



Reference Checking in the Financial Services Industry

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Preface

This Handbook was produced by Standards Australia as a guide on Reference Checking to be used in conjunction with AS 4811—2006, *Employment Screening*, and the associated Handbook, HB 323—2007, *Employment Screening Handbook*, which were also produced by Standards Australia.

Acknowledgement

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- Investment and Financial Services Association (IFSA).
- National Insurance Brokers Association of Australia (NIBA).
- Securities and Derivatives Industry Association (SDIA).
- Financial Planning Association of Australia (FPA).
- Australasian Compliance Institute (ACI).
- Association of Financial Advisers (AFA).
- Australian Human Resources Institute (AHRI).

Disclaimer

This Handbook contains general guidance on checking references in the financial services industry and should not be relied upon as legal advice. It does not attempt to consider all the issues relevant to appointing individuals. Seeking legal advice is the responsibility of each firm or individual, as each case will depend on specific facts and/or circumstances and such firms should obtain their own legal advice on matters arising from this Handbook.

The information in this Handbook can be used by any size or type of firm—however, some recommendations may be more appropriate to some types of firms, rather than others. No warranty is provided or implied as to the accuracy or practical applicability of the contents of this Handbook to any firm or individual.

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1. Introduction

1.1 Rationale

Consumer confidence is critical to the growth of any industry, but especially the financial services industry, which manages and protects the assets of Australian consumers.

Financial services firms have internal compliance arrangements, and are subject to a robust statutory licensing regime, both of which aim to ensure that people working in the industry meet high standards of professionalism and competence. Where breaches of those standards arise, there are processes in place for identifying and rectifying them.

However, it is possible for dishonest, incompetent or unethical employees or representatives, or so-called “bad apples”, to resign from their positions and seek to move to another firm that is unaware of their history. In this Handbook, the Australian Securities and Investments Commission (ASIC) and a panel of industry representatives have developed a framework for checking references that seeks to minimize the extent to which bad apples can move within the industry in this way.

This Handbook aims to assist firms to act in accordance with higher expectations in employing or engaging people by both seeking and providing reasonable, objective, relevant, factual, accurate and balanced information for reference checks.

1.2 Scope of this Handbook

This Handbook provides guidance on Reference Checking, which may be used as a framework for a Reference Checking process within the financial services industry. Additional information on relevant legislation, regulations and reference documents is included. Appendices contain forms and information that may be reproduced and used where appropriate.

This Handbook is based upon the principles outlined in AS 4811—2006, *Employment Screening (the Standard)* and HB 323—2007, *Employment Screening Handbook*, which was produced by Standards Australia as a companion document to the Standard. This Handbook is intended to be used in conjunction with these documents.

This Handbook aims to create a set of expectations regarding industry sharing of relevant information about Applicants between prospective and current/previous employers, licensees or contractors (referred to in this Handbook as “Organization(s)”: see the definition in Section 1.3 for other entities included in this term).

To help protect Applicants, and prospective and current/previous Organizations, this Handbook encourages—

- informing Applicants about the Reference Checking process by using the Information for Applicants sheet in Appendix A;
- obtaining an Applicant’s express written consent using the Consent Form in Appendix B; and
- facilitating Reference Checking between Organizations through sharing and relying on answers to specific questions as directed by an Applicant by using the Direction Form in Appendix C.

1.3 Definitions

For the purposes of this Handbook, the following definitions apply. In Sections 1 to 4 of this Handbook, defined terms appear with initial capital letters.

AFSL

An Australian financial services licence issued under the licensing regime in the *Corporations Act 2001* (Cth) (the Corporations Act).

Allegation(s)

All Allegations or Complaints about or arising from the Applicant's conduct or performance (including any act or omission)—

- recorded by the Organization;
- reviewed by or on behalf of the Organization;
- put to the Applicant in the course of that review (if the Applicant was employed or contracted by the Organization when the review took place); and
- objectively found in writing, by the Organization, to have some substance.

Answer(s)

All information provided in response to the questions listed in the Direction Form, including all information shared to clarify any response.

Applicant

A person who has applied for the position of Entrusted Person with an Organization.

Appointment

Appointment as an employee, contractor or authorized representative.

ASIC

Australian Securities and Investments Commission.

Complaint(s)

All Complaints received or identified from any source that relate to the Applicant's conduct, where that conduct may amount to a failure to meet the Licensee's obligations under the Corporations Act. For example, the conduct might demonstrate a failure to provide financial services efficiently, honestly and fairly, including, but not limited to, inadequate disclosure of costs and benefits and/or failure to have a reasonable basis for financial product advice. Complaint(s), which may be either verbal (or recorded by the Organization) or written, also include notifications of any circumstances that may give rise, or have given rise, to a claim for compensation.

Consent Form

The document entitled "Consent Form" in Appendix B by which the Applicant gives consent to conduct reference checks for the purpose of assessing or verifying suitability as an Entrusted Person.

Direction Form

The document titled "Direction Form" in Appendix C by which the Applicant directs current/previous Organizations to share Answer(s).

Entrusted Person

In the context of financial services, an Entrusted Person will likely include an individual appointed who—

- provides financial products or financial services (including financial advice) on behalf of an Organization to retail and/or wholesale clients;

- handles or administers client investments and/or payments for financial services or products; and/or
- is otherwise entrusted with the care, management of, or advice involving another person's financial situation and/or assets.

Factual Information

Information that is, or can be, verified.

Identity Document

An official document bearing the Applicant's current photograph and issued by an Australian state government body or agency (e.g. a driver's licence). This will be used in the Reference Checking process to verify the Applicant's identity.

Informed Consent

Consent provided by the Applicant following the provision of information relating to the conduct and requirements of the Reference Checking process.

Licensee

The holder of an AFSL.

Organization

Each natural person, corporation, firm and/or other entity for whom or for whose benefit the Applicant has worked, is working, has applied to work or may work in any capacity, including as an employee, authorized representative, director, partner, agent, independent contractor, sub-contractor, or through any company (including labour hire).

Probity

The level of integrity necessary to ensure the conscientious and honest conduct of one's working relationships and activities.

Referee(s)

A person who can provide objective, relevant and factual Reference Checking Information and has personally supervised the Applicant's work performance (preferably for a period of at least six months).

Reference Checking

The verification of references and the conduct of background checks to confirm work history and relevant conduct of the Applicant.

Reference Checking Information

All information received through the Reference Checking process (including from current/previous Organizations and criminal history checks).

Worker(s)

A person who performs any work, in any capacity, including as an employee, authorized representative, director, partner, agent, independent contractor, sub-contractor, or through any company (including labour hire).

1.4 What is Reference Checking?

Reference Checking is a component of employment screening, which is part of the wider employment process. It involves seeking, obtaining, verifying and providing references with the consent of the person applying for a position, in this case, as an Entrusted Person (see definition in Section 1.3 of this Handbook).

