

Please note references to 'business' and 'business organisations' are terms used throughout the outline content which are intended to be inclusive and encompass various types of establishments, such as private, public, voluntary, sole trader, partnership, limited company, start-up, franchises, international.

Element 1: The Business Environment	
1.1	<p><i>The fundamentals and principles of business and how they are applied</i></p> <ul style="list-style-type: none"> • 1.1.1 The role of business in society to: <ul style="list-style-type: none"> ○ provide goods and services to meet consumer needs and wants at a price they are willing to pay ○ provide employment and associated training opportunities ○ contribute towards the government's economic and social priorities ○ pay taxes which can be used to pay for improvements to the infrastructure and contribute towards social welfare including education and health services ○ enhance the economic security of the country in the face of overseas competition from imported foreign goods • 1.1.2 The contribution of finance business organisations to supporting the role of business in society including as: <ul style="list-style-type: none"> ○ providers of finance to business ○ providers of finance to consumers ○ deposit holders ○ financial advisers • 1.1.3 Fundamentals of business <ul style="list-style-type: none"> ○ the purpose of business activity: to supply goods and services to meet the demands of the consumer: to make a profit ○ the factors of production: labour, capital, raw materials (land) and entrepreneurship ○ the role and importance of the entrepreneurship to a business: identifying gaps in the market, innovating and creating of new products, creating a competitive edge for a business and promoting business growth identifying and addressing business risks ○ the characteristics of a competitive market economy and the implications for business: many buyers and sellers, the profit motive, limited government intervention, private ownership of the factors of production, similar products ○ the interrelationship between manufacturing, wholesalers and retailers: production (manufacturing); bulk purchasing from the manufacturers

	<p>(wholesalers); divided into smaller quantities for sale to the end consumer (retailers)</p> <ul style="list-style-type: none"> ○ the characteristics of and differences between the private and public sector organisations: aims, ownership and control, finance <ul style="list-style-type: none"> ● 1.1.4 Principles of business <ul style="list-style-type: none"> ○ management and control – the function of management to control the factors of production and business processes within the available resources to contribute to the aims and objectives of the business ○ financial prudence - including budget setting, monitoring and control; monitoring cash flow; efficient procurement practices ○ market conduct - including pricing policies; marketing strategies; response to competitors ○ customer’s interest including price, quality, customer service, safe and reliable products ○ skill, care and diligence including importance of trained and competent staff; professional codes of conduct ○ relations with regulators including changing organisational practices and policies to meet the requirements of the regulators, providing constructive feedback to regulators on any proposed changes to the regulatory framework ● 1.1.5 Business aims and objectives: <ul style="list-style-type: none"> ○ private: profit, growth, diversification, competitiveness, efficiency, break-even, survival, market leadership ○ public: service provision, cost control, value for money, service quality, meeting government standards ○ not-for-profit: raise funds and accept donations in order to generate surpluses; invest in social, environmental or cultural initiatives ● 1.1.6 Business priorities: long-term strategic plans, medium-term operational plans, short-term business tactics ● 1.1.7 Business contexts, drivers for change and their challenges: <ul style="list-style-type: none"> ○ organisational context: ownership and management accountability - the competing interests of owners and other stakeholders and the role of management in addressing these competing interests ○ financial context: revenue, profit, shareholder value, investors, raising business finance - the challenge of retaining profit at the expense of distributing profits to shareholders; the factors to take into account when raising business finance, costs; returns on investment and the
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	<p>impact on revenue and cash flow; capital depreciation</p> <ul style="list-style-type: none"> ○ market context: meeting the needs of consumers, the influence of competitors - identifying consumer needs and trying to reconcile the relationship between price, quality and costs when responding to competitive market pressures ○ human resources: skills shortages, recruitment, remuneration, contracts, incentives, promotion, training, development, unions, industrial action, workforce motivation, working practices, technology and globalisation <ul style="list-style-type: none"> ● 1.1.8 Global business environment: features and challenges of globalisation and the role and influence of financial markets in the economy. <ul style="list-style-type: none"> ○ features of globalisation: the growing interdependence of the world's economies, cultures, and populations, and the spread of products, technology, information and jobs across national borders ○ global economy markets: consumer (retail) business (B2B) and government (B2G) (local, national and international), opening access to borrowing, lending and investing world-wide ○ global trading: <ul style="list-style-type: none"> - global money market: foreign exchange, short term loans - global capital market: primary and secondary markets, equity securities (stocks and shares) long term debt securities (bonds), commodities ○ challenges of globalisation: Fintech disruption to traditional banking, global banks sharing risk, stability, need for unified reporting standards to improve transparency of and reduce inconsistencies between different accounting regulations ● 1.1.9 Opportunity cost, its application and the relationship between opportunity costs, risks and profit ● 1.1.10 Internal and external stakeholders, their differing and competing needs and influence on business success ● 1.1.11 The need for confidentiality when dealing with stakeholders in specific contexts including contract negotiations with customers and suppliers; merger negotiations
1.2	<p><i>Common business models and organisational structures</i></p> <ul style="list-style-type: none"> ● 1.2.1 Common business models, their features, advantages and disadvantages and liability implications: sole trader, partnerships and private / public limited companies; corporations as entities

	<p>which can sue and be sued</p> <ul style="list-style-type: none"> • 1.2.2 Franchises in accountancy and their features, advantages and disadvantages for franchisors and franchisees, the implications for consumers • 1.2.3 Organisational structures, their features, advantages and disadvantages: functional, flat, hierarchical, divisional and matrix structures • 1.2.4 The functions of key operational areas in different finance organisations including: <ul style="list-style-type: none"> ○ banks: retail banking division; wholesale banking division; international banking; wealth management and investment services; e-banking, small business division; account assistants; customer service, share dealing service ○ insurance companies: life assurance; general insurance (car, property etc.) underwriting, investment management; actuaries, claims, new business, pensions ○ building societies: mortgages division; savings; new business; ancillary services property and life insurance) ○ other areas covered by finance organisations: financial planning, tax advice • 1.2.5 Functions and roles in accounting: accounts receivable, accounts payable, payroll, budgeting and financial control, internal audit, reporting and financial statements • 1.2.6 Influence of legislative, regulatory and operational frameworks on organisational structures <ul style="list-style-type: none"> ○ financial: including the ability of sole traders, partnerships and limited companies to raise business finance given their legal status ○ legal: including the legal basis of sole traders, partnerships and partnership agreements, limited liability partnerships and limited liability companies: legislation impacting on business including employment law, health and safety and data protection ○ reputational: including ethical behaviour of financial professionals and the impact on consumer behaviour ○ management: including the size of the business and its relationship to organisational structure and management specialisation ○ procurement and supply: including the size of the business and the potential economies to be obtained in the procurement process ○ taxation related issues: including different taxation
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	<p>requirements for sole traders and partnerships and limited companies</p> <ul style="list-style-type: none"> ○ market, profit and growth-related implications: including business strategy and its implications on operational priorities
1.3	<p><i>The responsibilities of corporate governance within an organisation</i></p> <ul style="list-style-type: none"> ● 1.3.1 The role of agency theory in relation to the separation of ownership and control ● 1.3.2 The principles of corporate governance in relation to <ul style="list-style-type: none"> ○ leadership and company values ○ executive and non-executive director responsibilities ○ composition and appointments and audit ○ risk and internal control ● 1.3.3 The role of the auditor; types of audit opinion arising from a financial audit; the implications for governance ● 1.3.4 The response of the Board of Directors to internal audit reports and recommendations ● 1.3.5 The relationship between corporate governance decisions and operational management responsibilities and practices ● 1.3.6 The role of the Board of Directors including the looking after the interests of shareholders, determining business strategy, performance monitoring, compliance ● 1.3.7 The concept of incorporation and the rights of direct and indirect shareholders ● 1.3.8 The purpose of regulatory operational frameworks: <ul style="list-style-type: none"> ○ accounting and reporting standards - International Accounting Standards (IAS) & International Financial Reporting Standards (IFRS) & (FRS) ● 1.3.9 Financial Reporting Standards: unlimited vs limited liability, taxation, Financial Conduct Authority (FCA), Financial Reporting Council (FRC) ● 1.3.10 Operational Framework: the elements of the conceptual framework
1.4	<p><i>The principles of taxation and how they are applied.</i></p> <ul style="list-style-type: none"> ● 1.4.1 The principles of taxation and their impact on businesses: <ul style="list-style-type: none"> ○ raising revenue, influencing expenditure patterns, the redistribution of income and as a tool of fiscal policy, ● 1.4.2 UK tax legislation for VAT, corporation tax and payroll including National Insurance (NI) and Income Tax ● 1.4.3 Tax laws regarding pensions <ul style="list-style-type: none"> ○ the difference between private and occupational pension schemes

