

# CILG Level 4 Syllabus

---

CILG — Level 4 Advanced Diploma | Comprehensive Syllabus

Syllabus · Level 4 · Advanced Diploma in Leadership & Governance

4.1

4.2

4.3

4.4

4.5

Official Syllabus — 2024 Edition

Level 4 Syllabus

Advanced Diploma in Leadership and Governance

Modules

Learning Outcomes

65+

Topic Areas

45+

Reading References

Module 4.1

Executive Leadership and Organisational Transformation

Module 4.2

Board Governance and Director Effectiveness

Module 4.3

Strategic Finance and Governance Reporting

Module 4.4

Public Policy, Governance and Regulatory Affairs

Module 4.5

Organisational Ethics and Governance Culture

Qualification Level

Level 4 — Advanced Diploma in Leadership and Governance

5 Modules

Advanced PPAs · Open-book Case Studies · Viva Voce

Senior professional level

Minimum pass: 50%

Study load: 150–180 hours per module

Advanced

Successful completion of all five Level 4 modules — including the Viva Voce oral assessment in Module 4.2 — together with the verification of five years' professional experience (three at senior level) and full CPD compliance, awards the designation

. Post-nominal:

4.1

## **MODULE**

Executive Leadership and Organisational Transformation

Leading organisations at the highest levels — executive decision-making, team governance, large-scale transformation, and the psychology of senior leadership

Module Overview

Advanced Level Note:

Module 4.1 is assessed through an

Advanced Professional Practice Assignment (APPA)

— a 4,000–5,500-word structured assignment requiring candidates to apply advanced executive leadership frameworks to a real transformation or strategic leadership challenge at senior or board level in their own organisation. Assessment expects

original professional insight

, critical appraisal of frameworks, and evidence of leadership at executive or near-executive level.

Executive leadership operates in a different register from the leadership discussed at Levels 1–3. The scale is larger, the consequences are more significant, the political environment is more complex, and the personal demands are more intense. The executive leader — the CEO, Managing Director, Secretary-General, Chief Executive, or equivalent — must simultaneously provide strategic direction, inspire and govern a senior leadership team, manage a complex board relationship, communicate credibly to multiple external stakeholders, and sustain their own effectiveness under conditions of extraordinary pressure.

This module develops executive-level leadership capability by examining the cognitive, psychological, political, and strategic dimensions of leadership at the apex of complex organisations. It engages with the psychology of executive decision-making — including the cognitive biases and information processing limitations that create risk at the top — and develops practical mitigation strategies. It examines what makes executive teams effective as governance bodies, and how executives can build, develop, and when necessary renew their senior teams. And it addresses the governance and leadership of large-scale organisational transformation — one of the most demanding challenges any executive will face.

The module also addresses executive succession — one of the most consequential and most frequently mishandled governance responsibilities of any board. The evidence on CEO succession quality — and its direct correlation with long-term organisational performance — is examined, and candidates develop the competency to design and govern world-class succession processes.

#### Professional Rationale:

McKinsey research shows that CEO decisions in the first two years determine long-term organisational trajectory more than any other single factor. Spencer Stuart's CEO Succession Study demonstrates that external CEO hires fail at twice the rate of internal successors — yet boards consistently fail to invest in developing internal executive talent. This module equips candidates to govern executive leadership and succession with the rigour that their organisations and the people they lead deserve.

#### Module Objectives

To develop advanced executive leadership capability — including the specific competencies required to lead effectively at CEO, Managing Director, Secretary-General, or board-level executive roles in complex organisations

To examine the psychology and cognitive dimensions of executive decision-making — including dual-process theory, cognitive biases under pressure, and the design of decision-making governance that mitigates these risks

To develop executive team governance competency — building, assessing, leading, and when necessary renewing high-performing senior leadership teams

To address the governance and leadership of large-scale organisational transformation — including dual operating systems, turnaround leadership, and the executive's role in sustaining transformation momentum

To examine CEO and senior leadership succession as a governance priority — developing world-class succession governance capability

To address the psychological wellbeing and personal sustainability of executive leaders — examining the evidence on executive derailment and developing personal resilience strategies

To develop advanced executive coaching competency — applying structured executive coaching methodology to the development of senior leaders

#### Detailed Topic Content

Level 5 leadership (Collins): the paradoxical combination of personal humility and professional will; research evidence on Level 5 leader behaviours and organisational performance outcomes

Executive presence at the apex: authority, credibility, and gravitas in executive leadership; the CEO's communication mandate — narrative mastery and strategic storytelling for boards and external audiences

Dual-process theory (Kahneman): System 1 and System 2 thinking; heuristics and biases in executive decision-making — anchoring, availability, confirmation bias, overconfidence, the planning fallacy

Decision-making governance at executive level: designing decision processes that mitigate cognitive bias; the red team concept; pre-mortem analysis; structured devil's advocacy; the role of independent challenge in executive decisions

Executive team composition: the evidence on optimal senior team size and diversity; functional vs. cognitive diversity in executive teams; the senior team as a governance body — accountability, shared purpose, and constructive challenge

Senior leadership team dynamics: team pathologies at the top (groupthink, social loafing, status effects); the Wageman, Hackman team effectiveness diagnostic; senior team intervention design

Kotter's dual operating system: the hierarchy for efficiency and the network for agility; leading both simultaneously; the volunteer army concept in large-scale transformation

Turnaround leadership: the specific competency profile of the turnaround leader; speed of diagnosis; the "burning platform" — when to use it and when it backfires; credibility preservation in crisis; managing the board during turnaround

Managing the board-executive relationship: the CEO-Chair dynamic — the most important governance relationship in any organisation; productive tension vs. destructive conflict; managing board information and board time effectively

CEO succession governance: the succession planning process — from talent review to succession readiness assessment to emergency planning; the board's nomination committee role; inside vs. outside CEO succession evidence; transition governance

Senior leadership succession: building the leadership pipeline (Charan, Drotter, Noel); the six leadership passages and their governance implications; succession pool assessment and development

Executive derailment: the Hogan dark side assessment; the primary derailment factors (arrogance, volatility, risk aversion, excessive caution, detachment); implications for executive coaching and governance oversight

Executive resilience and wellbeing: the psychological demands of executive leadership; stress, burnout, and their signs; building personal resilience frameworks; the executive's own development obligation

Executive coaching methodology: co-active coaching; the FUEL model in depth; coaching senior leaders — specific challenges and protocols; the executive coach's own governance obligations (supervision, ethics)

Learning Outcomes

On successful completion, candidates will be able to:

Ref

Learning Outcome

Bloom's Level

LO 4.1.1

Critically evaluate executive leadership models and apply them to analyse and improve personal leadership practice at senior professional level, with specific reference to Level 5 leadership and executive presence requirements

Evaluation

LO 4.1.2

Analyse the cognitive dimensions of executive decision-making — identifying the specific biases most relevant to a described decision context and designing governance interventions that mitigate their impact

Synthesis

LO 4.1.3

Evaluate the effectiveness of a described executive team using structured diagnostic frameworks, identify the specific team governance deficiencies, and design targeted interventions to improve executive team performance

Evaluation

LO 4.1.4

Design a governance and leadership framework for a complex large-scale organisational transformation — specifying the dual operating system structure, volunteer army strategy, and board oversight mechanisms

Synthesis

LO 4.1.5

Design a world-class CEO and senior leadership succession governance framework — specifying the succession process, nomination committee role, talent assessment methodology, and transition governance approach

Synthesis

LO 4.1.6

Apply executive coaching methodology to design a structured development programme for a described senior leader, including diagnostic approach, coaching objectives, methodology, and progress evaluation framework

Application

LO 4.1.7

Demonstrate deep, evidenced reflective awareness of personal executive leadership practice — identifying derailment risks, resilience vulnerabilities, and a specific, actionable executive development plan

Synthesis

Suggested Readings

Good to Great: Why Some Companies Make the Leap and Others Don't

Core Text

Collins, J. — HarperBusiness, New York (2001) | ISBN: 978-0066620992

Collins' landmark research on the factors that differentiate truly great companies from merely good ones. The discovery of Level 5 Leadership — the paradoxical combination of profound personal humility and fierce professional will — remains one of the most important empirical findings in leadership research.

