



QUANTIFYING RISK, ENABLING OPPORTUNITY

Disciplinary Framework
Pensions Conference
3 August 2015
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Agenda

- The Code
- Actuarial Society Structure
- Disciplinary Framework
 - AGB
 - Disciplinary Committee
 - Process
- Case Studies

The Code

The Code

- Applies to all members
- Replaces PCS
- Effective 1 July 2012
- Main Professionalism Document
 - Everyone should read it
 - Developing Code Guidance eg Peer Review, Whistle-blowing
 - The Society has a robust professional regulation framework

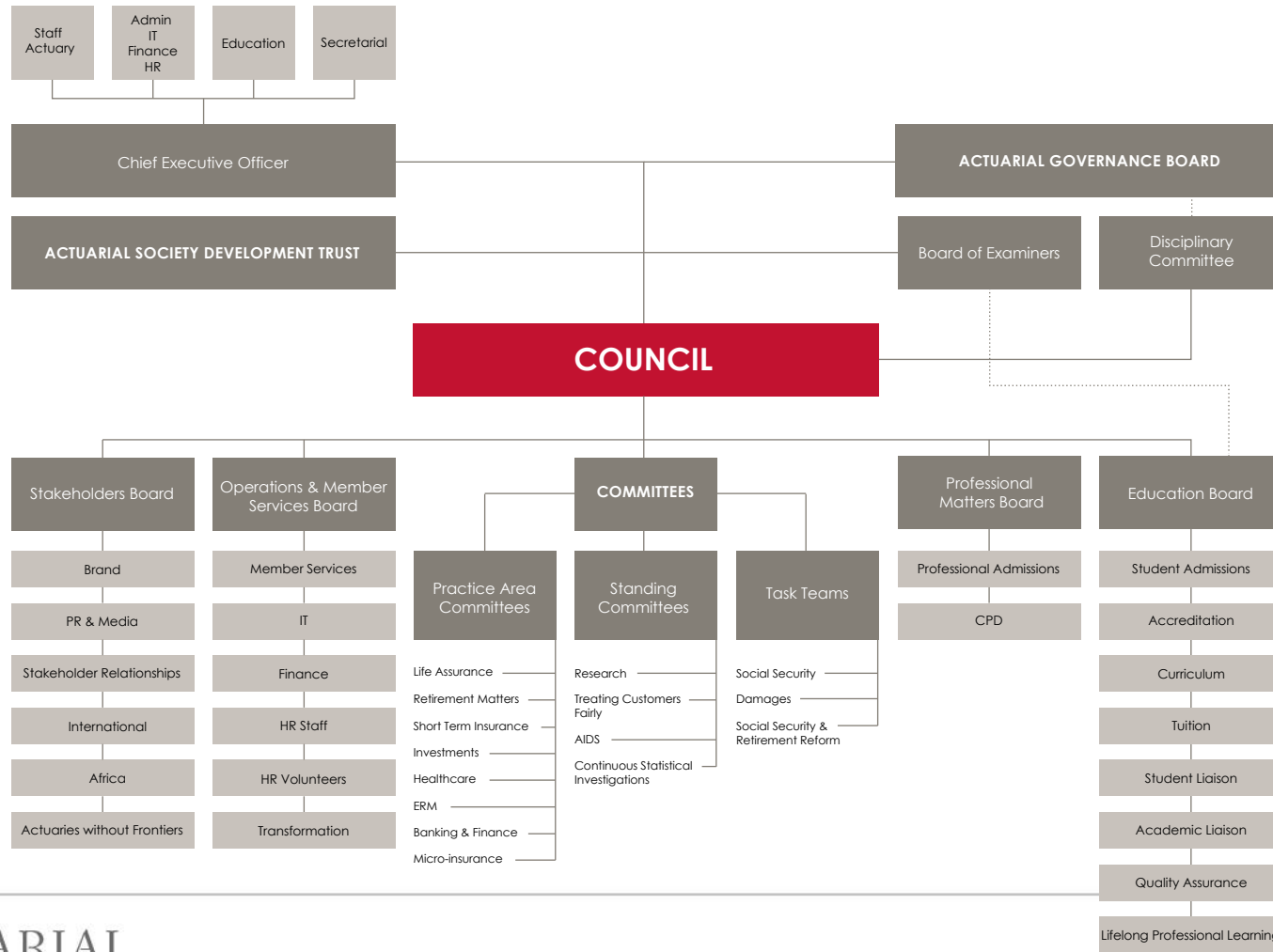
Who of you have read the Code?