	<ul style="list-style-type: none"> ○ contributory and non-contributory pension schemes ○ tax liabilities on lump sum pensions pay outs and draw downs ○ tax liabilities on regular pension payments taking into account the personal allowances ● 1.4.4 Types of UK taxation: direct tax: income tax, corporation tax; indirect tax: VAT, excise & customs <ul style="list-style-type: none"> ○ the features of direct and indirect taxation and their advantages and disadvantages ● 1.4.5 The features of the main personal and business-related taxes: <ul style="list-style-type: none"> ○ income tax: how it is collected (PAYE) personal allowances, tax bands ○ corporation tax: how it is collected; businesses liable to corporation tax; impact on retained and distributed profits ○ value added tax (VAT): how it is collected; tax on purchase, exempt and zero-rated goods ○ national insurance: tax on employment; employer and employee contributions ○ capital gains tax: a tax on the profit made from the sale of assets such as share investments ○ devolved taxes: devolved tax raising powers to the Scottish, Welsh and Northern Irish parliaments including income tax bands, stamp duty on property sales and air passenger duty, regional and local taxes ○ progressive tax: investments income tax, tax on earned interest from savings and bonds ○ regressive tax: property tax ● 1.4.6 VAT tax rates in the UK: zero rated, domestic or reduced rate, standard rate and exempt ● 1.4.7 Impacts of taxation upon the redistribution of income, and its use to influence aggregate demand in the economy ● 1.4.8 Calculations of income tax using given tax rates and tax bands ● 1.4.9 Calculations of tax applied to accountancy: <ul style="list-style-type: none"> ○ input and output tax ○ inclusive of VAT, exclusive of VAT ● 1.4.10 Calculations of the impact of changes in corporation tax on distributed profits and profit for the year; tax allowances for business ● 1.4.11 The influence of the Budget and fiscal policies relating to taxation and government spending <ul style="list-style-type: none"> ○ the tax legislative cycle and how new tax is formed:
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	<p>the Budget (Finance Act)</p> <ul style="list-style-type: none"> • 1.4.12 Preparing and filing a tax return, reporting errors in the tax return to HMRC
1.5	<p><i>The role of the government in controlling and directing the economy.</i></p> <ul style="list-style-type: none"> • 1.5.1 Government economic policies including control of inflation, economic growth, employment and the promotion of international trade • 1.5.2 Government policy tools which impact upon businesses and the economy: fiscal and monetary policies • 1.5.3 The role of government in market failures: the banking crisis, monopoly power • 1.5.4 Public sector organisational structure and culture: <ul style="list-style-type: none"> ○ the role of the public sector in delivering services ○ public accountability, public administration and public management services ○ funding and financial management aspects of the public sector including Central and Local Government, the NHS and other relevant bodies
1.6	<p><i>Solutions-based approaches to decision-making in accounting</i></p> <ul style="list-style-type: none"> • 1.6.1 The features of a solutions-based approach to business decision-making: searching for solutions rather than problems, future-focused, goal-directed, need for change • 1.6.2 The stages in the decision-making process: <ul style="list-style-type: none"> ○ identify the need for a decision ○ gather relevant information ○ identify the alternatives ○ weigh the evidence ○ choose among alternatives ○ implement actions ○ review the decision and its impact.
1.7	<p><i>The factors which influence the quality and effectiveness of business decisions</i></p> <ul style="list-style-type: none"> • 1.7.1 ‘What-if?’ analysis and scenario planning, and their importance • 1.7.2 Determining the financial and non-financial benefits of business decisions • 1.7.3 Ethics of decision making and responsibility in accounting • 1.7.4 The impact of leadership styles, organisation culture and corporate social responsibility on decision making
1.8	<p><i>Analysis of the internal and external business environments</i></p> <ul style="list-style-type: none"> • 1.8.1 Influences within the internal business environment:

	<p>mission, values, objectives, leadership styles, organisational structure, culture and stakeholder engagement</p> <ul style="list-style-type: none"> • 1.8.2 Influences within the external business environment including government policies, indirect stakeholders, competitive pressures, globalisation • 1.8.3 Situational analysis and its use in determining key influences: <ul style="list-style-type: none"> ○ SWOT analysis (strengths, weaknesses, opportunities and threats) its contribution and application to the internal and external business environment ○ STEEPLE analysis (social, technological, economic, environmental, political, legal and ethical) its contribution and application to the external business environment
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Element 2: Careers within the finance professions	
2.1	<p>The roles and responsibilities of finance professionals.</p> <ul style="list-style-type: none"> • 2.1.1 Professional roles and responsibilities including: <ul style="list-style-type: none"> ○ financial adviser, insurer, insurance broker, stockbroker, loss adjustor, mortgage advisor, wealth management professional, relationship manager, finance analyst, day trader, restricted financial planner, banker • 2.1.2 Advantages of these roles to private individuals and business
2.2	<p>The different aspects of professional financial services.</p> <ul style="list-style-type: none"> • 2.2.1 National and international professional financial services: <ul style="list-style-type: none"> ○ private companies: sole traders, partnerships, limited companies, multinational corporations ○ public sector departments: government ministries -Treasury, Education, NHS, local authority finance departments ○ voluntary/not-for-profit and charitable organisations ○ brokers: the role of a broker in the insurance sector and share dealings ○ retail, investment, merchant, central and internet banks: their features and objectives ○ asset management firms: features and objectives ○ corporate banks: corporate customers; loans; trade finance; deposit accounts; finance of international trade ○ building societies: features and objectives ○ insurance companies: differences between mutual and proprietary insurance companies; general and life assurance companies
2.3	<p>Role of accounting functional areas/departments within organisations</p>

	<ul style="list-style-type: none"> • 2.3.1 Different functional areas with a finance department: <ul style="list-style-type: none"> ○ financial accounting ○ financial systems ○ financial planning ○ budgeting ○ payroll ○ management accounting ○ taxation
2.4	<p>The qualifications and competencies that are essential for financial positions</p> <ul style="list-style-type: none"> • 2.4.1 Professional characteristics: <ul style="list-style-type: none"> ○ autonomy ○ accountability ○ ethical behaviour ○ specialised knowledge ○ adheres to codes of professional conduct ○ qualified/licensed to practice ○ represented by professional bodies ○ has clients rather than customers • 2.4.2 Professional competencies: the traits/technical and personal skills, knowledge and attributes expected to do the job • 2.4.3 Main routes into finance professions and their advantages and disadvantages: <ul style="list-style-type: none"> ○ university degrees: costs; may not offer internships; exemptions from some professional qualifications; loss of potential income whilst studying full-time ○ specialist qualifications: may be expensive; some employers will pay the fees on behalf of the employees ○ professional body examinations: may be expensive; study in own time; gain membership of professional bodies and in some instances international recognition of the qualification; some employers may contribute to costs of the examinations; may open up additional career opportunities and progression pathways ○ professional and skill updating: keep up to date with current legislation and accounting techniques including the use of accounting packages ○ government initiatives/apprenticeships: high quality work placements; financial support to employers; employees may only be paid the national minimum wage • 2.4.4 Specialist job roles for finance professionals:

