

CUNA Mutual ADI Directors' Diploma Course

Course Guide

Version 2009

Incorporating the

Diploma in Financial Services
(Credit Union or Building Society Directorship)



NSW Vocational
Education & Training
Accreditation Board



NATIONALLY RECOGNISED
TRAINING

TABLE OF CONTENTS

| | |
|--|----|
| <i>An Introduction To The CUNA Mutual ADI Directors' Diploma Course</i> | 2 |
| SECTION 1 | 4 |
| 1.1 <i>Course Structure & Time Commitment</i> | 4 |
| 1.2 <i>Course Scheduling</i> | 5 |
| 1.3 <i>Course Enrolment & Selection Criteria</i> | 6 |
| 1.4 <i>Course Flexibility</i> | 7 |
| 1.5 <i>Course Curriculum Overview</i> | 8 |
| 1.6 <i>AMInstitute CPD Accreditation</i> | 15 |
| SECTION 2 – About the Qualifications | 16 |
| 2.1 – <i>The Qualification</i> | 16 |
| 2.2 – <i>The Registered Training Organisation (RTO) – FutureStaff Pty Ltd</i> | 19 |
| 2.3 – <i>FutureStaff Pty Ltd – Assessment Policy & Procedures</i> | 21 |
| 2.4 – <i>AMInstitute Workplace Assessor</i> | 22 |
| 2.5 – <i>Course Prerequisites</i> | 23 |
| 2.6 – <i>Diploma in Financial Services (Credit Union or Building Society Directorship)</i> | 23 |

An Introduction to the CUNA Mutual ADI Directors' Diploma Course

The *CUNA Mutual ADI Directors' Diploma Course* was first launched in April 2001 in partnership with FutureStaff Pty Ltd the then credit union owned registered training organization (RTO).

The Diploma Course was designed to achieve two highly important educational objectives: -

- To provide the required level of training and education considered essential for a credit union or building society director to competently discharge their duties in the current business and regulatory environment and to meet the expectations of the member/owners and the various other important stakeholders.
- To provide recognition of, and a reward for, the commitment displayed in completing the required level of training and education including the assessment of competency through the awarding of a formal qualification - the **Diploma in Financial Services (Credit Union or Building Society Directorship)**.

This Diploma Course involves seven modules of learning each based upon three phases of learning which collectively generally span a period of 12-18 months. The three phases of learning consist of: -

- The knowledge development phase in a self directed learning format;
- Compulsory attendance at four course weekend workshops spread over a 12 month period;
- Completion of four Director Evidence Workbooks to demonstrate competency against the fourteen units of competence making up the *Diploma in Financial Services (Credit Union or Building Society Directorship)*.

The course curriculum is designed in a dynamic format whereby it keeps pace with continual market developments in both the compliance and performance aspects of credit union/building society directorship. The seven module course program was developed around the concepts inherent in the *Tricker Model – A Framework for a Mutual ADI Board to Manage it's Activities*: -

- Three Course Modules on Conformance activities;
- Three Course Modules on Performance activities;
- One Course Module in the form of Corporate Governance drawing it all together.

During 2003 the competency assessment aspects of the Diploma Course were completely restructured taking advantage of new more appropriate units of competence becoming available and overcoming many of the difficulties being encountered in the original assessment system.

The revised assessment system involves *Director Evidence Workbook Nos. 1, 2, 3 & 4* aligned to the modules being covered in each of the four course weekend workshops. This allows course participants to progressively attain units of competence providing immediate recognition and therefore some added motivation to continue working towards the ultimate qualification.

The major benefits arising from the restructured competency assessment system include: -

- Better alignment between the course curriculum and the eight units of competence:
- Closer alignment between the roles and perspectives of a director and the requirements to demonstrate competency against the selected units of competence;
- Clearer directions to course participants through the Director Evidence Workbooks about the evidence requirements to demonstrate the competencies;
- A reduction in the previously heavy accounting emphasis to a broader more reflective balance in the obvious breadth of a director's competencies.
- A means by which participants from Diploma Course Nos 1, 2 & 4 can cross over to the new competency assessment system.

The National Finance Industry Training Advisory Board (replaced initially by the Financial Services Education Agency Australia and then by the Innovation and Business Skills Australia) completed a major review and upgrade of the Diploma in Financial Services Training Package in late 2004 gaining endorsement from the Australian National Training Authority for the upgraded package to become operative from 1st January 2006.

These developments in turn have required AMInstitute to re map the Diploma Course curriculum against a much larger menu of competency units to identify the most effective alignment. This process was completed in March 2006 resulting in some expansion to the number of work activities contained in the four Director Evidence Workbooks. However the rewards for undertaking this additional workload are significant with the *Diploma of Financial Services (Credit Union or Building Society Directorship)* for all students commencing from 1st January 2006 containing fourteen (14) units of competence as against the eight (8) units of competence in the predecessor diploma course.

Further changes to the Financial Services Training Package were endorsed by the National Quality Council (NQC) on May 29 2007. Version 2 of the Financial Services Training Package has integrated Employability Skills into all units of competency in the Training Package.

Naming rights for this Diploma Course have been awarded to the CUNA Mutual Group in recognition of more than fifteen years of financial support for credit union director education through the work of AMInstitute and its predecessor organizations.

Ken Pickering

Executive Manager

Professional Development

November 2008

SECTION 1

1.1 Course Structure & Time Commitment

The Diploma Course consists of seven modules of learning for the credit union or building society director with a total of fourteen units of competence required for the *Diploma in Financial Services (Credit Union or Building Society Directorship)* embedded within the modules. The course is also highly beneficial for executive managers that work closely with their boards.

The seven modules are structured in a three stage process to suit the often busy schedule of the credit union director:-

- i) **Knowledge development in self study mode** based on the nominated resource books or manuals for the modules in lead up (1-2 months) to the scheduled course weekend workshop for the module(s);
- ii) **Skills and knowledge consolidation and application** of the knowledge developed in case study/work group environments during a total of **four scheduled weekend workshops** covering the seven modules;
- iii) Completion of the credit union or building society based work activities contained within each of the **four Director Evidence Workbooks (DEW)** which must be submitted to AMInstitute's Workplace Assessor for review of the evidence, feedback where necessary, competency assessment and ultimate attainment and issue of certification. The Director Evidence Workbooks align with the Course Weekend Workshops: -

| | | |
|------------------|---------------------------------------|-----------------------------|
| DEW No.1: | Compliance Modules | – Course Weekend Workshop 1 |
| DEW No.2: | Financial Management II Module | – Course Weekend Workshop 2 |
| DEW No.3: | Strategic Planning & Marketing Module | – Course Weekend Workshop 3 |
| DEW No.4: | Corporate Governance II Module | – Course Weekend Workshop 4 |

Note that the Lending & Credit Risk Management Course Module is not directly linked to a single workbook.

