

# Beyond Box-Ticking: CPD and the 21<sup>st</sup> Century Professional

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professionalism**first.** 

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## The Chartered Insurance Institute

As the premier professional body for the financial services profession, the CII promotes higher standards of integrity, technical competence and business capability.

With over 93,000 members in more than 150 countries, the CII is the world's largest professional body dedicated to this sector.

Success in CII qualifications is universally recognised as evidence of knowledge and understanding. Membership of the CII signals a desire to develop broad professional capability and subscribe to the standards associated with professional status.

The CII works with businesses to develop bespoke, company-wide solutions that ensure competitive advantage by enhancing employees' technical and professional competence.

Individually, CII's members are able to drive their personal development and maintain their professional standing through an unrivalled range of learning services and by adhering to the CII's Code of Ethics & Conduct.



[www.cii.co.uk](http://www.cii.co.uk)

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## Personal Finance Society

The Personal Finance Society (PFS) is part of the CII Group and is the leading professional body for financial advisers and those in related roles. With nearly 25,000 members, it promotes the highest standards of professionalism in the financial services profession, and sets the standards for technical knowledge, customer service and ethical practice across the entire financial advice community.

To achieve its aims, the Society provides its members with access to technical qualifications, learning materials, support services and practical benefits. PFS is uniquely placed, as a lobbying and campaigning organisation, to support consumer demands for reliable, professional advice.

[www.thepfs.org](http://www.thepfs.org)

## Foreword

As a professional body, the CII has a special duty to put the interest of the public first. That is why it is a priority for us to make sure that our members follow best practice in all aspects of their professional life, and prepare themselves for the challenges that lie ahead.

This fourth paper in the series of *Papers in Professionalism* focuses on one of the key ways that we can support members in doing this – continuing professional development (CPD).

In the past, CPD has been seen by some to be a matter of routine compliance – just another box to tick.

We believe that CPD can and must go way beyond box-ticking. As part of a package of standards of knowledge and behaviour, it is at the heart of what it means to be a professional.

It is our goal to position CPD in the minds of our members and the public as a point of pride, ingrained with high standards in day-to-day professional practice.

The purpose of this paper is to inform members and other interested parties about the key issues facing CPD today, in our sector and in the professions as a group.

We want members to understand the issues, and we also want their views on how we as a professional body can best support our members' continuing education needs going forward.

I am optimistic about the debate this paper will prompt, and the changes that may lie ahead. We will be there to support members along the way.

**Trevor Matthews**  
**President**  
**The Chartered Insurance Institute**

**3 July 2009**



# Executive Summary

The CII is undertaking a comprehensive review of our policy on CPD as part of our broader professionalism agenda to raise standards and build trust in the sector.

As a professional body, our goal is for CPD to be meaningful, delivered in a user-friendly fashion, with CII support available throughout the process, and able to meet different needs for different parts of the sector.

The purpose of this discussion paper is to spur a practical and constructive debate amongst members, across the sector, with other stakeholders, and with the wider group of professions grappling with similar issues.

We have identified four key areas of opportunity to respond to the challenges facing CPD today:

## 1. CPD content and oversight

- Currently, there is no universal minimum standard for CPD requirements.
- There are clear benefits to a single standard of CPD, for the public interest and employers, but also for members' reputational advantage.
- *What might an overarching yet still flexible and diverse CPD standard look like, and how might it be administered?*

## 2. Measuring activity and effectiveness

- In recent years, CPD has evolved from the traditional system of requiring members to record how much time is spent on CPD (input-based) to systems that aim to measure whether or how much learning has taken place (output-based).
- Input systems have the advantage of producing a quantifiable record of CPD achievement, but output systems encourage professionals to plan ahead and to reflect on their learning and development after the activity.
- *Is measuring activity objectively more important than encouraging members to think about the outcome of the activity?*

## 3. Employer role and engagement

- The CII's goal for CPD is to make CPD relevant to each professional in his or her job role and future career plans. For this to succeed, we need to secure the buy-in of both individuals and their employers, whose support is a crucial element of effective CPD.
- *How can we best encourage company involvement, so that employers support CII CPD within their own company development plans?*

