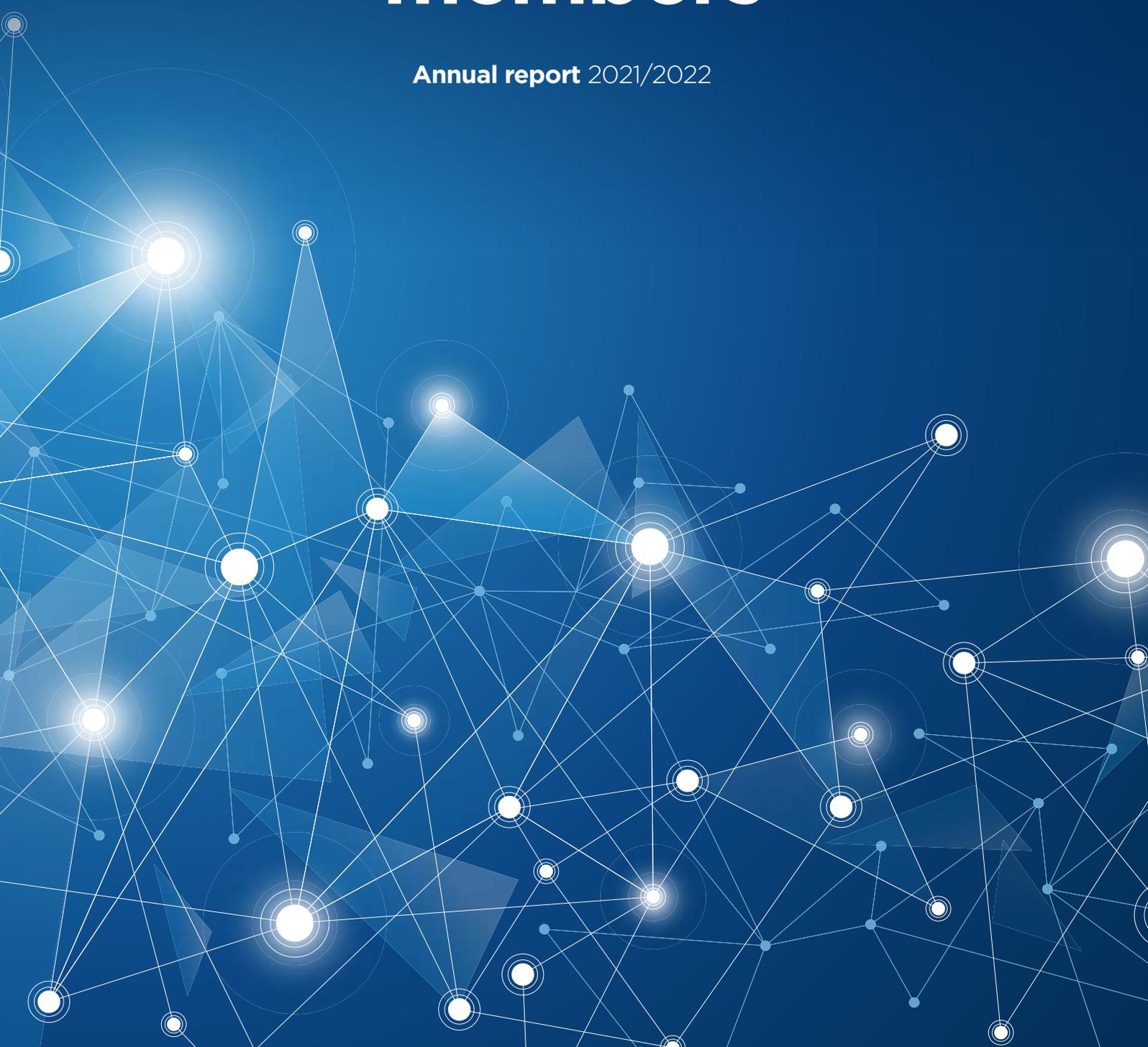




Institute
and Faculty
of Actuaries

Delivering for our members

Annual report 2021/2022



Contents

Corporate Governance Statement

Constitutional framework

Honorary Officers

Council

Management Board

Member Engagement Committee, and Skills and Domains Committee

Remuneration Committee

Chief Executive

Audit and Risk Committee

Regulatory Board

Nominations Committee

Executive employees and volunteers

Corporate Social Responsibility

- Social
- Environmental

Diversity, Equity and Inclusion

Risk management

- Schematic Approach to Risk Governance
- Management Board
- Audit and Risk Committee
- Opportunities and risks
- Control functions

Attendance lists

Council

Management Board

Audit and Risk Committee

Nominations Committee

Remuneration Committee

Member Engagement Committee

Skills and Domains Committee

Regulatory Board

Accounts

Consolidated statement and statement of comprehensive income

Statement of comprehensive income for the year ended 28 February 2022

Consolidated statement of financial position as at 28 February 2022

Corporate Governance Statement

Constitutional framework

The Institute and Faculty of Actuaries (IFoA) is a royal chartered professional body. Our Royal Charter, which dates back to 1884, provides the constitutional basis for all that we do and for much of our corporate governance. Our Bye-laws, Rules and Regulations go on to define, at a high level, how we operate.

More details on the IFoA's constitutional arrangements and governance hierarchy can be found on **our website**.

The Council of the IFoA has ultimate authority for the governance, control and strategic direction of the organisation. Council delegates certain powers to various boards and committees, and to the Chief Executive (with established reporting lines), as prescribed under a List of Reservations and Delegated Authorities set out in our Governance Manual.

The main boards and committees structure is set out on **page 7**.

The IFoA complies with the UK Corporate Governance Code on a 'comply or explain' basis, recognising that parts of the Code do not relate exactly to the governance of a royal chartered professional body. We operate within regulatory oversight of the Financial Reporting Council as a recognised qualifying body and as a designated professional body.

In accordance with our Bye-laws, we must give our members at least 60 days' notice for our Annual General Meeting (AGM), which must be held within 15 months of the previous AGM.

Honorary Officers

Under the IFoA's constitution, Council decides who will serve as its President and President-elect. The outgoing President is invited to become the Immediate Past President. The President-elect, President and Immediate Past President normally serve for a term of one year in each role. Currently, Louise Pryor is the President of Council, Matt Saker is the President-elect, and Tan Suee Chieh is the Immediate Past President. In March 2022, Council elected Kalpana Shah as the President-elect from this year's AGM.

