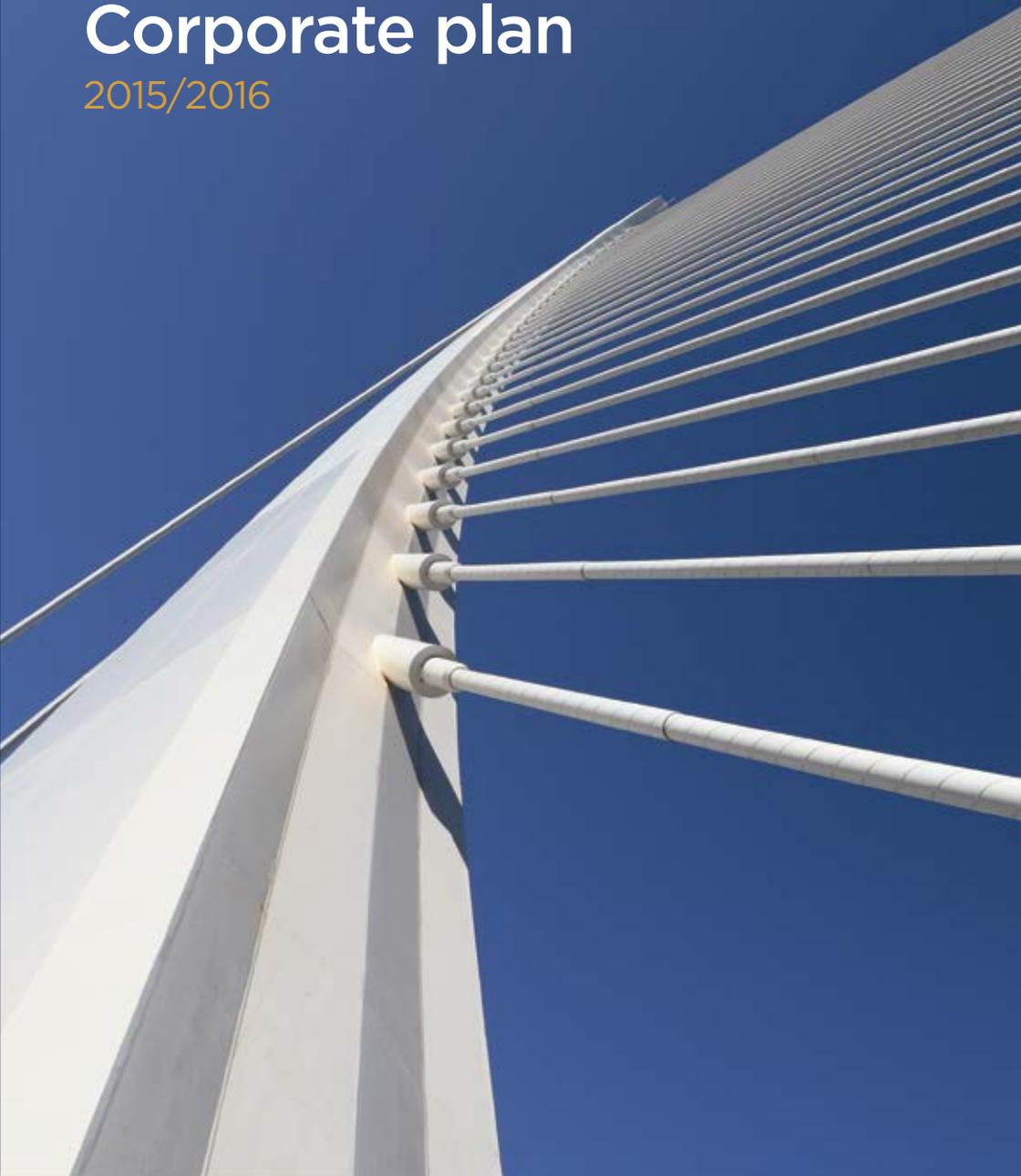




Institute  
and Faculty  
of Actuaries

# Corporate plan

2015/2016



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# Welcome



**Fiona Morrison,**  
President-elect, Institute  
and Faculty of Actuaries

Marcel Proust, the French novelist, critic and essayist once said: “The real voyage of discovery consists not in seeking new landscapes, but in having new eyes.” This quote seems to me particularly relevant to the Institute and Faculty of Actuaries as we strive to meet the changing demands of our members and the users of our actuarial expertise.

Our values of community, integrity and progress remain at the heart of everything we do as a Royal Chartered professional body that serves the public interest, and is the constant theme that runs through this challenging, yet achievable, Corporate Plan. Meeting the needs of our diverse membership and remaining relevant to them is critical to our success as a professional body.

