



**ICSA Professional Programme**

**Programme Handbook**

**August 2008**

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## Introduction

The Professional Programme comprises the final eight exams of ICSA's qualifying scheme. These are:

Professional Programme Part I
Financial Accounting
Strategic and Operations Management
Management Accounting
Corporate Law
Professional Programme Part II
Corporate Governance
Corporate Administration
Corporate Financial Management
Corporate Secretaryship

Once candidates have successfully completed the Professional Programme exams, they are automatically transferred to the grade of Graduate. After paying the Graduate fee, candidates can use the designatory letters 'GradICSA' after their name.

## Level

The Professional Programme Part I provides the pre-requisite learning for the final four Professional Programme Part II modules. In terms of level, the Professional Programme is regarded as complementary to and progressional from an undergraduate degree.

Candidates are expected to acquire and retain a high level of technical knowledge, be able to apply this knowledge to practical work-based scenarios and demonstrate professional competence.

## Required skills

### *Recommended Standard of English*

ICSA recommends that candidates who are non-native speakers of English should have a level of language equivalent to a score of 6.0 in the International English Language Testing System (IELTS), with a score of at least a 6.0 in writing. The equivalent recommended scores for the Test of English as a Foreign Language (TOEFL) are 550 for TOEFL Paper, 213 for TOEFL Computer, and 79-80 for TOEFL iBT.

Having English language skills at this level will allow you to understand the study material for the ICSA modules, and will enhance your ability to perform well in the examinations.

## **Exam dates and registering**

Exams for the Certificate and Diploma in Business Practice and the Professional Programme are held in the same week, twice a year, in summer (usually at the beginning of June) and winter (usually at the end of November).

To enter for the exams, candidates must register and send in exam entry forms by the closing dates:

- The closing date for the receipt of exam entries for summer sittings is: 1 April.
- The closing date for the receipt of exam entries for winter sittings is: 1 October.

## **Study hours**

Unless you are studying full time, the Institute recommends that you take no more than two modules at one session. It is expected that two modules should be completed within a maximum time-frame of 18 months, although there are no rules about how long you can take, only that you are permitted four attempts at each exam.

It is not possible for the Institute to offer prescriptive guidance regarding the number of hours of study required to successfully complete a module because the Institute's students at this level:

- come from a wide variety of backgrounds;
- have different levels of knowledge and experience in key areas of the syllabus;
- use a variety of study techniques; and
- are affected by a wide variety of personal circumstances and family commitments.

## Assessment format

These are three-hour, closed-book exams.

The exam paper is split into two sections: Section A is compulsory, and candidates choose 3 questions to complete from a choice of 5 in Section B. The marks allocated for all questions that the candidate is required to complete total 100. The pass mark is 50%.

The marks awarded for each question are shown at the end of each question. If a question is divided into parts, the marks awarded for each part are usually shown. In this way, you should be able to discern how much time to allocate to each part of a question.

Section	Questions	Mark allocation	Question type	Recommended timeframe
A	One compulsory question divided into 10 unrelated parts	40 marks – 4 marks per question part	Short-answer, testing breadth of knowledge across the syllabus	70 minutes – approx. 7 minutes per question part
B	Candidates choose 3 questions from a choice of 5	20 marks per question	Long-answer, can split into separate connected parts	110 minutes – approx. 35 minutes per question
Total	4 questions	100 marks	n/a	3 hours

## Study texts

Each Professional Programme module has an accompanying ICSA study text, and these texts are reviewed every year to ensure that they remain accurate and up to date. The study text is intended to be the main resource for you in preparing for the exam, but you are expected to engage in wider reading – the texts and the Study Support section of this site contain suggestions for further reading and research.

You are advised to keep an eye on the student news sections of this site so that you know when new editions of texts are going to be published. If you are in doubt about how long an edition of a study text will remain in use, please contact Member and Student Relations.

## **Study texts for November 2008**

### *Professional Programme Part I*

Financial Accounting (5th edition)  
Management Accounting (4th edition)  
Strategic and Operations Management (4th edition)  
Corporate Law (6th edition)

### *Professional Programme Part II*

Corporate Governance (5th edition)  
Corporate Secretaryship (5th edition)  
Corporate Administration (5th edition)  
Corporate Financial Management (5th edition)

The 5<sup>th</sup> edition of the Corporate Administration text is now available for candidates taking the November 2008 exam.