## 4. Raising public confidence

- The primary function of CII CPD is to ensure the profession as a whole is up-to-date, in order to protect the public interest. Part of the professional body's role is to exercise control over standards. CPD is a particularly important part of this for a sector with frequently changing regulation.
- However, many members believe that their customers, and the general public, do not value CPD.
- *What can we do as a professional body to help strengthen public confidence in CPD?*

# 1. Background

- **Good progress since 2004:** *we have come a long way since our last review of CPD: most members are aware of their CPD requirement and most do their CPD.*
- **Room for improvement:** *CPD is perceived by some to be a box-ticking exercise rather than embedded in professionalism – and the sector faces some external challenges like increasing regulation and public mistrust.*
- **Launch of CPD review:** *this discussion paper outlines four key areas of opportunity to respond to these challenges.*

Compared to the long history of the professions, CPD is still in its infancy. What's more, it has thus far been highly subjective, especially compared to examinations.

In the past, most of the decision-making of what to do to maintain professional competence and how to do it has been left up to the individual. Unlike exams, objective measurement of CPD activities and their effectiveness has not been a standard feature of most systems.

But professionalism is about behaviour as well as knowledge. Part of the CII's duty as a professional body is to exercise supervision and control over the professional standards and conduct of members.

More and more, professions are formalising the requirement for what has always been essential to good practice – ongoing learning and development. In today's world, consumers understand and value the importance of keeping knowledge up-to-date: recent CII/YouGov research shows that nearly 70% of the public feel that a mandatory CPD requirement would help win back their trust in professionals working in the financial services and insurance sector.<sup>1</sup>

We have come a long way since our last review, in 2004, when CPD was made mandatory for all qualified members. Good progress has been made. Our recent member survey shows that most members are aware of the CPD requirement, and most do their CPD.<sup>2</sup> Our online tool is gaining more users, and those who use it to plan and record their CPD find it to be a good resource.

Still, some members are confused about the CII requirement, and some are unsure about its relevance to their job role and career development. Some find it to be an onerous task.

In addition, external challenges have become more evident as the financial services sector is faced with unprecedented public mistrust, and increasing regulation seems likely.

As a professional body, our goal is for CPD to be meaningful, delivered in a user-friendly fashion, with CII support available throughout the process, and able to meet different needs for different parts of the sector. We see CPD as an integral part of our wider professionalism agenda, and in particular our revised Code of Ethics launched in July 2009.<sup>3</sup>

That is why the CII is undertaking a comprehensive review of our policy on CPD, based on several strands of research recently undertaken, including the results of our member survey.<sup>4</sup>

We have identified four key areas of opportunity to respond to the challenges facing CPD today:

1. CPD content and oversight
2. Measuring activity and effectiveness
3. Employer role and engagement
4. Raising public confidence

This paper discusses these challenges and opportunities, and also poses some additional questions to prompt an open discussion about how we should move forward.

We hope it will spur a practical and constructive debate amongst members, across the sector, with other stakeholders, and with the wider group of professions grappling with similar issues.

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<sup>1</sup> Research was undertaken by YouGov Plc on behalf of the CII between 29<sup>th</sup> May and 1<sup>st</sup> June. Total sample size was 2064 adults. The survey was carried out online. The figures are weighted and are representative of all GB adults(18+).

<sup>2</sup> The CII Group undertook a survey of over 3,500 General Insurance Faculty members in the autumn of 2008. To view the key findings please click [here](#).

<sup>3</sup> The CII [Code of Ethics](#) sets out the principles that all members of the CII are obliged to follow in the course of their professional duties. It requires that members provide a high standard of service, which includes (but is not limited to), "ensuring your knowledge and expertise is kept up-to-date and relevant for your work including meeting any Continuing Professional Development (CPD) requirements" (4.8).

<sup>4</sup> Several strands of research have been undertaken in order to inform the review: the results of our first ever survey on CPD, carried out in October 2008 with over 3500 members responding; a comprehensive internal review of CPD processes, tools and communications, and comparative research, looking at best practice in other professions.

