

# Executive Education Masterclasses

## Non-Executive Director Essentials



A series of one-day Masterclasses for non-executive directors, designed to enhance the essential knowledge and skills needed to govern complex financial organisations effectively.

11 November 2009 – The Regulatory Responsibility of NEDs

19 November 2009 – Risk Insights for NEDs

26 November 2009 – Governance, Ethics and Integrity for NEDs

3 December 2009 – Essential NED Skills and Behaviours

# Non-Executive Director Essentials

## Introduction

The role and effectiveness of non-executive directors (NEDs) in the financial services industry has never been under such scrutiny.

The Turner Review, the Walker Review, the 2009 Review of the Combined Code and, of course, the FSA have all highlighted in recent months the importance of effective governance for institutions and the industry as a whole if we are to avoid a repeat of recent difficulties in the future.

It is in this environment that increasing calls for enhanced knowledge requirements for those in the NED community can be heard, with the prospect of legislation or regulation to that effect becoming a very real possibility.

In a recent speech, Hector Sants, Chief Executive of the FSA, said that NEDs '.... need to commit to raise their technical skills in order to exercise rigorous oversight. Ultimately, they will need to demonstrate competence with regard to risk management, regulation, and – importantly – the business model of the firm'.

In response to these growing pressures, the *ifs School of Finance* has developed a focused programme of Masterclasses specifically for NEDs and those who directly support them, designed to enhance knowledge and skills in essential areas. Each of the four Masterclasses is led by an acknowledged expert in their field with direct, practical experience of the issues and topics being addressed. Places are limited and strictly reserved for NEDs or senior advisers to enable detailed discussion and full interaction.

## Who should attend?

- Non-Executive Directors
- Boards or Regional Management Committees
- Chairmen
- Company Secretaries

## Booking

The Masterclasses are available to book individually or as a package at a discounted rate. Organisations may also book a 'company pass' for the whole series, enabling them to benefit from the reduced price whilst allowing different relevant representatives to attend each session. Please see the enclosed registration form for more details.

Please return the completed registration form to the Executive Education team, *ifs School of Finance*, 8th Floor, Peninsular House, 36 Monument Street, London EC3R 8LJ, United Kingdom

Alternatively, please contact +44 (0)20 7444 7145, email [executiveeducation@ifslearning.ac.uk](mailto:executiveeducation@ifslearning.ac.uk) or book online at [www.ifslearning.ac.uk/executive\\_professional](http://www.ifslearning.ac.uk/executive_professional).

# The Regulatory Responsibility of NEDs

11 November 2009

9:30am – 5:30pm

Peninsular House, London

## Overview

The Financial Reporting Council's 'Combined Code on Corporate Governance' states:

*'As part of their role as members of a unitary board, non-executive directors should constructively challenge and help develop proposals on strategy. Non-executive directors should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. They should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible. They are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary removing, executive directors and in succession planning.'*

There is a lot there for a NED to do – and all in the 30–36 days per year suggested by the Walker Review.

This workshop outlines the responsibilities of the NED in greater detail, outlines the risks and liabilities inherent in the role and clarifies the regulatory expectations of a NED. It will be useful not only for NEDs

themselves, but also for those who advise and support NEDs within a financial institution.

## As a result of this workshop, participants will:

- Understand the statutory role of a non-executive director
- Understand the FSA's approach to non-executive directors
- Learn what NEDs should do in crisis situations

## Programme agenda

- The role in law of a non-executive director
- The Combined Code and the role of the NED
- The FSA's proposals in CP08/25 for an expansion in the NEDs role
- The Walker Report and its impact on NEDs
- An introduction to the FSA Arrow process for NEDs
- What NEDs should be doing to demonstrate to the FSA that they are discharging their responsibilities
- How business people and risk professionals should interact with non-executive directors
- Case studies to discuss the role of NEDs in specific situations

## About your presenter



**Peter Haines** is a chartered accountant with experience as a regulator with the London Stock Exchange, The Securities Association and the Securities and Futures Authority, and as a senior Compliance Officer and Money Laundering Reporting Officer with blue-chip American, European and Japanese institutions. Peter is now a leading compliance consultant and works with regulated firms of all sizes in providing training and other advisory and review services to assist them in managing their regulatory and reputational risk.

# Risk Insights for NEDs

19 November 2009

9:30am – 5:30pm

Peninsular House, London

## Overview

As a consequence of the turmoil in the global financial markets, the Financial Services Authority has been exploring how it can attempt to minimise the risk of recurrence in the UK. The Turner Review, which has been widely welcomed, has recognised the causes of the crisis and sought to identify just what might be done. The Walker Review has explored the question of corporate governance and risk management in financial institutions.

It is clear that regulators expect non-executive directors to be more qualified and informed, thus enabling them to understand better and challenge the business of the financial institutions of which they are guardians. This practical, one-day workshop will enable non-executive directors to refresh their knowledge of key risk matters and equip themselves to provide support and challenge to the business.

