

# FASEA Corporate Plan

1 July 2019 – 30 June 2023



Disclaimer and copyright.

While FASEA endeavours to ensure the quality of this publication, it does not accept any responsibility for the accuracy, completeness or currency of the material included in this publication and will not be liable for any loss or damage arising out of any use of, or reliance on, this publication.

© Financial Adviser Standards and Ethics Authority (FASEA)

This work is licensed under the Creative Commons Attribution 3.0 Australia Licence (CCBY 3.0).



This licence allows you to copy, distribute and adapt this work, provided you attribute the work and do not suggest that FASEA endorses you or your work. To view a full copy of the terms of this licence, visit [www.creativecommons.org/licenses/by/3.0/au/](http://www.creativecommons.org/licenses/by/3.0/au/)

## Contents

Introduction.....	4
Purposes .....	4
Environment .....	4
Performance.....	5
FASEA's achievements 2018-19 .....	5
Capabilities .....	5
Long-term objectives .....	5
FASEA standards development program to June 2020.....	6
Risk and Oversight .....	6
Audit and Risk Committee (ARMC) .....	6
Functions Review Committee (FRC).....	7
Risk Management.....	7
External Audit.....	7

## Introduction

This corporate plan has been prepared under paragraph 35(1)(a) of the Public Governance, Performance and Accountability Act 2013 for the reporting period 1 July 2019 - 30 June 2020 through to the reporting period 1 July 2022 - 30 June 2023.

## Purposes

Financial Adviser Standards and Ethics Authority Ltd (FASEA) is a Commonwealth entity that was established in April 2017 to set standards for the ethical conduct, educational qualifications and ongoing training of licensed financial advisers in Australia. FASEA's powers and responsibilities are set out under the Corporations Act 2001 (Cth) (the Act).

Under the Act, FASEA is responsible for:

- Setting a Code of Ethics that all advisers must comply with in providing advice to consumers about financial products or services;
- Approving university Bachelor or higher level degrees or equivalent qualifications to ensure all advisers meet minimum knowledge and training requirements set by FASEA to advise consumers on financial products and services;
- Approving foreign qualifications to ensure advisers qualified or who trained overseas and who provide advice to consumers in Australia meet FASEA standards;
- Approving an exam to ensure advisers meet subject matter knowledge requirements set by FASEA;
- Selecting an appropriate common term for provisional relevant providers who are undertaking at least one year of work and training;
- Setting standards for the future education and training (continuous professional development (CPD)) requirements that advisers must complete each year, so their knowledge remains current and they can retain their authorisation to advise consumers about financial products and services; and
- Determining the requirements for the professional year.

## Environment

The Financial Planning and Investment Advice Industry is subject to a period of intense scrutiny, increased expectations and change heightened by the findings from the Hayne Royal Commission and losses suffered by consumers produced in some cases from poor advice by certain industry participants.

Regulatory reforms including the Corporations Amendment (Future of Financial Advice) Act 2013 and the Corporations Amendment (Professional Standards of Financial Advisers) Act 2017 have been introduced to improve the nature of financial advice given and address the conflicting motivations of advisers in giving such advice, restructure the industry and enhance investor confidence through the greater transparency and improved professionalism and ethical standards.

## Performance

### FASEA's achievements 2018-19

Consistent with FASEA's 2018-19 business plan, our principal activities for the period involved the following:

- Finalising the Code of Ethics, determining the standards in relation to education, equivalent qualifications locally and overseas, an exam, and ongoing professional training and professional year;
- Providing guidance to new entrants and existing advisers about the pathways to achieving the required qualifications, training and experience to meet FASEA standards, including what meets the equivalence test, whether any additional bridging course is required and what name they can use to describe themselves while qualifying as advisers;
- Accrediting educational programs and courses that will meet FASEA's standards;
- Approving exams to ensure advisers meet knowledge and skills requirements and assessment under FASEA's standards;
- Preparing and consulting with key stakeholders in roundtables or other targeted consultation about drafts of legislative instruments embodying the Code and standards to refine these as appropriate;
- Finalising legislative instruments embodying the Code and standards for parliamentary consideration; and
- Periodically consulting with key stakeholders and reviewing the Code and standards to assess their efficacy.

FASEA has successfully achieved these objectives in the 2018/19 financial year.

