



Institute  
and Faculty  
of Actuaries

# Annual Report

of the Disciplinary Board of  
the Institute and Faculty of Actuaries

For the period 1 March 2020 to  
31 May 2021<sup>1</sup>

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<sup>1</sup> This report covers the final 15 month reporting period of the Disciplinary Board.

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## Chair's Report



This is my second Annual Report of the Institute and Faculty of Actuaries' (IFoA) Disciplinary Board. When commencing my role as lay Chair of the Board I never envisaged the challenging times ahead. Like all

organisations, the impact of the COVID-19 pandemic has created a new set of challenges. However, I am pleased to be able to report that the Disciplinary Board has continued to meet regularly, albeit remotely. Also, the Executive rose to the challenge and, in a relatively short time, made a successful shift to holding hearings remotely.

It has also been a transitional period in relation to the IFoA's regulatory governance arrangements. This included the creation of a new and more independent Regulatory Board which will have responsibility for all aspects of the IFoA's public interest regulatory role. Oversight responsibility for the disciplinary process will transfer to the new Regulatory Board, supported by a smaller Disciplinary Committee, which will report to it. As Chair of the Disciplinary Committee I will endeavour to ensure that the new governance arrangements are as streamlined and effective as possible.

This will be my last Annual Report as Chair of the Disciplinary Board but I will continue working with the IFoA as Chair of the newly formed Disciplinary Committee and also as a member of the Regulatory Board. While much of the day to day work of the Disciplinary Committee will be similar, I am looking forward to contributing to the Regulatory Board's effective delivery of the IFoA's regulatory function.

The pandemic has had an impact on the delivery of the Board's objectives for 2020/21. The Executive's capacity has been affected by personal caring responsibilities. The Scheme Review was paused for a period to ensure that the Executive's focus was on investigating public interest cases. Section 1 provides a review of the year and what has been achieved in challenging circumstances.

Section 2 of this Report sets out the objectives for the Disciplinary Committee for the upcoming period of 1 June 2021 – 28 February 2022. Some of the objectives from the previous reporting year have been carried over. The overall focus will be on progressing cases, approving the new Disciplinary Scheme and

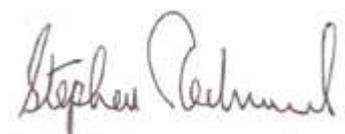
delivering online training to the Disciplinary and Investigation Actuaries pools.

Section 3 of this Report provides details of the 2020/21 caseload which remains at similar levels. It has been no small feat that the IFoA has managed to hold six remote hearings over the reporting period. The successful transition to remote hearings has ensured that cases have been both heard and concluded. The Executive will continue to focus on progressing cases as quickly as possible and remote hearings will continue for the foreseeable future.

This has been a challenging year and I am grateful for the continued commitment of this Board, lay and volunteer members who work in the disciplinary process and the Executive. I am feeling positive about the upcoming year and I look forward to working with the Executive in progressing the Scheme Review and delivering on the Committee's objectives.

Lastly, but not less significantly, I would like to pass on my gratitude to retiring members of the Disciplinary Board - Simon Martin, Gordon Sharp, Athene Heynes and Simon O'Regan, and also the Convener of Disciplinary Tribunals, Paul Housego. I am continually impressed by the role that both volunteers and lay people play in the disciplinary process and feel fortunate to work with such knowledgeable and dedicated individuals.

If you have any comments on this Report, which covers the final period for the Disciplinary Board of 1 March 2020 – 31 May 2021, or our disciplinary work, please contact the Secretary via:  
[Disciplinary.Committee@actuaries.org.uk](mailto:Disciplinary.Committee@actuaries.org.uk).



**Stephen Redmond**

Lay Chair of the IFoA Disciplinary Board

# 1. Review of the Year

## 2020/21 Objectives

The Board is pleased to report on progress made during 2020/21. The following table sets out each objective and what has been achieved over this challenging year.

<p><b>Scheme Review:</b> We will progress the review of the Disciplinary and Capacity for Membership Scheme with the rules and regulations being presented to the Board.</p>
<ul style="list-style-type: none"><li>• The Working Party will present further detailed proposals to the Board at its 2020 meetings. These proposals and the underlying principles approved in 2019 will form the basis of the drafting of the rules and accompanying regulations.</li><li>• The detailed rules and regulations will be presented to the Board for approval.</li><li>• We will continue to engage with key stakeholders throughout the Scheme Review. Further focused engagement will take place after the Board has had the opportunity to consider and approve the rules and regulations.</li><li>• We will present the output from the Scheme Review project to Council in 2021.</li></ul>
<p><b>What we have achieved</b></p> <ul style="list-style-type: none"><li>• Due to the impact of the pandemic on resources, the Working Party was paused over the period April to September 2020 to focus resources on progressing the investigation caseload and holding disciplinary hearings remotely. This has shifted the timeframe for this project.</li><li>• The Working Party recommenced in September 2020 and further detailed proposals were presented to the Board at its December 2020 and March 2021 meetings. These proposals covered the subjects of readmission to membership, advisory reports, the appointments process, duty to self-report, the adjudication panel stage and the Capacity for Membership process.</li><li>• The Board approved all of these detailed proposals with only minor amendments being required. The Board continues to be encouraged by the quality of work produced by the Working Party.</li><li>• A summary of the proposals have been shared with the Disciplinary Pools (Panel Members, Investigation Actuaries and Legal Advisers) via the regular disciplinary newsletters.</li></ul>
<p><b>What next</b></p> <ul style="list-style-type: none"><li>• The remaining detailed proposals will be presented to the Board at its June 2021 meeting.</li><li>• A full set of rules and regulations will be provided to the Board at its December 2021 meeting.</li><li>• Communications with stakeholders will take place after the Board has had the opportunity to consider and approve the rules and regulations.</li><li>• The output from the Scheme Review is scheduled to be presented to Council in summer 2022. The member vote will follow shortly after.</li></ul>
<p><b>Operational Oversight:</b> We will strengthen our oversight of the disciplinary process and enhance our review of the Tribunal process.</p>
<ul style="list-style-type: none"><li>• We will increase the number of Tribunals we observe to identify any opportunities to improve the efficiency and fairness of the process.</li><li>• We will continue to monitor cost awards at Disciplinary Tribunals, to ensure that where appropriate the wider membership is not exposed to costs arising from investigating acts of misconduct.</li></ul>

- The Determinations Review Sub-committee will continue to review all determinations and provide recommendations to the Board. We will continue to convey key messages from the Sub-committee to Disciplinary Pool members and legal advisers via newsletters and other appropriate means.
- We will carry out sample audits of investigations to identify learning points.

