

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 J07 Supervision in a regulated environment or equivalent.

Important notes

- **Method of assessment: completion of 3 coursework assignments.**
- **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
 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.

This is an essential part of the AF6 assessment process.

Note: The assessment will test the syllabus alone.

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

CII/PFS members can access most of the additional study materials below from the Knowledge Services website at www.cii.co.uk/knowledge.

New materials are added frequently -CII/PFS members can search the collection at <http://www.cii.co.uk/knowledge/discovery/> For information about accessing eBooks and other online resources, borrowing print books, or obtaining copies of chapters or articles, please go to www.cii.co.uk/knowledge or email 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).

Books (and ebooks*)

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

Conduct risk: a practitioner's guide. Peter Haines. London: Risk Books, 2016.

Harvard Business Review's 10 Must Reads. Series includes: Managing yourself, On strategy, On leadership, Change management, Managing people. Harvard Business Review Press, 2011.

Exploring strategy: text and cases. 10th edition. G Johnson et al. Upper Saddle River: Pearson Education, 2013.

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

Managing operational risk. Douglas D. Robertson. New York: Palgrave Macmillan, 2016.*

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

People risk management: a practical approach to managing the human factors that could harm your business. Keith Blacker, Patrick McConnell. London: Kogan Page, 2015.*

Scenarios: the art of strategic conversation. 2nd ed. Van der Heijden, K. John Wiley and Sons, 2009/2005.*

Strategic management. Richard Lynch. 6th ed. Harlow: Pearson Education Ltd, 2012.

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, 4th edition. B Coyle. ICSA Information and Training Ltd., 2016.

Understanding the Financial Conduct Authority: a guide for senior managers. Ashley Kovas. Kibworth Beauchamp: Matador Books, 2015.

Ebooks

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

Behavioural risks in corporate governance: regulatory intervention as a risk management. Vivian Ngozi Okoye. Oxon: Routledge, 2015.

Company organization: theory and practice. M.C. Barnes. Hoboken: Routledge, 2013.

Conduct risk management: using behavioural approach to protect your board and financial services business. Roger Miles. Kogan Page, 2017.

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

Leadership and organizations. Alan Bryman. London: Routledge, 2013.

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

Management, organization and employment strategy: new directions in theory and practice. Tony Watson. Hoboken: Routledge, 2013.

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.

Risk management, strategic thinking and leadership in the financial services industry; a proactive approach to strategic thinking. Hasan Dinger, ed. Switzerland: Springer, 2017.

The values-driven organisation: unleashing human potential for performance and profit. Richard Barrett. Abingdon, Oxon: Routledge, 2013.

Reference materials

Dispute resolution: complaints. London: Financial Conduct Authority. Forms part of the FCA handbook. Available online at www.handbook.fca.org.uk/handbook/DISP.pdf.

New Conduct of Business Sourcebook. London: Financial Conduct Authority. Available online at www.handbook.fca.org.uk/handbook/COBS.pdf.

Training and competence. London: Financial Services Conduct Authority. Available online at www.the-fca.org.uk/training-and-competence.

Journals and magazines

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

Personal finance professional (previously Financial solutions). London: CII. Six issues a year. Available online at www.thepfs.org/financial-solutions-archive (CII/PFS members only).

* Also available as an ebook through Discovery via www.cii.co.uk/discovery (CII/PFS members only).

Specimen guides

Specimen guides are available for all coursework units.

These are available on the CII website under the unit description / purchasing page. You will be able to access this page from the Qualifications section of the CII website: www.cii.co.uk/qualifications.

These specimen guides are also available on the RevisionMate website www.revisionmate.com after you have purchased the unit.

Technique/study skills

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