



Chartered  
Insurance  
Institute

# J07

## Diploma in Financial Planning

Unit J07 – Supervision in a regulated environment

February 2023 Examination Guide

### SPECIAL NOTICES

Candidates entered for the September 2023 examination should study this examination guide carefully in order to prepare themselves for the examination.

Practice in answering the question is highly desirable and should be considered a critical part of a properly planned programme of examination preparation.

## J07 – Supervision in a regulated environment

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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 a [online.exams@cii.co.uk](mailto:online.exams@cii.co.uk) to discuss your needs.

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**Published April 2023**

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## IMPORTANT GUIDANCE FOR CANDIDATES

The purpose of this Examination Guide is to help you understand how examiners seek to assess candidates' knowledge and their ability to apply this to a case study scenario. You can then use this understanding to help you in your preparation for the examination.

### Before the examination

#### Read the Qualifications Brochure

Details of administrative arrangements and the regulations which form the basis of your examination entry are to be found in the current CII Qualifications Brochure and important notes for candidates, which is *essential reading* for all candidates. It is available online at [www.cii.co.uk](http://www.cii.co.uk).

#### Study the syllabus carefully

This is available online at [www.cii.co.uk](http://www.cii.co.uk). All the questions in the examination are based directly on the syllabus. *You will be tested on the syllabus alone*, so it is vital that you are familiar with it.

The current syllabus is examined from **1 September 2023 to 31 August 2024** and includes new areas under the learning outcomes. This is primarily under learning outcome 1 *Understanding the characteristics and role of a manager in financial services*, however, there are further changes under the other learning outcomes. Some of these new syllabus areas are examined as part of this paper. Please refer to the syllabus for further details.

#### Note the assumed knowledge

For the Advanced Diploma in Financial Planning, candidates are assumed to have studied the relevant units of the Diploma in Financial Planning or the equivalent. This knowledge is set out on the relevant syllabus.

#### Read widely

*It is quite unrealistic to expect that the study of a single textbook will be sufficient to meet all your requirements.* There are books specifically produced to support your studies that provide coverage of all the syllabus areas; however, you should be prepared to read around the subject. This is important, particularly if you feel that further information is required to fully understand a topic, or an alternative viewpoint is sought. The reading list which can be found with the syllabus provides valuable suggestions.

#### Make full use of the Examination Guide

This Examination Guide contains a full examination paper and model answers. The model answers show the types of responses the examiners are looking for and which would achieve maximum marks, *however, you should note that there are alternative answers to some question parts which would also gain high marks.* For the sake of clarity and brevity not all of these alternative answers are shown.

This guide and previous Examination Guides can be treated as 'mock' examination papers. Attempting them under examination conditions as far as possible, and then comparing your answers to the model ones, should be seen as an essential part of your exam preparation. The examiner's comments on candidates' actual performance in each question provide further valuable guidance. You can obtain copies of the two most recent examination guides free of charge at [www.cii.co.uk](http://www.cii.co.uk).

### Know the structure of the examination

- Assessment is by means of a two-hour on-screen written exam.
- The on-screen written exam is made up of 15 short questions.
- **All** questions are compulsory.
- The exam will carry a total of 130 marks.

### Appreciate the standard of the examination

Candidates must demonstrate that they are capable of advising clients *whose overall levels of income and capital require a more sophisticated scheme of investment* than is normally prepared by a level 4 qualified adviser. These clients require a critical appraisal of the various financial planning options available to them.

### Read the Assessment Information and Exam policies for candidates

Details of administrative arrangements and regulations which form the basis of your examination entry are available online at <https://www.cii.co.uk/learning/qualifications/assessment-information/>. This is *essential reading* for all candidates.

### On-screen written exam familiarisation (Demo 1)

The familiarisation test allows you to experience using the assessment platform before your exam. Please note that while there might be slight differences in layout it will give you a good idea of how to navigate and use the platform functionality. This test is for the purpose of familiarisation with the assessment platform only. You can also access past exam papers here: <https://www.cii.co.uk/learning/qualifications/assessment-information/before-the-exam/exam-papers-and-test-specifications/>

You can access the familiarisation test at any time.

