



**PROFESSIONAL STANDARD 1**  
**CONTINUING PROFESSIONAL DEVELOPMENT**

**INDEX**

<b>1</b>	<b>INTRODUCTION</b>	<b>2</b>
1.1	Application	2
1.2	Classification	2
1.3	Background	2
1.4	Purpose	2
1.5	Previous Versions	2
1.6	Legislation	2
<b>2</b>	<b>COMMENCEMENT DATE</b>	<b>2</b>
<b>3</b>	<b>DEFINITIONS</b>	<b>2</b>
<b>4</b>	<b>CONTINUING PROFESSIONAL DEVELOPMENT (CPD)</b>	<b>3</b>
4.1	CPD	3
4.3	CPD Activities	3
4.4	Use of Judgement	4
4.5	CPD Records	4
4.6	Verification	4
4.7	Exemptions	5
	<b>APPENDIX A – EXAMPLE OF CPD RECORD FORM</b>	<b>6</b>

## 1 INTRODUCTION

### 1.1 Application

This Professional Standard sets out the minimum standards of Continuing Professional Development required of Members of the Institute of Actuaries of Australia.

### 1.2 Classification

This Professional Standard has been prepared in accordance with the Institute's *Policy for Drafting Professional Standards*, as varied from time to time. It must be applied in the context of the Institute's Code of Professional Conduct. Non-compliance with this Professional Standard by a Member is or may be *prima facie* Actionable Conduct and may lead to penalties under the Institute's Disciplinary Scheme.

All Members of the Institute of Actuaries of Australia must comply with this Professional Standard unless exempted, in writing, by the Institute under section 4.7.

### 1.3 Background

This Professional Standard has arisen from a review undertaken by the Continuing Professional Development Council Committee following a recommendation of the Institute's Corporate Governance Taskforce and adopted by Council.

### 1.4 Purpose

The purpose of Continuing Professional Development is to ensure all Members maintain, improve and broaden their knowledge and skills, and to develop the personal and professional qualities needed for the provision of Professional Services throughout a Member's working life.

### 1.5 Previous Versions

From 1 October 1992 the Institute formally adopted a standard for Continuing Professional Development. A revised version of the standard became effective from 1 October 2001.

### 1.6 Legislation

There is no applicable legislation to this Professional Standard.

## 2 COMMENCEMENT DATE

This Professional Standard applies from March 2006.

## 3 DEFINITIONS

'**Actuary**' means a Fellow or Accredited Member of the Institute.

'**Actuarial Advice**' has the meaning defined in the Code of Professional Conduct of the Institute.

'**Continuing Professional Development**' or '**CPD**' consists of activities that have the objective of the maintenance, improvement and broadening of knowledge and skill and

the development of the personal and professional qualities needed for the provision of professional services throughout a Member's working life.

**'Firm'** means an entity of which a Member is an employee, contractor, director or partner and includes a sole trader.

**'Institute'** means The Institute of Actuaries of Australia.

**'Member'** is a Fellow, Accredited, Associate or Affiliate (including student) Member of the Institute.

**'Professional Service'** means a service provided by a Member in a professional capacity, including Actuarial Advice provided by an Actuary. A Professional Service includes such a service provided on a pro bono basis.

## **4 CONTINUING PROFESSIONAL DEVELOPMENT (CPD)**

### **4.1 CPD**

4.1.1 Members have a continuing duty to develop and maintain their professional knowledge and skill. CPD is a significant component of the process whereby a Member maintains his or her capacity to practice in accordance with the Institute's Code of Professional Conduct and Professional Standards.

### **4.2 Requirements**

4.2.1 A Member must complete 40 hours of CPD per calendar year, or 80 hours of CPD over two consecutive calendar years provided at least 20 hours is completed in any one calendar year.

4.2.2 A Member who joins the Institute during a year can meet the requirements for CPD on a pro rata basis for that calendar year.

4.2.3 The Institute expects that many Members will exceed these requirements, especially if they are operating in more than one practice area.

4.2.4 A Member must undertake CPD in one or more of the following:

- a) general actuarial techniques;
- b) actuarial or other methods and approaches appropriate for the Member's particular practice area(s) or field of operation, or development of new techniques and approaches;
- c) the business or legislative environment in which the Member practises.

4.2.5 CPD will often have commercial application. However, only commercial activities that result in the improvement and broadening of knowledge and skill and the personal and professional qualities needed for the provision of Professional Services throughout a Member's working life can be recorded as CPD in meeting the requirements of section 4.5.

