Guidelines on Continuing Professional Development (CPD)

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IAA Strategy

• “To promote professionalism, develop education standards and encourage research, with the active involvement of its Member Associations and Sections, in order to address changing needs” (Mission)

• “Establish, maintain and promote common standards of actuarial education, common principles of professionalism and model standards of actuarial practice for use by member associations worldwide” (Strategic Objective 3)

• “Develop a recommended set of voluntary continuing professional development (CPD) guidelines” (Priority / Action Plan for Strategic Objective 3)
“Guidelines on CPD”

- Developed by Education Committee
- IAA website - Education Committee / Documents
- Will be presented to Council at Zagreb for adoption as IAA policy
Purpose of Guidelines

• Encourage associations to introduce voluntary or mandatory CPD requirements

• Encourage individual actuaries to take responsibility for maintaining competence and professionalism

• Provide practical support to associations and individual actuaries
What is CPD (/ CPE)?

• Development of knowledge, skills and competencies / capability throughout a person’s working life

• Technical, personal, professional, business and management skills
Why CPD?

- Actuarial knowledge and the work environment are constantly changing
  - Products, risks, actuarial techniques, legislation, economic environment, stakeholder expectations, growth of international practice, etc

- Career progression involves new roles and responsibilities
  - Need to build technical, personal, management and professionalism skills

- Protect users of actuarial services
  - Duty to perform work only if competent and appropriately experienced

- Safeguard reputation and status of the actuarial profession
Guidance to Actuaries

• Aim to broaden and improve skills and knowledge
• Set objectives, plan relevant activities, monitor progress
• Maintain a record, including reflections on outcomes
• Amount of CPD should reflect the value of the activities – to what extent do they contribute to professional development?
• Types of CPD – requirements change over course of career
• Integrate with employer’s professional development program
• Include interaction with other actuaries
How is CPD gained?

• Lots of options!
  – Participating in courses, meetings, seminars, colloquia, workshops, webcasts, research, technical committees, etc
  – Teaching or mentoring other actuaries / students
  – Setting or marking actuarial exams
  – Studying for further qualifications
  – Writing papers, giving presentations, reading
  – Taking on new work challenges

• Does the activity result in identifiable personal and professional development?
CPD & Actuarial Associations

- Associations are encouraged to develop and implement a CPD strategy that supports the IAA’s strategic objectives.
- Strategy should encourage or require actuaries to carry out CPD in order to:
  - Maintain their competence
  - Foster high quality in actuarial work
  - Promote the reputation of the actuarial profession
- Include guidance on the amount and type of CPD that actuaries should undertake:
  - Individual actuaries must decide whether they need to do more, for current or future work.
Recommendations to Actuarial Associations

• Specify a minimum formal amount of CPD to be achieved – this should be no less than 15 hours
• CPD could be averaged over a period (a maximum of 3 years is suggested), but some should be recent (e.g. last 18 months)
• Requirements for actuaries in statutory roles may be more onerous and/or specific
• Could stipulate the form of some CPD, especially for statutory roles
  – But relevance is the prime consideration
• Support members by providing methods to record and track CPD
  – Could be a simple spreadsheet
Recommendations to Actuarial Associations

• Consider specifying that CPD should cover management and professional issues as well as technical skills
• Take regulators’ CPD requirements into account, where applicable
• Consider requiring members who do international work to comply with other IAA associations’ CPD schemes
• Consider formally recognising other IAA associations’ CPD schemes
• Actuaries may determine how much of an event is relevant; association may stipulate maximum
• Schemes may differentiate between formal and informal CPD
Monitoring CPD

• Encourage (or require) members to maintain records
• Monitor records, for all members or a sample or subset (e.g. members performing statutory roles)
  – Centralised reporting would assist this
• Some regulatory bodies monitor CPD carried out by actuaries in designated or statutory roles
  – Actuarial association may assist or supplement this
• Where an association sets mandatory CPD requirements, failure to meet them should be considered as evidence of professional misconduct
  – Records may become part of disciplinary process
Providing CPD Activities

• Support uptake of CPD by providing activities
  – Local discussion forums, seminars, workshops etc
  – Opportunities to participate in technical committees
  – Foster research, encourage members to write and present papers
  – Collaborate with providers of “soft skills” training

• Facilitate access to information about other sources of CPD
  – IAA, including Colloquia events organised by Sections and 4-yearly Congress
  – Regional actuarial organizations, e.g. Groupe Consultatif
  – Other actuarial associations
  – Universities, industry bodies, commercial providers
  – Reading materials, electronic learning materials, virtual events
Role of the IAA in CPD

- Establish Guidelines to provide guidance and assistance to associations and individual actuaries
- Organise CPD events, develop CPD materials (e.g. papers)
- Provide information on relevant CPD events and materials
- Foster collaboration between associations in the area of CPD
- Identify CPD topics
- Use reviews of the IAA Education Syllabus as opportunities to suggest CPD topics
- Undertake periodic surveys on CPD among member associations
Survey / Discussion

Qt 1: Has your association introduced mandatory CPD requirements?  
Qt 2: Has your association introduced voluntary CPD requirements?  
Qt 3: Is your association planning to introduce CPD requirements?  

*If your association has (or is planning to introduce) CPD requirements:*  
Qt 4: Are there specific requirements for actuaries in reserved roles?  
Qt 5: Are there specific requirements for actuaries who do international work?  

Qt 6: Many CPD schemes specify requirements in terms of inputs (e.g. number of hours / events). Does your association also consider outputs, e.g. by requiring members to record learning outcomes?
Survey / Discussion

Qt 7: Do members submit their CPD records to the association?

Qt 8: Does your association actively monitor compliance with CPD requirements?
   (a) Associations with mandatory requirements
   (b) Associations with voluntary requirements

Qt 9: What sanctions do you apply for non-compliance?
   - A monetary fine
   - Termination of membership
   - Public reprimand
   - Change in designation / class of membership
   - Something else
   - No sanction
Thank you!