


Occupational Qualification Document				
Occupational Code	Qualification Title	NQF Level		
134910	Occupational Certificate: Retirement Fund Trustee	5		
	Name	Email	Phone	Logo
Development Quality Partner	Financial Services Board	Andries.Bester@fsb.co.za	0123677299	[insert image here]
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**DQP Representative Signature**


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**Date**

## QUALIFICATION DETAILS

Qualification Title: Occupational Certificate Retirement Fund Trustee

Level: 5

Credits: 120

Occupational Code: 134910

Curriculum Code: 134910001

Originator: Financial Services Board

Quality Assurance Body: Batseta Council of Retirement Funds for South Africa (Batseta)

Qualification Type: Occupational Certificate

Field: Field 03 - Business, Commerce and Management Studies

Subfield: Finance, Economics and Accounting

Sub Framework: Occupational Qualifications Sub Framework

Assessment Quality Partner: Batseta Council of Retirement Funds for South Africa (Batseta)

Registered qualifications and or learning programmes to be replaced:

- This qualification does not replace any other qualification

## RATIONALE

The monetary value of pension fund investments in South Africa is approximately R2.5 trillion (as at Dec 2013). Overseeing the performance of each of the more than 3,000 active funds in South Africa is the function of a Board of Trustees of each Fund. These boards comprise of approximately 18,000 trustees. The pension fund trustee is the basis of governance in a pension fund and all governance interventions are initiated and driven from this function. Each board is thus responsible for the governance of the fund and for ensuring that the fund complies with all regulatory requirements.

Trustees have great responsibilities and can be held personally accountable for certain fund-related matters in employer-sponsored retirement funds. As a result, Government is taking steps to address the competency levels of trustees. Since the roles and responsibilities of a retirement fund trustee are focused and specialised, there is a need for occupational training. Developing competency to oversee and manage these funds properly is important and a formal qualification in this regard for trustees is a way to begin addressing this problem.

An occupational qualification will support the professionalisation of the role and function of the pension fund trustee, which has historically been unstructured and undefined. It will also support the transformation imperative as it enables incumbents to obtain a qualification that they may not have had access to as working individuals and who may not have satisfied traditional higher education access criteria.

An occupational qualification for trustees of pension funds will be the first of its kind in South Africa – due to the unique financial services environment in South Africa. This occupational qualification will provide much needed recognition of competence to incumbents who may want to formalise their education for purposes of career mobility or succession planning to ensure the continuity and sustainability of retirement funds.

The range of learners for the proposed qualification would include current trustees, principal officers and retirement fund functionaries with demonstrable experience in retirement funds and a desire to fulfil the legal requirements of this function.

A qualified learner will be able to:

- Carry out the objects and duties of the Board
- Develop a code of conduct
- Fulfil their rights and duties as a member of the Board
- Adopt and maintain rules and policies of the Fund
- Manage and monitor the assets of the Fund
- Appoint appropriate experts as advisers and service providers with mandates and service agreements
- Monitor the performance of the service providers on a regular basis and take appropriate corrective action when necessary
- Appoint the Principal Officer and other fund officers (as applicable)
- Monitor and approve all marketing and communication material (as applicable)
- Assemble appropriate sub-committees

## **PURPOSE**

The purpose of this qualification is to prepare a learner to operate as a Retirement Fund Trustee

A Retirement Fund Trustee directs controls and oversees the operations of a retirement fund in terms of the applicable law, including common law and customary law, rules and the objectives of the Fund.