## Capabilities

### Long-term objectives

FASEA's long-term objectives and strategies in 2020 - 2023 are to:

- Maintain regular communication with stakeholders around FASEA standards and key transition dates relating to those standards and Corporations Law requirements (including exam commencement and completion, code of ethics compliance and education requirements);
- Prepare and release updated information to assist stakeholders' interpretation of FASEA's standards;
- Continue to accredit educational programs and courses that meet FASEA's standards;
- Assess applications from professional associations for recognition of prior learning cred-it approval for coursework undertaken to acquire a professional designation;
- Approve and administer exams as contemplated by Section 921U(2);
- Assess applications for approval of foreign qualifications received from existing and new advisers;
- Periodically review the Code and standards to assess their efficacy; and
- Work towards identifying an ongoing funding model which will provide ongoing funding to FASEA.

## FASEA standards development program to June 2020

The diagram below sets out the purpose and timelines of FASEA for each standard over the period.

	F1 Code	F2 Qualifications		F3 Exam	F4 Work & Training	F5 PRP	F6 CPD	F7 Foreign Qualification	
	Code of Ethics	New Entrant and Existing Adviser Pathways	Degree Feedback Service	Program & Provider Accreditation	Adviser Examination	Work & Training	PRP Term	CPD	Foreign Qualifications
Jul 2019									
Sept 2019	Draft COE guidance consultation process	Amendment LI & ES registered		Full accreditation program	2nd exam sitting	Guidance templates		Guidance documents	
Dec 2019	Finalise COE Guidance document			Graduate Diplomas Bridging programs	3rd exam sitting	Guidance templates published		Guidance documents published	
Jan-Jun 2020		Review of Standards and guidance	Feedback service – domestic degree qualifications	RPL New Bachelors New Masters	Review of Standards and guidance				Assessment of Foreign Qualifications
Jun-Dec 2020	Review of Standards and guidance	Amendment LI & ES registered	Including periodic review of service	Re-accreditation of Bachelors & Masters	Bi-monthly exam sitting	Review of Standards and guidance	Review of Standard	Review of Standards and guidance	
Jan-Jun 2021		Amendment LI & ES registered		Including periodic review of service	Review of Standards and guidance				
Jun-Dec 2021		Review of Standards and guidance				Review of Standards and guidance		Review of Standards and guidance	
Jan-Jun 2022	Review of Standards and guidance	Amendment LI & ES registered			Ongoing exam sitting				

## Risk and Oversight

FASEA is a public company limited by guarantee. It was incorporated in the Australian Capital Territory in 2017. The sole member is the Commonwealth of Australia, represented by Assistant Minister for Superannuation, Financial Services and Financial Technology, Senator the Honourable Jane Hume MP.

FASEA is overseen by a Board of Directors which was appointed by the Minister for Revenue and Financial Services in 2017. The Board is responsible to the Minister for the governance of FASEA. Its directors do not have any executive roles and are not responsible for the day to day operation and function of FASEA.

In accordance with the FASEA Constitution, the Board submits a Business Plan, Budget and Annual Report to the Minister each financial year.

There are two Board sub-committees. The responsibilities of each is set out below.

### Audit and Risk Committee (ARMC)

This Committee has the following responsibilities:

- Providing independent assurance in relation to FASEA's financial reporting, risk oversight and management, systems of internal control, compliance with relevant laws and policies and compliance with the PGPA Act performance reporting framework;
- Providing advice and making recommendations to the Board in respect of these matters;

- Reporting financial and regulatory information;
- Monitoring the internal control system;
- Monitoring the risk management system;
- Monitoring of outsourced providers;
- Monitoring compliance with applicable laws, regulations, standards and best practice guidelines.

### **Functions Review Committee (FRC)**

(formerly Standards and code of Ethics Development & Oversight committee (SACDOC))

This Committee has the following responsibilities:

- Reviewing the required Standards (and related documents);
- Providing overall direction for the standards project, including setting and agreeing to objectives, approaches and outcomes;
- Reviewing the existing Standards (and related documents);
- Preparing and designing consultation processes including outcomes of consultations on particular standards;
- Providing assistance and advice to the relevant executives;
- Identifying issues and risks that impact the standards project and communicating these to the FASEA staff and the Board;
- Communicating critical decisions, documents and deliverables from the standards project to the FASEA staff and the Board; and
- Working towards resolving issues and where these cannot be resolved, recommending possible solutions to the Board.

## **Risk Management**

FASEA maintains a Risk Management framework appropriate to its size and complexity of operations.

## **External Audit**

The financial statements of FASEA are audited annually in accordance with FASEA's Constitution and the Corporations Act. The Australian National Audit Office (ANAO) is the external auditor for FASEA. Representatives of the external auditor are invited to attend meetings of the ARMC.



**Financial Adviser Standards  
and Ethics Authority (FASEA)**

PO Box A255  
Sydney South NSW 1235

E [consultation@fasea.gov.au](mailto:consultation@fasea.gov.au)

[www.fasea.gov.au](http://www.fasea.gov.au)

