



Institute
and Faculty
of Actuaries

ANNUAL REPORT

Finance and Governance

2022/2023

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Corporate Governance Statement, 2022/23

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 Scheme of Delegations 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, Matt Saker is the President of Council, Kalpana Shah is the President-elect, and Louise Pryor is the Immediate Past President. In March 2023, Council elected Kartina Tahir Thomson as the President-elect from this year's AGM.



Kalpana Shah
President-elect



Matt Saker
President



Louise Pryor
Immediate
Past President

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 currently comprised of 29 elected members, due to a vacancy in the Scottish constituency, however, normally comprises of 30, serving the General and the Scottish constituencies.

Elections for new Council members are held annually, usually from April to June each year, with all Fellow 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 5 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. The majority of meetings, training sessions, and other events for Council and the IFoA's main boards and committees were held by videoconference throughout 2022-23. This was through 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 during the Covid-19 pandemic. A small number of in person meetings were reintroduced this year to encourage interaction between volunteers.






























Throughout the past year Council has closely monitored the progress being made towards implementing the five-year strategy we agreed in September 2019, primarily through the 2022/23 Corporate Plan, which focused largely on continuing to build upon the progress

sustained in 2021/22 with an ambitious transformation agenda. Other key areas of focus and achievement for Council included:

- Agreeing the constitutional amendments required to allow qualified members (Associates and Fellows) to use the designation Chartered Actuary and the following successful member vote which took place in December 2022. Extending the chartered designation to actuaries will increase recognition of the level of qualification actuaries have achieved and the standards they work to, especially outside of traditional actuarial practice areas.
- Agreeing the proposed changes to the IFoA's Disciplinary and Capacity for Membership Schemes, which were put to a member vote in October 2022. The changes will provide a disciplinary regime where investigations are only instigated where it is appropriate to do so and allow more flexibility and proportionality as to how cases can be dealt with. The Scheme will be implemented later this year.
- Overseeing and providing input into the development of a long-term strategy to attract and retain members to ensure that the IFoA remains relevant and valuable to members both current and future.
- The development of a new risk framework policy and appetites which enables structured discussion around the operational and strategic risks facing the IFoA and the mitigations that are in place.
- Continued oversight of the IFoA's engagement with the UK Government's review of actuarial regulation, with the aim of ensuring an effective, proportionate, risk based and sustainable model of future regulation, which meets the needs of both the public, our members and the profession.
- Oversight of the implementation and continued development of the IFoA's Diversity, Equity and Inclusion Strategy, more information of which is provided at **page 11**.
- The development of a new Speaking Up Charter, clarifying the ways in which individuals can raise concerns to the IFoA, which will be implemented later this year.
- Inputting into an external review of the IFoA's key Governance bodies commissioned by Management Board which will bring recommendations later this year.
- Oversight of Management Board and its sub-committees.

Council members

The members of Council for the 2022/2023 sessional year are:

					
Oliver Bettis	Dan Georgescu	Hannah Long	Danny Quant	Kalpana Shah	Peter Tompkins
					
Cherry Chan	Dermot Grenham	Sarah Neil	Craig Ritchie	Sunil Sharma	Mark Williams
					
Kudzai Chigiji	Jennifer Hartley	Mukami Njeru	Matt Saker	Malcolm Slee	Cynthia Yuan
					
Charles Cowling	Patrick Kelliher	Matthew Pearlman	Hilary Salt	Nick Spencer	Masimba Zata
					
Michelle Darracott	Yan Liu	Louise Pryor	Hitesh Shah	Kartina Tahir Thomson	

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). Grahame Stott is the current Chair of Management Board, having started his second three-year term in the role in 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 6 times in the last year, as well as holding its annual strategy day. The Board's main areas of focus in the past year have been:

