Disciplinary Procedure
April 2011

Input from the Actuarial Governance Board
# ACTUARIAL GOVERNANCE BOARD

<table>
<thead>
<tr>
<th>Member</th>
<th>Nominated by</th>
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<tbody>
<tr>
<td>Justice R Zulman; B.Com; LLB; LLM</td>
<td>Chief Justice</td>
</tr>
<tr>
<td>Mr T Wixley; B.Com; CA(SA)</td>
<td>SAICA</td>
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<td>Prof P Sutherland; B.Com; LLB; PhD</td>
<td>FSB</td>
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<td>Reg Munro</td>
<td>ASSA</td>
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<td>Wim Els</td>
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Definitions of Misconduct

• Unprofessional Conduct
• Unacceptable Conduct

THE KEYS TO BEST PRACTICE

• The new CODE
• Standards of Practice
OUTLINE OF NEW PROCEDURE

• Starts with a complaint
• Investigator appointed by Disciplinary Com
• Investigation (Paid for if necessary)
• Early settlement: Disc Com can propose admission of guilt & accompanying sanction or member can admit guilt
• Mediation option is confidential until the end
• Tribunal / Arbitration are in full public view
• No appeal except through the Courts
Problems from the past

• Too few complaints
• Too long to finalize a complaint
• Procedure overly cumbersome
• Access to necessary documents blocked
• Limited sanctions *(distant past)*
• Inability to deal with resigned members *(distant past)*
Too few complaints

- In 65 years we’ve only had 22 that could be investigated
- Only one finding of “unprofessional conduct”
- Actuaries have NOT been effective prosecutors of actuaries
- Not enough history to learn from
  - Explicit powers to expand the complaint
  - Greater use of lawyers provided
Too long to finalize a complaint

• Some simply die of old age
• Currently still investigating a complaint made in 2008
• Reliance on collaborative Committee action causes delays

• Investigator appointed in every matter
• Option of mediation ... confidential
• Disciplinary Committee can now make decisions
Procedure overly cumbersome

• Everything had to go to Tribunal
• Both sides incurred excessive legal costs
  – Not unusual to have three Advocates involved

• Simple finalization of simple matters
Access to necessary documents

• Ownership of confidential documents

• Arbitration provides public access

• If confidentiality is vital use mediation
  – Agreed details of finding will be public
Current full range of sanctions

• Raps on fingers
• Expulsion
• Additional training
• Ex-members
• Withdrawal of practicing certificate
• Fines
• Keep out if already out
NEXT STEPS

• AGB has authority to **impose** new procedure
• AGB has chosen to consult for a better outcome
• That is why I am here today
• Over to you for questions & suggestions
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THE KEY LIES IN THE CODE & STANDARDS
THOSE ARE IN YOUR HANDS

Discussion & suggestions