



# TRAINING AND ASSESSMENT FOR FINANCIAL ADVISERS

Presentation to National Roadshows


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# Advisers need to advance their preparation for authorisation now

- Now:
  - Self-evaluation tool for advisers to ascertain competence gaps
  - Accredited providers available to deliver training
  - ETITO registration available for ETITO identification number
  - ETITO booking engine available for assessment reservations
- 01 June 2010:
  - ETITO assessment regime commences [except Standard Set B]
  - DAO organisations commence operation
- 01 December 2010:
  - Hard deadline for Registration with the Companies Office on the FSPR
  - Application for Authorisation can occur as part of the same process
- 30 April 2011 – 30 June 2011:
  - Danger zone for advisers who have not completed competence assessment
- 30 June 2011:
  - Hard deadline for authorisation



## Today's presentation will set out the process that an adviser should follow to prepare for assessment


- Get clear about the standard sets required for authorisation
- Register with ETITO as a candidate for assessment and download candidate handbook
- Develop familiarity with competence standards required for authorisation
- Use the self evaluation tool
- Access training if required
- Remedy any professional practice gaps if required
- Make assessment bookings
- Begin uploading evidence to [e] portfolio in preparation for workplace assessment
- Undertake examinations
- Undertake workplace competency discussion



## ETITO's role in adviser authorisation is the design and operation of the assessment system for advisers


- Securities Commission
  - Central government regulator
  - Responsible for authorisation and supervision of financial advisers [including the specifically identified recognised alternative qualifications]
  
- Code Committee
  - Appointed by the Commissioner for Financial Advisers
  - Responsible for the development of a Code of Professional Conduct for Authorised Financial Advisers
  
- ETITO
  - National standards-setting body for the financial services industry
  - Responsible for the development of national standards and qualifications, and the design and operation of the centrally-administered assessment system for financial advisers

All information about training and assessment is available at [www.afacompetence.org.nz](http://www.afacompetence.org.nz)



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ETITO AFA Competence First Steps Self-Evaluation Tool Training Skill Gaps Assessment Registration & Booking FAQ Event Calendar

Welcome to ETITO's website for financial advisers.


Here you'll find all the latest information about the competency requirements for financial advisers seeking authorisation under the Financial Advisers Act 2008.

You can also make examination and workplace assessment bookings, upload evidence and check assessment results.

To access the financial advisers self-evaluation tool  
[Click here>](#)

Do you have a question that needs an answer?  
[Read the FAQs now >](#)

Keep up-to-date with all the latest news  
[Read it here>](#)



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## Step #1 in the preparation process is clarifying the Standard Sets from the National Certificate in Financial Services that you require for authorisation

In the Draft Code of Professional Conduct, it is proposed that for an AFA to provide financial adviser services, an AFA must either have:

- attained the Unit Standards Sets contained in the revised version of the National Certificate in Financial Services [Financial Advice] [Level 5] that are relevant to the financial adviser services they provide

**or**

- hold one of a number of specifically identified qualifications and / or industry designation. It is proposed that if an adviser holds one of these listed qualifications / designations, only certain unit standards sets within the revised National Certificate will apply



## The qualification is divided up into five Standard Sets

<b>Standard Set A</b>	Core knowledge: Knowledge of the industry, financial markets, the advice process and products
<b>Standard Set D</b>	Investment specialist standards
<b>Standard Set E</b>	Insurance specialist standards
<b>Standard Set E</b>	Residential Property Lending specialist standards
<b>Capstone Standard Sets</b>	
<b>Standard Set C</b>	Capstone professional practice: Applying the six step advice process and complying with legislation
<b>Standard Set B</b>	Capstone knowledge of the code: Understanding of the legislative framework for financial advisers

# Step #2 in the preparation process is to register with ETITO for your unique ID# and candidate handbook

[< Return to AFA homepage](#)

Home

Logged in as:

Status is Active

Home

My Account

My Profile

Book Assessment

Results

Change Password

Candidate Handbook

Log Off


## Welcome to ETITO's registration and booking system for financial advisers

This is where you register and maintain your personal details which will identify you throughout the process of examination, assessment and finally authorisation.