<https://www.cii.co.uk/learning/qualifications/assessment-information/on-screen-written-exams-by-remote-invigilation/exam-familiarisation/>

Although based on AF1, this example test is designed for all candidates and while there might be slight differences in layout it will give you a good idea of how to navigate and use the platform functionality.

The familiarisation test is designed to allow you to go through the end-to-end process from logging in to answering test questions, before the day of your exam. **We strongly advise that you try the familiarisation test once you have received your login details and well in advance of the actual exam day to help pre-empt any potential exam day technical issues.**

**Please note you are strongly advised not to use a laptop provided by your employer.**

Laptops and IT equipment provided by your employer typically include security protocols that conflict with any remote invigilation software. You should also avoid using a corporate Wi-Fi or any other internet connection that may include firewalls that you cannot personally control.

- From the familiarisation test, ensure you can scroll right and see the whole screen. Ensure your screen resolution shows all the features including the button to return back to your answers to **edit** them. To return to edit any answer you have already typed, you must press **'Answer'** for the question you are already in otherwise it will not let you select a previous question you have answered to edit.

**Chartered Insurance Institute** | Prev | Nav | Next | Clear Highlight | Tools | Calculator | End Test | 174:27

**AF1 October 2019**

**SECTION A**  
This question is compulsory and carries 80 marks

**Question 1**  
Read carefully all information provided in the case study before attempting the questions. Your answers should take into account the client's circumstances as set out in the case study. Please carry out ALL of the tasks (a), (b), (c), (d) and (e) which follow.

Andrew, aged 63, a higher rate taxpayer has two adult children, Lance and Hayley. Lance is a basic rate taxpayer and Hayley is a non-taxpayer. Hayley needs regular care as a result of the injuries she suffered in a motor accident when she was a child. Lance has two young children both under the age of 10.

Andrew's mother, Peggy, a widow, died on 1 March 2019 leaving her entire estate to Andrew. Peggy inherited her Aunt's estate of £400,000 in February 2016 following the payment of £30,000 Inheritance Tax (IHT) that was due following the administration of her estate. Peggy's estate was comprised of the following on her death:

House	£700,000
Deposit accounts	£323,000
Cash ISAs	£55,000
FTSE listed shares	£150,000
Collective investment portfolio	£101,000
Personal Pension nominated to a discretionary trust	£326,000

Peggy's husband Frank, died in 2016, leaving his share of their house and his residual estate to Peggy. Frank made only one gift in the seven years before he died. He settled £450,000 into a discretionary trust just under four years earlier. Inheritance Tax (IHT) of £23,800 was paid at outset by the trustees. Following Peggy's death, Andrew is the only remaining trustee.

Andrew is in discussions with his solicitors to draft a Will and they have suggested he arrange a Lasting Power of Attorney (LPA) for Property & Financial Affairs.

Andrew intends to make some provision for his children and grandchildren. His income is around £10,000 a year higher than his outgoings. He has a variety of savings accounts and an onshore life assurance bond invested in a managed fund which has performed well over the years.

To gain maximum marks for calculations you must show all your workings and express your answers to two decimal places.

**1. (a)** Calculate, showing all your workings, the IHT due as a result of Peggy's death on the 1 March 2019. **(13)**

Navigation: < Inf01 Inf02 Inf03 **1a** 1b 1c 1d 1e Inf04 2a 2b 2c 2d 2e Inf05 3a 3b 3c Inf06 >

Buttons: Flag Edit

- Tax tables are **NOT** provided for J07. So only the question paper will appear on the right-hand side of the interface. Tax tables will only appear in the demo test and not the 'live' exam.

**Chartered Insurance Institute** | Prev | Nav | Next | Clear Highlight | Tools | Calculator | End Test | 164:16

**AF1 October 2019**

**INCOME TAX**

RATES OF TAX	2018/2019	2019/2020
Starting rate for savings*	0%	0%
Basic rate	20%	20%
Higher rate	40%	40%
Additional rate	45%	45%
Starting-rate limit	£5,000*	£5,000*
Threshold of taxable income above which higher rate applies	£34,500	£37,500
Threshold of taxable income above which additional rate applies	£150,000	£150,000
Child benefit charge:		
1% of benefit for every £100 of income over	£50,000	£50,000

\*not applicable if taxable non-savings income exceeds the starting rate band of £5,000.