## **Obtaining Professional Programme study texts**

For the Professional Programme, the study text is supplied as part of the overall fee.

To obtain your study text(s), complete and send the exam entry form for Professional Programme Part I and II modules. When the form is processed, the study text will be sent to the address you have provided on the entry form.

ICSA's text distributors have experienced severe difficulties delivering texts to students with Post Office Box addresses. ICSA would strongly recommend that, wherever possible, you should avoid using Post Office Box addresses.

Students paying the overseas rate must have their text delivered to their overseas address.

Students living in Ghana, Ireland, Mauritius, Nigeria and Sri Lanka need to collect their study texts from their local agent.

## **Disability policy**

ICSA is committed to ensuring equality of opportunity for all students and to observe and comply with the provisions of the Disability Discrimination Act 1995 (DDA), as amended by the Special Educational Needs and Disability Act 2001 (SENDA).

ICSA aims to avoid the creation of unnecessary barriers for disabled people by making anticipatory adjustments to its provisions. All student disabilities will be treated on a subjective basis and any reasonable adjustments will be made and offered within available resources to reflect the disability or special needs of the student.

To this end, candidates should, ideally, submit requests for any special arrangements by 1 March for the summer (June) examinations and 1 September for the winter (December) examinations. Applications will be accepted after these dates but to facilitate the accommodation of such a request, candidates are requested to notify the Institute as soon as is reasonably practicable.

For all students who consider themselves to be disabled under the provisions of the DDA, or require special needs consideration under SENDA, please give full details together with supporting medical evidence and recommendations to the Member and Student Relations Manager, ICSA, 16 Park Crescent, London W1B 1AH.

All applications are considered on an individual basis and any complaints will be referred to the Institute's Assessment Review Panel for consideration.

Please note that United Kingdom students may be able to avail themselves of external allowances in respect of their disability. The following link gives details of Disability Student Allowances-

[http://www.direct.gov.uk/en/DisabledPeople/EducationAndTraining/HigherEducation/DG\\_10034898](http://www.direct.gov.uk/en/DisabledPeople/EducationAndTraining/HigherEducation/DG_10034898)

## Module Aims, Learning Outcomes and Syllabuses

### Financial Accounting Syllabus

A competency in Financial Accounting in a number of contexts is essential to a Chartered Secretary. Expertise in the subject area is required to contribute to the analysis and interpretation of corporate financial performance and results. The Financial Accounting module aims to develop the skills and knowledge required for Chartered Secretaries to carry out their professional responsibilities.

#### *Aim*

In professional practice, the Chartered Secretary has to be competent in Financial Accounting to a high standard, and in a number of different contexts. Expertise is demanded in the boardroom setting to contribute to the analysis and interpretation of corporate financial performance and results. Corporate reporting in compliance with legal and stakeholder requirements, including financial statements, is a core responsibility of the Chartered Secretary. In public practice, and in many organisations, the Chartered Secretary is also sometimes called upon to fulfil the role of Corporate Accountant. The aim of the module is to develop the knowledge and skills necessary for the Chartered Secretary to carry out these professional responsibilities.

#### *Learning outcomes*

At the conclusion of this module, the candidate will be able to:

- Understand the language, concepts and use of financial accounts and reports;
- Identify and utilise the sources of accounting data and information;
- Understand and apply international standards of accounting practice;
- Prepare financial statements for different forms of organisation in compliance with legal and regulatory requirements;
- Apply financial information and statements in corporate reporting;
- Undertake the corporate accounting role for employers and clients;
- Contribute to boardroom analysis of corporate financial performance.

#### *Pre-requisite learning*

This module is a component of the ICSA Professional Programme Part I. It is designed to enable aspiring Chartered Secretaries to (a) demonstrate required standards of competence for professional practice in a key discipline, and (b) acquire essential knowledge and skills to underpin the relevant components of the Professional Programme. Evidence of assessed knowledge and understanding must be demonstrated

through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards. The module specification is based on the assumption of some relevant prior certificated knowledge, and candidates will find it helpful to have familiarised themselves particularly with:  
An introduction to the principles of book-keeping and accountancy.

### *Learning content*

#### ◆ Introduction

What is financial accounting? Recognition of profit – increase in value and matching. Timing of revenue recognition. Not for profit bodies.