## 2. CPD Content and Oversight

- **The problem of multiple systems:** *although some flexibility in CPD systems will always be needed, the lack of a universal minimum standard of CPD can present some difficulties for employers, the public, and members.*
- **The LSA and greater professional integration:** *increasingly professionals work across sectors, and the Legal Services Act will mean even greater professional integration from 2012.*
- **The FSA's proposed CPD standard in retail investment:** *the FSA may seek to address CPD standards for investment advisers, developing an overarching set of CPD standards.*
- **Case study: mandatory CPD for advisers in Ireland:** *the Ireland case is a useful example of a statutory CPD requirement implemented by multiple professional bodies.*

Although most professions define CPD similarly, there is no one standard of CPD that applies to professional bodies across the board, or even one standard within the financial services sector.

There are as many different requirements as there are professional bodies, and very little analysis of the reasons for these differences or their appropriateness in the wider professional context.

For example, why does The Law Society require fully qualified solicitors to complete 16 hours of CPD per year, while RIBA requires architects to complete 35 (plus 100 output assessment points), and ACCA offers several different routes, with the basic individual requirement being 40 output units?

Professional bodies have developed their CPD schemes based on what they deem necessary and appropriate for their individual profession and membership, and rightly so.

CPD programmes should always allow for some flexibility to ensure that members can make CPD relevant to them and their job roles. But how much flexibility is needed? Have professional bodies got the balance right?

### The problem of multiple systems

The veritable cacophony of different CPD requirements can cause problems – for the public, employers, and members themselves.

The general public might feel ill-equipped to judge that the minimum requirements are in place and being monitored. They may see CPD to be opaque, and have little way of judging whether enough is being done to maintain competence.

Employers often employ members of multiple professional bodies, not to mention requiring their own company development plans. Because of this, some may not see the value of their employees complying with CPD from their professional body. In addition, overlap between employer-based and professional body CPD can cause confusion – although in reality it should be one and the same.

Finally, members may find it tricky to plan and carry out their professional CPD when faced with the increasing integration of professional services. In today's world, professionals don't operate in silos – job roles connect, overlap, and intertwine. We may see this phenomenon increase very soon when the Legal Services Act (LSA) comes into force. The need to comply with other forms of external oversight, like the FSA, may act as a further external force motivating a single minimum standard of CPD across multiple professions.

### The LSA and greater professional integration

The issue of CPD standards might become compounded when the Legal Services Act comes fully into force in 2012.

The Legal Services Act allows for new forms of legal practice to develop—both legal disciplinary practices or LDPs (firms involving different kinds of lawyers, and up to 25 per cent non-lawyers, but still providing legal services) and alternative business structures or ABSs, which will allow external ownership of legal businesses ("Tesco law"), multidisciplinary practices (providing legal and other services) and many things in between.

Legal expenses insurers, like Arc and Abbey Protection, are already gearing up to expand the range of legal services they offer to both insured and non-insured clients. This type of end-to-end service will allow for more integration between professional services than ever before.

Discussions in the legal profession, and consultations undertaken by the Solicitors Regulation Authority (SRA), have already shown concern about different levels of training and competence amongst different types of professionals. It is possible that non-lawyer managers will have to undergo CPD training that is relevant and appropriate to their professional responsibilities, similar to that required of solicitors.

## The FSA's proposed CPD standard in retail investment

The FSA may seek to address CPD standards, starting with some parts of the financial services sector very soon. In the FSA's Retail Distribution Review (RDR) Feedback Statement November 2008, the FSA stated that "effective and consistent CPD is arguably as important as raising the benchmark knowledge requirement." Accordingly, the FSA will be consulting on developing an overarching set of CPD standards for investment advisers.

In the past, the FSA's monitoring, including for CPD, has focused primarily on firms rather than individuals. The FSA now proposes that professional bodies continue to set and monitor their own CPD requirements, but that minimum standards of CPD should be set by the proposed new (possibly independent) Professional Standards Board – at least for financial advisers.

The FSA's consultation paper of June 2009<sup>5</sup> gives a good idea of what might be included in these overarching minimum standards, stating that annual CPD activity should:

- cover standards of ethical behaviour relevant to an individual's particular job/role;
- cover, as relevant to the individual adviser's role, the core subjects of regulation, ethics, investment principles and risk, personal taxation, practical application of knowledge and specialist expertise;
- aim to address any 'gaps' in the individual's technical knowledge compared to the knowledge the firm considers the individual needs; and
- aim to address other development needs identified in relation to knowledge, skills (for example, communication skills) and behaviour.