The estimated time commitment for successful completion of the Diploma Course is as follows:

- Face to Face (4x Course Weekend Workshops)..... 48 hours
- Knowledge Development (pre workshop reading x 4)..... 40 to 60 hours
- Competency Assessment (4 x Director Evidence Workbooks).....70 to 90 hours

1.2 Course Scheduling

When the Diploma Course was first launched in 2001 the four course weekend workshops were scheduled over a six month timeframe given that the majority of the phase iii) component (competency assessment activities) could not be completed until all four workshops were completed. Diploma Course Nos 1, 2, 4 & 6 run between 2001 and 2003 had followed this pattern.

However, following the restructure of the competency assessment component of the Diploma Course during 2003 there are now a much greater proportion of the work activities related to the assessment component to be done both in preparation for and/or directly following each of the course weekend workshops.

Therefore from Diploma Course No.7 and onwards the four course weekend workshops have been scheduled over a 12 month timeframe.

From calendar year 2004 one Diploma Course was scheduled to run over the full calendar year and a second to run over a full financial year however with reduced demand now being experienced this has been reduced to one course annually aligned to the financial year.

| Diploma Course | Weekend Workshop No. | Dates | Location |
|----------------|----------------------|--|----------|
| No.15 | CWW1 | 19-20 th July 2008 | Sydney |
| | CWW2 | 1 st -2 nd November 2008 | Sydney |
| | CWW3 | 7-8 th Feb 2009 | Sydney |
| | CWW4 | 23 rd -24 th May 2009 | Sydney |
| No.16 | CWW1 | 18-19 th July 2009 | Sydney |
| | CWW2 | 23-24 th Oct 2009 | Sydney |
| | CWW3 | Feb 2010 | Sydney |
| | CWW4 | May 2010 | Sydney |

Course participants are advised to commence preparation for a course weekend workshop around 4 weeks prior to the workshop. This preparation is in two parts: -

- Knowledge development phase of the work involving reading of the prescribed resources in preparation for the workshop.
- Completion of pre course workshop activities from the relevant Director Evidence Workbook. Note there are no pre course work activities for the first course weekend workshop.

1.3 Course Enrolment & Selection Criteria

Enrolment in an AMInstitute Diploma Course is open to all persons eligible to meet the AMInstitute membership criteria as specified in Rule 8 of the AMInstitute Constitution (see extract below):-

8. MEMBERSHIP CATEGORIES

- 8.1 A person who meets the requirements of one of the following sub-rules may be admitted to a membership category as a Member under that sub-rule. A person may only continue to be a Member under the sub-rule whilst he continues to meet the eligibility criteria under the sub-rule provided however that a person shall be deemed to continue to meet the required eligibility criteria under the sub-rule if he does not cease to meet the eligibility criteria for more than 6 continuous months.
- 8.1.1 A director of a Mutual ADI, may be admitted to AMInstitute in the membership category of *Member, Associate Fellow* or *Fellow*, subject to meeting the required eligibility criteria.
- 8.1.2 A person who is employed by a Mutual ADI in a functional area of management and in that capacity makes decisions which affect the overall objects of the Mutual ADI, may be admitted to AMInstitute in the membership category of *Member, Associate Fellow* or *Fellow*, subject to meeting the required eligibility criteria.
- 8.1.3 An alternate or associate director of a Mutual ADI, may be admitted to AMInstitute in the membership category of *Associate*.
- 8.1.4 A person who is employed in a Mutual in any position, but who does not meet the eligibility requirements under sub-rule 8.1.2, may be admitted to AMInstitute in the membership category of *Associate*.
- 8.1.5 A director or trustee, an alternate or associate director of a body representing Mutual ADI or a subsidiary or company related to that body, a Mutual ADI service provider or Mutual ADI Foundation Australia Limited, may be admitted to AMInstitute in the membership category of *Affiliate*.
- 8.1.6 A person who is employed by a body representing Mutual ADIs or a subsidiary or company related to that body, a Mutual ADI service provider or Mutual ADI Foundation Australia Limited in a functional area of management, may be admitted to AMInstitute in the membership category of *Affiliate*.
- 8.1.7 A person who is a director or is employed in a managerial position in an organisation which conducts business with Mutual ADI s, may be admitted to AMInstitute in the membership category of *Affiliate*.
- 8.1.8 A Mutual ADI member intending to nominate for a position as a director of a Mutual ADI who wishes to access AMInstitute's Education and

Professional Development Program to improve his credentials may be admitted to AMInstitute in the membership category of *Affiliate*.

- 8.2 A person shall apply for membership in such form as the Board may require.
- 8.3 A person who is prohibited from acting as a director or officer of a Mutual ADI is not eligible to be a Member.

1.4 Course Flexibility

AMInstitute understands better than most, that directors are very busy people juggling many competing priorities both professionally and privately. The Diploma Course has therefore been designed to incorporate the maximum possible degree of flexibility.

Participants can register at any time for the Diploma Course and commence work in their own time. There are a total of four mandatory course weekend workshops involved in the completion of the seven modules. Each of the workshops will be held at least once a year in varying locations.

There are no set requirements for participants to attend all four course workshops in the same Diploma Course, allowing participants the opportunity for instance to complete two course workshops in Diploma Course No.15 and the remaining two course workshops in Diploma Course No.16 if that is more convenient.

Similarly, there is no mandated time for completion of the four Director Evidence Workbooks although as a general rule they should be completed within twelve months of completing the related course weekend workshops. This will ensure that the knowledge and skills accumulated through the first two phases of the course are not lost and can be directly translated into assessable competencies.

1.5 Course Curriculum Overview

The Diploma Course Curriculum has been designed around the concepts inherent in the *Tricker Model* but enhanced to reflect the specific challenges for Mutual ADI Directors (see Figure 1c below).