Complete your profile first and then you will be able to book exams and undertake assessment

Don't forget that you can

- Read the **introduction** again at any time to refresh your understanding of the steps to follow to book examinations and assessment
- Read the **Candidate Handbook** which will help you to understand the overall process



## Step #3 in the preparation process is to get familiar with the unit standards against which you will be assessed

**Unit Standard 25650: Demonstrate the steps in the financial advice process relating to client relationships and gathering information.**

Elements and performance criteria:


Establish and define the nature and scope of the client and financial adviser relationship.

Performance criteria:

- 1.1 Financial solutions offered by the financial adviser and the responsibilities of each party are explained in relation to the candidates field of competence.
- 1.2 Disclosure requirements are met and the client is informed of the role of the financial adviser in accordance with relevant industry legislation and codes of the practice.
- 1.3 Relevant fee structures and charging methodologies are explained to the client in accordance with the relevant industry legislation and codes of practice.
- 1.4 Agreement is reached in the scope of engagement for service to be provided.

# Step #4 in the preparation process is to use the self-evaluation tool

## Self-evaluation



TEST1 | Logout

### National Certificate in Financial Services [Financial Advice] [Level 5]




Welcome, you are now ready to start.

While in the National Certificate in Financial Services [Financial Advice] [Level 5] some unit standards are compulsory and some are elective, in this self-evaluation tool you can choose to complete as many or as few questions related to the unit standards as you wish, depending on your personal requirements. The tool will prompt you as you move through the questions and will show you which ones you have completed. How long it will take you will depend on the questions you choose to complete - we recommend allowing one to two hours to complete the tool.





- We recommend that you move through the sets in sequence. i.e. complete Standard Set A, then Standard Set C, and finally Standard Set D.
- When you have responded to a section of the evaluation, you click the **submit** button. When you submit a section you will not be able to modify any of your responses to that particular section so be sure to double check that you have answered all questions correctly.
- You can take a break. The questions can be completed in a number of sessions. During the questionnaire you can take a break by clicking **Save and continue later** and logout. You can log back in using your login and password to resume the self-evaluation tool.
- When you have completed and submitted the sections you can generate the final report using the **Generate Report** button at the bottom of the page. Please note that this report will only include information for those sections that you have completed and submitted.
- You'll only be able to generate the report once so confirm that you've submitted all of the sections that you need.
- When the report has been generated, you'll receive an email with the report as an attachment.

*Note: You need to complete the self-evaluation tool on the same computer you started it on.*

#### Standard Set A

24755 - Knowledge of Industry	CONTINUE EVALUATION	
25642 - Economic Environments, Financial Markets and Participants	CONTINUE EVALUATION	
25643 - Stages of Personal Financial Advice and Products	CONTINUE EVALUATION	

#### Standard Set C

25650 - Client Relationships and Gathering Information	CONTINUE EVALUATION	
25651 - Development and Presentation of Recommendations	CONTINUE EVALUATION	
25652 - Implementation and Review Processes	CONTINUE EVALUATION	
25653 - Regulations, Practice Standards and Operational Guidelines	CONTINUE EVALUATION	

The self-evaluation tool contains up to 240 questions, organised by Standard Set

## Self-evaluation



ETITO

### ETITO Self-Evaluation



Which is the most accurate statement?

- A) The proceeds from the sale of a second home are subject to capital gains tax
- B) The proceeds from the sale of a second home may be subject to capital gains tax
- C) The proceeds from the sale of a second home are never subject to capital gains tax

- A
- B
- C

Save & Continue Later

Next

# The self-evaluation tool report provides feedback relevant to each unit standard

<b>National Certificate in Financial Services [Financial Advice] [Level 5]</b>	<b>Result</b>
<b>Standard Set A</b>	
24755 Demonstrate knowledge of the industry and apply professional practice in a financial services organisation	Your score indicates you need to increase your knowledge before completing assessment. You should consider some self-directed learning, or review your prior study. You may prefer enrolling in a training course.
25642 Demonstrate understanding of relationships between economic environments, financial markets and their participants	Your score indicates that your knowledge places you in a good position to prepare for assessment, where you will be required to produce evidence of your competence against all of the performance outcomes contained within the unit standard.
25643 Demonstrate understanding of the stages of personal financial advice and the products used by financial advisers	Your score indicates you need to increase your knowledge through enrolling in a formal training programme.