#### **What we have achieved**

- In response to the first lockdown, the Board approved Guidelines setting out the measures the IFoA was taking to ensure disciplinary hearings continued to take place. The implementation of remote hearings minimised disruption.
- A tailored feedback process for observing Tribunals was approved by the Board in March 2020. Individual Board Members observed the majority of Tribunals in 2020/21 and provided feedback to the rest of the Board. The Board observed first-hand the successful transition to remote hearings.
- At the March 2020 meeting, the Board approved the strategic principle that investigation costs incurred before the Adjudication panel stage should be included within the costs applied for by the IFoA at the Tribunal stage. These amendments were made to the Costs Guidance (effective from 7 May 2020) and standard letters sent to Respondents to reflect this approach. The Costs Guidance<sup>2</sup> has also been further amended effective from 20 May 2021 to reflect recent changes in case law regarding when it is appropriate to award costs against a regulator.
- A 'Lessons Learned Review' was carried out in relation to the first case under the Capacity for Membership process. The Board noted changes to the process which had been implemented by the Executive and further process improvements which were referred to the Scheme Review Working Party.
- The Determinations Review Sub-committee continues to review all determinations. Recommendations from the Sub-committee have been approved by the Board and acted on with key messages being conveyed directly to the Conveners and via disciplinary newsletters in August 2020, January and June 2021.
- On the recommendation of the Determinations Review Sub-committee, a separate information note on adverse inferences<sup>3</sup> has been published.
- The Board is currently reviewing some concluded investigations to identify any learning points. The outcome from this exercise will be presented to the Board at its June 2021 meeting.

#### **What next**

- Board members will continue to observe Tribunals. At the June 2021 meeting, Guidelines on measures during the COVID-19 pandemic<sup>4</sup> will be reviewed to consider whether they should be extended.
- The Board will continue to monitor costs awards. At its June 2021 meeting, a paper on costs recovery will be considered and the Committee will reach a view as to whether the process operates as effectively and fairly as possible.
- The Determinations Review Sub-committee will meet on a quarterly basis ensuring that the Board has a report to consider at each scheduled meeting.
- A 'light touch' review of some existing guidance will take place. A more comprehensive review of all guidance and information notes will be carried out as part of the Scheme Review project.

<sup>2</sup> <https://www.actuaries.org.uk/documents/guidelines-disciplinary-tribunal-panels-and-appeal-tribunal-panels-award-costs-0>

<sup>3</sup> <https://www.actuaries.org.uk/documents/adverse-inferences-note>

<sup>4</sup> <https://www.actuaries.org.uk/documents/guidance-note-disciplinary-tribunals-covid-19-event>

**Communication:** We will continue to encourage communication by the IFoA that reinforces the importance of regulatory enforcement and the value to members

- We will continue to work with the IFoA's Communications Team to raise awareness of the disciplinary process, with a particular focus on the key messages from the Scheme Review and educational learning points arising from disciplinary cases.
- We will continue to support clear and comprehensive regulatory communications by the IFoA. The Chairs of the three key regulatory boards (Regulation Board, Lifelong Learning Board and Disciplinary Board) will work collaboratively to achieve this.
- We will seek to influence relevant regulatory projects including the CPD review and the Professional Skills Training videos and use these opportunities to raise members' awareness of the disciplinary process.

**What we achieved**

- Due to the pause in the Scheme Review, the level of communication relating to key messages from the review was scaled back. Stakeholders have been kept informed via disciplinary newsletters and other communications.
- A blog from the Chair was published in July 2020 and provided his reflections on his first year and the disciplinary process. A further blog will be published in June 2021 providing insights from volunteers involved in different roles within the disciplinary process.
- Work has commenced on improving the layout of disciplinary information on the IFoA website to ensure that it is more accessible to all members and the general public.
- The Board supported the regulatory communication issued in April 2020 reassuring members of the approach that would be taken in relation to their membership obligations over this period of uncertainty.
- The project lead for the CPD review presented to the Board in May 2020 and sought the Board's view, from a disciplinary perspective, on the proposed changes to CPD.
- The new Professional Skills Course launched in July 2020 included a specific section on discipline (Stage 1, Module 2).

**What next**

- Communications with stakeholders on the Scheme Review will take place in 2022.
- Amendments to the website will be finalised ensuring key information about the disciplinary process is accessible to stakeholders.

**Training:** We will provide training and support to all members of the Disciplinary Pools.

- Training will be delivered in 2020 to all Disciplinary Pool members and Investigation Actuaries. The 2020 training programme will reflect feedback from the 2019 online training programme and all other relevant feedback.
- We will continue to review regulatory and disciplinary developments in other sectors and ensure that key messages about best practice are passed on to Disciplinary Pool members.

**What we have achieved**

- The Board approved the training programme at its September 2020 meeting. This training programme incorporated feedback from the Determinations Review Sub-committee, both Conveners and direct feedback from the first online training sessions.
- The delivery of the training programme was delayed due to the impact of the COVID-19 pandemic on Executive resources. The Board will reconsider the training programme at its September 2021 meeting and delivery of online training will commence in late 2021.
- Disciplinary newsletters were sent in August 2020, January and June 2021 providing details of regulatory and disciplinary developments to Disciplinary Pool members, Investigation Actuaries and Legal Advisers.

**What next**

- The delivery of the online training programme will commence in late 2021.
- Regular newsletters will continue to be used as a means for highlighting key developments to Legal Advisers, Disciplinary Pool members and Investigation Actuaries.

**Effectiveness:** We will review the effectiveness of the Board and the Determinations Review Sub-committee.

- We will continue to review the Board's own effectiveness and will present a proposal to Council for increasing lay representation on the Board.
- We will review the effectiveness of the Determinations Review Sub-committee and modify the terms of reference, if necessary.

