

# Senior Management and Supervision

## Learning Outcomes

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

1. Analyse supervision principles and practices in a retail financial services business;
2. Evaluate the competency requirements for senior executives and the governance of competence arrangements;
3. 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 Jo7 Supervision in a regulated environment or equivalent.

## Important notes

- This syllabus will be examined from 1 July 2015 to 31 August 2016.
- The general rule is that exams are based on the English legislative position three months before the date of the exams.
- Coursework assignments should be based upon the English legislative position at the time of submission.
- 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](http://www.cii.co.uk/qualifications)
  2. Select the appropriate qualification
  3. Select your unit on the right hand side of the page

- 1. Analyse 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 Interpret typical supervisory management information and ensure compliance with regulatory requirements;**
  - 1.4 Evaluate the effectiveness of different approaches to supervision.**
- 2. Evaluate the competency requirements for senior executives and the governance of competence arrangements**
  - 2.1 Evaluate the business and regulatory competency requirements at senior executive level;**
  - 2.2 Evaluate the governance of competence arrangements across business areas or functions.**
- 3. Evaluate the impact of leadership and culture in a regulated environment**
  - 3.1 Evaluate the impact of leadership in creating a supportive and ethical culture;**
  - 3.2 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 you with your studies.

**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.

The publications will help you keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/PFS members can borrow most of the additional study materials below from Knowledge Services. CII study texts can be consulted from within the library.

New materials are added frequently - for information about new releases and lending service, please go to [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) or email [knowledge@cii.co.uk](mailto:knowledge@cii.co.uk).

### 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](http://www.revisionmate.com)).

### Books (and ebooks)

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

Exploring strategy, 10th edition. G Johnson et al. FT Prentice Hall, 2013.

Leading change. JP Kotter. Harvard Business School Press, 1996.

Management: an introduction. David Boddy. 6th. edition. Harlow, Essex: Pearson Education, 2014.

Mastering operational risk. 2nd ed. Tony Blunden and John Thirlwell. Pearson Education, 2013.

Organisational behaviour: an introductory text. Andrzej Huczynski, David Buchanan. 8th ed. Financial Times/Prentice Hall, 2013.

The Financial times guide to strategy: how to create and deliver a winning strategy. 3rd edition. R Koch. FT Prentice Hall, 2006.

The non-executive directors' handbook, 23rd. edition. B Coyle. ICSA Information and Training Ltd., 2013.

Understanding people management. Wokingham: Kaplan Publishing UK, 2009.

### Ebooks

The following ebooks are available through Discovery via [www.cii.co.uk/discovery](http://www.cii.co.uk/discovery) (CII/PFS members only):

Financial services management: a qualitative approach. Stewart Falconer. Hoboken: Taylor and Francis, 2014.

Leading change: how successful managers approach change management. Paul Lawrence. Philadelphia: Kogan Page, 2014.

Managing risk and opportunity: the governance of strategic risk taking. Torden Juul Andersen et al. Oxford: Oxford Scholarship Online, 2014.

Risk management at the top: a guide to risk and it's governance in financial institutions. Chichester, West Sussex: Wiley, 2014.

The Routledge companion to financial services management. Abingdon, Oxon: Routledge, 2015.

## Factfiles and other online resources

CII factfiles are concise, easy to digest but technically dense resources designed to enrich the knowledge of members. Covering general insurance, life and pensions and financial services sectors, the factfile collection includes key industry topics as well as less familiar or specialist areas with information drawn together in a way not readily available elsewhere. Available online via [www.cii.co.uk/ciifactfiles](http://www.cii.co.uk/ciifactfiles) (CII/PFS members only).

Risk control. Ian Searle.

Risk identification. Ian Searle.

Enterprise risk management. Ian Searle.

Soft skill 'Useful Guides' by Pansophix. Including: Effective change; Risk assessment; Managing projects; SWOT analysis, etc. Available online via [www.cii.co.uk/softskills](http://www.cii.co.uk/softskills) (CII/PFS members only).

Further articles and technical bulletins are available at [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge) (CII/PFS members only).

## Reference materials

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

New Conduct of Business Sourcebook. London: Financial Conduct Authority. Available online at [www.fshandbook.info/FS/](http://www.fshandbook.info/FS/).

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

## Journals and magazines

Financial adviser. London: FT Business. Weekly. Also available online at [www.ftadviser.com](http://www.ftadviser.com).

Financial solutions. London: CII. Six issues a year. Also available at [www.thepfs.org/knowledge](http://www.thepfs.org/knowledge) (CII/PFS members only).

\*Also available as an ebook through Discovery via [www.cii.co.uk/discovery](http://www.cii.co.uk/discovery) (CII/PFS 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.

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

Alternatively, if you have a current study text enrolment, the latest exam guides are available via [www.revisionmate.com](http://www.revisionmate.com).

Older guides are available (members only) via [www.cii.co.uk/knowledge](http://www.cii.co.uk/knowledge).

## Exam technique/study skills

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

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at [www.cii.co.uk/knowledge/iilrevision](http://www.cii.co.uk/knowledge/iilrevision) (CII/PFS members only).