



Institute
and Faculty
of Actuaries

Corporate Plan

2018/2019

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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 our Mission and Vision 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.

Through our Strategy we will raise the reputation and profile of actuaries and the value our skills bring to 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, securing our position as a leading public interest professional body.

Introduction



Derek Cribb
Chief Executive, Institute
and Faculty of Actuaries



Jules Constantinou
President-elect, Institute
and Faculty of Actuaries

Welcome to the 2018/2019 Institute and Faculty of Actuaries (IFoA) Corporate Plan.

The purpose of this Plan is to show what actions will be taken over the year to ensure that we achieve our Royal Charter objectives and vision, through our Strategy. It is primarily aimed at our staff and volunteers, to ensure that the IFoA's team has a shared understanding of our goals.

This is our second full Plan since the launch of the IFoA's Strategy in 2016. Each Corporate Plan breaks down the deliverables within our Strategy into work that we can deliver in-year. The focus and deliverables therefore vary year on year, but will all contribute to our overarching strategic aim of delivering a sustainable future for actuarial science.

Last year was a year of change: following the launch of the Strategy, we spent time reviewing what we needed as an organisation to deliver it, and set about laying the foundations that would enable us to do so. The year ahead is therefore about consolidation, and bedding in the existing work, through efficient use of our resources.

But it's not about standing still. On the education front, we will finalise preparations for Curriculum 2019. We will also review the outcomes of our member consultation on our Qualifications Framework and act accordingly, to make sure that our education offering is fit for the future. We will also be promoting lifelong learning offerings

in data science, so that our members are given suitable development opportunities that will enable them to be effective in this growing area. All of this activity will help us to achieve our core education strategy of providing globally leading, and relevant, learning opportunities. It's also a great example of how we are reviewing our operations to ensure that the IFoA is agile, relevant and adapting to the changing needs of our members.

We will also be implementing our markets development strategy, remaining live to the changing profile of our membership and prioritising our resources accordingly, in line with our strategy of providing excellent support to members, wherever they are based. In pursuit of our regulatory strategy, we will explore what we can and should do to verify the quality of actuarial work on an ongoing basis. And, like every organisation, we will be responding to the challenges of the General Data Protection Regulation by ensuring that we have the correct systems in place to handle data sensitively and securely.

Like last year, we have structured the Plan under three cross-cutting themes. *Lifelong learning* is about making sure that our members are equipped with a relevant and contemporary skill set, at every stage of their careers. *Being sought after* is about promoting the IFoA and its members to ensure that we continue to be in demand, in line with our public affairs strategy of being heard. *Leading professional body* is about the IFoA being held up as an example of a great public interest professional body.

None of our plans would be possible without our people. Our members and staff are our greatest asset. By investing in them, and continuing to be guided by our values of community, integrity and progress, we will ensure the achievement of our Strategy, and therefore the future success of the IFoA.

Our team

The true partnership between volunteers and staff.

As a public interest professional body, the IFoA is run in collaboration between its members who volunteer, and the IFoA's Executive staff. The synergy created by our dedicated volunteers and staff working together in a professional partnership is powerful and allows us to deliver our Strategy and Royal Charter, in line with our values. We will do this by focusing outputs and activity on the operational direction set out in this Corporate Plan. The backgrounds and operational styles of volunteers and staff are wide ranging, and this diversity is a key strength. The vision is:

“An effective partnership between volunteers and staff based on mutual respect. The members of the partnership all make a valuable contribution, reflecting their different roles and responsibilities.”

The commitment of the partners

- Volunteers provide thought leadership in actuarial matters
- IFoA staff will take the lead in organisational and non-actuarial issues where many of our staff are experts in their field

- IFoA staff and volunteers will support each other and work within our governance framework
- We will act with mutual respect and in accordance with the values of the IFoA
- Together we will ensure outputs and activity help to deliver the main body of this Corporate Plan.

We also acknowledge, and are immensely grateful for, the contribution and support provided by the organisations we work with around the globe, including the Financial Reporting Council, accredited universities, regulators, and key employers of our members.

Annual surveys and development plans

To ensure that we continually provide the best possible working environment, we carry out annual staff and volunteer satisfaction surveys. The results of these two surveys are measured as Key Performance Indicators in this Plan.