The CII welcomes proposals for a professional standards board to oversee the development of standards including CPD. This discussion paper, and the broader debate which we hope will develop from the questions we raise, may serve as a useful evidence base informing the FSA consultation.

## Case study: Mandatory CPD for advisers in Ireland

In Ireland, the Financial Regulator introduced new minimum competency requirements in January 2007. While other exam providers can create new qualifications, one qualification, Qualified Financial Adviser (QFA), is dominant, supported by three professional bodies, and considered the benchmark qualification for anyone advising on retail financial products.

The QFA designation has been protected by a single standard of CPD across multiple professional bodies since 2007.

Every individual who holds any form of the QFA designation is obliged to:

- a) fully participate in this CPD programme and comply with all of its requirements and
- b) maintain membership of their professional organisation(s) i.e. The Institute of Bankers in Ireland / The Insurance Institute of Ireland / LIA

The QFA Board, a company made up of representation from: the Institute of Bankers in Ireland (IOB); The Insurance Institute of Ireland (III); and the LIA, the professional association for individuals working in the financial services sector. It was established to oversee the academic standards for all aspects of the QFA Diploma course and examinations, and to implement the CPD programme for holders of the QFA. Every QFA is required to complete the same number of CPD hours, irrespective of the area of business in which they are employed. The requirements comprise a combination of formal and informal CPD (other schemes sometimes call this 'structured' or 'unstructured').

The programme is self-certifying, and there is no compulsory testing by the QFA Board. The total requirements (60 hours, 40 of which must be formal CPD) can be completed over a three-year calendar, but minimum annual requirements apply every year. Every QFA must complete a minimum of 15 hours CPD in any one calendar year of which at least 10 hours must be formal CPD.

Any breach of these conditions (CPD participation and professional body membership) results in the loss of the QFA designation, and the automatic removal of the individual's details from the Online Register of QFAs (<http://www.qfaboard.ie/>). This has been the case for some, but the QFA maintains that the process is essential in upholding the credibility and standing of the qualification, and of those who continue to hold it.

<sup>5</sup> The Financial Services Authority's (FSA) Retail Distribution Review (RDR) Consultation Paper, "Distribution of retail investments: Delivering the RDR," was published in June 2009 and is available online from: [http://www.fsa.gov.uk/pubs/cp/cp09\\_18.pdf](http://www.fsa.gov.uk/pubs/cp/cp09_18.pdf) (Date accessed: 26 June 2009).

## Questions for discussion

There are clear benefits to a single standard of CPD, for the public interest and employers, but also for members who would see clear standards of professionalism convey a reputational advantage. The profession is now faced with an opportunity to lead the way in setting clear minimum requirements that all professionals should abide by, starting with financial planning but able to translate across the whole of the financial services sector.

Our review will consider the issues that will affect an overarching CPD standard, such as:

- *What should substance of the CPD requirement be? For example, how much CPD should be spent on ethics and 'soft skills', as opposed to more technical learning?*
- *How can the standard be used to set targets that are both flexible for individuals to meet their own needs, and measurable to ensure consumer protection, and the reputation of the profession?*
- *How should the CPD standard be administered?*
- *How do we secure the buy-in from members – of the CII and other professional bodies – employers and the public?*
- *What implications might the implementation of a new regulatory or externally-set standard for CPD, through the FSA's RDR proposals, have for the provision of a CII CPD standard to our membership as a whole?*



### 3. Measuring Activity and Effectiveness

- **Input-based systems:** an 'input-based' system of recording activities undertaken has the advantage of producing a quantifiable record of CPD achievement.
- **Output-based systems:** but an 'output-based' system of planning and reflecting on the outcome of CPD activities has the benefit of helping professionals connect CPD to ongoing learning and development.
- **Best practice in output-based systems:** other professional bodies have developed some interesting systems of measuring output which we may be able to learn from.

In recent years, CPD has evolved from the traditional system of requiring members to record how much time is spent on CPD (input-based) to systems that aim to measure whether or how much learning has taken place (output-based).

