

Qualification Title: New Zealand Certificate in Financial Service (Level 5) with strands in Financial Advice, Investment, Life and Health Insurance, General Insurance, Residential Property Lending, Personal Lending, Banking, and Trustee Services

Qualification number: 2315

Date of review: 1 October 2018

Final decision on consistency of the qualification: National consistency is confirmed

Threshold:

The threshold to determine sufficiency with the graduate profile was determined as evidence of graduates being able to:

- Act in the best interest of the client by demonstrating professional practice in the application of legislation, regulations, ethics, risk and compliance that is common to all sectors of the financial services industry.
- Apply understanding of research and analysis processes to develop fit for purpose financial solutions.
- Operate with understanding of financial institutions, systems, and markets, and their interdependencies.
- Operate with understanding of the economic environment and its connection to the financial markets and their participants.

Each strand has additional graduate outcomes and these form part of the threshold for this consistency review. Sufficiency with the graduate profile for each of the delivered strands was determined as evidence of graduates also being able to:

- Financial Advice strand:
 - Apply fiduciary responsibilities, legislation, regulations, and professional codes that are of particular relevance to the provision of financial advice, to provide professional client service.
 - Apply the financial advice process to provide professional client service.
- Investment strand:
 - Apply understanding of investment concepts, and legislation and regulations that are of particular relevance to the provision of investment services, to provide services in a professional manner.
 - Operate with broad understanding of the relationship between investment products and services, and individual's needs.
 - Apply the principles of investment analysis to provide appropriate solutions to investment needs.
- Life and Health Insurance strand:
 - Apply understanding of insurance concepts and risk management principles to life and health insurance situations.

- Apply understanding of life and health insurance market, concepts, legislation, regulations and codes of conduct that are of particular relevance to the provision of life and health insurances services to provide services in a professional manner.
- Operate with broad understanding of the relationship between insurance needs and life and health insurance product types, to provide appropriate solutions for life and health insurance needs.
- Operate with understanding of the processes of creation, maintenance and ending of life and health insurance contracts and assess the impact of a change of circumstances on life and health insurance arrangements.
- General Insurance strand:
 - Apply understanding of insurance concepts and risk management principles to general insurance situations.
 - Apply understanding of general insurance market, legislation, regulations and codes of conduct that are of particular relevance to the provision of general insurance services to provide services in a professional manner.
 - Operate with broad understanding of the relationship between insurance needs and general insurance product types, to provide appropriate solutions for general insurance needs.
 - Operate with understanding of the processes of creation, maintenance and ending of general insurance contracts and assess the impact of a change of circumstances on general insurance arrangements.
- Residential Property Lending strand:
 - Operate with understanding of residential property lending concepts, and legislation and regulations that are of particular relevance to the provision of residential property lending services to provide services in a professional manner.
 - Apply understanding of the relationship between residential property lending products and individual's needs to provide appropriate solutions to borrowing needs.
 - Apply knowledge of the residential property market and the impacts on residential property lending to provide appropriate solutions to borrowing needs.
 - Develop financial solutions for residential property lending to provide appropriate solutions to borrowing needs.

Note: As financial advisers must comply with the requirements of the Financial Advisers Act 2008 (under revision) and the qualification provides evidence for meeting these requirements it was agreed at the consistency review meeting that the threshold must be the same as the Graduate Profile.

Education Organisations with sufficient evidence

Education Organisation	Final rating
Professional IQ College	Sufficient
The Open Polytechnic of New Zealand	Sufficient
Strategi Institute Limited	Sufficient

Introduction

This purpose of this level 5 qualification is to provide the financial services industry with individuals who have specialist operational and theoretical knowledge and skills in financial services. The qualification has eight strands: Financial Advice, Investment, Life and Health Insurance, General Insurance, Residential Property Lending, Personal Lending, Banking and Trustee Services, and a credit range of 60-75 depending on the strand.