Yet, as a profession, we are on a journey as we adapt to the changing demands being placed on us as professionals, and the changing environments in which we work. As I take up my Presidential responsibilities, my focus will be on promoting actuaries and the actuarial skill set so that the users of our services, both new

and old, see the things that we see through new eyes and the value that actuaries add, not just to business, but also to the wider society. I do not underestimate that challenge that this poses, but I am convinced that, together, we can achieve our vision where actuaries are trusted and sought after for their valued analysis and insight.

I hope you enjoy reading about our plans for the year ahead, and the activities that we will be undertaking to support you, the successful delivery of our Royal Charter and the voyage of discovery that we are on.

**Fiona Morrison**  
President-elect, Institute and Faculty of Actuaries

# Introduction



**Derek Cribb,**  
Chief Executive

Welcome to the Institute and Faculty of Actuaries' 2015/2016 Corporate Plan. As we move into another busy year, I want to take the time to reflect on the team effort which has made 2014/2015 such a fruitful year for the IFoA.

This is down to the hard work of staff and volunteers, who have been working together to deliver the IFoA strategy in line with our values, (community, integrity and progress), the Presidential theme of diversity, and the public interest objective in our Royal Charter. This year a lot of work went into the development of our new governance manual, and the launch of this has set us in good stead for effective roll-out throughout 2015/2016. We will also be reviewing and refreshing our current strategy in 2015/2016 to ensure that it is still relevant. But before we look forwards, allow me to highlight some of the key successes from the last year in delivering our strategic objectives.

**Education:** we successfully launched the new Certified Actuarial Analyst qualification to support technical analysts working alongside actuaries. As the first new qualification from the IFoA in a generation, this was a significant step that demonstrates how the IFoA is catering to

the diverse and evolving needs of employers within the financial sector. We also successfully delivered the two Fellowship exam sessions, with more candidates sitting more exams over the year than ever before.

**Regulation:** the pilot of our new Quality Assurance Scheme ran smoothly and feedback on this has been positive. We also rolled out the new Professional Skills Training programme, which is accessible online and free of charge to our members worldwide. The web material has received over 75,000 hits to date and over 3,000 members attended face to face professionalism training events. In response to member feedback, we also launched a new, simplified and consolidated CPD Scheme. In line with our collaborative international approach, we signed new or renewed Mutual Recognition Agreements with actuarial associations in Australia, Israel, South Africa and the United States.

**Member Support:** following the roll-out of stage one of the Virtual Learning Platform, which supported the Professional Skills Course, we completed specifications for stage two which will see all video and audio material on a new dynamic platform. In support of the growing interest in actuarial careers in China, we launched a new China Microsite with design and content specifically developed to meet the needs of our Chinese speaking members. Our volunteer engagement has increased substantially across all areas of activity but most noticeably among the Practice Boards, where we are facilitating a refresh and diversification of skills. Our member engagement has increased through our international feedback groups, employer engagement strategy, CPD Co-ordinator network and regional society newsletters. We also launched a new brand for the CERA Global Association, giving it a strong identity and helping it to stand out in the increasingly crowded risk qualification space.

**Public Affairs:** our engagement with the Scottish Independence debate was a real success story. The IFoA was held out by the Secretary of State for Scotland as a role model of how to engage in the Scottish Independence debate in an impartial way. We also took part in the Lord Mayor of London's delegation to Africa, with Marjorie Ngwenya (IFoA Council member) representing the IFoA at high level meetings in South Africa, Tanzania and Uganda. The knowledge gleaned from this trip will be used to create an actuarial 'roadmap' for actuarial societies in developing countries.

**Learned Society and Research:** a major achievement this year was our engagement with the Department of Health off the back of our Pensions and Long Term Care research, as they used the IFoA's expertise to shape their thinking in the critical policy area of long term care. Over 1,000 people attended 12 sessional meetings with

10 papers of new research presented. Over 400 people in total attended the Spring and Autumn Lectures, with the best ever post-event feedback received from the audience. Lord Robert Winston delivered the Spring Lecture in London on genetic medicine and public health. Professor Carol Jagger, AXA Professor of Epidemiology of Ageing at Newcastle University, discussed the uncertainty of ageing in the Autumn Lecture in Edinburgh. We also had six new Honorary Fellows elected from three different countries.

