



The Business of Trust

**A contribution from the
Financial Services Group of
Livery Companies**

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Foreword

This contribution from the Financial Services Group of Livery Companies (FSG) to the Business of Trust initiative shows how FSG companies and their members are committed to the **CIVIC** principles at an overarching level, either through the undertakings made when members join a company or through any professional or sector codes of conduct and includes examples of initiatives undertaken by the FSG companies in recent years which demonstrate one or more of the **CIVIC** principles. They show how the members of our Companies, individually and collectively, are working towards the Lord Mayor's desired legacy of 'better business trusted by society'.

Competence and skills [C] - Our members provide direct and financial support to those entering our professions with respect to exam training, in particular. Also, in our related professions, competence is enriched through developing practical experience under careful guidance and supervision of responsible senior colleagues, reflecting the appropriate level of professional ethics.

Integrity [I] - The group represents professional services and Livery Companies have close links with their respective professional bodies. All have honesty and integrity among their core values. A material breach of the values would be incompatible with continuing membership of a Livery Company and associated professional body.

Value to Society [V] - Many members engage in pro bono work in connection with charities associated with their profession and more widely. Member Companies have established links with schools and are active as governors and mentors.

Interests of others [I] - A number of member Companies have commenced initiatives to improve corporate governance and all have sought to improve diversity, in particular by programmes designed to work with disadvantaged pupils and students who might not otherwise consider a career in the City.

Clear communication [C] - Member Companies have been active in arranging conferences and lectures designed to inform a wider audience about matters of concern such as GDPR, financial scandals of the past and the value of ethics in business.

Andrew Marsden,
Chairman, The Financial Services Group of Livery Companies
October 2018

Introduction

The Financial Services Group of Livery Companies (FSG) came into existence in 2006 and now comprises thirteen modern Livery Companies. Its aims are to support the Lord Mayor in his overseas visits, his meetings in the City with overseas delegations, and his role of promoting "the City" brand of UK financial and other business services and to represent the views of the Financial Services sector to the Lord Mayor.

The following sections show how the FSG companies contribute to the **VIC** elements within **CIVIC**. **Appendix 1** provides the background to the Business of Trust initiative. The **CIVIC** principles were created following a review of existing codes of conduct and **Appendix 2**, gives more detail about the Financial Services Group of Livery Companies and emphasises their commitment to underpinning the **CI** of **CIVIC**.

Value to society (CIVIC)

All FSG companies contribute to the **V** in **CIVIC** by recognising and meeting wider societal needs.

The Worshipful Company of Arbitrators is actively engaged in a number of projects of community and societal value. Through its Education Committee, with financial backing as appropriate from the Charitable Trust, the Company:

- runs a unique pupillage scheme, enabling those intending to practice as arbitrators, mediators and adjudicators to gain practical experience with top professionals in the world of private dispute resolution.
- runs an annual Arbitration/Mediation Skills Competition, with witnesses and participants from the Company, and judged by experienced panels of professionals also from the Company, who provide constructive feedback to all participants. Competitors at these events are teams of students, trainees and pupils from universities and law colleges, solicitors' firms and barristers' chambers.
- provides a Research studentship on an area of ongoing interest in the field of dispute resolution.
- awards Travelling Scholarships for intending arbitrators, who visit premier international solicitor firms based overseas, to gain experience of international dispute resolution practice: recently and including this year, two such scholarships have been awarded, based in Dubai.



- is also involved in outreach projects including educational activities in inner city schools with the aim of improving skills and aspirations of students, and of encouraging wider participation in the business of the City of London.

The Worshipful Company of Chartered Secretaries and Administrators is involved in a series of education-related initiatives. Three of their Liverymen are governors of schools and have provided valuable advice and support on school governance. One of their Liverymen is Chairman of the Board of Governors of Rokeby School in the London borough of Newham and another is a member of the Board of Governors. The Company helped sponsor an educational exchange for pupils from Rokeby School with the Jubilee Boys School in Cape Coast, Ghana. Another Liveryman is a governor of Green Spring Academy in Shoreditch.



The Company's Charitable Trust recently introduced a bursary scheme to assist pupils to gain experience in company secretarial work. The Company also has an apprenticeship scheme to support students of the Institute of Chartered Secretaries and Administrators (ICSA) qualification. This scheme has recently been extended to include a mentoring scheme for young qualified chartered secretaries. The company also sponsors a number of awards and prizes for young servicemen and officers in the three branches of the

Armed Forces who are engaged in personnel and administration.

The Worshipful Company of Chartered Accountants in England and Wales is currently supporting a major education-related initiative for a three year period with the Open University's Managing My Money for Young Adults project, which will receive around £250,000 from the company. The funding has enabled the OU to develop this free and open-to-all online financial management course, focusing on financial education for young people. The course is targeted primarily at 16 to 18 year olds who are reaching the threshold of financial independence – although the content is also of substantial use to those who have left school and gone to university or into employment. The course can be accessed at <http://www.open.ac.uk/business-school-research/pufin/course-modules/managing-my-money-young-adults>



The charity provides donations of up to £5,000 to charities introduced by members of the Company, after they have undertaken appropriate due diligence. It also supports the Company's affiliated military and cadet units – Royal Marines Poole (SBS Association), 47 Squadron Royal Air Force, Harrow and Wembley Sea Cadets and Dartmouth Royal Naval College as well as offering bursaries for ICAEW members undertaking academic research leading to PhDs in subjects related to the profession. Members contribute to the charity by making financial contributions or by raising funds through sponsored activities, including taking part in 'Tough Mudder'.