	<ul style="list-style-type: none"> ○ retail and commercial banking analyst: establishes financial goals; advice on appropriate bank accounts and bank financial products; investments planning and advice; cash management; implementing business plans ○ financial compliance/risk analyst: identifies and analyses potential risks threatening financial positions using market research and risk calculations for transactions and decisions. ○ insurance practitioner: provides advice to clients on different classes of insurance (life, general, business) which meet address specific risks; provide advice on investment opportunities linked to insurance policies ○ insurance broker: acts as an intermediary between an insurance company and an individual or commercial consumer; assists consumers in finding a suitable policy. ○ commercial client relationship manager: builds and maintains relationships with new and existing clients, solicits company products ○ mortgage advisor: has in-depth knowledge of the market, assists in application process, gives advice on mortgage options and repayment ○ asset wealth management analyst: manages money investments including stocks and bonds, portfolio of products; overall financial planning including tax and insurance, long-run protection ○ foreign exchange trade (forex), trades currencies on the foreign exchange, online inter-bank market ○ investment banker, manage initial public offerings (IPO), negotiate mergers, raise capital for corporations ● 2.4.5 The challenges arising for private individuals and organisations of skills shortages of finance professionals: <ul style="list-style-type: none"> ○ difficulties of obtaining up-to-date financial advice from qualified finance professionals ○ roll-out of developments in technology which improve financial services in the finance sector is hampered ○ the global economy provides the opportunity for UK finance professionals to obtain employment outside the UK resulting in skills shortages in the UK ● 2.4.6 The advantages and disadvantages to the business and the individual of professional competence and accreditation being obtained via off-the job or on-the-job training schemes and accreditation routes.
2.5	Building and maintaining long-term relationships with customers.

	<ul style="list-style-type: none"> • 2.5.1 Building and maintaining long-term relationships with customers: <ul style="list-style-type: none"> ○ having professional, competent and qualified staff ○ understanding customer needs ○ understanding products ○ providing high levels of customer service ○ gaining referrals from trusted sources • 2.5.2 Customer needs analysis and its importance: <ul style="list-style-type: none"> ○ determining financial needs of customer ○ sourcing customer information ○ reviewing customer needs on a regular basis
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Element 3: Regulation	
3.1	<p><i>Impact of global events on financial services and finance professions:</i></p> <ul style="list-style-type: none"> • 3.1.1 The types of events that can affect global markets, natural, financial, political and how these affect global markets • 3.1.1 The global financial crisis 2008: reasons for the crisis, outcomes, political and regulatory response • 3.1.2 Influence of the crisis on accounting practices in the UK and their impact <ul style="list-style-type: none"> ○ the main financial audit opinions relating to financial statements and their impact (unqualified opinion; qualified opinion; disclaimer of opinion; adverse opinion) ○ risks, compliance and recommendations made by internal auditors in respect of control systems and processes
3.2	<p><i>The impact of regulatory change on the accounting professions.</i></p> <ul style="list-style-type: none"> • 3.2.1 Regulatory change including: <ul style="list-style-type: none"> ○ confidentiality clauses ○ data protection ○ cyber security ○ money laundering • 3.2.2 Impact of UK audit scandals including Carillion plc and Thomas Cook; some of the larger accountancy firms separate out their auditing and consultancy services to avoid potential conflicts of interests. • 3.2.3 The scope of the FRC in applying sanctions. • 3.2.4 Current government regulations to oversee audit, reporting and governance.
3.3	<p><i>The role of Regulators and their purpose and authority as licensing bodies</i></p> <ul style="list-style-type: none"> • 3.3.1 Function, role, purpose and responsibilities of the:

	<ul style="list-style-type: none"> ○ Financial Services Compensation Scheme (FSCS): pays compensation to consumers in the event of failure of an authorised financial institution ○ Financial Conduct Authority (FCA): authorises financial services; protects consumers with mortgages, credit, loans, savings and pensions. Provides information and advice to consumers and issues penalties for infringements ○ Financial Ombudsman Service (FOS): investigates consumer complaints against the business practices of financial institutions ○ Financial Reporting Council (FRC): regulates auditors, accountants and actuaries ○ Prudential Regulation Authority (PRA): supervisory role over banks, building societies, credit unions, insurers and investment companies for avoiding failure ○ Pensions Regulator (TPR) ensures that employers, trustees, pension specialists and business advisers can fulfil their duties to scheme members
3.4	<p><i>The types of regulatory requirements</i></p> <ul style="list-style-type: none"> ● 3.4.1 Regulated versus and non-regulated products and services <ul style="list-style-type: none"> ○ regulated products: Financial Conduct Authority (FCA) authorises consumer credit activities, investment activities, home finance, insurance, electronic money ○ non-regulated products: investment products - gold, diamonds, crypto assets; high risk investments ● 3.4.2 The difference between information and advice and guidance: information is based on facts and does not provide an opinion; whereas advice and guidance are recommendations based on opinion and not on fact and carries legal connotations ● 3.4.3 Protection for the consumer against mis-selling of financial products
3.5	<p><i>An overview of current legislation relating to financial crime and money laundering</i></p> <ul style="list-style-type: none"> ● 3.5.1 Proceeds of Crime Act ● 3.5.2 Criminal Finances Act ● 3.5.3 The Money Laundering and Terrorist Financing (Amendment) Regulations ● 3.5.4 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations

Element 4: Professionalism and Ethics 1/ Equality, diversity and inclusion

4.1	<p>Professional and ethical conduct which govern behaviour in finance workplaces</p> <ul style="list-style-type: none"> ● 4.1.1 The code of ethics finance professionals should consider: <ul style="list-style-type: none"> ○ compliance with the law ○ acting with integrity ○ treating suppliers, customers, partners and employees fairly and respect ○ contributing to a healthy and safe workplace ○ respecting equality and diversity of the workforce ○ maintaining high standards in their finance department ● 4.1.2 Expectations of professional conduct, behaviours and attitudes, their purpose and value in a finance workplace: <ul style="list-style-type: none"> ○ respectful behaviour ○ ethical decision making ○ personal agency ○ appropriate social interaction in different contexts ○ sanctions for misconduct: warnings, fines and other financial penalties, suspension ● 4.1.3 Personal ethical behaviour in a finance workplace: doing the right thing, acting as whistle-blower, showing respect to all, treating everyone in an inclusive way, recognising success of others ● 4.1.4 Professional conduct and responsibilities in financial workplaces: understanding organisational structure, roles, relationship to others, accountabilities and interdependencies, professional conduct and reputation, ● 4.1.5 Professional code of conduct and its impact: the rules and regulations relating to employee behaviour ● 4.1.6 Impact of the regulatory frameworks and standards on the codes of conduct for the individual and the organisation ● 4.1.7 Client confidentiality and its importance: <ul style="list-style-type: none"> ○ rules of confidentiality and consistency in its interpretation ○ the need to prevent the unauthorised disclosure of privileged information acquired from clients ○ the obligation to protect the privacy and integrity of information from clients ○ the need to ensure that information from clients is not used inappropriately ○ duty of confidentiality versus duty of disclosure
4.2	<p><i>Ethical dilemmas in finance workplaces.</i></p> <ul style="list-style-type: none"> ● 4.2.1 Ethical dilemmas in a financial context for the organisation and professionals: <ul style="list-style-type: none"> ○ reputational risk: the good name or reputation of a business is put at risk, because of the actions it does or does not take in

