



Institute
and Faculty
of Actuaries

Corporate plan

2017/2018

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Introduction



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Welcome to the 2017/2018 Institute and Faculty of Actuaries (IFoA) Corporate Plan (the Plan). This is the first Plan since we launched the refreshed strategy in 2016. It indicates some specific objectives, alongside broader areas of focus for the coming year, and sets out how we might be assessed as we aim towards delivering our strategy, mission and vision. By sharing the Plan we aim to ensure that all those who participate in the running of the IFoA, be they staff or volunteers, have a shared understanding of our goals.

The actuarial world is developing quickly, with new risks and opportunities appearing and disappearing at an unprecedented pace. Whether new geographies, new practice areas or other professions widening their interests, we need a cohesive, collaborative and agile approach to executing the Plan and ensuring the sustainability of the IFoA.

In this year's Plan we have looked at our objectives in terms of wider cross-cutting themes. These are *lifelong learning*, *being sought after* and *leading professional body*. We believe these themes encapsulate what the IFoA is striving for in its strategy, and that they reflect our shared ownership in delivering our five core

strategies of Member Support; Education; Public Affairs and Promotion; Research and Thought Leadership; and Regulation.

Lifelong learning represents our responsibility to ensure that our members possess a relevant and contemporary skill set, whatever the stage of their professional development. Through investment in research, thought leadership and knowledge sharing, we will put the IFoA in the strongest possible position to support our members throughout their careers.

Being sought after is key to our success in our Charter objective of promoting the actuarial profession. In an increasingly crowded space there is ever more choice for professionals.

To be sustainable, we must become a professional body of choice, an employer of choice and an independent expert of choice. To achieve this we will promote actuarial science, the IFoA and the value its practitioners bring to policy makers, business and the public interest. This will ensure that our members and staff are in demand as experts in their field.

Being a leading professional body relies on the IFoA's professionalism, quality and innovation. We aim to be held as an exemplar amongst our peer professional bodies, being effective in serving our Charter objectives and the public interest. We will do this by balancing good

governance with agility in dealing with key risks and opportunities, allowing us to manage the operations of the IFoA on a commercial and sustainable ethical basis.

Our people are our greatest asset. We invest in our members and staff by providing professional development at all stages of their careers. By working together, across practice areas and regions, across Directorates and specialisms, and across our volunteer and Executive roles, we will demonstrate that we are a strong force that is well equipped to deliver the Plan and a great first year of the strategy.

Our mission and strategy

Our mission

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. Our values are integrated into everything we do to deliver a consistent approach and experience. Through Community we build relationships with our staff, members and the wider actuarial community by being inclusive, accessible and collaborative. Integrity goes to the heart of being a professional body; we do the right thing for the organisation, our members, the profession and the public interest by being honest, accountable and professional. Through Progress we strive to develop a sustainable future for the profession and the IFoA by being relevant, supportive and purposeful.

Our strategy

To succeed in the mission and vision of the IFoA we must deliver a sustainable future for actuarial science.

Our strategy recognises that actuaries are a small but global community who are at their strongest when working together.

With our strategy we will raise the reputation and profile of actuaries and the value of their skills in both new and established areas of business.

We will drive innovation and research to deliver the highest standards of education, professionalism and support to our members, cementing our position as a leading public interest professional body.

Our delivery team

We depend on a network of over 3,700 dedicated volunteers and lay-appointees who work together in partnership with our 160+ Executive staff to enable us to deliver the Plan and progress the strategy and Charter objectives.

As a professional body and learned society we are immensely grateful to all individuals who give their time and considerable expertise to drive our profession forward. Quite simply, we could not achieve our mission and vision without the support of our volunteers, both past and present. We also recognise the considerable support which many organisations provide to us, by encouraging their employees to become involved in the IFoA. We value this support and see this resource as our greatest asset; therefore we understand the importance of investing in our volunteers and our staff.

We appreciate the unique contribution which our volunteers and employees make to the IFoA and strive to create an environment that is inclusive to all. We remain committed to the delivery of our Diversity Strategy through our Diversity Action Plan, which includes providing diversity training for all our staff as well as enabling various different kinds of flexible working arrangements to accommodate individual needs. In line with our diversity strategy we want to deliver opportunities beyond volunteers meeting around a table in one of our offices. We want to widen opportunities for all members and to encourage more interaction and engagement to take place.

For our volunteers:

This year, we aim to promote the opportunities which volunteering adds to an individual's lifelong learning and to build and retain an engaged volunteer network by listening to feedback provided by our annual Volunteer Satisfaction Survey and taking appropriate action. We seek to further develop our volunteer vision. Delivery of this vision will ensure we maintain a sustainable resource for the future and one which is targeted on delivering highly valued opportunities for members with outputs which help the IFoA deliver on the Plan.

For our staff:

We strive to create an environment that supports the health and wellbeing of our staff in all aspects of their working life. We have recently introduced a wellbeing policy and in 2017, we will hold our first Wellbeing Week.