**Corporate Support:** underpinning all of our strategic objectives is the IFoA's corporate support structure. In 2014/2015, we migrated to a cloud-based IT platform and put in place a new remote access framework, supporting user access and giving our network greater resilience and access to disaster recovery arrangements. We also completed the last of our three UK office moves, with staff in Edinburgh moving into a new building in Exchange Crescent in June with minimal interruption to members and IFoA business. We opened a new office in Singapore to better support our members in South Asia. Last year's successes are also reflected in staff satisfaction which (according to our most recent staff survey) has continued to improve, building on the already positive result from last year and moving the overall score up to 3.2 out of 4, with the highest score of 3.4 allocated to "*The IFoA's values and behaviours are important to me*". Additionally, of particular note is the fact that the questions where scores have improved the most, are directly linked to achieving the Corporate Plan, such as "*I have clear and understandable objectives*" and "*I understand the IFoA's vision and I am proud to work at the IFoA.*"

In summary, a lot of work has taken place in 2014/2015 to ensure that the delivery of the Corporate Plan is on track. We cemented some of the initial work put in train in 2013/2014 and have laid strong foundations for 2015/2016.

Looking forward to what is in store for 2015/2016, it is evident that it will be another eventful year. Our priorities are set out in detail in this Plan, where highlights include our first residential conference in Asia, taking place in May 2015 in Beijing. We will also complete the roll-out of the CAA, with all modules available and examined during two exam sessions, and implement recommendations made following the pilot this year of the Quality Assurance Scheme. We will deliver the next phase of our Digital Strategy, which will include a proposal for comprehensive taxonomy for the IFoA website, and roll out governance training to all IFoA staff. Core narratives will be developed for our four key policy priority areas, which will be used as the springboard for engagement in the public affairs arena, and a proactive and targeted stakeholder engagement programme will ensure that we make the most of our policy work and research. Throughout the year we will also be reviewing and refreshing our overarching strategy to confirm that it is still current and relevant, building on work done to reflect the 2014/2015 Presidential theme of diversity, so that momentum is not lost in this important area. Overall, we will continue to ensure that we cater for all the needs of our diverse membership, providing services which are accessible to our members around the world.

In closing, please allow me to reiterate my thanks to all of those involved in helping to make the IFoA a world leading professional body, particularly to staff and volunteers. As well as the activities highlighted in this Plan, our staff and volunteers continue to deliver all our business as usual activity to the highest standard. We will continue to ensure a close working relationship between the Executive, Council and indeed all volunteers so that we are delivering our strategic priorities in line with the needs of all of our members and of the global actuarial profession.

**Derek Cribb**  
Chief Executive

# Our mission and strategic objectives

The objects of the Institute and Faculty of Actuaries shall be, in the public interest, to advance all matters relevant to actuarial science and its application and to regulate and promote the actuarial profession.

## Our vision

We will serve the public interest by ensuring that, where there is uncertainty of future financial outcomes, actuaries are trusted and sought after for their valued analysis and authority.

## Our values

Our values talk about 'how we do things'; they are the essence of our culture. They form a statement of what the organisation stands for and will form part of how we deliver the strategy. Our values are integrated into everything we do to deliver a consistent brand experience.

## Community

### We are:

Building relationships and communities by listening and giving people a clear voice.

### By being:

Inclusive, Accessible and Collaborative.

## Integrity

### We are:

Doing the right thing for the organisation, our members, the profession and the public interest.

### By being:

Honest, Accountable and Professional.

## Progress

### We are:

Developing the future of the profession together

### By being:

Relevant, Supportive and Purposeful.

## Our strategic objectives

### Education

We will provide high quality qualifications for our students and lifelong education for our members.

### Regulation

We will regulate the members of the Institute and Faculty in such a way as to assure public confidence.

### Member support

We will offer excellent support that meets members' varied and evolving needs.

### Public affairs

We will speak up on relevant matters of public interest and raise awareness of the work of actuaries and the value actuaries add to society.

### Learned society and research

We will advance all matters relevant to actuarial science.

# Our people

The IFoA benefits from around 3,500 individuals working in partnership to deliver our strategy. This figure is made up of approximately 150 staff and over 3,000 members who volunteer.

Over 10% of our members volunteer for the IFoA and give their time, skills and expertise to help us meet strategic objectives. Members get involved: to develop technical skills through working parties; to share knowledge; to work with actuaries outside their own company or areas of expertise; to build their network of contacts; to give something back; and to encourage the next generation of actuaries.

Volunteers are vital to our success and part of our strategy is to provide appropriate opportunities for members to volunteer.

In the last three years we have created, launched and developed member-focused strategies, initiatives and collateral to raise awareness of volunteering for the IFoA. These initiatives have allowed us to ensure our volunteer recruitment is fair, open and transparent. This has also helped to enhance members' awareness of how, and why, they might get involved. We have listened to feedback and we have begun to create and develop a range of new resources which move towards these goals – providing opportunities, guidance and support to all our volunteers. This is a first step and we continually strive to work with key volunteers to evolve these resources and to ensure these resources can be accessed by any member, at any time, in any time zone.