Chapters 2 (Level 5 Leadership) and 3 (First Who, Then What) are essential for LO 4.1.1.

The Hedgehog Concept (Chapter 5) provides important context for executive strategic clarity. Candidates at Level 4 should engage critically with Collins' methodology as well as his findings.

Thinking, Fast and Slow

Core Text

Kahneman, D. — Farrar, Straus and Giroux, New York (2011) | ISBN: 978-0374533557

Kahneman's Nobel Prize-winning synthesis of decades of research on human judgment and decision-making. The dual-process framework (System 1 fast, intuitive thinking vs. System 2 slow, deliberate reasoning) and the catalogue of cognitive biases it reveals are essential intellectual tools for any governance professional.

Essential for LO 4.1.2.

Parts 1–3 (particularly Chapters 11–14 on biases, and Chapters 19–22 on overconfidence) are the priority reading. The planning fallacy content (Chapter 23) is directly relevant to strategic governance. One of the most important books a governance professional can read.

Accelerate: Building Strategic Agility for a Faster-Moving World

Core Text

Kotter, J.P. — Harvard Business Review Press, Boston (2014) | ISBN: 978-1625271747

Introduces Kotter's dual operating system model — arguably the most important evolution in his thinking since *Leading Change* (1996). The concept of maintaining the efficiency of a hierarchical management system while simultaneously building the agility of a network-based change engine addresses directly the challenge of large-scale transformation in complex organisations.

Essential for LO 4.1.4.

The book is concise (approximately 180 pages) and directly applicable — read in full before attempting the APPA.

Senior Leadership Teams: What It Takes to Make Them Great

Supplementary

Wageman, R., Nunes, D., Burruss, J. & Hackman, R. — Harvard Business Review Press (2008) | ISBN: 978-1591399254

The most rigorous empirical study of what makes senior leadership teams effective — based on research on 120 top teams across multiple industries and countries. The six conditions for team effectiveness (real team, compelling direction, enabling structure, supportive context, expert coaching, and adequate launch) provide a directly assessable diagnostic framework.

Essential for LO 4.1.3.

Chapters 3–6 develop the diagnostic framework; Chapters 7–9 address intervention design for underperforming senior teams.

The Leadership Pipeline: How to Build the Leadership Powered Company

Supplementary

Charan, R., Drotter, S. & Noel, J. — Jossey-Bass, San Francisco (2011 updated ed.) | ISBN: 978-0787951184

The foundational text on leadership succession and the pipeline model. The six leadership passages — from managing self to managing others, to managing managers, to functional manager, to business manager, to group manager, to enterprise manager — provide a framework for diagnosing succession gaps and designing targeted development.

Essential for LO 4.1.5.

Chapters 1–3 introduce the pipeline model; Chapters 8–10 address CEO succession governance specifically.

#### CEO Succession Study — Annual Report

##### Report

The definitive annual benchmark study of CEO succession in major US and global companies. Provides current data on inside vs. outside succession rates, first-year CEO performance, board succession process quality, and emerging succession governance practices.

Essential current reference for LO 4.1.5.

#### The Extraordinary Leader: Turning Good Managers into Great Leaders

##### Supplementary

Zenger, J.H. & Folkman, J. — McGraw-Hill, New York (2nd Ed., 2009) | ISBN: 978-0071628082

A rigorously empirical treatment of what distinguishes extraordinary leaders from merely competent ones — based on 360-degree data from 200,000+ respondents across 25,000 leaders. The "tent pole" model of leadership development (building multiple complementary strengths rather than fixing weaknesses) has direct implications for executive coaching design.

Relevant to LOs 4.1.6 and 4.1.7.

Chapters 4–7 are the priority reading for the executive development and coaching content.

#### Why CEOs Fail: The 11 Behaviors That Can Derail Your Climb to the Top

##### Supplementary

Dotlich, D.L. & Cairo, P.C. — Jossey-Bass, San Francisco (2003) | ISBN: 978-0787968373

Based on Hogan's dark side assessment research, this book identifies the eleven executive derailment factors with compelling case examples.

Directly relevant to LO 4.1.6 and LO 4.1.7

— the derailment risk and executive coaching content. Chapter 1 (arrogance), Chapter 3 (volatility), and Chapter 10 (eccentricity) are particularly relevant to governance professionals who coach or oversee senior executives.

#### Assessment Information

##### Advanced PPA Details

Assessment type

Advanced Professional Practice Assignment

Word count

4,000–5,500 words

Submission period

6 weeks after module completion

Required level

Senior/executive professional context mandatory

Min. pass mark

50% overall; min. 45% on Professional Application criterion

Grading Scale

Distinction

80–100%

Merit

70–79%

Pass

50–69%

Referred

45–49%

Fail

Below 45%

## APPA Guidance:

At Level 4, the assessment bar rises significantly. Assessors expect genuine executive-level insight — not competent application of frameworks but the kind of nuanced, experience-grounded judgment that distinguishes senior professionals. The APPA for Module 4.1 should reflect a real executive leadership challenge where the candidate has direct professional accountability. Candidates who write about governance situations where they are observers rather than actors consistently score below Merit. The reflective component (LO 4.1.7) requires honest engagement with personal limitations and derailment risks — not self-congratulation. Candidates who demonstrate genuine self-awareness consistently achieve the highest marks on this criterion.

## 4.2

### **MODULE**

#### Board Governance and Director Effectiveness

Advanced board governance — director duties at law, board dynamics, committee excellence, complex governance structures, and the Viva Voce professional oral assessment

#### Module Overview

#### Viva Voce Assessment:

Module 4.2 includes the

#### Viva Voce — Professional Oral Assessment

The module examines advanced director duties and liabilities, board dynamics and the psychology of board behaviour, the specific governance and effectiveness requirements of each principal board committee in depth, the design and facilitation of rigorous board effectiveness evaluations, and the governance of executive compensation at the highest levels of practice. It extends the comparative governance perspective introduced at Level 3 to address governance for the most complex organisational forms — private equity, family-controlled public companies, sovereign wealth funds, major charities, and international NGOs.

#### Professional Rationale:

#### Module Objectives

To develop advanced understanding of director duties and liabilities at law — covering US and comparative jurisdictions, director indemnification, D&O insurance governance, and the practical management of director liability exposure

To examine board psychology — including groupthink, conformity dynamics, status effects, gender dynamics in boardrooms, and the design of governance structures that promote genuine independent judgment and constructive challenge

To develop advanced committee governance expertise — addressing the specific mandates, effectiveness criteria, and governance of the audit, risk, remuneration, and nomination committees at the highest professional standard

To develop the ability to design, facilitate, and apply the findings of rigorous, credible, and constructive board effectiveness evaluations

To address governance for complex and hybrid organisational forms — including private equity-backed companies, dual-class share structures, family-controlled public companies, sovereign wealth fund-owned entities, and major charities

To prepare candidates for and succeed in the Viva Voce Professional Oral Assessment — developing the professional judgment, independent thinking, and intellectual confidence required to engage effectively with senior governance challenge

To examine the governance of board-CEO succession as a board-level accountability — including the remuneration committee's pay governance mandate and its relationship with talent and succession oversight