A Framework for a Mutual ADI Board to Manage its Activities

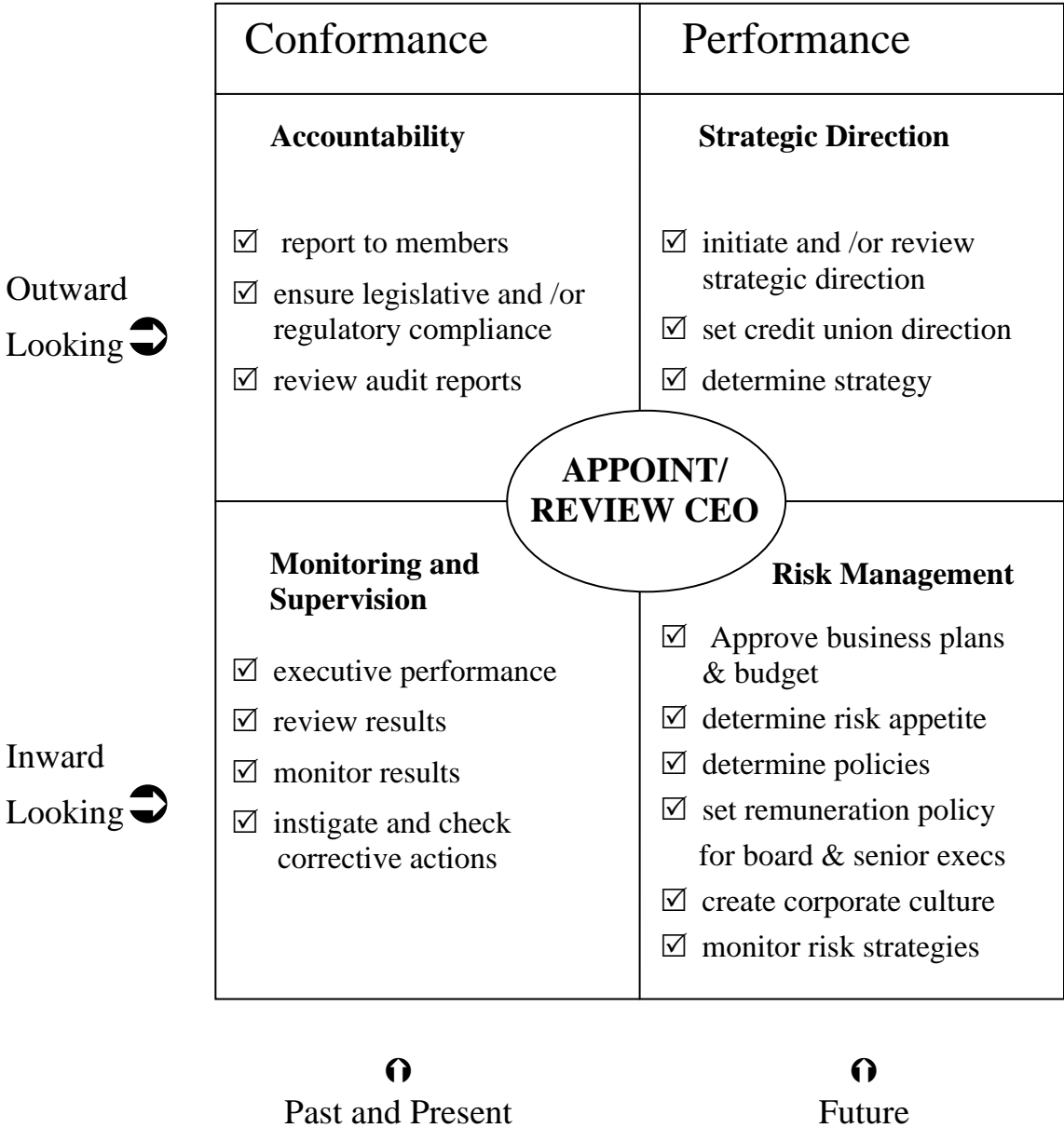


Figure 1c Adapted from Tricker, R: *International Governance*

The course modules are in turn structured to achieve the desired balance of emphasis between the conformance and performance activities of the Board of Directors in the following manner: -

- Compliance Modules 2001, 2002 and 2003 - Course Weekend Workshop 1
- Performance Modules 2004, 2006 and 2005 - Course Weekend Workshop 2, 3 & Part 4
- Corporate Governance Module 2007 - Course Weekend Workshop Part 4

Specific Resource Materials have been either developed or sourced to support the knowledge development phase prior to each of the four Course Weekend Workshops: -

Workshop 1 - Compliance (Modules 2001, 2002 & 2003)

- AMInstitute's The Mutual ADI Directors' Compliance Manual (Versions updated annually) – a joint publication from Thomson Legal & Regulatory, Norman Waterhouse Lawyers and AMInstitute.

Workshop 2 - Financial Management (Module 2004)

- Financial Statements Demystified (4th edition 2006) book – David Hey-Cunningham.
- AMInstitute's Financial Management I & II Manual (Version updated annually).

Workshop 3 - Strategic Planning & Marketing (Module 2006)

- AMInstitute's Strategic Marketing for Credit Union Directors – John & Chris Levis, Australian Commercial Marketing Pty Ltd.

Workshop 4 - Lending & Credit Risk Management (Module 2005)

- Credit Risk Management for Credit Union Directors – Bruce Harvey, Lending Solutions.
- **Corporate Governance II (Module 2007)**
- AMInstitute Mutual ADI Corporate Governance Manual (Version last updated December 2006).

Course Structures for the four Course Weekend Workshops are: -

i) Compliance Modules 2001 (Corporations Act), 2002 (Prudential Regulation) and 2003 (Financial Sectors and Other Specific Legislation Affecting Directors).

The Course Weekend Workshop is structured around four tutorial sessions, two case studies in syndicate groups, three group plenary sessions and a final panel and group discussion session:-

- A Framework for Board Responsibilities in Compliance;
Establishing the Business of a mutual ADI within the demands of the Regulatory Environment;
- Running the business of an ADI in an operational sense;
- Marketing the Products and Services of an ADI;
- Developing and Changing the business for whatever reason viz cessation, transfer of business, restructure, takeover.

The course curriculum is designed to be dynamic to place a relevant degree of focus on the emerging compliance issues of the day eg in 2007/2008 they are APS 510 & APS 520, AML/CTF and Basel II.