Under the initial recruitment and awareness stages of our service, we now aim to respond to a volunteer enquiry within three working days.

Two of the key resources to support our volunteers are the Volunteer Induction Pack (VIP) and the new Governance Manual. With the launch of the latter, we are embarking firstly on a period of consolidation in order to embed the values and the guiding principles. From there, with the input of our volunteers, we will look to evolve and enhance these core resources ensuring they are understood, well implemented and most importantly that they are making a difference.

As part of this exercise we will carry out a qualitative and quantitative research exercise to seek feedback from individual volunteers and from employers of our actuaries.

Our vision is for each volunteer to feel that they:

- are valued;
- make a difference;
- advance actuarial understanding;
- feel supported;
- enjoy the engagement;
- have a clear idea of their remit; and
- work in partnership with our staff in a collaborative and mutually inclusive way.

Delivery of this vision will ensure we maintain a sustainable resource for the future and one which is targeted on helping the IFoA deliver on our corporate plan.

For our staff, our people strategy underpins our corporate plan and focuses on communication, governance, personal development and promoting a culture that embodies our Corporate Values.

It is important that we are aligned to organisational goals and we facilitate and promote a cohesive culture with internal communications, learning interventions, strong managerial support and consistent up-to-date policies and procedures across functions and regions.

A fresh approach to corporate social responsibility will also support growth and development of our staff, involving them in activities that will enhance their working culture and that of the communities they work in.

Overall we will encourage fair, transparent and cross-functional working where everyone supports each other in achieving common strategic goals.

# Education

We will provide high quality qualifications for our students and lifelong education for our members.

The Education Strategy supports the corporate objectives by ensuring that the qualifications awarded by the IFoA and our CPD content remain relevant, fit for purpose, and achievable, while maintaining our standards of excellence and professionalism. Key elements of the strategy involve listening to employers' needs, utilising our qualified members' expertise across the full range of our activities and working closely with leading universities – all to ensure that our examinations and learning support are available around the UK and internationally through the use of up to date technology and expert partners.

## 2015/2016 Deliverables

- Conduct a strategic review (including 2020 vision) of the qualification syllabus assessment, including preparation for the first examination of the new syllabus in 2017 and links with the seven practice areas (including banking within the Finance and Investment practice) to ensure we cover the competencies of future actuaries
- Complete the launch of the Certified Actuarial Analyst (CAA) with all modules available and examined twice
- Investigate developments in online technologies for learning and assessment (including MOOCs\* and online security)
- Implement appropriate improvements to the qualification process as suggested from student and employer feedback, internal audit outcomes and our own internal review e.g. providing greater clarity to students in terms of what is required of them in examination questions
- Develop our international student offering by building further links with universities, students and employers
- Without any compromise to our standards, develop a strategy to increase overseas student pass rates in examinations.

*\* A course of study made available over the Internet without charge to a very large number of people.*

## Indicators of success

- Response to proposals from employers for the strategic review of the qualification syllabus and assessment
- Take up of CAA by employers and students
- Increase number of students completing the annual student survey by 10%
- Launch online applications for admissions and exemptions
- Identify possible online security technologies for consideration
- Buy-in from all stakeholders for the strategy to increase students' pass rates in examinations (without compromising our standards).

## 2016/2017 Priorities

- Potential MOOC roll out
- Build the number of CAA students and members
- Launch the new education strategy successfully
- Move more assessments to be computer-based
- Provide online annual Work-Based Skills reporting
- Delivery of online PDR training.

## 2017/2018 Priorities

- Continue to build the number of CAA students and members
- Review the impact of the education strategy internationally and across the UK.

# Regulation

We will regulate the members of the Institute and Faculty in such a way as to assure public confidence.

We will continue to progress our current Regulatory Strategy. We will prioritise active engagement with our regulatory stakeholders, including the Financial Reporting Council (our UK oversight body) and, in particular, its Joint Forum on Actuarial Regulation, which facilitates effective coordination between relevant financial services regulators. We will conclude a holistic review of our Standards Framework, including the publication of a new principles-based standard, setting out clearly and coherently how regulatory requirements apply to our members internationally. A key priority will be the finalisation and publication of proposals to ensure that we have a proportionate and appropriate Practising Certificates framework in place in anticipation of the implementation of Solvency II on 1 January 2016. We will also conclude and implement recommendations in light of the substantive pilot this year of the Quality Assurance Scheme, targeted at employers. We will continue to reinforce the effectiveness of our disciplinary framework, recognising the important role it plays in protecting both the public and the standards for which our members are, rightly, highly regarded. Our Regulation and Disciplinary Boards are committed to a thought leadership initiative aimed at reinforcing the important public interest function undertaken by the IFoA on behalf of its members worldwide.

