

Own Motion Inquiry: Compliance with Standard 8 of the 2014 Insurance Brokers Code of Practice ('Code Training')

December 2014

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EXECUTIVE SUMMARY

This report has been prepared by the Insurance Brokers Code Compliance Committee (the Committee) following an Own Motion Inquiry into Standard 8 of the revised 2014 Insurance Brokers Code of Practice ([the Code](#)). More information about the Code and the Committee can be found in [Appendix A](#).

This inquiry took place between July and September 2014 and was initiated by the former Code Administrator, the Financial Ombudsman Service Code Compliance and Monitoring team (FOS Code), under the previous 2007 Code.

The Committee appreciates the constructive engagement of Code subscribers during this inquiry. We are mindful that many are small businesses with small numbers of staff and have limited resources to respond to our investigations. As such it is our intention to enhance Code subscribers' compliance capabilities progressively and to be a trusted and valued partner in this process.

Why did the Committee undertake the inquiry?

The revised 2014 Code came into effect 1 January 2014, replacing the 2007 Code. Following a transitioning period, the NIBA Board resolved at their Board meeting in August 2014 that Code subscribers will be bound by the revised Code including its new Deed, Charter and Code Procedures from 5 September 2014. The revised Code was officially launched at the NIBA Conference in Adelaide in September 2014.

Our inquiry assessed how Code subscribers had trained their staff and representatives in the revised Code's obligations and whether Code subscribers had experienced difficulties in adapting to any of these obligations.

How did the Committee conduct the inquiry?

We selected 135 Code subscribers to participate a questionnaire, which can be found in [Appendix B](#).

Summary of the Committee's conclusions

The Committee is pleased at the level of transition training provided by Code subscribers and notes that it is consistent with the level of training reported in the 2011–2013 Annual Compliance Statements. We understand that many Code subscribers are yet to complete all aspects of their Code transition training and appreciate that training in Code obligations is part of the ongoing process of Code compliance review.

Code training content

In general, Code subscribers reported that they provided training in the revised Code obligations during the transition period. However, few reported training their staff and representatives in the role and function of the Committee, the new governance structure and the revised Code monitoring and reporting framework. The Committee's role, power and function are important parts of the self-regulatory framework within the insurance broking industry.

Code training in learning and development pathways

Code subscribers should refer to the Code in all training provided to their staff and representatives given the Code's central relationship to the day-to-day work of insurance brokers. By regularly providing training that encourages best practice, Code subscribers can make sure that insurance brokers maintain their good standing in the industry.

Additional training to help maintain competence

Code Subscribers should provide refresher training at least annually, which reiterates the Code's obligations. These obligations can also be reinforced to staff in less formal ways, for example through internal circulars and newsletters.

Tracking and recording Code training

Some Code subscribers advised that they do not record or track Code training, even though they are obliged under Standard 8 of the Code to ensure that training records are kept for at least five years. Code subscribers must track and record all training information; for security purposes we recommend that this information is retained in electronic form.

Monitoring the application of the Code's obligations

Code subscribers reported that they use a variety of mechanisms to monitor their application of the Code. It is apparent however, that some Code subscribers approach this task on an ad hoc basis. Code subscribers are encouraged to use a variety of tools to monitor their organisations' application of the Code and to use these tools regularly.

Summary of the Committee's recommendations

A summary of the Committee's recommendations are set out on [page 22](#) and include:

- Explain the Committee's role and function in future training
- Embed Code obligations in all training
- Adopt additional training measures to help staff maintain Code competency
- Track and record Code training
- Monitor the application of Code obligations

1. ABOUT THIS INQUIRY

1.1 Purpose

The revised Code established a new governance structure including the appointment of an overseeing Insurance Brokers Code Compliance Committee.

Pursuant to Standard 8 of the 2014 Insurance Brokers Code of Practice (the Code), a Code subscriber must ensure that their representatives are adequately trained in their obligations under the Code, among other obligations.

The purpose of this inquiry was to assess whether Code subscribers have effectively trained their representatives in the revised Code's obligations and the Committee's role as they transition to the revised Code.

Code subscribers cannot meet their obligations to clients and NIBA without understanding the revised Code's standards. Further, they cannot meet their Code reporting and other obligations to the Committee if they do not understand its powers, functions and operation.

Training staff in Code matters is important as it ensures that staff are aware of, and can apply, the Code in their dealings with clients and have an understanding of the responsibilities that insurance brokers have towards their clients.

Generally, Standard 8 of the revised Code sets out that Code subscribers should:

- train their representatives so that they understand the Code
- record the training undertaken by their representatives
- identify deficiencies in training and monitor performance to ensure competence; and
- establish training and development plans for their representatives

In light of the standards prescribed by Standard 8, the objective of this inquiry was to:

- develop a better understanding of how insurance brokers have ensured adequate Code training for relevant staff and transitioned to revised Code
- understand the level of compliance among insurance brokers to their obligations under standard 8 of the Code
- assess the current Code-related training processes and any areas for improvement
- understand whether key controls are in place to ensure that staff are up-to-date with their training and have effectively understood past training
- assess how often these key controls are monitored
- ensure a greater understanding of the requirement that Code subscribers maintain accurate training compliance completion records, and
- verify that breach recording practices regarding training are accurate and effective.

1.2 Standard 8 of the Code

We will ensure that we and our representatives are competent and adequately trained to provide the relevant services and will maintain this competence.

We will:

- *ensure our Representatives receive adequate training to competently provide services on our behalf , including but not limited to:*
 - *an understanding of this Code or other relevant code applying to them and their obligations under them (where applicable to their activities), and*
 - *meeting any training standards identified by NIBA as applicable to the Covered Services*
- *ensure records of their training are kept for at least five years and make the records available for examination by the Code Administrator or Code Compliance Committee on request*
- *measure the effectiveness of their training by appropriately monitoring their performance*
- *require additional or remedial training to address any identified deficiencies or improvements required in their training and ongoing development, and*
- *maintain and keep current a training and development plan for our Representatives that is appropriate for the services provided by them or to be provided by them in the future.*

1.3 Previous data on Code training activities

The Code Administrator collects data from the industry on Code compliance via audits and Annual Compliance Statements (ACS). The 2010–2011 and 2011–2012 ACSs required Code subscribers to provide information about the type of training provided to staff and representatives on the Code and its obligations.

