



National Credit Union Administration
Office of the Chief Financial Officer

TO: NCUA Board

DATE: January 24, 2018

FROM: Chief Financial Officer

SUBJ: NCUA's 2018-2022 Strategic Plan
2018 Annual Performance Plan

ACTION REQUESTED: Board approval of the NCUA 2018-2022 Strategic Plan and the 2018 Annual Performance Plan

DATE ACTION REQUESTED: January 25, 2018

OTHER OFFICES CONSULTED: All Regional and Central Offices

VIEWS OF OTHER OFFICES CONSULTED: Concur

BUDGET IMPACT, IF ANY: None

SUBMITTED TO INSPECTOR GENERAL FOR REVIEW: Yes

RESPONSIBLE STAFF MEMBERS: Deputy Chief Financial Officer Eugene Schied, Management Analyst Lindsey Coates, Management Analyst Melissa Lowden

SUMMARY: The NCUA Strategic Plan 2018-2022 summarizes our analysis of the internal and external environment impacting NCUA; evaluates our programs and risks; and provides goals and objectives for the next five years. The Strategic Plan integrates the agency's mission with clear goals and objectives. The NCUA proactively managing risks to enable effective and efficient mission attainment.

The Strategic Plan highlights the agency's three strategic goals and supporting strategic objectives, which reflect the desired outcome or impact of the strategic goals.

The three strategic goals in the NCUA Strategic Plan for 2018 to 2022 are to:

- Ensure a safe and sound credit union system
- Provide a regulatory framework that is transparent, efficient and improves consumer access
- Maximize organizational performance to enable mission success

Guided by the NCUA's strategic goals and objectives and leadership priorities, the NCUA's Enterprise Risk Management Council developed an enterprise-wide risk appetite statement in 2016. The risk appetite statement, in combination with the Strategic Plan provides additional

information for NCUA management and stakeholders on the agency's approach to achieving our goals and objectives.

In September 2017, the Board approved a 60 day public comment period for the proposed 2018–2022 Strategic Plan, and as part of the Plan the Board approved the NCUA's enterprise-wide risk appetite statement. Comments were due December 4, 2017; NCUA received five comment letters. The primary focus areas of the comments included:

1. Implementing a flexible exam schedule, including extended cycles and virtual examination procedures;
2. Increasing collaboration with other federal agencies and standard setting boards to ensure consistency and clarity across consumer protection regulations and guidance;
3. Carrying out NCUA's Regulatory Reform Agenda; and,
4. Reverting the normal operating level of the Share Insurance Fund back to 1.3%.

Many of the comments received were read to be generally supportive of efforts and initiatives to which the NCUA has undertaken, and that are included in the Plan. Other comments were at a more detailed level of program implementation (rather than at the strategic level), were too specific for the strategic plan and can be considered in program implementation or addressed in the Annual Performance Plan.

The 2018 Annual Performance Plan provides specific direction and guidance to implement the strategic objectives outlined in the strategic plan. The Annual Performance Plan highlights performance goals, indicators, and targets to measure the agency's performance. The operational processes and strategies, the human capital, and the information technology necessary for implementation are addressed for each strategic objective.

RECOMMENDED ACTION:

1. The Board approve the final NCUA 2018-2022 Strategic Plan, which includes the agency's enterprise-wide risk appetite statement; and
2. The Board approve the final NCUA 2018 Annual Performance Plan.

ATTACHMENT:

- The final NCUA 2018-2022 Strategic Plan
- The final NCUA 2018 Annual Performance Plan