Introduction

It is a really incredible experience for me to be standing here in front of all of you making this speech today. It has been an amazing journey to this point and I am looking forward to exciting times ahead.

I really love what I do. I am juggling a number of roles and I enjoy them all immensely.

I have been an independent actuary for 18 years. I am challenged by my consulting assignments with interesting problems to solve for my various clients, often assisting trustees grappling with their roles of guarding assets for the benefit of others.

I am inspired by my students who show so much hope and determination, often in very trying circumstances. My academic colleagues continue to challenge me and give me so much support.

More recently, I have been very fortunate to work with Mike McDougall and the incredibly committed team at the ASSA office who have done so much to build our brand. I have also really enjoyed the robust discussions with my colleagues on Council who so willingly give of their time and expertise and are so vigilant in addressing some tricky topics!

I am a debtor to my profession.

Being a member of this profession has enabled me to pursue an interesting and fulfilling career and it has garnered me respect just by mentioning my occupation. This cannot be taken for granted. We owe so much to those who have gone before us. The actuarial profession enjoys a reputation of trust, expertise and fairness and we all get to benefit from this association. I am very mindful of being a custodian and protector of this reputation and ensuring that it remains in tact for the benefit of those that follow. I guess that is why I am in this particular spot today.

A key aim of this talk today is to thank you all for your confidence in me and hopefully to demonstrate that this not misplaced (!) by setting out what my plans are for the next two years.

Introduce themes

I have selected my main themes for today's address as relevance, integrity and proportionality. I believe that these are the tenets we need to embrace to ensure that our good reputation does not <u>die</u>! I am intending to use these themes to construct my plan of action.

There is plenty for us to do. We live in exciting and interesting times and we have a very influential role in the financial services industry in South Africa….and beyond our borders….

These are complex problems and as Einstein said…. "For every *complex problem* there is an answer that is clear, simple….. and wrong."

We need to work hard to find better solutions.

The global economy has had a bumpy ride since the 2008 meltdown with new challenges coming all the time. Globally the actuarial profession is learning how to adapt to an extended low interest rate environment.

As a middle income country we are buffeted by the changing winds of investor sentiment while we work with our own fiscal and demographic realities. We also can't ignore the effects of factors such as climate change, global migration and humanitarian crises.

Not to mention the horror of cowardly attacks of terrorism.

Relevance

So let me start by addressing the topic of relevance which is my dominant theme.

We have such an important contribution to make, even beyond the financial services industry, to growth and development in our economy. We have the toolkit to tackle some of the complex issues I've already touched on.

Isn't the first part of the actuarial control cycle understanding the environment? I would like to extend that to being relevant in our environment. We need to really understand the needs of the stakeholders whose interests we strive to protect and develop. While we may be sitting in comfortable board rooms with the Trustees of funds or with management in product development meetings, we must always remember that the most important people are the ones purchasing protection, making provision for future events in their own lives….

- Transformation

Transformation is a key strategic objective for ASSA. I am particularly passionate about making a real difference in this area during my tenure. I also believe that transformation is about so much more than changing the face of our profession. It's about our approach to problem solving. It's about understanding the needs of our stakeholders and constantly acting with these in mind. It is what is in our hearts and minds rather than just the colour of our skin. We serve stakeholders diverse in terms of race, gender, religion, family structure, education levels and risk aversion. This is what we need to be taking account of in our transformation strategy while at the same time acknowledging that our commitment is being judged based on how we look! Like Justice, transformation must not just be done, but must be seen to be done!

During my period as President Elect I have been getting to grips with the various role players in the efforts to achieve demographic transformation of the actuarial profession. The SAADP programme was established back in 2003 with funding from SASRIA. This was subsequently bolstered by a number of other donors and the programme has graduated over 180 students and 19 fellow actuaries.

This is remarkable in the context of the lack of maths proficiency inherent in the current SA schooling system, particularly in previously disadvantaged communities.

We have identified several further obstacles to demographic transformation in our profession.

There is a lack of awareness of our profession and what career opportunities in the actuarial field involve. We have the status of the Rolls Royce of careers, but do prospective students really have a good sense of what actuarial work entails?

Socio economic factors are also a challenge. Many Black candidates are having to take on part-time work to fund their studies and need to enter the workplace as soon as possible to repay debt or support family commitments.

We need to address these challenges while preserving the essence of the actuarial profession. We need to preserve our hard-won position as the career of choice for all South African matriculants regardless of race and gender as we need to have the best minds applying themselves to the complex issues in our financial services industry and to growing our economy.