The combined ACS results provided the following information:

- 91% of insurance brokers reported that they provided Code training to their staff and authorised representatives.
- 39% of Code subscribers employ more traditional training methods to train staff in the Code, including seminars and face-to-face discussions.
- 83% of Code subscribers use more than one of the available training methods (online training, seminars, face-to-face discussions and on-the-job training) to train staff and authorised representatives in the Code and its obligations.
- 57% of Code subscribers advise that Code-related training is undertaken on a ‘needs basis’. A further 29% of Code subscribers advise that Code-related training is undertaken at least quarterly.

1.4 Scope

This inquiry examined how insurance brokers have trained their staff and representatives in the revised 2014 Code. The inquiry asked Code subscribers questions about the following key issues:

- Who was trained in the revised Code obligations and the Committee’s operations?
- What methods were used to deliver this training?

- What key changes to the Code were identified, and how have Code subscribers prepared for transition?
- How Code subscribers identified any deficiencies in their staff training to prepare for transition?
- What was the content of the training and how was it assessed?
- Did Code subscribers keep training and development plans for representatives and were they appropriate for the services the Code subscriber provides?
- How frequently is training being delivered?
- How is the effectiveness of training measured?
- Has the Code subscriber used NIBA’s guidance notes?
- Do Code training methods and materials vary according to staff roles?

The structure and effectiveness of these frameworks will influence the compliance culture within the organisation and may minimise the Code subscriber’s exposure to certain risks. If Code subscribers provide adequate training in and communication about the Code, they will potentially register fewer customer complaints and report fewer breaches of the Code.

1.5 What the inquiry did not cover

The issue of training generally is only addressed in Standard 8 of the Code. By law, staff involved in the provision of financial product advice to retail clients must receive training consistent with the requirements set out in ASIC Regulatory Guide 146 ([RG 146](#)).

This inquiry did not review whether Code subscribers are complying with their general obligations under RG 146; rather it will focus on whether Code subscribers are meeting their training obligations under Standard 8 of the Code.

1.6 Methodology

A questionnaire was distributed to 135 randomly selected Code subscribers as detailed in **Table 1**.

Table 1: selection of Code subscribers participating in this inquiry

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Total
small ¹ organisations	2	33	1	15	8	2	33	17	111
medium ² organisations	0	3	0	1	2	1	6	2	15
large ³ organisations	0	6	0	2	0	0	1	0	9
Total	2	42	1	18	10	3	40	19	135

The questionnaire requested the details, documents and information as per [Appendix B](#).

¹ Up to 30 full time equivalent staff.

² 30 to 100 full time equivalent staff.

³ More than 100 full time equivalent staff.

2. FINDINGS

2.1 General information

Of the 125 responses received Code subscribers advised that in total they:

- employed 5,671 full time equivalent staff and
- 978 Authorised Representatives.⁴
- across 385 office locations and branches.

At the time of writing this report, 10 survey responses were still outstanding. The Committee will gather responses to the survey from these subscribers, however their answers will not be used in analysis for the purposes of this report.

2.2 Major business changes during transition

One half of the large Code subscribers (50%) reported that major changes to their businesses affected their ability to meet their training obligations while transitioning to the revised Code. These changes included:

- opening new office locations
- changes in staff and management
- changes in learning systems, which delayed the delivery of Code training for all staff
- mergers and acquisitions.

A comparatively smaller percentage of medium sized Code subscribers (16%) and small Code subscribers (3%) reported that major business changes affected their Code training obligations during transition.

2.3 Code transition

Code subscribers advised that they had undertaken a variety of informal and formal training in the Code, using existing in-house resources or external providers. Examples of the transition training provided were:

- group training and discussions including seminars
- individual training
- internal training and workshops
- providing a copy of the Code to all staff with referral to NIBA Code website, and
- completing training modules through external providers

⁴ As per the *Corporation Act 2001*, sections 916A and 916B.

Code subscribers advised that their training focused on the following areas:

The Code in general	<ul style="list-style-type: none"> • Introduction to the Insurance Brokers Code of Practice • Scope of the Code • 12 Service Standards of the Code
Code information	<ul style="list-style-type: none"> • How and where to access the Code • How to navigate the Code • Where to find Code reports (e.g. Annual Report, other publications regarding Code compliance)
Governance structure	<ul style="list-style-type: none"> • Who owns the Code • Powers of the Code Compliance Committee (e.g. binding orders and other sanctions) • Difference between Financial Ombudsman Service external dispute resolution and Committee Code monitoring activities
Code impact	<ul style="list-style-type: none"> • What the main changes to the Code are and how they affect the organisation • Training of representatives • Future of Financial Advice (FOFA) Reform • Privacy Reform
Code engagement	<ul style="list-style-type: none"> • What the Code means for insurance brokers • What the Code means for consumers
Specific compliance requirements	<ul style="list-style-type: none"> • What to do if there is an alleged breach of the Code • Complaints handling • Claims handling • Electronic communications • Duty of disclosure • Duty of utmost good faith • Catastrophe and disaster response.

The Committee is concerned that only a small number of Code subscribers reported training their staff and representatives in the purpose and functions of the Committee as part of their overall Code training.

Training challenges

67% of large Code subscribers reported that they faced challenges whilst transitioning to the new Code. Code subscribers reported difficulties in:

- finding training suppliers that could provide Code training by 30 June 2014
- scheduling a time for training that could accommodate a large number of employees and authorised representatives
- distinguishing between the obligations under the Code and general obligations prescribed by relevant law and regulation, and
- allocating a sufficient amount of time and resources for training.

Most medium (89%) and small (80%) Code subscribers stated that they had smoothly transitioned to the new Code.

Outstanding Code training obligations

All of the large Code subscribers, 74% of medium Code subscribers and 25% of small Code subscribers reported that they had outstanding code training obligations.

Outstanding matters included:

- training new employees
- training staff on long-service leave, extended sick leave and maternity leave
- providing ongoing refresher training and reinforcement of Code obligations, and
- training administration and support staff.