#### Detailed Topic Content

Director duties in depth: Delaware corporate law as the US standard; duty of care — enhanced scrutiny doctrine; duty of loyalty — entire fairness standard; Revlon duties (change of control); Caremark duties (oversight obligations)

Director liability exposure: derivative suits and direct suits; the business judgment rule revisited — when it protects and when it does not; Caremark liability for failure of oversight; D&O insurance — coverage structure, exclusions, and governance of the insurance programme

Director indemnification: statutory indemnification; advancement of expenses; indemnification agreements — governance and limitations; the interplay between indemnification and D&O insurance

Board psychology in depth: Janis's groupthink — the eight symptoms, their boardroom manifestations, and structural antidotes; conformity effects (Asch's experiments —

implications for board voting); status hierarchies and their suppression of dissent; the authority gradient

Gender, diversity, and board dynamics: the research on gender-diverse boards and governance outcomes; double-bind dynamics for women directors; building a genuinely inclusive boardroom culture; the governance of board diversity targets

The audit committee in depth: financial expert requirements; auditor independence and its governance; managing the external auditor relationship; audit quality assessment; non-audit services governance; audit committee self-assessment

The risk committee in depth: board vs. management risk oversight; developing and testing the risk appetite statement; emerging risk governance — climate, cyber, AI, geopolitical; risk culture assessment by the risk committee

The remuneration committee in depth: remuneration philosophy development; peer group construction and its governance risks; total shareholder return (TSR) performance metrics; ESG-linked pay design; clawback and malus provisions; institutional investor engagement on pay

The nomination committee in depth: board composition strategy; director search process governance; diversity target-setting and monitoring; board renewal — managing the transition from long-tenured directors; Chair evaluation and succession

Board effectiveness evaluation in depth: evaluation methodology choice; questionnaire design; 360-degree director assessment; board observer methodology; triangulation of evidence; writing the board evaluation report; governance of the improvement action plan

Governance for private equity-backed companies: sponsor governance model; portfolio company board structure; limited partner oversight; governance at exit; the governance of portfolio company financial engineering

Dual-class share structures and controlled companies: governance challenges; structural protections for minority shareholders; the Delaware approach to controller transactions; international comparison

Governance of sovereign wealth fund and state-owned enterprise investments: political accountability dimensions; independence requirements; governance of the state-business interface

Major charity governance: Charity Commission governance requirements; the trustee board's specific accountability; governance of major charity executive pay; social mission governance; charity mergers governance

Learning Outcomes

Ref

Learning Outcome

Bloom's Level

LO 4.2.1

Advise a director on the full scope of their legal duties, liabilities, and protective mechanisms in a complex governance scenario — demonstrating mastery of Delaware corporate law and its international comparators

Synthesis

LO 4.2.2

Analyse board psychology dynamics using established research frameworks, design specific structural and cultural interventions to improve constructive challenge and independent judgment, and evaluate their likely effectiveness

Synthesis

LO 4.2.3

Critically evaluate the governance of each principal board committee against advanced best practice standards — identifying specific deficiencies in mandate, composition, process, and reporting — and recommend a prioritised improvement programme

Evaluation

LO 4.2.4

Design and facilitate a comprehensive board effectiveness evaluation — specifying methodology, information sources, analysis framework, reporting structure, and governance improvement follow-up — for a complex organisational context

Synthesis

LO 4.2.5

Evaluate the governance challenges specific to at least two complex organisational forms (PE-backed, dual-class, family-controlled, sovereign wealth, or major charity) and recommend governance structures that protect all legitimate stakeholder interests

Evaluation

LO 4.2.6

Defend a comprehensive governance analysis and set of governance recommendations in the Viva Voce Professional Oral Assessment — demonstrating independent professional judgment, intellectual rigour, and the ability to engage constructively with senior challenge

Evaluation

LO 4.2.7

Design an executive remuneration governance framework — including remuneration philosophy, incentive structure, ESG linkage, clawback provisions, and institutional investor engagement strategy — aligned to long-term value creation and governance best practice

Synthesis

Viva Voce — Professional Oral Assessment

Structure and Process

Phase 1 (15 min) — Written Work Presentation:

Candidate presents the key governance analysis and recommendations from their Advanced PPA, highlighting critical decisions and their justification.

Phase 2 (25–35 min) — Professional Challenge:

Assessors challenge the analysis, explore alternative interpretations, probe the evidence base, and introduce related governance scenarios requiring independent response. Candidates are expected to defend positions, acknowledge complexity, and adapt to new information.

Phase 3 (5–10 min) — Professional Reflection:

Candidate reflects on their own governance practice and the broader governance implications of the issues discussed.

Assessment Criteria — Viva Voce

Depth of Professional Knowledge (30%):

Demonstrates mastery-level governance knowledge with nuanced, evidence-based responses

Quality of Professional Judgment (30%):

Exhibits independent, well-reasoned governance judgment — not textbook recitation or intellectual deference

Application to Real Professional Context (25%):

Grounds governance analysis in genuine professional experience and recognises practical constraints

Communication and Professional Presentation (15%):

Communicates with the clarity, confidence, and professional authority expected of a Full Member candidate

Viva Preparation Guidance:

The most common Viva failure occurs when candidates treat it like a written exam — giving rehearsed answers without engaging with the challenge. The Viva tests professional judgment, not memorised frameworks. Preparation should include: (1) re-reading your PPA critically, anticipating every weakness; (2) three or four practice "challenge sessions" with a trusted senior colleague; (3) reading one major current governance case study (recent annual report of a company under governance scrutiny) immediately before the Viva; and (4) reflecting genuinely on your own governance experience rather than presenting an idealised professional self. Assessors consistently give the highest marks to candidates who say "I'm not certain, but my judgment is..." rather than candidates who give over-confident incorrect answers.

Suggested Readings

Corporate Governance Matters: A Closer Look at Organizational Choices and Their Consequences

Core Text

Larcker, D.F. & Tayan, B. — Pearson FT Press (3rd Ed., 2021) | ISBN: 978-0136724636

The evidence-based governance text that most rigorously challenges conventional governance wisdom. At Level 4, candidates should engage with the empirical methodology as well as the findings — particularly where Larcker and Tayan find that widely accepted governance "best practices" (board size reduction, audit committee financial experts, independent chair) have weaker or more mixed empirical support than the governance profession assumes.

This critical perspective is essential for the Viva Voce (LO 4.2.6)

— assessors will probe whether candidates can defend governance positions under empirical challenge. Chapters 3 (Board of Directors), 5 (Audit Committee), 8 (CEO compensation) and 11 (Shareholder Activism) are the priority reading at this level.

The Independent Director: The Non-Executive Director's Guide to Effective Board Presence

Core Text

Kakabadse, A. & Kakabadse, N. — Palgrave Macmillan (2013) | ISBN: 978-1137368614

The most comprehensive research-based treatment of the NED role — drawing on interviews with more than 300 board chairs, NEDs, and company secretaries across the UK, Europe, US, and Asia.

Essential for LOs 4.2.2 and 4.2.3.

Chapters 5–8 address board dynamics, independence, and the specific contribution of NEDs to governance quality with exceptional depth. The case studies of board room conflicts and their resolution are particularly valuable preparation for the Viva Voce.

Directors and Officers Liability: A Framework for Due Diligence

Supplementary

Branson, D.M. — Practising Law Institute, New York (Annual Update) | Available through law libraries and PLI

The most authoritative practitioner reference on D&O liability — updated annually to reflect the latest Delaware and federal case developments.

Essential for LO 4.2.1.

The sections on Caremark duties (oversight liability), enhanced scrutiny (Revlon and Unocal), and the business judgment rule provide the advanced legal depth required at Level 4. Candidates should supplement this with recent Delaware Court of Chancery decisions available free at [courts.delaware.gov](http://courts.delaware.gov).

