



# IFP Human Resources & Information Technology Resources Policy

Entity: Integrity Financial Planners Pty Ltd (IFP)

ABN: 71 069 537 855

AFSL: 225051

<b>Template Administration History</b>		
<b>Action</b> (e.g. creation)	<b>Date</b>	<b>Description/Reason</b> (e.g. new precedent)
Creation	1.5.2021	New precedent
Amendment	1.5.2022	<p>* Update version to version 1.2 May 2022</p> <p>*2.2 (b) (ii) Replace <i>“Review of prepared advice documents by its representatives”</i> with <i>“To access and review advice documents and clients files prepared by its representatives.”</i></p> <p>*2.2 (d) add <i>“3CX – Telephone system”</i></p> <p>*2.3 (a) (i) Replace <i>“IT system security”</i> with <i>“IT system security including CyberSecurity and Privacy measures;”</i></p> <p>*2.4 (b) Second sentence replace <i>“Any unauthorised access to the IT system access, will be reported to the Responsible Managers.”</i> with <i>“Any unauthorised access to the IT system is to be reported to the Responsible Manager”</i></p> <p>*3.2 Replace <i>“...the Licensee’s with IFP’s”</i></p> <p>4.1 (b) Remove <i>“From 16<sup>th</sup> February 2021, the Key Person condition on IFP’s AFSL was removed as Caroline and Matthew Borg were appointed as additional Responsible Managers. IFP now has (3) Responsible Managers.”</i></p> <p>4.3 Replace <i>“If the Sole Director is not able to perform their role over a long period of time (e.g 12 months or longer), the Licensee will consult immediately to take steps to appoint another Responsible Manager(s) to ensure organisational competence can be maintained.”</i> to <i>“If the Sole Director is not able to perform their role over a long period of time (e.g 12 months or longer), the Licensee will take steps to permanently appoint and suitably qualified person and ensure organisational competence is maintained.</i></p> <p>5.1 replace 2 x instances of <i>“Statement of financial resources with “Financial Resources”</i></p>

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## *Intellectual Property and disclaimer*

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## **Version 1.2 – May 2022**

### **References:**

- REGULATORY GUIDE 104: Licensing: Meeting the general obligations

# 1 Background and purpose of document

## 1.1 Background

Under s912A(1) of the Corporations Act (**Act**), an Australian Financial Services Licensee (**AFSL**) is required to (amongst other requirements):

- (a) do all things necessary to ensure that the financial services covered by the licence are provided efficiently, honestly and fairly;
- (b) have available adequate resources (including financial, technological and human resources) to provide the financial services covered by the licence and to carry out supervisory arrangements; and
- (c) comply with the conditions on the licence.

## 1.2 Purpose and framework

This policy (**Policy**) is developed by Integrity Financial Planners Pty Ltd (**Licensee**) for the purposes of enabling the Licensee to meet its obligations under the Corporations Act and ASIC guidance.

## 1.3 Responsibility

The Responsible Managers (or a delegate with appropriate experience and seniority) will be responsible for ensuring that the Licensee:

- (a) meets the requirements of this Policy;
- (b) reviews this Policy on not less than an annual basis (unless more immediate updates are required due to legislative or regulatory change).

# 2 Information technology resources

## 2.1 Information technology strategy plan

- (a) The Licensee recognises that technology will play an integral part in the functioning of its business. The Licensee is required to have enough technological resources to enable it to:
  - (i) comply with all its obligations under the law;
  - (ii) maintain client records and data integrity;
  - (iii) protect confidential and other information; and
  - (iv) meet its current and anticipated future operational needs.
- (b) The Licensee's strategy plan for information technology (**IT**) is set out below:
  - (i) **Identify:** Identify which areas of its business will require or benefit most from the use of IT;
  - (ii) **Review and acquire:** After identifying its technological needs, the Licensee will review the IT solutions having regard to its requirements on functionality, service and support. Any use of IT solutions or IT services will be subject to the Licensee's Outsourcing policy.
  - (iii) **Support:** In obtaining any IT solution or service, the Licensee will ensure that it will have access to adequate support in the event of unexpected outage or disruption.

## 2.2 Information technology needs

- (a) The Licensee’s immediate needs for regarding information technology are set out below:



- (b) The Licensee uses commercial software to perform the following functions:
- (i) To access and review advice documents and client files prepared by its representatives;
  - (ii) Retention of books and records regarding each advice provided; and
  - (iii) Monitoring and supervision of authorised representatives.
- (c) The Licensee uses Zenith, Morningstar (via netwealth), Bell Potter (Direct Shares only) and other sources as supplied from time to time by institutions/fund managers (e.g. SQM, Lonsec etc) to carry out research into financial products. See “*Other sources added from time to time by the Licensee*” which is included in the Approved Product List (APL) issued by the Licensee.
- (d) The Licensee uses a combination of information technology solutions to carry out its business operations. This may include:

Name of software	Purpose
Microsoft 365	Office management
Xero Accounting Software	Payroll, Accounting and Book-keeping
Pay Logic (Adviser Logic)	Advice revenue systems
F1IT Solutions	General IT support
Xplan and Adviser Logic	Advice and Client Management
Xeppo	Client Relationship Management & AFSL Management
Adobe	Electronic signatures and document management
DocuSign	Electronic signatures
Other commercial applications	Preparation of client facing documents (eg marketing)

3CX	Telephone system
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## 2.3 Review of information technology needs

- (a) As part of ensuring that the Licensee has adequate technological resources, the Responsible Managers (or a delegate with appropriate experience and seniority) will consider the following when reviewing its IT resourcing:
  - (i) IT system security including CyberSecurity and Privacy measures;
  - (ii) the current hardware and software (including use of legacy IT systems);
  - (iii) the quality and relevance of the applications used;
  - (iv) disaster recovery systems and business resumption capacity;
  - (v) the ongoing viability of software and other service providers;
  - (vi) the response times of its IT systems;
  - (vii) the down times of its IT systems;
  - (viii) complaints (e.g. from staff or clients or service providers) about its IT systems.
- (b) IT resources will be tested and reviewed once every year unless otherwise determined by the Responsible Managers (or a delegate with appropriate experience and seniority).
- (c) IT related risks will be reviewed on a quarterly basis as part of operational risks in the Licensee's risk management plan.