#### ◆ Methods of Financial Measurement

Theoretical roots of current purchasing power accounting and current cost accounting. Defining company profit. Historical cost accounting, current purchasing power accounting and current cost accounting compared. Inflation, profit and capital employed. Strengths and limitations of historical cost accounting, current purchasing power accounting and current cost accounting.

#### ◆ Accounting Theory and Regulation

Market imperfections and the need for regulation. The need for a theoretical framework. Framework for the preparation and presentation of financial statements. Sources of regulation. Accounting standards – a boon or curse? Form and content of the Annual Report. Value-added statement. Related party disclosures.

#### ◆ Structure and Content of Financial Statements

Presentation of Financial Statements. Non-recurring profits and losses. New and discontinued operations. Segmental reporting. Limitations of published accounts.

#### ◆ Valuation of Assets and Liabilities

Remeasurement of assets and liabilities. Treatment of: property, plant and equipment; government grants; investment properties; goodwill and intangible assets; inventories and construction contracts; taxation; provisions and contingencies; events after the balance sheet date; and retirement benefits. Impairment of assets. Financial instruments. Reporting the substance of transactions: leasing; sale and repurchase agreements; quasi-subsidiaries; factoring of trade receivables; capital instruments.

#### ◆ Group Accounts

Combinations based on assets or shares. Consolidated balance sheet: goodwill; post-acquisition profits; minority interest; other consolidation adjustments. Interpreting consolidated balance sheets. Consolidated income statement. Investment in associates. Interest in joint ventures. Limitations of group accounts.

◆ Foreign Currency Translation

Foreign currency transactions. Foreign operations. The current rate method. Combining home and overseas activities. The choice of home country.

◆ Capital Reduction, Reorganisation and Reconstruction

Distributable profits. Bonus issues. Reduction of capital. Redeemable shares and the purchase by a company of its own shares. Failure, losses and capital erosion. Liquidation. Capital reconstruction.

◆ Interpretation of Accounts – Ratios

Principles of ratio analysis. Classification of accounting ratios. Ratios measuring solvency and financial strength. Asset turnover ratios. Profit ratios. Earnings per share. Gearing. Limitations.

◆ Interpretation of Accounts – Cash Flow

Sources of cash. Applications of cash. The cash flow statement. Observations on the content of the cash flow statement. Unbalanced financial development. Cash-based accounting ratios.

## Strategic and Operations Management

### *Aim*

The aim of the module is to develop knowledge and understanding of key principles and practices in management, to equip the aspiring Chartered Secretary for both the strategic and corporate contexts of the professional role.

### *Learning Outcomes*

At the conclusion of this module, the candidate will be able to:

- Understand and apply strategy theory, models and language to contribute to boardroom decision making;
- Understand and apply organisation theory and best practice in contributing to corporate management;
- Understand and apply leadership theory and best practice in the functional role and leadership of teams.

### *Pre-Requisite Learning*

This module is a component of the ICSA Professional Programme Part I. It is designed to enable aspiring Chartered Secretaries to (a) demonstrate required standards of competence for professional practice in a key discipline, and (b) acquire essential knowledge and skills to underpin the relevant components of the Professional Programme.

Evidence of assessed knowledge and understanding must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards.

The module specification is based on the assumption of some relevant prior learning in management.

### *Learning Content*

#### Strategic Management

##### ◆ The nature of strategy

Emergent and rational models in strategic management: applications and limitations. The rational cycle: corporate needs, decision making, implementation, monitoring and review, feedback.

◆ Strategic analysis, choice and evaluation

Strategy: strategic options for direction, change and growth.

Strategic alliances.

Analytical techniques: portfolio analysis, competitor analysis, value chain analysis, market migration analysis.

◆ The corporate environment:

The "Boardroom" strategic role: Mission, ethics and values.

Stakeholder theory and management.

Social responsibility.

Environmental factors: the impact of law, regulation, the market, and other "PEST" factors.

Measurement of corporate performance: concepts of output and outcome, the "balanced scorecard" and the strategic balance sheet.

◆ Planning and policy

The distinction between strategy and policy.

Planning: short, medium and long term.

Planning techniques: scenario planning, contingency management, resource allocation and planning.

Policymaking and implementation.

## Corporate Management

◆ Organisational design

Organisational structure and culture: determinants of organisational form, types and characteristics, the management and mobilisation of culture, alternative organisational forms.

Organisational development: the management of change, business process re-engineering.

The management of quality: total quality management and audit approaches, benchmarking.