Dividend Allowance		£2,000
Dividend tax rates		
Basic rate		7.5%
Higher rate		32.5%
Additional rate		38.1%
Trusts		
Standard rate band		£1,000
Rate applicable to trusts		
- dividends		38.1%
- other income		45%

**MAIN PERSONAL ALLOWANCES AND RELIEFS**

Income limit for Personal Allowance §	£100,000	£100,000
Personal Allowance (basic)	£11,850	£12,500
Married/civil partners (minimum) at 10% †	£3,360	£3,450
Married/civil partners at 10% †	£8,695	£8,915
Marriage Allowance	£1,190	£1,250
Income limit for Married Couple's Allowance ‡	£28,900	£29,600
Rent a Room scheme – tax free income allowance	£7,500	£7,500

With regard to the discretionary trust established by Frank:

**1. (b)(i)** Explain to Andrew why IHT was payable when assets were placed into the trust and how it was calculated. No calculation is required. **(6)**

Navigation: < Inf01 Inf02 Inf03 **1a** **1b** 1c 1d 1e Inf04 2a 2b 2c 2d 2e Inf05 3a 3b 3c Inf06 >

Buttons: Flag Clear

3. Once you have typed in your answer ensure you click the red 'Answer' box, this will save your answer and move you onto the next question. Unless you press 'Answer', you will not be permitted to move onto other questions. Furthermore, please do not type all of your answers for every question into the answer space for Q1a. You should familiarise yourself with all questions prior to starting the exam.

The screenshot shows the Chartered Insurance Institute exam interface. At the top left is the Chartered Insurance Institute logo. Navigation buttons include 'Prev', 'Nav', 'Next', and 'Clear Highlight'. On the right, there are 'Tools', 'Calculator', 'End Test', and a timer showing '158:41'. The question text is partially visible, with three sub-questions (i), (ii), and (iii) highlighted in blue. Below the question is a rich text editor with a toolbar containing 'Formats', 'B', 'I', 'U', 'List', 'Link', and 'Image' icons. A red 'Answer' button is located at the bottom left of the editor. On the right side of the interface, a table titled 'INCOME TAX' for 'AF1 October 2019' is displayed. The table is divided into 'RATES OF TAX' and 'MAIN PERSONAL ALLOWANCES AND RELIEFS'.

AF1 October 2019		
INCOME TAX		
RATES OF TAX	2018/2019	2019/2020
Starting rate for savings*	0%	0%
Basic rate	20%	20%
Higher rate	40%	40%
Additional rate	45%	45%
Starting-rate limit	£5,000*	£5,000*
Threshold of taxable income above which higher rate applies	£34,500	£37,500
Threshold of taxable income above which additional rate applies	£150,000	£150,000
Child benefit charge:		
1% of benefit for every £100 of income over	£50,000	£50,000
*not applicable if taxable non-savings income exceeds the starting rate band of £5,000.		
Dividend Allowance		£2,000
Dividend tax rates		
Basic rate		7.5%
Higher rate		32.5%
Additional rate		38.1%
Trusts		
Standard rate band		£1,000
Rate applicable to trusts		
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MAIN PERSONAL ALLOWANCES AND RELIEFS		
Income limit for Personal Allowance §	£100,000	£100,000
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Marriage Allowance	£1,190	£1,250
Income limit for Married Couple's Allowance*	£28,900	£29,600
Rent a Room scheme – tax free income allowance	£7,500	£7,500

At the bottom of the interface is a navigation bar with question markers for '1a', '1b', '1c', '1d', '1e', 'Inf04', '2a', '2b', '2c', '2d', '2e', 'Inf05', '3a', '3b', '3c', and 'Inf06'. A red box highlights the '1b' marker. On the right side of the navigation bar are 'Flag' and 'Clear' buttons.

4. On the day of the J07 exam, please click on:

The screenshot shows the top part of the exam interface. On the left is the CII logo. In the center, the exam title 'J07 Supervision in a regulated environment' is displayed in a large, bold font. A blue line points from the text in question 4 to the exam title.