Groupthink: Psychological Studies of Policy Decisions and Fiascos

Supplementary

Janis, I.L. — Houghton Mifflin, Boston (2nd Ed., 1982) | ISBN: 978-0395317044

The classic text on groupthink. At Level 4, candidates should engage with both Janis's framework and its subsequent empirical critique — the laboratory evidence on

groupthink is weaker than Janis's case studies suggest, and candidates who can articulate this complexity perform significantly better in the Viva.

Directly relevant to LO 4.2.2.

Should be read alongside Sunstein and Hastie's "Wiser: Getting Beyond Groupthink to Make Groups Smarter" (2015) for a more current treatment.

NACD Director Professionalism Report

Report

NACD — National Association of Corporate Directors (Annual) | [nacd.org](http://nacd.org) — member access or purchase

NACD's annual benchmark on director effectiveness, board composition, and governance trends — the most current US practitioner reference for board governance practice.

Directly relevant to LOs 4.2.3 and 4.2.4.

The committee-specific findings and the board effectiveness evaluation data are particularly valuable. The NACD Blue Ribbon Commission reports on specific governance topics (available free to members) provide advanced governance guidance on committee mandates and board processes.

The Governance of Private Equity: A Practitioner's Guide

Supplementary

Cumming, D. & Johan, S. — Oxford University Press (2014) | ISBN: 978-0199756926

The most comprehensive academic and practitioner treatment of private equity governance — covering fund governance, portfolio company board structures, limited partner protections, and exit governance.

Directly relevant to LO 4.2.5

— the complex organisational form governance content. Chapters 4–6 address portfolio company governance in detail; Chapters 9–11 cover exit governance and the governance of secondary transactions.

Executive Remuneration: A Critical Assessment of Practices and Proposals for Reform

Reference Document

The most current practitioner and advocacy reference on executive pay governance reform. Provides the data, analysis, and institutional investor perspectives on pay governance that Level 4 candidates need for the remuneration committee content.

Essential current reference for LO 4.2.7.

The specific data on pay-for-performance correlation (consistently weak in empirical studies) is directly relevant to the critical governance analysis required at Level 4.

4.3

## **MODULE**

### Strategic Finance and Governance Reporting

Advanced financial governance — capital allocation, M&A oversight, integrated reporting, ESG disclosure, and board-level financial risk oversight

#### Module Overview

Advanced Level Note:

Module 4.3 is assessed through a

#### Mixed Assessment

— an open-book Case Study Report (60%, 3.5 hours) focused on financial governance analysis, plus an Advanced PPA (40%) requiring candidates to apply financial governance frameworks to a real capital allocation or reporting governance challenge at board or senior executive level.

Strategic finance at Level 4 is governance finance — not the financial management of a business unit but the board-level oversight of an organisation's financial health, strategic capital allocation, financial risk governance, and external financial reporting. It requires a different kind of financial literacy from the operational financial management covered at Level 2: the ability to challenge assumptions in financial models, to question capital allocation priorities, to evaluate the quality of financial disclosures, and to exercise independent financial oversight through the audit committee.

This module develops that advanced financial governance competency across four domains. First, capital allocation governance — how boards should oversee the strategic deployment of capital through dividends, buybacks, capex, and acquisitions, and how they should evaluate management's capital proposals against the cost of capital and long-term value creation principles. Second, M&A governance — the board's specific responsibilities in transaction oversight, including due diligence governance, valuation

challenge, integration planning oversight, and post-deal review. Third, integrated and sustainability reporting — the <IR> Framework, TCFD, ISSB standards, and the governance of voluntary and mandatory ESG disclosure. Fourth, financial risk governance — the board's role in overseeing financial risk (credit, market, liquidity, counterparty, and model risk) through the audit and risk committees.

#### Professional Rationale:

Academic research consistently shows that the quality of board capital allocation decisions is the single largest driver of the difference in long-term shareholder returns between otherwise comparable companies. Yet only a minority of board members have received formal training in capital allocation governance. This module addresses that critical capability gap at the advanced professional level.

#### Module Objectives

To develop board-level capital allocation governance competency — enabling candidates to evaluate capital deployment decisions (dividends, buybacks, capex, acquisitions) against long-term value creation principles and cost of capital benchmarks

To examine M&A governance from a board perspective — addressing due diligence governance, financial modelling challenge, valuation oversight, acquisition approval governance, and post-merger integration oversight

To develop advanced competency in integrated reporting — applying the <IR> Framework's six capitals model and guiding principles to design and evaluate governance reporting that reflects true organisational value creation

To address the rapidly evolving landscape of ESG and sustainability reporting — covering TCFD, ISSB, CSRD, and SEC climate disclosure rules, and developing governance frameworks for mandatory and voluntary sustainability disclosure

To develop advanced audit committee governance competency — covering external auditor oversight, audit quality assessment, non-audit services governance, and the audit committee's oversight of the financial reporting process

To address financial risk governance at board level — including the governance of financial risk appetite, the oversight of hedging and treasury risk, and the board's role in financial stress testing and scenario analysis

To examine taxation governance — including transfer pricing governance, tax transparency obligations, Country-by-Country Reporting, and the board's responsibility for the organisation's tax policy and ethical tax position

#### Detailed Topic Content

Capital allocation framework: the five uses of capital (reinvestment, acquisitions, dividends, buybacks, debt repayment); economic value added (EVA) as a capital allocation metric; ROIC vs. WACC as the fundamental capital allocation decision criterion

Dividend governance: dividend policy design; the dividend signalling hypothesis; payout ratio governance; special dividends vs. regular dividends — governance implications; dividend covenant compliance

Share buyback governance: the governance of buyback programmes — timing, volume, and disclosure; the evidence on buyback value creation; the governance debate around buybacks and long-term investment

Capital expenditure governance: capex approval frameworks; hurdle rate setting and governance; post-investment review governance; managing the capex governance cycle from project approval to benefits realisation

M&A governance: the board's approval responsibilities; the CEO's information obligation to the board; independent advisory committee governance; fairness opinions — their limitations; break fees and defensive provisions governance

M&A due diligence governance: financial due diligence governance (quality of earnings analysis); legal due diligence governance; cultural due diligence; the board's oversight of the due diligence process

M&A integration governance: the first 100-day plan governance; integration steering committee composition and mandate; synergy tracking governance; cultural integration oversight; post-deal review governance (when things go wrong)

The International Integrated Reporting (<IR>) Framework: the six capitals model (financial, manufactured, intellectual, human, social & relationship, natural); the value creation process; guiding principles (connectivity, materiality, conciseness, reliability, completeness)

TCFD framework governance: physical risk and transition risk; the four TCFD pillars (governance, strategy, risk management, metrics and targets); scenario analysis requirements; governance board reporting under TCFD

ISSB standards (IFRS S1 and S2): the ISSB's mandate and standards; S1 (general sustainability-related disclosures) and S2 (climate-related disclosures); transition from TCFD to ISSB; materiality under ISSB

EU CSRD and US SEC climate disclosure rules: CSRD scope and governance implications; SEC climate disclosure rules — required disclosures, governance

disclosures, Scope 1/2/3 requirements; assurance requirements for sustainability disclosures

External auditor governance: the audit committee's oversight of auditor appointment, independence, quality, and communications; the Public Company Accounting Oversight Board (PCAOB); audit quality indicators; mandatory auditor rotation governance

Financial risk governance at board level: the board's financial risk appetite statement; interest rate risk, foreign exchange risk, credit risk, and liquidity risk governance; financial stress testing governance; the audit committee-risk committee coordination

Taxation governance: the board's tax policy responsibility; tax risk as a governance risk; transfer pricing governance; tax transparency (OECD BEPS framework, CbCR); the governance debate on aggressive tax planning; ESG dimensions of tax governance