Council

Representative of and accountable to the IFoA's members, Council demonstrates leadership and drives the purpose and values of the IFoA by setting its strategic direction. Council is normally comprised of 30 elected members serving the General and the Scottish constituencies.

Elections for new Council members are held annually from April to June each year, with all Fellows and Associate members of the IFoA eligible to stand as a candidate, and vote in the ballot for, the constituency of which they are a member. Elected members of Council will normally serve for a term of three years, and for a maximum of two consecutive terms before standing down for at least a year. Council may fill any casual vacancies on Council, and add up to three additional members as prescribed in our Regulations, through its co-option powers.

Upon appointment, all new members of Council are provided with an induction designed to provide closer understanding of the governance structure of the IFoA, their roles and responsibilities, and the strategic and operational priorities of the IFoA. Members of Council are not paid for services to the IFoA, apart from being reimbursed for out-of-pocket expenses (for example, travel costs where attending an event as a representative of or on behalf of the IFoA) and, very rarely, payments

on a normal commercial basis. Members of Council, and all other boards and committees, are required to declare any potential conflicts of interest that arise, and are also invited to identify and declare any potential conflicts of interest at the start of each meeting.

In the last financial year Council met formally five times, held its annual strategy day, and also held regular engagement sessions at which Council members had the opportunity to discuss in detail some of the key topics on the agenda of its upcoming meetings. All meetings, training sessions, and other events for Council and the IFoA's main boards and committees were held by videoconference throughout 2021-22, firstly by necessity as we complied with the restrictions introduced in response to the Covid-19 pandemic and then, latterly, out of a mix of caution towards our volunteers, employees, non-executives and the general public and to retain some of the efficiencies and effectiveness developed through meeting remotely. Some in person meetings are expected to return in the future but the majority are expected to be continued on a remote basis.

Throughout the past year Council has closely monitored the progress being made towards implementing the five-year strategy we agreed in September 2020, primarily through the 2021/22 Corporate Plan, which focused largely on ensuring that we achieved a significant improvement in our member net engagement score. Other key areas of focus and achievement for Council included:

- Approval of the new five year IFoA's Diversity, Equity and Inclusion Strategy, which applies to our members and employees as well as to those we regard as our stakeholders and partners who are helping to develop the profession, wherever their location. We hope that this strategy will ensure that IFoA is recognised as a leader in this area, supporting the actuarial profession to attract a diverse range of talent. You can read more about the strategy on [page 10](#).
- Continued oversight of the IFoA's engagement with the UK Government's review of actuarial regulation. We recognise that the outcome of that review has the potential to affect the IFoA and our members, no matter where in the world they are based, as well as the public interest. We are engaging with Government and relevant stakeholders with the aim of ensuring an effective, sustainable model of future regulation, which meets the needs of both the public and the profession. We are at the same time preparing for a range of possible scenarios. The IFoA is committed to a progressive regulatory agenda, which upholds standards, promotes professionalism and protects both the public and the reputation of our profession.
- Agreeing a series of recommendations on the future of the IFoA's events, following a strategic review of our events strategy in light of the impact of the pandemic on the way IFoA had previously provided events and meetings for its members and volunteers. Those recommendations, which aim to maximise both accessibility and value for money for our members, notably included moving to a primarily digital channel for most IFoA events content, complemented by a small number of in-person conferences, and making all regular online events free for all members at the point of registration or access.
- Closing the Certified Actuarial Analyst (CAA) qualification to new candidates from October 2021, following a strategic review of its long-term viability. This was followed by a 'lessons learned' exercise that will enable us to move forward with a better understanding of what needs to be taken into consideration as we develop new initiatives for our current and future members.

Council also initiated a series of internal governance reviews in the second half of the past year, to explore the lessons that IFoA might learn from the findings of an independent review of a series of governance-related issues at another professional membership body in the UK.

- A Council member-led working group has been tasked with scrutinising the IFoA's governance relationships, to explore whether there is sufficient clarity and transparency in the respective roles, responsibilities, authorities and accountabilities of Council, Management Board, the Executive, and other sources of more informal or 'soft' power, and where improvements can be made to associated decision-making, consultation and information flow. This review will continue into 2022/23.
- The IFoA's Audit and Risk Committee explored the learning points that it could implement, in particular to ensure that it has sufficient oversight of the IFoA's finances and of the controls in place should short-term borrowing be required for any reason, and also to consider how to increase both the visibility (internally) of the Committee's work and how the Committee, and other IFoA bodies, might share information between them more effectively.
- Alongside these reviews, Council has continued to oversee and advise on Management Board's review of the governance arrangements for the IFoA's Practice Boards and Digital Communities, and on the review of our risk management arrangements and the development of a revised framework and supporting operating model, which we expect to implement during 2022/23.

Council members

The members of Council for the 2021/2022 sessional year are:

	Cherry Chan		Mukami Njeru		Malcolm Slee
	Hannah Coleman		Louise Pryor		Nick Spencer
	Charles Cowling		Danny Quant		Tan Suee Chieh
	Michelle Darracott		Alan Rae		Kartina Tahir Thomson
	Gilli Engel		Andrew Rear		Peter Tompkins
	Dermot Grenham		Craig Ritchie		Maribel Vasquez Flores
	Jennifer Hartley		Matt Saker		Mark Williams
	Patrick Kelliher		Hitesh Shah		Steven Yang Yu
	Prosper Matiashe		Kalpana Shah		Xi Cynthia Yuan
	Sarah Neil		Sunil Sharma		Masimba Zata

Management Board

Under delegated authority as set by Council, Management Board is responsible for overseeing the operation and management of the IFoA and for holding the Executive accountable for its activities. In particular, Management Board has oversight responsibility for matters related to the development and implementation of the IFoA's strategy as set by Council, the Corporate Plan, operational plans, and all matters related to the organisation's resources.

Management Board is comprised of a Chair (who must be a Fellow or Associate of the IFoA, but not be a member of Council or hold any other role within the IFoA), three ex-officio appointments (the President, President-elect and the Chief Executive), three further Council members, an independent non-executive member, and the respective Chairs of Management Board's Member Engagement Committee and Skills and Domains Committee (where those individuals are not already members of Management Board). In November 2021, Council reappointed Grahame Stott as the Chair of Management Board for a second term of three years, effective from February 2022.