So how are we doing?

The South African actuarial profession has been experiencing exponential growth. Since I qualified, our membership has grown by almost 3.5 times. We have just passed through the 1200 mark in terms of fellow members of ASSA of which 22.5% are female. We have just under 2000 student members coming through as well and we are confident that demand for actuarial services will continue to outstrip supply.

Since we started developing our demographic projection model for forecasting our membership our new qualifiers profile is changing. You can see here the evolving racial profile and just over a third of these qualifiers are female.

So we are on a path of change…..but it is a gradual change……even with optimistic assumptions that we have used here to forecast our profile in 5 and 10 years time. It's a long road to qualification with many twists and turns…

While we have grown our non-white membership, we still have a way to go….this potentially becomes a self-fulfilling practice as we develop role models for those that follow. This is a key motivation for mentorship programmes.

There are a range of current initiatives in place:

At school level ASSA sponsors the maths team Olympiad, the Bona Lesedi project and participates in schools fairs. ASABA also assists with this outreach. We have also started collaborating with SAICA on holiday camps for learners. We are hoping to learn from SAICA's success with the Thuthuka programme which has made a real difference in the number of black accountants qualifying.

Through the Actuarial Society Educational Trust we have partnered with Paper Video in an attempt to improve maths and science education at school level. You are going to hear more about this a little later this morning.

We are a growing profession in a country where education is what will determine whether we take the high road or flounder. I'd encourage all of you to think of what part you can play in making things better….

ASSA, SAADP and ASABA are providing support at university level in various ways financially and in softer support.

The SAADP is a key partner in our efforts. They create awareness at school level and are dedicated in providing support to university students.

ASABA has just celebrated their 10 year anniversary. They are particularly active at the university level and they offer mentorship programmes to encourage students to persist. They have pioneered promoting diversity in our profession and this is now our core strategy.

Many actuarial employers are also active in providing financial and physical support to students.

My experience over the last two years of interacting with all these role-players has been that there is a lot of great work underway and lots of enthusiasm but there is a great need for better co-ordination and a focus on activities that assist students to persist and succeed.

We have some grand plans. We are launching an ASSA Academy with a key objective of providing additional assistance to committed Black students to help them conquer the exams and build successful actuarial careers. While at the same timing enhancing access to support for all our students.

This plan will involve key contributions from industry, ATOs and members of the profession at all levels. It will also involve a major financial commitment which Peter has already got the ASSA Council to make….and also people resources in terms of effective co-ordination, tutoring and professional support services. I must pay particular tribute to Wim here whose passion for making this change happen is infectious ….and effective. And to Peter for having secured the support for the plan and dumping the implementation in my lap!

So what about the hearts and minds bit? I cannot stress enough how important this is. It's about everything we do. A key part of our professionalism is our commitment to public interest and stakeholder needs. We bandy these terms around quite a bit. We need to really think about the people, about the families, who rely on us.

TCF has highlighted that a lot of this is about how we structure products and benefits and how we communicate. This requires us to take into account the level of financial sophistication, prevalent practices and the wants and needs of our stakeholders. It's not so much about whether we have disclosed enough but rather we are being measured on whether we have been understood.

How do we do this? Here are some points on active understanding for you to think about, and try and incorporate into what you do each day….

- *Empathy* is about wanting to understand the perspective of each person you are dealing with, and who is affected by what you do.

- Scott Burkun says that "the smarter you are, the more time you will spend with people who know less than you." This requires a lot of *patience.*
- Having a *shared goal* is more sustainable. Really think about this! If your primary objective is to deliver value, success is likely to follow automatically. And the value I am talking about here is directly linked to understanding the needs of our diverse stakeholders and their recognition that they are being fairly treated.

- Get *constant clarification* that you are on the right track. Listen, get feedback … and not just from those who tell you what you want to hear.

Looking at these criteria I can see why it is that ladies make good actuaries!

- International arena

We also need to remain <u>relevant</u> in the international actuarial arena. I am sure you have heard about our active role in the International Actuarial Association. We have direct influence in the development of the education standards to which all IAA members will need to comply. We are part of the debates on the International Standards of Practice and we are leading in the development of new areas of practice such as Banking, micro-insurance and further developments in healthcare.

We have worked on our relationships with other actuarial associations in Africa where we can offer support and Niel has been a veritable Dr Livingstone criss-crossing the continent.

