



Australian Government

Department of Education, Employment and Workplace Relations

FNSIBK606A Manage compliance requirements for an insurance broking business

Revision Number: 1

FNSIBK606A Manage compliance requirements for an insurance broking business

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to manage the implementation of compliance practices, procedures and systems within an insurance broking business. It encompasses ensuring that the relevant statutory and regulatory requirements are identified and complied with. This unit is applicable to individuals working within enterprises and job roles subject to licensing, legislative, regulatory or certification requirements including legislation administered by the Australian Securities and Investments Commission (ASIC).
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Application of the Unit

Application of the unit	This unit applies to insurance broking roles and may be applied within organisations of various sizes and across a range of customer bases.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Identify compliance requirements	1.1. Statutory, legislative and regulatory requirements relevant to the brokerage are identified and documented 1.2. Compliance requirements are identified and analysed for implementation 1.3. Up-to-date checklist of statutory operational requirements is maintained and observed including reporting requirements and time limits 1.4. Accurate, reliable and up-to-date information on compliance requirements is identified and collated in a form suitable for analysis and is updated on a regular annual basis or as amendments occur
2. Evaluate compliance factors and determine risk assessment	2.1. Impact of requirements on the brokerage is identified 2.2. Key risk areas in the brokerage for non-compliance are identified and evaluated in terms of likelihood and intensity 2.3. Compliance risk factors are evaluated within the context of organisation's mitigating capabilities
3. Establish compliance strategies	3.1. Stakeholder parties to compliance strategy and implementation are identified 3.2. Ways of systematising compliance strategy are identified 3.3. Cost-benefit variances are reviewed for implementation 3.4. Existing strategies are identified and reviewed 3.5. Alternate strategies are identified and assessed in consultation with the stakeholders 3.6. Most appropriate strategy is selected
4. Establish resource requirements for compliance purposes	4.1. Technical resources required for compliance purposes are identified and sourced 4.2. Personnel requirements for the operation of the compliance program are determined and appropriate staff are assigned or recruited, as appropriate 4.3. Compliance requirements for each role in the organisation are identified and documented 4.4. Minimum training standards for all personnel are identified and a training program developed in conjunction with appropriate personnel 4.5. Staff supervision and monitoring processes are in place to ensure staff compliance with requirements
5. Implement and	5.1. Regulatory requirements are incorporated into

ELEMENT	PERFORMANCE CRITERIA
maintain compliance systems	operational procedures 5.2. Documentation and communication systems that ensure compliance are developed 5.3. Practices and procedures in brokerage are reviewed for compliance 5.4. Non-compliance practices are identified and measures put in place to correct these 5.5. Irregularities, non-compliance and breaches are promptly identified and attended to 5.6. Staff are consulted to test integrity of systems 5.7. Areas for improvement in systems are identified through staff consultation and recommendations made to appropriate personnel 5.8. Process for reporting of breaches of laws and regulations is documented 5.9. Documentation and operational, and communication systems are implemented and checked for viability 5.10. New compliance requirements are integrated into work systems as required
6. Ensure statutory reporting requirements are met	6.1. Identify reporting requirements and establish timeframes for reporting 6.2. Organisational guidelines for preparing statutory reports are accessed and made available to relevant staff 6.3. Statutory reports are prepared according to organisational guidelines and statutory requirements 6.4. Statutory reports are checked for compliance 6.5. Submission of statutory reports is confirmed with the appropriate parties

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- highly developed communication skills to:
 - negotiate with clients and others
 - determine and confirm information, using questioning and active listening techniques
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- numeracy and IT skills to:
 - perform calculations related to achieving required outcomes
 - use computer applications (word processing, spreadsheet, database, specific purpose computer systems) to assist in achieving required outcomes
 - access and update records electronically
 - access web-based information services
- well-developed literacy skills to read and interpret documentation from a variety of sources and record and consolidate relevant related information and maintain currency of industry products and services knowledge
- research and analysis skills for accessing and interpreting relevant information
- interpersonal skills
- organisational skills, including the ability to plan and sequence work

Required knowledge

- organisation policy and procedures
- industry market position relative to product/line of business
- industry and organisation compliance requirements
- relevant common law, legal system and procedures

Evidence Guide

EVIDENCE GUIDE

The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the ability to:

- undertake compliance research
- identify and develop compliance systems and related documentation
- complete internal compliance audits
- prepare documentation and reports for regulatory and legislative bodies
- integrate compliance requirements into work practices
- adjust to industry changes.

Context of and specific resources for assessment

Assessment must ensure:

- competency is demonstrated in the context of the work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment
- access to and the use of a range of common office equipment, technology, software and consumables
- access to organisation records
- access to organisational policies and procedures.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:

- evaluating an integrated activity, which combines the elements of competency for the unit, or a cluster of related units of competency
- observing processes and procedures in workplaces
- verbal or written questioning on underpinning knowledge and skills
- evaluating samples of work
- accessing and validating third party reports
- setting and reviewing workplace projects and business simulations or scenarios.

Guidance information for assessment

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<i>Statutory, legislative and regulatory requirements</i> may include:	• anti-discrimination legislation (Commonwealth and State or Territory) • applicable State or Territory legislation and regulations • brokerage codes of conduct • consumer affairs laws • industrial legislation • Insurance Contracts Act • Legislation and regulations administered by the Australian Securities and Investments Commission (ASIC) Act including its regulatory guides relating to personal and general advice, compliance plans, audit of compliance plans • occupational health and safety (OHS) legislation • privacy laws • Superannuation Acts and regulations • Taxation Acts and regulations • Workplace Relations Act • State or Territory industrial relations Acts, awards and enterprise agreements • disclosure documents including: • Financial Services Guides (FSG) • Statements of Advice (SOA) • Product Disclosure Statements (PDS) • levels of training required for responsible officers and advisers.
<i>Impact</i> refers to:	• the effect on the business of ensuring compliance.
<i>Likelihood</i> refers to:	• the likelihood of the particular event or non-compliance issue occurring.
<i>Mitigating capabilities</i> refers to:	• any of a range of activities which will reduce the likelihood or consequences of the risk and may include application of control procedures, outsourcing or ceasing business in risk area or taking insurance for business risks.
<i>Stakeholder parties</i> may include:	• ASIC • auditors • compliance officers

RANGE STATEMENT	
	• distribution agents and consultants • operating divisions • parent companies • Australian Taxation Office.
Systematising may involve:	• IT systems • management systems • policy and procedures.
Alternate strategy may include:	• compliance related management information systems • documentation of compliance requirements relevant to the brokerage • induction and training processes related to compliance management • non-conformance or breach management processes • record keeping systems for compliance management • specification of compliance management accountabilities/responsibilities in the brokerage.
Training program may include:	• ASIC minimum training requirements for advisers and responsible managers • compliance training • customer complaints mechanisms • dispute resolution processes • training in disclosure requirements.
Reporting requirements may include:	• ASIC reporting requirements • reports to governing bodies for approval.

Unit Sector(s)

Unit sector	Insurance broking
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		