

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 2026 to 31 August 2027.
- 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/learning/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 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, emotional intelligence, Scouller's three levels of leadership;
- 2.2 Change management and the application of Kotter's eight step change model and the Hayes model;
- 2.3 Motivational models, Herzberg and Maslow, McClelland's theory of Needs.

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 and models, 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.

Available resources

The following list provides details of further resources which may assist you with your studies.

Note: The examination will test the syllabus alone.

The resources listed here: www.cii.co.uk/learning will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

Additional reading material can also be found referenced in an appendix within the study text(s).

Exam preparation

Exam preparation guidance and supporting exam documentation are available via the CII website: <https://www.cii.co.uk/learning/qualifications/assessment-information>.

Learning support

Supervision in a regulated environment.

London: CII. Study text J07.

Revision Courses Training courses.

Exam papers and test specifications

The last two exam papers and test specifications for review and practice can be found: www.cii.co.uk/learning/qualifications/assessment-information/before-the-exam/exam-papers-and-test-specifications/

Supporting exam documents

Additional information which is provided in your exam can be found here:

www.cii.co.uk/learning/qualifications/assessment-information/before-the-exam/supporting-exam-documents

Examination guide

The examination guide is available on the unit page via the CII website.

If you have a current study text enrolment, the current examination guide is included and is accessible via **RevisionMate** (www.cii.co.uk/login). Details of how to access RevisionMate are on the first page of your study text.

It is recommended that you study from the most recent versions of the examination guide.