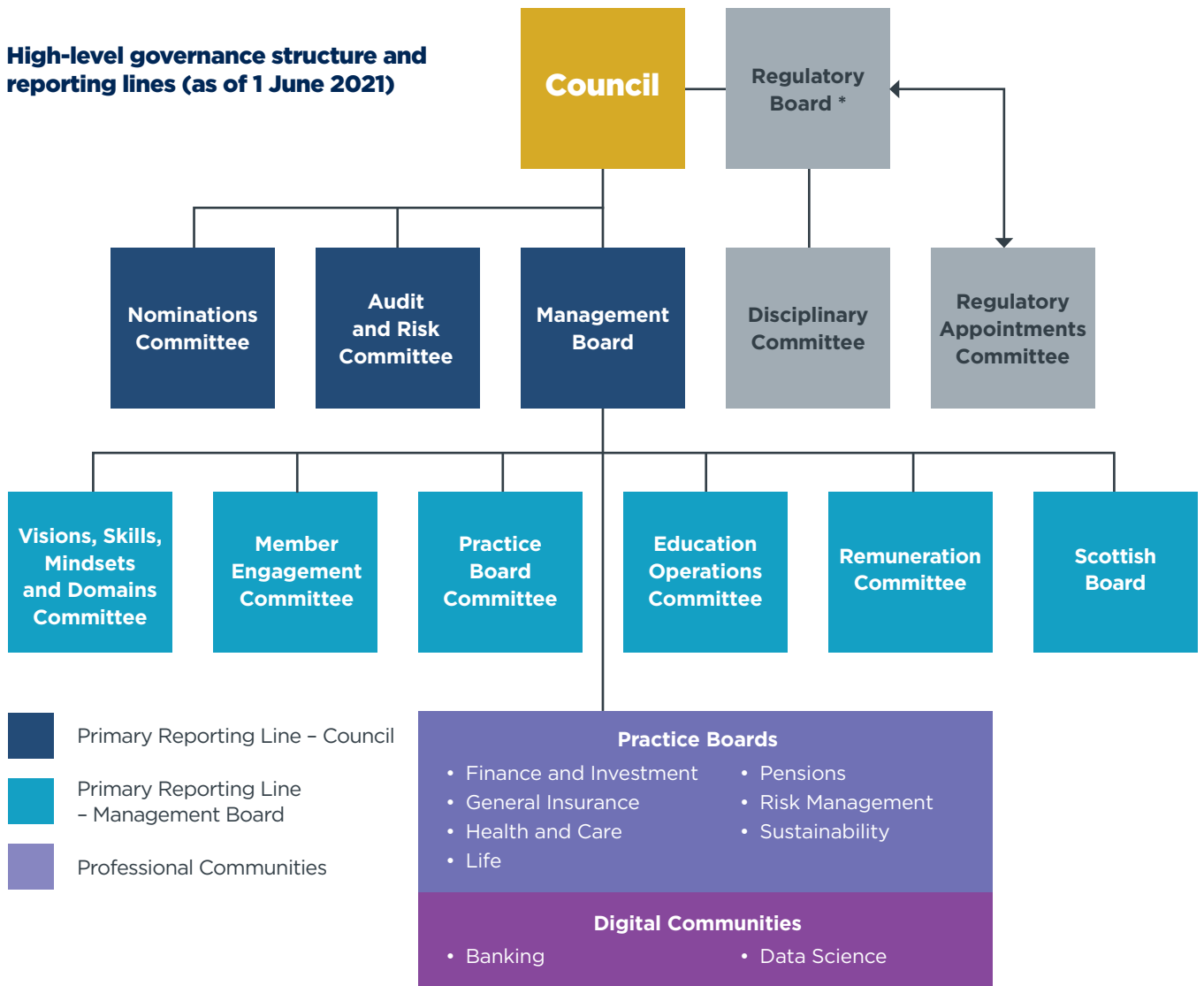
- The development of the strategy co-owned with Council to ensure IFoA is long term sustainable organisationally and for its members.
- The oversight of the external Governance Review commissioned by The Board into the governance of the IFoA.
- Review of the Member Engagement Survey results and the Member Engagement Committee's recommendations of other indicators of member satisfaction that should be monitored going forward to ensure we are delivering the member propositions we introduced in our Annual Report in 2020.
- Overseeing and monitoring the progress of the various major change programmes planned during the year, including in support of member propositions and infrastructure, with (where relevant) involvement in approving the selection of key suppliers to support those change programmes and updates from relevant Project Boards.
- The re-focussing of the Management Board Committees to ensure that they are providing oversight of their key activities under delegated authority from the Board, including approval of their objectives.
- Input to the IFoA's UK office property strategy going forward.
- Agreement of the IFoA's investment policy ensuring the effective use of member's money.
- Agreement for the reimplementation of a set of updated pre-Associate intermediate credentials.

Remuneration Committee

The Remuneration Committee is a committee of 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 Catherine Hearn,

an independent non-executive member with 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 3 times in the last year.