**What we have achieved**

- The IFoA, with input from this Board, carried out a regulatory governance review in 2020/21 which has been approved by Council. The outcome is the creation of one single, new independent Regulatory Board, to take on responsibility for all aspects of the IFoA's public interest regulatory role, including oversight of disciplinary enforcement. The Disciplinary Board will be replaced by a Disciplinary Committee which will have a majority of lay members.
- As part of the implementation of the new governance arrangements, the governance sections relating to the Disciplinary Board and the Disciplinary Appointments Committee were removed from the Disciplinary and Capacity for Membership Schemes. This was approved via an IFoA member vote in May 2021.
- The Board reviewed its own effectiveness and discussed the new ways of working under the new regulatory governance arrangements at a May 2021 strategy session. The Board agreed that it would consider the information that is currently made available to it and whether further steps could be taken to strengthen its oversight function further.
- At its November 2020 meeting, the Determinations Review Sub-committee carried out a review of its effectiveness. The Board agreed with the recommendations from this review that the frequency of the meetings should be increased from twice yearly to quarterly. The terms of reference was also amended to include reports from the Independent Examiner within the Sub-committee's remit.

**What next**

- The focus of the next reporting year will be on developing the way of working under the new governance arrangements, once implemented.
- The Determinations Review Sub-committee will meet quarterly and will provide a Report for each Board meeting.

## 2. Looking forward

The upcoming reporting period (1 June 2021 – 28 February 2022) will be the first operating as a Disciplinary Committee. New ways of working will be established which will include increased engagement with the Regulatory Board.

The focus of the Disciplinary Committee for this reporting period will be continuing to effectively oversee the disciplinary process, working towards completing the Scheme Review and overseeing the delivery of online training to the disciplinary pool.

### **Scheme Review: We will progress the review of the Disciplinary and Capacity for Membership Schemes with the rules and regulations being approved by the Committee.**

- The Working Party will present the remaining detailed proposals to the Committee at its June 2021 meeting. These proposals and the underlying principles previously approved will form the basis of the drafting of the Scheme rules and accompanying regulations.
- The underlying principles applying to the updated Scheme, as approved by the Committee and previously by the Board, will be shared with the Regulatory Board.
- At the September 2021 meeting, the Executive will share with the Committee the approach taken to drafting the Scheme rules and accompanying regulations so the Committee can provide its approval, in principle.
- The Committee will be asked to consider and approve the Scheme and accompanying regulations at its December 2021 meeting.
- Once the Committee has approved the Scheme rules and accompanying regulations these will be shared with the Regulatory Board for its strategic review of the new Scheme and accompanying regulations.

### **Training: We will provide training and support to all members of the disciplinary pools.**

- At its September 2021 meeting, the Committee will revisit the previously agreed training programme to ensure that it covers the key areas and any recent developments.
- Once the training programme is approved, delivery of the online training will commence in late 2021.
- Disciplinary newsletters will continue to be used as a means for highlighting key developments to Legal Advisers, Disciplinary Pool members and Investigation Actuaries.

### **Operational Oversight: We will continue to strengthen our oversight of the disciplinary process to ensure that it operates as effectively and fairly as possible.**

- We will continue to observe Tribunals and we will consider whether remote hearings should be the default approach going forward.
- At its June 2021 meeting, the Committee will consider a paper on costs recovery and will reach a view as to whether the process operates as effectively and fairly as possible.
- The Determinations Review Sub-committee will continue to meet quarterly and provide a report for each Committee meeting. Where appropriate, steps will be taken to implement the recommendations of the Sub-committee.
- Some of the existing guidance will be reviewed with a substantive review being carried out as part of the Scheme Review.
- We will liaise with the IFoA's Diversity, Equality and Inclusion workstream to agree an approach to collecting data and monitoring disciplinary outcomes.

**Communication: We will engage with stakeholders on the Scheme Review and work with the Regulatory Board on regulatory communications.**

- We will work with the IFoA's Communications Team on an approach to sharing the key messages from the Scheme Review with stakeholders.
- We will work with the Regulatory Board on key communications relating to regulatory enforcement.
- We will improve the disciplinary section of the IFoA's website to make it more accessible.

### 3. Statistical Report on Casework

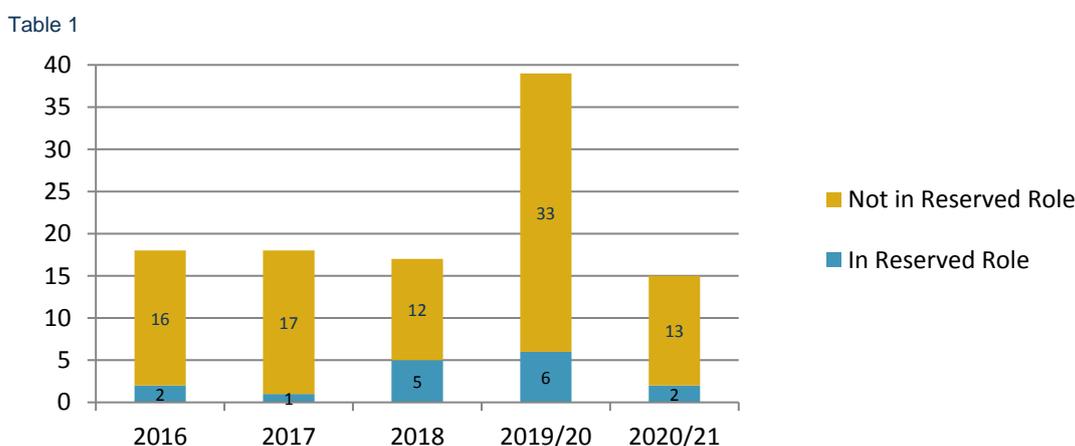
The following statistics provide an insight into the 2020/21 caseload and cover the period 1 March 2020 to 31 May 2021. Comparisons are made with previous reporting periods although it is important to note that from 2019/20 the two reporting periods cover 14 and 15 months respectively.

#### Disciplinary Process Outline

A flowchart outlining the disciplinary process can be seen at **Appendix 3**. Further information about the process can be found on our website, and definitions of terms used in this section are contained in the glossary at **Appendix 4**.

#### 3.1 ANALYSIS OF ALLEGATIONS RECEIVED IN 2020/21

**Table 1** below shows the number of allegations received. In 2020/21, 15 allegations were received - this is similar to previous reporting periods (in 2019/20 one allegation was against 16 individual members of an IFoA Board which accounts for the increase during that reporting period). The table also shows the number of Respondents who work in a Reserved Role, which means they must hold a valid Practising Certificate.<sup>5</sup> Fourteen of the allegations were against UK based members and one against a member based in India.



