



THE INSTITUTE OF ACTUARIES OF AUSTRALIA

Code of Professional Conduct

May 1985

CODE OF PROFESSIONAL CONDUCT

GENERAL

1. The Institute of Actuaries of Australia is a professional body which, through its members, has an obligation in the public interest to provide the best possible service and advice. In order to achieve this it is essential that the highest standards of conduct are maintained by all members of the Institute when they give advice of a professional nature.

2. Professional conduct involves the member's own sense of integrity in relationships not only with those to whom professional services are rendered but also with other members of the profession and with the public. In all these relationships every member is therefore concerned not only with his own conduct but also with the conduct of his colleagues.

3. The maintenance of high standards of conduct is a responsibility of all members in all circumstances connected with their professional work. Each member, in whatever field of the actuarial profession he practises, must act with honesty and in a manner to maintain the dignity and reputation of the profession and to fulfil its responsibility to the public. Experienced actuaries have a duty to guide members in the application of this Code in their dealings with the public and with other members of the profession.

4. This Code sets out the main principles to which the Institute expects all members to conform; guidance notes will be issued from time to time to illustrate the application of these principles to particular situations. The Institute relies on the conscience of each member and the collective conscience of the whole membership to ensure that the principles are applied effectively.
5. A member who is in doubt as to the attitude which should be adopted or the steps which should be taken in a particular case or who would like the advice of a senior actuary in regard to any matter of conduct, should communicate with the President.
6. Members must recognise that there is room for honest differences of opinion on many professional matters. Where such differences occur, a member must avoid unjustifiable or improper criticism or malicious injury to the reputation of another member.
7. A member who believes that there has been a breach of this Code should bring the matter to the attention of the President.

ACTUARIAL ADVICE

8. Actuarial advice may be given only by a Fellow or Accredited Member (referred to as an 'Actuary' in the following sections).
9. All actuarial advice must be, and be seen to be, the responsibility of one or more individual Actuaries.
10. An Actuary who furnishes any person or organisation with actuarial advice must disclose to that person or organisation the capacity in which he is acting in so doing.

11. All actuarial advice must be unbiased. If there are any constraints on the independence of the advice, the nature of those constraints must be disclosed to the employer or client to whom that advice is given.
12. If an Actuary has reason to believe that his actuarial advice will be transmitted in whole or in part to a third party he must take all reasonable steps to ensure that his authorship and responsibility are acknowledged to the third party, that any implications of the advice to which he has drawn attention are stated, that his advice is not presented in a way likely to give a misleading impression, and that any constraints on his independence are disclosed.
13. Although each Actuary is responsible for his own professional conduct, a special responsibility rests with the senior actuary in any organisation to take all reasonable steps to ensure that his professional colleagues and the organisation act in accordance with the principles set out in this Code.
14. An Actuary must have proper regard for the trust which is implicit in the relationship between himself and his employer or client. He must be, and be seen to be, in a position to ensure that the information he uses and his advice remain confidential and that his employer or client is aware if this is not the case.
15. An Actuary must not provide actuarial advice to any person or organisation when he has reason to believe that his advice may be used to evade the law or in a manner that is contrary to the public interest.

16. Many problems submitted to an Actuary in a professional capacity require considerable practical experience for their solution. An Actuary with insufficient practical experience in relation to a problem should not act except in co-operation with or with the guidance of an experienced actuary.
17. In any situation where an Actuary has, might have, or might be thought to have a conflict of interest, he must not act unless there has been a full disclosure of the situation to all parties involved and the parties have expressly agreed to his acting.
18. An Actuary must account to the client for any direct or indirect compensation that he or his organisation may receive from any source as a consequence of his giving actuarial advice to that client.

CONTENTS OF REPORTS

19. When providing actuarial advice in an area which is the subject of professional standards published by the Institute, any report which is the responsibility of an Actuary should conform to those standards. In the event of departures from the standards an explanation of the reasons for those departures must be given.
20. An Actuary is expected to include in any report a statement describing or clearly identifying the data and the actuarial methods and assumptions employed and must draw attention to any important implications of those methods or assumptions.
21. An Actuary should exercise his best judgement to ensure that any advice given by him is based on sufficient and reliable data, on adequate and appropriate assumptions and on sound actuarial principles.

22. If, nevertheless, an Actuary is requested to carry out a study or initiates a study which in his opinion deviates from the requirements of Section 21, any resulting report, recommendation or certificate submitted by him must include an appropriate qualification.

PUBLICITY

23. Publicity which increases public awareness of the nature and training of actuaries and the value and scope of the work that they can perform is desirable and in the public interest.
24. Individual members may give information in published material about the actuarial services which they offer. However, a member will neither engage in nor condone any advertising (including advertising by his organisation) or any other activity which attracts actuarial work unfairly.
25. A member may use a designation dependent on elective or appointive qualification within the Institute, such as 'President' or 'Member of Council', only when he is acting in such capacity on behalf of the Institute.

ACTUARIAL FIRMS

26. An Actuary must not provide actuarial advice for or on behalf of an organisation which describes itself in such terms as 'Consulting Actuaries' or 'Actuaries' unless:
- (a) in the case of a partnership, all its partners, or in the case of a corporate body, all its directors and all its shareholders are Actuaries, or
 - (b) the organisation satisfies Council that its Australian operation acts in accordance with the principles set out in this Code and is predominantly under the control of Actuaries who are working for it on a full time basis.