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



* The Regulatory Board will operate independently of Council, demonstrating the IFoA's commitment to progressive regulation. An important formal link with Council will be maintained with 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 Leadership Team 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 confirm that the IFoA's risk management policies and structures are appropriate and operating effectively and that the IFoA adopts a sound approach to financial control. It is chaired by a lay Chair, Trevor Spires, and reports to Council; Trevor Spires is also, separately, appointed as the Independent member of IFoA's Management Board. 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 were the IFoA's appointed internal auditors for the 2022/23 financial year. The Committee considered and approved Crowe's annual internal audit plan at the start of the year, 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.

Buzzacott LLP were appointed to be IFoA's external auditors prior to the start of 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.

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. It 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 Committee, which is chaired by the Immediate Past President of Council (currently, Louise Pryor) met 5 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. In line with the IFoA's articulated Diversity, Equity and Inclusion (DEI) strategy, an employee-led Diversity, Equity and Inclusion Group undertakes activity which encourages and supports the organisation in progressing DEI for all colleagues.

Also in line with the IFoA's DEI strategy, 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 regularly 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 and overseen by the IFoA's Remuneration Committee.

The IFoA runs an annual performance management process which includes objective-setting, appraisal, and professional 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 individual development plans and the IFoA offers a variety of learning opportunities to address them. Ongoing training and development is provided to Council and Management Board to support their effectiveness in their non-executive roles.

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.

The IFoA has committed to a hybrid way of working, where colleagues have flexibility around where they work; this might be one of the IFoA's "hubs" for collaborative work, or it could be working remotely, should the task require concentration and focus. Colleagues continue to feel connected to the organisation through regular Town Halls, communications and group and team meetings. The organisation has improved its technology to ensure colleagues have the tools needed to do their jobs effectively.

The wellbeing of our colleagues continues to be a priority for the IFoA post-pandemic. Many external factors, such as high cost-of-living and political uncertainty are impacting emotional wellbeing and the IFoA has a wide range of support mechanisms in place, such as a well-established wellbeing policy, an annual wellbeing week, Employee Assistance Programme and trained Mental Health First Aiders.

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. Over the past year the Foundation's Trustee Board has continued to focus on developing charitable giving across three strategic objectives: supporting our community, rewarding excellence and addressing future challenges.

The Trustees also focus on fundraising from our community in the spirit of 'Actuaries supporting others' to deliver its portfolio of charitable initiatives, as well as forming partnerships with other organisations that can help further its charitable aims.

To date the Foundation has supported over 250 aspiring actuaries to join our vibrant global community, awarded over 100 prizes for excellence in actuarial exams and research and supported partners engaging over 10,000 school pupils through exciting initiatives promoting maths and actuarial careers.

The IFoA also supports schools and universities through our Career Ambassador programme, in 2022 we continued to promote the actuarial profession as a career to school and university students. Our work reaching careers advisers through our partners and events such as the Annual Conference for Teachers and advisers enables us to reach a greater number of schools particularly those in lower socio-economic areas.

The programme works closely with the Foundation to align our goals and compliment their work and aims. We're also expanding our network of DEI partners to reach an even broader demographic and inspire students to continue with maths and ultimately a career as an actuary.



We were delighted to run our first ever online Count Me In event in December. Count Me In provides students, and their careers advisors, from groups that are underrepresented in the actuarial profession with an introduction to actuarial careers and access to employers.

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.

Sustainability

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.

- Becoming supporters of the Principles for Responsible Investment and the UN's Principles for Sustainable Insurance, and signing the Green Finance Education Charter (now Sustainable Finance Education Charter) and the Professional Bodies Climate Action Charter
- Issuing a Climate Change Statement and a Risk Alert
- Embedding environmental issues into the work of our boards and public policy initiatives
- Introducing a Climate Risk and Sustainability Course and a CPD Reflective Practice Discussion Toolkit on climate change and sustainability.
- Embedding ESG throughout our Associate and Fellow qualifications as part of the curriculum and its assessment for both qualifications.

- Hosting a curated library of climate change articles and Practical Guides 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.

As an organisation, our aim is to be net zero by 2030 and we are committed to a programme of action to reach targets. These will be reported on annually.

Our strategy on carbon reduction will follow the guidance of Science Based Targets (SBTi) which focuses on reduction to fall in line with the Paris Agreement to limit global warming to well below 2 degrees celsius. We are continuing to improve data collection methods and awareness with internal teams and third-party suppliers to educate, inform and improve.