## 2.4 Information technology security and back up and disaster recovery plan

- (a) To ensure IT security, the Responsible Managers will ensure that data is protected by:
  - (i) passwords;
  - (ii) firewalls;
  - (iii) anti-virus programs.
- (b) In general, access to client information is restricted to the relevant adviser, support staff and Responsible Managers (or a delegate with appropriate experience and seniority). Any unauthorised access to the IT system is to be reported to the Responsible Managers. See IFP Privacy Policy regarding who is authorised to access client data etc.
- (c) The Licensee will ensure that information retained in its IT solutions are backed up and stored in the cloud via the service provider contracts. The service provider, in consultation with IFP will determine the cycle of backups and location of storage.

## 2.5 Disaster recovery plan

The Licensee has also developed a separate disaster recovery plan to ensure that its business is able to continue in the event of unexpected disruptions. In particular, the disaster recovery plan outlines:

- (a) a business impact analysis;
- (b) roles and responsibilities in the event of a 'disaster'; and
- (c) action plans for different 'disaster scenarios'.

## 3 Human resources

### 3.1 Adequate human resources

- (a) The Licensee needs to have enough human resources to enable it to:
  - (i) comply with all its obligations under the law;
  - (ii) carry out monitoring and supervision; and
  - (iii) meet its current and anticipated future operational needs.
- (b) The Licensee will regularly review the adequacy of its human resources. The key indicators of inadequate human resources include:
  - (i) customer complaints about the quality of customer service or financial product advice;
  - (ii) client accounts and interests not being monitored when staff are absent;
  - (iii) insufficient and inexperienced compliance staff to conduct a periodic (e.g. annual) review of representatives who give personal advice to retail clients;
  - (iv) vacant positions.

### 3.2 Outsourcing certain functions to supplement resourcing

The Licensee may determine that in order to meet its obligations, it is more appropriate to outsource certain functions (e.g. compliance file audits) to specialist service providers. If the Licensee elects to do so, the selection and review process of the service provider will be subject to IFP's Outsourcing policy.

### 3.3 Processes for recruiting appropriately skilled employees

- (a) Before appointing any new employees, at least one Responsible Manager (or a delegate with appropriate experience and seniority) will:
  - (i) conduct at least one meeting with the prospective new employee;
  - (ii) satisfy himself/herself that the prospective new employee has the relevant skills and expertise (or can acquire the relevant skills and expertise) to perform the relevant role;
  - (iii) conduct reference and background checks; and
  - (iv) ensure the terms of employment are documented.
- (b) The Responsible Manager/s (or a delegate with appropriate experience and seniority) will ensure all new staff are adequately trained to perform their role.
- (c) Where the recruitment of staff relates to employee representatives who will give financial product advice to retail clients, the Licensee will follow the procedures set out in its Representatives appointment and termination policy.

### 3.4 Performance reviews

Performance reviews for employees will be carried out on not less than an annual basis and the following will be discussed:

- (a) how the employee has performed their duties;

- (b) any key performance indicators and how the employee has performed against the key performance indicators;
- (c) feedback to and from the employee; and
- (d) any future training needs.

### **3.5 Performance management**

Where an employee has not met or has breached a condition of their employment, the Responsible Manager/s (or a delegate with appropriate experience and seniority) will respond appropriately and flexibly with monitoring and disciplinary procedures including, but not limited to:

- (a) temporary performance management or ongoing monitoring;
- (b) warnings;
- (c) internal or external training;
- (d) termination (where there is a case of serious misconduct).

## **4 Succession planning and risk management**

### **4.1 Key person risk management**

- (a) Darryn Borg is noted internally as being a key person within the business as he is the Sole Director.
- (b) The Licensee's requirements for maintaining organisational competence and appointment of Responsible Managers are set out in IFP's Organisational Competence Policy.

### **4.2 Short term/medium term incapacity of the key person**

#### **Sole Director**

- (a) In the event the key person Sole Director is unable to perform his role as a Director on a day to day basis over the short/medium term (i.e. 3-12 months), the Licensee will, depending on the circumstances, consider the need to temporarily appoint a suitably qualified person.
- (b) The appointment may be made from:
  - (i) internal staff within the Licensee;
  - (ii) representatives of the Licensee;
  - (iii) external appointment.

### **4.3 Longer term incapacity of the key person**

If the Sole Director is not able to perform their role over a long period of time (e.g. 12 months or longer), the Licensee will take steps to permanently appoint a suitably qualified person and ensure organisational competence is maintained.

## 5 Financial resources

### 5.1 Adequate financial resources

- (a) The Licensee has developed a separate 'Financial Resources' policy to ensure that it meets the requirements of *ASIC Regulatory Guide 166: Licensing: Financial requirements (RG 166)*.
- (b) The Financial Resources policy sets out the Licensee's plan to meet the following requirements under RG 166:
  - (i) Base level financial requirements;
  - (ii) Solvency;
  - (iii) Cash needs requirement;
  - (iv) Ongoing monitoring of financial situation;
  - (v) Audit and lodging of financial statements with ASIC.