An effective Reference Checking process should minimize the movement of “bad apples” between Organizations. It can also minimize the risks to Organizations when obtaining and/or providing reasonable, objective, relevant, factual, accurate and balanced information for reference checks. The guidance in this Handbook and the templates in the Appendices are designed to facilitate this process.

Reference Checking is optimized when it is supported by policies and systems, and there are designated staff responsible for implementing it. This process can sit alongside policies or procedures that may include any or all of the following—

- Recruitment and selection.
- Employment screening including verifying identity, training, qualifications.
- Probationary periods.
- Rights and equal employment.
- Discrimination.
- Performance management.
- Code of conduct.
- Occupational health and safety.
- Risk management and security.
- Ongoing due diligence relating to service level agreements with outsource providers.
- New staff from takeovers or other acquisitions.

Effective communication is an essential component of the Reference Checking process. In consultation with an Applicant, the Organization can acquire the Applicant’s consent to obtain information from current/previous Organizations, and these Organizations can be directed by the Applicant to provide such information.

This Handbook provides general guidance only and each Organization will need to determine its own policy and procedure based on the nature, scale and complexity of its business. Seeking legal advice is the responsibility of each Organization, as each case will depend on specific facts or circumstances.

1.5 Benefits for the Financial Services Industry

The benefits to the financial services industry of a rigorous Reference Checking process include—

- Limits costs associated with—
 - terminating and replacing unsuitable staff;
 - investigating misconduct; and
 - legal consequences of such misconduct.
- Gives competitive advantage.
- Reduces potential turnover of staff.
- Increases productivity.
- Deters dishonest individuals from applying.
- Builds and reinforces consumer confidence.

- Reduces the risk of damage to an Organization's reputation.
- Increases morale.
- Reduces the risk of a potential business disruption.
- Complies with legislative and other regulatory requirements.
- Protects the Organization's assets.

2. The Reference Checking Process

2.1 Introduction

To minimize the risks associated with Reference Checking, an Organization can consider using the following guidance when obtaining and/or providing reasonable, objective, relevant, factual, accurate and balanced information for reference checks.

This guidance follows the Reference Checking process and covers—

- balancing interests;
- general communication;
- training of staff;
- consent and direction from Applicants;
- quality of information;
- communication with Applicants;
- conditional Appointment of employees or contractors;
- obligation to update information; and
- equality in Reference Checking.

The Appendices to this Handbook include the following template forms that Organizations can use during this process—

- Information for Applicants: Reference Checking (Appendix A).
- Consent Form (Appendix B).
- Direction Form (Appendix C).
- Reference Check Forms (Appendix D).

2.2 Balancing Interests

Each Organization needs to decide how it will balance—

- its desire to obtain the most conclusive and up-to-date information about an Applicant for an Entrusted Person position; and
- any reservations an Applicant may have, particularly about contact with their current Organization.

Each Organization also needs to consider the risks created by the Applicant's Appointment. For effective Reference Checking, an Organization, in consultation with the Applicant, may wish to—

- obtain written consent from the Applicant to contact the current Organization at the beginning of the Reference Checking process;
- leave contact with the current Organization to the end of the Reference Checking process (for those Applicants who would like to defer this contact); and
- make the offer of Appointment subject to obtaining satisfactory Reference Checking Information: see Section 2.8 of this Handbook.



Tips

- A risk-based approach can identify the level of risk posed by a particular role and determine the scope of the Reference Checking process for that role.
- Inform the Applicant, and confirm in writing, at the outset that—
 - all offers of Appointment are subject to obtaining satisfactory Reference Checking Information **before** the Appointment is due to start; and

- if the Applicant requests it, contact with the current Organization can be one of the last steps of the process, so if an application is rejected for any reason at the earlier stage of the process, there is no need to contact the current Organization.
- If an Applicant does not provide consent to contact the **current** Organization at the beginning of the Reference Checking process, the Organization can use the Consent Form and Direction Form to contact **previous** Organizations. The Consent Form and Direction Form can then be used at the end of the Reference Checking process to contact the **current** Organization.
- It is up to the Organization to decide how to proceed if an Applicant refuses to sign the Consent Form and/or Direction Form. The Organization should speak with the Applicant to understand why they do not want their current and/or previous Organization(s) to be contacted. There may be a legitimate reason, but the Organization needs to know this so that it can then decide how to proceed without contacting the Applicant's current and/or previous Organization(s), and therefore whether to offer an Appointment or not.

2.3 General Communication

Organizations should consider this guidance when communicating generally with staff and Applicants about the employment screening/Reference Checking process—

- Nominate and advise the name of a senior person responsible for making decisions in regard to employment screening/Reference Checking.
- Advise/train current employees/contractors about the existence and implementation of an employment screening/Reference Checking policy.
- Early notice of employment screening requirements in recruitment advertising provides an opportunity for Applicants to opt out before applying.
- Advertising and other recruitment material (e.g. application forms, job descriptions) can state that the intentional provision of false or misleading information or documentation will likely be grounds for the termination of an Appointment.

2.4 Training of Staff

Organizations should ensure that staff conducting the reference checks (including outsourced agent(s) if applicable) are aware of the confidential nature of the Reference Checking process and are competent to conduct this process for the Organization.

This can include training in—

- collecting relevant Factual Information;
- reviewing relevant Factual Information;
- storing information; and
- providing information.



Tips

- Train staff or agents to carefully assess each Applicant and ask for more information if necessary, particularly to follow the information trail provided by reference checks.
- Train staff or agents performing reference checks to record information obtained from Referees, verbatim. This will ensure the accuracy of information is maintained throughout the process.
- Agents need to be aware of Privacy Act obligations.
- RG 104, the IOSCO Outsourcing Principles and the Joint Forum Outsourcing Report deal with responsibilities and exposure in relation to outsourcing. See Sections 4.2 and 4.3 of this Handbook.

2.5 Consent and Direction from Applicants

Organizations should consider this guidance when obtaining consent and direction from the Applicant as part of the Reference Checking process—

- Consider the NPPs set out in Schedule 3 of the Privacy Act. For key NPPs, see Section 3.3 of this Handbook.
- Inform the Applicant in writing about checks being undertaken, use and disclosure of the information collected and what happens to Reference Checking Information if the Applicant is unsuccessful. This information is contained in Information for Applicants: Reference Checking in Appendix A.
- Obtain a signed Consent Form by asking the Applicant to sign the Consent Form in Appendix B. This form gives the Applicant's Informed Consent for the Organization (and any agent) to collect, use and provide Reference Checking Information. A signed copy of the Consent Form should remain with the successful Applicant's permanent work record.
- Obtain a signed Direction Form by asking the Applicant to sign the Direction Form in Appendix C. This form directs the Applicant's current/previous Organizations to provide more specific information about the Applicant's work history and performance. It contains a number of conditions and limits that are designed to offer some protection to Applicants and Organizations when obtaining and providing Reference Checking Information. It also releases these Organizations from confidentiality obligations and offers them some protection for sharing that specific information in good faith. The signed Direction Form should remain with the successful Applicant's permanent work record.