The Chair of Management Board is invited by the President to attend Council meetings to update Council on the activities of Management Board. Management Board undertakes an annual effectiveness review, soliciting the views of the Board's members and of its key volunteer and Executive stakeholders, with any significant arising issues being reported to Council. On behalf of Council, the non-executive Management Board members review the objectives and the achievements of the Chief Executive.

Management Board formally met six times in the last year, as well as holding its annual strategy day, and introducing periodic informal 'touchpoint' meetings from July 2021, which are held in between full meetings. The Board's main areas of focus in the past year have been:

- Reviewing the role of the IFoA's Practice Boards and Digital Communities, to enhance the arrangements for providing support to and oversight of the Boards and to make them more accountable to the membership.
- The development of a Sustainable Membership Model for the IFoA.
- Overseeing and monitoring the progress of the various major changes planned during the year, in support of the member propositions we introduced in our Annual Report last year, including (where relevant) involvement in approving the selection of key suppliers to support those change programmes.

Member Engagement Committee, and Skills and Domains Committee

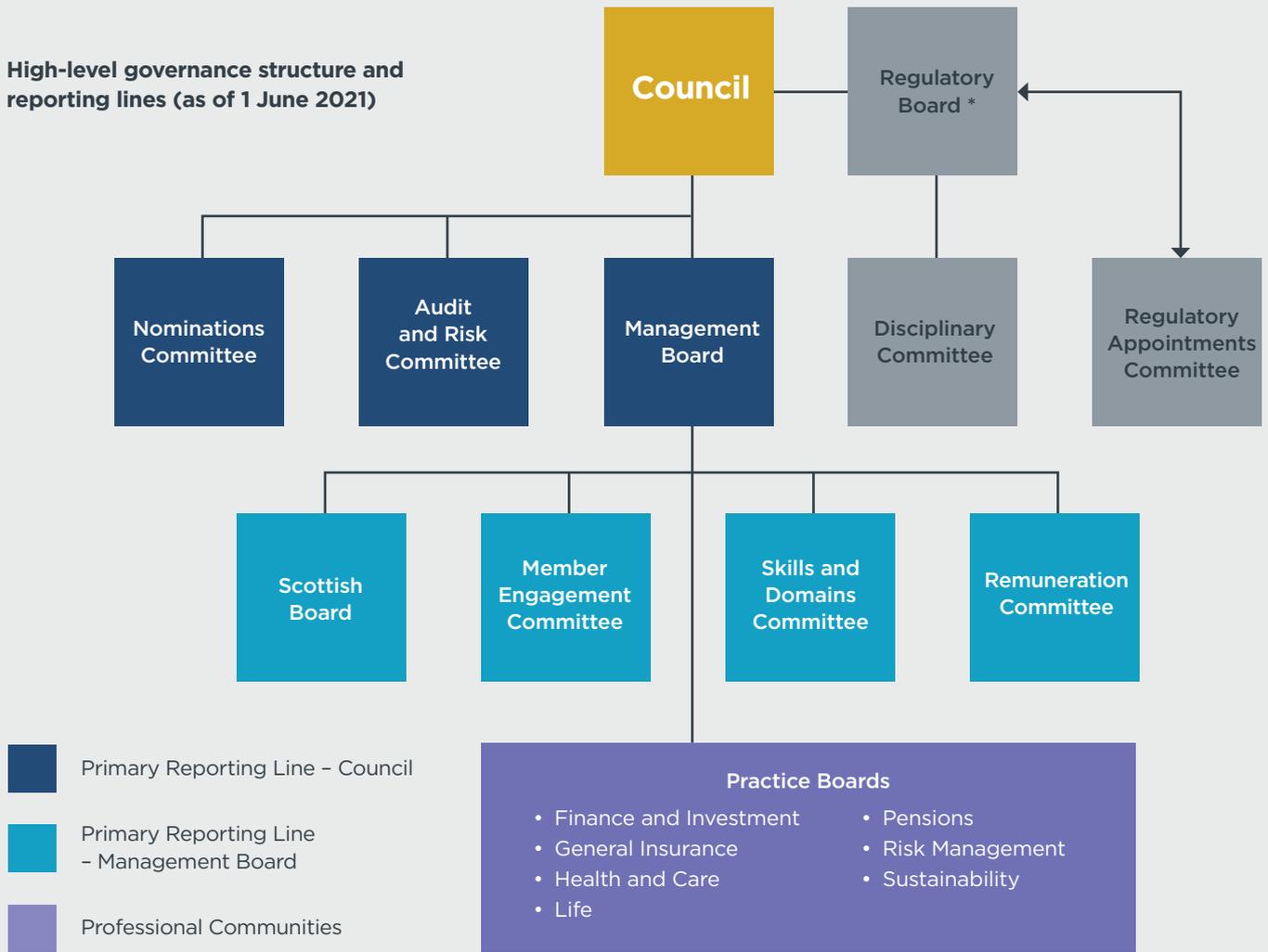
The Member Engagement Committee and the Skills and Domains Committee are committees of the Management Board that were introduced into the IFoA's governance structure in March 2021, following an internal review that explored how we could clarify and simplify our governance and reporting arrangements. The committees are aligned to the main strands of the IFoA's 2020-24 strategy with the intention of providing a clearer link between their work and the effective delivery of the strategy. In accordance with arrangements agreed upon the Committees' introduction, a review of the Committees is underway with the intention of assessing their operating effectiveness, and of setting the role and direction going forward.

Each Committee is chaired by a member of the Management Board, and is comprised of senior IFoA volunteers (including current and past members of Council's Presidential Team), other IFoA members with specific skillsets and experience relevant to the committees, and several non-executive members with specific knowledge of particular areas of the IFoA's strategic priorities, including representatives from the four dissolved Corporate Boards. Both committees met five times in the last year.

Remuneration Committee

The Remuneration Committee is a committee to the Management Board. Its main responsibilities are to review and agree the remuneration packages of the IFoA's Chief Executive, Executive Directors, and the Chair of Management Board, to participate in the objective-setting process for the Chief Executive and Executive Directors, and to set guidance for and review the remuneration of the IFoA's non-executive Office Holders. The Committee is chaired by Stephen Cahill, who is a Fellow of the IFoA (but not a member of Council and has no other role within the IFoA) and who has extensive remuneration committee experience. The Committee also includes the President, the Chair of Management Board and an independent non-executive member with remuneration committee experience. The Committee met three times in the last year.