The impact of the pandemic has driven changes to our emissions by the nature of changing our working practices.

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. Our DEI Strategy aims to deliver lasting and ongoing cultural change, encouraging organisations and individuals to embrace diversity of thought and ensuring that our members, employees and volunteers feel that they work in an environment where they can belong, make impact and succeed. 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. This is based on a moral case rooted in principles of justice and fairness, as well as

an acknowledgement of the benefits that come from embracing diversity, equity and inclusion for individuals, organisations and wider society.

In line with this, over the past year we have continued early implementation of the five-year strategy, launched in January 2022 with the unanimous support of Council. 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. Joint responsibility for delivering activity in support of the strategy is held by the Executive and our member-led Diversity Action Group.



Some of our key recent activity in delivering the strategy commitments includes:

- Gathering and collating demographic data from IFoA boards, committees and volunteer groups through a voluntary survey, with **analysis** shared in our Annual Report.
- Continuing to grow our partnerships with key organisations to develop and share best practice, including engaging with the Neurodiversity in Business Charter, Diversity Project and Progress Together.
- Working with a specialist to undertake a review of DEI and associated activity among QAS employers.
- Continuing to support the Actuarial Mentoring Programme and establishing a group of previous Practice Board chairs to provide mentoring opportunities.
- Providing DEI training to IFoA colleagues and groups. For example, the Regulatory Appointments Committee (RAC), Regulatory Board and QAS Committee have all received training input from an external DEI expert.
- Reviewing the Actuaries' Code from a DEI perspective and consulting on how we can incorporate DEI principles and values into our regulatory framework.
- Responding to the Financial Reporting Council's DEI Thematic Review, providing an overview of our DEI governance set-up, data collection activity, plans for target setting, and DEI training and development.
- Hiring a DEI Business Partner to support implementation of the DEI strategy.
- Developing and sharing communications to promote awareness of DEI within and outside of the IFoA, recognising key DEI calendar dates and sharing information on a range of topics. This has included a member of our DEI Colleague Group publishing an IFoA blog series on neurodiversity, and our CEO taking part in a live interview for International Women's Day.
- Conducting our second annual IFoA colleague DEI survey, gathering information on the demographics of our workforce as well as perceptions of our culture, with a 70% response rate.
- Working in partnership with key employers such as Aon, where we supported their Work Insights programme, aimed at enhancing social mobility and career opportunities for students from lower socio-economic backgrounds. In addition, creating a network of DEI leaders with partner employers to explore how the profession can work together to enable change, and finalising our collaborative DEI employer plan to bring together various aspects of the IFoA's employer support from a DEI perspective.
- Developing our careers acquisition strategy with a clear DEI focus, working with the IFoA Foundation to support further initiatives to widen access to the profession.
- Sharing professional skills content on DEI topics to support members in their careers, including content focusing on neurodiversity, with further DEI-focused content planned for 2023.

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, is enhancing the IFoA's Risk Management through the implementation of a new Enterprise-wide Risk Management Framework developed with assistance from our internal auditors, Crowe LLP, 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. Risk Management of IFoA subsidiary companies are managed independently within each legal entity. Risk contagion that could impact the IFoA arising from the actions of any subsidiary (or vice versa) is considered as part of both the IFoA and subsidiary company risk management activities.

The overall risk appetite is set by Council and forms 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 Head of Risk 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 Executive Leadership Team provide risk oversight and a positive risk culture by contributing to the identification and mitigation of risks across all categories and ensuring balanced risk-taking within approved risk appetite tolerances is achieved, with effective reporting to support decision-making.

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.

All categories of potential internal and external risk to the IFoA have been under active consideration and reported on throughout the past year.