Whilst, this qualification may follow on from the New Zealand Certificate in Financial Services (Level 4), that qualification is not a prerequisite for entry into the Level 5 qualification. The education organisations at the review, reported that very few of their graduates had progressed from this lower level qualification, as most were in work and using the Level 5 qualification to meet their minimum regulatory requirements. On completion of this qualification graduates may progress onto higher level qualifications in financial services, and there were some individual examples of graduates progressing onto Business degrees.

Upon completion of the qualification graduates may be qualified to work within a range of specialisations related to the specific strands. These are listed in the qualification document.

The Skills Organisation is the qualification developer, working closely with the regulator for financial advisers, the Financial Markets Authority, to ensure alignment of the qualification outcomes with the requisite level of competence specified in the Code of Professional Conduct. To this end, the Authority has emphasised the importance of having in place, a consistent and reliable assessment system for the core elements that indicate financial adviser competence. Conditions for this strand require specific unit standards (26360, 25650, 25651, 25652, 25653) to form capstone assessments, and that these be conducted by The Skills Organisation. Unit Standard 26360, *Demonstrate understanding of the legislative framework for authorised financial advisers*, is assessed by an examination, and unit standards 25650-53, relating to Professional Practice, are assessed by a portfolio of evidence.

Following the issuing of this qualification in late 2014, in which the assessment conditions noted above were specified, there has been agreement with the regulator, that trained workplace assessors who are part of Delegated Assessment Organisations (DOAs) can conduct the Professional Practice capstone assessment, and these are moderated externally by the Skills Organisation.

This qualification was due to be reviewed next year, however this has been brought forward at the request of the regulator and the review group and is currently underway. The new version of this qualification will align with the updated legislation and is planned to be listed on the NZ Framework in early 2019.

There have been 114 graduates from the three education organisations during the graduate reporting period 01 January 2014 – 31 December 2017.

The review meeting was attended by representatives of the three education organisations with graduates during the review period, an observer from a provider with programme approval, but has not yet delivered their programme, and representative of the Skills Organisation, covering both the qualification developer and quality assurance functions of

the Industry Training Organisation (ITO). All three presenting organisations presented their case, supported by evidence, that their graduates had met the graduate profile outcomes

Evidence

The education organisations provided a range of evidence to demonstrate that their graduates met the graduate outcomes.

The criteria used to judge the evaluation question were:

- The nature, quality and integrity of the evidence presented by the education organisation.
- How well the organisation has analysed, interpreted and validated the evidence, and used the understanding gained to achieve actual or improved consistency
- The extent to which the education organisation can reasonably justify and validate claims and statements relating to the consistency of graduate outcomes, including in relation to other providers of programmes leading to the qualification.

The key evidence provided included:

Programme Evidence

- Programme Approval letters, confirming approval and accreditation had been granted by NZQA.
- Programme matrix and assessment mapping demonstrating the course/unit standard outcomes, assessment activities had been mapped to the qualification outcomes, providing a cohort path to achieving the GPOs.
- Moderation results and reports. Two education organisations had had their assessment material, which is based on unit standards, pre-moderated by Skills Organisation. The other presented evidence of their internal pre-assessment moderation conducted by technical editors, and independent subject experts. Both processes confirmed assessments were well designed, valid and measured the outcomes at the right level. Regular internal moderation activities were evidenced in all organisations. Post-assessment moderation for two organisations is also conducted by Skills Organisation, as is the moderation of the Professional Practice and Financial Advice portfolio for all three providers. Results showed consistency in assessor judgements.
- Use of real-life learning materials, such as case studies, client exemplars, and the presentation of a portfolio of evidence drawn from experience in the work-place to demonstrate competency in the financial advice processes.
- Use of workplace verifiers (a manager or supervisor) to verify the assessment tasks have been completed correctly and that learnings have been applied and can be evidenced in day-to-day work practices, including the application of the professional code of practice.
- Internal self-assessment and programme review reports showing the continuous improvement and updating of delivery resources and assessments to reflecting changing practices and requirements within the financial services industry.