5. The above screenshot shows the point before the exam has started; you may wish to take this moment at this screen to jot down any notes on paper that may assist you during the exam. Please note the exam timer will not start until you click the exam titled: **J07 Supervision in a regulated environment.**

## In the examination

### The following will help:

#### Spend your time in accordance with the allocation of marks:

- The marks allocated to each question part are shown on the paper.
- If a question has just two marks allocated, there are likely to be only one or two points for which the examiner is looking for, so a long answer is wasting valuable time.
- Conversely, if a question has 12 marks allocated, a couple of lines will not be an adequate answer. Always remember that if the paper is not completed, your chances of passing will be reduced considerably.
- Do not spend excessive time on any one question; if the time allocation for that question has been used up, leave some space, go on to the next question and return to the incomplete question after you have completed the rest of the paper, if you have time. You can use the flag button to indicate which questions are incomplete.

#### Take great care to answer the question that has been set

- Many candidates finish the examination confident that they have written a 'good' paper, only to be surprised when they receive a disappointing result. Often, the explanation for this lies in a failure to think carefully about what the examiner requires before answering.
- Highlighting key words and phrases is a technique many candidates find useful.
- The model answers provided in this Examination Guide would gain full marks. Alternative answers that cover the same points and therefore answer the question that has been asked would also gain full marks.

#### Tackling questions

Tackle the questions in whatever order feels most comfortable. Generally, it is better to leave any questions which you find challenging until you have attempted the questions you are confident about. Candidates should avoid mixing question parts, (for example, 1(a)(i) and (ii) followed by 2(b)(ii) followed by 1(e)(i) as this often leads to candidates unintentionally failing to fully complete the examination paper. This can make the difference between achieving a pass or a narrow fail.

It is vital to label all parts of your answer correctly as many questions have multiple parts to them (for example, question 1(a) may have parts (i), (ii) and (iii)). Failure to fully distinguish between the separate question parts may mean that full credit cannot be awarded. It is also important to note that a full answer must be given to each question part and candidates should not include notes such as 'refer to answer given in 1(b)(i)'.

#### Answer format

Unless the question requires you to produce an answer in a particular format, such as a letter or a report, you should use 'bullet points or short paragraphs. The model answers indicate what is acceptable for the different types of question.

Where you are asked to perform a calculation, it is important to show **all** the steps in your answer. The majority of the marks will be allocated for demonstrating the correct method of calculation.

Marks are not lost due to poor spelling or grammar.

## EXAMINERS' COMMENTS

### Candidates' overall performance:

Candidates' performance on this paper was varied, however they have shown a marked improvement compared to previous sittings and this is reflected in the pass mark.

Some candidates did not appear well prepared for this examination and achieved low marks. The questions candidates found challenging included 'Investors in People' accreditation, career management, the third line of defence and job specifications.

Comments on individual questions are shown below.

### Question 1

In part (a) most candidates gained one mark for identifying the reason companies specify competencies for job roles is to define the behaviours they expect. Very few candidates attained full marks.

Part (b) asked candidates to state two criteria for each of four competencies that supervisors may be required to demonstrate. Most candidates were able to identify a small number of criteria, especially for 'Managing The Team' but generally did not perform highly across the whole question.

### Question 2

Candidates generally performed reasonably well on part (a) of this question, which asked for examples of teams in each line of defence, testing knowledge of the practical operation of the Three Lines Model.

Candidates performed less well in part (b), which asked them to state the purpose of the third line of defence. Many candidates did not identify the role of audit in the provision of independent assurance and reporting to the governance body of a corporate entity and the executive leadership team.

### Question 3

This question, about the hygiene and motivation factors in Herzberg's Motivation Theory model and was well answered by candidates.



#### **Question 4**

Candidates generally performed well in part (a) of this question, which asked for examples of actions a manager may take when using the 'Avoid' method of conflict management.

In part (b) candidates performed fairly well. This required them to identify and describe briefly four other methods of dealing with conflict. Some candidates named the methods but did not clearly identify the relevant strategies that could be used for each method.

#### **Question 5**

Part (a) tested knowledge of the essential information that should be included in a job specification, and was well answered, with many candidates achieving the maximum marks available.

Candidates did not generally perform well in part (b), which focused on the desirable information that could be included in a job specification. Some candidates provided answers more suitable for part (a) of the question.

