

# Institute of Actuaries of Australia

## Notice to Members

### Code of Conduct

Over the past twelve months a Taskforce comprising Kerry Roberts (Convenor), Chris Latham, Geoff Walker, Catherine Beall and Carolyn MacLulich (Secretary) has undertaken a review of the IAAust Code of Conduct and Guidance Note 1.

The key issues considered by the Taskforce were:

- Professional Indemnity Insurance
- Changing Forms of Remuneration
- Role of the Senior Actuary
- Provision of Actuarial Advice
- Actuarial Firms
- Reporting Professional Misconduct

As part of its process, the Taskforce considered similar codes from overseas actuarial bodies and the local accounting organisation. Members commented on the Exposure Draft following its release in July and at Sessional Meetings during August. The IAAust Council approved the revised Code and GN1 at its meeting on 11 December 2001 and the new Code of Conduct is effective immediately.

The Code of Conduct is a primary tool for professionalism within the actuarial profession and the membership of the IAAust. It is important that all members are familiar with the contents of the Code and its accompanying Guidance Note.

A copy of the Code of Conduct and Guidance Note 1 is available on the IAAust website [www.actuaries.asn.au](http://www.actuaries.asn.au) and a printed version for your Professional Standards folder will be distributed in January.

### Disciplinary Scheme

The new Disciplinary Scheme was approved along with the revised Constitution for the IAAust at the Annual General Meeting on 10 December 2001. These documents are currently being registered with the Australian Securities and Investment Commission as required by law and will be circulated to members in full following registration (early 2002). However, there are two rules within the new Disciplinary Scheme that members should be aware of immediately. Access to the full document is available on the IAAust website at [www.actuaries.asn.au](http://www.actuaries.asn.au) Rules 4 and 5 are reproduced below for your immediate information.

#### Rule 4

For the purposes of this scheme:

- (a) 'Actionable Conduct' means: (i) professional misconduct; (ii) unsatisfactory professional conduct; or (iii) conduct likely to bring discredit upon the Institute or the profession of actuary; and includes: (iv) aiding, abetting, counseling, procuring, inducing or attempting to induce, another person to engage in or commit conduct described in (i), (ii), (iii); and (v) being knowingly concerned in or a party to conduct described in (i), (ii) or (iii) engaged in or committed by another person.
- (b) 'unsatisfactory professional conduct' includes: (i) conduct (whether by act or omission) occurring in connection with actuarial practice that falls short of the standard of competence and diligence that a member of the public is entitled reasonably to expect of an actuary; and (ii) a substantial or persistent breach of or non-compliance with the code of conduct of the Institute or a published professional standard or mandatory guidance note of the Institute.
- (c) The fact that a Member: (i) is or has been convicted of a criminal offence or found to have acted fraudulently or dishonestly by any court or tribunal of competent jurisdiction in Australia or elsewhere; or (ii) is or has become 'insolvent under administration' as defined in Section 9 of the Corporations Act; is *prima facie* evidence of Actionable Conduct by that Member.

Rule 5

A Member to whom paragraph © (i) or © (ii) of Rule 4 applies must notify the Institute of any event referred to in one of those paragraphs:

- (a) if the event occurs after the Commencement Date – within seven days after the occurrence of the event; and
- (b) if the event occurred within the period of three years before the Commencement Date – within 60 days after the Commencement Date.

Please Note: members to whom Rule 5(b) applies have 60 days from 10 December 2001 to inform the IAAust of the details (in writing to the CEO marked Private and Confidential).



Helen Martin  
President  
20 December 2001