**Table 2** below reflects the practice areas of Respondents over the last five years. The allegations considered in these cases may not, however, relate to technical work carried out in that area.

Table 2

All Respondents	2016	2017	2018	2019/20	2020/21
Consultancy	1	-	-	-	-
Education	-	-	-	1	-
General Insurance	4	2	4	4	4
Health and Care	-	-	-	1	-
Information Technology	-	-	-	1	-
Investment Management	-	-	-	4	2
Investment Banking	-	-	-	-	2
Life Insurance	3	2	2	3	-
No information recorded	1	2	3	3	2
Other	-	-	-	3	-
Other actuarial	-	1	-	-	-
Pensions	6	5	5	15	4
Risk Management	-	-	1	-	-
Student	1	6	2	4	1
Student – Actuarial Analyst	1	-	-	-	-
Unknown	1	-	-	-	-
<b>Total</b>	<b>18</b>	<b>18</b>	<b>17</b>	<b>39</b>	<b>15</b>

<sup>5</sup> <https://www.actuaries.org.uk/upholding-standards/practising-certificates>

**Table 3** below outlines the main issues raised in the allegations made in 2020/21. Cases routinely contain more than one allegation and so the numbers shown do not correspond to case levels.

Table 3

Issue	Number of instances
Breach of confidentiality	2
Breach of Technical Actuarial Standards	3
Conflict of Interest	0
Continuing Professional Development - non-compliance	0
Criminal Charge/Conviction	0
Discriminatory Behaviour	4
Dishonesty	0
Failure to comply with the Actuaries' Code	3
Inadequate communication	6
Non-cooperation with investigation	3
Role as Expert	3
Role of Scheme Actuary	0
Technical incompetence	4
Unreasonable behaviour	1

**Table 4** below shows the sources of allegations received between 2016 and 2020/21.

Table 4

Source of allegations	2016	2017	2018	2019/20	2020/21
Executive Referral (see glossary at Appendix 4)	13	13	7	6	6
Members of the public	2	3	3	8	4
Other actuaries	3	1	7	24	4
Other regulator	-	1	-	-	0
Trustees	-	-	-	1	0
Other	-	-	-	-	1
<b>Total</b>	<b>18</b>	<b>18</b>	<b>17</b>	<b>39</b>	<b>15</b>

## 3.2 INVESTIGATION STAGE

### 3.2.1 Completed Cases

The Disciplinary Investigations Team completed the investigation stage in 20 cases during 2020/21. Of these, 11 were heard at Adjudication Panels, eight are scheduled to be heard post 31 May 2021 and one respondent agreed a direct referral to a Disciplinary Tribunal Panel. There were no Applications to the Convener for direct referral to Disciplinary Tribunal.

### 3.2.2 Timescales

The investigation process includes a degree of inbuilt flexibility to reflect the issues in every case and to allow case progression in a fair and appropriate manner. The current Board policy<sup>6</sup> outlines how long it expects an investigation to take, categorised on a straightforward (up to six months), intermediate (up to nine months) and complex (up to 18 months) basis. Categorisation is agreed with the Investigation Actuary and the Chair of the Investigation Actuaries' Pool at the outset and is reviewed throughout the investigation. The Board scrutinises the IFoA's compliance with these timescales and also how the IFoA manages expectations of all individuals involved in relation to timescales.

Of the 20 cases completed at investigation stage during 2020/21, 16 were finalised within the Board's maximum policy of 18 months. The Board receives regular updates and was content with the reasons why additional time was required.

<sup>6</sup> <https://www.actuaries.org.uk/documents/guidance-time-frames-investigations-and-proceedings-under-disciplinary-scheme>

### 3.2.3 Ongoing Investigations

As at 31 May 2021, there were 11 ongoing investigations.

## 3.3 ADJUDICATION PANELS

### 3.3.1 Cases Heard at Adjudication Panels in 2020/21

During 2020/21 Adjudication Panels considered 19 Case Reports and one Advisory Report. Of the 20 cases considered, one related to allegations received in 2017, three from 2018, 10 from 2019 and six from 2020. Two of the cases heard related to members based in India, one to a member based in Spain with the remaining based in the UK.

### 3.3.2 Outcomes of Cases Heard at Adjudication Panels in 2020/21

**Table 5** below details the outcomes of the cases considered at Adjudication Panels in 2020/21.

Table 5

Determinations	Number of Cases
Allegations dismissed	7
Misconduct – sanctions accepted by Respondent	7
Misconduct – Respondent did not accept the finding so referred to Disciplinary Tribunal Panel	1
Misconduct – Respondent did not respond so referred to Disciplinary Tribunal Panel	2
Panel referred the case to Disciplinary Tribunal Panel	3

In the cases that were dismissed, the Adjudication Panel did not consider there was *prima facie* evidence of Misconduct. Where an Adjudication Panel has dismissed a case, the Respondent and the person who made the allegation both receive the Panel's full determination. The determination in dismissed cases is not otherwise published and remains confidential.

Misconduct was found and sanctions accepted by the Respondent in seven cases:

- One case where the Respondent marketed a Solvency 11 model that was not fit for purpose and where Reports prepared by the Respondent for insurance companies breached the requirements of TAS R and TAS D.
- One case where the Respondent when resigning as Scheme Actuary to a Pension Scheme failed to adequately advise the incoming scheme actuary that the Scheme's early retirement reductions were too severe, the late retirement factors were overgenerous, and the commutation factors were too low.
- One case where the Respondent, when appointed to prepare a report as a single joint expert to report on the division of pension assets during divorce proceedings, prepared a report which was inadequate and did not meet the requirements of the Respondent's instructions.
- One case where the Respondent disclosed information about a former employee which was incorrect and subject to a compromise agreement.
- One case where the Respondent, when acting as Scheme Actuary failed to advise the trustees of a potential legal breach.
- One case where the Respondent, when acting as Scheme Actuary overvalued the Scheme's shareholding in certain investments as a consequence of which contributions to meet the Scheme's deficit were understated in reports.
- One case where the Respondent posted offensive comments on social media.

