

Professionalism and Ethics *(available September 2008)*

Credit Value: 1.0

AIMS

GENERAL AIM

To provide financial services professionals with an extensive, detailed and critical knowledge, and cognitive skills of critical thinking, analysis and synthesis, required to make informed ethical and professional judgements in their working life.

SPECIFIC AIMS

1. To provide students with an extensive, detailed and critical knowledge and understanding of ethics and professional behaviour.
2. To provide and develop the knowledge, understanding and skills necessary for students to understand the effective corporate governance of financial services organisations.
3. To provide an extensive, detailed and critical knowledge and understanding of the factors involved in making a professional judgement.
4. To give an ability to apply knowledge and understanding of key ethical principles.
5. To provide an extensive, detailed and critical knowledge and understanding of the legal and regulatory framework involved in professional decision making.

CONTENT

1. ETHICAL CONCEPTS

- Definition of ethics
- Professional relationships
- Statutory, common law and fiduciary responsibilities
- Ethics based on values
- Ethics based on rights and virtues
- Ethics based on consequences - utilitarianism, pluralism, egoism

2. ETHICAL BEHAVIOUR

- Ethics and the professional banker
- The public interest
- Core principles: honesty, integrity, fairness, transparency, probity, accountability, responsibility, judgement, independence
- Personal ethical stance and moral development

3. THE PROFESSIONAL BANKER

- The CIOBS Code
- Ethics in practice: dealing with customers and other stakeholders in the business
- Specific responsibilities of professional bankers, intermediaries, lawyers, accountants and others
- Conflicts of interest
- Ethical decision making. Ethical decision taking frameworks: Tucker, AAA model, IFAC architecture
- Resolving ethical dilemmas

4. AIMS AND OBJECTIVES OF ORGANISATIONS

- Open and closed systems
- Strategic aims and objectives
- Organisational boundaries - the law, regulation and compliance, voluntary codes of practice, policies, behaviours
- Stakeholder analysis
- Consensus theory
- Theories of organisational behaviour: Ansoff, Mintzberg
- Ethical stance of organisations

5. CORPORATE GOVERNANCE AND RESPONSIBILITY

- Definition of corporate governance
- Underpinning principles of corporate governance
- Rules-based and principles-based approaches
- Development of corporate governance in practice: the Cadbury, Greenbury, Hampel, Turnbull and Higgs Reports, the Combined Code on Corporate Governance
- The Sarbanes-Oxley Act

6. MANAGEMENT AND ADMINISTRATION

- FSA requirements, high level principles, Senior Management Arrangements: Systems of Control (SYSC), approved persons
- Duties of directors and functions of the board of directors
- Executive and non-executive directors
- Board committees: the roles of the audit committee, the remuneration committee, the nominations committee, the risk committee
- Issues relating to directors' remuneration
- The rights and responsibilities of shareholders: personal shareholders and institutional shareholders
- The Institutional Shareholders' Committee

7. RISK AND CONTROL

- Obligations to stakeholders in respect of risk management
- The risk control cycle: identification, assessment, estimation and prioritisation of risks. Risk responses: avoidance, retention, transfer and reduction
- Controlling and monitoring risk
- Internal control systems, internal audit

8. SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES

- The social and environmental effects of organisations
- Social and environmental audit
- Corporate social responsibility statements