We use feedback from these surveys to build action plans to improve communication, training and, ultimately, engagement of both staff and volunteers. Listening to this feedback will enable us to build development

programmes that are tailored to needs and fit for a diverse range of requirements. As part of this programme we will ensure the new structure and governance review is well communicated and embedded within our team.

Our commitment to diversity and inclusion

The IFoA is committed to embedding diversity and inclusion. This commitment is supported by our annual Diversity and Inclusion Action Plan. This year, we will continue to drive this forward and will create training material for volunteers and staff which will showcase examples of best practice. Our training material will also focus on the positive outcomes and benefits which can be gained from inclusion, and will encourage our delivery team to embrace the rich diversity of skill sets and experience available to us as a global community.

Our team in numbers:



This includes:



*volunteers: includes volunteers (member or non member: lay), Office Holders and Professional Development Responsibility (PDR) roles.

KPIs

82% **Volunteer satisfaction:** 82% volunteers satisfied/very satisfied, as measured by the annual volunteer survey.

57% **Staff engagement:** 57% staff engaged, as measured by the annual staff engagement survey.

Lifelong learning

An effective professional needs 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, wherever they are located. We will embrace innovation so that our learning offer is relevant, market leading and delivered to contemporary standards. We will develop actuarial communities around the world by being inclusive, accessible and supportive, in line with our values.

What are we focussing on in the Plan?

- Delivering a new qualification framework (subject to governance approvals) to enhance the employability of actuaries in the changing world
- Raising the pass rates of students in communities where results are substantially lower, while maintaining the stringent quality of our examinations
- Building a portfolio of lifelong learning opportunities and promoting the benefits of this lifelong learning to our members and stakeholders
- Promoting professionalism and professional skills globally.

How do we progress towards this in 2018/2019?

- Finalise implementation of Curriculum 2019
- Complete the qualification framework consultation and roll out the new framework (subject to governance approvals)
- Deliver a new development scheme for staff, helping to embed lifelong learning in our own organisation
- Provide learning offerings which enable our members to be effective in the data science domain, in line with our strategic direction
- Review our learning support pilot in South East Asia and explore where this could be extended to other subjects and geographies

- Deliver new lifelong learning opportunities and widen their reach, so that they are relevant and accessible to our diverse global membership
- Support CAA Global Ltd in the successful promotion of the Certified Actuarial Analyst (CAA) qualification
- Continue to deliver thought provoking, relevant professional skills training material and conclude and draw learnings from the Professionalism Lecture Series
- Provide opportunities for debate and discussion within and outside the profession.
- Increased demand for the CAA qualification with increasing membership in prioritised global markets (measured by CAA statistics)
- Positive feedback on Professional Skills material and Professionalism lectures (measured by average feedback scores).

In future years we will see:

- A qualification framework that provides a greater level of flexibility for our members, including an increased number of members choosing to qualify at the core level
- Overall pass rates rising globally, while the quality threshold is maintained
- Our members recognised as having a leading understanding in the application of data science to business situations
- Deeper relationships developed with a broader range of global academic institutions
- A greater understanding and take-up of a more diverse range of lifelong learning opportunities, by members with demonstrable levels of high satisfaction
- High standards of professionalism worldwide.

When and how will we know if we are succeeding?

In 2018/2019 there will be:

- Increased member take-up of lifelong learning opportunities, evidenced by the number of members taking part in the IFoA's professional development activities
- Strong relationships developed and maintained with a greater number of engaged and accredited universities around the world (measured by numbers of prioritised university partners)

KPIs

7/10

Student satisfaction: to achieve at least 7/10 in the student satisfaction survey.

40%

Member engagement with IFoA events: At least 40% of our qualified members, and at least 20% of non-UK qualified members, sign up for an IFoA CPD event during 2018/19.

Being sought after

The IFoA will be a professional body, an employer and an independent expert of choice. Its members and staff will be heard as experts in their field by policymakers and industry. It will attract and develop the best available talent across members and staff, and encourage fresh thinking through wider collaboration. We will be sought after by the wider community by being relevant, purposeful and progressive, in line with our values.

What are we focussing on in the Plan?

- Prioritising our global markets, and developing our brand in these markets to become a professional body, employer, and independent expert of choice
- Enhancing the IFoA's social media presence and reach
- Proactive engagement in public policy debate through thought leadership and policy analysis
- Raising the profile of the IFoA's research agenda and seeking out new partner opportunities through the ARC as a global research hub
- Continuing to promote actuarial science and the IFoA amongst key stakeholders.

