

Training Policy for advice providers and non-advice providers

Grant Thornton Wealth Advisory Services Pty Ltd

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Obligation

All Australian Financial Services Licensees have the general obligation to ensure that its representatives are adequately trained, and are competent, to provide those financial services - s912A(1)(f) as well as ensure all employees are trained to perform their relevant roles competently.

In addition to this, s921B of the Corporations Act requires all individuals identified as a 'relevant provider' (representative) to meet certain minimum education and training standards. These standards are set by the Standards Body (s921U(2)(a)) – Financial Adviser Standards and Ethics Authority (FASEA).

A 'relevant provider' is an individual who is:

- An Australian financial services (AFS) licensee; or
- An authorised representative; or
- An employee or director of an AFS licensee; or
- An employee or a director of a related body corporate of a licensee, and
- Authorised to provide personal advice to retail clients, as the AFS licensee or on behalf of the AFS licensee, in relation to relevant financial products.

'Relevant financial products' means financial products other than:

- Basic banking products
- General insurance products
- Consumer credit insurance
- A combination of any of those products.

This policy outlines the overarching Continuing Professional Development (CPD) requirements and provides a summary of the relevant provider requirements.

This CPD policy embeds the following principles:

- CPD maintains currency of technical knowledge
- CPD enhances and extends knowledge and skills
- CPD involves critical reflection and development
- CPD is relevant and flexible
- CPD is integral to ethical and professional practice

Expectation

- ASIC has set out its expectations of how licensees can meet their obligations via the Regulatory Guide 104, Licensing: Meeting the General Obligations [RG 104], Section E Monitoring, supervision and training of representatives.
- FASEA policy FPS004: Continuing Professional Development Policy. This policy sets out minimum training standards for people who are assessed as a relevant provider.

Commitment

Grant Thornton Wealth Advisory Services Pty Ltd embraces the regulatory requirements in relation to the training of its representatives.

As per the regulatory requirements, this new policy explains Grant Thornton Wealth Advisory Services Pty Ltd's (licensee) approach to meeting its training obligations.

Approval of Qualifying CPD Activities

At least 70% of the training must be approved by the licensee. The licensee utilises the leading education provider Kaplan Professional to provide CPD training and for record keeping purposes. Any CPD completed via Kaplan Professional's Ontrack system is approved automatically.

The representatives are however, able to utilise other external training to satisfy their annual training obligations. Any training external to the content available on Ontrack must be assessed and approved by the licensee.

The external CPD activity must meet the following requirements to be approved as a 'qualifying activity':

- Clearly defined aims and learning outcomes
- Clearly defined, logical structure that follows adult learning principles
- Is current, accurate and up-to-date
- Relates to one of the FASEA CPD areas
- Is the appropriate learning level and has appropriate technical or practical content
- Deals primarily with matters related to the provision of financial product advice, financial advice services and financial advice business
- Is led or conducted by one or more persons with appropriate expertise, academic qualifications and practical experience
- Enhances representatives' knowledge and skills, and/or contributes to the maintenance of knowledge and skills in areas relevant to the provision of financial product advice and financial advice services
- Includes one or more of the following: workshop, face-face presentation, multimedia, worked examples, activities, case studies, and if appropriate, reference to relevant legislation
- Preference is given to activities with a structured assessment component. Evidence of the successful completion of the assessment is required

For approval to be granted for a qualifying CPD activity, the following evidence must be provided to the licensee:

- Proof of attendance/completion (e.g. certificate, digital record, transcript), which includes as a minimum:
 - The name of the activity and the provider
 - The date the activity was undertaken
 - An overview of the activity
 - A bio or CV of person(s) who developed or presented the activity, including academic qualifications and experience
 - The CPD area to which it relates
 - The duration in minutes/hours of the activity
 - The letterhead and/or signature of the provider or an appropriate authorised person.

The licensee will approve at a minimum as many activities as will enable a representative to comply with their CPD requirements. However, the licensee will not approve an activity unless the activity meets the qualifying CPD activity requirements and evidence requirements set out in this policy.

Nominated Training Manager

Nadeeja Jayaratne is the nominated Training Manager who is responsible for the training of representatives of Grant Thornton Wealth Advisory Services Pty Ltd.

Continuing Training Program

The licensee has implemented procedures to ensure that the organisation and its representatives undertake CPD training to maintain and update the knowledge and skills needed for their activities. For non-advisory staff training will also be addressed on a needs basis as part of the annual performance management.

It is expected that the majority of the on-going training will be undertaken through Kaplan Professional. The representatives are also able to meet their training obligations via training provided by industry associations such as the Financial Planning Association and other recognised training providers.