Director Evidence Workbook No.1 provides the necessary guidance for attaining the three units of competence attached to these modules along with the pre requisites for three other units of competence.

ii) Performance Module 2004 (Financial Management II)

The Course Weekend Workshop is structured around six tutorial sessions, two case study and plenary group sessions and a major session involving each participant making a presentation on the KPIs for their credit union or building society and inviting group discussion: -

- Board & Management Roles and Perspectives in Financial Management;
- Asset / Liability Management;
- Risk Management Policies, Systems & Culture;
- Key Performance Indicators (Credit Unions, Building Societies, Movement, Financial Sector);
- KPI Presentations, Analysis, Discussion;
- Financial, Audit and Related Reporting Requirements, Impact on new Prudential Standards.

Director Evidence Workbook No.2 provides the necessary guidance for attaining the two units of competency embedded within the Financial Management II Course Module along with the pre requisites for five other units of competence.

iii) Performance Module 2006 (Strategic Planning & Marketing)

This module is the most intellectually challenging within the course requiring the study and understanding of both the theory and the practice behind strategic thinking, strategy development, strategic planning and strategic marketing.

Given the lack of a suitable text in the marketplace Australian Commercial Marketing were commissioned to develop a specially tailored manual to assist credit union boards and managements to enhance their capacity in strategy formulation at both the credit union and movement levels. This manual should be read carefully before attending the course weekend workshop where the emphasis will be on consolidating the knowledge and developing a practical application thereof.

The Course Weekend Workshop is structured around six tutorial sessions each containing a syndicate group component and a major case study syndicate and plenary group session: -

- Strategic Concepts and Framework
- Establishing a Clear Strategic Direction
- Ascendancy Through Strategic Intelligence
- Defining the Strategic Intelligence
- Defining the Strategic Path
- Managing the Strategic Planning Process
- Strategic Marketing
- Putting Strategic Marketing into Practice – Utility and Regional Credit Unions’ Case Study

Director Evidence Workbook No.3 provides the necessary guidance for attaining the one unit of competence embedded within the Strategic Planning and Marketing Course Module along with the pre requisites for three other units.

iv) Performance Module 2005 (Lending & Credit Risk Management) and (Module 2007 Corporate Governance II)

Lending and Credit Risk Management is a core business of mutual ADIs involving in a risk management sense the earning capacity of around 80% of the assets at any given time. Credit Union and Building Society directors must therefore develop a very good understanding of the principles of lending and the elements of good lending and credit risk management policies.

As there was no existing authoritative text covering lending at the required level Bruce Harvey, Managing Director The Crestwood Group was commissioned to develop a specially tailored manual to assist credit union boards and management in this area. This manual will be essential reading in preparation for the Course Weekend Workshop.

The Course Weekend Workshop devotes half of the first day to the Lending & Credit Risk Management Module which will seek to build upon and consolidate the knowledge derived from reading the manual. Key topics will include: -

- Credit Risk Management / Elements of Credit Risk;
- Role of the Financial Institution;
- Lessons Learnt from Past Failures;
- Prudential Standards that Affect Lending;
- Principles of Lending;
- Portfolio Management;
- Board's Role in Setting Lending Policy;
- Board's Role in Monitoring the Performance of the Loans Portfolio;
- Finance/Credit Union Industry Benchmarks & Key Performance Indicators;
- Effect on Lending of the Unique Credit Union Philosophy.

There are no competency units attached to the Lending and Credit Risk Management Course Module.

v) The Corporate Governance II Module (2007) is then designed to draw together the three Compliance and the three Performance Modules into a comprehensive corporate governance system for the credit union or building society.

AMInstitute's Mutual ADI Corporate Governance Manual has been designed as a comprehensive corporate governance tool for Boards and Management to plan the progressive development of their mutual ADI's corporate governance framework, systems and processes. The manual does not purport to be a template mutual ADI corporate governance system but rather a tool to help Boards design and tailor a corporate governance system to meet their defined and specific needs.

The *Mutual ADI Corporate Governance Manual* will be essential reading in preparation for the Course Weekend Workshop with the Corporate Governance II Module commencing after lunch on Saturday and continuing through Sunday. The manual is structured in accordance with the following model: -

The Significant Impact of APS 510 (Governance) and APS 520 (Fit & Proper)

During 2005 / 2006 APRA made a pronounced entry into the field of corporate governance which has to date been the preserve of ASIC in a general sense and ASX in terms of additional standards to be applied to company's listed on the Australian Stock Exchange.

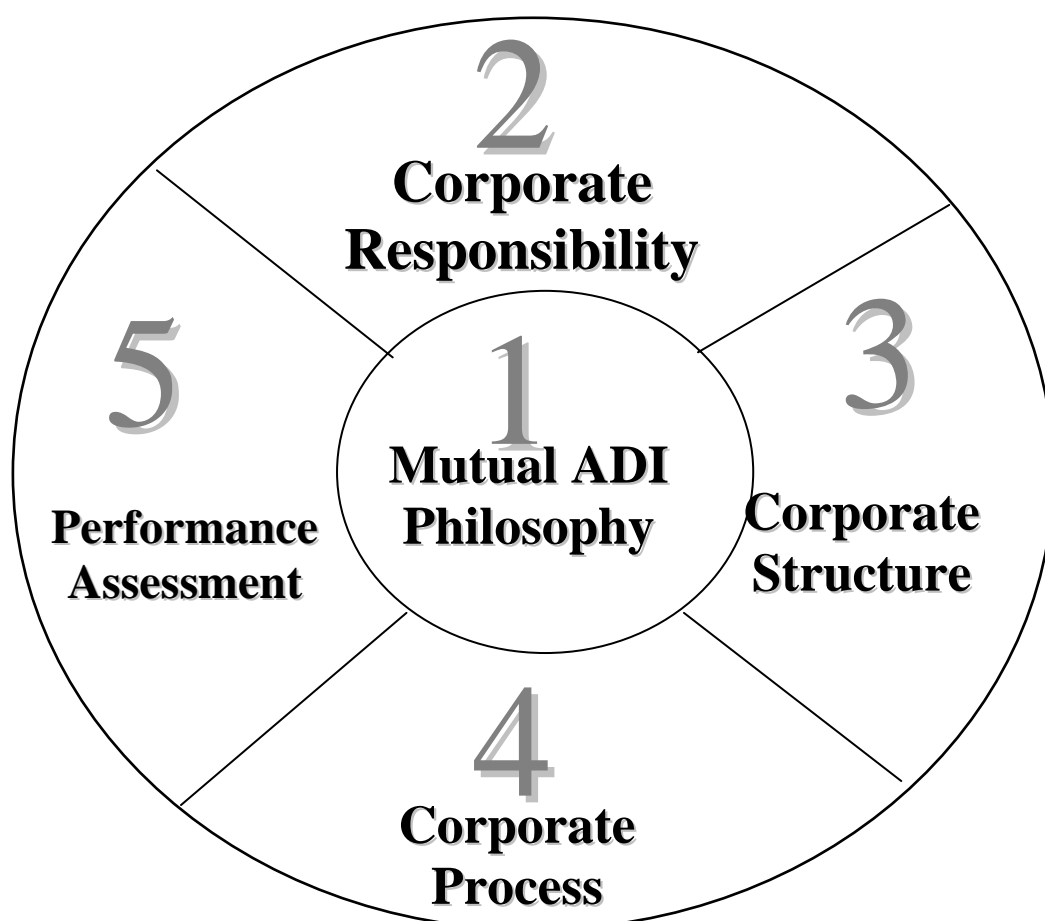
APRA released the two draft prudential standards for industry consultation during 2005.