High-level governance structure and reporting lines (as of 1 June 2021)



* The Regulatory Board operates independently of Council, demonstrating the IFoA's commitment to progressive regulation. An important formal link with Council is maintained by having a Council member sitting on the Regulatory Board.

Chief Executive

Stephen Mann is the Chief Executive of the IFoA. The Chief Executive is appointed by Management Board and contributes to the development of strategy and creates operational plans to deliver it. He is responsible for the executive management and administration of the IFoA and is supported by the Executive Directors who report directly to him. The Chief Executive is accountable to Management Board (and thereby to Council) for the delivery of the strategy and operational plans and for setting the priorities for the IFoA's executive management team.

Audit and Risk Committee

The Audit and Risk Committee provides oversight to ensure that key risks are being identified and addressed by the IFoA, and that the IFoA adopts a sound approach to financial control. It is chaired by a lay Chair, Trevor Spires, and reports to Council. The Committee met four times in the last year.

The Committee has an oversight role and gives its views to management on the financial statements, external and internal audits, risk management and internal controls, governance matters and other ad hoc issues.

Crowe LLP are the IFoA's appointed internal auditors, having been appointed for a three-year period from the beginning of the 2020/21 financial year. The Committee considered and approved Crowe's annual internal audit plan in advance, and Crowe conducted audits in accordance with that plan. The Committee receives a report on the IFoA's compliance with actions from past internal audits on a periodic basis.

Haysmacintyre LLP were the IFoA's appointed external auditors for the past financial year. The Committee meets the external auditors annually to review and discuss their audit plan, scope of audit work, quality control processes and independence. The Committee was content that these were satisfactory and approved the audit plan for the year. At the year end the Committee considered the external auditors' performance of their duties and was content with the level of service received.

The Committee prepares an annual report for Council's review. The Chair of the Committee may be asked to attend the relevant Council meeting to present the report and answer any queries Council may have. The Committee also reports to Council and to Management Board on any significant matters identified by the Committee after each Committee meeting.

During the last year, the Committee:

- Maintained its focus on providing oversight of the IFoA's risk management arrangements and other governance processes, as well as critical internal control systems such as IT security.
- Continued to place additional focus on risk and resilience within the IFoA in the light of the impacts on the organisation of the Covid-19 pandemic.
- Received reports and updates from the Executive on topics it deems relevant.
- Led the process to identify and recommend the appointment of a new external audit provider for the IFoA, following the conclusion of the current provider's tenure.

Regulatory Board

We are committed to ensuring that regulatory decision making is undertaken in accordance with modern, transparent governance and with appropriate independent input to underpin confidence in the profession, uphold standards and safeguard its reputation.

Under delegated authority as set by Council, Regulatory Board acts independently of Council in relation to the approval of the regulatory programme in the public interest. It reports to the Management Board on its activities and progress and to Council on strategic matters, and is accountable to the IFoA's oversight body, the Financial Reporting Council. It ensures that the IFoA regulatory objectives are being delivered and remain appropriate. It oversees the delivery of the IFoA's regulatory functions, including: codes and standards relating to professional conduct and competence, including the CPD Scheme, disciplinary and enforcement functions, and the public interest regulatory aspects of the IFoA's examination and admissions framework. It oversees the proper integration of the IFoA regulatory framework in all activities.

Regulatory Board is comprised of a lay Chair and its members include lay people and a balanced representation of member volunteers from different practice areas. The Board has one practitioner member from the IFoA's Council and the IFoA's General Counsel as Executive member.

Regulatory Board formally met four times in the last year, as well as holding its annual strategy day. Minutes and papers from its meetings are published on the IFoA website. The Board publishes an annual report on its work and progress. The Financial Reporting Council attends Board meetings periodically in an observer capacity, and produces its own annual report on its oversight activities.

Nominations Committee

The Nominations Committee is responsible for overseeing appropriate succession planning and makes recommendations to Council on retirements from Council, the processes for appointing the President-elect and elections to Council, and the appointment of chairs and members to boards, committees and other bodies where appropriate. The Nominations Committee, which is chaired by the Immediate Past President of Council (currently, Tan Suee Chieh) met five times in the last year.

Executive employees and volunteers

The IFoA values a diverse workforce and is committed to building an inclusive culture where all employees are included, feel a sense of belonging and can thrive. An employee-led Diversity, Equity and Inclusion Group undertakes activity which encourages and supports the organisation in progressing DEI for all colleagues.

A fair, open and transparent process that encourages diversity is also in place for volunteers wishing to serve on IFoA boards and committees, with a clear statement on Diversity, Equity and Inclusion included within all volunteer vacancies.

The Governance Manual and Volunteer Information Pack (VIP) provide guidance and support. Volunteer engagement is monitored annually through a volunteer satisfaction survey, the results of which are reported to the Chief Executive, the Executive Directors and Management Board.

All people-related policies are updated in line with changes in employment law, and professional employment legal advice is used to ensure appropriate compliance. Executive salaries are benchmarked against market salary levels, as assessed by an independent external provider.

The IFoA runs an annual performance management process which includes objective setting, appraisal, and personal development planning. The process encourages managers to meet regularly with their team members on a one-to-one basis and there is a mid-year review to check progress. Training needs are identified from the personal development plans and the IFoA offers a variety of learning opportunities to address them.

An employee forum meets regularly to give employee representatives a further opportunity to be consulted and involved, and feeds back employee views directly to the Chief Executive, Executive Directors, and Head of Human Resources. Employee engagement is also monitored quarterly through an employee survey, the results of which are reported to the Chief Executive, the Executive Directors and the Management Board and then shared with employees, with actions to address concerns and drive improvement identified.

Throughout the year, the IFoA has remained acutely aware of the effects of the Covid-19 pandemic on the lives of our employees, and how those effects have been shaped by each individual's own personal circumstances. Guidance and assistance designed to protect the wellbeing of employees and their loved ones have remained available, including encouraging employees to make use of the IFoA's employee assistance programme where it may be beneficial to do so. On a practical level, the IFoA implemented a remote working policy for employees that details the particular support available to them to make working from home during the pandemic as straightforward as possible, while emphasising that the mental and physical health of our employees remains our primary consideration. Though we have slowly reopened our offices for employees

during late 2021 and early 2022, on a limited basis and with appropriate arrangements and precautions for the safety of our employees and the wider community, remote working arrangements remain fully accessible to all who work for us.

