

Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 5. Internal Control and Compliance
(Key Function – 5.2 Internal Control)

Title	Establish internal control procedures and measures to track compliance fulfilment
Code	109331L6
Range	Design and maintenance of internal control system to track in a broad range of banking functions including business trades, internal operations and service delivery channels, etc. This applies to the establishment of policies, procedures and measures to pursue safe and efficient operations, compliance with laws and regulations, adherence to internal procedures, lower risk of damage to corporate image and integrity of records, financial statements and managerial reporting of the bank.
Level	6
Credit	4 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge in the Subject Area</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Understand the regulatory and internal procedures requirements and apply the knowledge to analyse the business and operation needs in internal control in order to design a monitoring system which can provide protection to the bank in a long run; • Understand the needs of different stakeholders and liaise with business and operation units to review their requirements on daily activities monitoring to ensure proper compliance framework and sufficient level of internal control is in place. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Formulate document retention policy on compliance in accordance with regulatory requirements and retrieval of necessary information (e.g. volume of funds flow, beneficial owner of the account, etc.) in case of investigation or litigation; • Develop compliance monitoring and internal control measures and plans (e.g. pre-transaction review and approval, on-going review of business processes, participation in corporate governance committees, etc.) based on the needs of different activities; • Establish policies in tackling and investigating non-compliance issues and applying disciplinary action or follow up remedial actions; • Design internal control workflows and procedures for different business and operations units and monitor their implementation on a regular basis. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Review adequacy of resources for compliance and internal control function; • Analyse compliance and internal operational risk reported and review the needs in internal control system enhancement; • Define clearly the roles and responsibilities in internal control and allocate adequate staffing to different roles; • Establish mechanism in detecting deviation from laws and regulations, unsafe and inefficient operations, violation of internal procedures, damage to the bank's reputation or to identify suspicious cases.
Assessment Criteria	The integral outcome requirements of this UoC are:

Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 5. Internal Control and Compliance
(Key Function – 5.2 Internal Control)

	<ul style="list-style-type: none">• Design of compliance framework and internal control policies, in which, document retention policy for record keeping are included. The design should be based on analysis on current regulations and anticipation of the future trends;• Adoption and execution of Compliance monitoring and internal control plans throughout the bank thoroughly. The execution is adhered to the guidelines and standards stated by the bank so as to enforce a uniform standard across different units or teams.
Remark	