## Step #5 in the preparation process is to access training if you require it

- Training can occur in the workplace using the resources of your organisation / dealer group / professional association, or by using the services of an accredited training provider
- The currently accredited training providers for the National Certificate in Financial Services [Financial Advice] [Level 5] are:
  - Universal College of Learning [UCOL]
  - UNITEC New Zealand
  - Waikato Institute of Technology [WINTEREC]
  - Southern Institute of Technology [SIT]
  - The Open Polytechnic of New Zealand, Adviserlink Ltd, Strategi
- These providers are able to provide:
  - Training for all unit standards contained in Standard Sets A, B, C, D and E; and
  - Assessment against Standard Sets A, D and E
- ETITO is actively working to ensure a range of quality training provision is available to financial advisers in both modular and full-course form



## Step #6 in the preparation process is to remedy any professional practice gaps that you might have

- Review client files to determine if they meet the requirements of the unit standards
- Review your current business practices to ensure that they support the collection of relevant evidence as required by the unit standard. If you do this now, you will be well prepared for workplace assessment

If you are unsure that your actions will provide the required evidence:

- Increase professional development and knowledge of legislation, policy and code of ethics and put this new knowledge into practice
- Talk to a mentor, senior colleague or a professional association

# Step #7 is to make assessment bookings with ETITO

Close this window

## ETITO Booking System

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## Examination and Assessment Selection Assistant

Please select your speciality:

Select speciality:

For the Investment speciality, the recommended combination is:

- Set A Core Knowledge Part 1 Exam,
- Set D Investment Part 1 Exam, and
- Part 2 Integrated Assessment Investment – Sets A, C and D

Select Standard Set A first, complete your booking and follow the recommendation carefully to continue with Standard Set D and the Part 2 Integrated Workplace Assessment. Alternatively, if you do not require Standard Set A, you can complete your booking and follow the recommendation carefully to continue with the Part 2 Integrated workplace assessment.

When you select from the list below, you will find more detailed information about the content of the standard set exam.



**Set A Core Knowledge Part 1 Theory Exam**



**Set D Investment Part 1 Theory Exam**



Part 2 Integrated Assessment including Standard Set C

**Other:**

[Book Compulsory Exam Set B](#)

[Specific Workplace Assessment - \[Standard Set C\]](#)

[Workplace Assessment Resubmission](#)

[Other exams and resits](#)

# ETITO's assessment system uses a combination of examinations and workplace assessment

ETITO ASSESSMENT SYSTEM STRUCTURE	
Standard Set A	Supervised online examination <b>and</b> workplace assessment
Standard Set D	Supervised online examination <b>and</b> workplace assessment
Standard Set E – Insurance	Supervised online examinations <b>and</b> workplace assessment
Standard Set E – Residential Property Lending	Supervised online examination <b>and</b> workplace assessment
Capstone Standard Sets	
Standard Set B	Supervised online examination
Standard Set C	Presentation of a portfolio of evidence supported by a competency discussion

# ETITO has designed an integrated assessment option for advisers who require multiple standard sets

**STANDARD SET B: \$275 + GST [\$309.38 INCL]**

**KNOWLEDGE OF THE FAA, FSPA AND CODE**

Note that bookings are not yet available for Standard Set B

**Standard Set A: \$400 +GST [\$450 incl]**

Core knowledge: Knowledge of the industry, financial markets, the advice process and products.

**AND ONE of either [D] or [E – Insurance] or [E – Residential Property Lending]:**

**Standard Set D: \$400 +GST  
[\$450 incl]**

Specialist Standards -  
Investment Advice

**Standard Set E: \$175 +GST  
[\$196.88 incl] per examination**

Specialist Standards - Insurance  
Advice

**2-3 examinations will be  
required**

**Standard Set E: \$400 +GST [\$450 incl]**

Specialist Standards - Residential  
Property Lending

**PLUS:**


**INTEGRATED WORKPLACE ASSESSMENT [INCLUDING STANDARD SET C]**

**\$1295 +GST[\$1456.88 incl]**

- Workplace assessment necessary to achieve Capstone Standard Set C: Applying the six step advice process and complying with legislation.
- Workplace assessment necessary to achieve Standard Sets A and D or E – Insurance or E – Property.