Corporate Social Responsibility

The IFoA's business practices reflect our commitment to developing positive social, environmental and ethical impact through a number of initiatives:

Social

In 2019, the IFoA established a new standalone charitable entity, the IFoA Foundation, to reinvigorate the IFoA's charitable funds. The Foundation has put in place a Trustee Board to focus on developing charitable giving related to education and research. The Trustees also focus on fundraising in order to support new charitable initiatives aligned to its constitution, as well as forming partnerships with other organisations that can help further its charitable aims.

In the past year, the Foundation has maintained focus on its objective to support the actuarial community, by giving financial support to university students, those studying the actuarial examinations and others in financial hardship, from all backgrounds and across the globe.

The IFoA also supports schools and universities through our Career Ambassador programme, in which members of the IFoA volunteer their time to take part in school and university events as speakers or panel members, in order to provide students with valuable insight into the actuarial profession. Wherever possible, we match the institutions taking part with career ambassadors in that region, to make the experience more relatable to the student.

The IFoA has published a statement outlining the steps it has taken to ensure that modern slavery of any form is not taking place either within our organisation or in our supply chain. We introduced modern slavery compliance clauses into our supplier contracts in 2015, and we are committed to proportional due diligence in our supply chain as part of any contract review or procurement exercise (with due diligence prioritised in industries where risks associated with modern slavery are statistically higher). We are also a Living Wage Employer, and ask that our suppliers pay the Living Wage where we can influence this. Appropriate policies in this area are in place and regularly maintained, and periodically scrutinised, by the Audit and Risk Committee.

Environmental

The IFoA recognises that environmental issues are fundamental to a responsible business strategy. As an action-oriented, forward- and outward-looking global organisation we are committed to adopting sustainable business practices for the benefit of society and to secure the future of the planet.

The IFoA promotes and follows good environmental practices in our typical business activities by:

- Integrating sustainability considerations as part of our business decisions
- Reducing waste and minimising our carbon footprint
- Educating, training and motivating our employees, members of the IFoA and, where appropriate, other stakeholders to carry out tasks in an environmentally responsible manner
- Encouraging environmental protection across our suppliers and subcontractors
- Complying with applicable legal instructions and guidelines
- Reviewing and reporting on sustainability performance annually.

The benefits derived from this approach in recent years (primarily in relation to our typical business practices prior to the Covid-19 pandemic and associated restrictions) include:

- A very substantial reduction in business-related travel
- A 50% reduction in printing
- Reducing non-recyclables by stopping plastic promotional goods
- Integrating an environmental weighting in the IFoA's procurement policy
- Becoming supporters of the Principles for Responsible Investment and the UN's Principles for Sustainable Insurance, and signing the Green Finance Education Charter
- Embedding environmental issues into the work of our boards and public policy initiatives
- Hosting a curated library of climate change articles on our website to support actuaries in their understanding of climate risks and opportunities, and to encourage the incorporation of these risks and opportunities into actuarial advice.

In early 2021 the IFoA issued a climate change statement expressing our support for the aim of the Paris Agreement to limit climate change to an increase of substantially under two degrees Celsius from pre-industrial temperatures. Alongside other commitments made in support of that goal, the IFoA committed to developing and implementing a plan to be operationally 'net zero' (no net greenhouse gas emissions) by 2030, with periodic updates on progress toward that commitment being reported to the Council and Management Board.

To deliver on that commitment, a project to identify and assess IFoA's greenhouse gas emissions using a 2019 baseline is in progress and due to be completed shortly. Following the conclusion of this work, we will develop and begin implementing our carbon management plan in 2022-23. This work recognises and embraces changes resulting from the pandemic, and we have adapted policies and practices as a result to work towards our Net Zero goal.

The IFoA also received a report, Climate-related risk at the IFoA, in late 2020 from a task force to Council. This presented a series of recommendations with the goal of ensuring that climate-related risk is understood and considered by the IFoA's members in the same way that other major risks, such as interest rate risk, are. The IFoA adopted the report's goal and accepted its recommendations, and delegated responsibility for overseeing the progress toward implementing those recommendations to the Management Board, as integrated into the IFoA's corporate planning activity.

Diversity, Equity and Inclusion

The IFoA and its members have long had a deep and abiding belief in diversity, equity and inclusion (DEI), rooted in our commitment to act in the public interest and for the good of society. The IFoA represents a diverse global community, and we consider this to be one of the key strengths of our organisation. We have a clearly stated purpose to 'champion and embody the benefits of a globally diverse and inclusive profession' and do not tolerate discrimination in any form. Embracing diversity of thought and perspective is also essential to the role of an actuary.

In January 2022, with the unanimous support of Council, we launched our new Diversity, Equity and Inclusion Strategy, which can be read on our website.

The strategy includes 44 actions aimed at supporting our members, the profession and our employees. The actions are structured around seven themes: Leadership and Culture; DEI at the IFoA; Entry to the Profession; Actuarial Work; Supporting Members in their Careers; Supporting Members in Difficulty; and Improving DEI in our Community.

This five-year strategy is now being implemented with support from our member-led Diversity Action Group. Some of our recent activity in this area has been:

- Active support of a UK Government-commissioned taskforce, led by the City of London Corporation, aimed at boosting socio-economic diversity at senior levels in UK financial and professional services. Recently, more than 1,000 of our UK-based members took part in a Taskforce survey. The results will be used to help develop a sector-wide baseline to track progress and support action.
- Collating, demographic data of our Council, Management Board, Regulation Board and Executive Leadership Team, **and publishing this on our website.**
- Signing up to the Financial Services Skills Commission's (FSSC) 'Access, Diversity and Inclusion' Commitment, which commits all FSSC CEOs to a number of actions that are aimed at 'improving the sector's ability to secure the skills and talent needed for the future by widening access to opportunities and actively promoting diversity and inclusion'.
- Embedding DEI commitments into our MRAs, and outcomes for the QAS Scheme
- Our Member-led Communities, Committees and Boards are actively seeking to embed DEI considerations and leading practice into their activities
- Development of a DEI thought leadership series, being launched in June 2022, and development of a plan to fully embed DEI into our public interest work
- Maintaining our Diversity and Inclusion Policy, and providing refreshed diversity and inclusion training for all employees. We have also undertaken our first ever DEI employee survey, to capture perceptions of culture and experience in the workplace, as well as the demographic makeup of colleagues. The results have now been shared and will form the basis for an action plan. The survey will be undertaken annually.