How do we progress towards this in 2018/2019?

- Develop and implement a set of marketing and communications strategies to promote our qualifications and services
- Invest in staff and volunteers so that they are able to understand and explain the IFoA's strategy and objectives
- Develop and promote policy positions across all key public policy priorities, that are supported by campaign plans and trained spokespeople
- Further develop the integrated communications process as the core way we plan internal and external communications
- Continue to create opportunities for talented staff, volunteers, members and lay members to deliver the IFoA's Royal Charter responsibilities
- Engage with targeted organisations to promote research and funding opportunities.

When and how will we know if we are succeeding?

In 2018/2019 there will be:

- Increased student membership, serving increasing global market demand
- Increased promotion of the IFoA's achievements to members and wider stakeholders (measured by email open rates and website click through rates), leading to a positive reputation and a greater understanding of our activities (measured by the stakeholder perception audit)
- Increased demand from global stakeholders for the IFoA's thought leadership, policy and research outputs (measured by increased downloads of policy and research outputs, increased attendance of non-actuaries at thought leadership events, and an increased number of non-actuarial events featuring actuaries)

- Measurable improvement in the perception, understanding and influence of the IFoA and the actuarial profession (measured by the biennial stakeholder survey)
- An increased number of employers actively engaged by the IFoA (measured by the number of key account companies engaged during the year).

In future 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
- The IFoA as a global partner of choice for delivering leading actuarial research.

KPIs

5%

Membership growth: total membership to grow by at least 5% in 2018/19.

75%

Promoting the actuarial profession: 75% of our external engagement deliverables to have led to greater stakeholder engagement and/or influenced the development of public policy.

Leading professional body

We will continue to build the IFoA's reputation for professionalism, quality, innovation and serving the public interest while managing the operations of the IFoA on a commercial and sustainable basis. In line with our values, we will work with honesty, accountability and professionalism to maintain the integrity of our organisation and the profession, and the trust in which they are held.

What are we focussing on in the Plan?

- Making sure our governance, planning, processes and systems are fit for purpose and meeting the needs of our diverse membership, to deliver excellent member services globally
- Ensuring that the IFoA is a great place to work, with an inclusive and collaborative working environment and featuring high quality recruitment, retention and staff support and development
- Maintaining the reputation of the IFoA as a high quality professional body
- Promoting the importance and benefits of professionalism, proportionate regulatory standards and, where appropriate, enforcement, in order to protect both the public and the reputation of the profession
- Being proactive and targeted in managing the risks and opportunities in our growing markets.

How do we progress towards this in 2018/2019?

- Continue to improve our operational capability, including our systems and facilities, to deliver enhanced service levels (both internal and external)
- Undertake consultation on proposals to introduce proportionate and pragmatic monitoring of certain UK actuarial work
- Increase levels of staff engagement and cross directorate working
- Deliver a more structured and targeted engagement model with major stakeholders (particularly employers) around the world
- Continue to build the Quality Assurance Scheme (QAS) globally, finalise (following consultation) the updated Actuaries' Code, review the Practising Certificates regime, and pilot (through the QAS) a more outcomes focussed approach to CPD

- Build support networks for our members, wherever they are based, to ensure they feel part of a leading professional body
- Engage effectively with our UK oversight body, the Financial Reporting Council, and continue proactive engagement with regulatory stakeholders.

When and how will we know if we are succeeding?

In 2018/2019 there will be:

- Increased positive engagement with our staff, members, volunteers and external stakeholders, as evidenced by relevant surveys
- Increased demand for the IFoA's regulatory and professional skills material
- Increased volume and diversity of QAS accredited organisations around the world.

In future years we will see:

- The IFoA held up as an exemplar across global professional bodies, with seamless processing and excellent operations across its teams
- Co-sanctioned examinations with other professional bodies
- QAS accreditation will be an expected business norm for leading actuarial firms
- Greater numbers of qualified CAAs choosing to join the IFoA.

KPIs

FRC

FRC affirmation: to achieve positive affirmation from the FRC, as measured by its annual report.