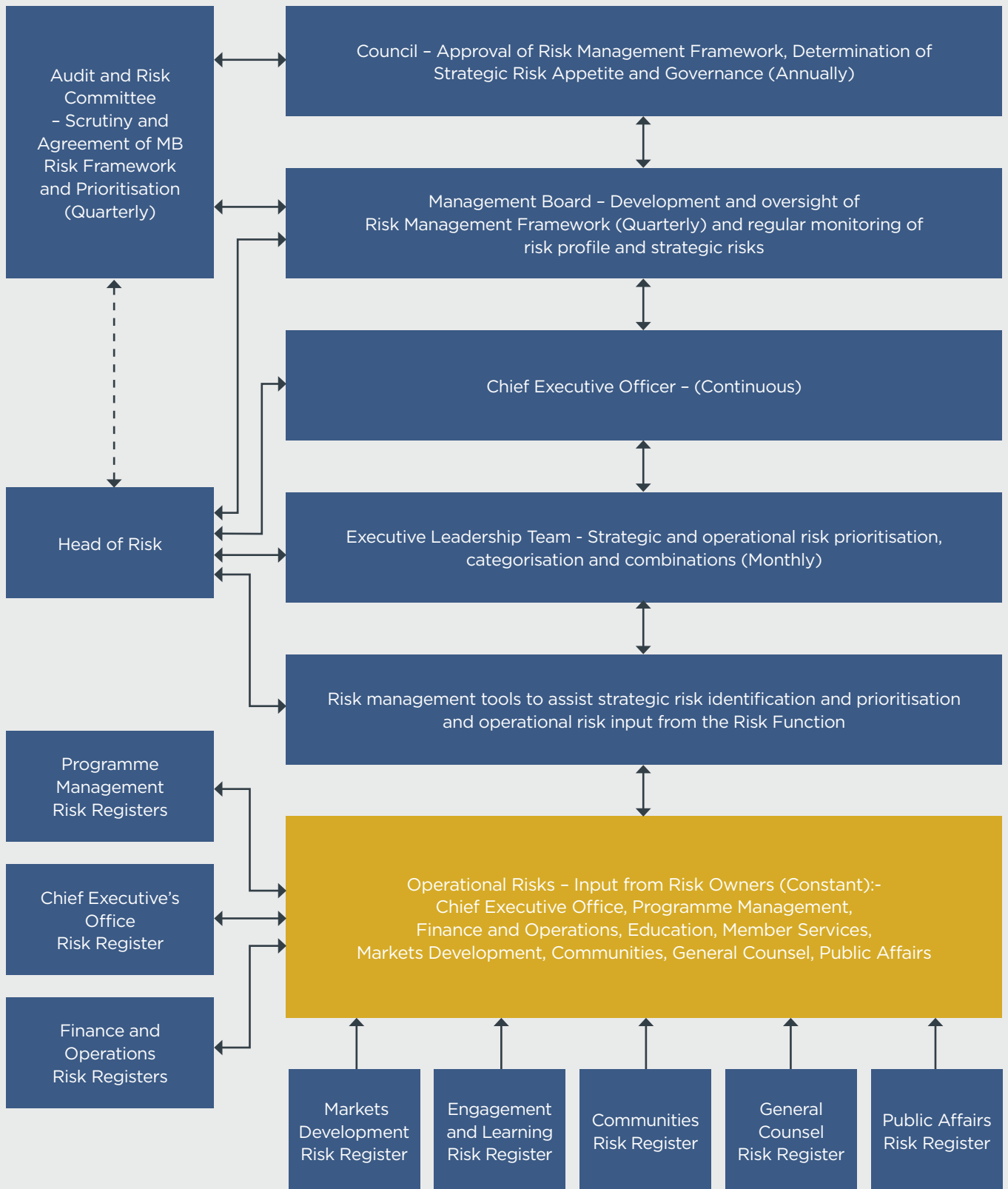
In order to achieve the correct balance of risk and mitigation strategies, the costs of risks and their mitigation are examined with close reference to the IFoA's appetite for risk and its commitments within its Charter, and to the principles, purpose and values of the organisation. These include commitments 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. Where risks are outside of appetite, actions are required, within appropriate timelines, to bring them within the requisite appetite. Appetites themselves are reviewed yearly as the needs of the IFoA and the environment it operates in change.

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.

Schematic approach to risk governance



Management Board

The IFoA has an Enterprise-wide Risk Management Framework which is managed with engagement from members and internally under the stewardship of the Head of Risk.

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 implementation of the Enterprise-wide Risk Management Framework remains under continual review to ensure it presents a robust, proportionate and effective risk management process which aligns 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. Any risks beyond appetite are constantly monitored and mitigation strategies agreed where appropriate with Council.

Management Board regularly sees reports covering the overall risk profile and 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 regularly receives reports covering the overall risk profile and reviews risks in relation to the IFoA's strategic objectives and the effectiveness of the relevant systems of risk management. The Committee actively reviews enhancements to the Enterprise-wide Risk Management Framework to provide independent assurance that a robust and effective process is followed which aligns with good practice.

