



LEADING  
YOUR PROFESSION



**Actuaries  
Institute**

This guide has been developed to assist Members in understanding the commitment level of a Councillor, the process for election, along with the challenges, expectations and rewards that can be expected in being a Council member.

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I ENCOURAGE YOUNGER ACTUARIES TO ACTIVELY CONSIDER STANDING FOR COUNCIL BECAUSE THEY ARE THE FUTURE OF THE PROFESSION AND NEED A SAY IN LONG TERM PLANNING. BEING A COUNCILLOR IS ALSO A FANTASTIC OPPORTUNITY FOR NEWER FELLOWS TO BE EXPOSED TO THE DISCIPLINES AND RESPONSIBILITIES OF BOARD MEMBERSHIP.



**Barry Rafe** President 2011



## COUNCIL IN FOCUS

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Actuaries contribute enthusiastically to their profession through a range of activities. One very important role is that of Council member of the Actuaries Institute. Becoming a member of Council provides numerous opportunities to make a significant contribution to the actuarial profession whilst broadening your skill set and experience.

### **Council is responsible for the leadership, governance and stewardship of the Institute and the profession.**

The role of a Council member is not to represent any subset or constituency of the membership, but to act in the interests of the membership as a whole, comprehending the interests of as great a part of that group as he or she can.

As such, diversity in Council membership is strongly and actively encouraged, in order to bring new and challenging perspectives to issues.

Diversity is reflected and sought in many ways, including:

- ▶ practice area
- ▶ professional and other experience
- ▶ gender
- ▶ cultural background
- ▶ residence

From time to time, the Nominations Council Committee may approach Members about joining Council. The role of the Committee is to encourage interest within the membership in being a Councillor and to ensure a sufficient number and variety of candidates stand for the annual election.



## WHAT DOES COUNCIL DO?

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Council is the board of directors of the Institute and as such has a high level of responsibility and accountability in the following areas:

- ▶ **governance of the Institute** – ensuring compliance with legislation and regulations; ensuring adherence to stated policies; maintaining standards of probity and transparency; and providing comfort to Members that the Institute is well run and that risk is being well managed
- ▶ **leadership of the Institute** – Council has primary responsibility for the formation and implementation of the Institute's strategy
- ▶ **stewardship of the profession** – in this role, Council is the primary custodian of the Institute's standards and reputation. It takes a proactive risk management role and actively maintains and enforces ethical standards.



COUNCIL IS AT THE HEART OF THE MANAGEMENT OF THE PROFESSION, AND THIS INVOLVES SIGNIFICANT CHALLENGES, PARTICULARLY IN THE CURRENT WORLD. ”

**Ian Laughlin** Council member 2007-2009

## WHY JOIN COUNCIL?

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- ▶ a challenging and rewarding experience
- ▶ numerous opportunities to make a significant contribution to the actuarial profession, both in Australia and internationally
- ▶ personal development opportunities
- ▶ become equipped to serve on other boards through your experience on Council
- ▶ lay the groundwork for Presidential ambitions

## KEY EXPECTATIONS

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- ▶ embrace the challenge of making a difference to the actuarial profession
- ▶ show leadership
- ▶ inspire others to engage and make a difference
- ▶ observe the highest standards of ethical behaviour
- ▶ be independent in your judgments and actions
- ▶ comply with legal obligations under the Corporations Act and the Constitution
- ▶ comply with Council policies in force from time to time



## THE COMMITMENT

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### Time on Council business

Appointment to Council is for a period of four years, except for casual vacancy appointments which expire at the same time as the term of the person being replaced.

As a guide, the time commitment for serving on Council is:

- ▶ attendance at 4-6 Council meetings per year – these are usually up to 6 hours duration and generally held in Sydney. The number and length of meetings varies from year to year
- ▶ attendance at an all-day planning/strategy session, usually held in late January or early February
- ▶ be available for between-meeting teleconferences – these teleconferences will only occur if needed between Council meetings
- ▶ an equivalent amount of time prior to a Council meeting in reading and preparing for the meeting

Generally, it is expected that a Council member will spend about **8 hours per month** on Council business. From time to time, there may be an additional meeting called for a special purpose.

## Other events and business

Council members are also encouraged to attend the Institute's many events, such as:

- ▶ Annual General Meeting
- ▶ graduation dinners
- ▶ major events including Biennial Convention and practice area seminars
- ▶ Volunteers cocktail party
- ▶ other member networking events

## Volunteering

You may also be asked to volunteer to serve on a Council Committee, such as the Audit and Risk Council Committee, the International Council Committee or the Education Council Committee or act as the Council liaison on a Practice Committee or other committees as needed. The time commitment for these roles varies.

independence  
teamwork  
integrity  
leadership  
stewardship  
governance



## THE CHALLENGE

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### Being an effective Councillor

Being an effective Councillor is similar to being an astute actuary – it doesn't happen overnight. It's something that's learned over time.