We have also had interactions with actuarial associations further afield. We have MRAs in place with the actuarial associations in Australia, Ireland, Germany, the Netherlands and the UK and we are on track to sign with Canada by the end of the year. We have also had discussions with a range of associations to brief them about our education system and practice areas. This gives us an opportunity to ensure the global reach of the FASSA qualification as well as the opportunity for us to learn from the experiences of other actuarial bodies.

- Education

Education is one of our key responsibilities as a professional body. As Benjamin Franklin said: "An investment in knowledge pays the best interest." We need to keep pace with what knowledge is needed in our ever-changing world, especially with respect to disruptive technology. So, for example, data science is an area we are looking at in keeping the curriculum relevant.

Since the decision was taken to localise the education system we have been able to develop a syllabus that is relevant to what South African actuaries need to practice. At the moment we are setting local exams for all the F100 and F200 subjects. Petrus Bierman, our education executive has co-ordinated the continuous updating of content and there is currently a project in place to transform the pensions subject into a subject called retirement and other benefits which will reflect the changing financial planning market and social security reform. We are also on track to launch a significantly extended learning support for F100 and F200 candidates in 2016.

Of course we are extremely proud that 9 brave students have sat the first Banking Fellowship exam this session. We are leading the world in offering a banking subject at fellowship level and we have our international colleagues clamouring to tap into this….

The CERA qualification is also now part of our programme and we have qualified 52 CERA's to date.

This year, the decision has also been taken to localize the A301 exam. From next year this exam will be set locally but based on the IFoA syllabus (as an initial phase). At the very least it will mean reduced exposure for students to currency turmoil. We have also had a local communications exam since 2010 and the normative skills part of the programme has undergone a major review.

I have been doing quite a bit of reading around ethics and professionalism and it is very clear that these principles need to be introduced at an early stage in the curriculum and developed as an integral part of the other, more technical skills. We are now in the transition stage of the revised normative skills programme. This incorporates the skills that make us comprehensible to the outside world.

None of this would be possible without the incredible commitment of numerous volunteers in a multitude of aspects of our education offering. We really could not offer the kind of world-class yet locally relevant education framework that we have without the willingness of so many of you in this room to give your very valuable time and input.

The education process is about skills development and professional training. But there are certain qualities that are more difficult to nurture which brings me to my next theme of integrity.

Integrity

Are our values as a Society in general losing ground? Do people need to be continuously watched and monitored or is there scope to trust that people feel bound to doing the right thing?

John Scifres says that integrity is "about doing the right think at the right time for the right reason, even when no one is watching." (Jim Scifres)

So let's consider what impediments and pressures can cause lapses, I'm sure you will all find something to identify with in this list:

- Time pressure, taking on too much with tight deadlines can cause us to cut corners when it comes to things like considering consequences.
- Lack of benchmark, this is linked to the arguments like "everyone does it" or "it's always been done this way" which are very dangerous in the context of doing the right thing.
- Inappropriate response to mistakes, backtracking isn't easy but I'm sure we can all think of instances when we realized too late that it would have been much simpler to change course when the problem first came to light, rather than carrying on regardless and making things worse.
- Greed – the conflict of personal ambition vs. personal integrity, need I say more? Although sometimes it is organizational ambition and a mercenary corporate culture that can make doing the right thing harder.

- Fear of failure, or perceived failure – The acronym False Evidence Appearing Real conveys that we are often looking for justification for our actions rather than looking to do the right thing. As Yoda says: "Fear is the path to the dark side….". We need to be brave in sticking with principles.

As professionals, we need to practice consistency and durability in adverse situations. Or should I say, especially in adverse situations.
It's not necessarily the day to day things that test your integrity but the ethical dilemmas that sneak up on you and can become a crisis.

The role of the profession is to provide an education framework that gives a reference point. If you've seen some relevant case studies or applied your mind to dilemmas in a training context, you've got something to help frame the real-world dilemmas.

Another key function of the professional body is guidance and discipline. There is certainly no shortage of documentation in this area. The core principles are set out in our Code of Professional Conduct (which should never be too far from hand) and the practice area committees maintain a set of more detailed guidance. Part of my plan is to conduct a review of these to ensure that they are all relevant and useful and to identify any gaps.

I used Francis Bacon's oft-quoted philosophy on professions earlier. Of course he was a man who experienced a fall from grace due to a lapse in judgement. He served as Attorney General and Lord Chancellor of England until he was brought down by a corruption scandal in 1621. As a philosopher of Science he proposed the empirical scientific method of gathering data, prudent analysis and experiments performed in an organized way. He had a strong desire to change antiquated systems, i.e. to learn from evidence and experience and not just continue doing what's always been done.

