

Guidance

to support the implementation of the Foundation Standard for Professional Bankers

January 2016



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Introduction

The purpose of this Guidance is to help CB:PSB member firms implement the Foundation Standard. It is intended to be of particular benefit to those engaged in developing policies, procedures and systems to support the achievement of the Foundation Standard. It may also be helpful to a wide range of stakeholders who support and value the learning and development of Professional Conduct (values, attitudes and behaviour) and Professional Expertise (knowledge and skills) in the banking industry, including:

- Professional bodies;
- Universities, colleges and business schools;
- Training providers;
- Organisational development consultancies;
- Employers;
- Regulators; and
- Government authorities and stakeholders.

Objectives of the Foundation Standard

The Foundation Standard sets out the CB:PSB's expectations in relation to the Professional Conduct and Professional Expertise required by individuals to apply the Chartered Banker Code of Professional Conduct (the Code) on a day-to-day basis. Those meeting the Foundation Standard are able to demonstrate their commitment to their professional development which, in turn, should enhance and sustain public confidence and trust in banks and bankers, and pride in the banking profession.

To satisfy the CB:PSB's expectations, individuals must meet the Foundation Standard in full by demonstrating and consistently applying their Professional Conduct and Professional Expertise consistent with the Code.

Gaining a professional standard is not a one-off achievement. Once a professional standard has been achieved, it is revalidated on an annual basis to ensure that individuals continue to meet and demonstrate the Professional Conduct and Professional Expertise requirements set by the CB:PSB.

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Introduction

The Chartered Banker Code of Professional Conduct

The Code, published by the CB:PSB in 2011 underpins the CB:PSB's professional standards and sets out the values, attitudes and behaviour expected of all professional bankers. The CB:PSB revised its Code in 2016, adopting terminology consistent with FCA / PRA Individual Conduct Rules¹.

The Code sets out the CB:PSB's expectations, which exceed regulatory requirements, by outlining how individuals should follow best practice and demonstrate their personal commitment to professionalism in banking, by:

1. Treating all customers, colleagues and counterparties with respect and acting with **integrity**;
2. Developing and maintaining their professional knowledge and acting with **due skill, care and diligence**; considering the risks and implications of their actions and advice, and holding themselves accountable for them and their impact;
3. Being **open and cooperative** with the **regulators**; complying with all current regulatory and legal requirements;
4. Paying **due regard to the interests of customers and treating them fairly**;
5. **Observing** and demonstrating **proper standards of market conduct** at all times;
6. Acting in an honest and trustworthy manner, being alert to and managing potential conflicts of interest; and
7. Treating information with appropriate confidentiality and sensitivity.

¹ The FCA / PRA Individual Conduct Rules (published in July 2015) wording is shown in bold

Benchmarking

This section provides guidance to help member firms benchmark existing mechanisms which may support implementation of the Foundation Standard. This enables them to:

- Compare existing learning, development and performance management systems against the requirements of the Foundation Standard;
- Identify any gaps in the organisation's existing practice or in supporting the development of individuals;
- Assist the scoping of new learning and development programmes, in addition to enhancing existing programmes; and
- Identify target groups and potential evidence sources to support the Annual Progress Review of professional standards implementation, carried out by member firms and the Professional Standards Team.

The Foundation Standard requires individuals to demonstrate a basic level of Professional Conduct and Professional Expertise.

A desktop review exercise may be supported by the Professional Standards Team to help member firms understand what mechanisms may support Foundation Standard implementation. This exercise would involve member firms benchmarking existing mechanisms against the Foundation Standard indicators and assessing alignment in conjunction with the Professional Standards Team. A benchmarking template is available in the Members area of the CB:PSB website, within the CB:PSB Toolkit.

Where gaps are identified, the Professional Standards Team may support member firms to identify suitable methods to address these. For example, organisations, including the Chartered Banker Institute, have developed specific e-learning tools to support the Professional Knowledge Indicators.

As professional standards need to be revalidated on an annual basis, to ensure that individuals continue to meet and demonstrate the Professional Conduct and Professional Expertise requirements, member firms should benchmark annual activities. Activities which may support attainment and on-going validation of the Foundation Standard may include, but are not limited to:

- Learning and development strategies and programmes – e.g. mandatory training, prior certificated learning, experiential learning, employee journeys, accredited prior experience and banking qualifications already achieved by individuals;
- Elements of competency frameworks and role profiles, as appropriate;
- Performance management and similar processes – including balanced scorecards, initial and/or on-going competence assessments, behavioural frameworks, job specific performance, structured observations and personal development plans;
- An organisation's mission, purpose, values and code of conduct;
- Risk Management frameworks and assessments, decision-making models and frameworks;
- Corporate policies and procedures including corporate communications and CSR; and
- Reporting/escalation mechanisms including whistleblowing.