Learning Outcomes

Ref

Learning Outcome

Bloom's Level

LO 4.3.1

Evaluate capital allocation decisions presented to a board — assessing each deployment option against ROIC/WACC principles, long-term value creation criteria, and governance best practice, and recommending a prioritised capital allocation framework

Evaluation

LO 4.3.2

Assess the governance of an M&A transaction from the board's perspective — evaluating due diligence governance, valuation independence, shareholder approval process, and integration planning oversight — and recommend specific governance improvements

Evaluation

LO 4.3.3

Design an integrated reporting framework using the <IR> Framework — identifying the six capitals most material to a described organisation, specifying the value creation narrative, and evaluating the current reporting against <IR> guiding principles

Synthesis

#### LO 4.3.4

Critically evaluate an organisation's TCFD or ISSB climate-related financial disclosure — assessing the quality of governance, strategy, risk management, and metrics disclosures — and recommend specific improvements to meet current mandatory standards

Evaluation

#### LO 4.3.5

Design a comprehensive audit committee work programme — addressing the full scope of financial reporting oversight, external auditor governance, internal controls assurance, and ESG reporting oversight responsibilities

Synthesis

#### LO 4.3.6

Apply financial stress testing to assess organisational financial resilience under defined adverse scenarios, communicate the findings in governance-appropriate language, and recommend board-level financial risk governance responses

Application

#### LO 4.3.7

Evaluate an organisation's tax governance framework against OECD BEPS principles and ESG tax governance standards — identifying reputational, regulatory, and financial governance risks and recommending a board-level tax governance policy

Evaluation

Suggested Readings

Value: The Four Cornerstones of Corporate Finance

Core Text

Koller, T., Dobbs, R. & Huyett, B. — McKinsey/Wiley (2011) | ISBN: 978-0470424605

McKinsey's distillation of their corporate finance practice into a concise, accessible framework for non-specialist governance professionals. The four cornerstones — grow revenues, earn returns above cost of capital, deploy capital wisely, and maintain the right capital structure — provide a framework for board-level capital governance oversight.

Essential for LO 4.3.1.

The book is intentionally brief (approximately 230 pages) and focused on governance-relevant financial concepts rather than technical corporate finance. Chapters 3–6 are the priority reading.

Mergers, Acquisitions, and Corporate Restructurings

Supplementary

Gaughan, P.A. — Wiley, Hoboken NJ (7th Ed., 2018) | ISBN: 978-1119273479

The most comprehensive practitioner M&A text.

Chapters 3–5 (valuation methodologies), Chapter 7 (due diligence), Chapter 9 (merger approval process and board fiduciary duties), and Chapters 11–14 (post-merger integration governance)

are directly relevant to LO 4.3.2. The sections on governance of defensive measures (Chapters 15–17) provide advanced context for the director duty content in Module 4.2.

The International <IR> Framework

Reference Document

IFRS Foundation (successor to IIRC) — London (2021, updated 2023) | Free at [ifrs.org/integrated-reporting](https://ifrs.org/integrated-reporting)

At Level 4, candidates should engage with the full <IR> Framework — not just the summary — and be able to apply its guiding principles and capital model to evaluate real organisations' reporting.

Essential for LO 4.3.3.

The 2021 revision aligned <IR> more closely with the ISSB sustainability reporting standards; candidates should understand the relationship between the two. The IFRS Foundation's practice examples database provides practical application examples relevant to the case study assessment.

IFRS S1 and S2 — Sustainability Disclosure Standards

Reference Document

IFRS Foundation / ISSB — London (2023) | Free at [ifrs.org/issb-standards](https://ifrs.org/issb-standards)

The ISSB's inaugural sustainability disclosure standards — now adopted or being adopted in over 40 jurisdictions.

Essential reference for LO 4.3.4.

IFRS S1 (General Requirements) and IFRS S2 (Climate-related Disclosures) must be read in full. The accompanying basis for conclusions documents explain the governance rationale for key decisions. The ISSB's transition guidance from TCFD is particularly relevant for candidates advising organisations on the migration to mandatory ISSB reporting.

Audit Committee Excellence Series — KPMG Audit Committee Institute

Reference Document

KPMG's annually updated governance guides for audit committees — covering financial reporting oversight, external auditor governance, internal controls, and the evolving ESG reporting oversight mandate.

Essential reference for LO 4.3.5.

The ACI's audit committee agenda-setting guides and the annual Audit Committee Chairs survey provide the current governance practice benchmark for the audit committee work programme design required in the assessment.

Tax Transparency and Governance: OECD BEPS Framework Guide for Board Members

Reference Document

OECD — Organisation for Economic Co-operation and Development (2023) | Free at [oecd.org/tax/beps](https://oecd.org/tax/beps)

The OECD's governance guidance on tax transparency and BEPS compliance for board members — covering CbCR obligations, transfer pricing governance, Pillar Two (global minimum tax), and the board's tax governance responsibilities.

Essential reference for LO 4.3.7.

The OECD Tax Governance Framework (pages 15–45) provides the board-level tax policy governance structure required in the assessment. Free download from [oecd.org/tax](https://oecd.org/tax).

Assessment Information

Mixed Assessment

Component A — Case Study

3.5 hrs open-book · 60% of grade

Case study focus

Financial governance diagnostic (capital allocation, M&A, or reporting)

Component B — APPA

6-week submission · 40% of grade

APPA word count

3,500–5,000 words — board-level financial governance

Min. pass per component

50% on each component independently

Grading Scale

Distinction

80–100%

Merit

70–79%

Pass

50–69%

Referred

45–49%

Fail

Below 45%

4.4

## **MODULE**

Public Policy, Governance and Regulatory Affairs

Navigating regulatory landscapes — policy engagement, ESG regulation, anti-corruption governance, and managing the organisation's relationship with government and regulators

Module Overview

Advanced Level Note:

Module 4.4 is assessed through an

Advanced PPA

(4,000–5,000 words) requiring candidates to analyse a regulatory, public policy, or government relations governance challenge relevant to their organisation or sector — demonstrating mastery-level understanding of the regulatory landscape and its governance implications at board level.

The modern organisation does not exist in a regulatory vacuum. Every significant governance decision — a major acquisition, a product launch, an executive pay decision, a carbon emissions commitment — is made within a complex regulatory landscape that constrains choices, creates obligations, and generates strategic risks and opportunities. The governance professional who does not understand this landscape, and who cannot help their organisation navigate it effectively, is working with a critical professional blind spot.

This module develops advanced regulatory governance competency across four domains: the US and international regulatory framework; corporate political activity, lobbying, and government relations governance; ESG regulation and mandatory sustainability reporting (building on Module 4.3's reporting content but focusing on governance compliance strategy); and anti-corruption, sanctions, and financial crime governance. Together, these domains equip candidates to advise boards on their full regulatory exposure and to design governance frameworks that manage regulatory risk proactively rather than reactively.

The module also addresses the ethics of regulatory engagement — the difference between legitimate advocacy and improper political influence — and examines the governance challenges that arise when organisations operate across multiple regulatory jurisdictions with conflicting requirements. This jurisdictional complexity is increasingly a board-level governance challenge as organisations internationalise and as regulation globalises.

Professional Rationale:

NACD surveys consistently show that regulatory and political risk is among the top five risks identified by US public company boards, yet fewer than 40% of boards have a formal regulatory risk governance framework. The US Department of Justice's Evaluation of Corporate Compliance Programs — which determines whether an organisation receives credit for self-disclosure and cooperation — now specifically examines board-level regulatory governance quality. This module equips candidates to close that governance gap.

