



Professional Conduct Board Terms of Reference

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1. Establishment of the Professional Conduct Board (PCB)

1.1 The Bylaws of the Canadian Institute of Actuaries (CIA) state the following:

7.2.1.1 The following boards, established by the Institute, shall be under the oversight of the Actuarial Profession Oversight Board:

[...]

ii. **Professional Conduct Board.**

7.2.4 Professional Conduct Board

- 1. The Professional Conduct Board shall have such powers and duties provided in, and not in conflict with, these *Bylaws* and the *Policy on the CIA Disciplinary Process*, adopted in accordance with Bylaw 5.2.2.1, to:**
 - i. uphold and enhance the standards of professional conduct of the members;**
 - ii maintain and promote the good standing and reputation of the Institute and the profession of actuary in the interests of the public and of the members; and**
 - iii handle the Institute's disciplinary matters.**
- 2. The Professional Conduct Board shall consist of at least 10 members, including a chair and vice-chair.**
- 3. Quorum for the conduct of a vote to file a charge against a member is established in Bylaw 10.2.7.**

1.2 The CIA supports the PCB in the performance of its activities. In doing so, the CIA respects the independence of the PCB, which is not subject to direction or influence by the CIA or other representatives of the actuarial profession.

2. Purpose

- 2.1 The purpose of the PCB is to handle all disciplinary matters concerning the Institute's members except the constitution and conduct of disciplinary tribunals. The PCB acts as a prosecutor once it determines that a disciplinary matter requires the filing of a charge.
- 2.2 The PCB provides counselling and education concerning disciplinary matters, in order to maintain high standards of professional practice and ethics, holding the duty of the profession to the public above the needs of the profession and its members.
- 2.3 The PCB also handles disciplinary matters in accordance with the Institute's mutual recognition and disciplinary agreements.

3. Scope

3.1 In accordance with the *CIA Bylaws*, the PCB is responsible for

- investigating enquiries and complaints about the professional conduct of CIA members;
- investigating and handling disciplinary matters emanating from mutual recognition and cross-border disciplinary agreements;
- determining whether or not to lay a disciplinary charge against a CIA member before a disciplinary tribunal or whether to address the situation through other corrective measures; and for
- providing input and advice on the CIA's professionalism education offerings with regard to disciplinary matters and the public interest perspective.

3.2 Section 5 of the *CIA Bylaws* and the [Policy on the CIA Disciplinary Process](#) outline the disciplinary process in detail.

3.3 The PCB collaborates with CIA councils and committees, as well as other external stakeholders, to monitor and discuss matters related to Canadian actuarial practice within the context of the PCB's authority and responsibilities.

4. Authority and responsibility

4.1 In accordance with the *CIA Bylaws*, the PCB has the following authority and responsibilities:

- (a) In collaboration with the Tribunal Panel, oversee the CIA's disciplinary process and recommend changes as needed.
- (b) Assess and manage every complaint alleging that a CIA member has committed an offence, any information that it may receive concerning the conduct of a CIA member and every general inquiry, in accordance with the established disciplinary process and procedures.
- (c) Educate members regarding the operation of the disciplinary process.
- (d) Provide input on professionalism education offered by the CIA.
- (e) Be accountable to the Actuarial Profession Oversight Board (APOB) to demonstrate that the PCB has fulfilled its mandate, as described in these terms of reference, effectively and efficiently.
- (f) Ensure all relevant parties are aware of the disciplinary process and proposed changes and have easy access to such information.
- (g) Ensure that due process for revisions to the disciplinary process is structured in a way which will allow sufficient discussion from all interested parties and meet the rigour expected from a professional organization.
- (h) Advise APOB as to the human and financial resources needed to accomplish the PCB's activities.
- (i) Establish and maintain a current statement of operating procedures which applies to all PCB procedures related to carrying out its responsibilities, which is not in conflict with these terms of reference or the *CIA Bylaws*. The PCB applies those operating procedures, except in

unusual circumstances. In such circumstances the PCB will report the deviation to APOB and recommend appropriate action to resolve the matter on a go forward basis.

- (j) Create such committees of its members as it deems necessary in carrying out its responsibilities.
- (k) Adopt, publish and amend, from time to time, a policy on the CIA disciplinary process, in accordance with Bylaw 5.2.1.3.