## 2015/2016 Deliverables

- Enhance further the effectiveness of our Professional Skills Framework by developing new content that is relevant for all members worldwide
- Take and implement the decision as to whether to proceed to full-roll out of the Quality Assurance Scheme for organisations, following evaluation of the pilot. Proceed as appropriate in accordance with the project timeline and publish consultation responses
- Conclude a holistic review of our Standards Framework as it applies to members internationally and set out proposals, including consideration of its application to the new membership category of Certified Actuarial Analyst
- Implement proposals agreed post consultation to address the actuarial and risk function roles under Solvency II in good time for the introduction of the Solvency II regime on 1 January 2016
- Continue to enhance the IFoA's profile as a forward-thinking regulatory body and engage effectively with its regulatory stakeholders
- Reinforce the effectiveness of the IFoA's disciplinary arrangements, including through the implementation of changes approved by Council in 2013/2014.

## Indicators of success

- Key projects, including the Standards review, Quality Assurance Scheme and Professional Skills Framework delivered effectively and on time
- Significant engagement by members and wider stakeholders on regulatory issues, including as applicable, through the Disciplinary Scheme, whistle-blowing regime, Quality Assurance Scheme proposal, consultations, Continuing Professional Development (CPD) events and other initiatives
- Deliver and implement the decision taken in relation to the Quality Assurance Scheme for organisations in accordance with the project timeline and publish consultation responses
- The FRC to report continuing and positive progress by the IFoA in its annual report to the Secretary of State
- Increase our presence at major conferences through the delivery of plenary sessions on regulation and professionalism training. Positive feedback from attendees at professionalism training events.

## 2016/2017 Priorities

- Consolidate an internationally effective standards framework
- Consider an integrated approach to the development of a skill sets framework for actuaries which supports the diverse development of members both pre and post qualification
- Conduct a post implementation review of regulatory effectiveness.

## 2017/2018 Priorities

- Consolidate our international regulatory approach, ensuring that this is consistent but proportionate in serving the public interest, drawing appropriately on the development of international standards by international actuarial bodies
- Review the ongoing relevance and effectiveness of our regulatory strategy.

# Member support

We will offer excellent support that meets members' varied and evolving needs.

In all things we do, we believe in providing the highest possible customer service and constantly looking for ways that we can innovate and expand our reach to our global membership. We therefore strive to provide an equivalence of service: to ensure that no matter where a member is based they have a similar experience, and improved accessibility: to enable services to be delivered and used wherever the member lives.

We will deliver a new web site that has content which is relevant and is physically adaptive to members on the move. We will continue to improve our communications with members in all its forms. Continuous learning is core to being a professional and we will therefore deliver our first conference in our fastest growing regional area, Asia. In addition we will provide more opportunities for those who wish to learn on demand through recordings of material that will not only enhance their technical capabilities but their business skills. As the world changes, at an ever increasing rate, we need to ensure that our members can adapt to the needs of the markets in which they operate. As part of our diversity strategy, we will continue to work with our Boards, committees, and employers of actuaries to ensure that they have the skills and exposure to networks that they need in order to continue to be successful.

## 2015/2016 Deliverables

- Explore with members the mechanisms which may assist movement into different practice areas
- Continue to deliver projects as agreed under the digital strategy, including the upgrade in our learning platform
- Deliver the first Asia conference 2015
- Continue to support the promotion of CAA, CERA, Associate level and administration of the new Solvency II regime
- Increase the effectiveness of all communications, marketing, volunteer engagement, events and employer engagement
- Make recommendations for an over-arching content strategy which looks at how content is developed and delivered for greatest impact
- Deliver the member proposition.

## Indicators of success

- New website is considered easier to use, more engaging and more valued, as measured by the digital feedback group
- Increase the number of online learning hits from 3,000 to 4,000
- Increase the number of individuals formally expressing interest in the CAA by 50%
- Gain positive feedback from the first Asia conference (at least 80% rating 3 or above)
- New Virtual Learning Environment is deemed to enhance the member learning experience through an expanded range of learning opportunities.

## 2016/2017 Priorities

- Develop the offering for an engaging online Member Induction Pack (MIP)
- Implement the mechanism that enables members to move between practice areas
- Deliver a non-practice specific conference
- Continue to enhance member processes through our digital offering including the introduction of automated forms, for example, with pre-populated information taken from the membership database.