Module Objectives

To develop advanced understanding of the US federal and state regulatory framework — including the regulatory rulemaking process, judicial review of agency action, and the governance implications of the most significant regulatory regimes

To address corporate political activity, lobbying, and government relations governance — including the legal framework for corporate political activity, lobbying disclosure requirements, and the ethics and governance of influencing the regulatory environment

To develop advanced ESG regulatory compliance governance competency — enabling candidates to design board-level governance frameworks for mandatory ESG disclosure obligations under SEC, CSRD, ISSB, and sector-specific requirements

To examine anti-corruption law and governance in depth — covering FCPA, UK Bribery Act, and international anti-corruption frameworks, and developing advanced compliance programme governance capability

To address sanctions compliance governance — examining the US OFAC sanctions framework, the EU and UN sanctions regimes, and the board-level governance obligations they create for organisations operating internationally

To develop cross-jurisdictional regulatory governance competency — addressing the specific challenges of governing regulatory compliance across multiple jurisdictions with conflicting or overlapping regulatory requirements

To address competition law and antitrust governance — examining the US and EU competition law frameworks and the board-level governance obligations they create for large organisations

#### Detailed Topic Content

The US regulatory architecture: federal agencies and their mandates; independent regulatory agencies vs. executive agencies; the Administrative Procedure Act and the rulemaking process; notice-and-comment rulemaking governance; judicial review of agency action (Chevron doctrine developments)

Regulatory risk governance framework: mapping the regulatory landscape; regulatory horizon scanning; regulatory risk register design; the board's regulatory risk oversight mandate

Corporate political activity governance: Citizens United and corporate political spending; state vs. federal regulation of corporate political activity; disclosure governance; board oversight of political expenditure; the governance of political action committees (PACs)

Lobbying and government relations governance: federal Lobbying Disclosure Act; grassroots lobbying governance; the ethics of regulatory advocacy — the line between legitimate engagement and improper influence; revolving door governance

ESG regulatory compliance governance: the SEC's climate disclosure rules — scope, governance disclosures, Scope 1/2/3 requirements, litigation risk; EU CSRD governance compliance framework; ISSB adoption roadmap governance

Human rights due diligence governance: the UN Guiding Principles on Business and Human Rights; emerging mandatory due diligence legislation (EU CSDDD, UK Modern Slavery Act, US UFLPA); supply chain governance implications

FCPA governance in depth: the anti-bribery and books-and-records provisions; third-party due diligence governance; the FCPA's extraterritorial reach; DOJ/SEC enforcement coordination; declinations and cooperation credit — the governance factors

UK Bribery Act governance: the Section 7 "adequate procedures" defence — the six Bribery Act principles; facilitation payments; international scope; enforcement approach comparison with FCPA

ISO 37001 Anti-Bribery Management System: the standard's requirements; certification governance; integration with ERM and compliance programmes; the role of the board's audit or compliance committee in ISO 37001 oversight

Sanctions compliance governance: US OFAC SDN list and sanctions programmes; EU and UN sanctions; the extraterritorial reach of US sanctions; sanctions compliance programme design; the governance of sanctions risk in M&A due diligence

Anti-Money Laundering governance: the Bank Secrecy Act / FinCEN requirements; AML programme governance (five pillars); KYC/CDD governance; suspicious activity reporting governance; FATF recommendations and their implementation

Cross-jurisdictional regulatory governance: managing conflicting regulatory obligations across jurisdictions; the governance of regulatory arbitrage; cross-border regulatory cooperation (MoUs); the governance of deference to local law

Competition law and antitrust governance: the Sherman Act, Clayton Act, and FTC Act; the EU competition law framework; merger control governance — pre-merger notification governance; antitrust compliance programme design; board-level governance of competition law risk

Regulatory enforcement governance: managing a regulatory investigation — board oversight, legal privilege, self-disclosure decisions; deferred prosecution agreements (DPAs) and non-prosecution agreements (NPAs) — board governance of their

negotiation and compliance; whistleblower programme governance in the regulatory context

Learning Outcomes

Ref

Learning Outcome

Bloom's Level

LO 4.4.1

Map and critically evaluate the regulatory landscape relevant to a described organisation and sector — identifying the most significant regulatory risks, their governance implications, and the board-level oversight mechanisms required

Evaluation

LO 4.4.2

Design a corporate political activity and government relations governance framework — specifying board oversight mechanisms, disclosure governance, ethical guardrails, and the specific governance structures required to prevent regulatory capture

Synthesis

LO 4.4.3

Develop a comprehensive ESG regulatory compliance governance roadmap for a described organisation — specifying the governance structures, disclosure obligations, board oversight mechanisms, and assurance requirements under applicable mandatory standards

Synthesis

LO 4.4.4

Critically evaluate an anti-corruption compliance programme against DOJ guidance standards and the FCPA's "adequate procedures" requirements — identifying specific governance gaps and recommending a prioritised improvement programme

Evaluation

LO 4.4.5

Assess the sanctions compliance governance obligations applicable to a described organisation's international operations — identifying the specific OFAC, EU, and UN sanctions risks and designing board-level governance responses

Synthesis

LO 4.4.6

Analyse the governance challenges of operating across multiple conflicting regulatory jurisdictions and develop a cross-jurisdictional regulatory governance strategy that manages legal risk while maintaining operational effectiveness

Analysis

LO 4.4.7

Advise a board on the governance of a regulatory investigation — specifying the board's oversight responsibilities, legal privilege considerations, self-disclosure decision governance, and DPA/NPA negotiation governance

Synthesis

Suggested Readings

The Oxford Handbook of Regulation

Core Text

Baldwin, R., Cave, M. & Lodge, M. (eds.) — Oxford University Press (2010) | ISBN: 978-0199576081

The most comprehensive academic treatment of regulatory governance. At Level 4, candidates should engage with the theoretical foundations of regulation (Chapters 1–5) as well as the sector-specific and international dimensions.

Chapters 1 (What is Regulation?), 4 (Theories of Regulatory Design), and 15 (Better Regulation and Administrative Burden) are priority reading for LO 4.4.1.

The chapters on regulatory enforcement (16–18) provide essential context for LO 4.4.7.

The FCPA Handbook: A Practical Guide to the Foreign Corrupt Practices Act

Core Text

Koehler, M. — FCPA Professor Press (5th Ed., 2024) | Available at [fcpaprofessor.com](http://fcpaprofessor.com)

The FCPA Professor's comprehensive practitioner guide — the most current and practically focused FCPA reference available.

Essential for LO 4.4.4.

Chapters 2–5 (FCPA provisions in detail), Chapter 7 (enforcement patterns), and Chapter 9 (compliance programme design) are the priority reading. The FCPA Professor blog ([fcpprofessor.com](http://fcpprofessor.com)) provides ongoing analysis of enforcement developments that candidates should monitor for current case material.

Evaluation of Corporate Compliance Programs — DOJ Guidance Document

Reference Document

US Department of Justice, Criminal Division (Updated 2023) | Free at [justice.gov/criminal-fraud](https://justice.gov/criminal-fraud)

The definitive DOJ guidance on what constitutes an effective corporate compliance programme — the standard against which prosecutors evaluate compliance when deciding whether to charge, prosecute, or offer a DPA.

Essential reference for LO 4.4.4 and LO 4.4.7.

The 2023 update specifically addressed board oversight of compliance, the governance of compliance resource allocation, and the integration of compliance into business decision-making. Free download — approximately 25 pages of normative content.

Transparency International Corruption Perceptions Index and Global Anti-Corruption Resources

Report

Transparency International — Annual | Free at [transparency.org](https://transparency.org)

US OFAC Sanctions Compliance Guidance

Reference Document

US Department of the Treasury, Office of Foreign Assets Control (OFAC) — 2019 Framework, updated 2024 | Free at [ofac.treas.gov](https://ofac.treas.gov)

OFAC's governance guidance for sanctions compliance programmes — the official standard against which organisations' sanctions compliance governance is evaluated in enforcement proceedings.

