1. Introduction 1

2. updates 2

3. Competency 2

4. Training Funding and Support 2

5. Training Standards 3

6. Responsibility 4

7. training officer 4

8. DOCUMENTATION 4

8.1 Training Documentation 4

9. training providers 5

10. AFS Licensee Training Analysis 5

10.1 Introduction 5

10.2 Retail Financial Product Advisors 5

11. PROCEDURES 7

11.1 Traineeships 7

11.2 Training Needs Analysis 7

11.3 Training Plans 7

11.4 Monitoring and Follow Up Assessment 7

11.5 Initial Training 8

11.6 Ongoing Training 8

12. NON JOB RELATED TRAINING 9

13. Financial Crime Training 9

# Introduction

* + - 1. One of the key criteria in being able to operate in the Financial Services Industry is to ensure that all staff and advisory authorised representatives that provide Financial Services advice achieve and maintain a minimum level of education standards.
      2. Financial Services includes insurance broking and underwriting activities. Claims and clerical/administrative functions are not included as Financial Services.
      3. For the purposes of this policy staff extends to include any representatives and Authorised Representatives of the business. An Authorised Representative is a person/business that acts on our behalf. It does not include a business that holds its own license.
      4. Further details of the training requirements are spelt out in the ASIC Regulatory Guide RG146 ([RG146 - Training](http://www.msmlm.com/msm-mission-control/rg146-training/)).
      5. The appropriate training of staff ensures that our clients receive the appropriate service and the relevant products to meet their needs.
      6. The failure to train staff can lead to poor service, potential for claims for compensation from clients, loss of clients and loss of ability to operate in the industry.
      7. Staff should only provide financial services and products for which they have been appropriately trained. As a general rule training to provide financial services and products should be completed prior to the staff member providing such services and products.
      8. Whilst on the job training can be conducted in the provision of financial services, the output during such processes needs to be closely monitored and signed off by an appropriately trained supervising staff member.
      9. Apart from meeting the current training requirements of a role we and ASIC require staff to undergo ongoing relevant training to ensure that we are able to adjust our services and products as our business, the market and the industry requirements change over time.
      10. A key component of selecting new staff is to assess the current training levels of the applicant and their existing compliance with the training requirements for the job they are being engaged for.
      11. Any training done to meet the initial RG146 requirements of ASIC must be checked to ensure that the course is accredited by ASIC and a copy of the relevant documentation retained for a minimum of five years, regardless of whether the employee is still with the business.
      12. All external training attended by staff as part of ongoing training should ideally include documented evidence of attendance and completion of any relevant work involved and the results of any assessment process completed. All such training documentation must be retained by the business for a minimum of five years, regardless of whether the employee is still within the business.
      13. Compliance by the business with this Training Program is a key component of our Risk Management Policy and Procedures ([Risk Management Policy and Procedures](http://www.msmlm.com/msm-mission-control/risk-management-policy-and-procedures/)) and is included in our Compliance Policy and Procedures ([Compliance Policy and Procedures](http://www.msmlm.com/msm-mission-control/compliance-policy-and-procedures/)).
      14. The Training Officer is responsible for the day to day implementation of these Policy and Procedures however the Responsible Manager(s) retains ultimate responsible for the effective handling of Training and ensuring the effective application of our Policy and Procedures.
      15. All staff and Authorised Representatives must be familiar with and comply with this Policy and Procedure, understand the importance the business places on the effective operation of our Policies and Procedures and are encouraged to look for improvements to our procedures.

# updates

* + - 1. These Policy and Procedures are updated on a regular basis. Any material changes to this Policy and Procedures will be advised by management either via Email or at our regular Staff meetings.
      2. This document and associated forms etc. are accessible in soft copy via our computer network. We do not store these documents in hard copy. All information can be immediately accessed on the computer network and will be guaranteed to be up to date at all times.
      3. When you see an opportunity to improve a procedure kindly make the suggestion known to your manager/supervisor as we all have a responsibility to improve our standards, individually and as a Company.