Conclusion

The Committee is pleased at the level of transition training provided by Code subscribers and notes that it is consistent with the level of training reported in the 2011–2013 Annual Compliance Statements. We understand that many Code subscribers are yet to complete all aspects of their Code transition training and appreciate that training in Code obligations is part of the ongoing process of Code compliance review.

Recommendation

The Committee recommends that future Code training includes an explanation of the Committee's role in supporting the operation of the Code and its role more broadly within the insurance broking industry.

2.4 Code training processes

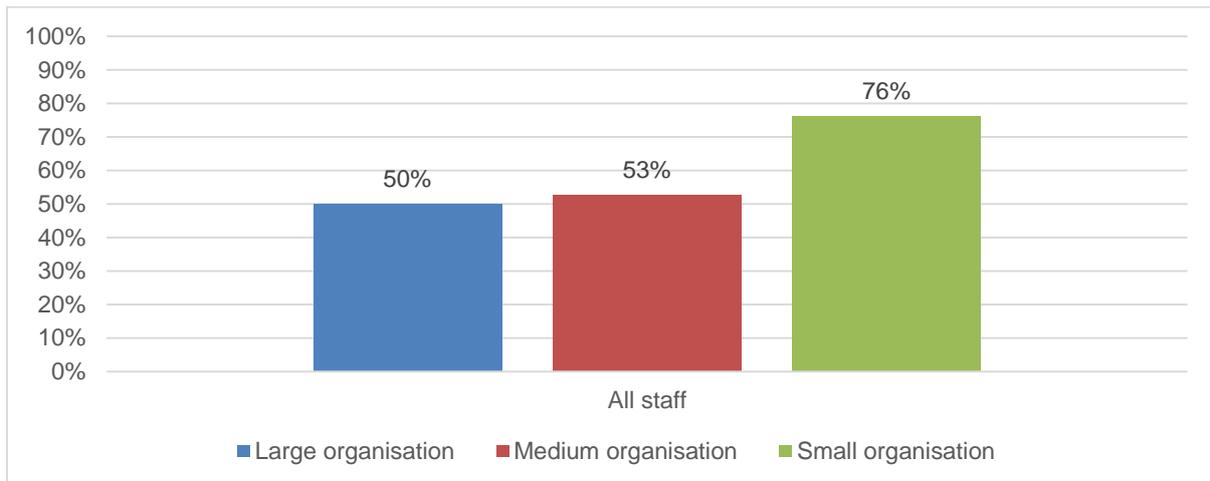
Who receives Code training?

We asked Code subscribers to advise us who received Code training within their organisations. Code subscribers were able to pick from a list of six options:

- customer-facing staff
- customer-facing managers
- support function managers
- supporting staff
- all staff, and/or
- other.

As demonstrated in **Chart 1**, large and medium Code subscribers reported that they were less likely to train all staff in the Code; these Code subscribers typically have a significant number of employees and consider that their administrative and support staff do not need Code training.

Chart 1: Code subscribers who trained all staff within their organisation on Code obligations



Of the Code subscribers who reported that they trained specific staff only, most advised that they provided Code training to customer-facing managers and staff as demonstrated in **Chart 2** below. Code subscribers were able to choose more than one option.

Chart 2: Percentage of staff trained on the Code by job type

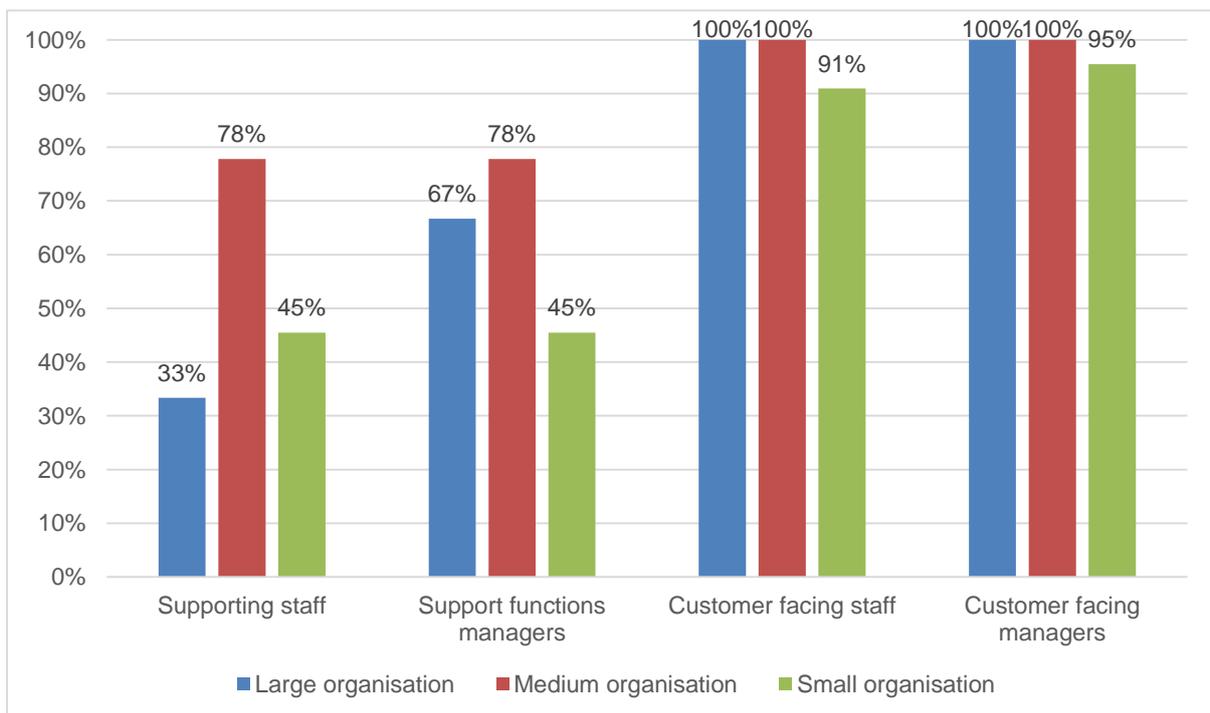


Chart 2 positively reflects that where Code subscribers chose to train specific staff in the Code, they chose to train customer-facing managers and staff. Code subscribers chose the ‘other’ option where they intended to qualify their answer. Where the ‘other’ option was chosen it was unanimously to indicate that they did not consider it relevant to train administrative, reception and accounts/finance staff.

