

CHARTERED BANKER 2011 MODULE SPECIFICATION

Title:	Professionalism, Ethics and Regulation
Credit Value:	Proposed SCQF Level 10/EQF Level 6 Proposed SCQF Credit Points 25
Aim:	To provide an extensive, detailed and critical knowledge and understanding of professional ethics in the banking industry and develop the practitioner's skills and ability to make informed ethical and professional judgements in a highly regulated environment.
Access Statement:	It is recommended that students should have previously studied at SCQF Level 8/9/EQF Level 5/6 or above, or have relevant practical experience in banking or financial services.
Programmes of study to which unit contributes:	<ul style="list-style-type: none">Chartered Banker
Learning Outcomes:	Knowledge, Understanding and Skills On completion of this module, students should be able to: <ol style="list-style-type: none">analyse and evaluate the role in society of banks and other financial institutionsexamine the history and development of the financial services organisation and evaluate its evolving role in societycritically analyse and evaluate the legal and regulatory framework that underpins professional decision-making in a banking environmentdescribe best practice for complaints handling through internal channels in a financial services organisation and examine the role of The Financial Ombudsman Servicecompare and contrast a range of ethical theories and examine their impact in a banking environmentdemonstrate a critical understanding of and apply the key principles of ethical and professional behaviour in a banking environmentcritically review a range of ethical decision-taking models and apply these to situations in which there is an ethical dilemma or conflict of interestdifferentiate between a range of cultural models and assess their potential impact on ethical and professional behaviour in a banking environmentcritically review the principles of effective management, direction and control in the context of an organisation's obligations to its stakeholders and the environment.
Method of Delivery:	Distance learning with blended learning support.
Assessment:	<i>An online, extended response examination worth 70% of the overall result and one summative assignment worth 30%. Continuous formative assessment will be provided in the form of feedback on a draft assignment.</i>

Learning Outcomes, Assessment Criteria and Content

Learning Outcomes	Assessment Criteria	Content
Banks in Society		
Analyse and evaluate the role in society of banks and other financial institutions.	<p>Analyse and evaluate the role banks and other financial institutions play in society.</p> <p>Explain the purpose of banking organisations and describe how they meet the needs of customers and other stakeholders.</p> <p>Compare and contrast a bank’s responsibilities to its customers, employees, suppliers, regulators and the community in which it operates.</p> <p>Critically reflect on the changing nature of a bank’s responsibilities to its stakeholders.</p> <p>Evaluate the factors that influence the responsibilities of banking organisations and how strategies are formulated to address these responsibilities.</p> <p>Formulate a strategy for building and maintaining confidence and trust in a financial institution.</p>	<p>Purposes of banking organisations and their contribution to society.</p> <p>Responsibilities to customers</p> <p>Responsibilities to other stakeholders – employees, suppliers, regulators, the community</p> <p>The changing nature of responsibilities to stakeholders</p> <p>Access to banking services, social exclusion</p> <p>Building and maintaining confidence and trust in financial institutions</p>

History and Development of Banking		
Examine the history and development of the financial services organisation and evaluate its evolving role in society.	<p>Examine the history and development of the financial services organisation and evaluate its evolving role in society.</p> <p>Examine the impact of contemporary issues on the financial sector.</p> <p>Describe how the banking industry developed, from its ancient origins to the present day.</p> <p>Describe how building societies and other deposit taking organisations developed.</p> <p>Identify recent developments in banking, with particular focus on the banking crisis and its consequences, and evaluate the causes and impact in the aftermath of the crisis.</p>	<p>History and development of financial institutions</p> <p>The evolving role of financial institutions in society</p> <p>Contemporary issues and their impact on the financial sector</p>
Regulation		
Critically analyse and evaluate the legal and regulatory framework that underpins professional decision-making in a banking environment.	<p>Critically analyse and evaluate the legal and regulatory framework that underpins professional decision-making in a banking environment.</p> <p>Explain why regulation is necessary.</p> <p>Examine the need for regulation and supervision of financial institutions.</p> <p>Critically review the purpose and scope of regulation that has an impact on the financial services sector.</p> <p>Describe the main purposes and provisions of the Financial Services and Markets Act, 2000</p>	<p>The need for regulation and supervision of financial institutions</p> <p>Background to regulation and supervision in the UK and internationally</p> <p>UK regulatory bodies</p> <p>International regulatory bodies</p> <p>Self-regulation and voluntary standards</p> <p>Purposes and scope of regulation</p> <p>Principal laws affecting financial services</p>

