

FINDEX WIDE POLICY

Risk Management & Compliance

Licensee Training Policy

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1 Purpose

Several Findex Group Ltd companies (Findex) are licensed to provide financial services and engage in credit activities, which are referred to as “Licensee” throughout this policy. This requires Findex to have arrangements to ensure all representatives meet their initial and ongoing training requirements.

2 Scope

This policy applies to representatives of the following Findex licensed entities which are collectively referred to as “representatives” throughout this policy:

- i. Financial Index Australia Pty Ltd (AFSL No 240559)
- ii. Findex Advice Services Pty Ltd (AFSL 243253)
- iii. Specialised Private Capital Ltd (AFSL 246744)
- iv. Crowe Horwath Financial Advice Pty Ltd (AFSL 238244), to be known as Findex Financial Advice Pty Ltd (AFSL 238244) from 1 April 2019.
- v. Crowe Horwath Property Securities (AFSL 247427) (ACL 247427)
- vi. Crowe Horwath Corporate Finance (AFSL 239170), to be known as Findex Corporate Finance (AFSL 239170) from 1 April 2019
- vii. Crowe Horwath Insurance Brokers Pty Ltd (AFSL 342526), to be known as Findex Insurance Brokers (AFSL 342526) from 1 April 2019
- viii. Centric Lending Services Pty Ltd (ACL 392142), to be known as Findex Lending Services (ACL 392142) from 1 April 2019
- ix. Crowe Horwath (Aust) Pty Ltd (ACL 389054), to be known as Findex Lending Services (ACL 392142) from 1 April 2019
- x. Unison Advice Services Ltd (AFSL 228894)
- xi. LendEx RE Ltd (AFSL 477371)

2.1 Who is a Representative?

A ‘representative’ of a licensee is defined in section 910A of the *Corporations Act 2001* (“*Corporations Act*”) to be:

- an employee representative of the licensee, or
- an authorised representative of the licensee, or
- a responsible manager of the licensee, or
- an employee or director of the licensee, or
- an employee or director of a related body corporate of the licensee, or
- any other person acting on behalf of the licensee



3 Training Program

3.1 Induction

New representatives authorised as a Licensed Accountant, Financial Planner or Lending Adviser will receive induction training following commencement of their employment.

For representatives authorised to provide personal financial advice, induction training is scheduled once a quarter or sooner if required. Existing representatives may be required to re-attend induction training at the discretion of the Licensee, or as part of a remedial action plan resulting from the group’s annual Monitoring & Supervision Program.

The following (not limited to) are covered in the Compliance Induction Programme.

1. AML CTF Program;
2. Conflicts of Interest;
3. Breach Reporting Procedure;
4. Client Concern and Reporting Policy;
5. Client Disputes Management Policy;
6. Client Compensation Handling Policy;
7. Complaints Handling Policy;
8. Soft Dollar Benefits Policy;
9. Documentation Control and Records Management;
10. Privacy Policy;
11. Marketing and Compliance Policy;
12. Advisory Process (all-encompassing Section 912 Obligations of the Corporations Act);
13. Licensee Training Policy;
14. Licensee Authorisation Process;

3.2 Continuing Professional Development (CPD) Plan

To meet ongoing training obligations under the requirements of the Financial Adviser Standards and Ethics Authority (FASEA) and RG146, all representatives must undertake continuing training to maintain and update the knowledge and skills that are appropriate for their activities. In addition, each representative must have an annual CPD Plan based on their individual authorisations, which prescribes the representative’s minimum CPD hours/points and competencies they must meet for the calendar year. It is the responsibility of the representative to meet any ongoing conditions of personal memberships or designations they hold (e.g. CFP, FChFP, CA etc.)

Certain other non-representative employees who are engaged in the Financial Services area will have a CPD plan prepared and allocated to them by Findex which will cover relevant knowledge areas and operational procedures. CPD plans are accessible online via the outsourced website with each representative having their own user access.

CPD Hours and Knowledge areas

The table below illustrates the minimum ongoing CPD hours required for the various categories of representatives.