# Competency

* + - 1. ***Competency*** can be defined as a standardised requirement for an individual to perform a specific job properly. Competency standards are specifications of performance determined by an industry. They highlight the skills, knowledge, attitudes and behaviours, together with the performance level required to operate effectively in a specific trade or profession.
      2. Competency is categorised by:
* Job skills or tasks - what the person is able to do.
* Knowledge, attitudes and behaviours required to perform each job skill or task.
* Performance standard - the accepted level of performance for each job skill or task.
  + - 1. We ensure all our staff and Authorised Representatives are competent through a range of systems and processes including:
* Induction Checklist for all new staff / Authorised Representatives that includes getting copies of qualifications, reference checking previous experience, training on all relevant Codes of Practice etc.
* Our Client File Checklist that can be used to review the actual level of competence and compliance being delivered by staff / Authorised Representatives.
* Review of information collected by our Compliance Management system, Complaints Management system, concerns expressed by clients whenever the Financial Services product does not meet their expectations.
* Components of this Training Policy and Procedures.

# Training Funding and Support

* + - 1. As a general rule all out of pocket costs for training that are directly relevant to the current or agreed future roles of a staff member will be paid for by the business on successful completion of such training.
      2. For ongoing training staff may be required to pay for some or all of the cost of any course /unit or program that they undertake. This will be at the discretion of the Responsible Managers. The refund of any staff contribution is to be agreed prior to the commencement of the training and is based on provision of documentation showing that they have successfully completed the Training.
      3. The company will pay for any cost over and above the $100.00 up front. However staff will be required to repay the company this money in situations where they do not successfully complete the training or leave the business prior to the successful completion of the training.
      4. For time spent at agreed training programs and examinations that are only accessible during working hours, such time will be treated as normal work. Reasonable travel costs will also be covered.
      5. For time spent at agreed training programs and examinations that are only available outside of working hours and for general course study and work, such time will not generally be formally recognised by the business and as such will be unpaid.
      6. Where agreed training programs involve examinations (either during or outside of work hours) the business will provide the staff member with study leave (either paid or unpaid) as decided by the Responsible Manager and confirmed in writing.

# Training Standards

* + - 1. The training standard required for staff is dependent on the type of products and clients that staff are dealing with. Full details are spelt out by RG146 ([RG146 - Training](http://www.msmlm.com/msm-mission-control/rg146-training/)) and listed below is a summary of these requirements.

|  |  |  |
| --- | --- | --- |
| Type of Client | Type of Product | Training Level |
| Direct Retail (Individual or small business) | General Insurance - Home/Motor/Personal Property/Travel/Consumer Credit | Tier 2 equivalent to a Certificate III course |
| Direct Retail (individual or small business) | General Insurance Personal Accident, all other Financial Service products. | Tier 1 equivalent to a Cert IV / Diploma / Degree course |
| Direct Wholesale | All Products | Competent, no specific requirements however Tier 1 is considered the minimum. |

* + - 1. The following standards are to be applied within our business for all staff engaged. These training requirements must be clearly communicated and agreed with prospective employees and included in the Staff Letter of Engagement ([Staff Letter of Engagement Template](http://www.msmlm.com/msm-mission-control/staff-letter-of-engagement-template/))

|  |  |
| --- | --- |
| Role | Target Training |
| Junior staff | Certificate III in Financial Services |
| Clerical & Support staff | Certificate III in Financial Services |
| Internal operational staff including claims staff. | Certificate IV in Financial Services, or Tier 1 Compliance Program |
| Sales, supervisor, managerial staff and staff handling Personal Accident business direct with Individuals. | Diploma/Degree in Financial Services, or Tier 1 Compliance Program |

* + - 1. All staff must complete the relevant industry Code of Practice training when they commence with us or whenever the Code changes.
      2. All staff that are involved in the operation of any general Insurance Binder are also required to have completed the ANZIIF General Insurance Code of Practice on-line course.