The IFoA also voluntarily compiles a Gender Pay Gap report annually, and publishes this report on **our website.**

Risk management

Council, in conjunction with Management Board, the Audit and Risk Committee and the Executive, has established and implemented a Risk Management Framework to identify, evaluate and manage proportionately the risks faced by the IFoA. This is illustrated, in outline, on **page 12**. Regulatory risks are managed by the Regulatory Board and fed into this overarching risk framework.

The overall risk appetite is set by Council and elements of that appetite are part of decision-making throughout the IFoA.

Council has approved the ownership of risks across the IFoA. There is ongoing work to assess and review all the main threats that the IFoA faces within the risk framework at Management Board (operational) and Council (strategic) level.

Delivery of the Corporate Plan, and operational risks, are largely owned by Management Board. The IFoA's Chief Risk Officer provides an independent review of the agreed Corporate Plan to Management Board and Council, in which risks and challenges to the successful delivery of the plan are identified and an assessment of the measures in place, or proposed, to manage or mitigate those risks are identified.

The following three interconnected risks/threats have been identified as being potentially beyond appetite if insufficiently mitigated, although all major threats are considered within the frameworks for both Council and Management Board:

- The Covid-19 pandemic, and related challenges and stresses
- Loss of, or threats to, member advocacy and engagement
- Competition for members and their time.

Decision-making across the IFoA is driven by consideration of risks and opportunities in the context of the overall appetite and all potential barriers to achieving the Corporate Plan.

Areas of potential risk to the IFoA that have been under active consideration throughout the past year, in addition to more business as usual risk considerations, have included climate risk, colleague engagement, cyber risk, and project risks.

In order to achieve the correct balance of risk and mitigation strategies, the costs of risks and their mitigation are examined with close reference to the IFoA's appetite for risk and its commitments within its Charter, and to the principles, purpose and values of the organisation. These include commitments to colleague opportunities and diversity, equity and inclusion goals.

Where events occur that exceed the IFoA's risk appetite, they are recorded as 'risk events' and lessons learned are monitored and recorded.

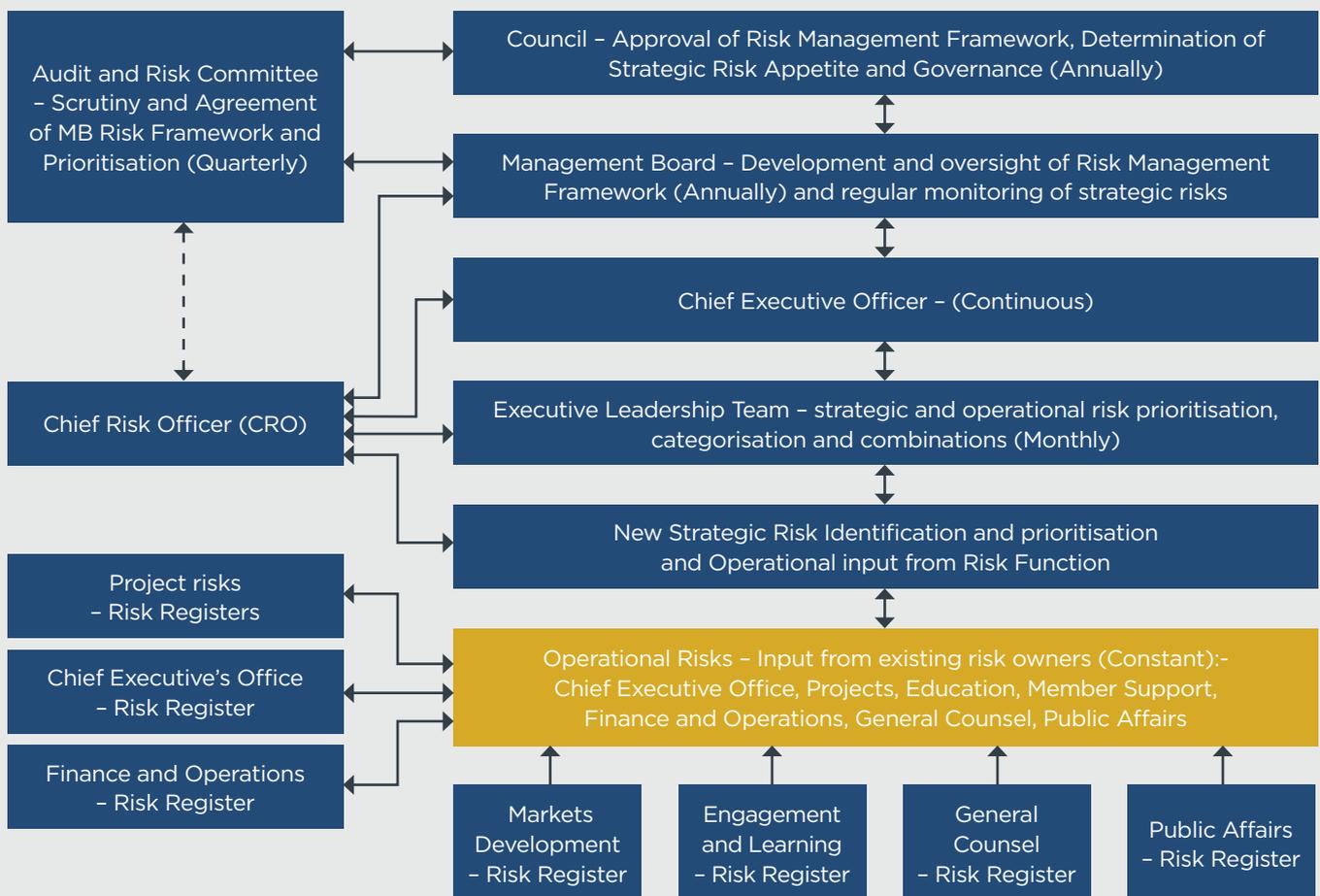
Council reviews the operation of the Risk Management process annually. During this review it considers the adequacy of the overall risk management policies and processes in place and assures itself that they are relevant and appropriate to the needs of the organisation. It also reviews the Strategic Risk Register for the IFoA (which is incorporated into the Council risk framework), the activities being undertaken to mitigate these risks, and the outcomes of the Risk Management

activities for the previous year. Council also sets an appropriate level of risk appetite going forward – that is the acceptable limit of risk that Management Board and Executive adopt in their Risk Management activities.