#### Input-based systems

The characteristics of a typical input-based system might be familiar to many individuals, and this type of system is still the most commonly used by professional bodies (particularly the older, more established ones).

An input-based system typically specifies a certain number of hours of CPD per year, or over a longer time period. Some input-based systems ask professionals to convert activities into points or credits rather than hours, so that some activities (e.g., an hour of attending a training course) count for more points than others (e.g., an hour of reading a professional journal). Input-based systems normally require members to record the hours or points they have accumulated, and this record may be audited by the professional body.

The advantages of input systems are that they produce a quantifiable record of CPD achievement, and they are relatively easy and cost-effective to administer.

The disadvantage is that this type of system does not encourage professionals to plan or to reflect on their learning and development after the activity. The activity can be recorded regardless of whether any learning or development has taken place.

#### Output-based systems

Output-based systems were developed in an attempt to remedy this disadvantage, the goal being to help professionals connect CPD directly with learning, changes in behaviour and impacts on professional development.

An output-based system ideally would be measurable. It would allow members to see a record of achievement and plan to fill gaps in learning or training. An output-based system would also allow for more objective monitoring of CPD, moving more in the direction of how initial qualifications are assessed via examinations. Yet measuring CPD by 'outputs' presents a significant problem: how does one measure learning and development accurately and objectively?

Output-based assessment is still very much in early days, but a number of professional bodies are gradually moving in this direction.

The CII thus has the opportunity to help shape the standards. Part of our review will be to look at cases of best practice across the professions, to see what models exist, what works well, and what issues may arise.

#### Best practice in output-based systems

Compared to similar bodies in financial services, the CII has already shown leadership by implementing aspects of output assessment in its scheme. While the CII measures CPD activity (input) rather than the output of the activity, members are asked to assess the benefits of the activity. This would be considered a 'combined approach'. However, comparative research has identified a number of interesting cases we might consider in this review:<sup>6</sup>

##### 1. RIBA: input + self-assessed output

The Royal Institute for British Architects (RIBA) has developed a scheme targeted at outputs by structuring their system of measurement on what the member personally believes he or she got out of the activity, and how it contributed to

<sup>6</sup> These examples were identified by desk research and with the particular help of the Professional Association Research Network (PARN)'s information paper undertaken on behalf of the International Accounting Education Standards Board (IAESB). The paper, "Approaches to Continuing Professional Development (CPD) Measurement," is available online from: <http://www.ifac.org/store/Details.aspx?SID=1214428120338475&Cart=12423855322054424> (date accessed: 15 May 2009).

development, rather than just recording the activity itself. Members are required to attain both 35 hours of activity per year and 100 points per year, which are self assessed measurements of what individuals personally got out of the activities undertaken (each activity can be worth from 1-4 points).

Members are asked to record and plan CPD using the online CPD recording facility that allows them to create a CPD record sheet and professional development plan (PDP). The record sheet is a diary of individual CPD activity, and the PDP is a yearly CPD plan. This allows members to plan - in general terms - what CPD they need and how to carry it out. The two items work together to help members best target and benefit from CPD. The core curriculum subjects and knowledge levels have pop up boxes offering further explanation of the learning outcomes you are aiming for, when activities are recorded. These explanations are revealed when you point the cursor over the relevant text, for example, 'health and safety'.

## 2. CIMA: self-assessed output

The Chartered Institute of Management Accountants (CIMA) recently implemented a six-phase system based on output measurement. Members must first define their role and break it down into key responsibilities. Then they assess where they are in terms of that role, also considering the perspectives of various stakeholders. The next step is to use the online planner to identify gaps in competence, and work out ways to best address these gaps in light of their individual role. The actual activities undertaken to address the gaps are not measured; instead, members are asked to reflect on the activities undertaken. This is seen as a 'quality check point' where members go back to their initial assessment and measure whether what they have done has had a successful effect on improving skills and behaviours. CIMA is in the process of identifying a set of reflective questions to help members assess themselves at this stage, in addition to workshops for group reflection.