## As a result of this workshop, participants will:

- Have a deeper knowledge of risk management methodologies
- Have an up-to-date appreciation of regulatory thinking, including the latest amendments

to Basel 2

- Understand the importance of dynamic business intelligence

## Programme agenda

- Bank financial management and concepts of banking regulation
- Understanding the different risks to your firm and how to address them
- Approaches to credit risk
- Credit risk models
- Credit risk management and data
- Approaches to operational risk
- Operational risk management and data
- Approaches to market risk
- Internal Capital Adequacy Assessment Process (ICAAP)
- Stress testing and scenario analysis
- Risk appetite
- Risk reviews
- Capital planning and management
- Liquidity risk management
- Market discipline
- The benefits of robust management information
- Integration of risk, capital and business performance
- Responsibilities of the Board
- How to handle an Arrow visit

## About your presenter



**Simon Baker** is Deputy Head of Consulting for Quadrant Risk Management (International) Ltd and previously worked for Lloyds TSB for 27 years. He led the Lloyds TSB Basel 2 programme from inception through to implementation of the new regime. Simon also sat on the Lloyds TSB Public Policy and Regulation Steering Committee, overseeing all regulatory issues. He held earlier leadership roles in Group Risk Policy, Change Management, Corporate and Commercial Banking, and Correspondent Banking. Simon has also authored White Papers on Risk in a Basel 2 World, the Credit Crunch, Emerging Practices in Operational Risk, and Stress Testing and Scenario Analysis.

# Governance, Ethics and Integrity for NEDs

26 November 2009

9:30am – 5:30pm

Peninsular House, London

## Overview

Legislators and regulators are increasing their focus on corporate governance, ethics and integrity. The roles and responsibilities of non-executive directors and of senior management are now top of the agenda across the world. At one level, the G8 is moving to introduce a Global Code of Business Ethics, while here in the UK the Walker Review has already focused on 'integrity' and the 'character' of directors. It has never been sufficient to rely just on rules and processes as the foundation for good corporate governance.

This one-day, highly interactive Masterclass will equip non-executive directors with a deeper understanding of character, integrity and ethics; and with practical strategies and skills to take away. All delegates will have the opportunity to take the online ethicability® Moral DNA Test.

## As a result of this workshop, participants will:

- Learn about human character, judgement and behaviour
- Understand and manage their own character strengths and weaknesses
- Learn how 'good' organisations develop and prosper
- Learn how to make good decisions and find the courage to do the right thing
- Develop an action plan to challenge and support senior executives and the organisations they serve

## Programme agenda

- What is ethics?
- The business case for ethics
- How do we act with integrity?
- How do we build, lead and sustain a culture of integrity?
- The role of NEDs in challenging and supporting organisational values, leadership, decisions and behaviours
- Action plans

## About your presenter



**Roger Steare** helps people in organisations all over the world develop good thinking, positive dialogue and ethical behaviour. His work has been endorsed by the great and the good, including President Jimmy Carter, The Rt Hon. David Cameron MP and top executives from firms such as HSBC and PricewaterhouseCoopers LLP. Roger is the author of *ethicability®: How to decide what's right and find the courage to do it.*

# Essential NED Skills and Behaviours

3 December 2009

9:30am – 5:30pm

Peninsular House, London

## Overview

The Combined Code, the FSA and the likely changes resulting from the Walker Review are putting the spotlight on the role of the non-executive director. The NED is expected to challenge and to manage their executive team in a way that, arguably, they have not done before. It could be argued that some of the high-profile failures in the financial services industry resulted from the lack of robust challenge from NEDs.

How do you challenge effectively and keep a fully functioning relationship, and how do you ensure your voice is heard by a firm's senior management and other non-executive directors?

## As a result of this workshop, participants will:

- Have a clear understanding of the responsibilities of NEDs in proactively monitoring the performance of their executive team

- Engage a range of tried and tested strategies for managing performance while maintaining professional and productive business relationships
- Have a clear plan of action, providing evidence to the regulator when required of appropriate controls and guidance

## Programme agenda

This practical one-day Masterclass will focus on:

- The responsibilities of NEDs in reviewing the performance of their executive team
- How to establish relationships that enable NEDs to challenge rigorously and be supportive at the same time
- Establishing clear goals and measurable objectives
- Conducting effective performance reviews
- Regularly reviewing performance criteria and developing a culture of continuous improvement

## About your presenter



**Michael Simpson** has almost 25 years' experience in financial services. During that time he has enjoyed considerable success as a sales person and sales manager, specialising in the corporate pension and high-net-worth markets. His ability to understand and communicate complex technical issues to customers and colleagues alike saw him move into marketing and product design, and eventually learning and development. Having held such diverse roles as Business Development Manager for a compliance department, Head of Sales Training and Head of Training and Competence for two of the largest direct sales forces, he has spent the last six years working as a consultant to the industry.



# Non-Executive Director Essentials

Founded in 1879 as the Institute of Bankers, the *ifs School of Finance* is a registered educational charity incorporated by Royal Charter. During the past two decades the *ifs* has evolved into a business school for finance, thus extending its 130-year-old remit to provide the financial services industry with a skilled, effective and competent workforce.

The *ifs School of Finance* is also in the vanguard of promoting a better understanding of finance among consumers in the UK. Its provision includes formal qualifications ranging from financial capability for the 14–19 age group to Masters level, and Continuing Professional Development (CPD) through executive education programmes.

*ifs School of Finance*

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