	<p>Evaluate the role, functions and powers of the Financial Services Authority (FSA).</p> <p>Describe how the regulatory system is structured.</p> <p>Describe the main features of the FSA Handbook and differentiate between a variety of sourcebooks.</p> <p>Outline the proposed changes to the regulatory system that will be effective from 2012.</p> <p>Describe the main roles of international regulatory bodies.</p> <p>Evaluate the implications of legislation for the practising banker.</p>	<p>authorisation, operations, marketing of services and personal accountability</p> <p>The role of the Financial Services Authority and its successor bodies</p> <p>Regulatory compliance</p> <p>Implications of legislation for the individual</p>
<p>Other Legislation Affecting Financial Services Providers</p>		
	<p>Describe the provisions of a range of laws designed to protect consumers, employees and other stakeholders affected by banks and other commercial businesses.</p>	<p>Laws relating to consumer credit, money laundering, insider dealing, directors' disqualification, bribery, data protection, consumer protection, employment and information technology and the implications of this legislation for the practising banker.</p>

Common Law Accountabilities		
<p>Differentiate between contractual and non-contractual obligations and examine the impact of these obligations on the practising banker.</p>	<p>Differentiate between contractual and non-contractual obligations and examine the impact of these obligations on the practising banker.</p> <p>Examine the fiduciary and statutory duties of company directors and other officers.</p> <p>Discuss the potential consequences of a financial services provider, an individual employee and a customer failing to meet their contractual and non-contractual obligations.</p>	<p>Common law accountabilities</p> <p>Responsibilities under contract law and tort/delict</p> <p>Professional negligence and legal remedies</p> <p>Implications for the financial services provider, the individual and the customer</p>
Complaints and Compensation		
<p>Describe best practice for complaints handling through internal channels in a financial services organisation and examine the role of The Financial Ombudsman Service.</p>	<p>Describe best practice for complaints handling through internal channels in a financial services organisation.</p> <p>Examine the role of The Financial Ombudsman Service.</p> <p>Describe the requirements of the Financial Services Authority in relation to a bank's handling of complaints.</p> <p>Explain the circumstances in which a financial services provider would refer an unresolved complaint to the Financial Ombudsman Service and consider the potential outcomes of a referred complaint.</p> <p>Evaluate the purpose and scope of the Financial Services Compensation Scheme and critically review the eligibility for claims criteria and the limits that apply to a range of financial products.</p>	<p>Financial Services Authority</p> <p>Internal processes for handling complaints</p> <p>External/independent complaints handling bodies</p> <p>The Financial Ombudsman Service</p> <p>Financial Services Compensation Scheme</p> <p>Arbitration</p> <p>The role of the courts</p>

Introduction to Ethics		
<p>Compare and contrast a range of ethical theories and examine their impact in a banking environment.</p>	<p>Compare and contrast a range of ethical theories and examine their impact in a banking environment.</p> <p>Explain what is meant by ethics.</p> <p>Describe the different approaches to ethics, based on a range of theories.</p> <p>Differentiate between the terms <i>absolutism</i> and <i>relativism</i>.</p> <p>Differentiate between the terms <i>deontological</i> and <i>teleological</i> and compare these two approaches to ethics.</p> <p>Describe a range of ethical models and apply them in a decision-making context.</p>	<p>What is ethics?</p> <p>Historical background</p> <p>Branches of ethics</p> <p>Ethical problems facing bankers</p> <p>Absolutism and relativism</p> <p>Virtue ethics</p> <p>Ethics based on duty</p> <p>Ethics based on consequences</p> <p>Influences on ethics</p>
Professional Ethics		
<p>Demonstrate a critical understanding of and apply the key principles of ethical and professional behaviour in a banking environment.</p>	<p>Demonstrate a critical understanding of and apply the key principles of ethical and professional behaviour in a banking environment.</p> <p>Explain what distinguishes a 'profession' from other types of business activity.</p> <p>Explain the purpose of a code of practice.</p> <p>Describe what is typically included in codes of conduct and ethics issued by professional bodies.</p>	<p>What is a profession?</p> <p>Features of a profession</p> <p>Ethics and the professional banker</p> <p>The Chartered Banker Code of Professional Conduct</p> <p>Putting the Chartered Banker Code of Professional Conduct into practice</p>