A qualified learner will be able to:

- Contribute to the governance of the Board of Trustee's (the Board) functions
- Oversee the operations of the Fund
- Oversee the Fund's investment activities

## **RULES OF COMBINATION**

This qualification is made up of the following compulsory Knowledge and Practical Skill Modules:

Knowledge Modules:

- 134910001-KM-01, Governance and strategic direction and control, L5, Cr4
- 134910001-KM-02, Legal requirements and common law (statutes, regulations, directives, notices and circulars), L5, Cr10
- 134910001-KM-03, Rules and operations of a retirement fund, L5, Cr5

- 134910001-KM-04, Performance of Fund assets, L5, Cr16
- 134910001-KM-05, Financial requirements of a retirement fund, L5, Cr8
- 134910001-KM-06, Risk management, L5, Cr5

Total number of credits for Knowledge Modules: 48

Practical Skill Modules:

- 134910001-PM-01, Govern the activities of the Board, L5, Cr8
- 134910001-PM-02, Select and conduct on-going assessment of service providers in the process of overseeing the operations of the Fund, L5, Cr4
- 134910001-PM-03, Approve financial statements, rule amendments and applicable regulatory submissions, L5, Cr8
- 134910001-PM-04, Formulate the investment strategy and monitor the performance of fund assets in terms of applicable laws and regulations, Fund rules and policies, L5, Cr28

Total number of credits for Practical Skill Modules: 48

This qualification also requires the following Work Experience Modules:

- 134910001-WM-01, Processes related to contributing to the governance of the Board, L5, Cr4
- 134910001-WM-02, Processes related to the oversight of the operations of the Fund, L5, Cr8
- 134910001-WM-03, Processes used to formulate the investment strategy and monitor the performance of fund assets in terms of applicable laws, regulations, Fund rules and policies, L5, Cr12

Total number of credits for Work Experience Modules: 24

## ENTRY REQUIREMENTS

- A qualification at NQF Level 4 OR (ABET 4 / NQF Level 1 and Foundation Literacy Certificate and 5 years of relevant experience)

## EXIT LEVEL OUTCOMES AND ASSOCIATED ASSESSMENT CRITERIA

- **Exit Level Outcome 1**

Contribute to the governance by the Board of the Board's functions (30%)

### *Associated Assessment Criteria*

- Code of Conduct established for and by the Board is adhered to
- Appointment of Principal Officer (and Deputy Principal Officer where applicable) after conducting interviews and shortlisting processes
- Election of the chairperson by the Board
- Preparation for meetings by reviewing Board Packs including the previous minutes and action items in order to participate effectively in the activities of the Board and Board committees

- Effective contributions to discussions at Board meetings
- Confirmation that all possible efforts have been made in tracing dependants
- Proposals by the administrator/sub-committee in allocating death benefits are interrogated
- Approval of the allocation of death benefits to dependants
- Fund's activities/operations are monitored by the Board on an on-going basis

- **Exit Level Outcome 2**

Oversee the administration relating to the Fund itself (30%)

*Associated Assessment Criteria*

- Terms of contract are negotiated with service providers
- Performance of service providers is evaluated/ assessed against SLA criteria
- The transfer of records/ assets to the new service providers is overseen
- Financial statements are analysed
- Rule amendments for submission to, and registration by, the Regulator are reviewed and approved

- **Exit Level Outcome 3**

Oversee the Fund's investment activities (40%)

*Associated Assessment Criteria*

- Assistance with the development of an investment policy statement/ strategy is provided
- Assessment of how well the investment strategy is meeting the Fund's investment objectives is conducted
- Performance of service providers is monitored in relation to fulfilment of mandates and breaches thereof
- Reports from service provider are reviewed to ensure that minimum limits are met

## **INTERNATIONAL COMPARABILITY**

The international benchmarking exercise has shown that there are no standalone qualifications for trustees except for short courses offered by private training providers. These are offered either in contact sessions, e-learning, distance learning or in the form of conferences or seminars.

The NQF levels of the courses vary from NQF level 1 through to 6, depending on the scope of the content of the programme. The duration of the courses offered has also been found to vary from being a two-day workshop to a six-day workshop.

Course content covered by the training providers compares favourably with that covered in the South African occupational qualification. It has also been established that in all the courses offered by the training providers, the objective is to empower trustees to comply 'with various legislative requirements and regulatory framework stipulations that prescribe to the retirement fund industry'.

Access to the qualification is somewhat open with recommendations for individuals with a BCom, Legal or Administration qualification. The courses are aimed at learners who are the employer's representative, employees' representatives, interested parties and individuals who are involved in advising the Boards on the distribution of members' funds.