◆ Managing operations

Supply chain management and logistics.

Cycle time reduction. Just in Time and manufacturing Resource Planning techniques.

◆ Knowledge and information management

Information systems strategy.

Knowledge management.

◆ Corporate communication

Personal communication.

Networking, cascading and team briefing.

The use of communications technology: the Internet and Intranets.

Communicating change.

## Team Leadership

### ◆ Individual behaviour

Concepts of satisfaction, morale and motivation.

Implications of changing work patterns, empowerment.

### ◆ Leading teams

Leadership, authority and responsibility.

Emotional intelligence.

Groups and teams.

Techniques in team building.

Project management.

Self-directed and cross-functional teams.

### ◆ Managing performance

Appraisal and measurement (organization, team and individual), enhancing the performance of teams and individuals.

Human capital management: ideas and practice.

## Management Accounting Syllabus

### *Aim*

The Chartered Secretary practises within the setting of both strategic (boardroom) and operations management. A command of the concepts and practices of management accounting is crucial to fulfilling these responsibilities.

The aim of the module is to develop the knowledge and skills necessary for the Chartered Secretary to employ the principles and practices of management accounting in strategic and operational activities.

### *Learning Outcomes*

At the conclusion of this module, the candidate will be able to:

- Understand the language, concepts and applications of management accounting;
- Undertake the preparation and presentation of management accounting information for corporate decision making purposes;
- Interpret management accounting information for strategic and operational purposes;
- Handle budget planning and management responsibilities;
- Undertake the management accounting role for employers and clients.

### *Pre-Requisite Learning*

This module is a component of the ICSA Professional Programme Part I. It is designed to enable aspiring Chartered Secretaries to (a) demonstrate required standards of competence for professional practice in a key discipline, and (b) acquire essential knowledge and skills to underpin the relevant components of the Professional Programme.

Evidence of assessed knowledge and understanding must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards.

The module specification is based on the assumption of some relevant prior certificated knowledge, and candidates will find it helpful to have familiarised themselves particularly with:

- \* An introduction to the principles of book-keeping and accountancy.

## *Learning Content*

### ◆ The Purposes of Management Accounting

Information for management planning, decision making, control, and appraisal. The nature of costs, cost concepts, cost units and cost centres.

### ◆ The Context of Management Accounting

Manufacturing: traditional and modern; extractive industries; service industries; just in time (JIT) production and purchasing; multinationals. Corporation tax; sales/value added taxes.

### ◆ Types of Planning, Controls and Decision

The decision making process. Planning, decision making, the control/appraisal cycle: information requirements. Feedback.

### ◆ The Nature of Costs

Decision, planning and control horizons. Impact on cost definitions. Cost behaviour; cost classification; relevant costs; learning curve; specific costs; opportunity costs.

### ◆ Planning, Decision Making, Control and Appraisal

Short term: the contribution concept; break-even analysis; cost volume profit (CVP) analysis; sensitivity analysis; limiting factors; differential costing; use of standard costs for short-term planning and decision making.

Medium term: semi-variable costs; marginal costing; impact of absorption costing on decision making and behaviour; activity-based costing (ABC). Budgeting: fixed; flexible; rolling; activity-based (ABB); budgetary control; variance analysis; behavioural aspects. Cash budgets. Standard costing: variance analysis (price and efficiency variances); reasons; calculation; investigation; interpretation; behavioural aspects; limitations. Cost ratios and labour efficiency. Non-financial service indicators. Quality measures. Customer profitability analysis.

Longer term: lifecycle costing; cost reduction and value analysis; target costing; investment appraisal - payback, accounting rate of return, discounted cash flow (net present value); transfer pricing; inter-firm, inter-divisional, inter-departmental comparisons; financial ratios; balanced scorecard.

## Corporate Law Syllabus

### *Aim*

The Chartered Secretary is, within the organisation, the first point of authority and reference on the requirements of corporate law. A pivotal role is also played in corporate compliance, and the body of law is the basis and framework for corporate secretarial practice.

The aim of the module is therefore to provide a thorough grounding in, and knowledge and understanding of the sources and principal provisions of corporate law in the structure, management and performance of the business entity.

### *Learning Outcomes*

At the conclusion of this module, the candidate will be able to:

- Understand and advise on the provisions and application of corporate law appropriate to the constitution, formation and performance of the business entity;
- Perform the role of principal compliance officer;
- Understand and advise on the impact of law on the role of Directors, the Secretary, and the audit function.