Industry along with organisations such as the Australian Institute of Company Directors raised their concerns about APRA's intended entry into the governance field; to the level of prescriptiveness being contemplated and to the adoption of standards at a level greater than the ASX principles.

APS 520 – Fit & Proper was published in its final form in March 2006 and APS 510 Governance was published in its final form in May 2006. Both standards came into operation from 1st October, 2006.

The Mutual ADI Corporate Governance Model

(A Model Framework for Documenting Decisions on Corporate Governance in your Credit Union or Building Society)



The Course Structure for the Corporate Governance II Module is in four distinct parts: -

- i) A focus and discussion of key issues raised in the Mutual ADI Corporate Governance Module not covered in the previous modules.
- ii) A consideration of the impact of APS 510 (Governance) and APS 520 (Fit & Proper Requirements).
- iii) Selected case study work to strengthen understanding of how boards should handle specific corporate governance challenges.
- iv) Specific work activities drawn from Director Evidence Workbook No.4 relating to the two units of competence embedded in the Corporate Governance II Course Module along with the pre requisites for four other units.

Course Workshop Tutors' Panel

A panel of three to four tutors is formed for each Course Weekend Workshop and will vary in make up both between modules and between courses. Each of the tutors are given the range of topics to be covered and are given the latitude to develop tutorial session, case study and plenary group work as they see fit. The emphasis in selection of prospective tutors is their practical knowledge and experience in the topic area and their ability to openly share their expertise in an open and frank learning environment. It is also policy to share this role around with as many different credit union people as possible as past experience confirms that the participants, the tutors and AMInstitute management all benefit from such a varied and spread involvement.

AMInstitute Diploma Course – Enrolment and Resource Requirement Costs (inc GST)

- Full Course Enrolment Fee (All Seven Modules)* - \$ 2, 970-00
- Full Course Enrolment Fee (All Seven Modules) (Small Credit Union <\$100m Assets) - \$ 2, 673-00
- Course Enrolment Fee (per course weekend workshop) - \$825-00

- Resource Requirements
 - The Mutual ADI Directors' Compliance Manual (MADCM) - \$ 550-00
 - Financial Statements Demystified book (FSD) - \$ 50-00
 - AMInstitute Financial Management I & II Manual (FINMAN) - \$ 66-00
 - Strategic Planning & Manual Marketing (MARKMAN) - \$ 77-00
 - Credit Risk Management Manual (CREDITMAN) - \$ 66-00
 - Corporate Governance II Manual (CGOVMAN) - \$ 66-00

* The Course enrolment fee does not include accommodation costs for the weekend workshops but does include lunch, morning and afternoon tea, the handout material during the workshops as well as the cost of the competency assessment component.

Prices are fixed for Diploma Course Nos. 15 & 16 but are subject to change for future courses as determined necessary by the Institute.

AMInstitute Cancellation Policy

Cancellations received in writing less than four weeks to the commencement of a Diploma Course may forfeit 50% of the Course Enrolment Fee if AMInstitute is unable to secure a substitute participant willing to enrol and complete the knowledge development phase and pre workshop work activities in time for the first course weekend workshop.

No refund will be made to a participant who wishes to withdraw from the Diploma Course after completing one or more of the course weekend workshops. In such circumstances the participant has the flexibility to complete one or more of the course weekend workshops in later Diploma Courses or alternatively arrange for a substitute to take over the course enrolment. Such a substitute must however personally complete all four course weekend workshops themselves in order to meet the full requirements for the *Diploma in Financial Services (Credit Union or Building Society Directorship)* and as such will need to meet some additional costs dependent on the number of course weekend workshops involved.

No refund will be made for any of the resources purchased and supplied to the participant as part of the enrolment.

1.6 AMInstitute CPD Accreditation

The AMInstitute awards CPD accreditation hours for each of the three phases of learning involved in each of the four course weekend workshops as per the table below: -

| | | | | | |
|---------|--|--------|----|----|----|
| DS & MS | Directors Diploma Course - Compliance Manual - Compliance Modules (3) - DEW 1 Competency Assessment | 12 | 12 | 25 | 49 |
| | - Financial Statements Demystified / Financial Management Manual - Financial Management Module - DEW 2 Competency Assessment | 2 4 | 12 | 15 | 33 |
| | - Strategic Marketing Manual - Strategic Planning & Marketing Module - DEW 3 Competency Assessment | 6 | 12 | 20 | 38 |
| | - Credit Risk Manual - Corporate Governance Manual - Lending / Credit Risk & Corporate Governance 11 Modules - DEW 4 Competency Assessment | 6 6 | 12 | 20 | 44 |

SECTION 2 – About the Qualifications

This section will focus on the qualification aspects of the Diploma Course including the requirements of FutureStaff Pty Ltd the RTO overseeing the competency assessment process.