Some of the courses found include among others:

Advanced Certificate in Corporate Governance NQF level 6 is offered by the Institute of Chartered Secretaries and Administrators based in the UK.

The course is suitable for anyone who undertakes governance activities -a lawyers or accountants who deals with governance as part of their job; existing chartered professionals who want to update their corporate governance knowledge; or those who work in the company secretarial arena and are looking for a comprehensive stand-alone qualification in governance.

Topics covered included:

- Legal and regulatory aspects of corporate governance
- Codes and reports on corporate governance
- Application of governance rules and principles
- Role of the company secretary
- The Board of Directors/Board of Governors
- Remuneration of directors and senior executives
- Reporting to shareholders and external audits
- Relations with shareholders
- Risk management and internal control
- Corporate social responsibility and sustainability

<https://www.icsa.org.uk/qualifications-and-careers/study/advanced-certificate-in-corporate-governance>

Other training providers offering trustee training courses

Monash South Africa -an international private higher education institution offers a 17- day programme for trustees called Retirement Fund Trusteeship -Course code: RTF. The purpose of the course is to equip trustees with knowledge that will enable them to carry out their mandate to the best of their ability.

Topics covered in the course included:

- Introduction to Trusteeship
- Administrative Responsibilities and Management
- Pension / Provident Fund Products and Providers

- Fundamentals of Financial Management
- Legal, Governance and Compliance Principles

<https://www.monash.ac.za/study/courses/short-courses/professional/retirement-fund-trusteeship-training/>

Johannesburg School of Finance is another higher education institution that offers a short course for trustees over a maximum of 5 days. The purpose of the course is to give trustees an overview of the essential legal and investment knowledge they require to manage their fund effectively. Both newly appointed trustees and those who have been trustees for a while but who have had no formal trustee training will benefit from these courses.

Topics covered included:

- The role of a trustee
- Types of funds
- Defined benefit and defined contribution funds
- Pension and provident funds
- The fund's rules and other documents
- The Pension Funds Act
- Other legislation
- Duties of trustees
- The Common Law
- Statutory Law
- Allocation of death benefits
- Other key issues and responsibilities
- Introduction to investments
- Measuring investment returns
- Capital and income returns
- Investment returns and investment risk
- Investment objectives
- Investment policy
- Performance benchmarks
- Asset allocation

<http://www.jhbfin.co.za/trustee-training/index.html?&re=1> <http://www.jhbfin.co.za/trustee-training/index.html?&re=1>

Tower Watson, a UK based training provider is providing an e-learning short course for trustees called Trustee and Scheme management. The aim of the course is to empower trustees with the required knowledge in order for them to perform their functions effectively. The content of the course includes understanding the law relating to pensions and trusts, the funding of pension schemes, and the investment of scheme assets. <http://events.towerswatson.com/events/tool/render.asp?evtid=19121>

#### Other South African Private Training Providers

A few training providers have been identified. The focus of the training provided is on empowering the Board in the application of the current legislation in running, participating and making decisions related to the funds. Examples of such training providers include:

- Independent Trustee Services (Pty) Ltd
- Investment Wise is another South African Training Provider that offers a 2-day short course for trustees.
- Paddocks - A South African private training provider offers a course called Sectional Title Trustee Training which empowers learners to take on trustee leadership roles with control and confidence built on a broad understanding of the law of sectional title scheme management.
- Investment Consulting and Trustee Services – offers a 4-day short course that is aimed at empowering trustees with skills required to ensure that they not only continually meet the minimum compliance requirements set out in PF 130 but, more importantly, feel empowered and confident to make a meaningful contribution in their trustee meetings.

#### Similarities

The content of the programmes listed above compares to the South African Trustee occupational qualification.

#### Differences

The South African Occupational qualification is designed in such a way that learners will receive the theoretical knowledge ( knowledge modules) get exposed to a simulated environment in which they will be expected to practice the expected roles under the guidance of a facilitator or online by working on case studies (Practical Skill Modules) and finally, be exposed to a real work environment under the guidance of a mentor ( Work Experience Modules) before they sit for the final examination.

