

## **Guide to Continuing Professional Development (CPD)**

As you will be aware, it is a regulatory requirement that all advisers not only first become competent, but then also maintain that competence by way of CPD, in order that they can continue to be fully effective in their roles. We are often asked about the FCA requirements in respect of CPD and so we have created this CPD guide to assist advisers understanding of this area.

The guide covers:

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You can also view this guide as a presentation at:

[http://www.wizardlearning.com/learning\\_material/demo/CPD/player.html](http://www.wizardlearning.com/learning_material/demo/CPD/player.html)

### **1. What is CPD?**

CPD is a continuing process of learning and development. It is the method used in most roles within the financial services industry - and other professions - to ensure the maintenance of the professional's knowledge and skills, as well as helping them to develop and to achieve higher levels of competence. It also facilitates and encourages career development. As CPD is a process managed by the individual, he or she should view it as an opportunity to move onwards and upwards; building on existing knowledge and widening their field of expertise, thus earning them greater respect and credibility from those they come into contact with, principally their clients - new and existing.

CPD has become a prerequisite for certain job roles and membership of financial services industry organisations, but anyone working in financial services benefits from undertaking CPD.

CPD should focus primarily on the skills and expertise needed to fulfil the professional's current role to the necessary standard, particularly those areas where a gap in knowledge or competence has been identified, and to make sure that their knowledge of government and industry issues and developments is always up to date.

### **2. What does the FCA say about CPD?**

The FCA states that: "Effective and consistent CPD is an essential part of professional standards", and that "Continuing Professional Development (CPD) is arguably as important as modernising qualifications – particularly if advisers are to continue to meet the future challenges of the investment market".

It is a regulatory requirement that all individuals wishing to carry out regulated activities must first become competent, but then also maintain that competence in order that they can continue to be effective in the roles that they perform.

Advisers need to complete a minimum of 35 hours per year of relevant CPD, 21 hours of which must be 'structured'.

The regulator says that:

- Advisers should regularly consider and assess their development needs and identify and plan appropriate activities to achieve the desired outcomes
- Advisers should record, monitor and review through evaluation the activities undertaken, and re-assess future development needs
- All CPD should be measurable as well as relevant, and should consider learning outcomes
- Measurement should be in terms of hours spent and learning achieved and include test results where testing is carried out
- All advisers, regardless of the number of hours they work per week, should carry out the same number of hours CPD per year in order to maintain and update their knowledge.

The regulator also says that CPD should not just be a collection of certificates. Consistent with its focus on relevance and learning outcomes, the regulator expects advisers to be able to demonstrate that they have expanded/updated their knowledge and developed their skills as a result of their CPD activities.

Accredited bodies must undertake a 10% sample check of CPD carried out by those advisers using their 'accreditation services', and must recognise CPD activity from a range of providers not just their own:

*“Competition would not be encouraged if accredited bodies only regarded their own CPD activity as suitable for meeting requirements. This is an example of the type of possible issue we will seek to monitor as part of our ongoing oversight of the accredited bodies.”*

### **3. Structured CPD**

Structured CPD is that which uses material or activities that are designed to achieve a particular outcome, and is capable of being independently verified. Structured learning activities include:

- Participation in seminars – in person or web-based
- Lectures
- Conferences
- Workshops
- Courses
- Completing appropriate e-learning.

Structured CPD does **NOT** include carrying out research on products and services for an adviser's clients.

Each structured CPD activity undertaken should require a minimum of 30 minutes of the adviser's undivided attention.

Advisers should be able to demonstrate that they have completed structured CPD by maintaining a record – with evidence - of the learning activity completed, the target learning outcome, how this has been met, and (if assessed), the result of the assessment.

#### **4. Unstructured CPD**

Unstructured CPD is less easy to define; it may include reading of industry journals and text books (where there is no test of the knowledge gained), reading financial press, preparing a presentation, or writing a report or similar activity in an area that might be seen as pertinent to the adviser's role. Although unstructured CPD does not involve tests or active participation in an event, it must still be 'measurable' in terms of time and against learning outcomes.

#### **5. Having a plan**

Inevitably, to gain the maximum benefit from CPD activities, the adviser should make a plan by setting objectives to be achieved (objectives that link to specific learning outcomes), carrying out activities that aim to achieve those objectives, assessing their performance in those activities, and measuring their effectiveness.

It makes sense, therefore, to keep two records; one to plan what the adviser is going to do and the other to record and assess the CPD activities undertaken.

#### **6. How a CPD plan should be structured**

A CPD plan should be structured so that it is as flexible as possible in order that it meets the needs of the individual and the requirements of their role, as well as assisting in personal career development. The regulator states that the areas to take into account are:

- Developing and updating technical knowledge and its application
- Developing skills and expertise
- Keeping up to date with changes to products, legislation and regulation.

For each of these areas, the individual should identify any development needs they have, perhaps by completing a personal SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis and setting reasonable objectives in order to meet these needs, preferably within an appropriate timeframe. This exercise should be undertaken regularly, for example, at least once a year.