The CPD programme aims to promote this ongoing development of skills in a way that is useful and not a pain to record. So maybe we are doing quite well at the former but not at the latter! And this is also on out to-do list to remedy. But what I need you to do is to approach CPD as your way of enhancing your practice area, rather than just something you have to do, particularly as many of us are working in new areas of practice.

This brings me to the often-asked question: what do actuaries actually do? We are developing into a diverse profession. At the moment we have with 9 practice area committees and 2 additional practice area forums. And my thanks go to all of you involved in these for your work on maintaining the rigour of South African actuarial practice. During 2015 we have had 7 practice area events and 12 different sessional meetings.

Proportionality

And so I come to my last theme of proportionality. I think all of us are facing a plethora of regulations and guidelines. And it seems like there is much more coming. We are running the risk of losing our ability to apply discretion and actuarial judgement. These are our core skills. We are not highly remunerated just for doing. We are expected to think about what we do.

So how do we preserve this trust in our judgement, this faith in our ability to weigh up conflicting interests, and to do all this while we are acting in the interests of a very diverse public?

Well this is the part where my talk becomes a little circular….I am suggesting that we can do this by being relevant and acting with integrity. Unfortunately it is not ASSA that can do this.

We can help with an educational system, transformation strategy, professional guidance and a disciplinary framework. But ultimately the strength of the profession depends on what you do.

As I said, there is so much to do!

Giving back

Pope Francis has recently reminded the World that "to whom much is given, much will be required". This of course echoes Uncle Ben's words of wisdom to Peter Parker "with great power comes great responsibility". We should feel a responsibility for what we have – in terms of talents, wealth, knowledge and (maybe) time and the best way to demonstrate that appreciation is to share the benefits. There are many opportunities to contribute to the profession – participation in practice area committees, education material development, in the examination process and initiatives promoted by Actuaries Without Frontiers, to name but a few. But I know that time is also precious. We also have need for additional financial support through the ASET and ASDT. At the moment, these trusts are funded entirely from donations from actuarial employers and individuals. We are working hard to secure other funding sources but your pledges are critical to keeping the work I have talked about on track. So please find your way to pitch in. The South African profession has always been amazingly committed and generous.

Thanks

So finally:

I cannot deliver this address without acknowledging what got me here. I was extremely blessed with the parents I was allocated to! I was nurtured in a warm, loving home and I learnt the value of family. My Dad has taught me the combined power of integrity and hard work. And also the power of the action list and Irish charm.

My late, beautiful Mum was the wind beneath my wings.

I am fortunate to come from a line of strong women. My amazing aunt Inez was the first female president of the Irish Congress of Trade Unions and fought for the rights of the downtrodden in extremely difficult circumstances.

But my greatest inspiration is making my beautiful girls proud and showing them how to find their path in this world. Stephanie, you define me, and make me so proud of who you are.

I am also blessed to have found a life partner in Noel who gives me what I need to flourish…

And thanks too to my actuarial family who have helped me so much along the way as sounding boards and cheerleaders. Stephen, Tobe, Andrew, Emile, Coral, Ray and of course Peter whose clear thinking I admire greatly and who has provided me with great guidance over these past two years. I'm almost too afraid to name names for fear of offending …or overstaying my time on this stage.

Conclusion…reminder

I shall certainly do my best to preserve the reputation of our profession in South Africa and beyond, during my tenure. I appeal to all of you to help me with this. Your advice, your labour and your support for our initiatives are always very welcome.

So when you go back to the office and your colleagues who aren't here this morning ask what the incoming ASSA President said in her address, what are you going to tell them?

You'll probably tell them that she was a little bit preachy.

I hope that you will also tell them that she highlighted that transformation is a key strategy for ASSA and that there are some big projects underway but she also stressed that transformation is about how we think about our stakeholders and their diverse interests as well as about how we look. I also hope that you'll mention that she talked about the education developments and the new areas of actuarial practice and how well-recognised the South African profession is on the international stage. And of course, you'll echo my encouragement to give back to the profession in time or in kind because we are so very fortunate to have the opportunities we have. And remember that we are all bound together by our professional reputation and we each have a role to play in preserving it.

But I have quite a task list to get on with. So thank you for listening to me this morning and watch this space…..