Member firms are also encouraged to benchmark and align induction and on-boarding programmes to the Foundation Standard. This will ensure that new entrants are aware of and engaged in the process of attaining the Foundation Standard from the start of their banking career.

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Implementation

It is the responsibility of each member firm, with the support of the Professional Standards Team, to define a sustainable and effective approach to implementing the Foundation Standard within their organisation, consistent with the guidance set out in this document.

This section provides guidance on key activities to support implementation, which includes:

- The scope and applicability of the Foundation Standard;
- How the organisation can ensure alignment to the Foundation Standard;
- Learning and development activities that can support achievement of the Foundation Standard;
- Recognition of prior learning; and
- Continuing Professional Development (CPD).

Scope and Applicability of the Foundation Standard

The Foundation Standard is designed to apply to all individuals working in UK banks.

It is up to each member firm to determine, consistent with the guidance set out in this document, the relevant individuals and groups in scope within their organisation.

Member firms are encouraged to look at potentially including all of their colleagues within the scope of the Foundation Standard, since the requirements are set at a basic level. The Professional Knowledge and Professional Skills indicators within the requirements should also be considered in relation to role, function and organisation.

The Professional Standards Team works with organisations to ensure consistency, as far as possible, in the application of the Foundation Standard across all member firms.

While those individuals to whom the Foundation Standard applies must meet the requirements of the Foundation Standard in full, it is likely that mechanisms and evidence used by member firms to assess achievement of the Foundation Standard may differ – both between member firms and colleague cohorts within member firms.

Implementation

Organisational Alignment

Member firms and others wishing to assist individuals in achieving the requirements of the Foundation Standard may do so in a variety of ways including, but not limited to, aligning, incorporating and /or embedding the following with the Foundation Standard:

- Recruitment and assessment centres;
- Induction and on-boarding programmes;
- The employee journey and similar;
- Elements of competency frameworks and role profiles, as appropriate;
- Initial and /or on-going competence assessments;
- Learning and development strategies and programmes; and
- Performance management and similar processes.

Learning and Development

Member firms and others may align their learning and development activities to support individuals' understanding and application of the Professional Conduct and Professional Expertise requirements of the Foundation Standard. These may include, but are not limited to:

- Using case studies/histories and similar materials;
- Participating, individually or as a group, in role-plays or simulations where different decisions lead to different outcomes;
- Attending seminars, workshops and similar live or online events organised by employers, professional bodies, training providers and others;
- Discussing real-life ethical dilemmas and conflicts of interest with colleagues, line managers and others, including the role and use of whistleblowing mechanisms;
- Using ethical decision-making models to analyse real ethical dilemmas arising in the workplace;
- Studying and discussing ethical dilemmas from other industries;
- Coaching and mentoring;
- Self-reflection on personal and professional experiences;
- Participating in learning and development programmes provided by employers or others, including classroom based training, distance learning, e-learning and blended learning programmes; and
- Studying for a relevant academic or professional qualification.

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Implementation

Recognition of Prior Learning

The CB:PSB strongly encourages and promotes professional qualifications and professional body membership. Individuals' existing qualifications, professional membership(s) and / or completion of relevant academic or professional programmes, if relevant to their role and responsibilities and kept up to date, may assist them in meeting some or all of the Professional Expertise requirements of the Foundation Standard.

Member firms should ensure they have appropriate mechanisms in place to confirm the extent to which individuals' prior learning meets the requirements of the Foundation Standard. The Professional Standards Team may assist in this process.

A list of relevant qualifications, benchmarked against the Foundation Standard, is detailed in the CB:PSB Toolkit within the Members area of the CB:PSB website.

Continuing Professional Development (CPD)

The development of Professional Conduct and Professional Expertise continues throughout an individual's career. It is anticipated that individuals meeting the requirements of the Foundation Standard will seek to develop these further, and will be supported in this development by their colleagues and employers. The CB:PSB strongly encourages membership of a relevant professional body, which provides a mechanism for individuals to identify, meet and record personal and professional development needs, including the demonstration of an on-going commitment to act in a manner consistent with the Code.