### *Pre-Requisite Learning*

This module is a component of the ICSA Professional Programme Part I. It is designed to enable aspiring Chartered Secretaries to (a) demonstrate required standards of competence for professional practice in a key discipline, and (b) acquire essential knowledge and skills to underpin the relevant components of the Professional Programme.

Evidence of assessed knowledge and understanding must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards.

The module specification is based on the assumption of some relevant prior certificated knowledge, and candidates will find it helpful to have familiarised themselves particularly with:

- \* An introduction to the principles of law.
- \* Business law

## *Learning Content*

### ◆ The Nature and Formation of a Company.

The nature of a company - definition of a company, the essential characteristics of a company, separate legal personality and the veil of incorporation, the criminal and civil liability of a company. Sources of company law and the impact of the EU.

Types of company – public and private, limited by shares and guarantee, unlimited companies, holding and subsidiary companies and undertakings, comparison with sole traders and partnerships, voluntary and charitable bodies.

Company formation – the registration procedure, the role of the Registrar of Companies, the commencement of business and the regulatory environment

The promotion of a company - the company promoter, the duties owed by a promoter and the remedies for breach, the enforcement and liability on pre-incorporation contracts.

### ◆ The Constitution of a Company.

The external constitution – the memorandum of association, purpose, content and alteration.

The internal constitution – the articles of association, purpose, outline content, the contractual effect of the memorandum and articles, alteration and limits to alteration of the articles.

### ◆ Corporate Transactions and Decision Making.

- (a) Corporate capacity and the doctrine of *ultra vires* and constructive notice. The powers of the directors and other officers and employees to bind the company. Agency concepts and the rule in *Turquand's* case. Transactions prior to incorporation. The corporate seal.
- (b) Types of meetings and resolutions. General meetings, directors meetings and class meetings. The use of electronic communications.

## ◆ The Capital of a Company

### (a) Share Capital.

Capital terminology. Types of shares, including treasury shares, class rights and their variation. Issuing and the payment for shares. The alteration of share capital. The capital maintenance rule, purpose and exceptions to it. Redemption and purchase of own shares, financial assistance, serious loss of capital and the distribution of profits.

The concept of membership – transfer and transmission, disclosure and the register of members.

Public offers of shares – types of public offer, the regulation of public offers and remedies for misleading prospectuses.

### (b) Loan Capital.

Debentures – the power to borrow, secured and unsecured borrowing, types of debenture and the use of a trust deed, remedies of a debenture holder.

Fixed and floating charges – characteristics of fixed and floating charges, priority, invalidating charges and registration requirements.

## ◆ Directors and other Company Officers

Directors – types of director, appointment, tenure, remuneration, and disqualification. Common law, fiduciary and statutory duties. Absolving directors from breach of duty. Insider dealing. Market abuse. Disclosure of interests.

The company secretary – appointment, qualification and authority of the company secretary.

The auditor – appointment and removal of an auditor, rights and duties of an auditor and audit exemptions.

## ◆ Shareholder Remedies.

The general position of a minority shareholder within a company – the division of power between the board of directors and the shareholders, the rule in *Foss v Harbottle*, the common law exceptions.

Statutory shareholder remedies – the use of just and equitable winding up and *locus standi*. The alternative statutory remedy of unfairly prejudicial conduct, *locus standi*, the meaning of unfairly prejudicial conduct, limits and remedies available. D’TI investigations.

◆ Companies in Difficulty.

- (a) Reconstructions, schemes of arrangement and take-overs. Compulsory acquisition of shares on a take-over.
- (b) Insolvency and winding-up – grounds, *locus standi*, compulsory and voluntary winding-up, the role and powers of the liquidator, swelling the assets available by setting aside transactions and seeking contributions towards the assets of a company, order of application of assets of insolvent companies. Consequences of winding up, striking off and restoration of companies to the Register. Liability for the use of ‘phoenix companies’.
- (c) Alternatives to winding-up – administrative receivership, administration and company voluntary arrangements.

## Corporate Governance Syllabus

### *Aim*

Corporate Governance has emerged on the global agenda in pursuit of proper and efficient practice in the administration of the business entity. The objective is probity in business activity, compliance with law and regulation, and the securing of reputation and confidence towards the attraction of inward investment. The Chartered Secretary is the key corporate player and the global Profession has emerged as a benchmark for the development of best practice.