Whilst the Committee is supportive of medium and larger Code subscribers training all staff on the Code, they recognise that it may be administratively difficult and costly to arrange Code training for staff who perform purely back office functions.

The Committee would like to stress the importance of training staff who are customer facing, perform broking functions and those who have oversight of business operations.

Is Code training embedded in Code subscribers' learning and development programs?

Most Code subscribers (85%), including all large Code subscribers, confirmed that Code training is embedded in their learning and development program.

Examples of how Code training can be embedded in a Code subscribers' policy and procedures are to:

- include Code training in new staff induction program
- encourage staff to broach any training concerns in team meetings
- engage staff in regular monitoring and supervision activities
- develop individual training and professional development plans for staff which include regulatory, legislative and industry developments
- consider regulatory, legislative and industry developments on a regular basis including action plans flow from meetings
- monitor activity against training plans in regular meetings
- incorporate Code into the general compliance program of the business and include a compliance check list
- use any Code breaches and how they were dealt with as case studies in future workshops where relevant
- use external compliance support who reviews adherence to the Code on a regular basis
- incorporate compliance with RG146 requirements and include as percentage of the annual continued personal development points
- incorporate Code obligations into the Group's Compliance Manual which is available to all staff and authorised representatives
- reinforce compliance as presentations at various professional development days

One participating Code subscriber stated: "Code training is not carried out by staff involved in 'back office' activities. However, overall training which is designed to ensure we are compliant with all legislation and the Codes (both insurance and brokers) involves all staff."

This example demonstrates how larger brokers might tailor their Code training to cater for specific staff roles.

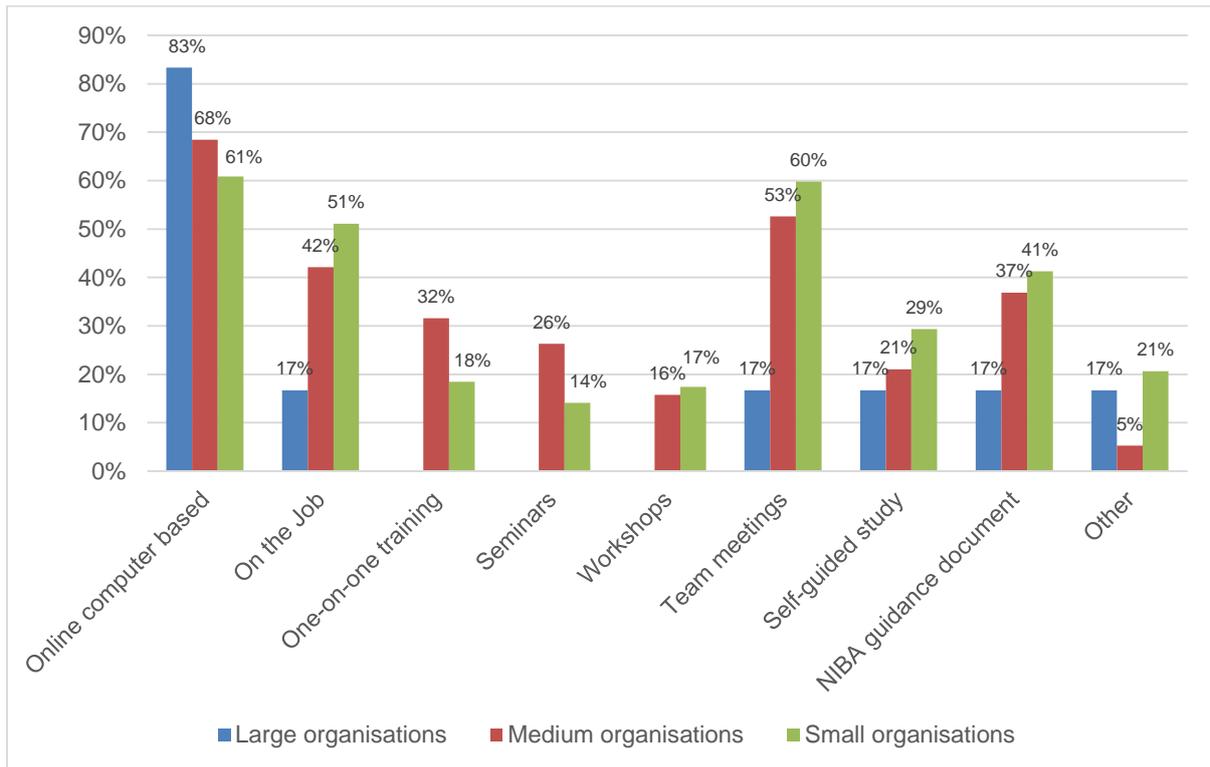
Small and medium brokers were less likely to cater their training for specific staff, many noting that the cost and time involved was prohibitive and that they considered it appropriate for the whole business to be Code trained.

Code training delivery method

The method of delivery for Code training varied based on the size of the organisation as shown in **Chart 3** below.

Online computer-based training modules appear to be the most favoured among the Code subscribers surveyed. Team meetings for small and medium Code subscribers also appear to be a favoured training method.

Chart 3: How is Code training delivered?



Action

The Committee is mindful that a small percentage of subscribers reported that due to an oversight on their part, Code training was not embedded into their learning and development pathways. The Committee will follow up with those subscribers before the end of the 2014 calendar year to ensure that they have sufficient mechanisms for the delivery of Code training going forward.

Recommendation

The Committee recommends that Code subscribers review their learning and development pathways to ensure that Code obligations are referred to in all training conducted where relevant. Training on the Code does not have to be stand alone. This will help to minimise the risk of non-compliance with all of the Code's standards and ensure that staff apply the Code in their day-to-day work and practice.

2.5 Recording and tracking Code training

The recording and tracking of Code training is a prescribed obligation under Standard 8 of the Code.

Of surveyed Code subscribers, 47% use excel files to record and track Code training information. Large organisations also appear to use online programs as a preferred method (67%).

Code training information should include detailed information regarding; the date of the training, the training provider, how long it took, any accreditation gained, any certificates issued and if a refresher course is needed.