#### **Question 6**

Part (a) required candidates to state two statutory rights of self-employed contractors. Some candidates gained one of the two marks available, but some were unable to achieve any marks.

Candidates performed better on part (b), which required them to identify eight statutory rights of employees.

#### **Question 7**

Most candidates performed well on this question, about the 'Conscious Competence Learning Matrix', with a high number gaining maximum marks.

#### **Question 8**

This question, about providing effective feedback, was answered to a good standard, although few candidates achieved the maximum marks available.

#### **Question 9**

This question tested knowledge of the key skills required for an effective counselling session, and was fairly-well answered, with tolerance and the ability to summarise most often being missed.

### **Question 10**

Candidates generally performed moderately well in part (a), with most identifying a reasonable number of obligations of a bank when notifying a complainant of the outcome of their complaint.

Part (b) asked candidates to provide examples of complaint root causes. It was well answered, with many candidates achieving the maximum available marks.

### **Question 11**

This question tested knowledge of the Environmental, Social and Governance (ESG) approach, a new syllabus area. It was generally well answered, with most candidates achieving a high proportion of the marks available.

### **Question 12**

Candidates performed strongly on part (a), with most able to define career management within an organisation and attaining both marks available.

Part (b), which asked candidates to identify and provide an example of the main components of career management, was not well answered, with many candidates attaining a low proportion of the marks available.

### **Question 13**

Candidates also did not generally perform well in this question, which tested knowledge of the 'Investors in People' accreditation.

### **Question 14**

Part (a) which asked for examples of unsatisfactory workplace performance, was well answered, with many candidates achieving a high proportion of marks.

Candidates did not perform as well in part (b), which focused on appropriate actions a manager should take before formal disciplinary proceedings, although many candidates obtained a reasonable proportion of the marks available.

### **Question 15**

This question was fairly well answered, with most candidates able to identify a reasonable number of features of a firm's disciplinary procedures, in line with ACAS guidance.

## Unit J07 – Supervision in a regulated environment

### Instructions to candidates

Read the instructions below before answering any questions

All questions in this examination are based on English law and practice applicable in the tax year 2022/2023, unless stated otherwise in the question, and should be answered accordingly. It should be assumed that all individuals are domiciled and resident in the UK unless otherwise stated.

If you are sitting via remote invigilation, please

- Write down the following number +44 (0)80 8273 9244 this is the number to use if your system freezes or you get forced out of your exam. It is fine to phone it if you have these issues.
- Show your ID to the camera now, if you did not do so during the ID checks.
- Show the edge of your screen with a mirror if you did not do this during the room scan.
- Show any blank sheets of paper for notes, if you did not show both sides to the camera during the room scan.

If you are sitting in a test centre and encounter a problem please alert the invigilator.

For candidates sitting via remote invigilation or at a test centre

- Two hours are allowed for this paper which consists of 15 short answer questions and carries a total of 130 marks.
- You are strongly advised to attempt all questions to gain maximum possible marks.
- The number of marks allocated to each question part is given next to the question and you should spend your time in accordance with that allocation.
- Read carefully all questions and information provided before starting to answer. Your answer will be marked strictly in accordance with the question set.
- For each answer, please type in the full question number you are answering e.g., 1a
- **Please note each answer must be typed in the correct corresponding answer box**
- **If you are wearing headset, earphones, smart watch please take them off. No watches permitted.**
- Please familiarise yourself with all questions before starting the exam.

Subject to providing sufficient detail you are advised to be as brief and concise as possible, using note format and short sentences on separate lines wherever possible.

Attempt ALL questions

Time: 2 hours

**PLEASE ENSURE YOU ANSWER EACH QUESTION IN THE CORRECT ANSWER BOX**

1.
  - (a) Explain briefly why a financial services company may specify competencies for job roles. (2)
  - (b) State **two** criteria for **each** of the following competencies which supervisors may be required to demonstrate:
    - (i) Personal effectiveness. (2)
    - (ii) Working with others. (2)
    - (iii) Creating solutions. (2)
    - (iv) Managing the team. (2)
  
2.
  - (a) Provide **one** example of a team in each line of defence, in accordance with the three lines model. (3)
  - (b) State the purpose of the third line of defence. (3)
  