Tips

- Provide information early to the Applicant to ensure that Informed Consent is obtained and reference checks are done as early as possible.
- An Organization may wish to send (in confidence) the Consent Form and Direction Form to any **previous** Organization from whom Reference Checking Information is sought, to facilitate the provision of such information.
- Before sending a copy of the Consent Form and Direction Form (in confidence) to the **current** Organization, ensure that the Applicant has agreed in writing to contacting this Organization.
- Ensure the completed and signed Direction Form is returned by each Organization and placed on the Applicant's file.
- An Organization may wish to review the successful Applicant's Consent Form from time to time. (Consider using a compliance review process to update this consent. See Section 2.9 of this Handbook.)

2.6 Quality of Information

Organizations should consider obtaining, using and/or providing Reference Checking Information that—

- is factual and relevant—avoid subjective or opinion information about an Applicant's reputation and/or character, and look for documentation to support any concerns raised;
- accurately addresses current circumstances and historical performance—information may need to be corrected to ensure it is accurate, complete and up-to-date;
- is balanced—not just focussing on the Applicant's flaws to the exclusion of his/her strengths or skills;
- is objective and clearly relevant to the role.



Tips

- To verify the Applicant's work history, it may be necessary to contact the Human Resources, Compliance or other relevant department of a current/previous Organization. The Applicant should consent in writing to contacting the current Organization to confirm such details.
- ASIC's Register of Banned and Disqualified Persons contains information about persons disqualified from managing corporations, banned securities representatives, banned futures representatives and persons banned or disqualified from providing financial services. This register can be searched on the ASIC website. See Section 4.4 of this Handbook.
- ITSA maintains a bankruptcy register that can be searched for a fee. See Section 4.4 of this Handbook.
- Professional associations and registration bodies can also be contacted to help confirm work history, qualifications, membership and conduct.
- To verify a Referee's contact details and position description as provided by the Applicant, contact the relevant Human Resources Department.
- Mobile phone numbers for Referees, while convenient, may need to be verified as being a valid contact number for the Organization as nominated by the Applicant.
- In some circumstances, family and/or personal friends may not be appropriate Referees. If there are concerns for any reason, further questions about work history and work conduct should be asked.
- Results of a criminal history check are not always a barrier to employment and need to be considered on a case-by-case basis and only taken into account if they are relevant.
- Avoid questions such as "Do you have a criminal record?" or "Do you have any convictions?" They are inappropriate as they may lead to disclosure of information about protected old convictions. See Section 3.4 of this Handbook for information about the Spent Conviction Scheme.
- Organizations cannot seek or obtain an individual's personal consumer credit information (even with the Applicant's consent) for the purposes of Reference Checking.
- Organizations can conduct a commercial credit reference check in relation to sole traders, partnerships and/or corporations for the purposes of Reference Checking.

2.7 Communication with Applicants

Organizations should consider this guidance when communicating with Applicants about the Reference Checking process—

- To ensure that the information obtained and provided is factual and relevant, it may be necessary to ask the Applicant for further particulars or an explanation especially in regard to negative Referee information and/or any criminal history.
- Give the Applicant an opportunity to provide relevant Factual Information about the following—
 - unexplained gaps in work history, custodial sentences, or attempts to hide problems with a previous Organization;
 - the fact that current/previous Organizations and/or Referees are unable or unwilling to provide a response to questions;
 - any apparent official supporting documentation that contains typographical errors, errors of fact, non-standard logos, or any signs of alteration;
 - job titles that seem unusual, vague or totally unrelated to previous job titles, particularly where there appears to be a significant leap in responsibility from one position to another;

- job responsibilities that appear to be beyond the Applicant’s experience and qualifications;
- lack of Referees that have been in a supervisory position to the Applicant;
- work and academic qualifications that are difficult to confirm.

2.8 Conditional Appointment of Employees and Contractors

If an Organization does not receive all Reference Checking Information about an Applicant before it wants that person to start work, it could consider deferring the start date. This allows more time to collect and check the information before a decision is made to offer an Appointment, and avoids the issue of dismissal (in the case of employees).

Commercial practice may mean the Organization needs an Applicant to start work before it receives all Reference Checking Information. In these circumstances, the Organization could consider the following process for conditional Appointment of employees and/or contractors.

Employees	Contractors
<ul style="list-style-type: none"> • The offer of Appointment should be in writing and subject to a three-month probationary period (by which time Reference Checking should be completed). 	<ul style="list-style-type: none"> • The offer of Appointment should be in writing and subject to a three-month conditional period (by which time Reference Checking should be completed).
<ul style="list-style-type: none"> • Clearly communicate in writing the terms of the probationary period and conditions of employment before the offer is made to the Applicant, and in particular, that— <ul style="list-style-type: none"> - Reference Checking will continue during the three-month probationary period; - unsatisfactory Reference Checking Information about the Applicant’s ability to perform the role may lead to disciplinary action, including dismissal; and - formal confirmation of the Appointment is dependent upon successful completion of the Reference Checking process. 	<ul style="list-style-type: none"> • Clearly communicate in writing the terms of the conditional Appointment before the offer is made to the Applicant, and in particular, that— <ul style="list-style-type: none"> - Reference Checking will continue during the three-month conditional period; - unsatisfactory Reference Checking Information that impacts on the skills, experience or qualifications of the Applicant to perform the services required may lead to termination of the Appointment; and - formal confirmation of the Appointment is dependent upon successful completion of the Reference Checking process.
<ul style="list-style-type: none"> • During the three-month probationary period, the Organization should decide whether or not it wants to keep the person on (regardless of whether it receives, or expects to receive, any additional Reference Checking Information). 	<ul style="list-style-type: none"> • During the three-month conditional period, the Organization should decide whether or not it wants to keep the person on (regardless of whether it receives, or expects to receive, any additional Reference Checking Information).
<ul style="list-style-type: none"> • Organizations covered by the Federal workplace relations regime may also be able to use the “qualifying period of employment” set out in the <i>Workplace Relations Act 1996</i> (Cth) to conduct Reference Checking of new employees. 	



Tips

- The Applicant should be required to disclose all matters that—
 - for employees, might be relevant to the Organization’s decision whether to employ them and that relate to their ability to act as an Entrusted Person; or
 - for contractors, may impact on the skills, experience or qualifications required to perform the services as an Entrusted Person.
- Organizations should communicate, clearly and in writing, to the Applicant that incomplete, inaccurate or misleading information (or omission) by the Applicant may lead to—
 - for employees, rejection of the application, disciplinary action or dismissal; or
 - for contractors, rejection of the application or termination.
- To be satisfied that a person under conditional Appointment will act appropriately, the Organization may wish to consider additional supervisory procedures to confirm that the Organization is dealing with its risks appropriately—
 - for employees, during the three-month probationary period; or
 - for contractors, during the three-month conditional period.