Essential reference for LO 4.4.5.

The Framework document specifies five essential components of sanctions compliance programmes with direct governance implications. OFAC's Recent Actions and SDN list management guidance should be read alongside the Framework.

## Competition Law Compliance: A Practical Guide

### Supplementary

McElwee, G. & Riley, A. — Sweet & Maxwell, London (2nd Ed., 2021) | ISBN: 978-0414086425

A comprehensive practitioner guide to competition law compliance programme design — covering US antitrust, EU competition law, and cross-jurisdictional compliance challenges.

Chapters 4–7 are most relevant to LO 4.4.7

— the board governance of antitrust compliance. The merger control governance chapter (Chapter 9) is directly relevant to the M&A governance content in Module 4.3.

### Assessment Information

#### Assessment Details

##### Assessment type

Advanced Professional Practice Assignment

##### Word count

4,000–5,000 words

##### Submission period

6 weeks after module completion

##### Required context

Real regulatory/policy governance challenge in candidate's sector

##### Min. pass mark

50% overall; 45% on Professional Application

##### Grading Scale

Distinction

80–100%

Merit

70–79%

Pass

50–69%

Referred

45–49%

Fail

Below 45%

4.5

## **MODULE**

Organisational Ethics and Governance Culture

Ethics as governance infrastructure — building ethical organisations through tone, structure, culture, and the board's oversight of organisational integrity

Module Overview

Advanced Level Note:

Module 4.5 is assessed through a

Mixed Assessment

— a Constructed Response Written Examination (50%, 2.5 hours) on ethics and governance culture frameworks, and an Advanced PPA (50%) requiring candidates to design, evaluate, or fundamentally improve an organisational ethics governance framework from a board oversight perspective.

At Level 4, the treatment of ethics moves beyond the introductory ethical frameworks of Level 1 to engage with three more sophisticated dimensions. First, behavioural ethics — the research on why good people systematically make bad ethical decisions, and what governance systems can do to counteract these predictable failures. Second, the governance of ethical culture — how boards should measure, monitor, and respond to organisational culture, and what the evidence shows actually moves culture in ethical directions. Third, the ethics of power — the specific ethical challenges that arise in

governance roles where power asymmetry is structural, and how governance systems can be designed to prevent its abuse.

#### Professional Rationale:

The US Department of Justice's updated Evaluation of Corporate Compliance Programs (2023) specifically identifies "Tone at the Top and Middle" and "Culture of Compliance" as primary evaluation criteria for the quality of a compliance programme. Boards that can demonstrate genuine, measurable ethical culture oversight receive significantly better treatment in DOJ investigations than those that cannot. This module develops the governance capability to make that demonstrable cultural difference.

#### Module Objectives

To develop advanced normative ethical reasoning capability — applying utilitarian, deontological, virtue ethics, and care ethics frameworks to complex governance dilemmas that do not admit simple right answers

To examine behavioural ethics — explaining the psychological and situational mechanisms that cause ethical failures, and designing governance structures that counteract these predictable failure modes

To develop advanced organisational ethics governance competency — designing comprehensive ethics and compliance programmes against DOJ standards and evaluating their effectiveness

To develop board-level ethical culture monitoring and oversight capability — including culture measurement methodology, culture indicators, whistleblower programme governance, and the board's escalation response

To address corporate social responsibility governance at the advanced level — examining the governance of stakeholder obligations, social purpose commitments, and the integration of ESG into corporate governance structures

To examine the ethics of power in governance — addressing the specific ethical challenges of governance roles, the abuse of power dynamics in boards and executive teams, and the governance systems that prevent power abuse

To develop moral courage in governance practice — including specific frameworks for speaking up in governance contexts, managing ethical dissent professionally, and the personal psychological dimensions of governance integrity

#### Detailed Topic Content

Advanced normative ethics: utilitarianism — act vs. rule utilitarianism; impartial concern and its limits; Kantian deontology — the categorical imperative revisited; perfect and imperfect duties; virtue ethics — Aristotelian phronesis (practical wisdom) as the governance ethics framework; care ethics and stakeholder relationships

Ethics under genuine uncertainty: how to reason when ethical frameworks conflict; the reasonable wise person standard; John Rawls' veil of ignorance as a governance thought experiment; intergenerational ethics and long-term governance obligations

Behavioural ethics: Bazerman and Tenbrunsel's blind spots model; motivated reasoning; ethical fading; the slippery slope; obedience to authority (Milgram — governance implications); the bystander effect in governance contexts

Institutional corruption (Lessig): how governance institutions become corrupted through incremental rationalisation; the governance of institutional integrity; preventing the normalisation of misconduct

Ethics programme design at advanced level: the DOJ's seven elements revisited — culture of compliance, leadership tone, risk assessment, standards and controls, training, reporting and investigation, response and prevention; measuring programme effectiveness

Tone at the top, tone in the middle: the research evidence on leadership modelling of ethical behaviour; the specific actions that demonstrate (and undermine) ethical tone; governing the gap between espoused values and lived experience

Organisational culture measurement: survey methodologies — design and governance; behavioural analytics for culture assessment; management information as a culture signal (expense patterns, performance management consistency, promotion data); the board's culture information sources

Whistleblower programme governance at advanced level: programme design factors that determine effectiveness; investigating whistleblower complaints — governance of the investigation; non-retaliation governance; the Dodd-Frank whistleblower award programme — board governance implications

Corporate social responsibility governance: the CSR-governance integration challenge; ESG as a governance obligation vs. a strategic choice; purpose-led governance — governance of the social mission; stakeholder governance frameworks at board level

The governance of power: power asymmetry in governance relationships; the specific ethical obligations of power holders; the governance of CEO power — checks, counterbalances, and structural protections; the ethics of using governance authority

Moral courage in governance: defining moral courage as a professional competency; the cognitive and emotional barriers to speaking up in governance contexts; specific frameworks for raising governance concerns professionally; the personal cost of governance integrity

Ethical leadership under pressure: decision-making under time pressure and high stakes; managing personal ethical conflicts when institutional pressures conflict with professional obligations; seeking ethics counsel — the governance professional's obligation

The board's ethics and culture oversight mandate: what the board should measure and monitor; the ethics committee vs. audit committee vs. full board for ethics oversight; reporting lines for the Chief Compliance/Ethics Officer; the board's response to ethics failures

Learning Outcomes

Ref

Learning Outcome

Bloom's Level

LO 4.5.1

Apply multiple normative ethical frameworks to analyse a complex governance ethics dilemma — identifying where the frameworks converge and diverge, and arriving at a reasoned, defensible governance position that acknowledges the genuine ethical complexity

Synthesis

LO 4.5.2

Explain the principal behavioural ethics mechanisms (blind spots, motivated reasoning, ethical fading, obedience to authority) and design specific governance structures and processes that counteract each in a described organisational context

Synthesis

LO 4.5.3

Design a comprehensive organisational ethics governance programme against DOJ standards — specifying all seven elements, governance structures, resource requirements, and effectiveness measurement framework

Synthesis

LO 4.5.4

Design a board-level ethical culture monitoring and oversight methodology — specifying the information sources, measurement instruments, escalation triggers, and board response protocols that constitute robust culture governance

Synthesis

LO 4.5.5

Evaluate a corporate social responsibility governance framework against stakeholder theory, ESG governance standards, and the principle of integrated governance — identifying gaps and recommending a board-level governance improvement programme

Evaluation

LO 4.5.6

Advise the board on its ethics and culture oversight mandate — specifying the information it requires, the governance questions it should routinely ask, and the specific actions that constitute genuine (not performative) board ethics leadership

Synthesis

LO 4.5.7

Synthesis

Suggested Readings

Blind Spots: Why We Fail to Do What's Right and What to Do About It

Core Text

Bazerman, M.H. & Tenbrunsel, A.E. — Princeton University Press (2011) | ISBN: 978-0691147918

The definitive behavioural ethics text — explaining with rigorous research evidence why well-intentioned, intelligent people systematically fail to act ethically in organisational contexts. The concept of "bounded ethicality" — the systematic limitations on our ability to see our own ethical failures — is the most important intellectual contribution in this field since Kohlberg.