5. Membership

- 5.1 The PCB will consist of not fewer than 10 and not more than 15 members, including a chair and a vice-chair. The members of the PCB will be appointed by APOB.
- 5.2 Members of the PCB will be selected to ensure that it has an appropriate balance of competencies and experiences in various areas of practice in order to appropriately execute its responsibilities.
- 5.3 The selection of members for the PCB puts emphasis on the ability of the selected member to be objective and to be able to act independently of other considerations.
- 5.4 The PCB must consist of at least a two-thirds majority of voting members of the CIA who are compliant with the CIA [Qualification Standard – Requirements for Continuing Professional Development \(CPD\)](#). It is desirable, however, to have at least two non-CIA members serving on the PCB.
- 5.5 In general, the expected term of service as a member of the PCB will be five consecutive years, except when moving into the role of chair or vice-chair which would be in addition to the term as member. In order to maintain an orderly transition of members, APOB may extend the term of a member to up to eight consecutive years.
- 5.6 The chair will preside over all PCB meetings and will have a right to vote on any particular item of business for which the chair is not in conflict of interest. The chair shall serve as an *ex officio* participant on APOB and will be the primary liaison with the CIA and other organizations but may delegate attendance at meetings with outside parties as appropriate.
- 5.7 The vice-chair will assume the responsibilities for the chair when absent and will provide other assistance to the chair outside regular meetings as required from time to time.
- 5.8 Members are expected to attend all meetings of the PCB. If any voting member of the PCB either fails to attend more than two regularly scheduled meetings of the PCB in succession, or fails to attend, in any 12-month period, at least two thirds of all regularly scheduled meetings of the PCB, the chair will initiate a conversation with the member as to the reasons for the absences and determine whether the member can reasonably be expected to adequately participate on the PCB on a go forward basis. The chair will report to, and make a recommendation to, APOB concerning the member's ongoing mandate or the need for a replacement, as applicable, including the date at which a replacement would be needed. A member is deemed to be absent from a meeting of the PCB unless the member is in attendance for substantially all of it.
- 5.9 It is expected that the PCB will always have a minimum of 10 members. However, if unlikely events lead to a reduction of the PCB membership below 10, the PCB will report the situation to APOB immediately and request that it be allowed to operate with a membership below the

minimum until such time as a new appointment (or appointments) is made by APOB, to a maximum of six months.

- 5.10 The Executive Director of the CIA will sit as an ex officio participant of the PCB and have a voice in discussions. Ex officio participants will not be entitled to vote and will not count towards the required minimum of 10 members or towards the quorum for a vote on a particular item of business.

6. Meetings

- 6.1 Meetings of the PCB will normally be held not fewer than two times per year, in person, by conference call or by such methods of communication as the PCB may select from time to time by resolution. The PCB's *Statement of Operating Procedures* sets out the detailed procedures and responsibilities related to conducting the business of the PCB.

7. Reporting

- 7.1 The PCB will submit an annual report to APOB on its activities of the year and an annual plan that specifies the PCB's direction and priorities, including a reference to how projects were selected and how priorities were set.
- 7.2 The PCB will report regularly to APOB, as determined by APOB and the chair of the PCB, on the progress of the PCB in relation to its priorities.
- 7.3 The PCB will submit other reports as required by APOB from time to time.

8. Deliverables

- 8.1 In collaboration with the Tribunal Panel, review, at a minimum every five years, the *CIA Bylaws* and *Rules of Professional Conduct* with regard to the disciplinary process.
- 8.2 In collaboration with the Tribunal Panel, review, at a minimum every five years, the CIA's *Rules of Practice and Procedure of a Disciplinary Tribunal*.
- 8.3 Publish, at least twice per year, a discipline report outlining the activities of the PCB, the disciplinary costs incurred during the relevant period as well as information regarding current and past disciplinary cases, as appropriate.
- 8.4 On or around October 31 of each year, in collaboration with the CIA Board, councils and committees, develop an annual plan to address the relevant changing or emerging public interest needs.
- 8.5 Regularly monitor changes arising from experiences of other actuarial organizations, where relevant in Canada, and discuss these new developments by September 30 of each year, for inclusion in the next annual plan, as appropriate.

9. Code of conduct

- 9.1 All members of the PCB are bound by the *CIA Volunteer Code of Conduct* and the *CIA Conflict of Interest Guidelines for CIA Volunteer Groups*. Members of the PCB who are members of the CIA are also bound by the *CIA Rules of Professional Conduct*. All members of the PCB are appointed based on their ability to be objective and to act independently of other considerations.

Notwithstanding any inconsistencies between this section and the terms of said Code, Rules and Guidelines, the terms of this section shall prevail.

9.2 All members of the PCB are required to vote on motions with a view to protect and promote the public interest according to their beliefs, experience and judgment based on information they have and the discussions they have taken part in, and not according to the views of any firm, organization or constituency with which they are or have been associated.

10. Review of terms of reference

10.1 The PCB will review, at a minimum every five years, its terms of reference. The results of the PCB's review of its terms of reference, as well as any recommendations for amendment, will be submitted to APOB. All such amendments to the terms of reference of the PCB will require the approval of APOB and shall not be in conflict with the *CIA Bylaws*.

Approved by APOB on February 10, 2023.