

Supervision in a regulated environment

Purpose

This unit enables financial planning professionals to develop the knowledge and understanding of core areas of effective people management in a FCA regulated business, including but not limited to, the different types of management information, recruitment processes and key aspects of employment law from performance management to disciplinary actions.

Learning Outcomes

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

Summary of learning outcomes	
1.	Understand the characteristics and role of a manager in financial services
2.	Understand and apply different leadership and behavioural models
3.	Understand how communication is made effective and be able to describe a range of communication methods
4.	Understand the key aspects of recruitment and training
5.	Understand how learning takes place
6.	Understand the coaching, counselling and assessing processes and the roles within them
7.	Understand the legal and regulatory environment relevant to the provision of financial planning advice
8.	Understand the setting and measuring of objectives
9.	Understand management information and quality standards
10.	Understand relevant legislation in connection with employment, performance management and termination of employment

Important notes

- This syllabus will be examined from 1 September 2024 to 31 August 2025.
- The general rule is that exams are based on the English legislative position three months before the date of the exams.
- Suitable for any manager working for a financial service regulated firm.
- Candidates are expected to be aware of related FCA rules and guidance.
- 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 from the list provided
 4. Select qualification update on the right hand side of the page

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1. Understand the characteristics and role of a manager in financial services

- 1.1 Conduct and competency of managers in scope of the SM&CR regime and T&C requirements as relevant;
- 1.2 The key functions and responsibilities of businesses and senior management;
- 1.3 How the role of the manager fits into the organisation overall;
- 1.4 The knowledge and skill requirements of a manager and the competencies displayed;
- 1.5 Appropriate methods of control and monitoring;
- 1.6 The manager's impact on people development.

2. Understand and apply different leadership and behavioural models

- 2.1 Leadership models and theories, e.g. Belbin, Hersey & Blanchard, McGregor, Covey, Myers Briggs, Tuckman, emotional intelligence, Scouler's three levels of leadership;
- 2.2 Change management and the application of Kotter's eight step change model;
- 2.3 Motivational models, Herzberg and Maslow.

3. Understand how communication is made effective and be able to describe a range of communication methods

- 3.1 The key methods of communication;
- 3.2 The characteristics and benefits of effective communication and barriers to communication;
- 3.3 Techniques to aid business communication and conflict management e.g. Thomas-Kilmann.

4. Understand the key aspects of recruitment and training

- 4.1 The relationship of recruitment to business needs and elements of employment contracts;
- 4.2 The key elements of job descriptions and person responsibilities;
- 4.3 Competency based interviewing;
- 4.4 The 'fit and proper' regulatory requirements;
- 4.5 What constitutes a suitable induction plan;
- 4.6 The SM&CR conduct rules, training requirements and statements of responsibility.

5. Understand how learning takes place

- 5.1 Theories of learning e.g. Kolb, Honey and Mumford;
- 5.2 The four stages of the training cycle;
- 5.3 The relevance to individual and corporate objectives of structured training and development plans;
- 5.4 Professionalism requirements and CPD.

6. Understand the coaching, counselling and assessing processes and the roles within them

- 6.1 The key features and applications of a coaching process, e.g. the GROW and PESOS models;
- 6.2 The key features and applications of a counselling process, e.g. Michael Reddy;

- 6.3 The key features of assessing performance;
- 6.4 The manager's role and responsibilities in coaching, counselling and assessing.

7. Understand the legal and regulatory environment relevant to the provision of financial planning advice

- 7.1 FCA Principles for Businesses, code of conduct (COCON) and their application to regulated activities;
- 7.2 FCA Consumer Duty, Conduct of Business rules and guidance including vulnerable customers;
- 7.3 The key stages of the financial planning meeting;
- 7.4 Financial crime prevention and data protection legislation and regulations;
- 7.5 Regulatory requirements and appropriate methods for complaints handling.

8. Understand the setting and measuring of objectives

- 8.1 How individual and corporate objectives are set;
- 8.2 How performance is measured;
- 8.3 Key elements of effective management information;
- 8.4 The performance review and appraisal process;
- 8.5 Target setting, company objectives and the management cycle;
- 8.6 Career planning and development, talent management, competency based development.

9. Understand management information and quality standards

- 9.1 Key elements of management information, linking management information to evidence a firm delivers good customer outcomes;
- 9.2 The main approaches and quality standards in use;
- 9.3 Clarity of management information, e.g. exception reports and their uses;
- 9.4 Operational resilience.

10. Understand relevant legislation in connection with employment, performance management and termination of employment

- 10.1 Managing unsatisfactory performance;
- 10.2 The different levels of misconduct;
- 10.3 Disciplinary procedures;
- 10.4 Guidelines for contract termination and appeals;
- 10.5 Relevant aspects of the law on equal opportunities, discrimination, disability and human rights.

Reading list

The following list provides details of further reading 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 resources listed here will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

CII study texts

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

Books/eBooks

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

Exploring strategy: text and cases. 13th edition. G Johnson et al. Upper Saddle River: Pearson Education, 2023.

Management: an introduction. David Boddy. 9th ed. Pearson Education, 2024.

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

Strategic management. Richard Lynch. 8th ed. Harlow: Pearson Education Ltd, 2018.

eBooks

The following eBooks are available via www.cii.co.uk/elibrary (CII/PFS members only):

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

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

Leading change: how successful managers approach change management. Paul Lawrence. Philadelphia: Kogan Page, 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 dynamics of managing diversity: a critical approach. Gill Kirton and Anne Marie Greene. Abingdon, Oxon: Routledge, 2015.

Journals and magazines

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

Personal finance professional. London: CII. Four issues a year. Available online at www.pfp.thepfs.org (CII/PFS members only).

Reference materials

Advisory handbook: discipline and grievances at work. London: Advisory, Conciliation and Arbitration Service. Available online at www.acas.org.uk.

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2013.*

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

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 exam guides from the last two sittings. Please visit www.cii.co.uk/learning/qualifications to access 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.

* Also available as an eBook through eLibrary via www.cii.co.uk/elibrary (CII/PFS members only).