Details of all cases where the Adjudication Panel made a *prima facie* finding of Misconduct, which was accepted by the Respondent, can be found at the determinations page on our website.<sup>7</sup> A summary of each determination is also published in The Actuary magazine.<sup>8</sup>

**Table 6** below details findings accepted by the Respondent at Adjudication Panel Hearings in 2020/21.

Table 6

Findings accepted by Respondent	Number of Cases
No Sanction	1
Reprimand	2
Reprimand and fine (fines imposed ranged from £1,000 to £7,500)	4

### 3.3.3 Adjudication Panel Timeframes

The Disciplinary Board has set the following timeframes in relation to the Adjudication Panel stage:

- Adjudication Panels should normally be held within six weeks from when the Judicial Committees Secretary receives the Case Report; and
- Where a sanction is offered, determinations should be issued within six weeks of the Adjudication Panel; this includes 21 days for the Respondent to consider and respond to the invitation. If a sanction is not offered, determinations should be issued within three weeks of the Adjudication Panel.

Adjudication Panel meetings continue to be held as quarterly events. Of the 20 cases heard at Adjudication Panels four were concluded within the six week prescribed time frame. Of those heard outside of the six week timeframe, seven were concluded within six to nine weeks and five were concluded between 10 to 12 weeks. There were also four cases that exceeded 12 weeks. The Board was satisfied that in each of the cases the excess time was minimal and was due to operational efficiencies to hear multiple cases at quarterly events. Specifically in relation to the four cases that exceeded 12 weeks the excess time was also attributed to the requirements for addendum reports, extension applications (on behalf of Respondents) granted by the Convener and/or re-listings due to panel conflict issues.

All determinations were issued within prescribed timeframes.

## 3.4 DISCIPLINARY TRIBUNAL PANEL HEARINGS

### 3.4.1 Hearings Held in 2020/21

During 2020/21, five Disciplinary Tribunal Panel Hearings were held, at which six cases were considered. Of those six cases, one related to an allegation received in 2016, one from 2018 and four from 2019. One of the cases heard related to a member based in Switzerland, one to a member based in Malaysia and the remainder were UK based.

<sup>7</sup> <https://www.actuaries.org.uk/upholding-standards/complaints-and-disciplinary-process/determinations>

<sup>8</sup> <https://www.theactuary.com/>

### 3.4.2 Hearing Outcomes

**Table 7** below details the outcomes of the six cases concluded at Disciplinary Tribunal Panels in 2020/21. Published determinations can be found in the disciplinary section of our website.<sup>9</sup>

Table 7

Determinations	Number of Cases
Charge dismissed before tribunal (not published)	3
Findings of misconduct (published)	3

Misconduct was found in three cases; these concerned:

- Two cases where Respondents falsified information in applications for exemption from IFoA exams.
- One case where the Respondent failed to comply with the requirements of the CPD Scheme.

**Table 8** below details the sanctions imposed at Hearings in 2020/21 for the three findings of misconduct.

Table 8

Sanctions	Number of Cases
Exclusion – one year	1
Exclusion – three years	1
Expulsion – five years	1

### 3.4.3 Disciplinary Tribunal Panel Timeframes

All Disciplinary Tribunal Panel Hearings should take place within six months of a referral to a Tribunal. Of the six cases heard at a Hearing in 2020/21, none were held within the Board timescales. This timescale includes the time taken to prepare and serve the charge and schedule the Tribunal. The Board was regularly informed of any delays and accepted there were good reasons for them. However, it is conscious that the accepted timescales should be complied with, wherever possible, so as to ensure the prompt conclusion of cases which is in the interests of all parties. Some of the delay was COVID related as the IFoA adjusted from in-person to remote hearings.

As at 31 May 2021 there were six tribunal cases awaiting a Disciplinary Tribunal Panel Hearing.

## 4. Cost Awards at Disciplinary Tribunal Panel Hearings

Unlike earlier stages of the disciplinary process, it is possible at the Disciplinary Tribunal Panel stage for either the Respondent or the IFoA to make an application to recover their reasonable costs at the conclusion of the hearing. The Panel will consider any such application and decide whether to award costs.

In each of the three cases where misconduct was found in 2020/21, costs were awarded to the IFoA. The total costs awarded to the IFoA was £17,021.50.

Three cases were dismissed by the Tribunal panel without a hearing of the parties. Determinations where findings of misconduct are not made are not usually published by the Tribunal panels unless requested by the Respondent. Costs were awarded against the IFoA in respect of two of the dismissed cases. The total costs awarded against the IFoA was £69,248.73.

<sup>9</sup> <https://www.actuaries.org.uk/upholding-standards/complaints-and-disciplinary-process/determinations>

**5. Applications to the Independent Examiner**

There were four applications to the Independent Examiner during 2020/21. The Independent Examiner did not accept any of the referrals on the basis that the grounds for referral were not met.

**6. Interim Order Panels**

No Interim Order applications were made during 2020/21.

**7. Appeal Tribunal Panels**

During 2020/21, an application was made by a Respondent to the Chair of the Appeals Tribunal seeking leave to appeal against an unsuccessful cost application. Leave to appeal this decision was refused on the basis that the grounds for appeal were not met.

**8. Capacity for Membership Hearings**

No Capacity for Membership hearings took place in 2020/21.

## Appendix 1

### Membership of the Board

The Board operated independently of the Council of the Institute and Faculty of Actuaries and members of Council could not be members of the Board.

The Board was composed of three lay members, including the Chair, and six Fellows. All were appointed by the Disciplinary Appointments Committee (DAC), which also operated independently of the Board and of Council. (See Appendix 2).

The Board's lay members during 2020/21 were:



#### **Stephen Redmond – Chair**

Stephen has a wealth of experience in professional discipline built from appointments across a wide range of regulated sectors and has worked extensively with regulatory bodies in the UK and internationally. Stephen's professional background includes experience as a senior HR consultant for the British government with the governments of Bangladesh, India, Russia, Africa and Eastern bloc countries.

Stephen is currently Chair of the Central Arbitration Committee for Great Britain and was Chair of Independent Appointments to the Bar Standards Board until January 2019. His professional disciplinary experience also includes Lay Panel and Chairing roles for the Health and Care Professions Council, Nursing and Midwifery Council, Doctors and Dentists Disciplinary Appeals Panels and the Judicial Appointments Commission.



#### **Athene Heynes (until December 2020)**

Athene is a solicitor and was in private practice for many years, becoming a Partner and heading the Family Law division of her firm. In 1993, Athene was appointed by the Lord Chancellor to the Judiciary as a full time Chair in the Tribunal Service. In 1996, the President of the Tribunal Service appointed her as National Chair of the newly formed Child Support Appeal Tribunal.