2.9 Obligation to Update Information

Organizations should consider ensuring that Applicants and Entrusted Persons are required to notify the Organization of any significant change in their circumstances. Organizations are obliged by the Privacy Act to update this information.



Tip

- Consider using compliance reviews as an opportunity to remind the Entrusted Person to advise the Organization of any significant change in their circumstances.

2.10 Equality in Reference Checking

Organizations should consider ensuring that all staff employed in the Reference Checking process and all Entrusted Persons undergo the Reference Checking process.

This includes—

- full-time employees;
- part-time and casual employees;
- contractors; and
- persons promoted or transferred.



Tips

- A risk-based approach can identify the level of risk posed by a particular role and determine the scope of the Reference Checking process for that role.
- It is up to the Organization to decide whether to ask existing Entrusted Persons to undergo reference checks or criminal history checks or declare their previous work history. Before doing so, consider seeking legal advice.

3. Legislation and Regulation

3.1 Section 912A(1) of the Corporations Act

Since the implementation of financial services reforms in 2002, Licensees have increased responsibilities. A Licensee must comply with the general obligations set out in section 912A(1) of the Corporations Act, which include—

- do all things necessary to ensure that the financial services covered by the AFSL (see definition in Section 1.3 of this Handbook) are provided efficiently, honestly and fairly;
- have in place adequate arrangements for managing conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the Licensee or its representatives in providing financial services as part of their financial services business;
- maintain the competence to provide those financial services; and
- ensure that its representatives are adequately trained, and are competent, to provide those financial services.

3.2 Regulation 7.6.04(1)(e) of the Corporations Regulations

Regulation 7.6.04(1)(e) of the Corporations Regulations 2001 (Cth) requires a Licensee to make reasonable enquiries to establish a person's identity and whether a person has already been allocated a number by ASIC as an authorized representative before that person is authorized to provide a financial service.

3.3 National Privacy Principles (NPP) in the Privacy Act

Organizations should ensure that they observe the following key NPPs as set out in Schedule 3 of the *Privacy Act 1988* (Cth) (the Privacy Act) when seeking or providing information about an Applicant.

Reference	Description
NPP 1	Information collected by the Organization is necessary for one or more of its functions or activities.
NPP1.3 (b)	The Applicant is aware that he/she is able to gain access to the information.
NPP1.3 (c)	The Applicant is aware of the purpose(s) for which the information is being collected.
NPP1.3 (d)	The Applicant is aware of the Organizations (or types of Organizations) to which the Organization usually discloses information of that kind.
NPP 1.3(f)	The Applicant is aware of the main consequences if all or part of the information required from the Applicant is not provided.
NPP1.5	The Applicant is aware that the Organization will be collecting information from third parties about them.
NPP 3	Reasonable steps are taken to make sure that the information collected, used or disclosed is accurate, complete and up-to-date.
NPP 4.1	The information is protected from misuse and loss from unauthorized access, modification or disclosure, is securely stored and only available to authorized persons.

Reference	Description
NPP 4.2	Although the Privacy Act prescribes no set amount of time for the storage and destruction of records, best practice is for the Organization to destroy the information once it is no longer needed for any purpose (for which the information may be used or disclosed).
NPP 5.1	The Organization sets out in a document clearly expressed policies on its management of personal information.
NPP 5.2	On request by a person, an Organization must take reasonable steps to let the person know, generally, what sort of personal information it holds, for what purposes, and how it collects, stores, uses and discloses that information.
NPP 6.1	The Applicant must be provided with access to information on request. (There are some exceptions. See NPP 6 on the Privacy Commissioner website at www.privacy.gov.au .)
NPP 6.5	If the Applicant is able to establish that the information is not accurate, complete and up-to-date, the Organization must take reasonable steps to correct the information so that it is accurate, complete and up-to-date.

In light of these key NPPs—

- Informed Consent should be obtained from the Applicant for the Organization to collect, use, disclose and store personal information about them from third parties (including Referees the Applicant has nominated) for the purpose of verifying the Applicant’s work history and qualifications to assist the Organization in assessing their suitability for the position; and
- information collected by the Organization should be used/disclosed only for the purpose of its collection.

3.4 Spent Conviction Scheme

Under various pieces of Commonwealth, state and territory legislation, a person has the right, in particular circumstances or for a particular purpose, to not disclose certain convictions/ findings of guilt after a period of time has elapsed from the date of conviction or release from imprisonment. Such convictions are widely referred to as “spent” or “rehabilitated” convictions.

The aim of the Scheme is to prevent discrimination on the basis of certain previous convictions. The Scheme applies to convictions where—

- it is 10 years since the date of the conviction (or 5 years for juvenile offenders);
- the individual was not sentenced to imprisonment or was not sentenced to imprisonment for more than 30 months;
- the individual has not re-offended during the 10-year (or 5-year for juvenile offenders) waiting period; and
- a statutory or regulatory exclusion does not apply.

The Scheme also covers convictions that have been set aside or pardoned under Part VIIC of the *Crimes Act 1914*. An individual whose conviction is protected does not have to disclose that conviction.

There are some exclusions to the Scheme. For more information go to the Privacy Commissioner website at www.privacy.gov.au.

3.5 Anti-Money Laundering/ Counter-Terrorism Financing (AML/CTF) Legislation

Part 8.3 of Chapter 8 and Part 9.3 of Chapter 9 in *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1)* require reporting entities to include an employee due diligence program in Part A of their standard or joint AML/CTF programs.

The employee due diligence program must put in place appropriate risk-based systems and controls relating to the screening and re-screening of any prospective and transferred or promoted employee who (if employed, in the case of the prospective employee) may be in a position to facilitate the commission of a money laundering or financing of terrorism offence in connection with designated services provided by reporting entities.

4. Other Referenced Material

4.1 Australian Standard on Employment Screening (AS 4811—2006)/ Employment Screening Handbook (HB 323—2007)

The Standard, which was published on 11 July 2006, and the associated Employment Screening Handbook produced by Standards Australia, provide useful guidance for Organizations to take into account when developing their employment screening policy or procedures.

The Standard includes information for Organizations on verifying the identity, integrity and credentials of an “Entrusted Person”. This verification applies equally to Organizations in both the private and public sectors and should be conducted with the informed consent of the Applicant.

The following parts of the Standard are particularly useful for users of this Handbook—

- Part 7, in particular the basic requirements to establish an employment screening process in Part 7.4;
- Part 8 dealing with record keeping;
- Part 9 regarding those employed to carry out the employment screening process;
- Part 10 dealing with rejection of applications and rights of review.

4.2 IOSCO Outsourcing Principles/ Joint Forum Outsourcing Report

The International Organization of Securities Commissions (IOSCO) issued “Principles on Outsourcing of Financial Services for Market Intermediaries” in 2005 (the IOSCO Outsourcing Principles). The IOSCO Outsourcing Principles are aimed at providing guidance when entering into outsourcing arrangements.