Only 13% of all Code subscribers use reminders to staff if future Code training modules are to be completed and only 30% ask their staff for a progress report on Code training if the training is self-motivated. It appears that Code subscribers do not continue to sufficiently track their staff Code training progress.

A significant number of Code subscribers also indicated that they used mechanisms other than the options given to record Code training, namely 83% of large subscribers, 47% of medium and 51% of small subscribers. Examples of other methods used to capture Code training include the recording of Code training online by external third parties including:

- NIBA College
- ANZIFF
- Steadfast campus
- AON University

Action

We will contact the 7% of Code subscribers who reported that they do not record and track Code training to discuss its importance given that it is a central obligation under Standard 8 of the Code.

Recommendation

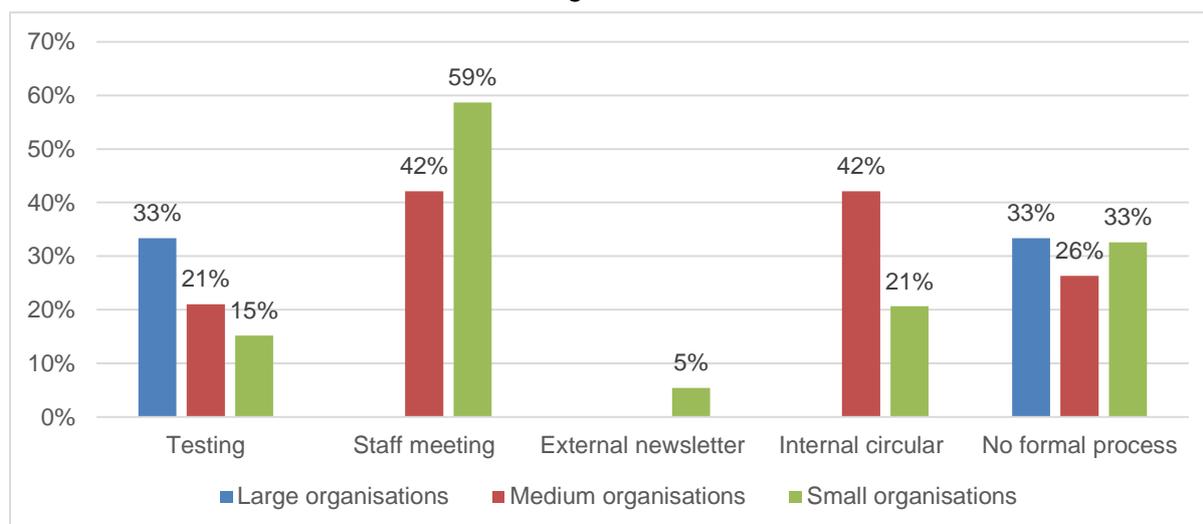
The Committee recommends that Code subscribers review how Code training information is recorded and tracked given that it is a central obligation under Standard 8 of the Code. Small Code subscribers should consider developing a training checklist – an example of a checklist is provided in **Appendix D**.

2.6 Key controls for monitoring Code compliance

Code refresher training

The use of Code training activities to refresh staff knowledge of the Code varies depending on the size of the organisation as shown in **Chart 4** below.

Chart 4: Methods of Code refresher training



Many Code subscribers chose the 'other' option when answering this question including 67% of large Code subscribers, 53% of medium and 36% of small subscribers. Common elements amongst the answers provided were that:

- Gaps in training are caught by internal audits and trigger refresher courses
- Internal risk management programs developed by IT highlight training to be completed or refreshed, and
- External reminders provided by training providers such as Steadfast, NIBA and ANZIFF etc.

The Committee is concerned that 34% of all Code subscribers do not appear to have a formal process in place to ensure that all staff receive refresher training. This was reflected in one response which stated: "The basic rule is when a problem presents itself then they come to the directors. All other aspects of the Code are built into our systems."

Monitoring that staff are applying the Code

Per Standard 8 of the Code, subscribers must ensure that their staff and representatives are trained to competently provide services on their behalf and that their competence is maintained and monitored.

Most organisations appear to have a good understanding of how to monitor staff to ensure that they apply Code obligations in their dealings with clients. Examples provided in the inquiry included:

- monitoring telephone calls
- random review of files
- using case studies and roles play in team meetings
- mentoring staff, and
- completing internal audits.

Some smaller Code subscribers appeared to favour informal or ad hoc monitoring, as demonstrated in the examples below. Many small Code subscribers, as a result of the size of their tenancies, reported that they were in 'earshot' of all employees. This enables

managers and compliance personnel to provide direct feedback to employees on an ad hoc basis.

Subscriber A
“We do not undertake any of the above. Monitoring is done informally.”

Subscriber B
“Observations of staff.”

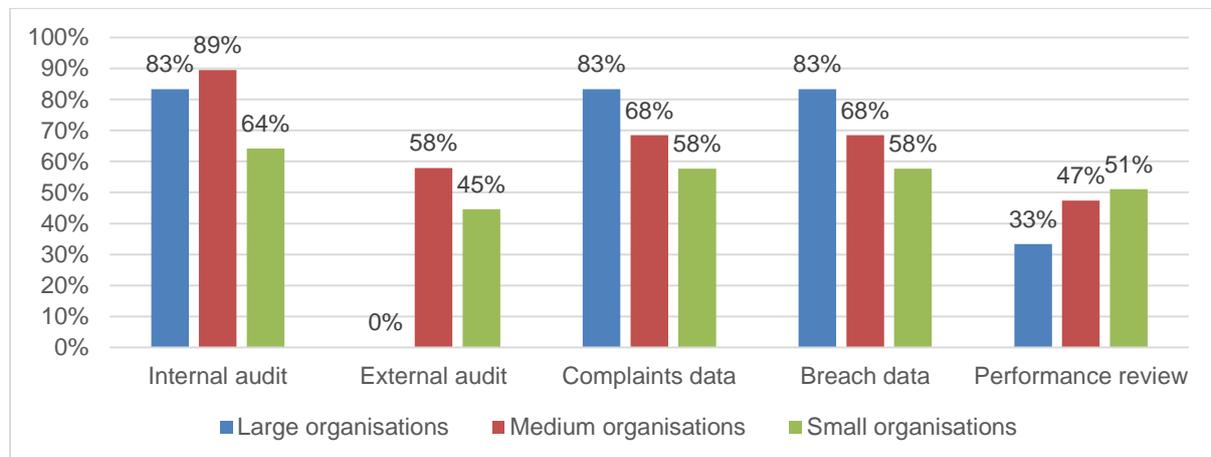
Subscriber C
“Aim of a single director is to always act with integrity and according to the law ... with only three active participants in the day-to-day activities of the organisation it is obvious to management when a member of the team is not meeting expectations or is in breach of the Code.”