#### **7. What a CPD record should include**

The regulator states, that an individual's CPD record should document the following:

1. The individual's needs - knowledge gaps and the target learning outcome
2. How those needs have been met - a description of the activity to be carried out (or that has been carried out) including the number of hours dedicated to that activity

3. Confirmation that those needs have been met (once carried out) i.e. how the activity met the learning outcome and, if tested, the test result.

### **8. What activities are acceptable within the CPD plan/record?**

The answer to this is anything, providing it bears some relevance to the person's role and duties.

In general, the activity undertaken should be one that aims to bring the individual to at least the required standard of knowledge and skills necessary for them to carry out their role effectively. Ideally, it will help them to achieve a higher level of understanding, and/or an appreciation of a different field or aspect of the industry, but not to the extent that it impinges on the needs of their current job. For example, a trainee underwriter would gain little immediate benefit in attending a course on senior management if they don't yet know the basics of their primary role.

Not all activities have to revolve around financial services. A particular skill that would be useful in the individual's role could be gained elsewhere; for example, developing teamwork or leadership through membership of an external club or society.

Activities can be categorised under the following learning headings:

#### **Active**

- Attending training courses, workshops or conferences
- Online learning packages that set clear objectives and include assessment measures (such as that offered by Wizard Learning)
- Sitting a relevant examination
- On the job training
- Attending society or club meetings and events

#### **Reflective Learning**

- Accessing web-based information
- Listening to a relevant podcast
- Viewing a relevant webcast
- Attending internal company briefings

#### **Development**

- Chairing events and conferences
- Presenting at events, training courses and conferences
- Being a member of a relevant committee or board

#### **Self-directed**

- Reading industry press and briefings
- Reading regulatory updates
- Studying for formal industry qualifications
- Accessing online news

### **9. Wizard Learning CPD SYSTEM does it all!**

The Wizard Learning [CPD SYSTEM](http://www.wizardlearning.com/CPD_System.php) is your 'one-stop-shop' where you can fulfil your ongoing CPD needs. Due to our CPD being classed as 'structured', it will help

satisfy the regulator's requirement of a minimum 35 CPD hours a year of which at least 21 hours are structured.

Our CPD system includes

#### Monthly CPD update

The system provides an online monthly CPD update and a final 10 question assessment on a wide range of topics to help you keep up-to-date with key financial services industry developments and current issues.

The topic areas are:

- Pensions
- Savings and investments
- The Economy
- Taxation and trusts
- Protection
- Mortgages
- Compliance and regulation
- Miscellaneous

The final 10 question assessment will serve to demonstrate your understanding of the material you have read. Your study time, on average 1.5 hours per month, and your assessment results are recorded on your personal CPD Certificate and personal learning log.

#### Diploma gap analysis assessments

Identify any gaps in your diploma knowledge by taking assessments and using the online diploma courses that you are given access when you subscribe to the Wizard Learning CPD system to improve any knowledge gaps that have been identified in your assessment feedback. The package includes a total of 1,500 questions, 300 questions for each of the 5 core areas. You are also able to select the number of question per assessment.

#### Diploma online courses

Five online courses covering the exam syllabus in detail for:

- Financial services, regulation and ethics at diploma level (R01)
- Investment principles and risk (R02)
- Personal taxation (R03)
- Pensions and retirement planning (R04)
- Financial protection (R05)

#### Compliance related online courses

These include final assessments to evidence your knowledge.

- Financial crime
- Data protection
- Complaints procedures.

### Specialist online courses

- Workplace pension reform
- Structured products

### Focus on topics

Added on a regular basis, each topic covered includes:

- Key facts
- A short audiovisual presentation
- Multiple-choice assessment
- Case study

### Learning to Learn - 5 learning skills online courses

- How to Improve Your Time Management (for Learning Skills?)
- How to Improve Your Exam Skills
- How to Improve Your Reading Skills
- How to Improve Your Memory and Mental Agility Skills
- How to Improve Your Study Skills

Your CPD Certificate can be printed or exported to a PDF or an Excel file and can then be given to your accredited body as evidence of the structured CPD that you have carried out, ensuring that you meet the requirements to be issued with your Statement of Professional Standing (SPS) on an annual basis.

Wizard Learning send your monthly assessment results, along with any questions you answered incorrectly, to you by email so that you can keep a copy for your records.

The Wizard Learning CPD system fulfils ALL of the regulator's CPD requirements – and more.

## **10. Summary**

In summary, the Wizard Learning [CPD system](#) provides the following benefits:

- Ongoing CPD to help you to meet your annual structured CPD hours requirements as required by the FCA
- No downloads needed; you have immediate online access to everything you need with easy-to-use menus
- Our CPD system allows you to refresh and maintain your knowledge on areas in which you passed an exam some time ago
- It is a good reference tool if you need to research an area that is a part of the required diploma knowledge
- All CPD results are permanently held on our database, which you can sort into date period and print or export for the purposes of obtaining your annual SPS. For firms with multiple users, we can supply a combined report showing all the users CPD time and results over any time period that is required.

Our information page at [www.wizardlearning.com/CPD\\_System.php](http://www.wizardlearning.com/CPD_System.php) provides more information. Please contact [admin@wizardlearning.com](mailto:admin@wizardlearning.com) for information on the discounts available for multiple users within a firm.



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Assisting finance professionals to pass industry exams and helping them meet their CPD requirements.