

Case Study – Compliance Training Management

In today's financial services industry compliance requirements are a major facet of the learning and development (L&D) professionals' workload. From a regulatory perspective it is imperative to ensure that staff meet a minimum competency level and have up to date knowledge in order to carry out their duties within the regulations defined.

Over the past number of years this overhead has increased substantially with the introduction of the Financial Conduct Authority 'Competent Employees Rule' as outlined in the FCA handbook (Training and Competence). The handbook mandates that employees giving advice must have a proven level of competence through the attainment of an appropriate qualification. Firms must ensure advisers remain competent through the completion of 35 hours CPD per year. Advisers who are not deemed competent by the firm must follow a structured training program with steady progression to an appropriate qualification. Organisations must ensure that all employees are licensed to practice as defined in the FCA handbook and ensure that employees are competent.

FBD operates under the Central Bank of Ireland Minimum Competency Code which is comparable to the FCA Training and Competence handbook. In 2013 it became clear that the administrative overhead of compliance training management was substantial and with the increasing regulation unsustainable.

FBD recognised a need to streamline their L&D processes, particularly in the area of compliance. To this end the organisation outlined a number of business objectives that would be at the core of a new Learning Management System (LMS) development initiative.

These were:

- **Empower the Employee** to manage their training and compliance.
- **Empower the Manager** by giving the tools to manage the compliance of their team.
- **Comprehensive reporting** for managers, executives and regulatory authorities.
- **Manage new entrant** progression to attain full competence.
- Full **audit trail and version history** of training delivered.
- **Centralised management** and storage of compliance records for audit purposes.
- Remove need for manual records **greatly reducing risk** of corporate compliance breach.

Solution

FBD engaged with Enovation Solutions to build an LMS based on Moodle to meet their objectives. The two companies worked closely to deliver a number of innovative approaches to L&D compliance management.

A key enabling feature that this project brought to fruition is a clean user Interface which is intuitive and task-driven and personalised to the needs of the user. For example, users with a CPD requirement will have CPD functionality while those that are new entrant will not but will have features to guide them through a structured New Entrant program and qualification exams.

The new functionality includes:

- Management and monitoring of **continual professional development**.
- Definition of **structured training programs** leading to appropriate qualification.
- **Multi-phased approach**, with milestones to be achieved and signed off.
- Include **employee supervision** (eg onboarding mentoring).
- Tracking progress in real-time, mapping directly to **FCA rules & guidelines** on employee supervision.
- **Dashboards** showing team progress on compliance training.
- Comprehensive **configurable event notifications** (eg CPD breach, overdue training) with predefined escalation paths.
- Audit trail and tracking of **taught version of course**.
- **'My Profile'** creates a central repository of learning with tracking of evidence of learning within and outside the system.

Benefits

The central outcome in FBD of all these innovations is the sense of empowerment employees and managers have at managing their own compliance and their business unit's compliance status.

The automation of compliance management also removes the risk of human error where potential issues could be missed due to the complexity of the regulations. Mitigating this risk represents a major economy of scale for management as failure to comply with the regulations could result in fines, damage to the trusted FBD brand or in the worst cases the removal of FBD license to practice.

The whole L&D department can now manage compliance training by exception. Non value-add, labour intensive L&D and compliance administration activities are managed by Moodle. This represented a major time saving and means that L&D can concentrate on activities that facilitate FBD in moving towards its strategic objectives.