaches. Inadequate IT systems	Compromised ability to run the IAA. Reputational effects of successful cyber-attack or data breach. Permanent loss of assets. Time/cost spent in defending claims. Investments required to address issues post-event.	Operations • Instructions to make transactions or payments are only accepted from a Director All payment instructions are jointly approved by two Directors. • Independent professional assessment by third party providers of the cyber security controls and business continuity provisions. • Reliance on third party provider systems/cyber protection. • Director Communications and Membership has prepared a security protocol and incident response which is reviewed annually, including outward communication to FMAs, Sections and Partners. Audit & Finance • Assess material cyber related third-party measures at least every 2 years. • Cyber insurance coverage in place. Audit and Finance to review annually for effectiveness.
Severity rating	Without Controls	With controls
Likelihood rating		

Legend			
Severity rating:		Likelihood rating:	
	Severe impact		High likelihood
	Moderate impact		Medium likelihood
	Minor impact		Low likelihood

2. FMA engagement and supranational organisations relationship management

Committee	Executive Committee/Strategic Planning Committee	**Date assessed**	May 2024
Risk Category	Strategic		
Description	Risk of inability of the Leadership to attract and retain FMA membership and maintain relationships with supra-national organisations		

Cause	**Impact**	**Controls**
Inadequate direction from Council/SPC leading to goals or activities not aligned with, or valued by, FMA's. Membership fees and/or operational expenses are seen as too high. Failure to engage volunteers. Lack of focus. Local/Regional Association groups are seen to offer more relevance. Decreasing relevance of IAA to supra-national partners / dilution of supranational relationships over time	Reduced FMA engagement. Insufficient cashflow to meet expenses. Reputational consequences. IAA no longer sustainable in its current form.	Strategic Planning Committee (SPC) • Enhance FMA engagement. • SPC to develop and review strategic plan. Executive Committee (EC) • EC to ensure that implementation of the strategic plan continues to meet FMA priorities. • Officers and ED to engage directly with the SPC and leadership of the large FMAs. • EC to oversee, identify, mitigate, and monitor potential risks relating to FMA membership and engagement with supranationals. • EC to engage with Council and FMA's on priorities and budget – Transparency. Audit and Finance A&F to monitor financial outcomes against the budget and to review the IAA reserves in line with the Operating Reserve Policy.
Severity rating	Without controls	With controls
Likelihood rating		

Legend			
Severity rating:		Likelihood rating:	
	Severe impact		High likelihood
	Moderate impact		Medium likelihood
	Minor impact		Low likelihood

3. Secretariat

Committee	Executive Committee	**Date assessed**	May 2024
Risk Category	Operational		
Description	The effects of below-standard secretariat service and processes impacting the operation and reputation of the IAA		

Cause	**Impact**	**Controls**
Insufficient resources lead to slow, poor quality and unresponsive administration service. Staff calibre /Turnover/Training. Business continuity event Inadequate management of service providers Lack of communication strategy and processes leading to issuing communications that are incorrect/inaccurate, incomplete, or contradictory. Jurisdictional concerns/issues between Swiss Verein and Canadian not-for-profit	Delays in responsiveness can result in complaints, and generally a poor reputation with members. Operational impact of poor knowledge transfer. Human resources issues due to compensation, support, training, availability and management. Lack of regular review of service providers leads to poor quality of advice, lack of responsiveness and poor service from suppliers. Lack of consistent messaging, poor-quality materials negatively affecting all IAA stakeholders leading to confusion, lack of engagement and lack of understanding and appreciation of IAA value. Duplication of efforts, and costs for legal and compliance related matters.	Executive Committee • Oversight of comprehensive set of processes/procedures, including application of a consistent set of operational controls and training. • Development of annual financial budget. • Communications are reviewed for technical accuracy and compliance with established policies aiming for consistency, clarity and coordination as defined within the communication strategy. • IAA papers, publications and other external communications are subject to rigorous review and approval by the relevant committees and EC prior to release. Operations • Human resource issues reviewed by ED, overseen by Officers and EC where appropriate with the assistance of independent lawyers. • Business continuity plans for potential events like fire, epidemics, electricity outage, back-up systems failure are in place and reviewed at least every 3 years. • All contracted suppliers reviewed informally by ED on annual basis and formally on a periodic basis or on contract expiry. • Formal reporting by the IAA Services Board to Council on a yearly basis. Training of executives and Board members on key legislative changes in either Canada or Switzerland that would impact IAA or IAA Services.
Severity rating	Without controls	With controls
Likelihood rating		

