



Guidelines on Continuing Professional Development (CPD)

**Mary Frances Miller
Presidents' Forum**

Sydney, April 2011

With Yvonne Lynch, Erik Alm, Thomas Béhar



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
<http://bit.ly/IAA-CPD>
- 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!