

## Discipline Report

This is the twenty-second periodic report to Members, Associates and Affiliates prepared in accordance with Bylaw 20.12(8). Its primary purpose is to educate and inform all Members, Associates and Affiliates about the disciplinary process and current disciplinary activities. Please send any comments on or suggestions for improvements in these reports to me at my *Yearbook* address. Information in this report regarding specific cases represents the status thereof at March 31, 2006.

### 1. Meetings

Since the last Discipline Bulletin of November 2005, the Committee on Professional Conduct (CPC) held a formal meeting on March 3, 2006. The CPC also held one telephone conference call on January 25, 2006. Future meetings of the CPC have been scheduled for May 26, 2006 (Toronto), September 15, 2006 (Montreal) and December 1, 2006 (Toronto).

### 2. Disciplinary Costs (\$000) to March 31, 2006

	FY 05-06		FY 04-05	
	Actual	Budget	Actual	Budget
Legal costs	170	–	340	–
Incremental costs	27	–	55	–
	<b>197</b>	<b>225</b>	<b>395</b>	<b>250</b>
	<b>Actual</b>		<b>Actual</b>	
Costs recovered	7		–	
No. of cases reviewed	22		19	

### 3. Cases

#### (a) Charges filed

Charges were previously filed against a member in connection with various pension plan valuations.

Separate Charges have recently been filed against two Members of the Institute, in connection with the valuation of a pension plan.

A notice of the filing of charges and referral of the charges to a Disciplinary Tribunal of the Canadian Institute of Actuaries was circulated April 12, 2006 to inform members of the Institute and the public about the case in accordance with Bylaw 20.04 (3.1). The Notice can be found on the new discipline section on the public website as described in section 5a below.

Disciplinary Tribunals have been appointed by the Chairperson of the Tribunal Panel, in accordance with Bylaw 20.06(1), and arrangements are being made to hear these charges.

Please note that pursuant to the Bylaws, the Executive Director will publish a Notice to the public and the membership approximately 15 days prior to any hearing before a Disciplinary Tribunal. This notice will include the date, time and place of the hearing and a summary of the charge, and shall disclose the name of the Member, Associate or Affiliate charged.

Anyone who wishes to request more information about the disciplinary process may obtain that information from the Executive Director.

#### (b) Complaints and information

Apart from the cases mentioned in (a) in the period since the November 2005 report, the CPC has considered 10 complaints or other information which might lead to complaints, against 8 Members, Associates or Affiliates.

#### New Cases

- Three new cases have been received for the CPC's consideration. In two of these, the CPC decided to dismiss the matters. In one of these, the CPC decided to refer the complaint to an Investigation Team.

#### Old Cases

- In an earlier case, the CPC decided to obtain further information before deciding how to proceed.
- Upon obtaining further information in two previous cases, the CPC decided to dismiss the matters.
- The CPC had previously referred four cases to four Investigation Teams, whose investigations are continuing.

### (c) Summary by Practice Area

The 22 cases reviewed in the 2005-2006 fiscal year may be summarized by practice area as follows:

Life	4
Pension	12
P&C	0
Workers' Compensation	0
Actuarial Evidence	4
Other	2

### 4. Public Members Added to the Committee on Professional Conduct

The CPC recently welcomed its first public, non actuarial members. Bob Baldwin, a well known pension expert, and Jim McCarter, the Auditor General of Ontario, were selected by a subgroup of the CPC after interviewing a number of well qualified candidates. Their appointment was approved by the CIA Board.

The main reason for adding public members to the CPC was to provide additional perspectives in the CPC's deliberations. Having public members will also improve the transparency and public perception of the work of CPC

Additional information on our two public members is shown below:

#### Bob Baldwin

Bob Baldwin is an Ottawa-based consultant who specializes in pensions, aging society and labour market issues. He is a Senior Associate with Infrometrica Ltd. and an Adjunct Research Professor in the School of Public Policy and Administration at Carleton University.

Bob was Director of Social and Economic Policy at the Canadian Labour Congress from 1995 to 2005 and was their pension specialist from 1977 to 2005. In that capacity, he dealt with the full range of public policy issues with respect to pensions (regulations and tax rules governing workplace pensions; design and role of public pensions). He also bargained pension arrangements and served as a pension plan trustee.

Bob remains active on pension issues and has contributed to a number of consultative exercises of the Canadian Institute of Actuaries. He helps the trade union movement provide input to the OECD's Working Party on Private Pensions. He is also a director of PSP Investments.

#### Jim McCarter, MBA, CA

Jim McCarter's appointment to the position of Auditor General of Ontario became effective on December 17, 2004. Prior to assuming the responsibilities of Provincial Auditor in 2003, Jim had served as Assistant Provincial Auditor of Ontario since April 2000. Before that, he was the Government of Ontario's first Assistant Deputy Minister and Chief Internal Auditor. In this role, Jim's primary responsibility was to lead

a restructuring of internal audit across the Ontario government to enable it to provide more integrated, streamlined, and customer-focused professional audit services.

Prior to serving as the government's Chief Internal Auditor, Jim was an Executive Director in the Office of the Provincial Auditor of Ontario. In 1990, Jim served as Auditor General of St. Kitts and Nevis in the Caribbean on behalf of the Canadian International Development Agency.

Jim is a chartered accountant and earned the Certified Information Systems Auditor designation. He served for a number of years on the Institute of Chartered Accountants of Ontario's equivalent to the CIA's Committee on Professional Conduct.

### 5. Other Initiatives

Three other CPC initiatives have either been completed or are well underway:

#### A. Discipline Section of Public Website

A separate section of the public website dealing with disciplinary issues has been developed to ensure the discipline procedure is more transparent to the public. It will contain historical publications such as Discipline Bulletins and Special Disciplinary Notices. More publicity has been given to the composition of the CPC and its role, by including brief biographical information on CPC members on the website.

#### B. Earlier Announcement of Discipline Tribunals

At the June 2005 annual meeting, the CIA membership adopted Bylaw changes requiring a notice of an upcoming Disciplinary Tribunal to be published within 60 days of the filing of charges. In addition the Bylaw change required the CIA to publish the name of the Respondent.

The first such notice was drafted in late March and was published in early April.

#### C. Speeding up the Discipline Process

A subcommittee of the CPC has been asked to investigate ways of speeding up the current discipline process to ensure complaints are resolved as promptly as possible. As part of this review, the CPC had a conference call with Tom Griffin, legal counsel for the Actuarial Board on Counselling and Discipline (ABCD) in the US to discuss ABCD's approach to investigating and dealing with discipline matters. In addition, the CIA surveyed a number of professional organizations in North American to learn about their discipline processes.

The subcommittee will report to the CPC in late May. Some of the proposals may require Bylaw changes to be implemented.

**Robert J. McKay**  
Chairperson, Committee on Professional Conduct