

CONTINUING PROFESSIONAL DEVELOPMENT REQUIREMENTS OF THE ACTUARIAL SOCIETY OF SOUTH AFRICA

GUIDE TO THE OPTIONAL OUTCOMES-BASED CPD PROCESS FOR THE CPD YEARS 2019 & 2020

1. INTRODUCTION

- 1.1 Compliance with the Continuing Professional Development ("CPD") requirements of the Actuarial Society of South Africa ("ASSA") is a condition of continuing membership of ASSA as set out in the bye laws.
- 1.2 Non compliance will lead to sanctions as determined by the Council from time to time, including termination of membership, as set out in the bye laws.
- 1.3 ASSA's traditional time-based CPD requirements are set out in professional guidance note PGN801.

2. THE OUTCOMES-BASED CPD PROCESS

- 2.1 Since the 2016/17 CPD years, the Actuarial Society has been piloting a revised CPD process. Members qualifying after 01.01.2017 are required to use this system, whereas other members may choose which system to follow. Currently, about half of the membership are following the new system, and feedback has been very positive.
- 2.2 The Professional Promise in the Actuarial Society's Code of Professional Conduct requires members to develop and maintain the ability to deliver a quality professional service in their chosen field. The revised CPD requirements are techniques to assist members to remain professionally competent. Based on commissioned research, the Society believes that 'outcomes-based' cycles of professional development are more likely to bring about true professional development for many members than the existing requirements. In fact, most of the activities that would 'count' under the existing system could also appear in the refined system – but as part of a cycle including prior planning and subsequent application and analysis.
- 2.3 As a result of this research, the Society recently refined its understanding of CPD, and this statement is set out in Annexure A.
- 2.4 Further information about the thinking behind the refinements, and additional links, can be found in the document 'Introduction to Outcomes-based CPD' updated as at July 2019.

3. MEMBERS MUST SELECT THEIR CPD REGIME FOR THE CPD YEARS 2019 & 2020

- 3.1. In their annual membership declaration of December 2018, members are asked to elect the outcomes-based (recommended) or time-based CPD requirements as their regulation for the ensuing year.
- 3.2. Since the refined system (as described in Section 4 below) requires members to judge for themselves what an appropriate development cycle is, there are no categories of membership with different requirements. The refined requirements apply to all Fellow and Associate members, except Associate members who are participating in the Society's work-based learning programme, actuaries who are not working, and those who are not resident in and do not perform any work in South Africa, provided they are a member of an IAA member professional body in their country of operation, and comply with local CPD requirements.
- 3.3. Similarly, the concept of 'verifiable' CPD, where the activity can be observed by others, is replaced by the recording of the professional development cycles. Nevertheless, formally organised events such as ASSA Conventions, seminars or sessional meetings, work on ASSA committees, formal in-house professional meetings or seminars, formally assessed studies and preparing and delivering learning to colleagues are still likely to be an essential (but not necessarily sufficient) part of the professional development process.
- 3.4. There is no minimum number of hours to be spent planning, executing, and analysing the professional development process. As set out in Section 4 below, it is the quality rather than the quantity of development that is important.
- 3.5. Area Practice Committees may have specific additional requirements for the granting and maintenance of practising certificates. A project is underway to align these requirements with the new process – in the short term it may be convenient for certificate holders to remain on the old system.

4. REQUIREMENTS OF THE OUTCOMES-BASED CPD SYSTEM

- 4.1 Members must work through cycles of Professional Development on a regular basis. Different members may find different timings (eg quarterly or half-yearly) more useful, but the process must be done at least yearly.
- 4.2 To structure the process, a pro-forma template is available on the website for members to use. This template is similar to, and an extension of, the work-based learning template used in the Society's normative education programme.
- 4.3 PLAN: First, members should list the various professional roles that they perform, as well as any new areas into which they would like to grow. Then, they consider what capabilities they should have for these roles and then assess where they have development needs. Then, they identify professional development activities that may meet these needs.
- 4.4 ACT: Members then carry out the identified development activity. This would include both the initial development and applying the development in practice.
- 4.5 ANALYSE – REFLECT & DIFFRACT: Finally, members should analyse the progress made or the outcome of each activity – first reflecting personally, and then 'diffracting' with

another professional person, mentor or coach. Just as in the actuarial control cycle, this last step leads to the beginning of a new cycle of planning, acting and analyzing. The diffraction discussion is mandatory, and members must identify their diffraction partner.