	<p>relation to their activity</p> <ul style="list-style-type: none"> ○ process risk: failure to comply with internal controls ○ people risk: failure to obtain information about new employees such as knowledge, experience and qualifications ○ systems risk: failure to back up the computer systems, failure to put controls into access of the computer system ○ legal risk: failure to comply with the obligations of a contract or not enforcing a contract, not enforcing compliance with regulations or changes in legislation ○ event risks: external to the company and can include physical event risks such as fire or flood, social event risks such as not paying a living wage, political event risks such as new political act introducing additional compliance, and economic event risks such as rising interest rates on borrowing ○ risk of unethical behaviour; this can be reduced by ensuring a good code of ethics or code of conduct ○ individual employee risk; interpersonal relationships with co-workers may be impacted following a whistleblowing disclosure of unethical behaviour; the conflict between meeting challenging individual financial targets and selling practices ○ selecting investments based on moral principles, money lending for cultural impact, customer alerts for insufficient funds ○ expectations of professional conduct, behavior, attitudes and their value. ○ diligence in reviewing customer history, need to reveal full risk information when selling,
4.3	<p>The importance of maintaining professional competence and professional scepticism in Finance</p> <ul style="list-style-type: none"> ● 4.3.1 Professional competencies and their importance: skills, knowledge, personal and technical attributes that are valued by the profession ● 4.3.2 Ways to maintain professional competence including continuous professional development, gaining additional qualifications and updating skills ● 4.3.3 Professional scepticism and its importance: <ul style="list-style-type: none"> ○ being alert to any possible misstatement of factual information due to error or fraud ○ the need for a questioning attitude and robust challenge where appropriate
4.4	<p>Corporate responsibility and social purpose in finance businesses</p> <ul style="list-style-type: none"> ● 4.4.1 The scope and purpose of environmental, social and governance (ESG) policies ● 4.4.2 Corporate social responsibility (CSR) policies

	<ul style="list-style-type: none"> ○ paying a fair wage ○ adopting the modern slavery statement ○ ethical and fair trade ○ promoting sustainability: public interest, promoting an ethics based culture, championing sustainability, promoting sustainable practices, raising awareness of social responsibility ○ Responsible investing, the impact of companies on the environment, how companies look after their staff including supply chains ○ Inclusive digitalisation, supporting financial inclusion, ● 4.4.3 Advantages to a finance business of acting responsibly: <ul style="list-style-type: none"> ○ improved public opinion, brand image and reputation, increased levels of trust, continuing customer loyalty, ability to apply premium pricing, enhanced staff motivation ● 4.4.4 Implications to a finance business of acting responsibly: <ul style="list-style-type: none"> ○ potential impacts on costs, profitability
4.5	<p>The equality, diversity and inclusion requirements and their implementation in all areas of a business.</p> <ul style="list-style-type: none"> ● 4.5.1 Equality, diversity and inclusion in the workplace: <ul style="list-style-type: none"> ○ employees and customers from a variety of backgrounds are actively welcomed and supported ○ compliance with equality, diversity and inclusion legislation, policies and codes of practice in attitudes, actions and behaviours ○ making reasonable adjustments to support any individual needs ⊖ supporting vulnerable clients ⊖ protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. ○ avoiding unconscious bias ● 4.5.2 A general understanding of the current legislative areas: <ul style="list-style-type: none"> ○ Equality Act (2010) <ul style="list-style-type: none"> - who is protected? - types of discrimination - actions to address discrimination ○ Human Rights Act (1998) <ul style="list-style-type: none"> - who is protected? - who must comply? - actions to address human rights violations ● 4.5.3 Professional responsibilities and their value relating to equality, access and inclusion: <ul style="list-style-type: none"> ○ fairness, respect and dignity

	<ul style="list-style-type: none"> ○ the value of cooperative practices and empathy ○ personal and collective responsibilities ○ personal needs and requirements and the needs and requirements of others ○ the general principles of good practice in equality, access and inclusion, and their value, as well as obligations
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Element 5: Security and risk	
5.1	<p>The legislation for and the importance of good data management</p> <ul style="list-style-type: none"> ● 5.1.1 The advantages of good data management including speed of data transmission and access, business planning, monitoring key performance indicators, budget setting and monitoring and business decision making ● 5.1.2 The importance of maintaining privacy and confidentiality of business, client and colleague information <ul style="list-style-type: none"> ○ the difficulties that may arise if these conflict with a duty of disclosure including legal responsibilities of disclosure, relationship with clients and corporate image ● 5.1.3 Personal data governance and protection and its impact on data management ● 5.1.4 The implications for business of current data protection legislation and impact on data management including data storage; access to data; timescales for maintaining data; lawful use of data; accuracy of data <ul style="list-style-type: none"> ○ UK General Data Protection Regulation (UK GDPR) ○ Data Protection Act (2018) ● 5.1.5 Payment Services Directive (PSD) <ul style="list-style-type: none"> ○ Safer payments with banks, building societies, e-money institutions; bringing account data into one place giving a global view, two-factor authentication ○ Legal requirement storing data, GDPR applied to insurance, banking and investment, storing sensitive health insurance data
5.2	<p>The issues, challenges and impact of using IT systems for storing and transmitting information in digital form.</p> <ul style="list-style-type: none"> ● 5.2.1 Issues and challenges of storing data: <ul style="list-style-type: none"> ○ legal and regulatory requirements concerning the collection, storage and distribution of data. ○ accidental and malicious threats to security of data: network threats, viruses and other malware, hackers, phishing, accidental damage ● 5.2.2 Impact of cyber-attack on the business: financial, legal,

	<p>reputational</p> <ul style="list-style-type: none"> • 5.2.3 The purpose of cyber and data insurance and its importance
5.3	<p>Processes and protocols used to ensure internet security and to protect the access and transmission of data</p> <ul style="list-style-type: none"> • 5.3.1 Processes and protocols: <ul style="list-style-type: none"> ○ use of external servers ○ backup and recovery procedures ○ keeping protection software up to date ○ firewalls ○ file permissions ○ access levels ○ passwords ○ physical access control ○ digital certificates ○ encryption of files and emails ○ dealing with suspicious emails and attachments ○ avoiding the use of insecure internet connections • 5.3.2 The advantages and disadvantages of outsourcing data collection, data storage, management information and IT systems
5.4	<p>The management of risk in a business.</p> <ul style="list-style-type: none"> • 5.4.1 Risk areas: legal, governance, reputation, compliance, financial crime, operational, conduct • 5.4.2 Risk reduction strategies: <ul style="list-style-type: none"> ○ ensure efficient processes ○ determine service failures ○ ensure adequate risk assessment is conducted across all processes ○ document and communicate processes ○ update processes regularly • 5.4.3 Risk management and using a risk matrix: identifying, analysing impact, evaluating and ranking, responding, monitoring and reviewing • 5.4.4 Risk management strategies: <ul style="list-style-type: none"> ○ avoidance: applying safeguards ○ transference: transfer the risk ○ mitigation: reduce the impact ○ acceptance: accept the risk ○ threats to compliance: <ul style="list-style-type: none"> - self-interest: financial or other interests may inappropriately influence the member's judgement or behavior - self-review: the threat that a re-evaluation of actions will not be undertaken