## 2017/2018 Priorities

- Deliver the first on-line conference.

# Public affairs

We will speak up on relevant matters of public interest and raise awareness of the work of actuaries and the value actuaries add to society.

The Public Affairs Strategy supports the IFoA corporate objective to speak up on relevant matters of public interest and raise awareness of the work of actuaries and the value they add to society. In the coming year we will be focusing our public affairs efforts on the key public policy priority themes of: ageing society; resource and environment; the future of investment policy; and regulatory affairs.

We will work to increase the effectiveness of our engagement with supranational bodies; in particular the International Actuarial Association (IAA) and Actuarial Association of Europe (AAE), ensuring our representatives are in line with agreed policy.

We have long-standing and close relationships with a number of actuarial associations around the world. We will continue to strengthen these relationships through our annual programme of bilateral meetings to promote the development of the actuarial profession and to identify opportunities for closer working and cooperation.

## 2015/2016 Deliverables

- Host a series of events throughout the year to support the promotion of actuaries, the actuarial skill set and the IFoA, with stakeholders from both established and non-traditional areas of business
- Increase the effectiveness of our consultation responses, measuring impact through evidence across two metrics: greater stakeholder engagement and informing the ultimate policy decision
- Develop core narratives across our four key policy priority areas, alongside at least one policy project (paper or event) under each theme
- Deliver a structured domestic and international stakeholder engagement programme, focusing on key policy and operational priorities and provide appropriate briefing and support to the volunteer and Executive leadership team
- Build and maintain proactive relationships with key journalists (national, trade and international), to be supported by the development of media narratives for key policy and operational priorities and a pool of trained spokespeople
- Raise the profile of the IFoA's public affairs activities with the wider membership, and seek to leverage our Honorary Fellows to support our Public Affairs agenda.

## Indicators of success

- Impact of the IFoA's contribution to public policy debates can be demonstrated in over 60% of final consultation reports/ policy initiatives
- Increased stakeholder awareness of the IFoA and the relevant contribution it can make to public policy debates and awareness of operational priorities such as the CAA. To be measured through the annual stakeholder perception audit
- Media evaluation report to demonstrate an increase in the volume of media queries received by the press office, with a corresponding increase in profile for the IFoA and the wider actuarial profession
- Increased volume and frequency of engagement with key stakeholders, including increased number of MP meetings and Parliamentary events.

## 2016/2017 Priorities

- Embedding the above into business as usual
- Further develop our suite of policy positions and the research evidence base to support them
- Introduce a programme of policy events under our priority areas, providing an impartial platform on which to debate key policy issues of interest to the profession
- Have a database of key contacts at the high and technical levels across our priority stakeholders and a well established, structured, programme of engagement in place.

## 2017/2018 Priorities

- Produce a policy impact report which measures the impact of the three key pillars of our policy work: consultations, policy papers and stakeholder engagement on public policy issues.

# Learned society and research

We will advance all matters relevant to actuarial science.

Our role as a Learned Society will complement and support the delivery of all our corporate objectives. We will continue to develop and deliver a first class research and thought leadership programme that is relevant and accessible to all: our members, academics, policy makers and other actuarial practitioners around the world, in the public interest.

We will commission research that is leading-edge and has international application. We will continue to support and leverage the extensive research base produced by our own members through working parties and committees, ensuring outputs are of a high quality and relevant.

Complementing the IFoA's Education objective, we will continue to build our relationships with universities and academics around the world and encourage their involvement in our community of research. We will collaborate with other international actuarial bodies and seek common ground with other professional bodies in other disciplines. It is proposed the Actuarial Research Centre (ARC) will expand to be an international centre of excellence for research in actuarial science and will publicise what it does to the membership.

## 2015/2016 Deliverables

- Deliver a high quality stream of research that is relevant to actuarial practitioners and wider stakeholders around the world
- Ensure research is disseminated to the relevant audiences and in a way that has impact
- Support the wider actuarial research community in a way that ensures long term sustainability of actuarial science
- Exchange knowledge within the IFoA membership and research communities
- Recognise and reward success in actuarial science and related fields.

## Indicators of success

- Research projects and working parties deliver valued content for events, publications and journals that is relevant to members and other stakeholders around the world and addresses gaps in our understanding of actuarial science
- An expansion of research activities undertaken with universities around the world, including the Actuarial Research Centre
- A clear strategy in place for the IFoA journals, with a new publisher contract and plan for gaining an Impact Factor
- Increased use of the IFoA's library service from users around the world
- Election of new Honorary Fellows who will support the IFoA's strategy around the world.