## 3. CPBC: independently audited output

Another interesting scheme is run by the College of Pharmacists of British Columbia (CPBC). Registrants of the CPBC identify three Desired Practice Outcomes (DPOs) – which are basically goals – in the planning stages of their CPD, linking them to their individual roles. Then they identify strategies to achieve these goals. The professional body provides guidance notes and examples to help members identify goals and link them to CPD strategies. The DPOs are sent to the professional body for approval and feedback, and can be continuously revised throughout the CPD cycle. Activities are documented, but the real assessment is undertaken at the output stage. Members complete an Evaluative Narrative Statement, which is highly structured through detailed guidelines and a clear check list of assessment criteria, and should include at least two pieces of 'evidence' with the statement. This is then audited by highly trained CPD auditors.

## Questions for discussion

Objective measurement of CPD output (like the CPBC case) is the extreme, and most professional bodies still believe in giving the individual member the autonomy to assess the impacts of their CPD. Given the wide variety of roles that operate in insurance and financial services, individuals need to be able to tailor their own CPD beyond a certain benchmark standard. Consequently some degree of self-assessment is likely to remain a necessary part of effective and relevant CPD.

Additional issues are likely to arise with the adoption of a more output-based scheme. These schemes are more complex, and the professional body will need to invest more time and resource to administering and monitoring the scheme. There will also be a greater need to support members through the process, which would likely be, at least initially, more time-consuming than a system which just requires members to record hours or activities.

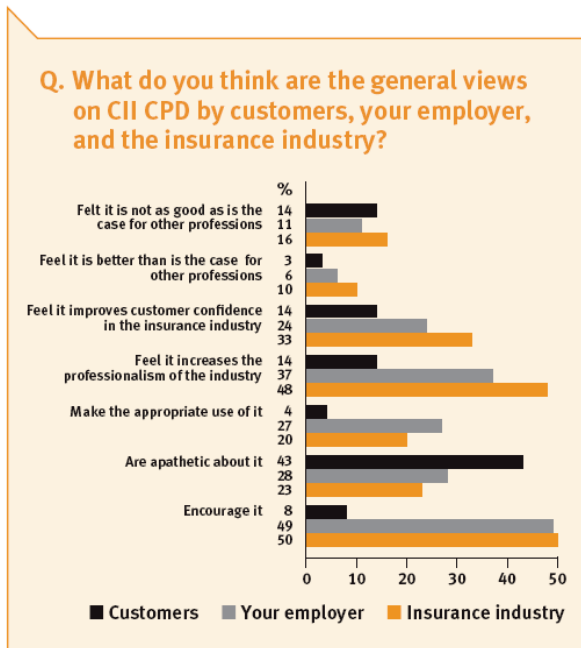
Our review will look at these systems, their costs and benefits, against the current practice, keeping in mind the broader context of what is best for raising standards of professionalism in the sector and what is best for the public interest.

- *Do you think the current CPD scheme is fit for purpose?*
- *If not, how would you change it to make it more effective?*
- *Should the system be more focussed on outputs?*
- *If so, how would you recommend measuring it?*
- *Is measuring activity objectively more important than encouraging members to think about the outcomes of activity (outputs)?*
- *What other systems might we look to for best practices?*

## 4. Employer Role and Engagement

- **Member perceptions:** our recent member survey found a perceived disconnect between professional CPD and the employer, with some members commenting that their employers do not appear to value CII CPD.
- **Accreditation and employer-approved schemes:** the CII offers CPD accreditation for events and company training programmes – as a further step, some professional bodies incorporate employer-approved schemes into their own systems.

The CII’s goal for CPD is to make it directly relevant to each professional in his or her job role and future career plans. For this to succeed, we need to secure the buy-in of both individuals and their employers, whose support is crucial for effective CPD. The benefits of CPD must be made clearer, and integrated directly with personal development plans.



One of the most interesting findings of our member survey was a perceived disconnect between professional CPD requirements and employers.

Some members commented that they believe their employer does not appear to value CPD, with some feedback that company development plans did not necessarily align with CII CPD requirements.

Members feel that the CII encourages CPD because it will increase their professionalism; but far fewer members say that their employers encourage CPD for this reason.

This review presents a clear opportunity for the CII to gain valuable knowledge about how to make CPD more effective and relevant to its members by consulting key employers on CPD going forward. Professional bodies should be working more closely with employers, to enhance relations and perhaps identify key areas for learning and development.