	<ul style="list-style-type: none"> - advocacy: supporting the client's point of view publicly - familiarity: being sympathetic as we have a close or familiar relationship with a client o intimidation: a member may be deterred from acting objectively by threats (actual or perceived)
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Element 7: Professional Services	
7.1	<p><i>The role of third-party professionals and professional services</i></p> <ul style="list-style-type: none"> • 7.1.1 Professional services providers: independent specialist contractors that offer customised, knowledge-based services to clients • 7.1.2 Role of third-party professionals: <ul style="list-style-type: none"> o audit - reviews the financial accounts of an organisation to ensure that they are valid and that they have been prepared in line with accounting regulation and frameworks o tax - advising businesses on how to complete tax returns and also specialising on ensuring they are adhering to legislation and regulation o actuarial - calculating and assessing future financial risks and making predictions using models and statistics o corporate finance - this area of finance deals with sources of funding, the capital structure of corporations, examines the actions that managers take to ensure profitability and maximum value to shareholders, and the tools and analysis used to allocate financial resources o experts: outsourced technology services, independent financial specialists • 7.1.3 Risks associated with engaging third parties including professional conduct and ethical behaviour, relevant experience, disclosure of sensitive information, costs, profitability, privacy, compliance, reputational and strategic risks • 7.1.4 Professional indemnity: <ul style="list-style-type: none"> o Professional Indemnity Insurance (PII), reasons for purchase and its limitations o insurance claims record and the impact of a poor claims record on PII premiums o requirements of professional indemnity insurers/providers • 7.1.5 Importance of Service Level Agreements (SLAs) in financial services: <ul style="list-style-type: none"> o contractual obligations o working within the scope of engagement o clear standards of service/delivery requirements o customer service

Element 8: Fundamentals of Law	
8.1	<p><i>The principles and practice of business law their application to finance businesses and professionals</i></p> <ul style="list-style-type: none"> • 8.1.1. The role of courts, tribunals and Parliament in the in the law-making process • 8.1.2 The framework of business law and its purpose: <ul style="list-style-type: none"> ○ health and safety: published policy, health and safety officer, display screen equipment, employee training, risk assessments, regular fire drills ○ data protection: secure storage, confidentiality, rules regarding disclosure, access arrangements ○ consumer protection: rules relating to interest charges, hire purchase and credit purchase agreements ○ employment legislation: equal opportunities, minimum wage, contract of employment, pay, working hours, holiday entitlement, parental leave, discrimination, bullying and harassment. ○ the features and purpose of copyright, patents, trademarks, design rights, intellectual property, and international quality and safety standards • 8.1.3 Contract law and its purpose: <ul style="list-style-type: none"> ○ express and implied contracts ○ elements of a contract: offer, acceptance, consideration, intention to be legally bound ○ express terms: conditions, warranties, innominate, individually agreed ○ implied terms: by the courts, by statute or regulation ○ exclusion clauses ○ discharging a contract • 8.1.4 Criminal law and its importance – an overview of the objectives of the legislation relating to terrorist funding, money laundering, criminal activity and bribery <ul style="list-style-type: none"> ○ Payment Services Regulations (2017) deposit taking, securities, investment funds ○ Financial Services and Markets Act (2000) unregulated services ○ Payment Services Regulations (2017) ○ Consumer Credit Act (1974) ○ Proceeds of Crime Act (2002) ○ Money Laundering Regulations (2017) ○ The Terrorism Act (2000)
8.2	<p><i>The Companies Act 2006 and its purpose</i></p>

	<ul style="list-style-type: none"> • 8.2.1 Purpose of the Companies Act 2006 • 8.2.2 Formation of a company: key elements of the Articles and Memorandum of Association • 8.2.3 company directors' duties: <ul style="list-style-type: none"> ○ obligation to promote the success of the company, to consider the community and the environment, the interests of employees, and to be fair to shareholders ○ penalties and other implications of non-compliance • 8.2.4 Accounts and reports requirement to submit audited accounts to Companies House including a director's report
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Element 9: Fundamentals of Financial Accounting

9.1	<p><i>The types of financial data and their applicable calculations, origins and reliability and how they are presented</i></p> <ul style="list-style-type: none"> • 9.1.1 The importance of business finance and the management of money in business • 9.1.2 The difference between assets and liabilities; the difference between solvency and liquidity • 9.1.3 Capital and revenue income/expenditure • 9.1.4 The concept of liquidity and its importance <ul style="list-style-type: none"> ○ net current assets/liabilities: implications for a business of high/low liquidity levels ○ the importance of liquidity (net current asset) management • 9.1.5 The impact of straight-line and reducing balance depreciation on the value of non-current assets and the statement of financial position • 9.1.6 Internal and external sources of finance available to businesses: <ul style="list-style-type: none"> ○ internal: retained profits, net current assets, sale of assets ○ external: owner's capital, bank overdraft, hire purchase, leasing, trade credit, mortgages, shares, loans, debt factoring, grants, donations, invoice discounting, crowdfunding, venture capitalists and business angels • 9.1.7 Basic accounting techniques and how they are applied: <ul style="list-style-type: none"> ○ reasons for maintaining accurate financial records and the importance of financial audits ○ the functions of bookkeeping and its contribution to the business ○ fixed and flexible budgets, their features, application and their advantages and disadvantages. ○ the use of cash flow forecasts and statements for planning, monitoring, control and target setting
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	<ul style="list-style-type: none"> ○ the difference between cash and profit and importance of cash flow ● 9.1.8 Elements within a set of financial accounts: <ul style="list-style-type: none"> ○ assets; liabilities; expenses; revenue; capital; equity, gross and net profit (profit for the year) ● 9.1.9 Completion of an income statement and a statement of financial position including adjustments and closing inventory ● 9.1.10 Types of financial data <ul style="list-style-type: none"> ○ customer transactions, equity trading patterns, mortgage data, customer lending, deposits, credit, insurance policy holders
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Element 10: Technology

10.1	<p><i>The contribution of digital tools and software to promoting business efficiencies.</i></p> <ul style="list-style-type: none"> ● 10.1.1 Contemporary digital tools and software and their impact: <ul style="list-style-type: none"> ○ electronic transfer and filing of documentation including electronic tax returns ○ digital document/management systems, procedure and compliance ○ financial loyalty programmes including cross-selling of financial products such as mortgages and insurance products ○ management information systems (MIS) including electronic storage of business data, analysis of business data as part of the planning process including identification and monitoring of business risks ○ automated case management including processing service requests from existing and potential customers ○ commoditisation of professional services including financial products: commoditised, through the securitisation of mortgages or other individual loans into pooled investment products ○ supplier on-boarding including creating streamlined processes to build stronger buyer- supplier relationships that result in improved business outcomes for both parties. ○ digital firms: do not have traditional bricks-and-mortar offices, operating instead from the homes or satellite offices of professionals, usually delivering services to clients at a distance using technological means of communication, emails, social media, video conferencing ● 10.1.2 Financial technology (Fintech) <ul style="list-style-type: none"> ○ the purpose and characteristics of fintech and its use of artificial intelligence (AI): drive innovation in financial sector, upgrade financial infrastructure, reduced IT costs, faster time to market for products and services
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	<ul style="list-style-type: none"> ○ the users of Fintech: B2B for banks, B2C for small businesses, consumers ● 10.1.3 The implications for financial service providers on service delivery and costs arising from digital transformation <ul style="list-style-type: none"> ○ service delivery <ul style="list-style-type: none"> - transactional and chat bots, digital assistants, robo-advisors - financial loyalty apps - payment gateways for merchant sites - mobile wallets - digital banks - quickly settling bank transactions and stock transfers ○ costs <ul style="list-style-type: none"> - contract analysis - client risk profiling and risk assessment - online dispute resolution - cloud banking and real time customer data analytics - predictive analytics - block chain, speedy credit scoring and improved lending security
10.2	<p>The impact of technology on financial processes and systems, process automation and organisational roles.</p> <ul style="list-style-type: none"> ● 10.2.1 Financial processes and systems, their impact and implications: <ul style="list-style-type: none"> ○ automation of accounts payable and receivable processing, supplier onboarding, procurement and audits ○ automation of process: use of commercial finance software ○ analysis of data: using Big Data to compile information from the accounts into control accounts automation of filling financial statements to Company House and also filing taxes such as mandatory payroll deductions and VAT to HMRC ○ robotics and sensors/tools to enable process automation and reduce human labour required to process financial transactions ● 10.2.2 The impact of process automation and digital transformation on: <ul style="list-style-type: none"> ○ job roles, capabilities and skill requirements. working practices, labour costs and productivity ○ consumer reach, quality of service delivery, customer expectations, feedback and satisfaction ○ financial performance in relation to investment costs and profitability ○ business process management (BPM) systems ○ the growth of on-line services and reduced high street presence ○ the use of cloud computing and cloud storage