On-going achievement of the Foundation Standard is recognised and valued as contributing towards annual CPD requirements. Further information on CPD can be found at www.charteredbanker.com/membership/cpd/

Monitoring

This section provides guidance to help member firms understand the processes involved in the monitoring and verification of the Foundation Standard.

Monitoring of professional standards is closely aligned to the implementation process, with both working together to create a cycle of continuous improvement. Details of the process can be found in Section 5 of the **CB:PSB Framework for Professional Standards** and also in the CB:PSB Toolkit within the Members area of the CB:PSB website.

As part of the monitoring process, a report is produced by the Professional Standards Team for each member firm highlighting any development areas or potential risks. Action plans are also agreed to support member firms further in the implementation of the CB:PSB Professional Standards.

Evidence Sources

In order to complete the self-evaluation and Annual Progress Review, member firms are required to supply evidence to support their submission. Suggested examples of evidence sources include:

- Codes of Conduct;
- Subscription to the Chartered Banker Code of Professional Conduct;
- Policies and procedures;
- Whistleblowing mechanisms;
- Relevant corporate communications;
- Cultural frameworks;
- Behavioural frameworks;
- Competency frameworks;
- Risk and decision-making models and frameworks;
- Scorecards;
- Performance Management systems;
- Metrics linking people and performance management to values;
- Role Profiles;
- Recruitment and assessment;
- Induction and on-boarding programmes;
- Mandatory training requirements;
- Organisational support for relevant professional qualifications and professional body membership;
- Training and development programmes; and
- Specific technical knowledge programmes.

Accreditation

This section provides guidance on how member firms' activities, relevant to the implementation of the Foundation Standard, may be accredited.

The Chartered Banker Institute is able to accredit member firms' activities relevant to the implementation of the Foundation Standard, potentially providing pathways to professional qualifications and membership. It may also accredit relevant activities created by providers of academic and professional education. These activities may include, but are not limited to, accreditation of:

- Recruitment and assessment centres;
- Induction and on-boarding programmes;
- The employee journey and similar;
- Competency frameworks;
- Competency assessments;
- Learning and development activities conducted by the member firm and / or partners;
- Banking qualifications already achieved by individuals; and
- Performance Management and similar processes.

Professional Pathways

The Chartered Banker Institute is establishing pathways from professional standards to its professional qualification and membership frameworks. Pathways will be based on member firms' implementation approaches and may differ from firm to firm. Member firms with an interest in supporting colleagues to progress from the Foundation Standard to the Institute's qualifications should contact the CB:PSB Head of Professional Standards.

Foundation Standard Translation Tool

The CB:PSB has developed a Translation Tool to map the read across from the Foundation Standard to the new FCA / PRA Individual Conduct Rules². The Foundation Standard Translation Tool is detailed in the Members area of the CB:PSB website, within the CB:PSB Toolkit.

The Foundation Standard is underpinned by the seven principles outlined in the Code (see page 4 of this document), which all member firms subscribe to. Member firms' own Codes of Conduct have been benchmarked against the seven principles: some member firms have amended their Code of Conduct as a result; others have adopted the Code as their organisational Code of Conduct. The CB:PSB has tested the Code principles against the FCA / PRA Individual Conduct Rules to confirm alignment.

CB:PSB member firms can use the Foundation Standard Translation Tool as part of their suite of evidence to demonstrate compliance with the Individual Conduct Rules, by detailing the mechanisms they employ to meet the Foundation Standard Professional Performance Outcomes. In order to meet the requirements of the Professional Performance Outcomes, individuals need to demonstrate they have attained and exhibit the expected levels of Professional Conduct and Professional Expertise.

CB:PSB Toolkit

Additional templates and guidance, including case studies, which may assist in the implementation of the Foundation Standard are detailed in the Members area of the CB:PSB website, within the CB:PSB Toolkit.

² The Individual Conduct Rules can be viewed on the FCA's website <https://fca.org.uk> or the PRA's website <http://www.bankofengland.co.uk/Pages/home.aspx>

Chartered Banker

Professional Standards Board

Effective Date

The Guidance is effective from January 2016.

Review Date

The Guidance will be reviewed in 2018.

The Chartered Banker Professional Standards Board and Chartered Banker Institute have offices in Edinburgh and London.

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Chartered Banker Institute is a trading name of The Chartered Institute of Bankers in Scotland.
Charitable Body No SC013927