	Minimum CPD hours per year	Compulsory knowledge areas		Knowledge areas
Responsible Manager*	20	Ethics	Compliance	<Per authorisation>
Credit Representatives	30	Ethics	Compliance	<Per authorisation>



	Minimum CPD hours per year	Compulsory knowledge areas		Knowledge areas
General Insurance Representatives	25	Ethics	Compliance	<Per authorisation>
Adviser Support staff	40	Ethics	Compliance	<Per knowledge areas>
Corporate Finance Representatives	10	Ethics	Compliance	<Per authorisation>
Client Services	15	Ethics	Compliance	<Internal Compliance & Procedures>

** Responsible managers authorised to provide advice or engage in credit activities will need to meet the Responsible Manager minimum CPD requirement on top of the minimum CPD requirements for their authorisation.*

CPD plans will include compulsory knowledge areas such as Ethics and Compliance. Specific compliance related training such as (but not limited to) breach management, conflicts of interest, complaint handling, and other concerns that are deemed to be relevant will be sourced by the Risk Management and Compliance team throughout the calendar year where necessary.

Licensed Accounts and Financial Planners will need to refer to section 4 “Findex CPD policy for Relevant Providers” for further information regarding their CPD plan.

3.3 Professional Development Days

At the discretion of Findex, Professional Development days will be prepared once per calendar year, to support representatives in further developing their knowledge, technical, quantitative, and analytical skills in their professional activity. Findex may choose to invite guest speakers such as those from a platform provider to assist with delivery of the training where determined appropriate.

4 Findex CPD Policy for Relevant Providers

4.1 Overall Approach

Financial Planners and Licensed Accountants referred to as “relevant providers” in this policy must undertake sufficient continuing professional training to maintain, improve and broaden their knowledge and expertise to develop the qualities required in their professional lives.

Findex will support relevant providers in their undertaking of CPD to maintain competence at a level appropriate for the professional services (including financial product advice) that the relevant provider provides, as outlined in this policy

4.2 CPD plans created for relevant providers

Relevant providers will be required to develop and maintain their CPD plan on a continuing basis, which must be approved by Findex on an annual basis (financial year). Access to an online platform will be provided to help develop and manage their CPD plan, which can be updated throughout the year if circumstances change.



As a guide the Licensee expects as a minimum, the below competencies to be included as objectives in the individual's CPD plan:

- Technical competence
- Client care and practice
- Regulatory compliance and consumer protection
- Professionalism and Ethics

Licensee created plans

From time to time the Licensee may determine to create a CPD plan for a relevant provider at its discretion. In such situations the Licensee will communicate and provide the relevant CPD plan to the relevant provider.

It will be up to the relevant provider to provide the Licensee with feedback within a 14-day period for alterations, otherwise it will have been taken that this has been accepted by the relevant provider. The licensee at its discretion will decide whether to accept the feedback from the relevant provider in relation to the CPD plan.

This approach may be taken in the instance of provisional financial planners operating under their professional year as well as any appointments of new advisers who are not new entrants part way through the financial year.

The table below illustrates the minimum ongoing CPD hours required for relevant providers each financial year.

	Minimum CPD hours per year
Financial Planner*	40
SMSF Specialists	40
Risk Specialists	40

* Financial Planners registered as a Tax (financial) adviser are required by the Tax Practitioners Board (TPB) to also meet Continuous Professional Education (CPE) standards as set by the TPB.

4.3 CPD activities

What CPD activities can I do?

The following types of learning are some of the available CPD activities that a relevant provider can undertake;

CPD Activity	Maximum CPD hours that can be claimed per financial year
Formal Study provided by education provider* <ul style="list-style-type: none"> • Approved degrees or degree equivalent study to meet legislative requirements (such as bridging courses) • Formal study towards qualifications or designations relevant to the authorised activities 	30



CPD Activity	Maximum CPD hours that can be claimed per calendar year
Non-formal study <ul style="list-style-type: none">• Education for the purposes of achieving a relevant professional designation (e.g. CFP, FChFP, etc)• Education for the purposes of meeting requirements in specific financial advice provisions (e.g. Stockbroking, SMSF, Aged Care, etc.)• Education for the purposes of accreditation in specific forms of financial products relevant to licensing arrangements (e.g. Credit)	No limit
Licensee Training <ul style="list-style-type: none">• Licensee organised training such as Induction training, PD days, webinars, and other ad hoc training delivered to cover various competencies and technical requirements relevant to the individual's authorisation as required by the licensee	No limit
External Training <ul style="list-style-type: none">• Sessions/workshops such as conferences, PD days, update sessions	No limit
Professional or Technical Reading	4

**For more information on approved degrees please refer to FASEA's Final Relevant Providers Degrees, Qualifications and Courses Legislative Instrument through the following link: <https://www.fasea.gov.au/relevant-providers-degrees-qualifications-and-courses-legislative-instrument/>*