The Committee has authority to commission '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 Head of Risk attends the Committee's meetings and reports to the Committee accordingly.

Executive Leadership Team

The Executive Leadership Team regularly hold dedicated Executive Risk Committee meetings to consider and discuss risk matters in order to fulfil their remit for protecting IFoA assets, ensuring financial and reputational stability, and reflecting its commitments to the public interest and its obligations under the Royal Charter.

The Committee drives a culture of effective risk management and risk-taking across the organisation through upholding the IFoA's Risk Management Policy and Framework, contributing to and

maintaining records of both current and emerging risks (strategic, operational, financial, regulatory, reputational and membership), identifying and applying mitigations as authorised, supporting and complying with the risk appetites approved by Council, and acting as exemplars in risk oversight, risk-taking, risk culture and risk reporting.

The Head of Risk attends the Committee's meetings, providing updates and encouraging consideration and collaborative discussion of risk matters.

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**

There is a published scheme of delegations in place. There is a clear organisational structure, detailing lines of authority and control responsibilities. There are defined revenue and capital spend authorisation limits 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 coupled with a yearly Management Board update provided by the CEO on talent and retention considerations. 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 2022 to 28 February 2023

Council

Matt Saker	President-elect from June 2021. President from June 2022	5/5	Sarah Neil	On maternity leave until March 2022. Scottish Constituency	4/4
Louise Pryor	President from June 2021. Immediate Past President from June 2022	5/5	Mukami Njeru		4/5
Kalpana Shah	President-elect from June 2022	5/5	Matthew Pearlman	Elected June 2022	2/2
Tan Suee Chieh	Immediate Past President to June 2022. Retired June 2022	3/3	Danny Quant		5/5
Oliver Bettis	Elected June 2022	2/2	Alan Rae	Retired June 2022. Scottish Constituency	3/3
Cherry Chan		5/5	Andy Rear	Retired June 2022. Scottish Constituency	2/3
Kudzai Chigiji	Elected June 2022	2/2	Craig Ritchie	Scottish Constituency	4/5
Charles Cowling		5/5	Hilary Salt	Elected June 2022	2/2
Michelle Darracott		2/5	Hitesh Shah		5/5
Gilli Engel	Retired June 2022	3/3	Sunil Sharma		4/5
Dan Georgescu	Elected June 2022	2/2	Malcolm Slee		5/5
Dermot Grenham	Scottish Constituency	5/5	Nick Spencer		5/5
Jennifer Hartley	Re-elected June 2022	3/5	Kartina Tahir Thomson		5/5
Patrick Kelliher	Scottish Constituency	3/5	Peter Tompkins		5/5
Yan Liu	Elected June 2022	1/2	Maribel Vasquez Flores	Retired May 2022	0/2
Hannah Long	Né Coleman	5/5	Mark Williams		4/5
Prosper Matiashe	Retired June 2022	2/3	Steven Yu	Retired June 2022	3/3
			Cynthia Yuan	Re-elected June 2022	5/5
			Masimba Zata		4/5

Management Board

Grahame Stott	Chair of Management Board	6/6	Alan Rae	Council member to June 2022	3/3
Louise Pryor	President from June 2021. Immediate Past President from June 2022	3/3	Andy Rear	Council member to June 2022	1/3
Matt Saker	President-elect from June 2021. President from June 2022	6/6	Hitesh Shah	Council member from June 2022	3/3
Kalpana Shah	President-elect from June 2022	6/6	Trevor Spires	Independent lay member	6/6
Patrick Kelliher	Council member from June 2022	2/3	Beate Degen	Chair of MEC. Independent lay member	5/6
Mukami Njeru	Council member from June 2022	3/3	Stephen Mann	Chief Executive. Excused from one meeting	5/5

Audit and Risk Committee

Trevor Spires	Lay Chair	4/4	Kartina Tahir Thomson	Council member	4/4
Donall Curtin	Independent member	4/4	Dermot Grenham	Council member	4/4

Nominations Committee

Tan Suee Chieh	Immediate Past President to June 2022	1/1	Kalpana Shah	President-elect from June 2022	4/4
Louise Pryor	President from June 2021. Immediate Past President from June 2022	5/5	Charles Cowling	Council member	4/5
Matt Saker	President-elect from June 2021. President from June 2022	5/5	Jennifer Hartley	Council member	3/5
			Peter Tompkins	Council member	5/5