We commit that no staff member receives a basic salary at below the market median for the role that they perform; we also provide a generous benefits package and support staff in achievement of their development goals.

We aim to build and retain an engaged workforce with the right skills to deliver the Plan by listening to feedback provided by staff via our annual Staff Survey and taking appropriate action, investing in relevant training, and developing our employer brand in the marketplace to become an employer of choice.

Lifelong learning

To be an effective professional one must possess a relevant and contemporary skill set. Through research, thought leadership and the provision of a flexible and high quality learning experience we will support the goals and ambitions of our members and staff throughout their careers.

What are we focussing on in the Plan?

- Building towards a new way of engaging with universities and colleges that allows us to promote actuarial careers to a wider audience and to access their innovations in teaching and research
- Raising the pass rates of students in communities where results are currently below average, while maintaining the stringent quality of our examinations
- Enabling our members to move more readily between practice areas and roles, opening up new areas for the application of actuarial science.

How do we progress towards this in 2017/2018?

- Finalise the new curriculum, including internationalisation of exams and ensure the qualification framework meets the future needs of the profession
- Pilot a learning support initiative to address regions with low exam success
- Develop a more structured and influential engagement model with universities and colleges
- Confirm proposals on how our members can continue to develop their learning and skills past Associate – either as Continuing Professional Development (CPD) or towards Fellowship
- Progress discussions with other educational bodies on provision of new education curriculum and qualifications
- Support CAA Global Ltd in the successful delivery of the Certified Actuarial Analyst (CAA) qualification
- Introduce new lifelong learning events to appeal to a broader spectrum of our members at all levels.

When and how will we know if we are succeeding?

In 2017/2018 there will be:

- An agreed and approved education strategy for the IFoA
- A pilot learning support initiative executed for spring 2018 examinations
- New styles of lifelong learning events trialed
- An increased number of engaged universities
- Increased global demand for the CAA qualification.

In future strategy years we will see:

- Overall pass rates rise, while the quality threshold is maintained
- Greater numbers of members choosing to qualify as an Associate member
- Increased member satisfaction at lifelong learning opportunities.

Being sought after

The IFoA will be a professional body of choice, an employer of choice and an independent expert of choice, with its members and staff in demand as experts in their field. Together we will promote actuarial science, the IFoA and the value its practitioners bring to policy makers, business and the public interest.

What are we focussing on in the Plan?

- Continuing to promote actuarial science amongst key stakeholders, and improving understanding of the IFoA among potential students and employers
- Promoting the IFoA's member-led and commissioned research, including the Actuarial Research Centre (ARC) as a global research hub
- Being more focused in where we promote our qualifications and services
- Enhanced engagement with media on key areas of policy, research and thought leadership.

How do we progress towards this in 2017/2018?

- Embed an integrated communications function into the business as usual
- Maintain a suite of core narratives, communications plans and trained spokespeople, focusing on key public policy priorities
- Develop a set of key propositions to potential students and employers based on our qualifications and services
- Develop and launch a programme of engagement with potential new employers of our members
- Engage with targeted organisations to promote IFoA research and funding opportunities, leveraging our ARC Directors.

When and how will we know if we are succeeding?

In 2017/2018 there will be:

- Measurable improvement in the perception and understanding of the IFoA and the actuarial profession through the biennial stakeholder survey
- Increased demand for thought leadership, policy and research outputs from the IFoA and its members
- Increased student membership, serving increasing market demand.

In future strategy years we will see:

- New employers recruiting staff who are supported in their choice to train towards IFoA qualifications
- Existing employers supporting actuarial staff in wider roles
- ARC is a global partner of choice for delivering leading actuarial research.

Leading professional body

Building the IFoA's reputation for professionalism, quality and innovation and serving the public interest while managing the operations of the IFoA on a commercial and sustainable ethical basis.

What are we focussing on in the Plan?

- Embedding the reputation of the IFoA as a high quality professional body
- Promoting our public interest commitment to professionalism and to proportionate but appropriately rigorous regulatory enforcement
- Being agile in managing the risks and opportunities in our growing markets
- Making sure our governance, planning, processes and systems are fit to best manage the current and future risks and opportunities
- Becoming “easier to do business with” and more relevant for our members and key external relationships.

How do we progress towards this in 2017/2018?

- Build and launch a more structured and targeted engagement model with the leadership of major actuarial employers
- Embed the Quality Assurance Scheme (QAS) in the UK and develop and launch a pilot internationally. Review the Actuaries' Code and Practising Certificates regime
- Engage effectively with our UK oversight body, the Financial Reporting Council and develop a proactive engagement plan for regulatory stakeholders
- Better engage with other professional and supranational bodies to explore and deliver mutually beneficial opportunities
- Build support networks for our members, wherever they are based, to ensure they feel part of a strong ethical profession
- Improve our operational capability, resilience and agility. Upgrade the IT infrastructure and work toward Cyber Essentials+ accreditation.

When and how will we know if we are succeeding?

