



Institute
and Faculty
of Actuaries

The IFoA Disciplinary Scheme and You

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Agenda

- Outline of the Disciplinary Scheme
- Cases
- Feedback/Questions

The Disciplinary Process

Investigation

- All complaints investigated
- Team: Case Manager, Investigation Actuary and Legal Adviser
- Case Report

Adjudication Panel

- Meet in private
- Three members (two Actuary and one Lay)
- Can make a prima facie finding of misconduct.
- Limited powers of sanction
- Effective only if accepted.

Disciplinary Tribunal Panel

- Public hearing
- Legal representation
- Significant powers of sanction

Misconduct

- “misconduct means any conduct by a Member, whether committed in the United Kingdom or elsewhere, in the course of carrying out professional duties or otherwise, constituting failure by that Member to comply with standards of behaviours, integrity, competence or professional judgement which other Members or the public might reasonably expect of a Member having regard to the Bye-laws of the Institute and Faculty of Actuaries and/or to any code, standards, advice, guidance, memorandum or statement on professional conduct, practice or duties which may be given and published by the Institute and Faculty of Actuaries and/or, for so long as there is a relevant Memorandum of Understanding in force, by the FRC (including by the Board for Actuarial Standards in terms thereof, and to all other relevant circumstances.”

IFoA Disciplinary scheme – definition of ‘misconduct’

Misconduct: explained

What does it mean?

- Committed in UK or elsewhere
- In course of carrying out professional duties **or otherwise**
- Importance of reputation of the profession
- Beware Jonathan Burrows
- Applies to former members

How do the Panel's decide?

- Objective standard; what might someone reasonably expect of an Actuary
- Applied by Panels on a case by case basis
- Not a precedent system, although consistency is important

The Investigation

- All complaints must be in writing and if you make a complaint, not party to process, but nevertheless very important
- Case Report is neutral, explanatory report to enable Adjudication Panel to make a decision
- Timescales:
 - Simple: up to six months
 - Medium: 6-12 months
 - Complex: up to 24 months

Complaint issues in 2015

Issue	Number of Instances
CPD compliance	1
Inadequate communication	4
Role as expert	4
Technical incompetence	1
Unreasonable behaviour	1

What should I do?

- As a Respondent:
 - Co-operate with investigation
 - Provide documentation
 - Be honest
 - Show insight
 - Consider legal advice
- As a person making a complaint:
 - Consult with Disciplinary Team.
 - Consider Whistleblowing guidance.
 - Keep records.
 - Provide clear evidence
 - Consider a chronology
 - Be clear about the remit of the role of the IFoA.

The Adjudication Panel

- Private
- Three members (lay and actuary) and legal adviser
- Powers to:
 - Dismiss
 - Send to Disciplinary Tribunal
 - Make a finding of misconduct
- Limited powers of Sanction:
 - Reprimand
 - Fine: up to £7,500
 - Retraining/Supervision/Period of Education

The Adjudication Panel cont...

- Findings of misconduct are made public on website and *The Actuary*
- Written determination
- Can reject the finding and proceed to Disciplinary Tribunal Panel
- Possibility of Independent Examiner referral
 - New evidence
 - Manifestly unreasonable, inconsistent with evidence, wrong in law
 - Serious procedural irregularity

Adjudication Panel Outcome and Sanctions in 2015

Determinations	Number of Cases
Complaint dismissed	12
Misconduct – sanctions accepted by Respondent	5
Misconduct – sanctions not accepted by Respondent and so referred to Disciplinary Tribunal Panel*	0
Panel referred to Disciplinary Tribunal Panel	1

Sanctions accepted by Respondent	Number of Cases
Reprimand	2
Reprimand and £7,000 fine	1
Reprimand and £3,000 fine	1
Reprimand and £100 fine	1

Disciplinary Tribunal Panel

- **Public** Hearing
- Notice of hearing on IFoA website
- Representation for both sides
- Three person panel (lay and actuary)
- Legal adviser
- Power to:
 - dismiss
 - make finding of misconduct

Disciplinary Tribunal Panel cont..

- Significant powers of sanction:
 - Reprimand
 - Fine
 - Suspend practising certificates
 - Exclude member from IFoA for a period up to five years
 - Suspend from membership
 - Education, retraining/supervision
- Costs: awarded to IFoA in all Tribunal cases. Ranged from £5,000 to £72,622
- Finding of misconduct made public on website and *The Actuary*

Disciplinary Tribunal Outcomes in 2015

Determinations	Number of Cases
Charge dismissed	1
Charge part-dismissed and part finding of misconduct- determination appealed and succeeded.	1
Misconduct – sanctions accepted by Respondent	1
Misconduct – determination accepted but sentence rejected- leave for appeal denied.	1
Misconduct – determination and sentence rejected- leave for appeal denied.	1

Sanctions accepted by Respondent	Number of Cases
£25,000 fine and period of education, including additional 25 hours CPD per year for next three years.	1
Sanctions imposed by Disciplinary Tribunal but not accepted by Respondent*	Number of Cases
Expelled for five years	2

*As leave to appeal has been denied, the sanction remains active.

Appeals

- Possible to appeal decisions of Disciplinary Tribunal Panel
- Two appeal tribunals in 2015, none in 2014

Respondents by practice area

All Respondents	2010	2011	2012	2013	2014	2015
Education	-	-	-	-	-	-
General Insurance	6	2	1	2	1	1
Health and Care Insurance	2	-	-	-	-	-
Investment Banking	3	-	1	1	-	-
Investment Management	5	1	1	-	-	-
Life Insurance	10	2	14	2	1	-
No information recorded	2	-	-	2	-	3
Other actuarial	2	-	2	1	-	1
Other Non-actuarial	1	-	1	2	-	-
Pensions	12	2	6	13	4	10
Student	-	-	-	6	-	4
Student – Actuarial Analyst	-	-	-	-	-	1
Retired	-	-	3	-	-	-
Total	43	7	29	29	6	20

Case Studies

- Imagine you are an investigation actuary or an Adjudication Panel member
- What would you want to know
- How does the definition of misconduct apply here?
- What do you think would happen at the Adjudication Panel?

Useful information

The following information can all be found in the Regulation section of the IFoA's website: www.actuaries.org.uk

- [How to complain about a member](#)
- [Information for members subject to a complaint](#)
- [IFoA's Disciplinary Scheme](#)
- [Frequently Asked Questions \(FAQs\)](#)
- [Disciplinary Board's 2014 Annual Report](#)

Contact us

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