The individual training plans will include the following CPD:

- Technical Competence – minimum of 10 hours comprising 1 hour each for the following areas (these minimum targets do not apply if the representative has a limited authorisation and a pro-rata target will apply based on their authorisations):
 - Securities
 - Managed Investments
 - Fixed Interest
 - Superannuation
 - Self Managed Superannuation Funds
 - Retirement Income Streams
 - Social Security & Aged Care
 - Life Insurance
 - Estate Planning
 - Deposit Products and Non-cash Facilities
- Client Care and Practice – minimum of 5 hours
- Regulatory Compliance and Consumer Protection – minimum of 5 hours
- Professionalism and Ethics - minimum of 9 hours
- General – no minimum set hours

Annual Training Plans

A Training Plan should be completed for each representative and approved by the Training Manager.

The following procedure is to be followed:

1. Identify any gaps or weaknesses that the representative needs to focus on in the coming year or address areas noted in the section above.
2. The gaps and weaknesses identified above will then be incorporated into the representative's training plan, along with any other training requirements that may have been identified during the year through audits and/or other issues. This is to be agreed upon between the Training Manager and the representative.
3. The Training Manager and the representative will then select appropriate training to address the gaps and weaknesses.
4. Effective 1st January 2019, the new FASEA CPD requirements came into effect and all representatives are required to undertake a minimum of 40 hours per training year.
5. The licensee requires all its representatives to undertake 40 hours of qualifying CPD activities per year regardless of the representative works full time or part time basis.

CPD Year

The CPD year for Grant Thornton Wealth Advisory Services Pty Ltd is 1 July to 30 June each year.

Maximum Restrictions

In any CPD year, no more than the specific hours in each activity below may be counted as follows:

- 30 hours of formal relevant education, which includes:
 - A degree or equivalent qualification
 - Education or training provided or approved by a professional association
 - Formal education or training study towards qualifications or designations relevant to practice as a relevant provider
- 4 hours of professional or technical reading that is unstructured and does not contain an assessment, which includes:
 - Relevant magazines
 - Academic readings
 - Journal articles

Record Keeping

The licensee will utilise Kaplan Professional Ontrack system to record the completion of CPD activities. The CPD plans will specify each representative's:

- Individual overall CPD target
- Minimum requirements in each CPD area
- Any other specific requirements that must be met

All records for training (including training registers, training plans & supporting documentation) must be kept for 7 years. It is the responsibility of the representative to maintain complete and accurate records within Ontrack.

Career Breaks

If a representative has not been practicing or authorised as a relevant provider for a continuous period of 2 years or more, then they must comply with the following career break requirements.

The licensee must approve the relevant providers CPD plan for the first CPD year prior to resuming practice. Their first CPD plan may require additional CPD hours be completed to ensure that the licensee is satisfied that it is appropriate to address gaps in the relevant provider's competence, knowledge and skills arising from the relevant provider's absence from practice.

Extenuating Circumstances

The licensee will review the personal situation of the representative if they are not able to meet the minimum CPD training requirements contained in this policy due to illness, medical conditions, disability or parental leave. The Training Manager will discuss the individual circumstances and agree with the representative on a suitable solution to ensure the representative is able to continue to provide advice and their financial advice knowledge will continue to be current.

Provisional Relevant Providers

A Provisional relevant provider is a representative who is undertaking work and training in accordance with subsection 921B(4) of the Corporations Act 2001. As these representatives are completing their Professional Year, they are not required to meet CPD requirements.

Upon the completion of the professional year, the provisional relevant provider is required to meet the minimum CPD requirements contained in this policy. In the first CPD year as a relevant provider, CPD requirements will be pro-rated for the period between the completion of the professional year and the CPD year.

Existing representatives joining Grant Thornton Wealth Advisory Services Pty Ltd

All new representatives joining the licensee must procure and provide copies of their CPD registers for the previous 3 years or all of their training records if the representative has been a relevant provider for less than 3 years, to the licensee.

The licensee will not be authorising any individual if they are not able provide above evidence during the appointment process.

Monitoring

Monitoring of the completion of CPD requirements by each relevant provider will be undertaken using the reporting functionality of Ontrack on a quarterly basis.

Non-compliance

All representatives must comply with the CPD obligations specified in this policy.

Failure to meet the specified requirements requires the licensee to notify ASIC of the relevant providers non-compliance with the continuing professional development standard as per s922HB of the Corporations Act 2001.

In addition to notifying ASIC of the non-compliance, the licensee will take additional disciplinary action against the representative, which may lead to suspension of their authority or termination of their employment.