2.1 – The Qualification

The *CUNA Mutual ADI Directors' Diploma Course* has been developed from the Diploma in Financial Services within the vocational education stream of the Australian Qualifications Framework (AQF)

VOCATIONAL EDUCATION & TRAINING PATHWAYS

| AQF | School Sector | Vocational Education & Training Sector | Higher Education Sector |
|------|--------------------------|--|-------------------------|
| xi | | | Doctoral Degree |
| x | | | Masters Degree |
| ix | | | Graduate Diploma |
| viii | | | Graduate Certificate |
| vii | | | Bachelor Degree |
| vi | | Advanced Diploma | Advanced Diploma |
| v | | Diploma | Diploma |
| iv | | Certificate iv | |
| iii | | Certificate iii | |
| ii | Senior Secondary | Certificate ii | |
| i | Certificate of Education | Certificate i | |

AQF – Australian Qualifications Framework

Figure 2a

In matching qualifications to particular industry needs each Industry Skills Council provides a certain degree of flexibility within a Training Package in matching the units of competence making up the qualification and the AQF level of units, a Diploma is AQF level 5

To attain a Diploma of Financial Services a minimum of 12 units must be achieved:

- 4 industry core units, plus
- 8 elective units.
- all 8 elective units may be selected from the list of units suitable at Diploma level
- of the 8 elective units, up to 2 units may be selected from the list of units suitable at Certificate IV level and up to 2 units may be selected from the list of units suitable at Advanced Diploma level
- of the 8 elective units, up to 2 units may be selected from other endorsed Training Packages in accordance with other packaging guidelines for this qualification
- the choice of electives should be appropriate to the level and integrity of the qualification and to the workplace outcomes it is designed to meet

NB The Cuna Mutual ADI Directors' Diploma contains 14 units of competency.

COURSE CURRICULUM / COMPETENCY UNIT MODEL 1
DIPLOMA COURSE Nos 6 TO 10

| CURRICULUM | COMPETENCY UNITS / EVIDENCE WORKBOOKS | TRAINING PACKAGE |
|--|--|-------------------------------------|
| Weekend Workshop 1 Compliance Modules (3) | <ul style="list-style-type: none"> • Comply with Regulations • Project 1 – Compliance Audit • Director Evidence Workbook No.1 | FS V |
| Weekend Workshop 2 Financial Management II Module | <ul style="list-style-type: none"> • Monitor Financial Performance and Budget • Utilise Information to Enable Informed Decision Making • Director Evidence Workbook No.2 | BS IV FS V |
| Weekend Workshop 3 Strategic Planning & Marketing Module | <ul style="list-style-type: none"> • Establish & Maintain a Strategic Planning Cycle • Manage Workplace Information * • Assess Market Needs* • Project 2 – Market Awareness • Director Evidence Workbook No.3 | BS V BS V FS V |
| Weekend Workshop 4 Corporate Governance II Module | <ul style="list-style-type: none"> • Participate as an effective member of a Board of an Organisation* • Monitor Corporate Governance Activities • Director Evidence Workbook No.4 | S & R V FS VI |

Figure 2b

Legend

FS – Financial Services Training Package

BS – Business Services Training Package

S&R – Sport and Recreation Training Package

* - These units of competence require pre requisite competencies demonstrated through one or more of the prior Workbooks in the series.

COURSE CURRICULUM / COMPETENCY UNIT MODEL 2
DIPLOMA COURSE Nos 11 ONWARDS

| CURRICULUM | COMPETENCY UNITS / EVIDENCE WORKBOOKS | TRAINING PACKAGE | |
|---|---|-------------------------|-----|
| Weekend Workshop 1 Compliance Modules (3) | ▪ Comply with financial services legislation, industry and professional codes of practice (*) | FS | V |
| | ▪ Participate as a member of an effective Board of an organisation. | S&R | V |
| | ▪ Communicate in the Workplace (*) | FS | III |
| | ▪ Use technology in the Workplace | FS | III |
| | ▪ Apply Health & Safety Practices in the Workplace (*) | FS | III |
| | ▪ Apply principles of professional practice to work in the financial services industry | FS | IV |
| | ▪ Director Evidence Workbook No.1 ○ Project 1 – Compliance Audit | | |
| Weekend Workshop 2 Financial Management II Modules | ▪ Manage a Budget (*) | FS | V |
| | ▪ Prepare financial forecasts and projections | FS | V |
| | ▪ Analyse and comment on management reports (*) | FS | V |
| | ▪ Assess market needs | FS | V |
| | ▪ Participate as a member of an effective Board of an organisation. | S&R | V |
| | ▪ Use technology in the Workplace | FS | III |
| | ▪ Apply principles of professional practice to work in the financial services industry | FS | IV |
| | ▪ Director Evidence Workbook No.2 | | |
| Weekend Workshop 3 Strategic Planning & Marketing Module | ▪ Prepare Strategic Plans | FS | VI |
| | ▪ Assess Market Needs | FS | V |
| | ▪ Collect, assess and use information (*) | FS | IV |
| | ▪ Prepare financial forecasts and projections | FS | V |
| | ▪ Director Evidence Workbook No.3 ○ Project 2 – Market Awareness | | |
| Weekend Workshop 4 Lending / Credit Risk Corporate Governance II Modules | ▪ Prepare Strategic Plans | FS | VI |
| | ▪ Assess Market Needs | FS | V |
| | ▪ Participate as a member of an effective Board of an organisation | S&R | V |
| | ▪ Manage own professional development (*) | FS | V |
| | ▪ Monitor corporate governance activities (*) | FS | VI |
| | ▪ Apply principles of professional practice to work in financial services industry | FS | IV |
| | ▪ Director Evidence Workbook No.4 | | |

(*) denotes units of competency fully attained through completion of the Director Evidence Workbook attached to the course module(s). All other units of competency are embedded across either two or three Director Evidence Workbooks requiring these workbooks to be completed and assessed before the units are attained.

2.2 – The Registered Training Organisation (RTO) – FutureStaff Pty Ltd

Company Background

FutureStaff is a specialist provider of Human Resource Management and Staff Development Services. They have worked within the Financial Services Industry since 1989 and have considerable expertise in providing competency based training and HR solutions that are tailored to financial services business outcomes. FutureStaff is registered with ASIC to provide assessment services in compliance with Regulatory Guide 146.

FutureStaff is a Group Training Company and Registered Training Organisation operating with the endorsement of all State and Territory Training authorities. FutureStaff is authorised to deliver and assess against qualifications within the Australian Qualifications Framework from Certificate III in Financial Services to the Diploma of Financial Services. Their scope of registration includes 31 different qualifications across the Financial Services and Business Services industries.

FutureStaff was established in 1989 as the Credit Union Traineeship Company and was an initiative of the Association of NSW Credit Unions (ANSWCU). It was developed to provide recruitment, employment, training and performance management support services including a traineeship program for the Retail Financial Services Industry.