In 2005, Athene decided to retire early from full time work. Since then, she has chaired many and varied professional regulatory committees and held chairmanships and directorships of professional disciplinary boards.



#### **Velia Soames**

Velia is a solicitor with substantial experience in regulation and complaints handling work. Having started out as a litigator in private practice she then moved into public service as a lawyer, first at the Pensions Ombudsman's Office then at other professional regulatory and membership bodies; her most recent roles have been at CIMA and the Royal College of Veterinary Surgeons.

She is currently the Independent Reviewer for the Bar Standards Board and also serves as a case examiner at the NMC and as a lay member of the Public Protection Committee at the British Association of Counselling and Psychotherapy.

The Board's actuarial members during 2020/21 were:



**Kevin Doerr FIA**

Kevin joined Commercial Union in 1983. After completing his actuarial exams in 1986 he worked in various roles as part of the finance team and, for two years, as manager of the regional administration centre for Scotland and Northern Ireland. He moved to Scottish Widows in 1999, initially as part of the project to implement its demutualisation and then becoming with-profits actuary in 2005. He retired in May 2017. Kevin was also a trustee director of the Scottish Widows Retirement Benefits Scheme from 2013 until March 2020.



**Simon Martin FIA (until December 2020)**

Simon has recently retired, having been a pensions specialist for nearly 40 years. Simon has made a valuable contribution to the profession in a variety of posts, including involvement in the design and delivery of CPD and professionalism courses for new and experienced members. He has been an IFoA Staff Actuary, and an Investigation Actuary under the Discipline Scheme.

Before he retired, Simon was a Partner in the Retirement and Investment Business at Aon, specialising in delivering investment advice to defined benefit pension schemes.



**Simon O'Regan FIA**

Simon qualified as an actuary in 1984. His global career has covered a wide range of financial services areas, including life and health insurance, pensions and investments. Simon was educated in South Africa, and worked for a number of life insurance companies in Ireland, Zimbabwe and the UK before joining Mercer in 1988. Simon became CEO of Mercer in Australia in 2001, then CEO of Mercer UK, Mercer Europe and finally Mercer US/Canada, retiring in 2017. Simon is now an active non-executive director of a number of organisations, public, private and governmental.



**George Russell FIA**

George joined the Government Actuary's Department (GAD) in 1994, following qualification with Bacon & Woodrow. He led the GAD pensions policy and demography team between 1998 and 2009, being seconded over this period to the Department for Work and Pensions and to the Pensions Regulator. He then served as Deputy Government Actuary until 2015, responsible for the oversight and operational management of the pensions teams in GAD's London and Edinburgh offices. He currently heads up GAD's Edinburgh office, leading the coordination of GAD support to the Scottish Government and to the Northern Ireland Executive.



**Gordon Sharp FFA (until December 2020)**

Gordon joined Scottish Widows in 1974 and qualified as an FFA in 1979. He spent most of his career in pensions and investment consultancy, with Godwins Ltd (now part of Aon Hewitt) and with KPMG. He retired from KPMG in 2013, where he was the senior professional actuary in the pensions practice. He has served in several roles in the profession, including Chairman of the Pensions Board and Chairman of the Continuous Mortality Investigation, and was a member of the Council of the Faculty.



### **Jim Webber FIA**

Jim qualified as an actuary in 1982 while working in the life insurance business of GRE. He then moved into consulting, becoming a partner of Tillinghast Towers Perrin (now part of Willis Towers Watson). He joined Norwich Union in 1991 and worked in a number of senior actuarial roles including Group Actuary and Chief Risk Officer for Aviva plc. Before retiring in 2018, Jim worked in education for several years, most recently leading the Actuarial programmes at Queen Mary University of London. Jim joined the Disciplinary Board in 2015, after acting as an Investigation Actuary for several years.

The Disciplinary Board held five board meetings during 2020/21. The minutes of these meetings can be found on the [Disciplinary Committee](#) pages of our website.<sup>10</sup>

The number of meetings each Board Member attended in 2020/21 (as compared to the number they were eligible to attend) is shown in the table below. The Board was quorate at all of its meetings.

<b>Board Member</b>	<b>Number of meetings attended</b>
Stephen Redmond, Chair	5/5
Kevin Doerr	5/5
Athene Heynes	2/4
Simon Martin	4/4
Simon O'Regan	5/5
George Russell	5/5
Gordon Sharp	4/4
Velia Soames	5/5
Jim Webber	5/5

<sup>10</sup> <https://www.actuaries.org.uk/about-us/governance-and-structure/other-boards-and-committees/disciplinary-board>

## Appendix 2

### The Disciplinary Appointments Committee

The Disciplinary Appointments Committee (DAC)<sup>11</sup> was comprised of six members, four of whom are Fellows and the remaining two, including the Chair, are lay members.

The lay members in 2020/2021 were:

- Richard Jones QC (Chair)
- Kim Maidment

The actuarial members in 2019/2020 were:

- Jane Curtis FIA (until September 2020)
- Brian Duffin FFA
- Fiona Morrison FIA
- Helena Ingram FIA (from July 2020)
- Sukie Harrar FIA (from September 2020)

