



Continuing Professional Development is one of the key cornerstones of the actuarial profession's continuing commitment to maintaining its well deserved reputation for the highest standards of professionalism.

By ensuring that members remain up to date in their professional and industry knowledge, Professional Standard 1 (PS 1) re CPD plays a central role in achieving effective practice risk management. Its importance is reflected in the fact that non-compliance with the standard may be Actionable Conduct under the Disciplinary Scheme.

Recently, the Institute conducted a survey of members' compliance with PS 1. The response rate of 76% from the 250 members surveyed was excellent and the Institute thanks those who participated for the significant contribution they have made to increasing our knowledge of members' awareness of the CPD requirements and potential issues with PS 1.

The final report of the survey was considered by Council at its May 2007 meeting. The following is intended to:

- summarise the key outcomes of the survey; and
- provide guidance on potential issues that were revealed by the survey, in order that members can be fully prepared for the **planned audit of compliance in 2008**.

Key survey outcomes

Number of CPD hours

A most welcomed aspect of the survey was the evident widespread commitment of members to maintain, improve and broaden their knowledge and skills. Essentially, the CPD requirement is 40 hours per annum. As the following tables show, the members who responded consistently exceeded this minimum.

Average number of CPD hours by member type

Fellows	Accredited Members	Associate	Average
72.00	101.90	151.27	95.15

Average number of CPD hours by practice area

Practice area	Average hours
Life insurance	69.78
Superannuation	68.28
Health	110.34
General insurance	113.93
Risk management	128.00
Other	101.37

Average number of CPD hours by practice area and member type

Practice area	Fellow	Associate	Accredited
Life insurance	71.28	64.74	-
Superannuation	62.50	91.42	-
Health	57.58	163.10	-
General insurance	65.57	190.93	101.90
Risk management	85.67	170.33	-
Other	89.66	167.74	-

Observations emerging

There were several observations arising out of the survey that Council considered deserved some Institute response or needed further follow up with members generally.

These issues included:

- CPD obligations with respect to retired and student members;
- the need for enhancements to the online CPD facility on the Institute's website; and
- member understanding of the CPD obligations, in particular:
 - the application of PS 1 across the membership;
 - an appreciation of the breadth of activities that can qualify as CPD;
 - the requirement to provide CPD records.

Each of these is addressed below.

Response and follow-up

Retired and student members

Following a consideration of the survey results and the requirement in PS 1 for retired and student members to comply

with the CPD obligations or seek an exemption, Council has decided that:

- those members who have retired from all forms of employment (whether paid or not) are automatically exempted from the requirements of PS1; and
- student members enrolled in a recognised actuarial education course will be deemed to have complied with PS1 by virtue of such enrolment.

These policy changes will significantly reduce the PS1 compliance costs for retired and student members.

Applying for exemption

Beyond the above two specific situations, members should note that if they are not providing a Professional Service and are either on extended leave or have special circumstances, they can and should apply to the Institute in writing for an exemption.

CPD record-keeping on the Institute's website

Surveyed members who use the Institute's website facility for keeping their CPD records provided many valuable comments and insights into the functionality of that facility. This feedback has now been incorporated into the work plan for the further development of our website. Once the changes are fully implemented, members should see, for example:

- a more user-friendly interface;
- the ability to lodge electronic CPD records with the Institute (including the capacity to make amendments); and
- an enhanced ability to achieve greater synergies with CPD record-keeping requirements of overseas professional associations of which they are a member.

Coverage of the standard

The CPD requirements apply to:

- *all* members, not just Fellows; and
- any member providing Professional Services, not just those providing Actuarial Advice. This includes Professional Services provided on a *pro bono* basis.

Meeting the CPD requirements

However, meeting the CPD requirements may be easier than some members think.

While CPD must be in one or more of the following very broad range of areas, namely:

- general actuarial techniques;
- actuarial or other methods and approaches appropriate for

a member's particular practice area(s) or field of operation or development of new techniques and approaches;

- the business or legislative environment in which a member practises; and
- commercial activities that result in the improvement and broadening of a member's knowledge and skill and the personal and professional qualities needed for the provision of Professional Services,

in practice, many of the activities that members might currently be undertaking would count towards their CPD hours. Clause 4.3 of PS1 provides a number of examples of activities that qualify as CPD. Members are encouraged to review the examples given.

While members basically self-assess whether activities they are currently undertaking would qualify or not, if a member is in any doubt, they can contact the Institute and seek clarification.

Obligation to provide records

Where a formal request for records is made, members are required to provide their CPD records (in written or electronic form) within 14 days of receipt of a request from the Institute or such other reasonable time as agreed by the Institute.

In terms of the planned compliance audit in 2008, members should be clear that any request in that context will be a formal request and members must comply. A failure to do so may be Actionable Conduct under the Disciplinary Scheme.

Planned audit of PS 1 compliance in 2008: be prepared!

As noted above, it is planned to conduct an audit of PS1 compliance in 2008. Members should reflect on the above to ensure they are adequately prepared.

Further support

If you have any questions about the survey itself, or would like to discuss any issues about your CPD obligations, please contact the Institute. We are committed to ensuring that all members fully understand their CPD obligations and are 'audit-ready'. ▲

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