

# Senior management and supervision

## Learning Outcomes

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

- Analyse supervision principles and practices in a financial services business;
- Evaluate the competency requirements for senior managers and the governance of competence arrangements;
- Evaluate the impact of leadership and culture in a regulated environment.

### Summary of learning outcomes

- |   |
|---|
| 1. Apply knowledge of the regulatory and business environment and practices                               |
| 2. Apply supervisory practices in the context of operational risk management                              |
| 3. Evaluate the competency requirements for senior managers 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

- Method of assessment: completion of 3 coursework assignments.
- Coursework assignments should be based upon the English legislative position at the time of submission.
- Resubmissions need not be updated to a new legislative position or tax year when they are resubmitted after the original date 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 from the list provided
  4. Select qualification update on the right hand side of the page

This PDF document is accessible through screen reader attachments to your web browser and has been designed to be read via the speechify extension available on Chrome. Speechify is a free extension that is available from <https://speechify.com>. If for accessibility reasons you require this document in an alternative format, please contact us at [online.exams@cii.co.uk](mailto:online.exams@cii.co.uk) to discuss your needs.

## 1. Apply knowledge of the regulatory and business environment and practices

- 1.1 Understand the objectives and benefits of regulation including Consumer Duty, Fair treatment of customers, vulnerable customers and BiFD;
- 1.2 Understand supervision principles and practices.

## 2. Apply supervisory practices in the context of operational risk management

- 2.1 Explain effective risk management;
- 2.2 Evaluate different governance approaches.

## 3. Evaluate the competency requirements for senior managers and the governance of competence arrangements

- 3.1 Evaluate the business and regulatory competency requirements at senior management 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 you with your studies.

**Note: The examination will test the syllabus alone. However, it is important to read additional sources as 5% of the exam mark is allocated for evidence of further reading and/or the use of relevant examples.**

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

The publications listed here provide a wider coverage of syllabus topics.

### CII study texts

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

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

After you have purchased the unit all the above texts are included as electronic resources within AF6 RevisionMate ([www.cii.co.uk/login](http://www.cii.co.uk/login)).

### Books (and eBooks\*)

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

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 via [www.cii.co.uk/elibrary](http://www.cii.co.uk/elibrary) (CII/PFS members only):

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

The Compliance Revolution: How compliance needs to change to survive, David Jackman, Wiley, 2015.

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

## Reference materials

Senior Managers and Certification Regime: dual regulated firms, Financial Conduct Authority. Available online at [www.fca.org.uk/firms/senior-managers-certification-regime/dual-regulated-firms](http://www.fca.org.uk/firms/senior-managers-certification-regime/dual-regulated-firms)

Senior Managers and Certification Regime: solo regulated firms, Financial Conduct Authority. Available online at [www.fca.org.uk/publication/policy/guide-for-fca-solo-regulated-firms.pdf](http://www.fca.org.uk/publication/policy/guide-for-fca-solo-regulated-firms.pdf)

Consumer Duty: Financial Conduct Authority. Available online at [www.fca.org.uk/publication/policy/ps22-9.pdf](http://www.fca.org.uk/publication/policy/ps22-9.pdf)

Guide to the UK General Data Protection Regulation (UK GDPR): Financial Services Conduct Authority Information Commissioner's Office. Available online at [www.ico.org.uk/for-organisations/guide-to-data-protection/guide-to-the-general-data-protection-regulation-gdpr/](http://www.ico.org.uk/for-organisations/guide-to-data-protection/guide-to-the-general-data-protection-regulation-gdpr/)

## Journals and magazines

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

Personal finance professional (previously Financial solutions). London: CII. Six issues a year.

## Exemplar paper

An exemplar paper is available for this unit. It is 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](http://www.cii.co.uk/qualifications).

The exemplar paper is also available on the RevisionMate website [ciigroup.org/login](http://ciigroup.org/login) 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.