# Responsibility

* + - 1. The Responsible Manager(s) of the business is responsible for the implementation and effectiveness of the Training Policy and Procedures.
      2. Responsibility for the day to management and monitoring of the policy and procedures may be delegated to a Training Officer.
      3. The person responsible for Training is to be clearly shown on our Organisation Chart.

# training officer

* + - 1. Senior management has nominated a Training Officer, who is responsible for the effective implementation and operation of these Policy and Procedures. This person is identified in our Organisation Chart by use of the Code TO.
      2. The Training Officer will be provided with the necessary training to be able to effectively perform this role.
      3. The specific skills, roles and responsibilities of the Training Officer include:
* Developing an annual documented Training Plan for each staff member providing Financial Services advice.
* Working with staff to ensure that the Training Plans are followed.
* Ensure that the Training Plans are updated as training occurs.
* Ensure that relevant supporting documentation for any training completed is filed and accessible as proof that the training has been undertaken.
* Ensuring training needs for new staff are addressed and a Training Plan implemented.
* Promote training within the business.

# DOCUMENTATION

## Training Documentation

* + - 1. Training Needs Survey. [Training Needs Survey](http://www.msmlm.com/msm-mission-control/Training-Needs-Survey/). This form is to be used to capture the relevant training information for new and existing staff. This form is to be completed for all new starters and placed in their personnel file. Training plans developed are to be documented on the Staff Training Register held in the office.
      2. Training Completion Form. [Training Completion Form](http://www.msmlm.com/msm-mission-control/Training-Completion-Form/). The form can be used to capture all new external and formal internal training done. This form may be completed and held in the staff member’s file. The Staff Training Register at the office is to be updated as well.
      3. Staff Training Register. ([Training Plan & Register Template - Excel](http://www.msmlm.com/msm-mission-control/training-plan-register-template-2/), [Training Plan & Register Template - Word](http://www.msmlm.com/msm-mission-control/training-plan-register-template/)) The register captures information on external and formal internal courses/seminars/programs for each staff member. It is to be maintained centrally for all staff at any one location. All documentation relating to completed training is required to be kept for a minimum of 5 years.
      4. Position Descriptions [Position Description](http://www.msmlm.com/msm-mission-control/position-description/). An employee’s Position Description captures the various activities performed by the staff member on a regular basis and indicates the level of skills/experience and knowledge required to perform such functions.
      5. Appraisal and Development Form [Appraisal & Development Form](http://www.msmlm.com/msm-mission-control/appraisa-&-development-form/). This form includes information on the agreed Training program for each staff member on an annual basis.
    1. Training Overview Presentation [Training Overview](http://www.msmlm.com/msm-mission-control/training-overview/). This provides an overview to new staff of the Training Requirements that we are required to meet.

# training providers

* + - 1. Our preferred training providers for financial services are:
* The Australian and New Zealand Institute of Insurance and Finance (ANZIIF).
* KAPLAN
  + - 1. Prior to relying on an organisation to provide training that meets the requirements of RG146 it is critical that the Training Officer confirms that the course being offered meets the requirements of RG146.

# AFS Licensee Training Analysis

## Introduction

* + - 1. A **representative** is an employee, director or anyone else acting on our behalf. This includes Authorised Representatives, i.e. those representatives who are not employees or directors, but whom we (as a licensee) authorise to provide financial services on our behalf.