### **4.3 CPD Activities**

4.3.1 CPD requirements can be met in a wide variety of ways. Set out below are examples of mainstream CPD activities. Other activities meeting the requirements of this Professional Standard are also appropriate, particularly for Members working outside traditional practice areas. Appropriate CPD activities include, but are not limited to:

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- a) Participating (by presenting, attending in person or by electronic means) in seminars, meetings or workshops organised by the Institute or other professional or industry bodies – only business sessions attended can be recorded as CPD hours;
  - b) Reading technical papers to be presented at a seminar, meeting or workshop provided by the Institute or other professional or industry bodies, or reading technical or professional papers or journals;
  - c) Undertaking courses conducted by the Institute or by another tertiary institution leading to a degree, diploma or post-graduate qualification;
  - d) Undertaking courses presented by tertiary institutions, participating (by presenting attending in person or by electronic means) in seminars, courses, lectures, residential schools, conventions or other technical activities presented independently or jointly by tertiary institutions, commercial educational establishments or other professional or industry bodies;
  - e) Participating (by presenting, attending in person or by electronic means after the event) in formal training or education (in-house or external) relating to actuarial, business or industry developments;
  - f) Undertaking self-study courses, including self-study video or audio packages;
  - g) Serving on a practice committee, taskforce, technical or research committee of the Institute or other professional or industry bodies where the specific contributions of a Member are consistent with those contained in 4.2.4;
  - h) Serving as a lecturer, examiner, tutor or marker for the Institute or other professional, industry or academic bodies;
  - i) Writing papers for professional meetings, conventions or journals. Time spent on researching material and writing technical papers can be recorded as CPD hours, whether the final product is in the form of a textbook, article for a professional publication or the presentation of a paper at a seminar. Time devoted to layout, artwork or design must not be recorded as CPD hours.

#### **4.4 Use of Judgement**

- 4.4.1 CPD needs differ between Members and across the career of an individual. Therefore, a Member must exercise his or her judgement regarding the activities that he or she undertakes to develop his or her personal and professional skills, and a Member must decide what activities can be recorded as CPD in accordance with section 4.2.4.

#### **4.5 CPD Records**

- 4.5.1 A Member is required to maintain a personal record of the hours spent on CPD activities. Sufficient detail must be recorded to demonstrate the nature of the activity to enable the Institute to verify compliance with this Professional Standard. Such CPD records must be retained for five years after the end of the period to which they relate.
- 4.5.2 A Member is required to record the details of his or her CPD activities consistent with the detail contained in Appendix A (CPD Records Form).
- 4.5.3 A Member is required to confirm compliance with this Professional Standard as part of the annual membership renewal process, unless exempted under section 4.7.

#### **4.6 Verification**

- 4.6.1 The Institute will verify Members' CPD records from time to time. 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. The Institute will make any such request in writing or email.
- 4.6.2 Any records provided to the Institute will not be disclosed to other parties except as necessary to carry out verification and compliance with this Professional Standard or as part of a disciplinary investigation of the Institute.
- 4.6.3 If, during verification, the Institute has concerns about the adequacy of the CPD records, it will initially seek additional information from a Member and provide him or her with a reasonable opportunity to amend the records.

#### **4.7 Exemptions**

- 4.7.1 A Member who is not providing a Professional Service and is either retired, on extended leave or has special circumstances can apply to Council in writing for an exemption from the requirements of this Professional Standard.
- 4.7.2 Council or its delegate will consider the application and notify the Member in writing if the exemption application has been approved and of any conditions attached to that exemption.

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**Appendix A – EXAMPLE OF CPD RECORD FORM**
**Name:** \_\_\_\_\_ **Membership No.** \_\_\_\_\_

**Period Starting:** \_\_\_\_\_ **Period Ending:** \_\_\_\_\_

<b>Date</b>	<b>Event/Activity (including name of provider or source)</b>	<b>Detailed Description of CPD</b>	<b>CPD Hours</b>
01/09/05	Economics Society of Australia Journal	Reading and analysis of journal article on "Enterprise Risk Management"	0.5
30/09/05	Institute of Actuaries of Australia Investment Faculty	Scruiteneer for draft examination paper for Investment examination	3.0
17/10/05	Institute of Actuaries of Australia General Insurance Seminar	Attend Plenary Session on the Insurance Cycle and the Market	1.0
26/10/05	IAA FSF	Attend Session discussing amendments to LIASB standards 2.03 and 2.04 relating to capital requirements of Life offices	0.75
27/10/05	IAA FSF	Moderator for session on use of market consistent valuations of Life offices	0.75
1/12/05	IAA Insights	Listen to audio recording of session on FCRs in General Insurance.	1.0
3/12/05	XYZ Consulting Presentations Course	Attend presentation course on effective communication to Boards and Senior Management	3.0

**END OF PROFESSIONAL STANDARD 1**