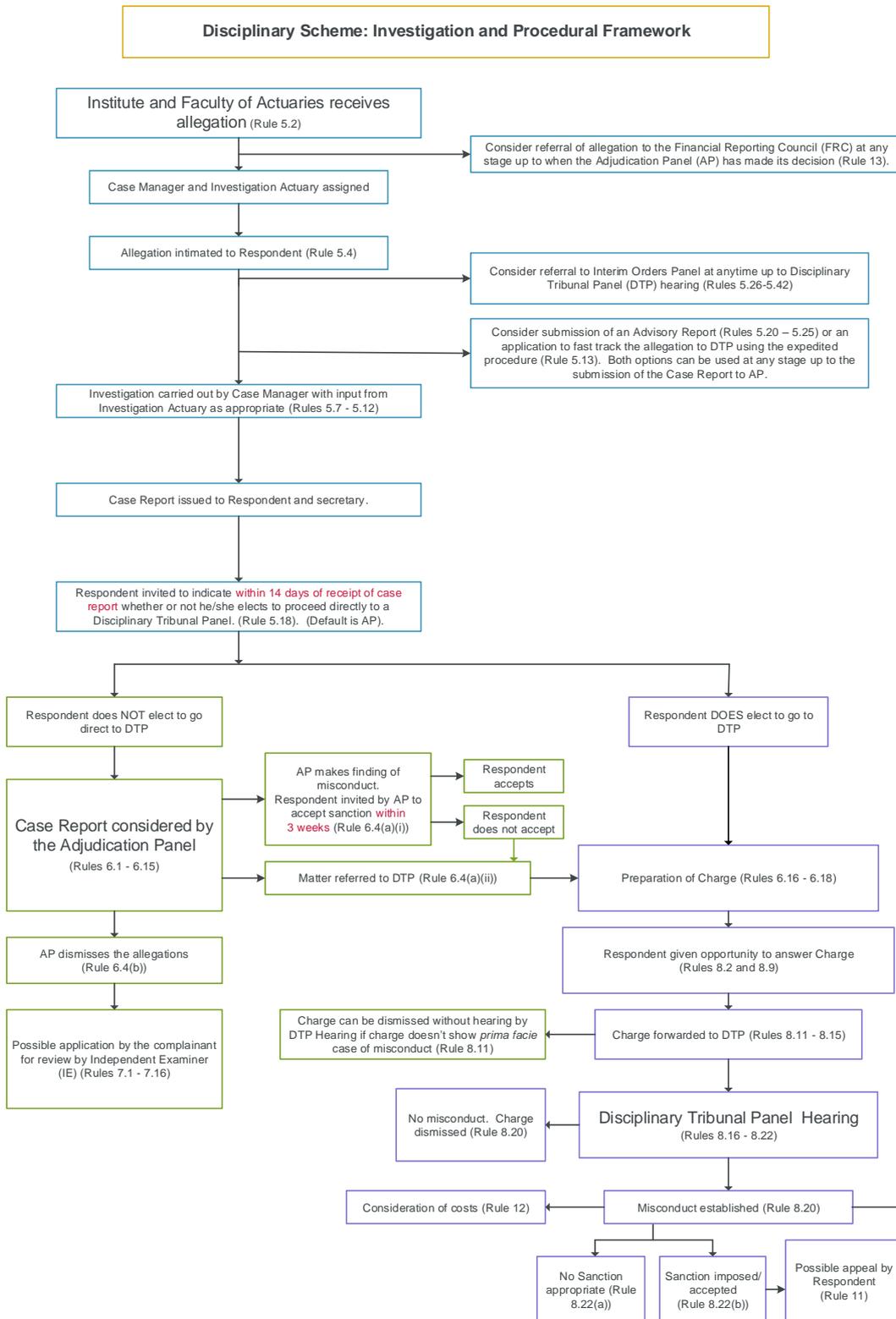
The DAC operated independently of the Disciplinary Board and Council. The DAC's role was to oversee all appointments, renewals and appraisals for individuals involved in the disciplinary process. The DAC met four times a year.

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<sup>11</sup> <https://www.actuaries.org.uk/about-us/governance-and-structure/other-boards-and-committees/disciplinary-appointments-committee>

# Appendix 3

## Disciplinary Framework



Note: The Capacity for Membership process provides an alternative process where the Respondent’s health may have been materially impaired at the time of the alleged misconduct and continues to be a significant factor. An Application for transfer to the Capacity for Membership process can be made at any stage up until when the final determination is issued.

## Appendix 4

### Glossary of Terms

Term	Definition
Adjudication Panel	A Panel appointed to consider the outcome of the initial investigation, which is presented in a Case Report, or Advisory Report. For Case Reports, the Panel will determine whether or not the matters disclose <i>prima facie</i> evidence of Misconduct and agree the next step in the disciplinary process, including the option to refer to a Disciplinary Tribunal Panel. The Adjudication Panel meets in private and is comprised of at least three Panel members, one of whom is always a lay member. For further information see the “About Adjudication Panels” note on our website. <sup>12</sup>
Advisory Report	Submitted to an Adjudication Panel by the Case Manager and the Investigation Actuary recommending that the investigation should be discontinued. This is usually when it is considered that the allegation, even if found proven, would not disclose a <i>prima facie</i> case of Misconduct.
Appeals Tribunal	In the event that a Respondent wishes to dispute the findings of a Disciplinary Tribunal Panel, the Scheme allows a right to appeal.
Application to Convener/ Expedited procedure	If the Case Manager and Investigation Actuary consider it to be in the interests of the public and/or the actuarial profession to refer the allegations directly to a Disciplinary Tribunal Panel, rather than an Adjudication Panel, they can make such a referral prior to the Case Report being prepared. If the Respondent does not agree to such a referral, the Case Manager and Investigation Actuary can make an application to the Convener of the Adjudication Panel who will decide whether or not the matter shall be referred directly to a Disciplinary Tribunal Panel.
Capacity for Membership	The Capacity for Membership process was introduced on 1 February 2018. This process provides an alternative route for cases where the current capacity of the Respondent is impaired and this impairment is relevant to the allegation or charge. An information note which helps explain how this process works can be found on the IFoA website. <sup>13</sup>
Case Report	A Case Report sets out the allegations made against the Respondent and contains all the relevant facts and information obtained during the investigation but does not set out any recommendations. The Respondent is given the opportunity to comment on the Case Report before an Adjudication Panel considers whether or not there has been Misconduct.
Determination	Decision of an Adjudication or Disciplinary Tribunal Panel. Published determinations can be found in the disciplinary section of our website. <sup>14</sup>

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<sup>12</sup> <https://www.actuaries.org.uk/documents/about-adjudication-panels>

<sup>13</sup> <https://www.actuaries.org.uk/upholding-standards/complaints-and-disciplinary-process/disciplinary-and-capacity-membership-schemes>

<sup>14</sup> <https://www.actuaries.org.uk/upholding-standards/complaints-and-disciplinary-process/determinations>