Its mission is to offer training opportunities for new and existing workers in the Financial Services Sector. The principal purpose is to provide services that support the development of skills and professionalism through vocational education and training initiatives, to offer a range of HR consulting services that support Best Practice in People Management.

FutureStaff is owned by Kieran Investments Pty Ltd and is committed to the continued provision of education and support services to the Credit Union Movement in the same vein as the former credit union owners.

FutureStaff Code of Practice/Standard

The *Statement of Principle* is:

“To be a prominent Group Training Company and Registered Training Organisation that provides training, recruitment and people management services which contribute to making clients leading employers within the Financial Services Industry.”

Core Values

- Leadership and responsiveness to the recruitment, employment and vocational training needs of clients;
- Providing tangible strategic benefits to clients;
- Generating client trust through quality services and effective communication;
- Operational efficiency and financial prudence;
- Participation in, and promotion of, finance industry traineeship and vocational career strategies; and
- Recognition and support of Australian Credit Unions as the foundation hosts of FutureStaff.

Code of Ethics

- We will give precedence to the interests of our clients, with recognition that our clients include our trainees and organisations.
- We will be willing to support clients in their search for solutions to their problems.
- We will ensure that client organisations educate their staff in relevant aspects of financial awareness and services.
- We will act with honesty and integrity.
- We will act lawfully and within the spirit of the law.
- We will act within the spirit of justice and equity.
- We will avoid unfair discrimination and work to educate clients on broader cultural recruitment practices.
- We will conduct operations efficiently and effectively.
- We strive to achieve an excellent quality of service.
- We will honour commitments made in good faith.
- We will engender a climate of mutual respect and trust between ourselves, our clients and customers.

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2.3 – FutureStaff Pty Ltd – Assessment Policy & Procedures

Assessment Policy

All FutureStaff assessment activities and services comply with the national assessment principles. Their procedures and processes are designed to ensure compliance with these principles and adhere to Training Package recommendations in relation to context and specialised resources and reflect the Equal Employment Opportunity, Affirmative Action, Sexual Harassment and Occupational Health and Safety guidelines. Assessment pathways will at all times reflect the needs and circumstances of assessee and client organisation.

Staff and contractors providing assessment services will be required to participate in regular development and service sessions to ensure skills and knowledge relating to the delivery of assessment in the context of specific Training Package requirements.

All assessment material submitted for marking will be securely maintained and its confidential nature respected at all times.

Assessment Procedures

Assessment Personnel

Only personnel with appropriate qualifications and industry experience will assess programs on behalf of FutureStaff. The qualifications will comply with those detailed in the National Assessors and workplace Trainers Training Package. The industry experience will be as outlined in the relevant Training Package Assessment Guidelines.

- All people completing assessment on behalf of FutureStaff will be required to meet our service standards and expectations for client focus and professionalism.
- Assessors will comply with the Code of Practice for assessors.
- Employment and Contractor contracts bind personnel to compliance with all FutureStaff policies, procedures and service delivery standards including recording and reporting on assessment outcomes.
- All staff and contractors providing assessment will be inducted in FutureStaff's Human Resources policies and procedures including:-
 - Equal Opportunity
 - Affirmative Action
 - Sexual Harassment
 - Occupational Health and Safety
- Staff and contractors providing assessment services will be required to participate in regular development and service sessions to ensure skills and knowledge relating to delivery of assessment in the context of specific Training Package requirements.

Service Standards – Assessment

Clients of FutureStaff will be entitled to the following standards in service provision:-

- Professional/qualified staff in support and assessment services.

- Clients have the right to nominate an assessment time and venue (from within a range of three nominations offered by FutureStaff).
- Professional assessment tools that show clear relationship to competencies being assessed.
- Assessment activities will be carried out as close to the time of skills acquisition as possible.
- Delivery of services that demonstrate flexibility in meeting their particular individual/organisational needs.
- Where Assessment is integral to a Qualifications program Assessment processes, timeframes, plans and tools are detailed in the Course Guide and Director Evidence Workbooks.
- Assessment appeals will be dealt with through established grievance procedures.

Assessment Procedures

Assessment protocols and tools will be submitted for each activity, detailing procedures for each assessment.

- Clients can have access in advance to the assessment plan and Recognition of Current Competence procedures.
- Procedures detailed in the assessment plan will be strictly followed including recognition of current competence processes.
- If any of the competencies are not achieved one of two options, to be completed within a specific timeframe, will be agreed with the assessor:-
 1. The assessor may ask the assessee to undertake extra workplace activities and/or provide supplementary evidence.
 2. Where there are specific gaps in experience the assessor will advise the assessee to undertake particular training module/s to acquire competence. All training modules are submitted to the assessor for determination as to whether the required standard has been reached.

A copy of the Candidate Assessment summary outlining the results of the assessment and further training or evidence required will be provided. The assessor and assessee will sign the assessment summary as a record that the result was mutually agreed.

2.4 – AMInstitute Workplace Assessor

AMInstitute's Workplace Assessors work under the supervision of Futurestaff Pty Ltd for all the assessment activities associated with the AMInstitute Diploma Course.

The Workplace Assessor attends each of the four course weekend workshops for each Diploma Course to maintain their own skill levels, to accept the submission of Director Evidence Workbooks from course participants for assessment and to provide guidance to course participants as required.

In accordance with the AMInstitute/FutureStaff policy on assessment confidentiality, the Workplace Assessor is the only person from AMInstitute who ever sees any of the work submitted for assessment by participants.

The inaugural AICUD Workplace Assessor was Tony McNamara who performed the role with great skill, aplomb and genuine empathy and receiving many letters of thanks from course

participants over his four years in the role praising his help, support and sound advice. Tony retired from this position on 31st December 2005.

The new AMInstitute Workplace Assessor Warren Andrews commenced training for the role in July 2005 and took over full responsibility from 1st January 2006. Warren is the former General Manager, Corporate Services and Company Secretary for Community First Credit Union having retired from that position in July 2004. Warren has also been a Diploma Course Tutor in the Compliance Module sessions between 2002 and 2004.