All internal training will be assessed for CPD hours and assign attendees with the CPD hours for attendance/participation. Completed study and external training must be validated by the Licensee for CPD hours to be recorded. Please refer to Appendix A for instructions on how to upload completed training to your CPD record:

To ensure that CPD activities are provided by appropriate persons and/or entities the Licensee will conduct audits throughout the year by randomly selecting members to review their CPD activities. The assessment will review any external training completed to check that the presenter(s) meet the following requirements:

- have an accredited standing
- completed relevant Academic qualifications; and
- relevant practical experience in the subject matter

The following activities are examples of activities not eligible for accreditation:

- Product launches or demonstrations
- Motivational presentations
- Internal workplace, health and safety programs
- Performance reviews
- Desktop or internal database/system training.



How will CPD activities be approved?

Requests for CPD hours to be allocated to a relevant provider's CPD record will be assessed with consideration to:

- The level of expertise of the CPD provider
- Expertise of facilitators and/or those delivering the CPD
- The level of learning undertaken
- The stated learning outcomes for the CPD activity
- Volume of time in undertaking the CPD activity
- The approach for verification of learning outcomes achieved

CPD hours are awarded to appropriate activities on a 1:1 ratio, meaning, 1 hour of learning equates to 1 CPD hour.

To ascertain what CPD activities are appropriate, if the answer to either of the below questions is 'yes' then the activity generally qualifies for CPD hours:

1. Does this activity make me a better adviser?
2. Does this activity advance the profession?

4.4 Special Circumstances

Part-Time workers

Where a relevant provider is employed with Findex as part-time for the **whole** of the CPD financial year, the representative will be required to meet the same CPD requirements as a full-time employee (40 CPD hours). Part-time relevant providers may have their annual CPD requirements reduced however, only with prior written consent by the Licensee can the CPD plan be amended. The lowermost hours of CPD that the Licensee will allow for a relevant provider is 36 hours of CPD training in each CPD year.

To request for your CPD requirements to be amended please submit the following Jira:

Risk Management & Compliance service desk > Licensee Operations (Aus) > CPD plans

Extenuating Circumstances

For relevant providers affected by extenuating circumstances such as medical, disability or parental leave, to the effect where they are unable to meet their CPD requirements, it is their responsibility to advise the Licensee as early as possible. Upon advising the Licensee, the details of the circumstance will be reviewed for validity and an outcome will be determined on a case by case.

Relevant providers will be expected to meet their CPD requirement unless otherwise communicated by written approval from the Licensee.

To advise the Licensee of an extenuating circumstance please submit the below Jira with any supporting documentation:

Risk Management & Compliance service desk > Licensee Operations (Aus) > CPD plans

4.5 New relevant providers authorised under Findex

New relevant providers

Where a new relevant provider who has recently completed their Professional Year is authorised during a CPD year (date after 1 January), the individual's CPD requirements will pro-rata the hours for the period from 1 January to their commencement date.



For example, if the individual is authorised on 1 July 2019 and the CPD year commenced 1 January 2019, then the CPD requirement for the remainder of the CPD year will be 20 hours.

Existing relevant providers

Representatives who have previously been authorised under an external Licensee will be required to meet the full CPD requirement for the calendar year when they are authorised. CPD that has been undertaken with a previous licensee can be used for recognition and must be provided to Learning & Development to be recorded against your CPD plan.

Please refer to **Appendix A** for instructions on how to update your CPD record.

4.6 Approach to evidencing outcomes of CPD

Please refer to section “5 Licensee’s Responsibility” below for information on the Licensee’s approach to evidencing outcomes of CPD

4.7 Approach to record keeping

Each representative is responsible for meeting their individual CPD Plan and keeping up-to-date records of their CPD activities, including evidence of completion of any CPD activity. The online platform has been provided to help manage your CPD plans and training records. Training records should be kept for 7 years from the end of each CPD year.

4.8 Approach to auditing and compliance with the policy

Please refer to Section “6 Reviews” for information on Licensee’s approach to auditing compliance with this policy.

5 Licensee’s Responsibility

It is the licensee’s responsibility to ensure that representatives are competent in providing the financial services and credit activity covered by the relevant licences at all times.

The Head of Risk Management & Compliance, in conjunction with Learning & Development will monitor each representative’s CPD to ensure they comply with their ongoing training requirements outlined as per individual training plans.