In this way Council reviews, endorses and delegates the specific Risk Management policies and processes that will be adopted by Management Board and the Executive in all Risk Management activities, and helps ensure that full account is taken of reasonably foreseeable risks and opportunities in strategic and corporate planning.

A new risk framework for the IFoA is being developed with assistance from our internal auditors, Crowe LLP, following an in-year audit of the current arrangements. Risk management lessons have also been learnt from the experience of other comparable organisations (which engaged and brought valuable contributions from members of Council, Management Board, and the Audit and Risk Committee).

Schematic approach to risk governance



Management Board

The IFoA has a Risk Management Framework which is managed with engagement from members and internally under the stewardship of the Chief Risk Officer.

The Board has oversight and ownership of the operational and plan delivery risks through the framework. Each major threat is examined and analysed within the framework so that the effectiveness of controls can be determined. The Risk Management Framework was reviewed during the year, in line with good practice.

Action on the risks owned by the Management Board relates to the identification and treatment of major threats from whatever cause (internal or external). Each risk is also considered in the context of reasonably foreseeable scenarios and the robustness of the organisation to withstand these. The risks beyond appetite are constantly monitored and mitigation strategies agreed where appropriate with Council.

Management Board regularly sees reports covering specific risk topics, such as data security and employee-related risks.

The Board directs specific activities to further identify risks and opportunities through regular membership and employee surveys, the results of which are cascaded appropriately.

Audit and Risk Committee

The Audit and Risk Committee reviews risks in relation to the IFoA's strategic objectives and the effectiveness of the relevant systems of risk management. The Committee periodically reviews the Risk Management Framework to provide assurance that it reflects good practice. The Committee has also introduced routine 'deep dive' reviews on a themed basis across all areas of the IFoA's business, in order to establish and monitor how risks are identified and managed across the organisation.

The IFoA's Chief Risk Officer attends the Committee's meetings and reports to the Committee accordingly.

Opportunities and risks

We analyse and act upon the views of our employees and volunteers. This is integral to how we understand the culture of our organisation, and how that culture helps inform our management of risk and the opportunities that might be available to improve what we offer to our members.

There are numerous opportunities available to us. We seek to ensure that in developing these we take only appropriate and well-managed risks.

Control functions

Council, through Management Board and Audit and Risk Committee, has oversight responsibility for the systems of internal control and their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. They can therefore only provide reasonable, and not absolute, assurance against material misstatement or loss.

Key elements in the system of internal control during the last financial year were:

- **Delegation** – The overall objectives were agreed by Council, which assigned oversight responsibility to Management Board. There is a clear organisational structure, detailing lines of authority and control responsibilities. There are defined revenue and capital spend authorisation limits in place. There is a published scheme of delegations in place.
- **Budgets** – Detailed annual budgets were prepared by the Executive and approved by Management Board. Actual results are compared to approved budgets on a periodic basis and reported to Management Board. Revised annual forecasts are also prepared and reported quarterly.
- **Policies and Procedures** – Appropriate and up-to-date policies and processes for the IFoA's employees, members, and/or key stakeholders, are maintained and subject to periodic review by the relevant owner(s). Understanding of and compliance with these policies and processes is underpinned by training, produced and/or delivered by suitably qualified persons, including specialist external providers where appropriate.
- **Competence** – Executive skills are maintained and reviewed by both a formal recruitment process and a performance development system. Together, they provide regular opportunities for feedback on performance and identification of training and development needs.
- **Gift register** – A register of gifts and hospitality is maintained, listing all offers of gifts or hospitality offered to volunteers or members of the Executive by commercial entities.
- **Review** – Council, through reports from Management Board and the Audit and Risk Committee, review the effectiveness of the IFoA's system of internal control in operation during the financial year.

In addition, the IFoA's external and internal auditors provide assurances on the effectiveness of internal controls.

Attendance lists

From 1 March 2021 to 28 February 2022

Council

Louise Pryor	President-elect from June 2020, President from June 2021	5/5
Tan Suee Chieh	President from June 2020, Immediate Past President from June 2021	5/5
Matt Saker	President-elect from June 2021	5/5
John Taylor	Immediate Past President to June 2021, Retired June 2021, Scottish Constituency	3/3
Laura Andrikopoulos	Retired June 2021	3/3
Kelvin Chamunorwa	Retired June 2021	3/3
Cherry Chan		5/5
Hannah Coleman	Elected June 2021	1/2
Charles Cowling	Re-elected June 2021	5/5
Michelle Darracott	Elected June 2021	1/2
Mahidhara Davangere	Passed away in May 2021	2/2
Marian Elliott	Retired June 2021	3/3
Gilli Engel		5/5
Richard Galbraith	Retired June 2021	3/3
Dermot Grenham	Scottish Constituency	5/5
Jennifer Hartley		5/5
Keith Jennings	Retired June 2021, Scottish Constituency	3/3
Patrick Kelliher	Elected June 2021, Scottish Constituency	1/2

Prosper Matiashe		5/5
Sarah Neil	On maternity leave from March 2021, Scottish Constituency	2/2
Mukami Njeru		5/5
Danny Quant		5/5
Alan Rae	Scottish Constituency	5/5
Andy Rear	Scottish Constituency	4/5
Craig Ritchie		5/5
Hitesh Shah	Elected June 2021	2/2
Kalpana Shah		5/5
Sunil Sharma	Elected June 2021	2/2
Malcolm Slee	Elected June 2021	2/2
Nick Spencer	Elected June 2021	2/2
Kartina Thomson		5/5
Peter Tompkins		5/5
James Tufts	Retired June 2021	3/3
Maribel Vasquez Flores	Resigned May 2022	5/5
Mark Williams	Elected June 2021	2/2
Steven Yu		5/5
Cynthia Yuan		4/5
Masimba Zata	Elected June 2021	1/2

Management Board

Grahame Stott	Chair of Management Board	5/5
Tan Suee Chieh	President to June 2021	2/2
Louise Pryor	President-elect from June 2020, President from June 2021	5/5
Matt Saker	President-elect from June 2021	3/3
Marian Elliott	Council member to June 2021	2/2
Alan Rae	Scottish Board representative	5/5
Andy Rear	Council member	5/5
Kalpana Shah	Council member from June 2021	3/3
Trevor Spires	Independent Lay Member	5/5
Beate Degen	Chair of Member Engagement Committee from June 2021	3/3
Stephen Mann	Chief Executive	5/5
Anne Moore	Chief Operating Officer, Management Board Member to June 2021	2/2
Ben Kemp	General Counsel, Management Board Member to June 2021	2/2