Step #8 is to begin uploading evidence to your [e] portfolio. You can start as soon as assessment bookings have been made

Close this window

ETITO Booking System 

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### Workplace Assessment Details

Category: Workplace Assessments

Product: Integrated Assessment Investment - Sets C & D

Candidate Pack: [Click Here](#)

Received: 16/04/2010

Due Date:

Finalised:

Result:

#### Assessment Specific Details

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#### Evidence Completed

All evidence loaded and complete:  Ready for assessment

#### Evidence and Documents

Section 2 - Evidence Part 1	Section 2 - Evidence Part 2	Section 2 - Evidence Part 4
<input type="button" value="Update"/>	<input type="button" value="Update"/>	<input type="button" value="Update"/>
<input type="button" value="Delete"/>	<input type="button" value="Delete"/>	<input type="button" value="Delete"/>



## The contents of your [e] portfolio should include documents to demonstrate your competence

- You will need to supply documentation for three clients that include:
  - Signed disclosure statements
  - Fact find / needs analysis
  - Written recommendations / statements of advice / financial plans
- Security and privacy of client information:
  - There are processes in place to ensure client privacy
  - The principals of the Privacy Act 1993 apply
- Once you have submitted your e-portfolio, you will prepare for the competency discussion
- Specific details are provided in the Candidate Handbook and Candidate Pack

Step #9 is undertaking the examinations that you have booked. Examinations are available at a number of locations throughout the country



Examinations will be undertaken using computers and contain questions in either multi-select, multi-choice or short answer form

The screenshot shows a computer-based examination interface. At the top, it displays the user's name 'Dawn Rodgers', signon 'dawn', and the current question 'Section A: Part 1 Question: A10 (1 Mark)'. A 'Time Remaining' indicator shows '1 hr 54 min' and a 'Finish Now' button is present. A dropdown menu is open, showing options: 'Finalised', 'Attention', and 'Unfinished'. The question text is: 'The duration of a bond investment is a figure which can be used to evaluate which of the following?'. Below the question are four multiple-choice options: 'A] The term remaining from any "current" date until maturity.', 'B] The sensitivity of the capital value to interest rate changes.', 'C] The original term of the bond from its issue date to maturity.', and 'D] The extent to which the interest rate will react to changes in the issuers credit rating'. At the bottom, there is a navigation bar with buttons for 'BACK' and 'NEXT', and a series of question indicators from A1 to B9. A10 is highlighted in red, indicating the current question. Below the navigation bar, there are three buttons labeled 'Section A', 'Section B', and 'Section C'.

Name: Dawn Rodgers Signon: dawn  
Section A: Part 1 Question: A10 (1 Mark) Time Remaining: 1 hr 54 min Finish Now

Finalised  
Attention  
Unfinished

Is this question correct?