The aim of the module is to instil the knowledge and key skills necessary for the Chartered Secretary to act as chief adviser to the Board on best practice in corporate governance, and as the catalyst for systematic application in the major global forms of organisation

### *Learning Outcomes*

At the conclusion of this module, the candidate will be able to:

- Research and apply the growing global information sources on corporate governance;
- Promote awareness of, and be responsible for continuing self and personnel development on corporate governance themes;
- Promulgate corporate governance principles and best practice in the employing or client organisation;
- Apply professional knowledge and skills to the resolution of practical issues and problems in the proper governance of the employing or client organisation;
- Understand and apply the concepts of probity and ethical standards in governance;
- Understand and advise on the impact of corporate governance principles on the role of Directors, the Secretary, and the audit function.

### *Pre-Requisite Learning*

Evidence of assessed pre-requisite knowledge and understanding in the following disciplines must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards:

Corporate Law

Financial Accounting

Strategic and Operations Management

Management Accounting

## *Learning Content*

### ◆ The Definitions and Objectives of Corporate Governance

The corporate entity; legality, separation of ownership and operation. The concepts of ownership and accountability, ethics and performance. The "enlightened shareholder and stakeholder" concepts. The state as shareholder. Models of hierarchic and functional relationships in sound governance. Unitary (one-tier) and two-tier Boards.

The external and internal pressures for sound governance. History and ongoing developments in corporate governance. The Reports: from Cadbury and King onwards; national and international sources. The Combined Code. Institutional guidelines. Corporate governance guidelines: OECD; the Commonwealth Association; corporate scorecards. The governance agenda in the developing and developed economies. International networking.

### ◆ The Regulatory and Ethical Framework

The role of legislation and regulation in corporate governance. The nature and importance of compliance. Compliance statements. Explanation of non-compliance. The ethical dimension: codes and practices. The assessment of corporate performance: yardsticks and measurement; corporate review; disclosure. Social and environmental responsibility: importance, assessment and measurement; reporting; relevance to all industries and activities. Key concepts: openness and transparency; honesty; probity; accountability; judgement; reputation.

### ◆ The Basis of Sound Governance

The concept of best practice in governance: in companies, statutory corporations and trusts. Understanding the distinct and separate roles, duties and responsibilities of corporate officers and stakeholders: chairman, chief executive officer, directors, secretary and shareholders/members. Shareholders: majority control; minority rights; the rights of members in guarantee companies. Responsibilities of institutional shareholders; communications with shareholders. Internal controls. Overall business risk management and review, including the recommendations of the Turnbull Committee. Internal structural relationships in the organisation.

### ◆ The Secretary and Corporate Governance

The importance and special position of the secretary; the role in sound and effective governance. Appointment and qualification. Control of corporate information and corporate reporting: the annual report; the website and electronic communications. Communication with stakeholders. The "whistleblowing" concept: issues and problems, protection.

### ◆ Board of Directors.

Executive and non-executive directors. Chairman, managing director. Shadow and alternate directors. The concept of independent directors. Comparison of roles, needs, powers and duties; appointment, reappointment and rotation, remuneration, removal, retirement and disqualification. The importance of the proper mix of appointments to

the Board. Service contracts. Induction, orientation and training. Responsibilities of the Board. Committees and their role; composition, operation and accountability; especially Audit, Remuneration, Nomination. Board effectiveness Directors' liabilities, indemnity and insurance. Borrowing powers. Conflict and disclosure of interest. Share dealing; model codes; insider dealing. Company records. Directors' disclosures, service contracts, remuneration and agreements.

◆ Audit

The contribution of internal and external audit to sound governance. Audit reports and their use. Appointment, removal. Independence and remuneration: rights, powers and duties in the governance framework. Responsibilities to shareholders and the board.

## Corporate Administration Syllabus

### *Aim*

The Chartered Secretary is regularly employed in a position of strategic responsibility for administrative operations within and across the organisation. The aim of the module is to instill knowledge and key skills in handling the responsibilities of corporate administration in both the strategic and functional contexts, to develop competence in advising the Board and leading teams in administrative best practice, and in ensuring compliance with external regulation and internal procedures.