## 2016/2017 Priorities

- Continuing to expand the structured programmes of research and exploring alternative sources of funding
- Ongoing development of digital library service
- First formal wave of PhD students at an expanded Actuarial Research Centre, along with other forms of university-based research.

## 2017/2018 Priorities

- Ensuring research programmes remain relevant and have impact.

# Corporate support

We will deliver more effective and efficient corporate services to support the delivery of the strategy.

Following the review of our Governance Manual, risk management framework and other supporting procedures, we will be rolling out detailed training and guidance documents to all staff during the early part of 2015/2016. We have established a “business partner” model to provide staff with ongoing support in all areas of governance and to monitor and report on compliance.

Our IT support contract is due to expire during the second half of 2015/2016. We will be undertaking a detailed procurement exercise to ensure appropriate levels of support, that provide value for money to members, remain in place going forward.

We are developing a Corporate Social Responsibility action plan which will incorporate aspects such as the environmental efficiency of our buildings and staff well being, as well as a specific focus next year on our diversity strategy (internal and external).

## **2015/2016 Deliverables**

- Implement year 1 of the Corporate Social Responsibility action plan and, as part of that, continue to develop our diversity strategy
- Review our existing support levels and re-procure our outsourced IT contract
- Implement and roll out the new risk management framework across the IFoA
- Implement priority recommendations from the data security review
- Implement annual staff development programme
- Roll out governance training to all staff, including refresher procurement training
- Develop a programme of internal operational business process reviews to deliver greater efficiency.

## **Indicators of success**

- New IT Support contract approved by June 2015
- New risk management processes fully embedded by July 2015
- Updated governance and procurement best practice models in place by July 2015
- Achieve an average score of at least 3 (out of 4) in staff satisfaction ratings.

## **2016/2017 Priorities**

- Continue to develop work programmes for business process review
- Corporate Social Responsibility action and diversity strategy, year 2.

## **2017/2018 Priorities**

- Continue to develop work programmes for business process review.

# Budget

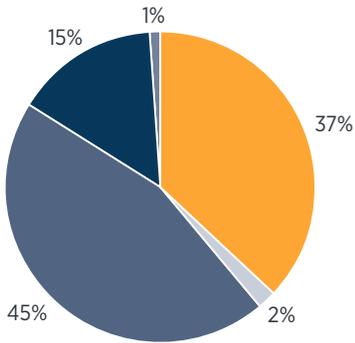
The Institute and Faculty of Actuaries is forecasting an increase in income of 4.2%, from £24m forecast outturn in 2014/2015 to £25m in 2015/2016. This increase is mainly as a result of a rise in member numbers, an increase in examination fees and an increase in the number of events during the year.

Total expenditure is £26.2m, which is also a 4.2% increase on the 2014/2015 forecast outturn of £25.2m. Excluding expenditure on projects, the budget shows a deficit of £0.7m on “business as usual” activities. There has been an increase in the costs of holding examinations during the year, a decrease in the VAT that the IFoA can reclaim, as well as general inflationary increases. With the investment in projects such as developing the Certified Actuarial Analyst qualification, further developing a Virtual Learning Environment and continued website enhancements, we will show a deficit of £1.2m for the year.

This budget will enable the IFoA to deliver the activities set out in this Corporate Plan and further reduce reserves towards target levels. The IFoA will be conducting its annual review of the five year financial forecast as a result of these budget figures. As part of this review, we will be considering the appropriate level of subscription fees for the future.

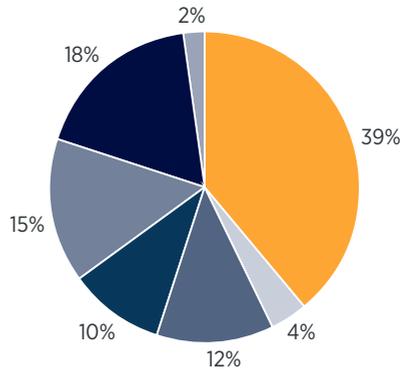
The pie charts show the main areas of income and expenditure by activity. Corporate support activity has been apportioned across all these activities.

### Budgeted income for 2015/2016



- Education
- Regulation
- Membership subscriptions
- Post qualification courses and events
- Other income

### Budgeted expenditure for 2015/2016



- Education
- Learned society and thought leadership
- Regulation
- Membership activities
- Post qualification courses and events
- Public affairs and promotion
- Project expenditure

# Strategic risks

During 2014/2015, Council approved our new risk appetite statement and our risk management framework.

The new framework is compliant with the FRC September 2014 guidance on risk management and reporting.

The table below contains the principal risks facing the organisation and explains the key mitigating activity for each of the risks.