Legend			
Severity rating:		Likelihood rating:	
	Severe impact		High likelihood
	Moderate impact		Medium likelihood
	Minor impact		Low likelihood

4. Fraud & Finance

Committee	Audit and Finance	**Date assessed**	May 2024
Risk Category	Financial		
Description	Risk of IAA being defrauded and other risks affecting the IAA's finances		

Cause	**Impact**	**Controls**
Defrauding by individuals posing as members, service suppliers or Officers, or by the Secretariat. Institutional fraud. Lack of timely and accurate financial processing, cash flow management or insufficient controls on making payments. Poor investment advice IAA Services not being able to claim back HST on service invoicing. IAA entity restructure and management of tax liability risk	Incorrect payments made from the IAA, affecting its finances and reputation. Fraudulent overpayment of salaries /benefits /expenses. Loss of assets & Poor investment returns. Service disruption and non-payments of staff or suppliers due to fraudulent processing. Financial impact of poor-quality processing and uninsured losses.	Operations • Financial fraud reduced by requiring two signatures on payments and disinvestments, administrative checks on validity of individuals and payments, and regular Secretariat reporting to the A&F Committee. External audit • Annual IAA audit performed by an external auditor including reviewing financial controls annually and recommending improvements. Audit & Finance • Quarterly review of financial statements and progress against budget by Audit and Finance. • Annual assessment by Audit and Finance against investment managers objectives. • Review investment policy and recommend changes to Council as appropriate. • Chair of Audit and Finance reviews staff and officers expense claims annually. • Proper and sufficient insurance contracts to be assessed by Audit and Finance Committee. • Committee to oversee annual tax fillings and include this in the annual report to Council.
Severity rating	Without controls	With controls
Likelihood rating		

Legend			
Severity rating:		Likelihood rating:	
	Severe impact		High likelihood
	Moderate impact		Medium likelihood
	Minor impact		Low likelihood

5. Volunteers

Committee	EC, Nominations	**Date assessed**	May 2024
Risk Category	Reputational		
Description	Risks relating to insufficient volunteer training and inadequate succession planning affecting the operation of the IAA.		

Cause	**Impact**	**Controls**
Lack of time, engagement and/or onboarding training. Crisis incident (i.e., COVID-19). Lack of proper assessment of performance. Inadequate succession planning for IAA leadership roles by Nomination Committee and EC. Lack of Diversity and Inclusion in IAA volunteers. Inappropriate behaviour of volunteers in person or communications	Reduction in the available pool of experts for IAA content creation, balanced geographical representation, D&I concerns and general lack of volunteer capacity for a volunteer driven organization. Reputational effects of poor decisions not in accordance with IAA statutes and objectives as a result of lack of appropriate onboarding for volunteers. Disruption to the ongoing operation of the IAA by duplication of efforts. Strategic Plan not followed. Loss of knowledge and expertise from IAA leaders leading to poor decision making. Reputational and legal impacts due to inappropriate behaviour and communications by volunteers.	Executive Committee • Managing volunteer expectations via clear communication and confirming necessary time commitments in advance of appointments. • Culture of keeping volunteers engaged, • Ensure D&I is top of mind for IAA Leaders and operations. • Treating onboarding training as important and identifying additional opportunities to maintain and develop appropriate onboarding training. • Reliance on individual FMA's Codes of Conduct to establish minimum standards of behaviour. Nominations Committee • Nominations and Executive Committees regularly review succession plans for IAA leader roles. • Staggered terms of office reduce likelihood of gaps on IAA leadership roles. • Include D&I as part of the NC process and leadership engagement. Secretariat • Proper distribution of workloads across staff, volunteers and entities.
Severity rating	Without controls	With controls
Likelihood rating		

Legend		Specific	
Severity rating:		Likelihood rating:	
	Severe impact		High likelihood
	Moderate impact		Medium likelihood
	Minor impact		Low likelihood