Remuneration Committee

Stephen Cahill	Chair to October 2022	2/2
Grahame Stott	Chair of Management Board	3/3
Louise Pryor	President from June 2021. Immediate Past President from June 2022	2/3

Matt Saker	President-elect from June 2021. President from June 2022	3/3
Catherine Hearn	Committee member to September 2022. Chair from October 2022	3/3

Regulatory Board

Ben Kemp	General Counsel	4/5
David Broadbent	Committee member	5/5
Edwin Sheaf	Committee member	5/5
Helen Brown	Lay member	5/5
Melanie Puri	Committee member	5/5
Mike Smedley	Lay member	3/5
Mitesh Soni	Lay member	3/5

Neil Buckley	Chair	5/5
Nicola Williams	Lay member	3/5
Oliver Bettis	Committee member from June 2022	2/2
Simon Martin	Committee member	5/5
Sue Lewis	Lay member	3/5

Accounts

Consolidated statement of income for the year ended 28 February 2023

	2023		2022	
	Group £000	IFoA £000	Group £000	IFoA £000
Revenue				
Subscriptions and other operating income	16,610	15,024	15,982	14,574
Pre-qualification learning and development	18,739	11,483	18,226	11,381
Post-qualification learning and development	2,119	2,119	325	325
	37,468	28,626	34,533	26,280
Expenditure				
Employment costs	(12,244)	(11,847)	(12,164)	(11,511)
Other operating charges	(23,518)	(15,214)	(21,074)	(13,591)
	(35,762)	(27,061)	(33,238)	(25,102)
Operating Profit/(Loss)	1,706	1,565	1,295	1,178
Finance and other income	299	286	260	258
Lease Liability Interest	(126)	(126)	(162)	(162)
Impairment of Joint Venture	-	-	(60)	(60)
Share of losses of Joint Venture	(69)	(69)	-	-
Profit / (Loss) before tax	1,810	1,656	1,333	1,214
Taxation	(60)	(57)	10	57
Profit / (Loss) for the year	1,750	1,599	1,343	1,271

Statement of Comprehensive Income for the year ended 28 February 2023

	2023		2022	
	Group £000	IFoA £000	Group £000	IFoA £000
Profit/(Loss) for the year	1,750	1,599	1,343	1,271
Other Comprehensive Income				
Unrealised loss on revaluation of investments	(1,038)	(1,038)	(26)	(26)
Movement in Endowment Fund	(11)	(11)	(43)	(43)
Movement in Deferred Tax for the year	(8)	(8)	(81)	(81)
Other comprehensive (expenditure) / income for the year net of tax	(1,057)	(1,057)	(150)	(150)
Total comprehensive income for the year	693	542	1,193	1,121

Consolidated Statement of Financial Position for the year ended 28 February 2023

	2023		2022	
	Group £000	IFoA £000	Group £000	IFoA £000
Non-current assets				
Property, plant and equipment	382	382	692	692
Lease Asset	1,027	1,027	2,636	2,636
Intangible assets	517	517	170	170
Available for sale financial assets	9,641	9,641	10,473	10,473
Historical assets	1,375	1,375	1,375	1,375
	12,942	12,942	15,346	15,346
Current assets				
Inventories	6	6	13	13
Trade and other receivables	3,084	1,882	2,732	1,435
Corporation tax	-	-	10	57
Cash and cash equivalents	18,403	16,506	17,513	15,870
	21,493	18,394	20,268	17,375
Total assets	34,435	31,336	35,614	32,721
Current liabilities				
Trade and other payables	(3,297)	(2,101)	(4,038)	(2,808)
Investment in associate	(69)	(69)	-	-
Contract Liabilities	(14,624)	(13,520)	(13,644)	(12,627)
Lease Liability	(515)	(515)	(875)	(875)
Corporation tax	(2)	-	-	-
	(18,507)	(16,205)	(18,557)	(16,310)
Non-current liabilities				
Deferred taxation	(268)	(268)	(259)	(259)
Lease Liability	(709)	(709)	(2,279)	(2,279)
Dilapidations	(517)	(517)	(778)	(778)
	(1,494)	(1,494)	(3,316)	(3,316)
Total liabilities	(20,001)	(17,699)	(21,873)	(19,626)
Net assets	14,434	13,637	13,741	13,095
Reserves				
Called up share capital				
General fund	13,786	12,989	12,047	11,401
Investment revaluation reserve	648	648	1,694	1,694
	14,434	13,637	13,741	13,095



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