Research suggests that those professions which have consulted with employers in their CPD reviews (e.g., the Landscape Institute and major employer Groundwork UK) seem to have had successful results for members, employers and professional standards.

### Accreditation and employer-approved CPD schemes

The CII offers CPD accreditation for events such as seminars and conferences, which assists in demonstrating to potential attendees how the activity fits in the development of technical knowledge of competence.

The CII also offers CPD accreditation of company training programmes. This formally recognises a company’s training programme as contributing towards CII CPD requirements. There is also a clear link to FSA competence requirements. A number of organisations have achieved CII CPD accreditation, including Allianz Insurance, Aviva, Chaucer, National Flood School, RSA Insurance Group, and Scottish Widows.

As a further step, several professional bodies incorporate employer-approved CPD schemes into their own systems. Two examples of this type of scheme are ACCA and CIOBS.

#### 1. ACCA

ACCA Realise CPD scheme offers an ‘employer route’ which allows members to achieve their CPD by participating in their organisation’s ACCA approved staff development plan. ACCA members who are employed by an approved employer under the Professional Development stream are automatically exempt from having to follow ACCA’s CPD Unit Scheme Route (although they still have to complete their annual CPD declaration confirming that they are covered under this route). Any employer applying for approved status must meet a number of best practice statements relating to the support provided to ACCA trainees and members in the workplace, as well as the criteria set out in [ACCA’s assessment matrix](#).

ACCA counts many employers in their approved CPD scheme, including, for example, Abbey, HSBC, Deloitte, and KPMG.

## 2. CIOBS

In 2008 the Chartered Institute of Bankers in Scotland undertook a review of CPD and moved to a mandatory (input-based) CPD scheme. A new Approved Employer Scheme was also introduced at this time.

The CIOBS is currently working with financial services organisations to make it simpler for members to include development activity done at their place of work in the CIOBS CPD scheme. Rather than recording CPD activity on an individual basis, the majority of development can be achieved within the overall framework of a CPD Approved Employer Scheme. In the first instance, the employer's staff development and appraisal scheme needs to be reviewed and approved by CIOBS as meeting the professional development needs of their members. The scheme is still in early stages, but we are following its progress with interest as it develops.

### Questions for discussion

Employer-based schemes have the potential to offer our members a route to achieving their CPD which is built into their day to day work – which may help cut down on confusion about what CPD is and how to complete and record it.

Our review will look at different systems of employer-based schemes. We will also consult with major employers in the sector to see what they think about our CPD scheme, how it might be improved, and what an employer-based route might look like.

- *How can we best encourage company involvement, so that employers support CII CPD within their own company development plans?*
- *What are some key areas of corporate learning and development that we might address in our content specification, to make professional CPD more relevant to job roles?*
- *What are the preferred methods for measuring and recording corporate training and development, and could we develop these in collaboration?*

## 5. Raising Public Confidence

- **The challenge for financial services and insurance:** *continuous learning and improvement is all the more important to a sector where the marketplace is constantly evolving and regulation frequently changing.*
- **The CII's public interest remit:** *the primary function of CII CPD is to protect the public interest, as set out by our Royal Charter.*

CPD is not just about personal development – worthwhile though this is – but also about improving service to the public through ensuring practitioners are up-to-date, and giving the public measurable assurances of quality.

Our member survey found that many members believe that consumers do not value CPD, with only 8% believing that their customers generally encourage it. 43% believe that their customers are apathetic about CPD. Even though this is only a perception, it raises important challenges.

However a nationally representative YouGov poll, commissioned by the CII in May/June 2009, found that nearly 70% of the public feel that a mandatory CPD requirement would help win back their trust in professionals working in the financial services and insurance sector.<sup>7</sup>

Highlighting the fundamental purpose of CPD, to protect the public interest, and addressing apparent misconceptions about how much the public value CPD will be a major focus of our review.

### The challenge for financial services and insurance

The financial services sector is constantly evolving to meet the needs of the marketplace. As the economic environment has become increasingly complex, financial products and services too have become more complicated. Consumers now face a wide, and confusing, variety of choice.

The sector as a whole, including general insurance, life insurance and financial advice, will need to evolve further to come out of the recession stronger than before. Changes may be dramatic.