### *Learning Outcomes*

At the conclusion of this module, the candidate will be able to:

- Understand the scope of strategic and functional administration and apply it within the employing or client organisation;
- Access information sources and deliver knowledge and information internally to the optimum benefit of the organisation and its needs;
- Evaluate the requirements of the legal and regulatory environment in corporate administration, advise the Board accordingly, and ensure compliance;
- Take responsibility for the administration of corporate knowledge and information, the human resource, pension schemes, insurance and risk, and physical corporate assets;
- Understand the impact of corporate taxation on administration and ensure taxation compliance within systems.

### *Pre-Requisite Learning*

Evidence of assessed pre-requisite knowledge and understanding in the following disciplines must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards:

- \* Strategic and Operations Management
- \* Corporate Law

### *Learning Content*

#### ◆ Role and Functions

The role and functions of the corporate administrator. Administration as a support service in organisations. The concept of best practice. The sources and application of guides to best practice.

#### ◆ Knowledge and Information

The sources of information on law, regulation and administrative best practice. Copyright and intellectual property, including asset protection. Trademarks and patents. Information, data and technology as a corporate resource. Technological change and innovation: internet and website applications and management. Security and integrity of information; control of access. Data protection legislation. Confidentiality.

#### ◆ The Human Resource

Employment law and regulation. The employment contract. Concepts of added value and continuous improvement. Securing and monitoring the people resource: human resource planning, recruitment and selection, job descriptions and person specifications. Maximising performance: job design; job enrichment; reward and recognition systems; job evaluation. Training and development. Performance appraisal. Working with consultants. Health and safety at work: legislation and practice. Environmental issues: legislation and best practice.

#### ◆ Pensions, Insurance and Risk

Pensions: their relevance and purposes. Scheme types - occupational, state, personal. Stakeholder pensions and group personal pensions. The management and proper control of pension schemes. The impact of legislation. Funds and their management. Principles and practice of trusteeship; administrative secretaryship and support. The duties of trustees in law. Trust deeds and rules.

The nature of corporate and business risks; management and control. Corporate liability and the implications. Insurance classes, types and uses for companies. The insurance market; brokers and intermediaries. The use of consultants and advisers. Disaster planning.

#### ◆ Corporate Taxation

The impact of corporate taxation: Corporation Tax; Sales, Value Added or Goods and Services Taxes, Income Tax. Corporate responsibilities under law and regulation.

#### ◆ Corporate Assets

The management of physical assets. Facilities administration: role and functions. Security and the application of systems. Purchasing principles and procedures.

## Corporate Financial Management

### *Aim*

The aim of this module is to address the need for the Chartered Secretary to understand the issues involved in corporate financial policy, planning, decision making and control.

### *Learning Outcomes*

At the conclusion of this module, the candidate will be able to:

- Understand the financial sources and requirements of the employing or client organisation;
- Demonstrate competence in the skills of Corporate Financial planning;
- Understand the role and efficiency of the capital markets;
- Understand the nature and importance of capital structure and the cost of capital;
- Understand and apply the principles of working capital management;
- Understand the impact of global and multi-national operations on corporate financial management.

### *Pre-Requisite Learning*

Evidence of assessed pre-requisite knowledge and understanding in the following disciplines must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards:

- |                        |                                       |
|------------------------|---------------------------------------|
| * Financial Accounting | * Management Accounting               |
| * Corporate Law        | * Strategic and Operations Management |

### *Learning Content*

#### ◆ Financial Objectives and Requirements

The financial objectives of the main types of organisation: public and private limited companies, statutory companies, trusts, and companies limited by guarantee. Determination of financial requirements and their impact on business planning and decision taking. The role of financial audit.

#### ◆ Sources of Finance

Major stock markets including the London International Stock Exchange. The Alternative Investment Market and over-the-counter markets. The institutions that work in and use these markets. Money markets. Option markets. Other sources of finance

including state funding, corporate donations, sponsorship, grants and subscriptions.

#### ◆ Share and Loan Capital

Types of share capital. Authorised and issued capital. Methods of issuing shares. Pricing new share issues.. Dividend policy, including scrip dividends. Share re-purchases. Loan capital.. The nature of debt. Debenture stock, convertible stock, warrants. Leasing and hire purchase. Bank loans and overdrafts. International capital markets. Retained funds as a source of finance.

#### ◆ Capital Structure and the Cost of Capital

Costs of individual types of finance. Risk and return in relation to the cost of capital. Weighted average cost of capital. Portfolio theory and the Capital Asset Pricing Model. Market efficiency. Capital gearing. Capital structure theory and decisions.