3. With reference to the Herzberg' Motivation Theory model:
  - (a) List **five** 'hygiene' factors. (5)
  - (b) List **five** 'motivator' factors. (5)
  
4. Orla has a conflict with the manager of a different team.

With reference to the Thomas-Kilmann model, Orla is considering using the 'avoid' method to manage the situation:

  - (a) Identify **two** examples of actions Orla might take to deal with the situation using the 'avoid' method. (2)
  - (b) Describe briefly the other **four** methods of dealing with conflict that Orla could employ. (8)

**PLEASE ENSURE YOU ANSWER EACH QUESTION IN THE CORRECT ANSWER BOX**

5. Jack is a financial adviser and is considering applying for a new role in a firm that specialises in retirement planning.
- (a) Identify **three** pieces of essential information that should be included within the job specification. (3)
- (b) Identify **four** pieces of desirable information that could be included within the job specification. (4)
6. Naseema recently worked on a self-employed contracting basis for a financial advice firm and is now being taken on as an employee.
- (a) State **two** statutory rights she was eligible for as a self-employed contractor. (2)
- (b) State **eight** statutory rights she will be eligible for as an employee. (8)
7. Identify and state a feature of **each** stage of the Conscious Competence Learning Matrix. (8)
8. Gideon is delivering a presentation to the senior leadership team. Alexis, his mentor, will be observing this presentation and will provide feedback.
- Outline the key actions that should be taken by Alexis to provide effective feedback to Gideon. (8)
9. State **five** key skills required to undertake an effective counselling session. (5)
10. Phil has made a complaint to his bank regarding being unable to access his bank account.
- (a) Explain briefly the obligations of the bank when notifying Phil of the outcome of the complaint. (5)
- (b) State **three** examples of complaint root causes. (3)

**PLEASE ENSURE YOU ANSWER EACH QUESTION IN THE CORRECT ANSWER BOX**

- 11.** A large financial services firm is considering its Environmental, Social and Governance (ESG) business strategy.

Explain briefly the key areas of ESG and provide **two** examples to illustrate **each** one. **(9)**

- 12. (a)** Define career management within an organisation. **(2)**

**(b)** Identify and provide an example of **each** of the five main components of career management. **(10)**

- 13.** List the key indicators an organisation must evidence in **each** of the following areas to attain the Investors in People accreditation:

**(a)** Leading. **(3)**

**(b)** Supporting. **(3)**

**(c)** Improving. **(3)**

- 14. (a)** Identify **four** examples of unsatisfactory performance in the workplace. **(4)**

**(b)** Outline **four** appropriate actions that a manager should take before commencing formal disciplinary proceedings. **(4)**

- 15.** Explain the key features of a firm's disciplinary procedures, in line with ACAS guidance. **(10)**

**NOTE ON MODEL ANSWERS**

The model answers given are those which would achieve maximum marks. However, there are alternative answers to some question parts which would also gain high marks. For the sake of clarity and brevity not all of these alternative answers are shown. An oblique (/) indicates an equally acceptable alternative answer.

**Model answer for Question 1**

- (a)
- To define the behaviours/ skill levels that the business expects / needs.
  - Additional behaviours not currently covered by regulation or frameworks (e.g. COCON).
- (b)
- (i)
- Striving for excellence
  - Taking initiative
- (ii) *Candidates would have gained full marks for any two of the following:*
- Customer focus
  - People focus
  - Building relationships/understanding and trust
  - Influencing skills
- (iii) *Candidates would have gained full marks for any two of the following:*
- Seeking information
  - Understanding issues
  - Problem solving
- (iv) *Candidates would have gained full marks for any two of the following:*
- Leadership
  - Communication
  - Maintaining compliance standards
  - Managing performance
  - Identify Development needs/coaching

**Model answer for Question 2**

- (a)
- First line: operational teams/ valid example
  - Second teams: risk / compliance / valid example
  - Third line: internal / external audit
- (b)
- Audit both first and second line to ensure that they are working effectively / valid examples e.g. systems and controls
  - Provide independent assurance to the governing body
  - Reporting to the governing body/ executive team

**Model answer for Question 3**

(a) *Candidates would have gained full marks for any five of the following:*

- Working conditions
- Relationship with peers
- Administration
- Pay
- Supervision
- Status
- Security

(b) *Candidates would have gained full marks for any five of the following:*

- Recognition
- Advancement
- Growth
- Work itself
- Achievement
- Responsibility

**Model answer for Question 4**

(a) *Candidates would have gained full marks for any two of the following:*

- Avoiding people/situations you find troublesome.
- Ignoring issues, you regard as unimportant/ too difficult to deal with.
- Not dealing with issues.