The Head of Risk Management & Compliance will submit a CPD report to the Findex Risk Management and Compliance Committee on a quarterly basis. This will include information on all representatives and their progress on continuing development. The Responsible Managers for each licence is responsible for ensuring that this information is passed on to representatives to ensure that they continue to meet their ongoing obligations.

6 Reviews

6.1 Internal

The Head of Risk Management & Compliance in conjunction with Learning & Development will be responsible for reviewing this policy annually.

An internal audit will be organised by the Head of Risk Management & Compliance, and will ensure that the representatives are meeting their training plan requirements. Any non-



compliance by the representatives will result the appropriate sanctions.

A review of organisational competence is undertaken before any changes are made to the business such as expanding the range of financial products offered or credit activities engaged in.

The Risk Management and Compliance Committee reviews annually the organisational competency of each licensee including reviewing its Responsible Managers are also meeting the training requirements of ASIC Regulatory Guides 205, 206 and 146 and are competent to carry out obligations and responsibilities under their respective licence.

6.2 External

ASIC may conduct a surveillance audit to check the licensee's ongoing compliance with the organisational competence obligation, including measures for ensuring compliance. An unsatisfactory audit outcome may result in ASIC taking administrative action, which could include suspending, or cancelling a Findex licence or imposing additional licence conditions.

The Financial Planning Association (FPA) may also conduct a surveillance audit to check the FPA member's ongoing compliance with the organisational competence obligations. If during an FPA audit, a member's CPD record is found to be in deficit, the member will be given 90 days to rectify the deficit.

Failure to cooperate will result in disciplinary proceedings being brought against the member that may lead to fines, cancellation of CFP Professional status or cancellation of membership. Members should refer to the FPA Disciplinary Regulations for further information on this process.

The licensee's external auditor will also sample and review representative's training records to verify that representatives are meeting their training requirements.

6.3 What should you do if contacted by either ASIC or the FPA for a CPD audit?

If you are contacted by either ASIC or the FPA for an audit you must immediately notify the Head of Risk Management & Compliance and Learning & Development Manager to ensure that proper procedures are followed. Please do not volunteer information; advise Risk Management or Learning & Development will get back to them with the required information.

The Head of Risk Management & Compliance may engage an external compliance consultant or lawyer to assist in assessing the ongoing training needs of the representatives, and the Head of Risk Management & Compliance will ensure that the recommendations in the report are reviewed.

The external compliance consultant will also review the nature and extent of each representative's authorisations, and make recommendations as to any changes to the authorisations and any additional training to be undertaken by the representatives.

7 Non-compliance with CPD

Where representatives do not maintain their knowledge and skills to meet their ongoing CPD obligations then appropriate action may be taken by the Risk Management and Compliance department. This will most likely include:

- a written warning; and/or
- suspension; and/or
- termination

of the representative's authority or disciplinary action.



Findex maintains a consequence management process for instances of continued failure. The progression process followed by Findex includes:

- completing a required training course or assessment by an agreed date;
- potential suspension from income-earning activities until the course is completed; or
- as a last resort, termination of their authority.

8 Key Contacts

Should you have any questions regarding your Training Plan please contact Learning & Development.

For any queries concerning this Policy please contact Risk Management & Compliance team.

Version Control:

The version control table is to be updated each time the procedure is updated.

Version	Author	Effective Date	Comments
002	Dulshi Hetti	01/12/2017	Updated minimum SMSF & Responsible Manager CPD requirement
003	Risk Management	02/03/2018	Minor Amendments for Title Changes as of 9 March, 2018
004	Dulshi Hetti	02/05/2018	Recommendations per EU Policies and Procedures Remedial Action Plan, including addition of TASA training for FP. Further Unison Advice Services Ltd has been added as Part of the Findex Group AFSLs.
005	Elven Jong	08/03/2019	Updated to meet FASEA standards for relevant providers



APPENDIX A – How to update your CPD record

External courses can be allocated to your training plan with CPD points provided that staff follow the below procedure:

1. Upload the training to Kaplan for validation. Refer to the instructions provided through the link <http://ontrack.mykaplan.edu.au/how-do-i-enter-training-records-in-ontrack-2/>.
2. Submit a TPR to the L&D team and attach your certificate of completion. TPR to be submitted to: [Human resources -> Learning & developments – Continuing Professional Development -> Validation of CPD Points].

For the full training manual please refer to the below Apollo guide.

https://egvc.fa.ap1.oraclecloud.com:443/hcmUI/faces/deeplink?objType=WLF_LEARN_SS_VIE_W_COURSE&action=NONE&objKey=itemId%3D300000010891504