The duration of the South African occupational qualification is also longer as it caters for all the three components discussed above.

The NQF level of a South African occupational qualification is pitched at NQF level 5 whereas those that are offered by the South African Accredited Training Providers are pitched at NQF levels 1-3.

#### Conclusion

Based on the research made, it can be concluded that the South African Trustee Occupational qualification compares with the courses offered by the other institutions.

## **INTEGRATED ASSESSMENT**

### **Integrated formative assessment:**

None

### **Integrated summative assessment:**

An external integrated summative assessment, conducted through the relevant QCTO Assessment Quality Partner is required for the issuing of this qualification. The external integrated summative assessment will focus on the exit level outcomes and associated assessment criteria.

The external assessment will be conducted by means of a written examination conducted by registered assessors at an accredited assessment centre through two, 2-hour written examinations that occur on the same day.

### **RECOGNITION OF PRIOR LEARNING**

RPL for access to the external integrated summative assessment: Accredited providers and approved workplaces must apply the internal assessment criteria specified in the related curriculum document to establish and confirm prior learning. Accredited providers and workplaces must confirm prior learning by issuing a statement of result or certifying a work experience record.

RPL for access to the qualification: Accredited providers and approved workplaces may recognise prior learning against the relevant access requirements.

### **ARTICULATION**

This qualification articulates horizontally to:

- SAQA ID 93949: Higher certificate in investment administration, NQF level 5, 120 credits

The qualification articulates vertically with:

- SAQA ID 22409: Bachelor of commerce: Investment management, NQF level 6, 432 credits

### **NOTES**

#### **Qualifying for external assessment:**

In order to qualify for an external assessment, learners must provide proof of completion of all required modules by means of statements of results and work experience.

#### **Foundational learning:**

Foundational learning competence is not a pre-requisite for the awarding of this qualification.

#### **Additional legal or physical entry requirements:**

There are no additional external assessment requirements

Recorded trades to be replaced:

- This qualification does not replace any recorded trade.

#### **Part Qualifications**

##### **Part Qualification 1:**

##### **Title:**

None, L None, Cr None

##### **Purpose:**

None

**Part Qualification Curriculum Structure:**

This part qualification is made up of the following compulsory Knowledge Modules, Practical Skill Modules and Work Experience Modules:

Knowledge Modules:

- 134910001-KM-01, Governance and strategic direction and control, L5, Cr4
- 134910001-KM-02, Legal requirements and common law (statutes, regulations, directives, notices and circulars), L5, Cr10
- 134910001-KM-03, Rules and operations of a retirement fund, L5, Cr5
- 134910001-KM-04, Performance of Fund assets, L5, Cr16
- 134910001-KM-05, Financial requirements of a retirement fund, L5, Cr8
- 134910001-KM-06, Risk management, L5, Cr5

Total number of credits for Knowledge Modules: 48

- 134910001-PM-01, Govern the activities of the Board, L5, Cr8
- 134910001-PM-02, Select and conduct on-going assessment of service providers in the process of overseeing the operations of the Fund, L5, Cr4
- 134910001-PM-03, Approve financial statements, rule amendments and applicable regulatory submissions, L5, Cr8
- 134910001-PM-04, Formulate the investment strategy and monitor the performance of fund assets in terms of applicable laws and regulations, Fund rules and policies, L5, Cr28

Practical Skill Modules:

Total number of credits for Practical Skill Modules: 48

This qualification also requires the following Work Experience Modules:

- 134910001-WM-01, Processes related to contributing to the governance of the Board, L5, Cr4
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- 134910001-WM-03, Processes used to formulate the investment strategy and monitor the performance of fund assets in terms of applicable laws, regulations, Fund rules and policies, L5, Cr12

Total number of credits for Work Experience Modules: 24

**Criteria for the accreditation of providers**

Accreditation of providers will be done against the criteria as reflected in the relevant curriculum on the QCTO website.

The curriculum title and code is: Retirement Fund Trustee: 134910001