(b)

- **Accommodate**
- Willing to accept a position that would meet the other persons concern/doing someone a favour/deferring to someone else's expertise.
- **Compete**
- When you adopt a position that satisfies your own needs/imposing a decision when quick and decisive action is required/when consensus fails.
- **Collaborate**
- When a situation is found that satisfies both your position and the other persons/by adopting the other person's position the proposal is strengthened.
- **Compromise**
- When both parties give both parties give up part of their position/ each party get something and gives up something.



**Model answer for Question 5**

- (a) *Candidates would have gained full marks for any three of the following:*
- Job role.
  - Company.
  - Reporting line.
  - Job responsibilities.
  - Level 4 qualified/minimum qualifications.
  - Relevant financial services experience.
  - Competent status.
- (b)
- Behaviours/ conveys a professional culture and image.
  - Skills.
  - Achieved/studying towards higher level qualifications or degree standard of education.
  - Previous experience of advising on retirement planning.
  - Has AF7 or equivalent qualification.

**Model answer for Question 6**

- (a) *Candidates would have gained full marks for any two of the following:*
- Protection against discrimination in some cases (e.g. age, sex and disability).
  - Protection of her health and safety.
  - The rights and responsibilities set out in the terms of the contract she has with the advisory firm.
- (b) *Candidates would have gained full marks for any eight of the following:*
- A maximum work week of 48 hours.
  - Payment at or above the national minimum wage.
  - A written statement of employment.
  - Paid sick leave.
  - Paid annual leave / holiday.
  - Maternity, paternity or adoption leave.
  - Antenatal care.
  - The ability to apply for flexible working hours.
  - Access to grievance procedures.
  - Redundancy pay.
  - The right not to be treated less favourably if she works part time.
  - Statutory /minimum notice periods.

### Model answer for Question 7

- **Unconscious incompetence**

*Candidates would have gained full marks for any two of the following:*

- Unaware of their own lack of competence in a skill
- Either due to avoidance of the issue;
- Still learning
- They do not see the skill as relevant.

- **Conscious incompetence**

*Candidates would have gained full marks for any two of the following:*

- Aware of their lack of skill
- And the need to address this / they are ready to learn
- May be able to perform some of the role, but not all, or not all the time

- **Conscious competence**

*Candidates would have gained full marks for any two of the following:*

- Able to perform the task consistently well / need no help
- But have to think about it each time
- Is not yet automatic
- Need more experience to develop further

- **Unconscious competence**

*Candidates would have gained full marks for any two of the following:*

- Can perform the task well without thinking about it
- Has become embedded in their brain/comes naturally to them
- Can easily develop bad habits

### Model answer for Question 8

- Agree on what is to be measured
- Make detailed notes
- Provide feedback as soon as possible after event
- Examples of positive behaviours
- Involve employee in feedback/not a one way/interactive/encourage self-appraisal
- Ensure it is balanced/examples where improvement needed
- Summarise discussion/agree actions
- Arrange future meeting to review

### Model answer for Question 9

- Active listening
- Ability to summarise
- Questioning / probing skills
- Tolerance
- Empathy

### Model answer for Question 10

(a) *Candidates would have gained full marks for any five of the following:*

- Comply with regulatory timescales
- Explain promptly the assessment of a complaint
- Explain its decision/reasons why
- In a way that is fair, clear and not misleading
- Confirm in writing
- Offer details of FOS referral rights
- Redress if appropriate

(b) *Candidates would have gained full marks for any three of the following:*

Three Valid examples, which may include:

- Deficiencies in procedure/process
- Deficiencies in IT/system design
- Human error
- Another valid example

### Model answer for Question 11

(a) **Environmental**

- Contribution made to the preservation of the environment
- Zero carbon emissions/another valid example
- waste management/another valid example

**Social**

- Consideration of the business towards society and people
- Supporting charitable causes/managing the risks associated with human slavery/encouraging diversity/financial education/any other valid example
- any other valid example

**Governance**

- The way a business is run
- Hiring practices/ any other valid example
- composition of the board/any other valid example

**Model answer for Question 12**

**(a)** *Candidates would have gained full marks for any two of the following:*

- Design and implement career processes/progression.
- Enable employees' careers to be managed.
- Meet both organisational/individual career objectives.