## Retail Financial Product Advisors

* + - 1. Those representatives who provide **financial product advice** to Retail Clients (henceforth referred to as Retail Financial Product Advisors) need to be identified separately as they are subject to additional obligations under RG 146. We must also ensure that these people are competent in creating a Statement of Advice document where applicable.
      2. You provide **financial product advice** if you provide a recommendation or a statement of opinion, or a report of either of those things which is intended to influence a person(s) in making a decision in relation to a particular financial product or class of financial products (s766B), regardless of nominal classification such as actual job title or description.
      3. In relation to general insurance, a client is a Retail Client if they satisfy two tests:
* The individual or small business test: small business is a non-manufacturing business that employs fewer than 20 people; or a manufacturing business that employs fewer than 100 people; and
* The product test: the product test is one of the following types of general insurance: motor vehicle insurance; home building and contents insurance; sickness and accident insurance; consumer credit insurance; travel insurance; or personal or domestic property insurance.
  + - 1. You should apply the following chart against anyone acting on our behalf (including employees) to help identify our representatives who provide retail financial product advice and who are thus subject to the requirements of RG146, i.e. our **Retail Financial Product Advisors**.
      2. Upon becoming licensed, or with the change in computer software utilised to help produce Statements of Advice we must individually assess the competence of each Retail Financial Product Advisor to produce a Statement of Advice where relevant. This should involve the advisor actually completing all steps in the SOA process and then having the completed SOA checked for accuracy and compliance with the SOA requirements.
      3. RG 146 Representative Identification Flowchart

Is this person an employee, director or anyone else who acts on our behalf?

Yes

No

This person is a representative

Is this person solely involved in providing factual Information, providing advice based on pre prepared scripts or providing routine administrative services?

Yes

No

This person does not require RG146

Is this person responsible for providing financial product advice?

This person does not require RG146

No

Yes

Is this person providing advice to Retail Clients?

No

Yes

**Retail Financial Adviser**

Requires RG146 Training

This person does not require RG146

# PROCEDURES

## Traineeships

* + - 1. A Certificate III in Financial Services is recommended for all new junior staff commencing within the business. Traineeship enrolments must usually be done within the first 3 months of commencement to ensure maximum government funding.

## Training Needs Analysis

* + - 1. Training needs analysis will be conducted when:
* A new staff member is engaged.
* A staff member’s roles, duties or functions are planned to change.
* Annually as part of the Appraisal Process.
* When new tasks or activities are introduced into the business.
  + - 1. The Training Officer, after reviewing the current or planned roles required to be performed by a staff member and the requirements of RG146 will determine the appropriate level of training required by each staff member for that role.
      2. In assessing the training required by a staff member we will look at four issues:
* The roles currently undertaken and proposed to be undertaken in the next two years.
* The formal training programs and assessments already undertaken and whether they meet the RG146 requirements.
* The demonstrated competency and knowledge of the staff member to perform a task.
* The outcomes achieved by the staff member in the workplace.
  + - 1. Any training needs identified will be discussed with the staff member concerned and an agreed process for the training documented.
      2. In various circumstances, external organisations, such as insurers and other providers may also impose training requirements on staff. These requirements and associated outcomes will be documented and handled in the same way as internally generated training requirements.

## Training Plans

* + - 1. Once the training needs of a staff member have been identified and agreed, the plans are documented.
      2. If the training originates from the Appraisal Process they will be included in the Appraisal form. Otherwise discussion on agreed training plans will be documented in the staff members file.
      3. All planned training either arising from the Appraisal Process or otherwise is to be included on the Staff Training Plan.
      4. Where we subscribe or follow the Insurance Brokers Code of Practice all staff are required to undergo annual refresher training on the Code. This obligation should be imbedded into all Training Plans. Confirmation of reading the Insurance Brokers Code of Practice Overview ([Insurance Brokers Code of Practice Overview](http://www.msmlm.com/msm-mission-control/insurance-brokers-code-of-practice-overview/)) is considered acceptable refresher training.

## Monitoring and Follow Up Assessment

* + - 1. Completion of such training will be monitored on a regular basis by the Training Officer.
      2. Training not completed as scheduled will be immediately followed up and alternative plans put into place.
      3. Consistent failure of staff to successfully undergo agreed training will lead to counseling and possible termination of services.

## Initial Training

* + - 1. All new staff will undergo an Induction Process as set out in the Staff Policy and Procedures ([Staff Policy and Procedures](http://www.msmlm.com/msm-mission-control/staff-policy-and-procedures/)). A key component of that will include training on the policies and procedures of the business, with a focus on the importance of compliance to the business.
      2. All staff appointed as Responsible Managers will be expected to complete the MSM Responsible Manager PowerPoint Presentation prior to their appointment. This program that explains the important role of the Responsible Manager and focuses particularly on the obligations of the business under The Act and other Legislation and Codes.

