

## **Scottish Credit and Qualifications Framework Partnership (SCQFP)**

### **Periodic Review Report**

#### **Executive Summary**

**Name of CRB:** The Chartered Institute of Bankers in Scotland (CIOBS)

**Date of periodic review visit:** Wednesday 20 November 2013

#### **Scope of credit rating**

The Chartered Institute of Bankers in Scotland is approved to credit rate for the SCQF at Level 7 and above.

#### **Third Party credit rating**

The Chartered Institute of Bankers in Scotland is not approved for Third Party credit rating.

#### **Background to the periodic review**

The Chartered Institute of Bankers in Scotland (CIOBS) was approved as a Credit Rating Body (CRB) in 2009. Since then it has been subject to three successful annual monitoring reviews. Under the Quality Assurance Model CRBs are then subject to a periodic review every four years carried out by a team of reviewers normally consisting of an external reviewer, a member of the SQCFP Quality Committee and an SCQFP Executive Officer.

The Periodic Review process requires that organisations must continue to demonstrate that they have the capacity, commitment and ability to continue to be awarded the facility to credit rate within the SCQF. It also requires the organisations to demonstrate that they continue to fully meet the criteria for being a Credit Rating Body. The findings under each of these criteria is summarised below along with the outcome of the process:

#### **Summary of findings**

##### *Criterion 1 – A Body of Good Standing*

The CRB provided up to date documentation on all aspects of Criterion 1. There had been no changes to the organisation's constitution and the CRB continued to show commitment to delivery in Scotland.

In their reflective narrative CIOBS described the Financial Services Industry as being still in recovery and highlighted the establishment of a new regulator - the Financial Conduct Authority. A Parliamentary Commission into Banking Standards had also recently reported, and the Retail Distribution Review (RDR) is now in place. In response to these changes CIOBS has launched its new Chartered Banker qualification and developed other qualifications, for example regulatory qualifications and in the light of the RDR, the Diploma in Investment Planning.

The Board accepted that the CRB continues to meet Criterion 1.

### *Criterion 2 – Robust Quality Assurance System*

The CRB provided up to date documentation on all aspects of Criterion 2. The Financial Conduct Authority produces qualification standards for Financial Advisers which are embedded within CIOBS' qualification for financial advisers and adherence to these standards is a legal requirement for anyone giving financial advice.

CIOBS as an Awarding Body had enhanced its assessment processes in relation to verification and automatic review for students with examination marks close to the pass mark. CIOBS' Quality and Standards Committee had been instrumental in proposing the module verification process now adopted.

CIOBS has developed its governance arrangements, dividing its Education Committee into the Learning Development Board and the Quality & Standards Committee. The panel heard CIOBS' explanation for this change and considered it an appropriate move, with Quality & Standards Committee being instrumental in the oversight of both quality assurance and of credit rating.

CIOBS had commissioned an external review of its quality assurance system four years ago and taken account of its findings and recommendations.

The Board accepted that the CRB continues to meet Criterion 2.

### *Criterion 3 – Capacity and Commitment*

The CRB showed clear commitment to the SCQF in Scotland and continued to deliver a range of qualifications in Scotland.

CIOBS has undertaken an annual internal review since being granted credit rating body status and has made changes through involvement with the SCQF Partnership (SCQFP), improvements to the documents used and the involvement of the Quality and Standards Committee.

In terms of capacity, a total of 4 people have been trained by the SCQF Partnership to carry out credit rating and the small size of the credit rating pool was discussed with CIOBS staff. CIOBS staff indicated that the pool of 4 people had proved sufficient to cover all instances of credit rating to date.

The review panel was confident that CIOBS is following its processes for credit rating and noted an overall improvement in its paperwork over the 4-year period. However, the panel indicated that CIOBS should improve the completeness of its paperwork at each stage of the credit rating process even further in future in relation to providing more detailed rationales for decisions taken and detailing the personnel involved.

The Board accepted that the CRB continues to meet Criterion 3.

## **Outcome**

### **SCQF Board decision and conditions/recommendations**

The Board accepted that the CRB meets all the criteria for continuing to credit rate for the SCQF.

At its meeting on 12 December 2013, the Board made two recommendations:

- To ensure in future that in all cases CIOBS paperwork for credit rated provision be completed fully;
- That in future CIOBS include clear rationales for decision-making in all credit rating paperwork.

The Board also recommended that under the revised Quality Assurance Model (2014), from 1 April 2014 and following a successful periodic review, The Chartered Institute of Bankers in Scotland should move to the new annual monitoring arrangements. This means that for the annual monitoring review process in 2014-15, the CRB will not be subject to a review visit, but will be required to submit an annual monitoring review self-assessment report. This report will be scrutinised by the SCQF Partnership and referred to the Quality Committee for consideration.