The Joint Forum was established by the Basel Committee on Banking Supervision, IOSCO and the International Association of Insurance Supervisors to deal with issues common to the banking, securities and insurance sectors. The Joint Forum set out its principles in a report “Outsourcing in Financial Services” in February 2005 (the Joint Forum Outsourcing Report).

4.3 ASIC Regulatory Guides (RG 104/ RG 146)

ASIC regulatory guides give guidance to entities that ASIC regulates by—

- explaining when and how ASIC will exercise specific powers under legislation (primarily the Corporations Act);
- explaining how ASIC interprets the law;
- describing the principles underlying ASIC’s approach;
- giving practical guidance (e.g. describing the steps of a process such as applying for a licence or giving practical examples of how regulated entities may decide to meet their obligations).

The following guides are relevant to users of this Handbook and are available on the ASIC website at www.asic.gov.au—

- **Regulatory Guide 104 *Licensing: Meeting the general obligations* (RG 104)**

This guide sets out ASIC’s expectations of Licensees’ monitoring and supervision measures, including appropriate background checks before appointing new representatives. (These checks could include referee reports, police checks and searching the ASIC Register of Banned and Disqualified Persons. See Section 4.4 of this Handbook.) The Standard and this Handbook are referred to in RG 104 as guidance for Licensees when

designing and assessing the effectiveness of measures for monitoring and supervising representatives. Licensees who outsource their AFSL obligation processes are also referred to the IOSCO Outsourcing Principles and the principles in the Joint Forum Outsourcing Report for further guidance.

- **Regulatory Guide 146 *Licensing: Training of financial product advisers (RG 146)***
This guide sets out minimum training standards for people who provide financial product advice to retail clients.

4.4 ASIC Website (www.asic.gov.au)

The ASIC website has useful resources and links for checking references in the financial services industry at www.asic.gov.au/referencechecking. This page is a portal for Reference Checking where you can download an electronic version of this Handbook for free and access other relevant resources including—

- **Register of Banned and Disqualified Persons**
This register is maintained by ASIC and made publicly available for searching on ASIC's website. It does not list those persons automatically disqualified (e.g. where the person is an undischarged bankrupt or has been convicted of certain offences involving dishonesty).
- **AFS Licensees Register**
This register lists all people or Organizations who hold an AFSL.
- **AFS Authorized Representatives Register**
This register lists all people or Organizations that are authorized as representatives by an AFSL or by a corporate representative of a Licensee.
- **Pre-FSR Licensees and Authorizations**
This register lists all people or organizations who could be registered as securities representatives, futures representatives, investment advisers, security dealers, futures dealers and/or futures brokers.
- **Enforceable Undertakings Register**
This register lists enforceable undertakings accepted by ASIC under section 93AA or 93A of the *Australian Securities and Investments Commission Act 2001*. Enforceable undertakings are undertakings given to, and accepted by, ASIC that are enforceable in a court. They are generally accepted by ASIC as an alternative to civil or administrative action where there has been a contravention of the legislation ASIC administers.
- **Links to professional industry associations**
- **Links to the Australian Standard on Employment Screening (AS 4811—2006) and Employment Screening Handbook (HB 323—2007)**
These documents need to be purchased from SAI Global.
- **Links for criminal history information**
- **Link to the Insolvency and Trustee Service Australia (ITSA)**
There is a fee for searches on this register.

Appendix A. Information for Applicants: Reference Checking

This information sheet should be given to the Applicant with a copy of the Consent Form in Appendix B, the Direction Form in Appendix C, Parts A and B of the Reference Check Form in Appendix D, and a criminal history check form (e.g. the Australian Federal Police criminal history check form). This ensures that informed consent and direction are obtained and reference checks are done as early as possible.

About this information sheet

We have a policy/procedure for employment screening in accordance with the Australian Standard on Employment Screening (AS 4811—2006) (the Standard). This information sheet is about reference checking (one of the components of employment screening). It outlines the procedure we will follow for reference checking:

- before appointment;
- during the appointment process;
- before promotion or change of duties or circumstances; and
- when references about you are sought from us by prospective employers, licensees or contractors (referred to as “Organization(s)” in this information sheet: see the definition at the end of this information sheet for other entities included in this term).

This information sheet is provided to you because you are applying for a position as an Entrusted Person within our organization and we will be conducting reference checks for the purpose of assessing and verifying your suitability as an Entrusted Person (see the definition at the end of this information sheet).

Your obligations

In seeking appointment as an Entrusted Person you must provide complete and accurate information to us during the appointment process. You must notify us of any significant change in your circumstances that results in the information previously provided becoming out of date or inaccurate. Incomplete or inaccurate disclosure of information requested may result in your application being excluded or your appointment being withdrawn or terminated.

The reference checking process will likely include some or all of the following:

- completing an application for appointment;
- completing a consent form;
- completing a direction form;
- completing an application or providing details for a criminal history check;
- completing particulars in a reference checking form;
- verifying identity, work information, professional membership details, competencies, qualifications and training;
- checking public information records on the Australian Securities and Investments Commission (ASIC) website at www.asic.gov.au, including the Australian financial services licence (AFSL) register, banned and disqualified persons register, pre-AFSL register, company database and media reports;
- conducting a bankruptcy search;
- conducting a commercial credit reference check;
- conducting an internet name search;
- conducting an immigration check (for foreign applicants); and
- speaking to and seeking reference checking information from named referees/previous supervisors and current/previous Organizations.

Stages in the reference checking process

1. Before appointment

- You submit an application for appointment (usually accompanied by appropriate referee material).
- Interview and selection procedures are followed.
- If you are considered suitable for the position, we will let you know that the reference checking process is starting.
- Reference checking is conducted by us.
- You may receive an offer of conditional appointment, subject to us obtaining satisfactory reference checks, including from current/previous Organizations and criminal history checks.

2. Conditional appointment of employees or contractors

Conditional appointment means that your appointment is subject to a three-month probationary period (for employees) or three-month conditional period (for contractors). During this time reference checking will continue.

Formal confirmation of your appointment is conditional on the successful completion of the reference checking process to our satisfaction (including reference checks with current/previous Organizations and criminal history checks). If you have failed to provide particulars, and/or reference checking reveals issue(s) of concern, we are likely to request an explanation or copies of relevant documents. In some cases, further reference checking may ensue.

For employees:

- Incomplete, inaccurate or misleading information (or omission) by you may lead to rejection of the application, disciplinary action or dismissal.
- Unsatisfactory reference checking information about your ability to perform the role may lead to disciplinary action including dismissal.

For contractors:

- Incomplete, inaccurate or misleading information (or omission) by you may lead to rejection of the application or termination.
- Unsatisfactory reference checking information that impacts on the skills, experience or qualifications to perform the services required may lead to termination of the appointment.