	<ul style="list-style-type: none"> • 10.2.3 The advantages and disadvantages of digital investment and funding opportunities including peer to peer (P2P) lending and crowdfunding • 10.2.4 Digital and emerging technology in a finance context: <ul style="list-style-type: none"> ○ Electronic Funds Transfer (EFT): between bank accounts, AI and conversational banking and anti-fraud risk ○ digital transformation: AI to predict share prices and cloud computing for sophisticated investment data analytic ○ impact of digital transformation: integration of technology into all areas of banking, insurance and investment, consumer facing financial services meeting customer expectations ○ Business Process Management (BPM): processes used by bank users, banking software, the insurance customer journey and managing claims, aligning middle office (risk management) with back office (settlements) in investment banking • 10.2.5 Automation of processes <ul style="list-style-type: none"> ○ Intelligent automation machine learning for stock market analysis, algorithm-driven investment services ○ Robotics and sensors: Robotic Processes Automation (RPA), conversational AI, digital insurance agents, banking chat bots, robo-investment advisors
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Element 11: Data driven innovation/analytics and design thinking	
11.1	<p>Data architecture and data governance</p> <ul style="list-style-type: none"> • 11.1.1 Principles of data architecture: the set of rules that surround data collection, input, access and movement. <ul style="list-style-type: none"> ○ allow for the efficient flow of data across the functional areas within financial organisations ○ establish security systems to protect sensitive and confidential data from internal and external threats ○ establish protocols for operational practices relating to data collection, input, access and movement ○ ensure rules regarding data collection input and access are communicated across the business ○ set clear goals to meet the requirements of the end-users including decision-makers ○ ensure the validity of the data; map costs against benefits; maintain up-to-date data sets • 11.1.2 Developments in reporting <ul style="list-style-type: none"> ○ the history of reporting and the influence of data driven innovation on the volume and value of management

	<p>information provided to decision-makers; the use of data visualisation techniques to aid decision-making including charts, diagrams, maps and dashboards</p> <ul style="list-style-type: none"> ○ the different types of analytics: descriptive, diagnostic, predictive and prescriptive ○ the tools used to analyse data: quantitative analysis through surveys and modelling; qualitative analysis through interviews and observations) <ul style="list-style-type: none"> ● 11.1.3 Processes <ul style="list-style-type: none"> ○ real-time data storage for targeting adverts to customers on websites; card fraud detection ○ combining data silos to bring investment and banking data into one place ○ cross and upselling financial products, ○ tracking metrics for mortgages, savings and investments ○ globally accessible insurance solutions ○ data governance, managing data overload in financial services, protecting sensitive personal and financial client data ● 11.1.4 The key requirements of a data governance framework: rules, policies, standards and models to govern and define the type of data collected and how it is used, stored, managed and integrated within an organisation and its database systems ● 11.1.5 Types of financial data: customer transactions, equity trading patterns, share price movements over time by value and volume traded; mortgage data, customer lending, deposits, credit, insurance policy holders by class and customer type
11.2	<p>Use of Big Data and Digital management tools</p> <ul style="list-style-type: none"> ● 11.2.1 Management Information (MI) and its importance for measuring performance, analysing trends, and in the decision-making process <ul style="list-style-type: none"> ○ the influence of developments and improvements in technology over time on the efficiency and effectiveness in reporting systems to ensure that the operating and financial data used by decision-makers in a business is accurate, relevant and up-to-date ● 11.2.2 Customer relationship management (CRM) and its importance <ul style="list-style-type: none"> ○ insights enabling lifetime banking customers ○ advantages: faster credit risk scoring, immediate risk assessment on stocks, financial fraud detection, fintech platforms available to banks including anti-money laundering ○ disadvantages: compromise of privacy for finance customers, biased data can mismatch financial products to needs ● 11.2.3 Big Data:

	<ul style="list-style-type: none"> ○ its application in customer engagement analytics and CRM ○ advantages, challenges and limitations for an organisation of using Big Data in relation to business strategy, productivity and innovation ● 11.2.4 Big Data characteristics: <ul style="list-style-type: none"> ○ Volume: the explosion in global payments fueled by ecommerce and mobile payments ○ Variety: Big Data makes sense of unstructured data from a variety of sources in banking from transactions details to credit scores ○ Velocity: incoming big data at high speed, extraction of insights into financial behaviour ○ Veracity: the challenge of receiving accurate information from big data, attempting to manage the financial risk of a customer ○ structured and unstructured financial data sets ○ 11.2.5 Big Data: <ul style="list-style-type: none"> ○ its application in customer engagement analytics and CRM ○ advantages, challenges and limitations for an organisation of using Big Data in relation to business strategy, productivity and innovation ● 11.2.5 Reporting and analytics, reporting financial results, quality control to detect fraud, a visual overview of risk levels, customer transactions <ul style="list-style-type: none"> ○ insurance, analytics for risk profiles target for products ○ banking, understanding customer needs with real-time data ○ investment, modelling data to generate investment ideas
11.3	<p>Principles of data analytics and its use to support decision making in the financial professions</p> <ul style="list-style-type: none"> ● 11.3.1 Methods/tools used to analyse finance data: <ul style="list-style-type: none"> ○ horizontal and vertical analysis of data ○ trend percentages ○ ratio analysis ○ benchmarking ● 11.3.2 Visualisation tools for presenting and reporting on data: <ul style="list-style-type: none"> ○ bar charts, histograms, pie charts and scatter graphs ○ the identification of positive and negative correlation between two variables ○ Google Charts, Tableau, Infogram, Datawrapper, real-time dashboards for investment portfolios, comparing year on year lending practices, annual reports ● 11.3.3 Different types of analytics to enhance the quality of

	<p>business decisions:</p> <ul style="list-style-type: none"> ○ predictive analytics: interpolation, extrapolation, forecasting; trend analysis ○ risk identification and evaluation ○ identifying patterns between variables and the influence of outliers <ul style="list-style-type: none"> ● 11.3.4 Business Intelligence (BI) software and its impact on retrieving, analysing, transforming and reporting data for business intelligence ● 11.3.5 Advantages and disadvantages/risks of outsourcing data analytics
11.4	<p>Design thinking and its use as a tool to address challenges in the financial industry</p> <ul style="list-style-type: none"> ● 11.4.1 Design thinking ethos: understanding customer needs and putting these needs at the heart of every project, creating space and platforms where project teams and end users naturally interact ● 11.4.2 Alternative investment opportunities: <ul style="list-style-type: none"> ○ Crowdfunding: Investing in small fast-growing businesses for equity or recognition ○ Peer to Peer lending: lending to businesses or individuals with interest and repayment ○ Angel investor: Individual backing for entrepreneurs in exchange for company equity