- 4.6 A separate information note 'Guidance for Diffraction' outlines the role of the other professional person, mentor or coach in the feedback session. An audio role-play 'Brendon does Diffraction' is also available on the website.

5. ASSESSMENT

- 5.1 The Actuarial Society understands that members may be discouraged from honest and frank reflection if their records could be made public. Members are required to keep their own records – and declare at year-end that they have diligently applied cycles of professional development.
- 5.2 As set out in 4 above, members should explain to another person how they remained professionally competent. This engagement is part of the learning cycle, and should be done in depth, not just a 'corridor chat'. The other person must keep the conversation confidential, and is relieved of any obligation to the profession to whistle-blow on any matter discussed.
- 5.3 The Society will select a sample of members for monitoring that they are adequately applying the new process. Initially, an actuary serving on the Society's CPD sub-committee will interview the selected members, both for compliance and seeking feedback on the value of the refined system and possible improvements.
- 5.4 To be considered compliant, a member needs to have gone through the essential steps of the process. This includes analyzing their role and development needs, attempted to identify and carry out development, and having a diffraction discussion. By being a member, and accepting the professional promise and code of conduct, members have undertaken to apply themselves diligently to CPD requirements.

ANNEXURE A

Actuarial Society of South Africa

CONTINUING PROFESSIONAL DEVELOPMENT ('CPD')

This document sets out the Actuarial Society's understanding of what CPD is, and why members must engage in CPD. *Updated as at June 2019.*

The Professional Promise

The mission of the Actuarial Society of South Africa ("the Society") is to ensure that the professional conduct and skills of members always meet the highest standards; to develop and expand the expertise of members as markets and conditions change; to ensure the relevance and enhance the role and reputation of the profession, both in South Africa and within the international actuarial community and to harness the expertise of members to inform public debate. To achieve its mission, the Society has developed a Code of Professional Conduct. In this Code, the professional promise of each member is that:

"Members are expected to render quality services to their clients through:

- a. The application of specialist and up-to-date actuarial knowledge and expertise;*
- b. The demonstration of ethical behaviour, especially in doing actuarial work; and*
- c. The member's accountability to the Society for professional oversight."*

In order to deliver on this professional promise, members must engage in lifelong professional learning and development. The Society therefore requires its members to comply with its CPD requirements. Non-compliance will lead to sanctions as determined by Council from time to time, including possible termination of membership, as set out in the bye laws.

Prior to qualification, the learning is guided by the Society's education programme, including work-based development of Actuarial Professional Practice. After qualification, the development is guided by the CPD principles outlined in this document.

CPD Principles

(A) Professional development is complex, work-based and intrinsic to being a professional

Many professions recognise the need for work-based development at the intern stage, but this need actually lasts throughout the professional's career, especially in the less-structured business professions. Professional development does not only take place in discrete off-the-job CPD events, but is an on-going process where professionals collectively construct knowledge within the complex dilemmas of everyday work.

(B) Effective professional development must develop the capability to practice

To be effective, planned learning needs to move through a cycle, such as that described below. Work-based development is challenging to plan, but may be prompted through applying strategies and by avoiding barriers.

(C) CPD requirements of a delivery-focussed profession should promote effective professional development.

The role of the Society is to support the development the member practitioner operating in complex ways in work environments. Given that the majority of this development will usually take place in the employer's workplace, the Society will investigate ways in which an approved employer can be a partner in CPD.

Professional Development Cycle

A key requirement for professional development is that each member ideally maintains and implements a personal development cycle. Actuaries are familiar with the power of an actuarial control cycle to move an enterprise forward through cycles of planning, acting and reviewing. A personal development cycle follows similar patterns such as:

- Define your role
- Assess your development needs
- Design and document activities
- Implement
- Apply learning
- Reflect on progress and diffract with another professional person, mentor or coach, which leads to the next cycle.

The development cycle should take cognizance of the first CPD principle set out above, and therefore include analysis of unplanned development that occurs during interaction with colleagues at work and with clients.

The cycle should consider delivery of all three parts of the Professional Promise, including:

- The development and maintenance of competence in the member's technical skills in their current speciality or in a new area;
- The deepening of the member's understanding and application of the normative principles set out in the Code of Professional Conduct and its supplements; and
- Activities which result in the maintenance and development of the Society to better serve the interests of stakeholders and support the members.