

Senior Management and Supervision

Learning Outcomes

At the end of this unit, candidates will be able to:

1. Apply supervision principles and practices in a retail financial services business;
2. Evaluate supervision principles and practice;
3. Evaluate the competency requirements for senior executives and the governance of competence arrangements;
4. Evaluate the impact of leadership and culture in a regulated environment.

Entry guidance

It is assumed that the candidate already has the knowledge gained from a study of J07 Supervision in a regulated environment or equivalent.

Important notes

- **This syllabus will be examined in the October 2014 and April 2015 sessions.**
- **The general rule is that the exams are based on the English legislative position three months before the date of the exams.**
- **Candidates are expected to be aware of the FCA rules and guidance regarding training and competence, conduct of business and complaints handling as contained within the relevant sourcebooks.**
- **Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:**
 - 1) Visit www.cii.co.uk/qualifications
 - 2) Select the appropriate qualification
 - 3) Select your unit on the right hand side of the page

1. **Apply supervision principles and practices in a retail financial services business**
 - 1.1 Apply regulatory requirements to management control structures;
 - 1.2 Apply supervisory practices in the context of business planning or operational risk management;
 - 1.3 Apply appropriate people risk or performance management policies;
 - 1.4 Interpret typical supervisory management information and ensure compliance with regulatory requirements.
2. **Evaluate supervision principles and practice**
 - 2.1 Evaluate the effectiveness and benefits of different approaches to supervision.
3. **Evaluate the competency requirements for senior executives and the governance of competence arrangements**
 - 3.1 Evaluate the business and regulatory competency requirements at senior executive level;
 - 3.2 Evaluate the governance of competence arrangements across business areas or functions.
4. **Evaluate the impact of leadership and culture in a regulated environment**
 - 4.1 Evaluate the impact of leadership in creating a supportive and ethical culture;
 - 4.2 Evaluate how culture, ethics and behaviour are used to manage and eliminate risk and promote good outcomes for customers.

Reading list

The following list provides details of various publications which may assist with your studies.

These will help candidates keep up-to-date with developments and will provide a wider coverage of syllabus topics.

Note: The examination will test the syllabus alone.

The reading list is provided for guidance only and is not in itself the subject of the examination.

CII/Personal Finance Society members can borrow most of the additional study materials below from Knowledge Services.

CII study texts can be consulted from within the library. For further information on the lending service, please go to www.cii.co.uk/knowledge.

CII study texts

Senior management and supervision. London: CII. Study text AF6.

Supervision in a regulated environment. London: CII. Study text J07.

Both texts are included as electronic resources within AF6 RevisionMate (www.revisionmate.com).

Additional reading

Additional reading materials are available through the library or on the Knowledge Services website.

New materials are added frequently – for information about new books and articles in your area of interest, please visit www.cii.co.uk/knowledge or email knowledge@cii.co.uk.

Books (and ebooks)

Exploring strategy, 9th edition. G Johnson and K Scholes. FT Prentice Hall, 2010.

The financial times guide to strategy: how to create and deliver a winning strategy. 4th ed. R Koch. FT Prentice Hall, 2011.

Leading change. JP Kotter. Harvard Business School Press, 1996. Coaching for performance. 4th ed. J Whitmore. Nicholas Brealey Publishing, 2009.

Managing transitions. 3rd ed. W Bridges. Nicholas Brealey Publishing, 2009.

Measuring customer service effectiveness. S Cook. Gower, 2004.

The non-executive directors' handbook, 2nd ed. B Coyle. ICSA Information and Training Ltd, 2011.

Collaborative leadership: how to succeed in an interconnected world. D Archer and A Cameron. Butterworth-Heinemann, 2008.

Collaborative leadership in financial services. Philip Ullah. Gower, 2011.

The leadership challenge: how to make extraordinary things happen in organizations. 5th ed. J Kouzes and B Posner. John Wiley and Sons, 2012.

Understanding people management. Kaplan Publishing, 2009.

Factfiles and other online resources

Risk control. Ian Searle. Updated as necessary. Available online via www.cii.co.uk/knowledge (CII/Personal Finance society members only).

Risk identification. Ian Searle. Updated as necessary. Available online via www.cii.co.uk/knowledge (CII/Personal Finance society members only).

Enterprise risk management. Ian Searle. Updated as necessary. Available online via www.cii.co.uk/knowledge (CII/Personal Finance society members only).

Further articles and technical bulletins are available at www.cii.co.uk/knowledge (CII and Personal Finance Society members only).

Reference materials

Dispute resolution: complaints. London: Financial Conduct Authority. Forms part of the FCA handbook. Available online at www.fshandbook.info/FS/.

New Conduct of Business Sourcebook. London: Financial Conduct Authority. Available online at www.fshandbook.info/FS/.

Training and competence. London: Financial Conduct Authority. Known as the Training and Competence Sourcebook; forms part of the FCA Handbook. Also available online at <http://fshandbook.info>.

Journals and magazines

Financial adviser. London: FT Business. Weekly. Also available online at www.ftadviser.com.

Financial solutions. London: Personal Finance Society. Six issues a year. Also available online via www.cii.co.uk/knowledge (CII/Personal Finance Society members only).

Examination guides

Guides are produced for each sitting of written answer examinations. These include the exam questions, examiners' comments on candidates' performance and key points for inclusion in answers.

Alternatively, if you have a current study text enrolment, the latest exam guides are available via www.revisionmate.com.

You are strongly advised to study guides for the last two sittings. Please visit www.cii.co.uk to buy online or contact CII Customer Service for further information on +44 (0)20 8989 8464.

Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.