

Chartered Banker

Leading financial professionalism

CHARTERED BANKER MODULE SPECIFICATION

Title:	Professionalism, Ethics and Regulation
Credit Value:	SCQF Level 10/EQF Level 6 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• Associate Chartered Banker Diploma
Learning Outcomes:	Knowledge, Understanding and Skills On completion of this module, students should be able to: <ol style="list-style-type: none">1. analyse and evaluate the role in society of banks and other financial institutions2. examine the history and development of the financial services organisation and evaluate its evolving role in society3. critically analyse and evaluate the legal and regulatory framework that underpins professional decision-making in a banking environment4. examine best practice for complaints handling through internal channels in a financial services organisation and examine the role of The Financial Ombudsman Service5. compare and contrast a range of ethical theories and examine their impact in a banking environment6. demonstrate a critical understanding of and apply the key principles of ethical and professional behaviour in a banking environment7. critically review a range of ethical decision-taking models and apply these to situations in which there is an ethical dilemma or conflict of interest8. differentiate between a range of cultural models and assess their potential impact on ethical and professional behaviour in a banking environment

	9. critically 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		
<p>Analyse and evaluate the role in society of banks and other financial institutions.</p>	<p>Explain the purpose of banking organisations and detail 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		
<p>Examine the history and development of the financial services organisation and evaluate its evolving role in society.</p>	<p>Detail the history of financial services organisations and evaluate the development of its evolving role in society.</p> <p>Examine the impact of contemporary issues on the financial sector.</p> <p>Explain how the banking industry developed, from its ancient origins to the present day.</p> <p>Explain how mutual organisations 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.

- Explain why regulation is necessary.
- Examine the need for regulation and supervision of financial institutions.
- Critically review the purpose and scope of regulation that has an impact on the financial services sector.
- Explain the main purposes and provisions of the Financial Services and Markets Act, 2000
- Evaluate the role, functions and powers of the Bank of England.
- Evaluate the roles, functions and powers of the Prudential Regulation Authority and the Financial Conduct Authority
- Detail how the regulatory system is structured.
- Explain the main roles of international regulatory bodies.
- Evaluate the implications of legislation for the practising banker.

- The need for regulation and supervision of financial institutions
- Background to regulation and supervision in the UK and internationally
- UK regulatory bodies
- International regulatory bodies
- Self-regulation and voluntary standards
- Purposes and scope of regulation
- Principal laws affecting financial services authorisation, operations, marketing of services and personal accountability
- The role of the Prudential Regulation Authority and the Financial Conduct Authority
- The Vickers Report
- Regulatory compliance
- Implications of legislation for the individual

Other Legislation Affecting Financial Services Providers		
	<p>Explain 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>Examine the 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>Examine best practice for complaints handling through internal channels in a financial services organisation and examine the role of The Financial Ombudsman Service.</p>	<p>Examine complaint handling and the established best practices for handling these via internal channels.</p> <p>Detail 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>
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Introduction to Ethics

Compare and contrast a range of ethical theories and examine their impact in a banking environment.

Examine the impact of a range of ethical theories in a banking environment.

Explain what is meant by ethics.

Compare and contrast the different approaches to ethics, based on a range of theories.

Differentiate between the terms *absolutism* and *relativism*.

Differentiate between the terms *deontological* and *teleological* and compare these two approaches to ethics.

Explain a range of ethical models and apply them in a decision-making context.

What is ethics?

Historical background

Branches of ethics

Ethical problems facing bankers

Absolutism and relativism

Virtue ethics

Ethics based on duty

Ethics based on consequences

Influences on ethics

Professional Ethics

Demonstrate a critical understanding of and apply the key principles of ethical and professional behaviour in a banking environment.

Explain what distinguishes a 'profession' from other types of business activity.

Explain the purpose of a code of practice.

Explain what is typically included in codes of conduct and ethics issued by professional bodies.

Assess the value of a code of conduct within the field of ethics.

Formulate a view on what constitutes ethical and professional behaviour in a banking environment.

Explain what is typically included in a corporate code of ethics and assess the implications of the underlying principles for the practising banker.

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.

What is a profession?

Features of a profession

Ethics and the professional banker

The Chartered Banker Code of Professional Conduct

Putting the Chartered Banker Code of Professional Conduct into practice

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>Examine 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		
<p>Analyse ethical dilemmas in a logical and systematic manner and apply ethical decision-taking frameworks to situations that require ethical judgements.</p>	<p>Examine various ethical dilemmas and analyse these in a logical and systematic manner.</p> <p>Explain ethical judgements and apply ethical decision-taking frameworks to these situations.</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>	<p>Case Studies</p>

Ethics and the Organisation		
<p>Differentiate between a range of cultural models and assess their potential impact on ethical and professional behaviour in a banking environment.</p>	<p>Explain 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 stakeholders.</p> <p>Explain what is meant by 'ethical stance' and Explain the four typologies identified by Johnson, Scholes and Whittington</p> <p>Examine the factors that influence an organisation's corporate social responsibility policy.</p> <p>Explain 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>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 organisations</p>

Direction, Management and Ownership

<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 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>Corporate governance.</p> <p>The OECD Principles of corporate governance.</p> <p>Rules-based and principles-based approaches to corporate governance.</p> <p>Agency, stakeholder and consensus theories.</p> <p>The UK Corporate Governance Code</p> <p>The Stewardship Code and the role and responsibilities of institutional shareholders.</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 committee.</p>
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