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2.5 – Course Prerequisites

There are no formal academic prerequisites for the program. Persons considering registration and enrolment for the Diploma Course are advised to first consider whether they would benefit from attending one or both of AMInstitute’s mutual ADI director introductory training courses to assist with preparation for the heavy demands of the Diploma Course. These two courses listed below each provide some valuable underpinning knowledge for competency units within the Diploma and are generally scheduled at least once per year: -

- Corporate Governance I
- Financial Management I

Diploma Course tutors will also presume that participants: -

- Understand the fundamental requirements to complete the assigned pre-course workshop materials (knowledge development phase) and the pre workshop activities listed in the Director Evidence Workbook before attending the course weekend workshop;
- Will be given by their Board and Management the necessary authority and access to information so they can satisfactorily complete their workbooks and so demonstrate the competencies attained in order to become qualified.

2.6 – Diploma in Financial Services (Credit Union or Building Society Directorship)

The *CUNA Mutual ADI Directors’ Diploma Course* is aligned to the national qualification – FNS50107 Diploma in Financial Services.

The previous FNB Package Diploma course has been reviewed to incorporate the improvements in the new FNS training package for release in 2006.

This review required AMInstitute to complete a new mapping process to align the course curriculum to the new FNS training package to both meet the new more restrictive package options and to identify the best fit with competency units contained within the Financial Services Training Package.

By way of comparison under the FNB Training Package there were a total of eight units of competence matched to the curriculum four of which were drawn from the Financial Services Package, three from the Business Services Package and one from the Sport and Recreation

Package. Six of the competency units were at Diploma level, one at Advanced Diploma level and one at Certificate IV level.

Under the 2006 Training Package a total of fourteen units of competence matched the curriculum with the following characteristics: -

- Thirteen are drawn from the Financial Services Package and one from the Sport and Recreation Package.
- There are four core units and twelve elective units in the package.
- There are three competency units at Certificate III level, two units at Certificate IV, seven units at Diploma level and two units at Advanced Diploma level.

The 4 industry core units and ten elective units of competence embedded in the *Diploma of Financial Services (Credit Union or Building Society Directorship) Course* are listed in figure 2E below and are aligned to the respective Director Evidence Workbooks (DEWs).

A review of Financial Services Training Package and the Diploma in Financial Services in 20078 has made no material changes to the Diploma Qualification requirements.

| DEW | Unit Title | Unit Code |
|------------|---|--------------|
| No.1 | Comply with financial services legislation, industry and professional codes of practice | FNSCOMP501B |
| No.3 | Collect, assess and use information | FNSICGEN403B |
| No.2 | Manage a Budget | FNSICORG502B |
| No. 2 & 3 | Prepare financial forecast and projections | FNSICORG517B |
| No.2 | Analyse and comment on management reports | FNSICORG519B |
| No.3 & 4 | Prepare Strategic Plans | FNSICORG601B |
| No.2,3 & 4 | Assess Market Needs | FNSICSAM505B |
| No.1,2 & 4 | Participate as a member of an effective Board of an organisation | SRXGOV001B |
| No.4 | Manage own professional development | FNSICORG510B |
| No.4 | Monitor Corporate Governance activities | FNSACCT604B |
| No.1 | Communicate in the Workplace | FNSICGEN301B |
| No.1&2 | Use technology in the workplace | FNSICGEN302B |
| No.1 | Apply Health & Safety Practices to work in | FNSICGEN304B |
| No.1,2&4 | Apply principles of professional practice to work in the financial services industry | FNSICIND401B |

Figure 2E

Each of the Director Evidence Workbooks contains a series of work activities to be completed. Some of these work activities are required to be done prior to attending the respective course weekend workshops where they are handed to the Workplace Assessor for assessment. The remaining work activities in each of the Workbooks are required to be completed after attending the respective course weekend workshops thereby utilizing the new skills and knowledge derived from the knowledge development and workshop phases.

Details of the four workbooks are: -

i) Director Evidence Workbook No.1 – Compliance & Regulation

Consists of a two part project requiring: -

- Preparation of a report to the Board of Directors analyzing certain aspects of the mutual ADI Constitution that demonstrates the mutual ADI's commitment to its

owner/members along with a broader analysis of how the mutual ADI complies with laws, regulations, codes etc. This involves four work activities.

- Preparation of a report to the Board of Directors outlining the effectiveness of the mutual ADI's compliance system with relevant legislation, prudential standards and regulations. This involves four work activities and is effectively a compliance audit for the credit union or building society.

This two part project is designed to be completed after having attended Course Weekend Workshop No.1.

ii) Director Evidence Workbook No. 2 – Financial Management II

Consists of a total of nine work activities: -

- The first six of which are required to be completed prior to attending Course Weekend Workshop No. 2; and
- The final three work units for completion following the Workshop.

iii) Director Evidence Workbook No. 3 – Strategic Planning & Marketing Manual

Consists of a total of seven work activities plus Project 2: -

- The first work activity is required to be completed prior to attending Course Weekend Workshop No.3; and
- The next five work activities are partly worked on during the Course Weekend Workshop No. 3 and then must be completed following the workshop; and
- The final work activity plus Project 2 on Market Awareness must then also be completed following the workshop.

iv) Director Evidence Workbook No. 4 – Corporate Governance II

Consists of a total of eighteen work activities: -

- The first three work activities are to be completed prior to attending Course Weekend Workshop No.4; and
- The remaining fifteen work activities will be worked on during the Course Weekend Workshop and then must be completed following the workshop.

Further details of work activities are available by reference to Director Evidence Workbooks posted on the AMInstitute webpage or by contacting the AMInstitute Office in Burwood (Sydney).

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Recognition of Prior Learning

It is a mandatory requirement by AMInstitute that all persons seeking the qualification Diploma in Financial Services (Credit Union or Building Society Directorship) must attend and complete all four course weekend workshops.

The structure and nature of this particular Diploma Course makes it very difficult to recognize prior learning for this course given its unique pitch around the role and perspectives of the credit union or building society director. The Australian Institute of Company Directors Diploma Course is the only comparable course in terms of its pitch but this course is not designed upon the competency units embedded in the AMInstitute Diploma Course.

Nevertheless, it is a requirement of all competency based qualifications that the opportunity for recognition of prior learning be offered to course participants.

Course participants wishing to avail themselves of this opportunity are invited to make contact with the AMInstitute Workplace Assessor, Warren Andrews who will advise them of the application process. A small application administration fee (currently \$150) will apply for this service.

These applications will be forwarded on to a suitably qualified assessor at FutureStaff Pty Ltd.