3. Before promotion or change of duties or circumstances

We may conduct reference checks before confirming a promotion or if your duties or circumstances change.

4. Provision of reference checking information before or after resignation or termination

Prospective Organizations may ask us to provide information for reference checks if you are being considered for appointment by them as an Entrusted Person. In providing such information, we will draw on relevant factual information from your records (including dates of work, positions held and compliance reviews).

Our obligations

As a holder of an AFSL, our reference checking process takes into account our obligations under the *Corporations Act 2001* (Cth) (Corporations Act) and regulations. These include our obligations to do all things necessary to ensure that the financial services covered by our AFSL are provided efficiently, honestly and fairly, and that we have systems in place to ensure our Entrusted Persons comply with our licence conditions and are adequately trained and competent to provide financial services. ASIC's Regulatory Guide 104 *Licensing: Meeting the general obligations* (RG 104) sets out ASIC's expectations of licensees' monitoring and supervision measures, including appropriate background checks before appointing new representatives. (These checks could include referee reports, police checks and searching the ASIC Register of Banned and Disqualified Persons).

Our reference checking process is also consistent with the principles detailed in the Standard as it covers procedures for ensuring the probity of an Entrusted Person.

Your privacy

Our reference checking process is consistent with our obligations under the *Privacy Act 1988* (Cth) (Privacy Act) for the handling of personal information.

At various stages during the reference checking process, we will need to collect information about you for the purpose of assessing or verifying your suitability as an Entrusted Person. We will need to collect private information about you from third parties, including referees as well as current/previous Organizations for this purpose. Information collected also includes ASIC database searches, criminal history checks and bankruptcy searches.

We may engage an agent to conduct background checks to verify some or all of the information you have provided. This agent may use the information to apply to government agencies and other relevant sources to verify your information and to conduct public record searches. Any agent we engage will be required to handle personal information in a manner which is consistent with our obligations under the Privacy Act.

To facilitate the reference checking process, we need to obtain your informed consent in the attached Consent Form and your direction in the attached Direction Form for us (and/or our agent(s)) to collect, use, disclose and store personal information about you from third parties (including the referees you have nominated and current/previous Organizations) for the purpose of verifying your experience and qualifications and to assist us in assessing your application.

We will send a signed copy of your Consent Form and Direction Form to your current/previous Organizations (including those referees named by you in Part A of the Reference Check Form) as part of our reference checking process. We will consult with you about the timing of contact with your current Organization (if applicable).

We will ask you questions as outlined in Part A of the attached Reference Check Form in Appendix D (a copy is attached to your Consent Form). We will ask questions of referees and/or current/previous Organizations as outlined in Part B of the attached Reference Check Form (a copy is attached to your Consent Form) and the Direction Form (a copy is attached to your Consent Form). The information collected by us (and/or our agent(s)) will be used for the purpose of conducting our probity checks and it will be securely stored and only available to authorized persons.

We may disclose relevant factual information that we have collected to prospective Organizations who ask us for this information together with other information including dates of appointment, position(s) held, and compliance reviews. You may gain access to the information collected about you and/or correct this information (if necessary) while it is being stored. We will securely store this information and will destroy the information when it is no longer required for the purposes set out above.

Criminal history information

Under various pieces of Commonwealth, state and territory legislation, a person has the right, in particular circumstances or for a particular purpose, to not disclose certain convictions/ findings of guilt after a period of time has elapsed from the date of conviction or release from imprisonment. Such convictions are widely referred to as “spent” or “rehabilitated” convictions.

The aim of the Scheme is to prevent discrimination on the basis of certain previous convictions. The Scheme applies to convictions where:

- it is 10 years since the date of the conviction (or 5 years for juvenile offenders);
- the individual was not sentenced to imprisonment or was not sentenced to imprisonment for more than 30 months;
- the individual has not re-offended during the 10-year (or 5-year for juvenile offenders) waiting period; and
- a statutory or regulatory exclusion does not apply.

The Scheme also covers convictions that have been set aside or pardoned under Part VIIC of the *Crimes Act 1914*. An individual whose conviction is protected does not have to disclose that conviction.

There are some exclusions to the Scheme. For more information go to the Privacy Commissioner website at www.privacy.gov.au.

Definitions you need to know

AFSL	An Australian financial services licence issued under the licensing regime in the Corporations Act.
Allegation(s)	All Allegations or Complaints about or arising from the Applicant's conduct or performance (including any act or omission): <ul style="list-style-type: none">• recorded by the Organization;• reviewed by or on behalf of the Organization;• put to the Applicant in the course of that review (if the Applicant was employed or contracted by the Organization when the review took place); and• objectively found in writing, by the Organization, to have some substance.
Answer(s)	All information provided in response to the questions listed in the Direction Form, including all information shared to clarify any response.
Applicant	A person who has applied for the position of Entrusted Person with an Organization.
Appointment	Appointment as an employee, contractor or authorized representative.
ASIC	The Australian Securities and Investments Commission.
Complaint(s)	All complaints received or identified from any source that relate to the Applicant's conduct, where that conduct may amount to a failure to meet the Licensee's obligations under the Corporations Act. For example, the conduct might demonstrate a failure to provide financial services efficiently, honestly and fairly, including, but not limited to, inadequate disclosure of costs and benefits and/or failure to have a reasonable basis for financial product advice. Complaint(s), which may be either verbal (and recorded by the Organization) or written, also include notifications of any circumstances that may give rise, or have given rise, to a claim for compensation.
Consent Form	The document entitled "Consent Form" in Appendix B by which the Applicant gives consent to conduct reference checks for the purpose of assessing or verifying suitability as an Entrusted Person.
Direction Form	The document titled "Direction Form" in Appendix C by which the Applicant directs current/previous Organizations to share Answer(s).
Entrusted Person	In the context of financial services, an Entrusted Person will likely include an individual appointed who: <ul style="list-style-type: none">• provides financial products or financial services (including financial advice) on behalf of an Organization to retail and/or wholesale clients;• handles or administers client investments and/or payments for financial services or products; and/or• is otherwise entrusted with the care, management of, or advice involving another person's financial situation and/or assets.
Factual Information	Information that is, or can be, verified.
Identity Document	An official document bearing the Applicant's current photograph and issued by an Australian state government body or agency (e.g. a driver's licence). This will be used in the Reference Checking process to verify the Applicant's identity.
Informed Consent	Consent provided by the Applicant following the provision of information relating to the conduct and requirements of the Reference Checking process.

