
Overview

This standard is about developing and gaining support for the organisation's culture, ethos and strategy for countering financial crime. You must be able to agree with the board or equivalent body, the strategy and values that encourage behaviour consistent with your organisation's overall approach for countering financial crime. You must ensure that risk based policies, procedures, systems and controls are fit for purpose, and that they support and communicate the strategy and values that have been set.

This standard is relevant to roles in countering financial crime.

Performance criteria

You must be able to:

1. develop and gain board support for a strategy consistent with your organisation's overall approach to countering financial crime
2. gain board level support for values and behaviours consistent with your organisation's overall vision and strategy for countering financial crime.
3. obtain commitment from the board for a budget and other resources to enable the implementation of systems that support your organisation's agreed strategy and values
4. communicate agreed strategy and values to people across your organisation and motivate them to put these into practice
5. put in place policies, procedures and systems to support your organisation's strategy and values
6. assess the understanding of your organisation's strategy and values and the policies, procedures and underpinning systems and controls
7. ensure that communications are consistent with agreed strategy and values
8. monitor the implementation of policies, procedures, systems and controls, to ensure that they continue to meet your organisation's culture and ethos
9. behave in a way, using actions and words which consistently reinforce your organisation's values

Knowledge and understanding

You need to know and understand:

1. your organisation's strategy and approach towards countering financial crime
2. the importance of values in underpinning individual and organisational behaviour
3. how to monitor and assess values and behaviours to ensure they are consistent with your organisation's approach and strategy
4. how to influence values and behaviours to ensure they are consistent with your organisation's approach and strategy
5. how your organisation defines financial crime and the channels for communicating these throughout your organisation
6. your organisation's risk appetite in respect of financial crime
7. who are the key stakeholders and their requirements
8. different approaches for countering financial crime relevant to the nature, scale and complexity of your business and how to assess their strengths and weaknesses
9. internal and external factors that influence the countering financial crime culture and strategy
10. the relationship and links between countering financial crime culture, strategy and business performance
11. the importance of managing cultural change within your organisation
12. effective methods of communicating strategy and values and supporting and measuring their application across your organisation
13. methods of monitoring policies, procedures, systems and controls to ensure that they reflect your organisation's approach to countering financial crime
14. the importance of regularly reviewing policies, procedures, systems and controls
15. the legislation, regulations and codes of practice, relevant to you and your organisation and any specific obligations

Glossary

Board

This is the body responsible for the strategic direction and overall running of the organisation. In some cases, depending on the type of organisations, this is also known as the governing body.

Financial Crime

This includes any offence involving money laundering, terrorist financing, fraud or dishonest or market abuse. (Definition based on the FCA definition of financial crime). This includes financial crime both internal and external to a financial services organisation.

Legal and regulatory requirements

This refers to a range of obligations incumbent upon financial organisations and is commonly referred to as 'compliance' requirements. The legal and regulatory requirements of an organisation or individual/s within it (such as 'approved persons') may differ slightly according to the type of financial organisation and the services it offers. The regulator of all providers of financial services in the UK oversees a number of regulated activities under powers derived from the Financial Services and Markets Act 2000.

A number of other pieces of UK legislation are relevant to the countering of financial crime, such as the Proceeds of Crime Act (POCA), the Serious Organised Crime and Police Act (SOCPA), the Fraud Act 2006, for example. UK financial institutions are also subject to European Commission legislation enacted by the British Government such as the Market Abuse Directive and the Basel 2 Accord (for capital adequacy).

Financial organisations, like any other employer, are also subject to a range of legal requirements covering areas such as discrimination, equality and diversity, Health and safety and Data protection.

Organisation

This refers to an organisation that offers financial services – this could be insurance, investment, lending and credit, pensions, securities and derivatives. It includes organisations in both the public and private sector.

Systems and controls

The practices and procedures put in place to protect an organisation from financial crime. In some cases it is accepted that certain (or indeed all) types of financial crime cannot be wholly prevented, but controls can limit its extent and impact.

Ethos

The guiding values, principles and beliefs of a business that are reflected in the entity's character, profile, governance, systems and controls.

FSPCFC1

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