Audit and Risk Committee

Trevor Spires	Lay Chair	4/4
Donall Curtin	Independent member	4/4
Kalpana Shah	Council member to December 2021	3/3
Kartina Thomson	Council member from June 2021	2/3
James Tufts	Council member to June 2021	1/1
Dermot Grenham	Council member from December 2021	1/1

Nominations Committee

John Taylor	Immediate Past President and Chair to June 2021	2/2
Tan Suee Chieh	President to June 2021, Immediate Past President and Chair from June 2021	4/4
Louise Pryor	President-elect from June 2020, President from June 2021	4/4
Matt Saker	Council member to June 2021, President-elect from June 2021	4/4
Laura Andrikopoulos	Council member to June 2021	2/2
Charles Cowling	Council member	4/4
Jennifer Hartley	Council member from June 2021	2/2
Peter Tompkins	Council member from June 2021	2/2

Remuneration Sub-committee

Stephen Cahill	Chair	3/3
Grahame Stott	Chair of Management Board	3/3
Tan Suee Chieh	President to June 2021	2/2
Louise Pryor	President from June 2021	1/1
Catherine Hearn	Independent member	3/3

Member Engagement Committee

Beate Degen	Chair	5/5
Brian Bussell		5/5
Alison Kearns		4/5
Stephen Mann		5/5
Marjorie Ngwenya		5/5
Louise Pryor		5/5
John Taylor		5/5
Kartina Thomson		5/5

Skills and Domains Committee

Matt Saker	Chair	5/5
Charles Cowling		5/5
Shaili Ghelani		5/5
Helena Ingram		4/5
Stephen Mann		5/5
Alexandra Miles		3/5
Tan Suee Chieh		5/5
Lucy Saye		5/5
Helen Wright		5/5

Regulatory Board

Neil Buckley	Lay Chair	4/4
David Broadbent	Actuary Member from December 2021	1/1
Helen Brown	Lay Member	4/4
Marcia Cantor-Grable	Lay Member to October 2021	2/2
Frank Devlin	Actuary Member to September 2021	2/2
Ben Kemp	Executive Member	4/4
Sue Lewis	Lay Member	4/4
Simon Martin	Actuary Member	4/4
Melanie Puri	Actuary Member	4/4
Stephen Redmond	Lay Member (ex officio) to April 2021	3/3
Matt Saker	Council Representative	3/4
Edwin Sheaf	Actuary Member	4/4
Mike Smedley	Actuary Member from May 2021	2/3
Mitesh Soni	Lay Member from December 2021	1/1

Accounts

Consolidated statement and statement of comprehensive income

	2022		2021	
	Group £000	IFoA £000	Group £000	IFoA £000
Revenue				
Subscriptions and other operating income	15,982	14,574	15,521	14,170
Pre-qualification learning and development	18,226	11,381	17,157	10,349
Post-qualification learning and development	325	325	638	638
	34,533	26,280	33,316	25,157
Expenditure				
Employment costs	(12,164)	(11,511)	(11,422)	(11,085)
Other operating charges	(21,074)	(13,591)	(20,350)	(12,383)
	(33,238)	(25,102)	(31,772)	(23,468)
Operating Profit/(Loss)	1,295	1,178	1,544	1,689
Finance and other income	260	258	381	379
Lease Liability Interest	(162)	(162)	(191)	(191)
Dilapidations	-	-	(778)	(778)
Impairment of Joint Venture	(60)	(60)	(228)	(329)
Share of losses of Joint Venture	-	-	(101)	-
Profit / (Loss) before tax	1,333	1,214	627	770
Taxation	10	57	17	(10)
Profit / (Loss) for the year	1,343	1,271	644	760

Statement of Comprehensive Income for the year ended 28 February 2022

	2022		2021	
	Group £000	IFoA £000	Group £000	IFoA £000
Profit/(Loss) for the year	1,343	1,271	644	760
Other Comprehensive Income				
Unrealised gain on revaluation of investments	(26)	(26)	289	289
Movement in Endowment Fund	(43)	(43)	(27)	(27)
Movement in Deferred Tax for the year	(81)	(81)	(87)	(87)
Other comprehensive (expenditure) / income for the year net of tax	(150)	(150)	175	175
Total comprehensive income for the year	1,193	1,121	819	935

Consolidated statement of financial position as at 28 February 2022

	2022		2021	
	Group £000	IFoA £000	Group £000	IFoA £000
Non-current assets				
Property, plant and equipment	692	692	748	748
Lease Asset	2,636	2,636	3,347	3,347
Intangible assets	170	170	182	182
Available for sale financial assets	10,473	10,473	10,299	10,299
Historical assets	1,375	1,375	1,375	1,375
Investment in associate	-	-	-	-
	15,346	15,346	15,951	15,951
Current assets				
Inventories	13	13	18	18
Trade and other receivables	2,732	1,435	2,614	1,449
Corporation tax	10	57	-	-
Cash and cash equivalents	17,513	15,870	15,611	14,417
	20,268	17,375	18,243	15,884
Total assets	35,614	32,721	34,194	31,835
Current liabilities				
Trade and other payables	(4,038)	(2,808)	(3,129)	(2,214)
Corporation tax	-	-	17	(10)
Contract Liabilities	(13,644)	(12,627)	(13,604)	(12,707)
Lease Liability	(875)	(875)	(835)	(835)
	(18,557)	(16,310)	(17,551)	(15,766)
Non-current liabilities				
Deferred taxation	(259)	(259)	(178)	(178)
Lease Liability	(2,279)	(2,279)	(3,139)	(3,139)
Dilapidations	(778)	(778)	(778)	(778)
	(3,316)	(3,316)	(4,095)	(4,095)
Total liabilities	(21,873)	(19,626)	(21,646)	(19,861)
Net assets	13,741	13,095	12,548	11,974
Reserves				
Called up share capital				
General fund	12,047	11,401	10,747	10,173
Investment revaluation reserve	1,694	1,694	1,801	1,801
	13,741	13,095	12,548	11,974



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