1. Yes, I have read it
2. No, I have not read it

The Code

- Principles of Professional Conduct
 - Knowledge And Expertise
 - Values And Ethical Behaviour
 - Professional Accountability

Actuarial Society Structure



Disciplinary Framework

**You Lack
Discipline!**



Gauging the Audience

Have you had a complaint against you?

1. Yes
2. No

Were you found guilty?

1. Yes
2. No

Did you cry?

1. Yes
2. No

Do you think the process is fair and robust?

1. Yes
2. No

AGB

AGB

- The Actuarial Governance Board (AGB) is responsible for the disciplinary process
- Independent external body
- They develop the process and monitor the implementation thereof
- It also approves the Code of Conduct before it is issued by Council
- The AGB submits an annual report to the AGM of the Society
- In the UK the collapse of the Equitable led to a review
- Morris recommended a measure of external supervision over the UK profession
- Locally there were accusations against actuaries – mainly surplus related
- Self-regulation of the profession came under scrutiny

AGB

- The AGB comprises a maximum of 6 members
 - majority must be non-actuaries
- A Fellow member of the Society, who has at least 15 years' post-qualification experience – appointed by Council
- A member appointed by the General Council of the Bar
- A member appointed by SAICA
- A member appointed by the FSB
- The Board may co-opt up to 2 additional members
- Maximum of four year term - may serve two consecutive four-year terms
- A member who has served two consecutive terms must retire

AGB

- Current members:
 - Christo Geyer, FASSA – Chair;
 - Adv TN Aboobaker (General Council of the Bar);
 - Louis Wessels (FSB, lawyer); T
 - om Wixley (SAICA);
 - Reg Munro, FASSA (co-opted);
 - Mr Justice Ralph Zulman (co-opted)

Who you
gonna call?



Disciplinary Committee

Disciplinary Committee

- Manages Investigations
- Committee appoints one or more investigators
- The Committee considers the findings
- Society Executive Liaison
- 6 Members
 - At least two non-actuaries
 - Majority actuaries
 - The committee may co-opt additional members

Disciplinary Committee

- Society Liaison – Wim Els
- Current members
 - Ray Welham (chair)
 - Judy Faure
 - Janina Slawski
 - Edwin Splinter
 - Adv Gerhard De Kock
 - Jonathan Mort (lawyer)

Process

Process

- Complaint is lodged (consequences if you don't lodge a complaint)
- Respondent contacted and given 14 days to respond
- Committee considers the complaint and response
 - Appoints a investigator
 - Dismiss
- Frivolous complaints or not actuarial in nature are usually dismissed without appointing an investigator

Process

- Investigator gets appointed
 - May request further information from complainant and respondent
- Investigator makes a recommendation
 - Dismiss
 - Mediation
 - Arbitration (closed)
 - Tribunal (open to the public)
- Not dismissed
 - Dispute declared between the Society and the respondent
- Member admits guilt or contests

Process

- Mediator appointed by Council
- Tribunal or arbitration board appointed from a panel of members and lawyers
- It is appointed on an ad hoc basis
- Chair is the lawyer
- The respondent appoints a one from either panel and the Committee appoints one
- These two appoints the third
- Tribunal/Arbitration board makes the judgement
 - Tribunal/Arbitration board decides on sanction if unprofessional conduct
 - Committee decides on sanction if unacceptable conduct

- “Unprofessional Conduct” includes, without limiting the generality of that phrase, any failure in a material respect by a Member (whether committed within South Africa or elsewhere) to comply with the standards of behaviour, integrity, competence or professional judgment which the Society might reasonably expect of the Member concerned, having regard inter alia to any advice or guidance or statement or memorandum on professional conduct, practice or duties which may be given or published by the Society, and to all other relevant circumstances: provided that conviction within South Africa or elsewhere of an offence involving fraud or dishonesty shall amount to prima facie evidence of Unprofessional Conduct.

- “Unacceptable Conduct” means any failure by a Member (whether committed within South Africa or elsewhere) to comply with the standards of behaviour, integrity, competence or professional judgment which the Society might reasonably expect of the Member concerned, having regard inter alia to any advice or guidance or statement or memorandum on professional conduct, practice or duties which may be given or published by the Society, and to all other relevant circumstances, but which is not sufficiently serious to amount to unprofessional conduct.