Unacceptable outcome	Risk description	Cause	Mitigating activity	
<b>R1. Lack of demand for actuarial science</b>	Skills not relevant	Changing market needs	Ensure Education syllabus remains relevant and implement employer engagement strategy	
		Research and Thought Leadership (RTL) not up to date	RTL oversight to ensure comprehensive Research agenda	
	Low perceived value for money	High cost of regulation	Ensure level of regulation remains appropriate	
		Lack of quality membership services	Develop and communicate the member proposition	
		Low perceived public influence	Maintain proactive approach to media and stakeholder involvement	
	Competition from other professions	Market developments enable other professions to encroach upon actuarial business	Continue to develop CPD to cover all potential new areas of actuarial activity	
	Failure to diversify into new areas	Inadequate consideration given to potential new areas of operation	Potential new areas of operation reviewed as part of ongoing review of syllabus	
	<b>R2. Loss of Licence to operate</b>	Standards failures	Standards do not address matters of public concern	Ongoing review of standards framework to ensure coverage remains appropriate
			Ineffective regulation	Aim to ensure public interest issues and risks are addressed at an early stage. Monitor appropriately effectiveness of regulatory framework. Ensure disciplinary process is effective
		Other outcome failures	Inadequate skills/knowledge in practice areas	Ensure Practice Boards are effective in supporting members

Unacceptable outcome	Risk description	Cause	Mitigating activity
		Ineffective practising certificates regime	Continue to maintain and promote effective practising certificates regime
	External contagion	Failures of other actuarial bodies	Ensure effective monitoring and active media and stakeholder management
<b>R3. Loss of control over destiny</b>	Severe Governance failure	Ineffective governance framework or oversight	Roll out guidance and training programmes to staff and volunteers and maintain appropriate levels of supervision
	Severe operational failure	Failure of systems to cope with circumstances – Financial, Data, Examinations	Continue to review and refine operational systems and controls. Maintain programme of internal and external reviews of processes
	Competition, e.g. from other actuarial bodies	Perceived better service offering	Ensure the offer remains competitive, is good value and is promoted
		Lack of cooperation	Ensure we engage effectively and respond to changing market conditions
	Breakdown in relationship with key regulatory stakeholders	Weak stakeholder management	Ensure we engage effectively with relevant regulatory stakeholders
		Ineffective regulation	Maintain and monitor appropriate standards of regulation
<b>R4. Insufficient quality of people</b>	Failure to attract best people into the profession (members and staff)	Failure to offer appropriate perceived value to actuaries and/ or staff	Promote effective communication with members, the public and educational providers. Maintain competitive reward package for staff.
	Failure to engage and keep the best people (members, volunteers and staff)	Provision of ineffective member/volunteer support	Maintain effective communication and engagement. Conduct a volunteer engagement survey to ensure that a volunteer's experience is consistent and meets expectations. Introduce a staff development programme
		Poor staff management and/ or reward	Ensure good resource planning, management and remuneration strategies
	Failure to maintain overall quality standards	Failure of educational standards	Continue to maintain effective educational strategies
		Failure of CPD standards	Maintain effective CPD programme and standards
		Ineffective regulation	Continue to maintain effective regulatory strategies
		Ineffective management	Maintain effective overall standards of management

# Key performance indicators

Corporate activity	KPI	Source of measurement	2015/2016 target
<b>Education</b>	Student satisfaction with exam process	All student survey	To achieve an average rating of at least 7 out of 10
	Employer satisfaction with exam process	Employer survey	To be confirmed once new survey designed
	Number of student admissions	Membership database	2,200 by February 2016
<b>Regulation</b>	Public confidence in our members and their work	FRC's independent survey	To maintain a confidence rating of "high" or above
<b>Member support</b>	Overall member satisfaction	400 club survey to be designed	To be confirmed once new survey designed
	Member satisfaction of CPD content	Feedback from CPD event Surveys	To achieve an average rating of at least 4 out of 5
	Total membership numbers	Membership database	27,897 by February 2016
<b>Public affairs</b>	Public policy contribution	Policy team consultation tracker	At least 60% of consultation responses can be linked to final published reports
	Stakeholder perception	Stakeholder perception audit	Improved awareness of the IFoA with key stakeholder audiences where the IFoA has been proactively targeting engagement
<b>Learned society and thought leadership</b>	RTLCL to consider	To be confirmed in due course	To be confirmed in due course
<b>Volunteers</b>	Volunteer satisfaction	Volunteer survey	To be confirmed once survey designed
<b>Staff</b>	Staff satisfaction	Staff survey	To achieve an average rating of at least 3 out of 4





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