45

Quality Assurance Scheme: a total of at least 45 accredited QAS organisations by the end of 2018/19, of which:

- at least 9 non-UK organisations; and
- at least 4 organisations who are not traditional consultancies.

Budget

The IFoA is forecasting income of £28.9m in 2018/19, which is an increase of 7.4% over the forecast outturn for 2017/18. This increase is due to a combination of growth in member numbers and examination sittings, as well as some inflation based fee increases.

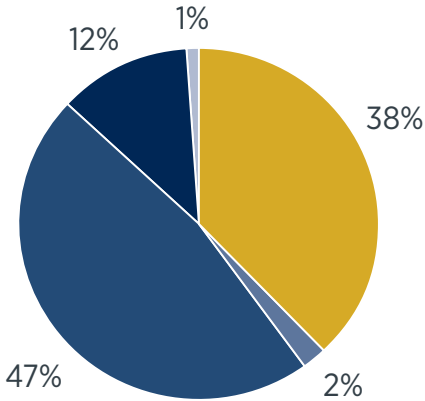
Total expenditure is £29.3m, which is a 3.5% increase over the 2017/18 forecast outturn. The budget shows an overall deficit of £0.35m which is in line with our five year financial plan.

Our overarching aim remains 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 2019/20 through a combination of cost control and further growth in income.

The 2018/19 budget enables the IFoA to deliver the activities set out in the Plan and continue to invest in future developments, whilst significantly reducing the year on year deficit position.

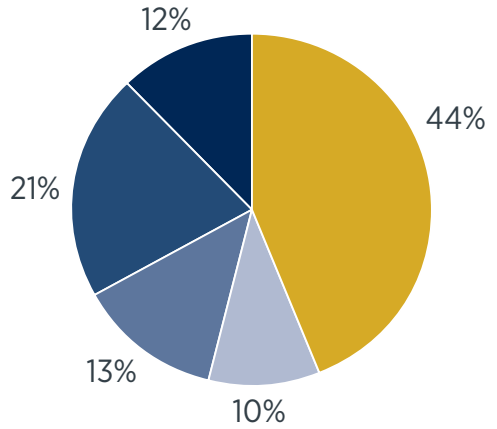
The pie charts show the main areas of income and expenditure by key activities. Corporate support costs have been apportioned across these activities.

Budgeted income for 2018/2019



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

Budgeted expenditure for 2018/2019



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

KPIs

5%

Achievement of five year financial plan: to remain within 5% of the annual budgeted progress towards five year financial plan reserves target.

Key risks

The IFoA has a rigorous Risk Management Framework which is managed with engagement from members and internally under the stewardship of the Chief Risk Officer. Three strategic risks were identified in 2017. These have been reviewed alongside the key operational risk of non-delivery relating to the 2018/19 Plan, and as our direction of travel remains consistent, so do our risks.

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. We therefore require regular review of these risks as described in the Risk Management Framework.

The Risk Management Framework requires quarterly review by Management Board, and the annual review by Council, of strategic risks to ensure that the risk of the IFoA being unable to deliver its Charter objectives is actively reviewed and managed. Management, mitigation or accepting risk is in line with our ‘Risk Appetite’ statement. This Plan has been reviewed with a clear line of sight to the following unacceptable outcomes:

Lack of demand for actuarial science

Given the changes in market demands, such as the increasing use of technology, actuarial science needs to remain relevant. The IFoA is required to take a proactive approach to promoting the value of highly skilled and qualified professionals, supported by a leading professional body and ethics code. 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 maintained at a high level; and that actuarial professionals value their membership of the IFoA as a leading professional body globally.

Loss of ability to regulate

The IFoA's Charter objectives include the requirement to regulate the profession. Loss of this ability would 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, ensuring security and trust in our qualifications and the robustness of the ethics we promote and regulate within our membership.

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, would have a materially adverse impact on the IFoA in terms of reputational damage. This is addressed within the Plan primarily through the activities under the theme of lifelong learning, by ensuring our qualifications, curriculum and continuous professional development offerings are relevant. It is also addressed via our investment in services for our membership such as technology, which will take the IFoA forward as a leading professional body.

Key performance indicators

Volunteer satisfaction

82%

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Staff engagement

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Promoting the actuarial profession

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Achievement of five year financial plan

5%

To remain within 5% of the annual budgeted progress towards five year financial plan reserves target.



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