	<p>Assess the value of a code of conduct within the field of ethics.</p> <p>Formulate a view on what constitutes ethical and professional behaviour in a banking environment.</p> <p>Describe what is typically included in a corporate code of ethics and assess the implications of the underlying principles for the practising banker.</p> <p>Explain the purpose of the Chartered Banker Institute’s Code of Professional Conduct and examine the impact of applying the code in the banking profession.</p>	
Ethics and the Individual		
<p>Critically review a range of ethical decision-taking models and apply these to situations in which there is an ethical dilemma or conflict of interest.</p>	<p>Critically review a range of ethical decision-taking models and apply these to situations in which there is an ethical dilemma or conflict of interest.</p> <p>Describe how personal values are formed and examine their potential impact on the practising banker and the organisation.</p> <p>Apply Kohlberg’s theory of moral reasoning to the decision-making process.</p> <p>Explain the three influences on moral DNA proposed by Steare.</p> <p>Explain what is meant by the terms ‘ethical dilemma’ and ‘conflict of interest’ and how these can arise.</p> <p>Examine a range of ways in which ethical dilemmas and conflicts of interest may be resolved.</p>	<p>Personal values and ethics</p> <p>Moral reasoning – theories of inter alia Piaget, Kohlberg, Moral DNA</p> <p>Conflicts of interest</p> <p>Ethical dilemmas</p> <p>Sources of conflicts of interest</p> <p>Ethical decision making models</p> <p>Dealing with conflicts of interest and ethical dilemmas</p>

Putting Ethical Theories Into Practice		
Analyse ethical dilemmas in a logical and systematic manner and apply ethical decision-taking frameworks to situations that require ethical judgements.	<p>Analyse ethical dilemmas in a logical and systematic manner.</p> <p>Apply ethical decision-taking frameworks to situations that require ethical judgements.</p> <p>Analyse a case study and select and apply an appropriate decision-making model to extract core ethical issues and formulate a plan of action.</p>	Case Studies
Ethics and the Organisation		
Differentiate between a range of cultural models and assess their potential impact on ethical and professional behaviour in a banking environment.	<p>Differentiate between a range of cultural models and assess their potential impact on ethical and professional behaviour in a banking environment.</p> <p>Describe the main forces that determine the strategic objectives of an organisation.</p> <p>Assess how different decision-taking structures affect the way in which an organisation interacts with its environment.</p> <p>Explain what is meant by levels of accountability in an organisation.</p> <p>Critically review a range of theories about organisational culture in both a national and international context and appraise their significance for the practising banker.</p> <p>Compare and contrast the stakeholder and consensus approach to ethics.</p> <p>Apply Mendelow's stakeholder model to manage the needs of</p>	<p>Organisational values, mission and objectives</p> <p>Corporate culture</p> <p>Cultural models: Deal and Kennedy, Handy, Balogun and Hope Hailey</p> <p>International cultural dimensions: Hofstede</p> <p>Stakeholder v consensus theories</p> <p>Ethical stance: Johnson, Scholes and Whittington</p> <p>Corporate codes of ethics</p> <p>The social and environmental impact of</p>

	<p>stakeholders.</p> <p>Explain what is meant by 'ethical stance' and describe the four typologies identified by Johnson and Scholes.</p> <p>Describe the factors that influence an organisation's corporate social responsibility policy.</p> <p>Describe and apply the model of corporate social responsibility proposed by Gray, Owen and Adams.</p> <p>Appraise the social and environmental impact of a banking organisation and explain the significance of corporate social responsibility.</p>	<p>organisations</p>
<p>Direction, Management and Ownership</p>		
<p>Demonstrate a critical understanding of the principles of effective management, direction and control in the context of an organisation's obligations to its stakeholders and the environment.</p>	<p>Critically review the principles of effective management, direction and control in the context of a financial organisation's obligations to its stakeholders and the environment.</p> <p>Examine the duties and responsibilities of executive and non-executive directors in relation to ethical stance and corporate values.</p> <p>Examine the roles of the audit committee, the remuneration committee, the nominations committee, and the risk committee.</p> <p>Analyse and evaluate the significance of a range of internal controls.</p> <p>Create criteria for a remuneration package for directors and explain</p>	<p>The UK Corporate Governance Code</p> <p>The Walker Report</p> <p>Duties of directors and functions of the board of directors</p> <p>Executive and non-executive directors</p> <p>Responsibilities of directors in relation to ethical stance and corporate values</p> <p>Board committees: the roles of the audit committee, the remuneration committee, the nominations committee, the risk</p>

	<p>why the criteria selected could be regarded as best practice.</p> <p>Compare and contrast the rights and responsibilities of personal and institutional shareholders.</p>	<p>committee</p> <p>Issues relating to risk/internal control</p> <p>Issues relating to directors' remuneration</p> <p>The rights and responsibilities of personal and institutional shareholders</p>
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