These challenges all add up to mean that offering the right guidance, advice, and product to consumers is more demanding than ever before.

It requires higher levels of skills and qualifications, and – crucially – it requires a thorough understanding of the subject and the frequently changing rules and regulation that surround it. Effective communication of information that is relevant to the client is just as important.

Continuous learning and improvement is crucial to upholding the professional quality mark, keeping up-to-date, and maintaining the consumers' trust.

To really understand the underlying reason that the CII as a professional body requires CPD, it is worth going back to the Royal Charter, first granted in 1912.

### The CII's public interest remit

The Royal Charter sets out a formal duty to the public interest. Charters are only rarely granted by the Privy Council, and the consensus holds that the Royal Charter signifies a 'gold standard' in the industry, seen as the best sign of consumer protection available.

Our Charter states the objects and purposes for which the Institute is constituted. The first of these purposes is:

*To promote efficiency and improvement in the practice of insurance among persons engaged or employed in that activity, whether Members of the Institute or not, to render the conduct of such business more effective and professional, **to secure and justify the confidence of the public and employers by the conduct of reliable tests of the competence of persons engaged or employed in insurance and the provisions of reliable assurances of their trustworthiness** and to provide and maintain a central organisation for those purposes. (3.a)*

As the Charter states, the primary function of CII CPD is to protect the public interest. It is part of the professional body's role to exercise supervision and control over the professional standards and conduct of members.

<sup>7</sup> See footnote 1 for details about the research.

## Questions for discussion

We will know what success looks like when the public have confidence that CPD will maintain professional competence, and members know that CPD is trusted and valued by the public (a virtuous circle).

- *What is the cause of misperceptions about the general public's regard for CPD?*
- *Have the public become less apathetic about CPD due to the financial crisis leading to the recession? What are the implications for the future?*
- *What can we do as a professional body to help shore up public confidence in CPD?*
- *What lessons can we look to from other professions or quality standards to help?*

## 6. Next Steps

- **Next steps in our CPD review:** *the review will feed into our suggestions for the FSA Retail Distribution implementation plan and our General Insurance Professionalism Task Force, with next steps to include additional member surveys, Faculty roundtables, and a policy paper reporting on feedback on the issues raised in this paper.*
- **We want to hear from you:** *your views about CPD and the issues raised here will be an important part of our review, and will shape the substance of our next stage policy paper.*

In a sector that is incredibly fast-paced, where regulation changes frequently, CPD is something that good professionals do all the time, whether it is recorded or not.

At a very basic level, formalising CPD is about consumer protection. On another level, it has the potential to be about professional excellence.

We are encouraged that members recognise this too: our survey found that 76% expect to see improved professional development from CII CPD.

The CII's CPD review is an opportunity for us to assess how we can best support members in completing their CPD, ensuring the right system, tools, and processes are in place. It will identify a package of changes and proposals later this year.

### Q. What benefits do you expect to receive personally or professionally from CII CPD?



### Next steps in our CPD review

The review will feed into two particular pieces of work that are underway:

1. The FSA's Retail Distribution implementation plan, which sets forth a set of recommendations around professionalism, including proposals for CPD; and
2. The CII's General Insurance Professionalism Task Force, which is currently looking at these issues, will cover how we can improve CPD as part of its remit.

Next steps in the review will be:

3. Additional member surveys, particularly of PFS membership;
4. Roundtables involving Faculty Board representatives to discuss the key issues; and
5. A policy paper reporting on feedback on the issues raised in this discussion paper.

### We want to hear from you

**Your views about CPD, its relevance to you in your day-to-day work, and how we can evolve our CPD offering to support you will be a crucial piece of our review, and will shape the substance of our next stage policy paper.**

- *Which opportunities identified in this discussion paper would you like to explore further?*
- *Do you agree with our analysis of the key issues, costs and benefits?*
- *What are the issues that matter most to you?*
- *How do you envision a system of CPD relevant to both your personal development and development as an employee?*
- *What do you want to see going forward?*
- *How can the CII best support you in your ongoing learning and development?*

## Have your say

Please contact us at [cpdreview@cii.co.uk](mailto:cpdreview@cii.co.uk) with any comments, views, or suggestions.