Element 12: Research skills

12.1	<p><i>The stages and skills involved in producing a research project:</i></p> <ul style="list-style-type: none"> ● 12.1.1 The stages involved <ul style="list-style-type: none"> ○ identify and plan the research ○ undertake research ○ interpret evidence ○ draw conclusions ○ present findings ● 12.1.2 Skills required <ul style="list-style-type: none"> ○ ability to work independently ○ time-management ○ set SMART objectives ○ ability to distinguish between facts, speculation and subjective opinion ○ ability to extract relevant information from a diverse range of research sources ○ ability to present a logically consistent argument and
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	<p>justify conclusions and recommendations</p> <ul style="list-style-type: none"> ○ presentational skills ○ communication skills
12.2	<p>Produce research plans in finance contexts.</p> <ul style="list-style-type: none"> ● 12.2.1 Purpose and context of research <ul style="list-style-type: none"> ○ financial products, changes to law and regulations, changes to standards, new technology, trends in data, competitors ● 12.2.2 Planning research: aims, planned outcomes, task dates/milestones, review dates, monitoring
12.3	<p>The different sources used to collect research, and how this information is analysed</p> <ul style="list-style-type: none"> ● 12.3.1 Research using different sources: <ul style="list-style-type: none"> ○ primary research: information gathered first-hand directly at the source – questionnaires, surveys, polls and interviews (face-to-face, online, telephone and postal), direct observation and visits, focus groups and digital communities ○ secondary research: summary, collation and/or synthesis of existing research - media sources, government reports and official statistics, company accounts and annual reports, industry, sector and market reports, trade associations and professional bodies, university research, data companies ○ qualitative research: provides a measure of how people feel, what they think and why they make certain choices through interviews and observations ○ quantitative research: provides a measure of what people think using statistical and numerical data through surveys and modelling ● 12.3.2 Ethics: the moral principles that govern how researchers should carry out their work ● 12.3.3 Reliability and validity of information sources: fact versus opinion, objectivity versus bias/subjectivity, relevance, currency and sufficiency of information ● 12.3.4 Analysis of research: comparisons, trends and anomalies
12.4	<p>Presentation of research results in finance contexts.</p> <ul style="list-style-type: none"> ● 12.4.1 Method: written, verbal, formal, informal ● 12.4.2 Medium: report, online, presentation, use of handouts and summary sheets ● 12.4.3 Appropriate use of information: data analysis, paraphrasing and summarising, making convincing arguments, developing evaluative conclusions ● 12.4.4 Appropriate presentation of data using diagrammatic and tabular formats

	<ul style="list-style-type: none"> • 12.4.5 Avoiding plagiarism • 12.4.6 Compilation of bibliographies, citing and referencing in an appropriate format • 12.4.7 Feedback: suggestions and recommendations • 12.4.8 Awareness of audience type <ul style="list-style-type: none"> ○ technical, non-technical, customers, potential customers, colleagues, stakeholders and hierarchy
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Element 13 Project/Change Management and Administration	
13.1	<p>The features of project management approaches in finance contexts.</p> <ul style="list-style-type: none"> • 13.1.1 Formulating a business case: identifying the problem, options, advantages, timescales, costs, return on investment (ROI) and risks of the project • 13.1.2 The project management triangle and its implications: scope, cost and time and how changes in these factors impact on quality • 13.1.3 Project lifecycle: <ul style="list-style-type: none"> ○ initiation: set out scope, purpose, and SMART objectives of project ○ planning: create project plan that includes resources, contingencies, finance, quality, key performance indicators (KPIs), communication and evaluation mechanisms ○ execution: implement project plan, create tasks, organise workflows, brief team members ○ closure: complete paperwork, release resources, and report to key stakeholders ○ evaluate: identify how far the project met objectives and expectations and identify how to improve future projects by supporting evidence and research • 13.1.4 Project management tools and how they are used: Gantt charts, networking and critical path analysis, specialist software • 13.1.5 Methods of communication to meet the needs and interests of different stakeholder groups: project team, other employees, customers/users, suppliers, investors, community, government agencies
13.2	<p>The structure and responsibilities within a project team</p> <ul style="list-style-type: none"> • 13.2.1 Project team roles <ul style="list-style-type: none"> ○ Project manager ○ Project team member ○ Project sponsor • 13.2.2 Responsibilities within projects

	<ul style="list-style-type: none"> ○ evaluating finance options in line with organisational context ○ budget-setting and monitoring, budgetary responsibilities and reporting systems, variance analysis ○ establishing procurement systems and processes ○ tendering ○ writing reports for project managers and relevant stakeholders ○ evaluating project risks ○ risk management
13.3	<p>The drivers of change in a finance context.</p> <ul style="list-style-type: none"> ● 13.3.1 The business case for change including response to changing market conditions; need to reduce costs; response to government policies and regulations; upskilling the workforce; technological developments; response to stakeholder feedback/demands; product and service innovation ● 13.3.2 How changes in internal and external business environments can influence business objectives and organisational change in finance business organisations: <ul style="list-style-type: none"> ○ Political: budget and tax changes, changes to accounting standards, political volatility in foreign and domestic markets, sustainability of debt; regulations including Financial Conduct Authority (FCA), strengthening of regulatory frameworks ○ Ethical: financial conduct, ethical objectives, risk management, accountability, ethical investing, ethical financial advice, professional behaviour, professional competence and due care, honesty, integrity, confidentiality and transparency ○ Social/demographic: ageing workforce, financial exclusion, fairer employment practices, social investment and values ○ Technological: digitalisation of accounting technology; data mining and predictive analytics; cloud computing ○ Legal/regulatory: financial failures, market transparency, Financial Conduct Authority (FCA), regulator, governance frameworks ○ Environmental: climate change events and financial losses, demand for green financial products, risk management, impact of government environmental policies, climate-related financial disclosure, 3P's in sustainability People / Profit / Planet, Corporate Social Responsibility (CSR) ● 13.3.3 Measuring business performance: <ul style="list-style-type: none"> ○ financial: cash flow, calculation and analysis of profitability

	<p style="text-align: center;">ratios and liquidity ratios</p> <ul style="list-style-type: none"> ○ customer and staff retention ○ benchmarking ○ key performance indicators (KPIs) ○ SWOT analysis, internal and external factors <ul style="list-style-type: none"> ● 13.3.4 How the outcome of measuring business performance can influence business strategy, operational plans and business tactics ● 13.3.5 The contribution of SMART (specific, measurable, achievable, realistic, time bound) target setting in a business context ● 13.3.6 The barriers to organisational change and how they might be addressed including <ul style="list-style-type: none"> ○ work force resistance ○ lack of management skills ○ lack of finance ○ leadership inertia ● 13.3.7 How to support and improve projects through research, evidence and evaluation methods
13.4	<p>The principles of managing change in a finance context.</p> <ul style="list-style-type: none"> ● 13.4.1 Need for change - internal factors: <ul style="list-style-type: none"> ○ technology changes ○ consumer habits ○ cash flow management ○ poor leadership and management ○ demand for skills ○ growth or decline of the business ● 13.4.2 Need for change - external factors: <ul style="list-style-type: none"> ○ interest rate changes ○ competition and demand ○ action from pressure groups ○ availability of raw materials ○ changes in legislation ○ changes in lifestyle ○ technology ● 13.4.3 Consequences of not implementing change ● 13.4.4 Effective leadership of change