Evaluation of Code subscriber compliance with Code training obligation

Chart 5 below sets out how Code subscribers evaluate their compliance with Code training obligations and how any gaps in training are identified.

Commonly, medium and large Code subscribers reported that internal and external audits play a significant role in the evaluation of the effectiveness of training and also aided in identifying deficiencies and gaps in Code training. They also reported that reference to complaints and breach data, including ASIC breach data, played an important role in this process.

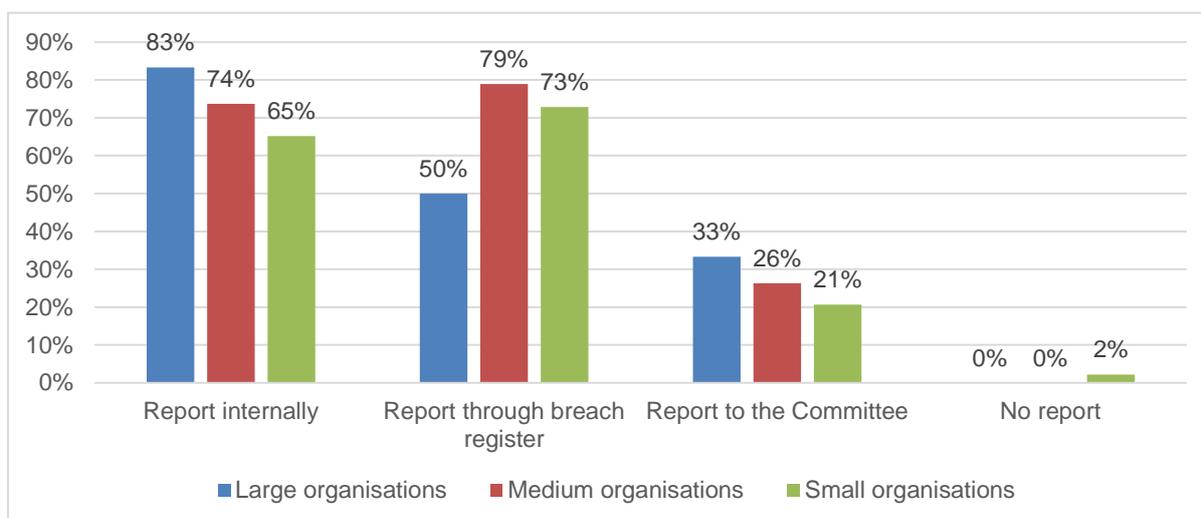
Chart 5: How gaps in Code training obligations are identified



Large Code subscribers advised that they used a combination of internal audits, complaints data and breach data to evaluate their compliance with Standard 8 generally. A preference against the use of external audits by large Code subscribers reflects their capacity to rely more heavily on their own in-house legal and compliance staff to undertake their auditing.

Chart 6 below shows how Code subscribers report a breach of Code training. In general, Code subscribers confirmed that managers will examine breaches to determine their severity, their cause and any action required by a staff member to ensure no further breaches occur.

Chart 6: Reporting breaches of training obligations



Code subscribers were asked to provide an example of a potential breach of their Code training obligations and to explain what steps they might take to rectify the breach. Examples where Code subscribers illustrated a potential Code training breach and provided an excellent example of rectification are provided below.

<i>Potential breach</i>	<i>Rectification</i>
One staff member was of the opinion that once they obtained their necessary Code training that they would be compliant forever more.	We advised that this was in fact not the case and that ongoing Code training was indeed not only necessary but a requirement of the Code.
Training Register is insufficient and not holding sufficient information on Code training.	Management and the Compliance Manager are working on updating this format and a better more comprehensive way to record Staff Training.
Insufficient training for authorised representative resulting in authorised representative recommending a product that was not best for the client.	We would report it to the client, make restitution if required, record it in the required register and train the team member accordingly to avoid a repeat.
If our Code training incorrectly stated that we needed to advise clients of the result of a complaint within 30 days.	First step would be to correct the relevant training material to reflect the correct 21 days requirement. Also a team meeting to explain the error and to establish if any existing clients had not received a result within 21 days. Establish if any clients had been affected and establish the most appropriate method to rectify the situation. If required, notify the relevant department e.g. ASIC, Code Compliance Committee.

In summary, potential breaches of Standard 8 of the Code may include a failure to:

- train new staff or staff who have been absent during the transition period
- include management and/or staff with high qualifications in Code training
- update and undertake ongoing Code training
- update the training register to include information about Code training
- update training material with Code information
- identify employees of all associated services to be included in Code training, and
- include specific Code standards in training for staff procedures and guidelines

Recommendation

The Committee encourages Code subscribers to provide their employees and representatives with training that will allow them to competently provide services on their behalf and be able to maintain this competence through the use of refresher training. We recommend that Code subscribers conduct refresher training for staff on the Code annually. The Committee recommends that small Code subscribers review their monitoring practices to ensure that they have in place at least two mechanisms to monitor their staff's application of the Code.

3. RECOMMENDATIONS

The Committee would like to thank all participating Code subscribers for the valuable responses provided in the survey. As a result of the information provided we have developed a checklist ([Appendix D](#)) that can be used by Code subscribers as a guide to compliance with Standard 8 of the Code.

In summary, the Committee makes the following recommendations as an outcome of the inquiry into Code training. The following are a summarised amalgamation of the recommendations that have appeared throughout this report.

Explain the Committee's role and function in future training

- Future Code training should refer to the role and function of the Committee.

Embed Code obligations in all training

- Relevant Code obligations should be referred to in all training modules, whether the training concerns products, services or procedures.