<b>Term</b>	<b>Definition</b>
Disciplinary Tribunal Panel (DTP)	A DTP is convened to consider matters which have not concluded at Adjudication stage, or have been referred by the Convener via the expedited procedure. The DTP is comprised of three or more people, at least one of whom shall be a Fellow of IFoA and at least one shall be a Lay person. The DTP is advised by an independent Legal Adviser. The DTP will decide whether the allegations amount to Misconduct and, if so, what the appropriate sanction (if any) would be. DTP Hearings are usually held in public with the notice of the hearing published on the IFoA website. See further information on our website. <sup>15</sup>
Exclusion/Expulsion	The sanction where the Misconduct found proved is of such gravity that the reputation of the profession or the public interest requires that the Member is no longer able to practice or claim membership of the profession. Exclusion is the order where membership has already ceased at the time of the Disciplinary Tribunal Panel; expulsion where membership is current.
Executive Referral Process	This process allows the IFoA to formally instigate a case investigation in the absence of an individual/organisation raising an allegation against a Member. Each referral is independently reviewed by the IFoA General Counsel (or appropriate senior deputy) and the Chair of the Investigation Actuaries' Pool before a decision is taken to instigate a formal investigation. This is also the approach followed where a member self-refers in relation to their own possible Misconduct.
Independent Examiner	If an Adjudication Panel decides that there is no <i>prima facie</i> case of Misconduct, the person who made the allegation can refer the case to an Independent Examiner for review, if the grounds set out in the Scheme are met. The Independent Examiner is completely independent of the IFoA. See note on our website. <sup>16</sup>
Interim Order	An urgent application to impose provisional restrictions on a Member's ability to practice, pending the outcome of the disciplinary proceedings. The IFoA will use this facility in compliance with its duty to protect the public, where the facts and circumstances merit.
Lay Member	Not a member of the IFoA.
Misconduct	Defined at rule 4.2 of the Scheme and includes any conduct, whether committed in the UK or elsewhere, in the course of carrying out professional duties or otherwise constituting failure by that Member to comply with the standards of behaviour, integrity, competence or professional judgement which other Members or the public might reasonably expect of a Member having regard to the Rules and Bye-laws and/or relevant standards or guidance.
Practising Certificates	Granted by the IFoA and demonstrate that the holder is fit and proper and has the necessary skills and experience to potentially carry out reserved work (see definition below), thereby protecting the public interest. See further information on the IFoA website. <sup>17</sup>

<sup>15</sup> <https://www.actuaries.org.uk/documents/disciplinary-tribunal-panel-information-respondent>

<sup>16</sup> <https://www.actuaries.org.uk/documents/independent-examiner-information-respondent>

<sup>17</sup> <https://www.actuaries.org.uk/upholding-standards/practising-certificates>

<b>Term</b>	<b>Definition</b>
<i>Prima facie</i>	Adjudication Panels do not conduct a full hearing with witnesses, nor do they determine the facts on the balance of probabilities. Instead, they consider whether, on the face of it, there appears to be sufficient evidence to proceed to a Tribunal if required.
Reserved Role	Specific roles identified in legislative, regulatory requirements and/or guidance, which are reserved for actuaries, or which are commonly held by actuaries. Members in these reserved roles must hold a Practising Certificate (see definition above).
Respondent	A member (or former member) of the IFoA who is the subject of an Allegation of Misconduct.
the Scheme	IFoA Disciplinary and Capacity for Membership Schemes, effective 1 February 2018. <sup>18</sup>
Scheme Actuary	An actuary appointed to give advice to trustees in a pension scheme.

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<sup>18</sup> <https://www.actuaries.org.uk/documents/disciplinary-and-capacity-for-membership-schemes>

## Appendix 5

### Board Remit<sup>19</sup>

- 2.41 The functions of the Disciplinary Board shall comprise:
- (a) overseeing the management and operation of this Scheme;
  - (b) deciding the maximum fine which an Adjudication Panel may invite a Respondent to pay under rule 4.6(b);
  - (c) providing biannual reports to the Council and such other interim reports on specific issues as it deems necessary;
  - (d) producing an annual report to the Institute and Faculty of Actuaries;
  - (e) setting and monitoring time frames for investigations and proceedings under this Scheme;
  - (f) organising training of those involved in this Scheme;
  - (g) receiving and considering reports from the Independent Examiner, from any Chairman, committee, panel or tribunal appointed under this Scheme, from the FRC regarding allegations considered under the FRC Scheme and from the Chief Executive of the Institute and Faculty of Actuaries on the operation of this Scheme;
  - (h) making and varying such regulations (not being inconsistent with the provisions of the Charter, the Bye-laws, Rules or this Scheme) as it may consider necessary for the implementation of this Scheme and for the performance by Investigation Actuaries, Interim Orders Panels, Adjudication Panels, Disciplinary Tribunal Panels and Appeal Tribunal Panels of their respective functions under this Scheme;
  - (i) providing guidance on procedure it considers appropriate not being inconsistent with this Scheme for the performance of functions under this Scheme;
  - (j) giving feedback to the Council, and/or the FRC and/or any of its operating bodies on lessons learned from any proceedings conducted under this Scheme, in respect of any standards, advice, guidance, memorandum or statement on professional conduct, practice or duties issued by them;
  - (k) providing such guidance on procedure as it considers necessary for the performance by the Institute and Faculty of Actuaries of functions under rule 1.23;
  - (l) providing advice and guidance to the Council about entering into mutual disciplinary agreements with actuarial regulatory bodies outside the UK who are members of the International Actuarial Association; and
  - (m) such other functions as shall be agreed from time to time by the Council.
- 2.42 The Disciplinary Board may at any time, subject to the agreement of the Council or such other body delegated by them for the purpose, arrange for a review of the provisions and operation of this Scheme or any aspect of it to be undertaken.
- 2.43 The Disciplinary Board shall from time to time provide guidelines for the manner in which sanctions involving education, retraining and/or supervised practice under this Scheme may be imposed. Such guidelines shall be published by the Institute and Faculty of Actuaries.

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<sup>19</sup> From the [Disciplinary and Capacity for Membership Schemes](#), effective 1 February 2018.

## How to contact the Board

### To contact the Board:

**By email:** [disciplinary.committee@actuaries.org.uk](mailto:disciplinary.committee@actuaries.org.uk)

**By Post:** Ms Kirsten Mavor  
Secretary to the Disciplinary Committee  
The Institute and Faculty of Actuaries  
Level 2, Exchange Crescent  
7 Conference Square  
Edinburgh  
EH3 8RA

**By telephone:** +44 (0)131 240 1320

For further information and to see the published minutes of previous Board Meetings, please visit our web pages at:

<https://www.actuaries.org.uk/about-us/governance-and-structure/other-boards-and-committees/disciplinary-committee>

For further information on the disciplinary process, please visit our web pages at:

<http://www.actuaries.org.uk/upholding-standards/complaints-and-disciplinary-process>