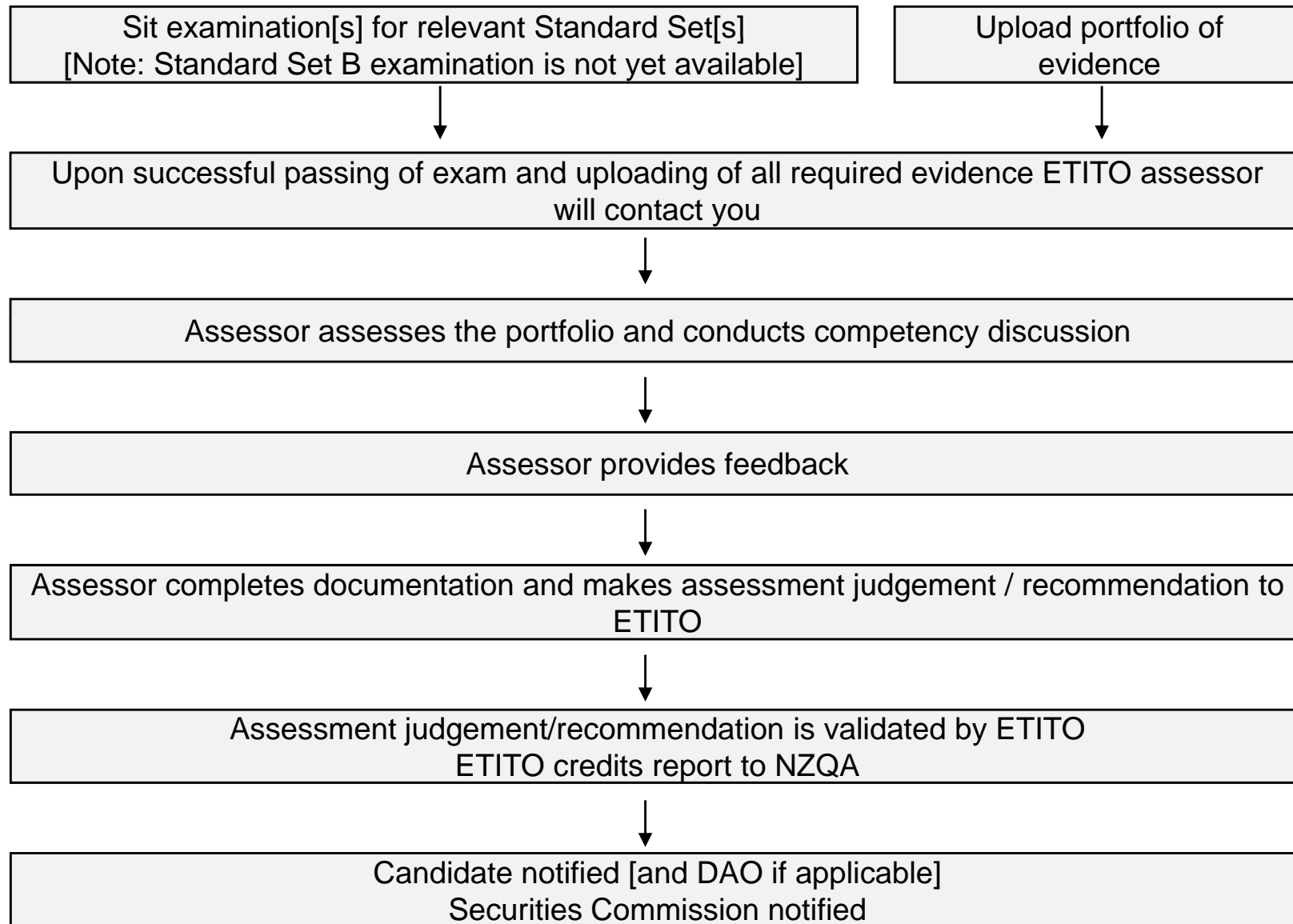
The duration of a bond investment is a figure which can be used to evaluate which of the following?

- A] The term remaining from any "current" date until maturity.
- B] The sensitivity of the capital value to interest rate changes.
- C] The original term of the bond from its issue date to maturity.
- D] The extent to which the interest rate will react to changes in the issuers credit rating

BACK A1 A2 A3 A4 A5 A6 A7 A8 A9 A10 A11 A12 A13 A14 A15 B1 B2 B3 B4 B5 B6 B7 B8 B9 B NEXT

Section A Section B Section C

# Examinations must be sat and passed before workplace assessment is undertaken





## Step #10 is the competency discussion which will capture further evidence to complete the overall assessment

- The discussion takes place between you and your assessor at a mutually agreed time. It doesn't need to be face-to-face and can be conducted via webcam / video conference, and telephone
- An opportunity to 'tell the story' of your work with the clients you presented in your [e] portfolio of evidence to demonstrate your understanding of the regulatory environment and your practice as a financial adviser
- Outcome is the demonstration of competent performance and sound judgement for the area of practice

## What next?

- ETITO will report all credit achievements for all Standard Sets to the Securities Commission, whether through a training provider or ETITO
- ETITO will also be reporting credit achieved for all unit standards to NZQA
- If an examination or workplace assessment has not been achieved successfully, you will be provided with feedback
- You can appeal an examination or workplace assessment result. This can be done at a cost. If the result of the appeal is a change to your examination or workplace assessment result, the appeal charge will be refunded to you



## Advisers should be preparing right now. Many parts of the system are already available

- Register with ETITO to gain your ETITO Identification Number and access the Candidate Handbook
- Familiarise yourself with the unit standards contained within the Draft Code of Professional Conduct
- Use ETITO's self-evaluation tool
- Review the services of a training provider **if** your self-evaluation tool feedback suggests that you need to consider further training
- Review your business practice, undertake some self-directed study or speak with a practice mentor **if** your self-evaluation tool feedback suggests that you should consider doing so

<http://www.afacompetence.org.nz>



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