



COMMUNITY
BROKER
NETWORK

Uplift 1 – Missing Essential Documents

Why do you need to be audited?

AFS Licensees are required to undertake regular audit reviews of their compliance and risk management programme to evaluate its appropriateness for the business and to prevent compliance and business failures. As you are authorised under the CBN AFS licence, we are legally required to undertake regular audit reviews of your business.

What is the purpose of a compliance audit & review?

- Measure adherence to your business processes and regulatory requirements
- Identify potential compliance and risk management issues or breaches
- Measure progress against your internal benchmarks and applicable Australian Standards for compliance and risk management
- Identify opportunities for business improvement
- Ensure compliance with best practice processes

What is the benefit of regular audits?

Regular audits which focus on risk management, professional practice and compliance will assist you to **continually improve and upgrade your business and to measure your progress.**

Recently CBN partnered with Gold Seal who have completed 267 file audits between April 2019 and July 2019. Of the 267 files audited:

- 120 passed on first review (45%)
- 147 failed on first review (55%)



- 7 of the 147 still failed after being given 14 days to provide further documentation (5%)

Missing Essential Documents

During the course of the Audit reviews, four key areas of non-compliance have been identified, one of these is **missing essential documents**.

The documents required at each step of an insurance transaction are essential to the protection of all parties involved.

Gold Seal have designed and provided for your use, both a PDF and a manual version of a Best Practice documentation checklist. Given the results shared above, we feel it is imperative to the security and protection of your business, and CBN's licence, that the Best Practice documentation is implemented in your business. By using this checklist, you may minimise possible PI claims, set the right expectations for your clients, and protect our AFS Licence.

Gold Seal are still working through CBN's schedule of brokers. If you have not been audited yet, this is a great opportunity to ensure compliance with best practice and help increase your audit score for when your time arrives.

Implementing the checklist is not compulsory, but if you want to achieve a Best Practice* result, we highly recommend you familiarise yourself with the document and begin to follow it.

Attached [here](#) you will find a checklist that can be filed in electronically and then saved directly to your client's file in your Document Management System. This checklist should be completed for all transactions for all clients.

*** What is best Practice?**

Best practice is a technique or methodology that, through experience and research, has proven to reliably lead to a desired result. A commitment to using the best practices in any field is a commitment to using all the knowledge and technology at one's disposal to ensure success