The essentials are:

- ▶ sound business judgment
- ▶ ability to work well in a team
- ▶ wide general knowledge
- ▶ an enquiring mind
- ▶ independence of thought
- ▶ integrity
- ▶ breadth of vision

The keys to achieving good performance on Council include:

- ▶ maintaining the highest standards of ethical behaviour
- ▶ taking an active part in Council meetings
- ▶ understanding your duties as a company director
- ▶ remaining briefed on internal and external risk environments and taking action where necessary
- ▶ identifying 'trouble spots' in the annual audit statement and taking action if necessary
- ▶ avoiding conflicts of interest
- ▶ attending all Council meetings
- ▶ reading all agenda papers prior to meetings



## Professional development

Being a truly effective director is something that is achieved with time, experience and a willingness to listen to, and learn from, the guidance and advice of others.

The first step for new Councillors is to take active responsibility for this new role. Whilst the induction program can assist in familiarising you with key aspects of the new role, ultimately the responsibility lies with you to ensure that:

- ▶ the information needed to make informed and proper decisions is available;
- ▶ you ask questions about issues, policies, practices and procedures that are not familiar to you to ensure a better understanding of such; and
- ▶ just as with actuarial practice, you seek out opportunities to develop your skills as a Councillor.

The Company Secretary has some very useful general guides on how to be an effective director, how to assess performance and where to find professional development opportunities. This library is available to all new and existing Councillors.

sound judgment  
independence  
knowledge  
vision



## DIRECTORS' DUTIES

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A member of the Institute's Council is a director of a company. As such s/he has a number of duties and obligations, including to:

- ▶ **act with due care, skill and diligence** – usually this is the degree of skill which could reasonably be expected from a person of the director's knowledge and experience. A director is expected to at least have a general understanding of the business and bring an informed and independent judgment to bear upon issues that come to Council for decision, as well as take reasonable steps to place themselves in a position to guide and monitor the management of the Institute which may involve:
  - ensuring a detailed understanding of the business of the Institute
  - keeping up to date and informed about the Institute's activities
  - monitoring corporate affairs and practices
  - regularly reviewing the financial statements and reports
- ▶ **act in good faith in the best interests of the Institute.** That is:
  - exercise their powers in the interests of the Institute and not misuse or abuse those powers
  - ensure that their personal interests and the interests of the Institute do not conflict

independence  
stewardship  
sound judgment  
teamwork

In doing so, directors must, at least:

- consider the interests of existing Members as a whole and act for their benefit having regard to their future interests as well as their existing interests
- balance both short term and long term perspectives when considering Members' interests

- ▶ **act for proper purposes** (an objective standard)
- ▶ **give adequate consideration**
- ▶ **not fetter discretions**
- ▶ **not improperly use position**
- ▶ **not improperly use information to gain an advantage for themselves or someone else or to cause detriment to the Institute**



THE INSTITUTE IS A PROFESSION AND A NOT SO SMALL BUSINESS. A GOOD COUNCILLOR REPRESENTS ALL MEMBERS, NOT JUST THEIR AREA OF EXPERTISE, AND BRINGS EXPERIENCE AND BUSINESS SKILLS TO THE TABLE TO ENSURE THERE IS A CLEAR STRATEGIC DIRECTION AND ALL DECISIONS ARE AIMED AT ACHIEVING THE STRATEGY.

David Goodsall Senior Vice President 2011





## THE ELECTION PROCESS

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### Pre-nomination

Communications are widely distributed around August each year, inviting nominations from Members to join Council. Notices can be found on the Institute's website, via the Institute's weekly Bulletin and in the Actuaries magazine.

### Nomination

If you wish to nominate, you need to:

- ▶ complete the nomination form found on the Institute's website
- ▶ have three Voting Members of the Institute sign in support of your nomination
- ▶ complete the nominee details form found on the Institute's website
- ▶ provide a photo – preferably a head and shoulder shot in a professional setting
- ▶ prepare a nominee's statement – this is optional, however it is highly encouraged
- ▶ sign a probity declaration

### Election

If there are more candidates than required to fill the number of expected vacancies, an election will be held.

The election is held around September or October, with the appointment taking effect from the beginning of the next calendar year.

## INDUCTION

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A comprehensive induction program has been developed to assist new Council members to be effective from the outset.

The program reflects the experience that, if a new Councillor is not properly inducted to the role, function and business of Council and receives direction as to what is expected of them, it can take up to 12 months before they are able to participate fully in Council decision making.

Members elected to Council undergo a tailored induction program involving:

- ▶ one-on-one discussions with the President, CEO and Company Secretary
- ▶ training on key issues such as directors' duties
- ▶ tools for reference and training purposes addressing an extensive range of issues
- ▶ further reading, such as previous Council minutes



## QUESTIONS?

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If you have any questions about joining Council, or would like to discuss any issues raised by this guide, please contact the Company Secretary, a member of Council or a member of the Nominations Council Committee.

The Institute's website also provides further information and may answer many of your questions:  
[www.actuaries.asn.au/CouncilElections](http://www.actuaries.asn.au/CouncilElections)



JOINING COUNCIL HAS PROVIDED ME THE OPPORTUNITY TO BECOME ACTIVELY INVOLVED IN SETTING THE STRATEGIC DIRECTION OF THE PROFESSION AND ALSO LEVERAGING ACTUARIAL INSIGHTS AND EXPERTISE INTO BROADER PUBLIC POLICY DEBATES.



**Barry Rafe** President 2011

councillor:



commitment  
teamwork sound judgment  
knowledge

governance  
integrity  
independence.  
vision



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