Essential for LO 4.5.2.

Part 1 (why our decisions fall short of our intentions) and Part 2 (what can be done) are the priority reading. The organisational applications in Part 3 provide direct governance design implications.

Everybody Lies: Big Data, New Data, and What the Internet Can Tell Us About Who We Really Are

Supplementary

Stephens-Davidowitz, S. — Dey Street Books, New York (2017) | ISBN: 978-0062390851

While not a governance text, this book's central argument — that revealed behaviour is a far more reliable indicator of values than stated values — has profound implications for organisational ethics governance. The governance implication is that organisations should measure what people do (behavioural analytics), not what they say they believe (surveys).

Conceptually relevant to LO 4.5.4

— the culture measurement methodology section. A highly accessible and thought-provoking read that challenges the assumptions underlying most ethics programme design.

Dare to Lead: Brave Work, Tough Conversations, Whole Hearts

Supplementary

Brown, B. — Random House, New York (2018) | ISBN: 978-0399592522

Brené Brown's research-based framework for courageous leadership is directly relevant to the moral courage content of this module. Her evidence on the relationship between vulnerability, trust, and ethical leadership — and her specific framework for engaging in difficult conversations that governance requires — provides practical tools for LO 4.5.7.

Chapters 1–3 and 7–9 are most relevant

to the moral courage and governance integrity dimensions of this module. Should be read critically alongside the more analytically rigorous ethics texts.

A Question of Trust: The BBC Reith Lectures 2002

Supplementary

O'Neill, O. — Cambridge University Press (2002) | ISBN: 978-0521529600

Philosopher Onora O'Neill's landmark analysis of trust — its architecture, its abuse, and its rehabilitation. Her argument that transparency alone does not rebuild trust (because intelligent principled deception can be entirely transparent) challenges the conventional governance prescription of "more disclosure" as an ethics solution.

Directly relevant to LOs 4.5.1 and 4.5.6

— the advanced ethics reasoning and board culture oversight content. At approximately 100 pages, this is the shortest and most intellectually stimulating text in the Level 4 reading list.

Evaluation of Corporate Compliance Programs — DOJ Guidance Document

Reference Document

US Department of Justice, Criminal Division (Updated 2023) | Free at [justice.gov/criminal-fraud](https://justice.gov/criminal-fraud)

As noted in Module 4.4, the DOJ guidance is essential for Module 4.5 as well — specifically the sections on culture of compliance, tone at the top, and the measurement of compliance programme effectiveness.

Essential reference for LOs 4.5.3 and 4.5.6.

The 2023 revision's expanded treatment of compliance culture and the governance of compensation structures to incentivise ethical behaviour is particularly relevant to Level 4 assessment requirements.

The Board's Oversight of Corporate Culture: A Practical Guide

Reference Document

NACD — National Association of Corporate Directors (2023) | Free at [nacdonline.org](https://nacdonline.org)

NACD's current governance guidance on board culture oversight — the most practically relevant reference for the board culture monitoring and oversight content.

Essential reference for LO 4.5.4.

The Moral Responsibility of Corporate Executives for Disasters

Professional Reading

Hartman, L.P. & Werhane, P.H. — Journal of Business Ethics, Vol. 72 (2007) | Available through university library database or SSRN

A philosophically rigorous treatment of individual moral responsibility in governance failures — directly relevant to the ethics of power and governance responsibility content of this module.

Relevant to LOs 4.5.1 and 4.5.6.

The paper's analysis of how diffuse governance accountability structures can create conditions where no individual feels morally responsible for collective ethical failures is directly applicable to board governance design.

#### Assessment Information

##### Mixed Assessment

##### Component A — Written Examination

2.5 hrs · 50% of total grade

##### Exam format

Constructed response: 3 ethics/culture scenario questions

##### Component B — Advanced PPA

6-week submission · 50% of total grade

##### PPA content

Ethics governance programme design/evaluation + Personal Ethics Leadership Commitment (included in word count)

##### PPA word count

4,000–5,500 words total (including 500–700 word Personal Ethics Commitment)

##### Assessment Criteria (PPA)

##### Professional Application & Governance Judgment

40%

##### Ethical Reasoning Quality

25%

##### Personal Ethics Commitment Authenticity

20%

Written Communication & Structure

15%

Personal Ethics Leadership Commitment Guidance:

Level 4 — General Academic and Professional Standards

Framework information applicable to all five modules of the Advanced Diploma in Leadership and Governance

Study Hours and Workload

Advanced reading and framework mastery: approximately 30%

Current professional literature monitoring: approximately 10%

APPA research, development, drafting, revision: approximately 40%

Viva preparation and examination practice: approximately 20%

Assessment at Level 4

Level 4 uses Advanced PPAs, open-book Case Studies, and the unique Viva Voce oral assessment. All assessments require senior professional context.

Module 4.1: Advanced PPA (4,000–5,500 words)

Module 4.2: Advanced PPA + Viva Voce (45–60 min)

Module 4.3: Open-book Case Study (60%) + Advanced PPA (40%)

Module 4.4: Advanced PPA (4,000–5,000 words)

Module 4.5: Written Examination (50%) + Advanced PPA (50%)

Pass all 5 Level 4 modules including Viva Voce in Module 4.2

Minimum five (5) years of relevant professional experience

Minimum three (3) years in a senior leadership/governance role

CPD compliance for preceding 2 years (30 hrs/year with portfolios)

Full Membership upgrade fee: USD 500; annual subscription: USD 60

Progression to Level 5

Minimum eight (8) years of total relevant professional experience

Minimum five (5) years in C-suite, board, or principal governance role

Evidence of professional contribution (publications, board service, speaking)

Advanced PPA and Re-submission

At Level 4, APPA re-submission standards are significantly higher than at Level 3:

Referred (45–49%): one resubmission within 60 days with revised analysis — not merely expanded word count

Fail (below 45%): full resubmission with fundamentally different approach and new professional context; fee applies

Maximum 3 submissions per module; after third fail, formal re-registration required

Viva Voce failure: re-sit opportunity within 12 months; same PPA may be reused

Learning Resources — Level 4

Level 4 LMS resources reflect the senior professional standard required:

Curated current governance case library (board reports, enforcement actions, governance codes)

Viva Voce preparation workshop (live, 2 sessions pre-each window)

Examiner feedback database: anonymised APPA feedback from previous submissions

Chartered Institute of Leadership and Governance — a registered professional body dedicated to advancing the highest standards of professional excellence in leadership, corporate governance, organisational management, and public administration. Registered: United States of America.

Syllabus Edition 1.0, 2024 | [www.cilg.org](http://www.cilg.org) | All Rights Reserved

Level 4 Modules

4.1 — Executive Leadership & Transformation

4.2 — Board Governance & Director Effectiveness

4.3 — Strategic Finance & Governance Reporting

4.4 — Public Policy & Regulatory Affairs

4.5 — Organisational Ethics & Culture

[admissions@cilg.org](mailto:admissions@cilg.org)

[exams@cilg.org](mailto:exams@cilg.org)

[viva@cilg.org](mailto:viva@cilg.org)

[membership@cilg.org](mailto:membership@cilg.org)

[info@cilg.org](mailto:info@cilg.org)

2024