In 2017/2018 there will be:

- Increased levels of cooperation and collaboration with other bodies within and outside the actuarial profession
- Surveys showing increased positive engagement with our membership
- Demand for IFoA professional skills material and regulatory engagement
- A completed international pilot of the QAS.

In future strategy years we will see:

- Co-sanctioned examinations with other professional bodies
- Greater numbers of qualified CAA's choose to join the IFoA
- The IFoA held up as an exemplar across global professional bodies
- QAS accreditation will be an expected business norm for leading actuarial firms.

Budget

The IFoA is forecasting income of £27.2m in 2017/2018, which is an increase of 7.5% over the forecast outturn for 2016/2017. This increase is due to a combination of a growth in member numbers and examination sittings, as well as some inflation based fee increases.

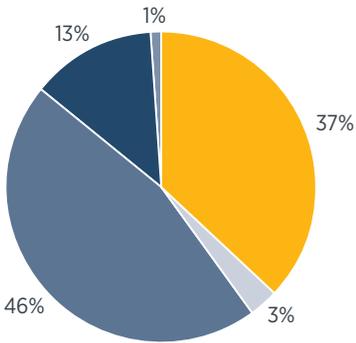
Total expenditure is £28.4m, which is a 6.7% increase over the 2016/2017 forecast outturn. The budget shows an overall deficit of £1.1m which is in line with our five year financial plan.

The overarching aim of our financial plan is to achieve a breakeven position over the medium term, whilst maintaining an appropriate level of reserves. The plan anticipates us reaching a breakeven position by 2019/2020 through a combination of cost control and further growth in income.

The 2017/2018 budget enables the IFoA to deliver the activities set out in the Plan and continue to invest in our expanded research programme, whilst reducing the year on year deficit position.

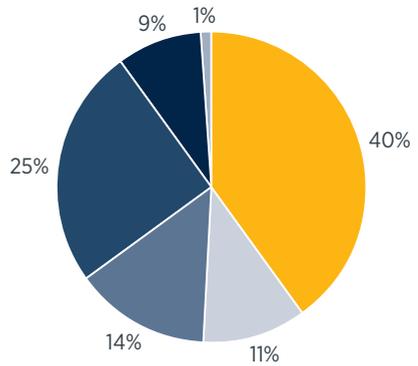
The pie charts opposite show the main areas of income and expenditure by key activities. Corporate support costs have been apportioned across these activities.

Budgeted income for 2017/2018



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

Budgeted expenditure for 2017/2018



- Education
- Learned society and thought leadership
- Regulation
- Membership activities
- Public affairs and promotion
- Project expenditure

Key risks

In line with its members' expertise in risk management, the IFoA has a rigorous risk management framework. Through the joint working of Executive staff and volunteers, three strategic risks have been identified, alongside the key operational risk of non-delivery of the Plan.

The statement of principal risks and uncertainties can be found within the Annual Report. Our strategic risks are described by way of an "unacceptable outcome". It is the view of the IFoA's leadership that these outcomes put at risk the sustainability of the IFoA and consequently its delivery of the Charter objectives.

Quarterly review by Management Board, and the annual review by Council, of strategic risks ensure that the risk of the IFoA being unable to deliver its Charter objectives is actively reviewed and managed. This Plan has been developed with a clear line of sight to the following unacceptable outcomes.

Lack of demand for actuarial science

Potentially caused by actuarial science or the IFoA losing its relevance, either perceived or in reality. Key mitigations include ensuring that our research is relevant, members' actuarial skills and their value are well understood by current and potential employers and stakeholders, that these skills are widely relevant and maintained at a high level, and that actuarial professionals value their membership of the IFoA as a leading professional body. The risk is addressed by all three themes in the Plan.

Loss of ability to regulate

The IFoA's Charter objectives include the requirement to regulate the profession. Loss of this ability will both fundamentally challenge its status as a public interest body and potentially have significant financial implications. This is addressed within the Plan primarily through the activities under the theme of being a leading professional body.

Failure to maintain quality leading to potential reputational damage

The lack of perceived value of membership of the IFoA, be that through ineffectiveness in supporting our members, poor quality provision of lifelong learning or inappropriate regulatory outcomes, will have a materially adverse impact on the IFoA. This is addressed within the Plan primarily through the activities under the themes of lifelong learning and being a leading professional body.

Key performance indicators

Staff engagement



52%



Targets for the current year set at 52% (and subsequently 57%, 62% subject to review in light of further data).

Membership growth



4.5% per annum



Target total membership to grow at 4.5% per annum in 2017/2018.

Volunteer satisfaction



80%



Target to retain high volunteer satisfaction, measured as survey showing 80% of volunteers are satisfied / very satisfied in 2017/2018.

Budget surplus



2017/2018



Target in 2017/2018 is achievement of the budgeted surplus in year.

Positive affirmation



FRC



Target positive affirmation from the FRC derived from their annual report both on its relationship with the IFoA and progress of IFoA itself in 2017/2018.



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