Specialist Core Knowledge and Understanding across Finance Pathway

Element 14: The Financial Services Sector

14.1	<p><i>The features of the Financial Services Industry:</i></p> <ul style="list-style-type: none"> ● 14.1.1 The structure of the UK financial services industry <ul style="list-style-type: none"> ○ insurance and protection ○ investment management ○ pensions and retirement income ○ retail banking ○ retail investments ○ retail lending ○ wholesale financial markets ● 14.1.2 The development and deployment of technology in Financial Services <ul style="list-style-type: none"> ○ Fintech developments, ○ virtual financial businesses and products ○ online access to financial services by consumers ○ Management Information Systems (MIS) and reporting arrangements to aid decision-making and business planning ● 14.1.3 The product providers, advice/support services, platforms available and possible customer outcomes for the following financial services products: <ul style="list-style-type: none"> ○ deposits ○ payments ○ insurance ○ savings ○ investments ○ funds ○ mortgages ○ loans ○ pensions ● 14.1.4 The different client groups appropriate to the different sectors of the financial services industry, including <ul style="list-style-type: none"> ○ private/personal ○ SME ○ corporate ○ institutional ● 14.1.5 The role of an Independent Financial Adviser (IFA) and the limitations of this role <ul style="list-style-type: none"> ○ Role: provide expert impartial advise on financial planning including pensions and investment and wealth management; research investment opportunities; provides objectivity when investing funds on behalf of their clients; not linked to specific suppliers of financial services ○ Limitations of role: operate in an advisory capacity with the final decisions being the responsibility of the client
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	<ul style="list-style-type: none"> ● 14.1.6 The development and transformation of financial services business and their trading models <ul style="list-style-type: none"> ○ the role of technology increasing use of the internet by consumers to purchase financial products and services, banking, insurance ○ virtual businesses, no high street presence ○ working practices and workforce organisation and structure increase in the use of home working and 24-hour banking via outsourcing ○ increased competition the impact on established financial businesses of smaller financial services businesses entering the market offering bespoke services to the consumer ○ the increased importance of customer service and personalised products personal bankers, loyalty programmes, product portfolio
14.2	<p><i>The global context of financial services</i></p> <ul style="list-style-type: none"> ● 14.2.1 Overview of the place of the UK's Financial Services Industry in the global financial market ● 14.2.2 Overview of the international standards and regulations that impact on the UK Financial Services Industry ● 14.2.3 The impact of different cultures and practices on the UK Financial Services Industry, its products and services and product providers
14.3	<p><i>The distinction between retail and institutional clients</i></p> <ul style="list-style-type: none"> ● 14.3.1 Characteristics of retail clients ● 14.3.2 The range of retail clients ● 14.3.3 Characteristics of institutional clients ● 14.4.4 Reasons for to treating retail and institutional clients differently

14.4	<p><i>Mis-selling practices in financial services and how they are addressed</i></p> <ul style="list-style-type: none"> ● 14.4.1 Types of mis-selling in the financial services sector including <ul style="list-style-type: none"> ○ providing customers with misleading information ○ recommending customers purchase unsuitable products ● 14.4.2 Impact of mis-selling practices on financial service providers including: <ul style="list-style-type: none"> ○ compensation payments ○ financial insecurity ○ reputation ○ regulatory sanctions ○ employee reviews ● 14.4.3 Practices to address mis-selling including: <ul style="list-style-type: none"> ○ promotion of an ethical sales culture including sales practices, risk management and data analytics ○ robust procedures for complaints handling ○ accountability ○ random sales audits
14.5	<p><i>The features of corporate life cycle and the product life cycle in the context of the financial services sector</i></p> <ul style="list-style-type: none"> ● 14.5.1 The corporate life cycle: launch, growth, shake-out, maturity, decline; its application in the financial services sector ● 14.5.2 The product lifecycle: introduction, growth, maturity, decline; its application to financial services and products, and banking and insurance products
14.6	<p><i>How the specialist functional teams in the financial sector impact upon each other and add value to the organisation</i></p> <ul style="list-style-type: none"> ● 14.6.1 The roles of specialist teams in financial sector organisations and their inter-relationship <ul style="list-style-type: none"> ○ Operations ○ Finance ○ IT/Technology ○ External/internal audit ● 14.6.2 An overview the organisational hierarchies and the associated range of specialist roles and responsibilities, from administration officers up to the chief operating officer
14.7	<p><i>The risks faced by organisations in the financial services sector</i></p> <ul style="list-style-type: none"> ● 14.7.1 Operational risks ● 14.7.2 Settlement risks ● 14.7.3 IT and cyber risks ● 14.7.4 Non-financial risks including reputational risks ● 14.7.5 Risk management strategies: retain, transfer,

Element 15: Professionalism and ethics 2	
15.1	<p><i>The influences on professional and ethical behaviour in the financial services industry</i></p> <ul style="list-style-type: none"> • 15.1.1 Influences on professional and ethical behaviour including <ul style="list-style-type: none"> ○ Risk ○ Regulatory and governance requirements ○ Ethics ○ Codes of conduct ○ Lessons learned from bad practice the Libor scandal
15.2	<p><i>How conflicts of interest may arise in businesses and financial services</i></p> <ul style="list-style-type: none"> • 15.2.1 Definition of conflict of interest • 15.2.2 Identification of conflict of interest • 15.2.3 Management of conflict of interest • 15.2.4 Prevention of conflict of interest
15.3	<p><i>The concept of whistleblowing and the concept of a ‘speak up’ culture:</i></p> <ul style="list-style-type: none"> • 15.3.1 Whistleblowing and its application in an organisational context • 15.3.2 Corporate culture and reporting processes • 15.3.3 A basic understanding of the UK’s legal Public Interest Disclosure Act (PIDA) and Financial Conduct Authority (FCA) rules and powers
15.4	<p><i>The complaints procedures and risk processes operated by financial services organisations.</i></p> <ul style="list-style-type: none"> • 15.4.1 The Financial Conduct Authority (FCA’s) six customer outcomes that it expects firms to strive to achieve to ensure fair treatment of customers: <ul style="list-style-type: none"> ○ fair treatment ○ products designed to meet needs ○ clear information ○ suitable advice ○ products perform to expectations ○ no unreasonable sale barriers • 15.4.2 Procedures for resolving disputes with customers within set deadlines • 15.4.3 Stages in a complaints procedure <ul style="list-style-type: none"> ○ acknowledgement ○ independent review ○ processing and investigating ○ outcome • 15.4.4 Definition of conduct risk • 15.4.5 processes in managing conduct risk

	<ul style="list-style-type: none"> ○ identification and assessment ○ supervision of conduct, behaviours and practice ○ training ○ management information/ metrics to enable challenge ○ addressing risk ○ monitoring and assessing
15.5.	<p><i>The principles of ethical and professional conduct in the financial services sector</i></p> <ul style="list-style-type: none"> ● 15.5.1 Reputation and responsibilities: <ul style="list-style-type: none"> ○ good professional conduct resulting in long term financial performance, customer and stakeholder value, avoiding financial crises ○ treating suppliers, customers, partners and employees fairly and with respect at all times ● 15.5.2 Ethical decision making: <ul style="list-style-type: none"> ○ selecting investments based on moral principles ○ money lending for cultural impact ○ customer alerts for insufficient funds ● 15.5.3 Expectations of professional conduct, behaviour, attitudes and their value. <ul style="list-style-type: none"> ○ information asymmetries: unequal information for both borrowers and lenders, diligence in reviewing customer history, need to reveal full risk information when selling securities, mis-selling mortgages, hard sales tactics, value for money with financial advice ● 15.3.4 Financial Conduct Authority (FCA) and misconduct procedures: warning letter, formal action, financial penalties, restrictions, suspension of trade <ul style="list-style-type: none"> ○ whistleblowing: protection for whistleblowers, prescribed bodies for reporting wrongdoing ○ respect for all: inclusive finance for low-income populations, micro-loans, micro-enterprises