Adopt additional training measures to help staff maintain Code competency

- Code subscribers should reiterate the key messages of the Code through Code refresher training, for example, through newsletters, internal circulars and staff meetings. We recommend Code refresher training is undertaken annually.

Track and record Code training

- Code training completed by staff should be recorded. Smaller organisations in particular should consider developing a standard training checklist to help them meet their Code obligations (refer [Appendix D](#)).

Monitor the application of Code obligations

- Code subscribers are encouraged to monitor the application of Code obligations in daily practice through, for example, monitoring contact calls with clients, shadow shopping and other simple day-to-day observations or supervision.

APPENDIX A: ABOUT THE CODE AND THE COMMITTEE

The 2014 Insurance Brokers Code Of Practice

The Code is owned and published by the National Insurance Brokers Association ([NIBA](#)). A copy can be downloaded from NIBA's website at <https://www.niba.com.au/codeofpractice/index.cfm> .

Following a review, the revised Code came into effect on 1 January 2014.

All NIBA members are automatically bound by the provisions of the Code.

The Code sets standards of good practice for subscribing insurance brokers, who follow these standards when dealing with persons who are, or who may become, an individual or small business client of an insurance broker.

The Code is intended to promote good relations between insurance intermediaries, their clients, insurers and others within the insurance industry. It also promotes efficiency in transactions by describing standards of good practice and the level of service to be expected from Code subscribers.

The principles and obligations set out in the Code apply to all insurance broking services delivered to individuals and small business across Australia. In that sense, the Code forms an important part of the broader national consumer protection and financial services regulatory frameworks.

About the Insurance Brokers Code Compliance Committee

The Committee independently monitors compliance with the Code's obligations by subscribing insurance brokers.

The Committee has appointed the Financial Ombudsman Service ([FOS](#)) as Code Administrator to independently administer and monitor compliance with Code obligations by Code subscribers.

APPENDIX B: QUESTIONNAIRE

Please note: Multiple answers can be selected unless otherwise stated.

1. General information

1.1	How many full time equivalent staff (including managers, customer facing staff and support staff) do you have in your organisation?
1.2	How many office locations/branches do you have?
1.3	How many Authorised Representatives in accordance with Corporation Act 2001 – sections 916A and 916B do you have operating under your Australian Financial Service Licence?
1.4	Were there any major changes to your organisation since 1 January 2014 that impacted on your ability to meet your training obligations or transition to the revised Code (eg mergers, acquisitions)?

2. Code transition

2.1	What Code training has your organisation undertaken from 1 January 2014 to 30 June 2014 to facilitate transition to the revised Code?
2.2	How many staff members have received Code transition training during this period?
2.3	Briefly describe the key content areas covered by the training.
2.4	What challenges, if any, were imposed by the transition?
2.5	Are there any outstanding Code training obligations remaining for your organisation?

3. Code training processes (coverage, provider and delivery methods)

3.1	<p>Who in the organisation do you train in Code compliance?</p> <ul style="list-style-type: none"> • Customer-facing managers • Customer-facing staff • Support functions managers • Supporting staff • All staff • Other, please state:
3.2	<p>Is training on Code obligations embedded in your organisation's learning and development program? <i>(Please choose one response only)</i></p> <ul style="list-style-type: none"> • Yes, please provide examples: • No
3.3	<p>Do you customise Code training to cater for specific staff roles? <i>(Please choose one response only)</i></p> <ul style="list-style-type: none"> • Yes, please give an example of where Code training is tailored specifically to a staff roles, and explain in what ways this is carried out: • No, please state the main reason why you do not customise training to staff roles:
3.4	<p>Who conducts your Code training?</p> <ul style="list-style-type: none"> • Internal training • NIBA • Other third parties, please name the provider:

3.5	<p>How do you deliver Code training?</p> <ul style="list-style-type: none"> • Online/ Computer base • On the job training • One-on-one training • Seminars • Workshops • Team meetings • Self-guided study (Scripts/readings) • NIBA Guidance Document • Other, please state:
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4. Keeping track of Code training

4.1	<p>What tools do you use to record the completion of Code training?</p> <ul style="list-style-type: none"> • Excel file • Online program (please state) • Hard copy files • Performance reviews • Do not track • Other, please state:
4.2	<p>Does your training register record the elements of the training module (i.e. what was taught, date of completion, attempts at module, refresher course date)? (Please choose one response only)</p> <ul style="list-style-type: none"> • Yes, please provide us with a copy of your training register. • No, how do you record that your staff are trained on the Code?
4.3	<p>How do employees keep track of their Code training progress?</p> <p>Certifications</p> <ul style="list-style-type: none"> • Access to online registry • Reminders of future modules to complete • Employees can ask for their progress • They do not track their progress • Other, please state:

5. Key controls for monitoring staff's compliance with the Code

5.1	<p>What do you do to ensure your staff are refreshed on the Code? How often does this occur?</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">• Testing</td> <td>Frequency:</td> </tr> <tr> <td>• Staff meeting</td> <td>Frequency:</td> </tr> <tr> <td>• External newsletter</td> <td>Frequency:</td> </tr> <tr> <td>• Internal circulars</td> <td>Frequency:</td> </tr> <tr> <td>• No formal process</td> <td></td> </tr> <tr> <td>• Other, please state:</td> <td></td> </tr> </table>	• Testing	Frequency:	• Staff meeting	Frequency:	• External newsletter	Frequency:	• Internal circulars	Frequency:	• No formal process		• Other, please state:	
• Testing	Frequency:												
• Staff meeting	Frequency:												
• External newsletter	Frequency:												
• Internal circulars	Frequency:												
• No formal process													
• Other, please state:													
5.2	<p>How do you monitor that staff apply Code obligations in their daily dealings with customers?</p> <p><i>Please provide the three most common methods (for example, monitoring calls, shadow shopping, case studies, role play, examinations)</i></p>												