#### ◆ Working Capital Management

Working capital and its importance. Planning and control of cash and marketable securities, debtors, current liabilities and stock.

#### ◆ Capital Investment Appraisal

Accounting Rate of Return. Payback Period. Net Present Value, Internal Rate of Return and their comparison. Implications of taxation and inflation. Capital rationing. Capital budgeting under uncertainty. Lease or buy decisions.

#### ◆ Business Reorganisation

Business expansion and financial growth. Strategies for expansion and contraction. Mergers and acquisitions. Tactics in takeovers. Regulation of takeovers. Divestment methods. Prediction of business failure. Liquidation. Capital reconstruction schemes.

#### ◆ International Aspects

Multinational operations. Forms of overseas operation and investment. Foreign investment decisions. Financing overseas investment. Political risk and foreign exchange risk. Management of exchange rate risk.

## Corporate Secretaryship Syllabus

### *Aim*

A core responsibility of the Chartered Secretary is as Secretary to the Board. The aim of the module is to specify and assess the essential knowledge and skills involved in taking overall responsibility for the corporate secretarial function in small, medium and large scale organisations. The practice of corporate secretaryship in this module extends to both the strategic and functional contexts, in advising the Board, in leading teams in secretarial best practice, in ensuring compliance with law and regulation, and in establishing efficient internal communication of Board decisions and external reporting.

### *Learning Outcomes*

At the conclusion of this module, the candidate will be able to:

- Understand the scope, role and functions of corporate secretaryship and apply them within the employing or client organisation;
- Understand the law and best practice in meetings, apply them in the secretaryship function, and ensure corporate compliance;
- Ensure effective communication and dissemination of information to and from the Board, both internally and externally, for the optimum benefit of the organisation and its needs;
- Be aware of the ongoing responsibilities of the Secretary as an independent professional practitioner within the organisation, and be responsible for continuing personnel development within the secretariat;
- Be aware of, and be responsible for continuing self development in corporate secretaryship as a professional practitioner.

### *Pre-Requisite Learning*

Evidence of assessed pre-requisite knowledge and understanding in the following disciplines must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards:

- \* Corporate Law
- \* Strategic and Operations Management

## *Learning Content*

### ◆ The Secretary, the Board, and the Members

The role of the secretary: functions and duties. Appointment and vacation of office. Relationship with chairman and directors. The secretary as advisor to the chairman and the board. Dissemination of information and decisions. Communication with shareholders and other stakeholders, including electronic communications. Types of Directors. Roles, duties, responsibilities and liabilities. Appointment, reappointment and rotation. Removal, retirement and disqualification.

### ◆ Corporate Compliance

Company formation, memorandum and articles of association, characteristics of different types of companies. Filing of company returns. Offences under the Companies Acts. Corporate governance overview, including the Combined Code. The annual report. Auditors: appointment and removal. Rights of the Auditor. The (UK) Listing Regime. Retention of records. Statutory registers. Company insolvency, winding up, striking off and dissolution.

### ◆ Law and Practice of Meetings

Board meetings: composition, roles, procedures (including frequency, notice, quorum, voting, agendas and papers). Role of the company secretary before, during and after board meetings. Delegation of authority and responsibility. Committees: types and purpose, composition. Matters reserved for the Board. Executive discretion. Co-option. General meetings, Class meetings, Regulations governing general meetings. Role of Chairman. Notice periods, quorum, agenda and papers. Resolutions. Standing orders, rules of motions, amendment. Proxies. Attendance. Voting. Role of the company secretary before, during and after general meetings. Resolutions in writing. Minutes and minute books.

### ◆ Shares, Share Capital and Share Registration

Regulation of the securities industry. Types of share and loan capital. Markets and listing requirements. Share capital: allotment of shares, purchase of own shares, treasury shares, alteration of share capital. The Company Registrar function: principles and procedures in share and membership registration. Register of members, including software applications. Technology-based applications (CREST). Share transfer: forms and registration procedures. Transmission of shares and registration of documents affecting title. Issue of share certificates; lost certificates. Indemnity, dividends and interest. Scrip and DRIP dividends. Stamp Duty and Stamp Duty Reserve tax. New issues and takeovers. Rights issues. Capital events and the Registrar's role in capital events. Employee share schemes: key features of common employee shares schemes, establishing and administering employee share schemes.

