

AAE CPD Task Force

Overview of the different CPD Schemes

Brief Report for the Spring meetings of the Education Committee and the Professionalism Committee, Sofia 11-12 April

1. Aims and scope of the study

The Terms of Reference of the Continuing Professional Development (CPD) Review Task Force identifies this task:

- *Perform a study on how CPD and Long Life Learning Schemes are in different associations in Europe as well outside of Europe*

This brief report shows the results from the survey the Task Force has carried out to fulfill this goal.

The non-European associations which were identified by the Task Force to be included in the survey to enrich it were the Actuarial Society of South Africa, the Institute of Actuaries of Australia, the Institute of Actuaries of Japan, the Society of Actuaries (USA) and the Singapore Actuarial Society.

The Task Force considered that what is relevant for the purpose of this survey is to identify the key elements in the different Schemes, and not having a 100% precise idea of what meaning gives every Scheme to every concept or item.

It was also agreed that making a complete questionnaire to the member associations would be too ambitious within the given timeframe and not necessary. In a second phase after releasing the report, it could be shared with the associations, if it is considered appropriate.

The members of the Task Force have used the information available on the AAE website (<https://actuary.eu/about-the-aae/continuous-professional-development/>), and, where needed, have asked to the AAE Secretariat or directly to the local association for some clarification or additional information.

Unfortunately, the CPD Strategy/Regulation from the Greek association was not found in the AAE website nor in the association's one, and we didn't receive any answer from the association.

For the non-European associations considered in the survey, the members have looked for the information in the websites and/or have directly asked the local association where needed.

2. Key elements of the survey

The Task Force has identified the following nine “key” elements to analyse and compare:

| Key element | Description |
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| CPD policy | <ul style="list-style-type: none">- Is there or not a CPD policy in place? |
| Measurement | <ul style="list-style-type: none">- What is the measurement in place within the CPD policy, if any?- Is there a minimum of points/hours required or recommended by year?- Are points and hours linked to each other? |
| Formal vs Informal activities | <ul style="list-style-type: none">- Is there any requirement or limitation for formal or informal CPD activities?- Is there any requirement in terms of the format of the CPD activities? |
| Self-learning | <ul style="list-style-type: none">- How is "self-learning" defined?- Is self-learning an allowed CPD activity?- Is there any limitation? |
| Technical vs soft skills | <ul style="list-style-type: none">- Is there any differentiation between CPD technical or soft skills activities?- Is there any limitation of one or the other type of skills area? |
| Outcome based assessment | <ul style="list-style-type: none">- Does the CPD assess the outcome of the CPD activities instead of the hours/points? |
| Monitoring ⁽¹⁾ | <ul style="list-style-type: none">- What is the monitoring in place to ensure compliance with the CPD requirements/recommendations? |
| Coverage period | <ul style="list-style-type: none">- What is the period considered for measuring compliance with the CPD requirements/recommendations ? |
| Consequences of not complying ⁽²⁾ | <ul style="list-style-type: none">- Are there any explicit or implicit consequences of not complying with the CPD requirements/recommendations? |

⁽¹⁾ The Taskforce has discussed on the possibility of monitoring of the CPD run externally, not by the association. It might be happening or could eventually happen in any of the European countries where the profession is protected and regulated, and mainly for the member to be considered fit & proper for certain functions as the Actuarial Function or the review of the Solvency and Financial Condition Report. It is decided to discuss this item with the Roles of the Actuaries Task Force to consider how we could cooperate, as there is a Legal Recognition stream or group working in it.

⁽²⁾ The Task Force considered that this last item is more relevant than considering if the CPD is established as mandatory or not by the CPD Strategy or Regulation, as the CPD is mandatory in terms of the code of conduct of every association.

3. Results of the study

The details of the survey can be found in the attached excel file. Next table discloses the main findings.

| Key element | Main findings |
|-------------------------------|---|
| CPD policy | <ul style="list-style-type: none">- Almost all the associations considered within the survey have a CPD policy in place (Turkey is currently the only association with no CPD policy in place) |
| Measurement | <ul style="list-style-type: none">- Almost all the associations have measurements in place (Sweden is currently the only association with no measurement in place)- In most of the associations points are linked to hours spent (1 to 1), but in some associations points are defined differently by type of activity- In most of the associations, the number of points/hours required or recommended is between 15-20 |
| Formal vs Informal activities | <ul style="list-style-type: none">- Half of the associations don't have any reference to this differentiation, and the other half set some limitations for informal activities but have very different type of definitions of them |
| Self-learning | <ul style="list-style-type: none">- This area is very different between the associations:<ul style="list-style-type: none">o Definition of self-learning differs (for example some association include e-learning)o Some associations don't mention anything about self-learningo Some associations limit them in the CPD requirement (between 25% and 50% of the CPD requirement), some don't limit them and some don't limit it |
| Technical vs Soft skills | <ul style="list-style-type: none">- Some associations differentiate between technical and soft skills and have in place some limitations in terms of CPD requirements coming from one or the other area, the rest of the associations don't mention anything or don't have limitations |
| Outcome based assessment | <ul style="list-style-type: none">- Only a few –big- associations have an outcome based assessment in place (UK, South Africa) |
| Monitoring | <ul style="list-style-type: none">- Most of the associations require the members to self-report their CPD activities but forms differ; some associations have online systems, some have required the member to keep evidences with themselves or report to the association in other formats.- Some associations have sampling checks in place. |
| Coverage period | <ul style="list-style-type: none">- The coverage period varies between 1 and 3 years. |
| Consequences of not complying | <ul style="list-style-type: none">- Some associations have a reminder process in place which after some loops can have some consequences |

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| | <p>like the exclusion of the member from a specific section, or not being anymore a certified actuary.</p> <ul style="list-style-type: none"> - Some associations have no explicit consequences in the CPD policy. - Some association delivers a certificate for the member who complies with the CPD recommendation. |
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4. Conclusions. Next steps.

In comparison with the last survey run by the AAE (around 10 years ago), there is an improvement in that most of the associations now have a policy in place, but, on the other hand, there are still a lot of differences between different Schemes.

In any case, the Taskforce considers that differences in the CPD Schemes are not necessarily bad, as different jurisdictions, characteristics and situations can motivate them.

The Taskforce believes that one of the more important consequences of this study is an increasing awareness by all the associations as well as the AAE itself, which will in turn allows a natural convergence between the various Schemes.

The Taskforce will continue its work identifying the items to be included in the analysis to formulate proposals to further develop the AAE CPD Strategy.

The final report with those proposals is scheduled to be delivered by mid June.

27 March 2019