Graduate feedback and destination evidence

- For all three providers much of the graduate feedback is typically collected via surveys related to the quality and content of the programme delivery. There was acknowledgment that this is an area for improvement.
- One provider presented responses to the questions relating to qualification relevance (3 questions), with results confirming graduates who had some experience in their study area agreed they had achieved the learning outcomes and the qualification had matched their expectations. Graduates identified they had gained skills required in their workplace, there had been a positive effect on their work practices and improved future job prospects. Graduates also stated that they had gained confidence in speaking with clients and that clients were responding well to them.
- One provider presented results from their 2017 Student Satisfaction Survey with 44 respondents, (many of these were still in the training process), 85% considered the qualification either very valuable or quite valuable, and 94% believed their employers considered their qualification either very valuable or quite valuable. They followed up with telephone survey of graduates in 2018 (10 respondents), ratings on a 5 point scale showed that 80% strongly agreed and 20% agreed that the qualification was relevant to their needs, and 80% strongly agreed the qualification had prepared them well for work.

Employers and Stakeholder feedback

- All three providers presented evidence of, and discussed, their established relationships with clients, financial institutions and the wider industry, including the regulator and the ITO.
- One provider conducted a telephone survey of five employers of graduates, based on a 5-point scale. Three employers strongly agreed and one agreed that the qualification was relevant to their needs and that their graduates were work-ready and three strongly agreed and one agreed that the qualification would prepare graduates for the future.
- One provider has recently implemented a process designed to establish evidence from their verifiers (employers) that their graduates meet the graduate profile outcomes. They designed and provided 'Minimum Threshold' questions to verifiers to complete. Responses from 50% (22 verifiers) to a series of Yes/No questions relating to achievement of the graduate outcomes, indicated that their graduates are meeting the graduate outcomes.

How well does the evidence provided by the education organisation demonstrate that its graduates match the graduate outcomes at the appropriate threshold?

The three providers presented a range of evidence and whilst there was some variability in the presentation of the evidence and analysis, overall the providers were able to make a convincing case that their evidence demonstrated that their graduates match the graduate outcomes at the appropriate threshold.

All submissions contained programme evidence including: mapping of learning outcomes and assessments with the qualification outcomes providing assurance that assessment covers the GPOs; programme development and review processes ensuring materials and assessments have currency, and moderation reports and evidence of moderation activities

providing confidence that assessment is at the right level and well designed, and the judgements are consistent across all three providers.

Skills Organisation has a role to play in the capstone assessment of the core unit standard, 'the knowledge of the regulatory environment', and the portfolio of evidence for the Professional Practice component of the Financial Advisers strand. Whilst these capstone assessments contribute evidence to support the claim graduates meet the graduate profile, it was unfortunate that the providers did not include this evidence in their submissions. This was discussed at the meeting and agreed that evidence was relevant although it had been omitted.

Whilst some of the feedback from graduates was collected during the training process and demonstrated high levels of satisfaction with the delivery, content, and value of qualification, more recent attempts by one provider to collect feedback from graduates, focusing on the GPOs, had provided positive feedback. A similar survey had been used to survey employers to gauge their views on achievement and application of the competencies in the workplace. Another provider had developed a set of 'minimum threshold' questions to elicit feedback from their verifiers, who are also employers. It was agreed that there was room for improvement in this area.

All three providers supplied evidence of strong stakeholder relationships with the financial services industry, including clients and the regulator of financial advisers, the Financial Markets Authority. Given that this is a regulated industry with high stakes associated with the award of the qualification and subsequent authorisation as a financial adviser, these relationships are considered valid evidence, and support the claim that graduates are meeting the outcomes of the qualification

The PTEs furthermore presented the case, that as they are not able to access government funding for this qualification, their repeat business with financial institutions is evidence of employers valuing the qualification and that they are confident their employees are achieving the outcomes of the qualification.

Examples of good practice

Redesigning graduate and employer surveys to align with GPOs and assigning resourcing to a telephone survey strategy to improve response rates.

Using the Consistency Review meeting as a learning opportunity and presenting well. Also, well thought through post meeting reflections, detailing planned improvements where gaps had been identified.

Recommendations to Qualification Developer

None as the qualification review is in progress and the providers are involved in the review process.