**(b)** • **Career planning and support activities**

*Candidates would have gained full marks for any one of the following:*

- Long term development plans
- Regular reviews of progress with manager

• **Career information and advice**

*Candidates would have gained full marks for any one of the following:*

- Career coaching
- Mentoring
- Career planning courses

• **Developmental assignments/creating opportunities**

*Candidates would have gained full marks for any one of the following:*

- Secondments/job rotations
- External projects

• **Internal markets and job posting systems**

*Candidates would have gained full marks for any one of the following:*

- Advertising vacancies
- Proactive identification of potentially suitable candidates internally

• **Specific initiatives**

*Candidates would have gained full marks for any one of the following:*

- Succession planning
- Talent management programmes
- Graduate schemes

**Model answer for Question 13**

- (a)
  - Leading and inspiring people
  - Living the organisation's values
  - Empowering and involving people
  
- (b)
  - Managing performance
  - Recognising and rewarding high performance
  - Structuring work
  
- (c)
  - Building capacity
  - Delivering continuous improvement
  - Creating sustainable success

**Model answer for Question 14**

- (a)
  - A constant failure to achieve personal objectives / persistently doesn't meet their appraisal objectives.
  - Quality of work regularly below the acceptable level.
  - Persistent disruptive behaviour/anti-social behaviour in the office.
  - Inappropriate conduct, e.g. making promises to a client which cannot be met/negative customer feedback.
  
- (b) *Candidates would have gained full marks for any four of the following:*
  - The employee should be made aware of the areas in which they are underperforming/the standard required of them.
  - The employee should be aware of the consequences for not improving performance.
  - Full support must be offered to address the performance issues.
  - Monitor performance.
  - The employee must be given a reasonable chance to improve.

**Model answer for Question 15**

*Candidates would have gained full marks for any ten of the following:*

- Formal, written procedures
- Clear to whom they apply
- Available to all employees to whom they apply
- Specify which disciplinary actions can be taken and what level of management
- Raise and deal with issues promptly
- Deal with issues consistently
- Ensure that employee is told of the complaint
- Give an employee an opportunity to put their cases
- Give the right of representation by colleague/union
- Communicate the decision.
- Ensure no disciplinary action is taken without a full investigation
- Ensure no dismissal for a single incident unless gross misconduct
- Provide right of appeal

## Glossary of terms

*Some abbreviations candidates can you use in financial planning online exams:*

1. CPD – Continuing professional development
2. KPI – Key performance indicators
3. GDPR – General data protection regulation
4. FOS – Financial ombudsman service
5. FSCS – Financial Services Compensation Scheme
6. SM&CR – Senior Managers and Certification Regime
7. SoR – Statement of Responsibilities

## February 2022 Examination - J07 Supervision in a regulated environment

Question Number	Syllabus learning outcomes being examined	
1.	1.4	The knowledge and skill requirements of a manager and the competencies displayed.
2.	1.5	Appropriate methods of control and monitoring.
3.	2.3	Motivational models, Herzberg and Maslow.
4.	3.3	Techniques to aid business communication and conflict management e.g. Thomas-Kilmann.
5.	4.2	The key elements of job descriptions and person responsibilities.
6.	4.1	The relationship of recruitment to business needs and elements of employment contracts.
7.	5.1	Theories of learning e.g. Kolb, Honey and Mumford.
8.	6.1	The key features and applications of a coaching process, e.g. the GROW and PESOS models.
9.	6.4	The manager's role and responsibilities in coaching, counselling and assessing.
10.	7.5	Regulatory requirements and appropriate methods for complaints handling.
11.	8.1	How individual and corporate objectives relate.
12.	8.6	Career planning and development, talent management, competency based development.
13.	9.2	The main approaches and quality standards in use.
14.	10.1	Managing unsatisfactory performance.
15.	10.3	Disciplinary procedures.