5.3	<p>How do you evaluate your organisation's compliance with Code training obligations?</p> <ul style="list-style-type: none"> • Internal audit of compliance • External audit of compliance • Complaints data • Breach data • Performance review of staff • Other, please state:
5.4	<p>What steps do you take in response to a breach regarding Code training (if you have already identified a breach)?</p> <ul style="list-style-type: none"> • Report it internally to management • Report it through your breach register • Report it to the Code Compliance Committee (If applicable) • Report to ASIC (If applicable) • None • Other, please state:
5.5	<p>Please give an example of a potential breach in Code training and explain how it would be rectified (for example, incorrect information in training materials).</p>

6. Suggestions for improvement

6.1	<p>What factor would aid you most in carrying out more in- depth Code training? <i>(Please choose one only)</i></p> <ul style="list-style-type: none"> • More funding • More time / personnel availability • A better IT infrastructure • No major issues • Other, please state:
6.2	<p>What do you think NIBA can do to help you meet your Code training compliance obligations?</p>
6.3	<p>Please add any other comments you may have regarding Code training.</p>

APPENDIX C: KEY STATISTICAL QUESTIONNAIRE FINDINGS

Size of organisation ⁵	Small ⁶	Medium ⁷	Large ⁸
Where there any major changes to your organisation since 1 January 2014 that impacted on your ability to meet your training obligations or transition to the revised Code?			
Yes	3%	16%	50%
No	97%	84%	50%
Has your organisation undertaken some form of Code training from 1 January 2014 to 30 June 2014 to facilitate transition to the revised Code?			
Yes	99%	99%	100%
No	1%	1%	0%
Did your organisation experience any challenges by the transition?			
Yes	20%	11%	67%
No	80%	89%	33%
Are there any outstanding Code obligations remaining for your organisation?			
Yes	25%	74%	100%
No	75%	26%	0%
Who in the organisation do you train in Code compliance?			
Customer-facing managers	34%	58%	50%
Customer-facing staff	33%	58%	50%
Support functions managers	21%	47%	33%
Supporting staff	22%	47%	17%
All Staff	74%	53%	33%
Is training on Code obligations embedded in your organisation's learning and development program?			
Yes	84%	89%	100%
No	16%	11%	0%

⁵ Each of the columns represents percentage data for each category of Code subscribers (Small, Medium, and Large). Each column may not total to 100% as multiple options can be chosen for many questions.

⁶ Up to 30 full time equivalent staff.

⁷ 31 to 100 full time equivalent staff.

⁸ Over 100 full time equivalent staff.

Size of organisation ⁵	Small ⁶	Medium ⁷	Large ⁸
Do you customise further Code training to cater for specific to staff roles?			
Yes	13%	11%	17%
No	87%	89%	83%
Who conducts your Code training?			
Internal training	76%	74%	67%
NIBA	37%	53%	33%
Other third parties	50%	32%	50%
How do you deliver Code training?			
Online/ Computer based	61%	68%	83%
On the job training	51%	42%	17%
One-on-one training	18%	32%	0%
Seminars	14%	26%	0%
Workshops	17%	16%	0%
Team meetings	60%	53%	17%
Self-guided study (Scripts/readings)	29%	21%	17%
NIBA Guidance Document	41%	37%	17%
Other (eg circulated Code amongst staff, guidance provided by Compliance support organisations)	21%	5%	17%
What tools do you use to record the Code training?			
Excel file	46%	58%	33%
Online program	27%	26%	67%
Hard copy files	26%	16%	17%
Performance reviews	21%	11%	17%
Do not track	8%	5%	0%
Other (detailed information refer to page 14)	51%	47%	83%
Does your training register record the elements of the training module (i.e. what was taught, date of completion, attempts at module, refresher course date)?			
Yes	70%	58%	83%
No	30%	42%	17%
How do employees keep track of their Code training progress?			
Certifications	35%	42%	33%
Access to online registry	41%	58%	50%
Reminders of future modules to complete	13%	11%	17%

Size of organisation ⁵	Small ⁶	Medium ⁷	Large ⁸
Employees can ask for their progress	35%	16%	0%
They do not track their progress	19%	11%	0%
Other (eg chosen to indicate a combination of the above)	32%	21%	33%
What do you do to ensure your staff are refreshed on the Code?			
Testing	15%	21%	33%
Staff Meeting	62%	42%	0%
External Newsletter	5%	0%	0%
Internal Circulars	22%	42%	0%
No formal process	36%	26%	33%
Other (detailed information refer to page 15)	36%	53%	67%
How do you evaluate your organisation's compliance with Code training obligations?			
Internal audit of compliance	65%	89%	83%
External audit of compliance	45%	58%	0%
Complaints data	58%	68%	83%
Breach data	58%	68%	83%
Performance review of staff	51%	47%	33%
Other (eg chosen to describe a combination of the above methods)	13%	0%	0%
What steps do you take in response to a breach regarding Code training (if you have already identified a breach)?			
Report it internally to management	66%	74%	83%
Report it through your breach register	74%	79%	50%
Report it to the Committee (If applicable)	21%	26%	33%
Report to ASIC (If applicable)	48%	47%	33%
None	2%	0%	0%
Other (eg include in executive reports, report to compliance support company)	13%	16%	0%
What factor would aid you most in carrying out more in depth Code training? (Please choose one)			
More funding	15%	32%	17%
More time / personnel availability	36%	32%	50%
A better IT infrastructure	8%	16%	17%
No major issues	50%	37%	17%
Other (eg feedback provided to NIBA)	7%	32%	33%

APPENDIX D: SAMPLE CODE TRAINING CHECKLIST

The following is a sample checklist designed to help smaller Code subscribers in particular to develop their own Code training assessment checklist. It is not a substitute for legal or compliance advice.

Action item	Reviewed By	Date of review	Completed
Do we require staff to undertake a standard Code training module?			
Are Code training obligations included with training programs for all our products and services?			
Are our training methods flexible and conducted through various formal and informal mediums?			
Are we recording when Code training is completed, by whom and the content covered?			
Are our Code training programs customised for different staff functions and/or roles?			
Do we reiterate the 12 standards of the Code in other ways, for example via newsletters, team meetings?			
How and when do we ensure our staff are refreshed on their Code training obligations?			
How do we evaluate the application of our Code training obligations in our daily practice?			
Do we use our performance management framework to identify conduct that is inconsistent with Code obligations?			
What process do we adopt in response to a Code breach concerning Code training?			