



THE INSTITUTE OF ACTUARIES OF AUSTRALIA
A.B.N. 69 000 423 656

PROFESSIONAL STANDARD 500 CONTINUING PROFESSIONAL DEVELOPMENT

APPLICATION

All Fellows and Accredited Members

AUTHORITY

Approved by Council in December 2000

ISSUED

The first issue of PS 500 was issued in October 1992 and a revised version was issued with effect from October 2001.

1. INTRODUCTION

The Institute recognises that the continuing development of members is an essential element of:

- maintaining high professional standards;
- ensuring that members stay up to date; and
- confirming to the users of our services that we strive to ensure that actuaries provide high quality advice.

From 1 October 1992 the Institute formally adopted a standard for Continuing Professional Development (CPD). This revised version of the standard is effective from 1 October 2001.

The standard applies only to Fellows and Accredited Members. It will continue to be reviewed regularly.

2. COVERAGE

The Institute expects that all Fellows and Accredited Members will comply with the standard unless exempted, in writing, by the Institute under Section 7.

Associates and Students are not required to comply but are encouraged to do so

3. THE REQUIREMENTS

The standard requires a minimum of 20 hours per annum of core CPD.

Core CPD may also be recorded as 40 hours over the previous two years or 60 hours over the previous three years.

The maximum hours which may be counted as core CPD are:

- 10 hours per annum in any one activity group as set out in Section 4; and
- 15 hours per annum in any one practice area.

In addition to the core CPD requirement, it is expected that actuaries will also complete at least a further 50 hours of non-core CPD each year.

The Institute expects that many actuaries will significantly exceed these requirements.

4. CPD

Continuing Professional Development (CPD) is the maintenance, improvement and broadening of knowledge and skill and the development of the personal and professional qualities needed throughout an actuary's working life.

CPD is a significant component of the process whereby actuaries maintain their capacity to practise in accordance with the Code of Conduct.

CPD will often have commercial application. However, activities undertaken primarily with a strong commercial focus will generally not represent CPD.

Core CPD

Core CPD includes activities which are of high value to an actuary's professional development. This would usually involve enhancement of actuarial knowledge, understanding, techniques or judgement or non-actuarial activities of equivalent standing. Current developments in the relevant practice area or industry are also included.

Core CPD activities would generally be those which involve exposure to the ideas of other individuals, the interchange of ideas with others and/or the application of structured learning principles.

In recognition of the broad application of actuarial techniques and principles, core CPD must include at least five hours per annum of activities in areas outside the actuary's main area of practice.

Activities which would be expected to contribute to core CPD include:

- (1) writing papers for professional meetings, conventions, or journals;
- (2) serving on an IAAust Council or Practice Committee, an associated sub-committee or task force;
- (3) participating in professional seminars, meetings or conventions organised by the IAAust or other bodies of a similar standing;
- (4) participating in workshops on specialist actuarial techniques or issues;
- (5) studying meeting or convention papers provided by the IAAust or other bodies of a similar standing;
- (6) serving as examiner or tutor for the IAAust or other bodies of a similar standing, acting as guest lecturer on an -accredited university course or running training courses for industry organisations or employers;
- (7) participating in formal training (in-house or external) relating to actuarial or industry developments.

A maximum of ten hours per annum may be counted as core CPD in any one of the above activity groups apart from group (3), which is not limited.

Judgement is required as to the extent to which an activity provides core CPD. In particular, **non-actuarial alternatives may provide core CPD** (refer to Section 5).

Non-core CPD

The Code of Conduct requires members giving actuarial advice to have sufficient practical experience to do so and this must include keeping up-to-date. Therefore, actuaries are expected to complete CPD in excess of the core requirement.

Any CPD which does not count as core CPD, or which exceeds the core CPD requirement, may be considered to be non-core CPD.

5. USE OF JUDGEMENT

CPD needs differ between actuaries and across the career of any individual. Therefore, it is very important that an actuary use his or her judgement when deciding whether and to what extent any activity should be included as core CPD.

The list of core CPD activities in Section 4 is a guide and should not be seen as implying hard-and-fast rules. In particular, if a member feels that an activity has not been of high CPD value, then it should not be counted as core. Alternatively, an activity not on the list may be counted as core if it meets the principles as outlined in Section 4.

6. RECORDS

Actuaries will be expected to demonstrate compliance if asked to do so by employers, clients or as part of a disciplinary investigation. It is expected that an actuary would need to keep a record suitable for this purpose in order to monitor his or her own CPD activities.

Every Fellow and Accredited Member will be required to state whether they comply with this standard, as part of the annual membership renewal process.

7. EXEMPTIONS

A Fellow or Accredited Member who is not in gainful employment and who is not providing advice that may be regarded by the recipient as actuarial advice may apply for an exemption from the requirements of this Standard.

An application for exemption must be made in writing, in accordance with rules laid down by Council from time to time.

END OF PROFESSIONAL STANDARD 500