Licensee	The holder of an AFSL.
Organization	Each natural person, corporation, firm and/or other entity for whom or for whose benefit the Applicant has worked, is working, has applied to work or may work in any capacity, including as an employee, authorized representative, director, partner, agent, independent contractor, sub-contractor, or through any company (including labour hire).
Probity	The level of integrity necessary to ensure the conscientious and honest conduct of one's working relationships and activities.
Referee(s)	A person who can provide objective, relevant and factual Reference Checking Information and has personally supervised the Applicant's work performance (preferably for a period of at least six months).
Reference Checking	The verification of references and the conduct of background checks to confirm work history and relevant conduct of the Applicant.
Reference Checking Information	All information received through the Reference Checking process (including from current/previous Organizations and criminal history checks).
Worker(s)	A person who performs any work, in any capacity, including as an employee, authorized representative, director, partner, agent, independent contractor, sub-contractor, or through any company (including labour hire).

Appendix B. Consent Form

To be completed by the Applicant: Consent to conduct reference checks

By signing this form, you give us (and/or agent(s) engaged by us) your informed consent to collect, use and provide personal information about you from third parties (including the referees you have nominated and current/previous Organizations) for the purpose of verifying your experience and qualifications and to assist us in assessing your application. We will consult with you about the timing of contact with your current Organization (if applicable).

I, *[Print name]* _____ (the Applicant):

1. Acknowledge that *[Print Organization name]* _____ (you) have provided me with a copy of:

- the document titled "Information for Applicants: Reference Checking";
- the document titled "Direction Form";
- Part A and Part B of the document titled "Reference Check Form"; and
- a police criminal history check form;

2. Consent to you (or any agent) checking the response to any question in Part A or Part B of the Reference Check Form, including by obtaining information outside the scope of the Direction Form;

3. Direct you to provide relevant factual information if sought by a prospective Organization, including information drawing on my records (including dates of appointment, positions held, roles and duties performed and results of compliance reviews), and consent to you doing so;

4. Consent to you (or any agent) applying to the Australian Federal Police and/or any relevant state police department for my criminal history;

5. Agree to assist the application for my criminal history, including providing a certified copy of a current identity document that bears my photograph (e.g. a driver's licence);

6. Acknowledge and accept that any offer of appointment you may make is subject to you obtaining, and being satisfied with reference checks (including my criminal history);

7. Undertake to inform you, in a timely manner, of any significant change in my circumstances that results in any other information previously provided becoming out of date, incomplete or inaccurate;

8. Understand that incomplete, inaccurate or misleading information (or omission) may result in:

- my application being excluded from consideration;
- my offer of appointment being withdrawn; or
- disciplinary or other action, up to and including termination of my appointment (if my application has already been accepted by the time you discover the information is incomplete, inaccurate or misleading);

9. Understand that this consent and direction will continue in force until you are notified in writing that I have revoked it;

10. Declare that:

- my responses to the questions listed in Part A of the Reference Check Form, and
- all details I have provided to assist the application for my criminal history,
- are, to the best of my knowledge and belief, correct, accurate and complete, not misleading in any way, and without omission that might influence the outcome; and

11. Declare that I have:

- read and understood the contents of this Consent Form and the documents referred to in paragraph 1 above; and
- attached completed and signed copies of:
 - Part A of the Reference Check Form; and
 - the police criminal history check form.

[Signature of Applicant]

[Date]

Appendix C. Direction Form

To be completed by the Applicant: Direction to provide Answers

By signing this form, you direct Organizations to share more specific information in response to questions listed below. Terms in bold are defined on the next page (e.g. **Allegation(s)**, **Answer(s)**).

I, *[Print name]* _____ (the **Applicant**):

1. Have applied to work as *[Print position]* _____ an **Entrusted Person** with *[Print Organization name]* _____ (the Prospective **Organization**);
2. Acknowledge I have received a copy of the document titled "Information for Applicants: Reference Checking";
3. Direct every current/previous **Organization** to share the **Answer(s)** with any prospective **Organization**;
4. Give each **Organization** and its **Workers** a release limited to all legal responsibility in relation to any loss, damage or claim arising from: (a) sharing or relying on the **Answer(s)**; or (b) any omission from the **Answer(s)**; unless arising from any malicious, fraudulent, deliberately false or deliberately misleading statement or omission;
5. Consent to every current/previous **Organization** sharing any relevant factual information about my employment or engagement with any prospective **Organization**; and
6. Release every current/previous **Organization** from all confidentiality obligations to the extent that they impede its ability to share any relevant factual information about my employment or engagement with any prospective **Organization**.

[Signature of Applicant]

[Date]

To be completed by the current/previous Organization: Direction to share Answers

Please mark the box ("Yes" or "No") for each question, sign in the space below, and return the signed Direction Form, as soon as possible, to:

[Contact name]

[Organization name]

[Fax]

[Phone]

Did (or does) the Applicant's conduct whilst employed or engaged with your **Organization** or circumstances surrounding the Applicant's departure from your **Organization** involve the Applicant being the subject of **Allegation(s)** of:

- | | |
|--|----------------|
| a. Dishonesty, illegality or unprofessional conduct? | Yes [] No [] |
| b. Conduct justifying instant dismissal or immediate termination of representative status? | Yes [] No [] |
| c. Inappropriate conduct? | Yes [] No [] |
| d. Refusal or failure to comply with a lawful direction? | Yes [] No [] |
| e. Significant, consistent or deliberate non-compliance? | Yes [] No [] |
| f. Gross incompetence or gross negligence? | Yes [] No [] |
| g. Ongoing poor performance following documented performance management activities? | Yes [] No [] |

The **Answer(s)** provided above (and all relevant factual ancillary information provided to clarify any response) are true, correct, accurate and complete, to the best of my knowledge and belief, after making reasonable enquiries of any relevant compliance manager (or equivalent) and any relevant supervisor of the Applicant.

[Signature of contact at current/previous Organization]

[Contact name (please print)]

[Date]

Definitions

Allegation(s)	<p>All Allegations or Complaints about or arising from the Applicant's conduct or performance (including any act or omission):</p> <ul style="list-style-type: none">• recorded by the Organization;• reviewed by or on behalf of the Organization;• put to the Applicant in the course of that review (if the Applicant was employed or contracted by the Organization when the review took place); and• objectively found in writing, by the Organization, to have some substance.
Answer(s)	<p>All information provided in response to the questions listed in the Direction Form, including all information shared to clarify any response.</p>
Applicant	<p>A person who has applied for the position of Entrusted Person with an Organization.</p>
Complaint(s)	<p>All Complaints received or identified from any source that relate to the Applicant's conduct, where that conduct may amount to a failure to meet the Licensee's obligations under the Corporations Act. For example, the conduct might demonstrate a failure to provide financial services efficiently, honestly and fairly, including, but not limited to, inadequate disclosure of costs and benefits and/or failure to have a reasonable basis for financial product advice. Complaint(s), which may be either verbal (or recorded by the Organization) or written, also include notifications of any circumstances that may give rise, or have given rise, to a claim for compensation.</p>
Direction Form	<p>The document titled "Direction Form" in Appendix C by which the Applicant directs current/previous Organizations to share Answer(s).</p>
Entrusted Person	<p>In the context of financial services, an Entrusted Person will likely include an individual appointed who—</p> <ul style="list-style-type: none">• provides financial products or financial services (including financial advice) on behalf of an Organization to retail and/or wholesale clients;• handles or administers client investments and/or payments for financial services or products; and/or• is otherwise entrusted with the care, management of, or advice involving another person's financial situation and/or assets.
Organization	<p>Each natural person, corporation, firm and/or other entity for whom or for whose benefit the Applicant has worked, is working, has applied to work or may work in any capacity, including as an employee, authorized representative, director, partner, agent, independent contractor, sub-contractor, or through any company (including labour hire).</p>
Worker(s)	<p>A person who performs any work, in any capacity, including as an employee, authorized representative, director, partner, agent, independent contractor, sub-contractor, or through any company (including labour hire).</p>

Appendix D. Reference Check Form

Part A: Information to be provided by the Applicant

Information and documents you give us may be used in the reference checking process. Information in this form may be used to seek further reference checking information from your current/previous Organizations. You will also be asked to complete questions at the end of this form.