Process

- Members may appeal
 - Appeal board appointed by Council
 - Board chaired by a retired judge or senior lawyer nominated by the Western Cape Law Society
 - Two former Council Members also serve on the board appointed by Council

Process

- Sanction
 - Admonition
 - Further education/training
 - Withdrawal of practising certificate or other certification for up to two years
 - Fine of up to R10 million
 - Suspension
 - Expulsion
 - In the case of former members, temporary, qualified or permanent disqualification from membership of the Society

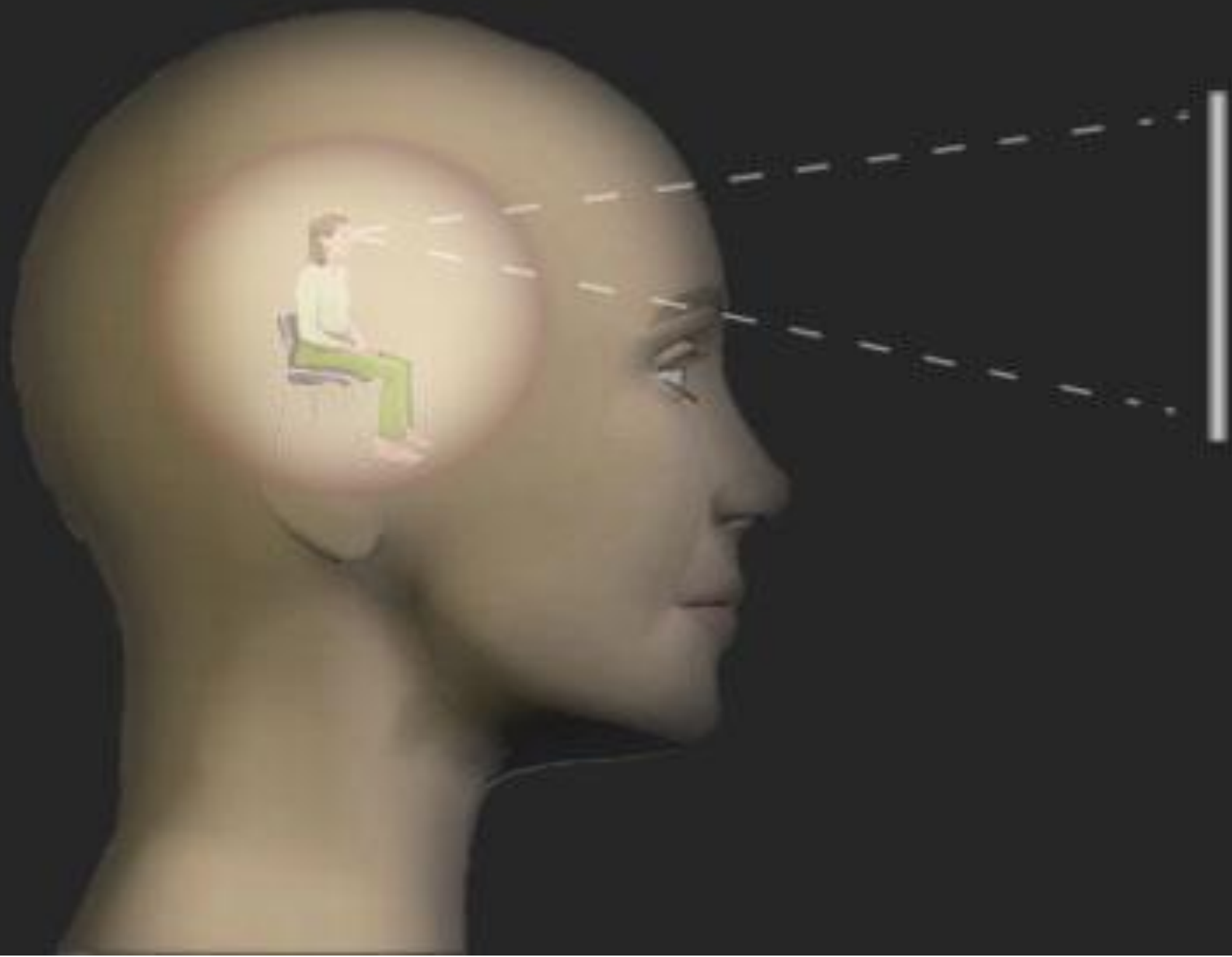
Do you think the process is fair and robust?

1. Yes
2. No

Are you scared now?

1. Yes
2. No

Case Studies



Case Study

- Bob is a consulting actuary that does damages calculations
- On a specific case two actuaries did the same calculations and the results were very different
- One actuary laid a complaint against Bob stating the following:
 - Bob used the incorrect method
 - Bob made an error in the report
 - Bob's report did not include all the relevant detail
 - Bob did not have the relevant experience
- Disciplinary Committee appoints an investigator

What do you think did the Investigator recommended?

1. Found Bob guilty of unprofessional conduct
2. Found Bob guilty of unacceptable conduct
3. Found Bob innocent

What would you do in Bob's position?

1. Admit guilt
2. Contest the complaint

Thank You