

## **Annex -- Issue of Compulsion on CPD**

### **Conclusions to a report to Council of IAA May 2016**

The task force recommends to the Executive Committee that, as part of the accreditation criteria, the IAA should require FMAs to require their FQAs to complete CPD activities that are appropriate to the work that they perform and/or contribute more generally to their technical and/or professional development. However each association can decide how best to implement CPD requirements to fit its national/regional context. This requirement could be included as an extension of the Education syllabus or as part of the membership criteria for FMAs included in the Internal Regulations, Policies and Protocols of the IAA.

This recommendation aims to: recognize that actuarial work can be very national/regional in context; recognize that CPD should be relevant to the type of work actuaries are doing; and respect the principle of subsidiarity by not forcing any kind of particularly defined material or tuition on any FMA members.

Within this overarching requirement would be a sub-requirement that the FMA monitor compliance with its CPD requirements, and carry out audits of compliance by individual FQAs on a sampling basis. The details would be left to the local FMA; for example, monitoring compliance could range from requiring FQAs to provide declarations of compliance to analysing records of CPD activities submitted by FQAs. The local FMA would report on its CPD requirements (the CPD compliance details and the audit process) with the same frequency (and at the same time) as reporting on minimum education requirements.

The EC could also consider three alternatives:

Alt. 1. Do nothing, which is to replicate the status quo of having no CPD requirement.

Alt. 2. Strongly encourage FMAs to require CPD for their FQAs that is suitable for the actuarial work being performed by those actuaries and appropriate for their jurisdiction, but not make this a requirement for Accreditation.

Alt. 3. Require CPD and define in detail what is required to comply. This would require much more work from the existing or a newly appointed Task Force.

## **Extract from IAA Council Minutes May 2016**

Report from the Task Force on CPD Rob Brown, Task Force Chair, presented the highlights of the report as follows:

TF surveyed all (67) FMAs as to whether or not the IAA should mandate CPD

- 33 provided input, with most of those not responding being small (<200 FQAs)
- Smaller FMAs showed more support for mandatory CPD than larger FMAs
- There is support for mandatory CPD with the local FMAs establishing what is required and how it is monitored
- Smaller FMAs would like to be able to use educational opportunities of larger FMAs and of the IAA to put into their CPD programs
- Voluntary activities of the IAA should count towards CPD ☐ IAA should require FMAs to have CPD activities that are appropriate to the work the FQA performs and/or contribute more generally to their technical and/or professional development
- In line with subsidiarity, it should be left to each FMA to decide how best to implement, monitor compliance and have audits

The floor was open for discussion and the following comments were made:

The role of the IAA should be as a source of information for member associations and not as a regulator. The Code of Conduct should be sufficient to say that individuals need to be competent to perform the work they do. There is no problem with the CPD proposal, as long as the determination of fulfilling the requirement is left to the FMA to decide what is appropriate for their members. The IAA needs to be careful about restricting what appropriate CPD is. There is a lot of misconception as to what CPD should be and how to define it, and also regarding the reporting and demonstration of CPD. There is a question of defining CPD in terms of inputs rather than outputs. An element of concern is that the proposal appears to impose some constraints by requiring an audit element in the CPD. This should be discussed further and probably removed as a requirement on the FMAs. It was suggested that the facility to request a more rigorous review was not part of the IAA's role and should be removed from point 5.

The Task Force report, along with these comments, will go back to the EC for review and refinement of the proposal.

Action item EC to take comments into account and submit revised proposal (deferred to 2017)