You may be asked to complete an Australian Federal Police criminal history check form or provide the required details for an application to the police department in your state.

Applicant's full name: _____

Position applied for: _____

ASIC reference number (if any): _____

Work History

Please give details of your work history during the last 5 years. Please explain any gaps (i.e if you took more than one month off between appointments).

1. Organization: _____

Period of work: __/__/__ to __/__/__ present

Your title(s): _____

Your reason for leaving: _____

Have you named a referee at

this organization? YES NO

Any comments from you? _____

2. Organization: _____

Period of work: __/__/__ to __/__/__ present

Your title(s): _____

Your reason for leaving: _____

Have you named a referee at

this organization? YES NO

Any comments from you? _____

3. Organization: _____

Period of work: ___/___/___ to ___/___/___ present

Your title(s): _____

Your reason for leaving: _____

Have you named a referee at

this organization? YES NO

Any comments from you? _____

Work Referees

Please cover the past 5 years consecutive appointment(s) and explain any gaps.

1. Referee name: _____

Referee title: _____

Organization: _____

Phone: _____

Email: _____

Relationship: _____

Period of work: ___/___/___ to ___/___/___ present

Your role then: _____

2. Referee name: _____

Referee title: _____

Organization: _____

Phone: _____

Email: _____

Relationship: _____

Period of work: ___/___/___ to ___/___/___ present

Your role then: _____

3. Referee name: _____

Referee title: _____

Organization: _____

Phone: _____

Email: _____

Relationship: _____

Questions for the Applicant

Please consider the following questions carefully. We will rely on this information to assess your application for appointment; your responses must be true and accurate and must not be misleading. Where you answer "YES" to any of questions 3 to 15 please provide us with additional detailed relevant factual information on the circumstances, context or outcome of the issue (a comments page is provided for this purpose). If you do not understand the question, or are unsure how to answer, please ask for an explanation.

1. Are you, or have you ever been, a company director or secretary? If yes, please provide details including name of company(s), date(s) of appointment and resignation.

2. Are you, or have you ever been a business proprietor? If yes, please provide details including name of businesses, date(s) of appointment and resignation.

3. Have you ever been disqualified from managing a company? YES NO

4. Have you ever been banned or disqualified from providing financial services or financial product advice? YES NO

5. Have you ever been dismissed? YES NO

6. Have you, in the last ten years, been named as a defendant or respondent in any criminal proceedings? YES NO
(Please see criminal history information in the Information for Applicants sheet.)

7. Have you been named as a defendant or respondent in any civil or administrative proceedings? YES NO

8. Have you been the subject of any bankruptcy proceedings or entered into any agreement for the benefit of creditors? YES NO

9. Have you entered into any agreement for the benefit of creditors in respect of an organization of which you are/were an officer? YES NO

10. Have you personally been subject to any action as a result of an investigation, inquiry or audit that relates or related to issues of your character, competence or conduct? YES NO

11. Have you personally been the subject of an ethics conduct enquiry related to your membership of any association or professional body? YES NO
12. Are you aware of any current inquiry or investigation that is ongoing and relates to issues of your character, competence or conduct? YES NO
13. Are you aware of any client complaints involving you or notifications of any circumstances which may give rise, or has given rise, to a claim for compensation? YES NO
14. Have you been excluded (whether voluntary or not) from any gaming establishment? YES NO
15. Are you aware of any other relevant factual information that may impact on our decision to appoint you as an entrusted person? YES NO

I have completed the information requested in the questions in this form and the comments page/s to the best of my knowledge and belief.

I am aware that incomplete, inaccurate or misleading information (or omission) may result in:

- if I am an employee, my application being rejected, disciplinary action or dismissal.
- if I am a contractor, my application being rejected or termination of my appointment.

(date)

(signature)

Part B: Questions for Referees

This information may be filled in directly by the referee or by the reference checking staff in conversation with the referee.

Referee's Details

Name of referee: _____

Name of current organization: _____

Position: _____

Contact details: _____

Applicant's Details

1. Please state the Applicant's full name:

2. Please provide details of your work relationship with the Applicant (include name of organization(s), period of time known, whether the Applicant was a colleague or was supervised by you).

3. What was the Applicant's job title and main responsibilities?

4. In relation to the Applicant, can you please advise the ASIC reference number if known?

ASIC reference number: _____

Not known by me: _____

5. Please name any company/companies the Applicant is associated with either as a director or secretary:

None known by me: _____

6. Please name any businesses the Applicant is associated with either as a partner or proprietor:

None known by me: _____

7. While employed, details of any ASIC banning(s) or disqualification (including dates, where known):

None known by me: _____

8. Details of any civil actions involving the Applicant that may effect the licensee's obligation to ensure that financial services, covered by the licence, are provided efficiently, honestly and fairly (including date(s) and outcome(s)):

None known by me: _____

Decline to comment: _____

Relevant factual information:

9. Details of any bankruptcy proceedings, including the making of a debt agreement (including date(s), if possible):

None known by me: _____

Decline to comment: _____

Relevant factual information:

10. Are you aware whether the Applicant left the organization of their own accord?

YES NO

Decline to comment: _____

Relevant factual information:

11. Are you aware of any client complaints in connection with the Applicant or notifications of any circumstances which may give rise, or has given rise, to a claim for compensation?

YES NO

Decline to comment: _____

Relevant factual information:

12. Has the Applicant been subject to any action, investigation, inquiry or audit concerning character, competence or conduct? Please provide relevant factual information specifically limited to the Applicant.

YES NO

None known by me: _____

Decline to comment: _____

Relevant factual information:

13. Was there any inquiry (internal or otherwise) in progress involving allegations with respect to the Applicant at the time of termination/resignation?

YES NO

None known by me: _____

Decline to comment: _____

Relevant factual information:

14. Can you state the Applicant's key strengths and skills?

YES NO

Relevant factual information:

NOTES

NOTES

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