## Ongoing Training

* + - 1. Apart from the specific training needs identified to perform a role we require all staff and representatives to engage themselves in ongoing self-development.
      2. These development programs will be monitored and will need to be verified by each staff member at the annual appraisal. Documented evidence of such ongoing development must be provided.
      3. Once a staff member has met the RG146 training requirements for the tasks and roles they are performing there is no need for the ongoing training and development programs to be approved by the Australian Securities and Investment Commission (ASIC).
      4. All staff are expected to be involved in a minimum 15 hours of documented formal training per annum. Professional industry bodies have benchmarks of 25 to 30 hours and this should be considered as a preferred goal.
      5. Expected Development Requirements for all staff providing Financial Services:
* Study and progress towards relevant Certificate III or IV Insurance related courses.
* Attendance at all training programs required by the business.
* Reading of each issue of the Risk Professional and ANZIIF Journal or similar such publications.
* Responsible Managers and other nominated staff are strongly encouraged to enrol in either the QPIB or CIP Development programs and meet the ongoing requirements of those programs.
* Training and development work as discussed and agreed in the annual appraisal process.
  + - 1. Responsible Managers and those staff identified as potential Responsible Managers have a greater requirement for ongoing training that will generally involve a broader range of issues than those mentioned above. As a rule of thumb these staff should be completing a minimum of 30 hours per annum. This will generally include all of the activities above and some or all of the following activities:
* Attendance at selected State and National conferences of National Insurance Brokers Association (NIBA), Insurance Council of Australia (ICA), The Australian and New Zealand Institute of Insurance and Finance (ANZIIF) etc.
* Attendance at meetings of any cluster or special interest groups to which the business belongs.
* Attendance at relevant seminars / training sessions involving the Corporations Act and our industry.
* Review of all industry generated material such as Industry Newletters, Cluster Newsletters, Insurer Newsletters etc that provides an insight into industry and regulator trends.
* Review of other material that is relevant to the business such as annual and ad hoc reports of Financial Ombudsmen Service (FOS), NIBA, ICA, ANZIIF, Australian Prudential Regulatory Authority (APRA), ASIC.
* Professional development programs that focus on Compliance, Risk Management, Corporate Governance and Business Management.

# NON JOB RELATED TRAINING

* + - 1. The following applies to situations where staff wish to pursue training in areas that are not directly related to their current or future roles.
      2. We encourage further training and will review requests for help in a positive and supportive manner. All staff seeking assistance must be able to demonstrate that the training bears relevance to their current or foreseeable position with us. Full or partial funding or other assistance including Study Leave will be at the discretion of the Responsible Manager(s).
      3. Our approach to such funding will be based on how long the employee has been with the company, their record of performance, future opportunities, as well as costs versus outcomes for the company.
      4. Any requests for funding support should be made and approved by the Responsible Manager(s) prior to the commencement of the Training.
      5. Funding in part or full of training costs is subject to satisfactory completion of the module/program/course. Documentation to substantiate the completion of the training will be required before obtaining such funding.

# Financial Crime Training

* + - 1. We believe that it is of critical importance that all our relevant members of staff receive an appropriate level of Financial Crime compliance training. We will therefore ensure we provide suitable training.
      2. Where we deal with Lloyds as a Coverholder, Lloyd's provides on-line training courses that deal with UK Anti-Money Laundering legislation, International Sanctions and Bribery. As Lloyd's and Lloyd's underwriters are subject to UK Financial Crime law in respect of all business written by them, including under binding authorities.
      3. If we are a Lloyd's Coverholder we need to be able to support compliance with the applicable UK legislation.
      4. The following staff are required to complete Lloyd's online training course:
* • all staff named on a Lloyd's binding authority
* • any other staff we may designate or whom the contracting Lloyd's Managing Agent's may require should complete the training.