In 2016-17 the Institute of Chartered Accountants in England and Wales and the Company provided Aldermen and then Sheriffs Peter Estlin and William Russell with the administration support for the inaugural Sheriffs' Challenge Competition which the Sheriffs had introduced. The majority of FSG companies now sponsor and mentor teams who participate in this annual inter-schools competition.



The Worshipful Company of Chartered Surveyors has established its own charitable trust which has been funded by the generosity of its members who have also put their time into a wide range of fundraising activities. The Company's charitable activities are mainly focused on helping young people and making a difference to their lives. Through partnering, the Livery Company sponsors a number of central London schools and assists with bursaries for higher education. In particular the Company:

- founded the Chartered Surveyors Training Trust which has for over 30 years provided opportunities through apprenticeship for young people to train as property professionals, leading to membership of the Royal Institution of Chartered Surveyors.
- marked its 40th anniversary in 2017 with a donation of £100,000 towards a new purpose built coach for Treloar's – a school and college for profoundly disabled children that had been set up over 100 years ago by a previous Lord Mayor of London.



- through its charitable trust has made significant donations to support the building of accommodation for homeless young people in London.
- makes grants to support students at the Guildhall School of Music and the Central School of Ballet. It also supports Newham Sea Cadets and has strong links with three military affiliates involved in survey activities.

The Worshipful Company of Insurers is proud of its involvement with City Charities and organisations including the Sheriffs' Challenge, Mansion House Scholarship Scheme, Sheriffs' and Recorder's Fund, Help for Heroes cycle ride, City of London Police Widows and Orphans, the Lord Mayor's Appeal and its increasing commitment to the Lord Mayor's Show.

- In particular it is proud of its award winning engagement with The Brokerage Citylink (*Reg Brown – City Livery Club, Livery Root and Branch Award 2018*), where it facilitates the opportunity to talk to young people, from disadvantaged backgrounds, about insurance-related careers in the City, to provide them with encouragement, mentoring and work experience and to reinforce the absolute necessity of trust as a guiding principle.



- The WCI has five military affiliations, covering all three services, providing support through engagement, visits, donations and awards: HMS Audacious, an Astute-class nuclear-powered fleet submarine, Kent & Sharpshooters Yeomanry, 71st (Yeomanry) Signal Regiment and recently the Middlesex & North West London Army Cadet Force (ACF), 21 Company; support for 1034 Surbiton squadron, Air Training Corp, is a pleasing recent addition.

The Worshipful Company of Solicitors of the City of London, through its Charitable Fund makes regular and one-off donations to many legal, local and City-related projects. In 2016 it committed to support Haringey Law Centre over an extended period of three years and in the last 2 years it has given funds to Deafblind, Hackney Quest, Maytree Respite Care, Court Based Personal Support, Prisoners' Advice Service, React, Spitalfields City Farm, Spitalfields Music Festival and Tower Hamlets Parents Centre.



More recently the City Solicitors' Educational Trust, founded by a number of City firms in 1989 as a response to reduced public funding for university education, has commenced a new initiative under the banner of City Solicitors' Horizons. This is a social mobility initiative aimed at improving access to the legal profession for young people from disadvantaged backgrounds. It is being operated in conjunction with the Legal Education Foundation and 18 member firms from the City of London Law Society. It aims over the next 3 years to recruit 50 students annually from universities in London and the south-east of England to take part in a 3 year programme to be run alongside their undergraduate degrees. Each intake will benefit from a combination of comprehensive classroom and one-to-one training sessions, mentoring from solicitors at City firms and work experience at City firms.

The Worshipful Company of Management Consultants, through its Pro Bono Committee,



provides pro bono management consulting services to charities and social enterprises using company members. Annually the services are provided to over 70 charities and involve around 600 pro bono days of effort, the cost of which would be of the order of £1m at market rates. These services are managed to professional standards and deliver significant social impact. Although the majority of the pro bono work is in the UK, in the last few years our members have undertaken projects in around 20 different countries. The picture shows Liveryman Satjit Singh on a pro bono assignment with Youth Business International in Dubai.

The Worshipful Company of International Bankers has been making a real difference to the underprivileged young people in London by:

- funding The Brokerage Citylink Programme to provide 164 workshops attended by 3,234 people over a 2.5 year period
- funding MyBnk Financial Literacy training for 1,661 young people
- supporting the School Home Support Welfare Fund to assist struggling families in times of desperate need.
- supporting an Annual Schools Essay Competition for over 135 students across 14 schools

In autumn 2016 the Company passed the point of having donated more than a million pounds to charitable causes since its inception.



The Worshipful Company of Actuaries, through its Charitable Trust, supports mathematical teaching at primary, secondary and tertiary levels with a focus on:

- encouraging students to understand mathematics as more than a dry academic subject and to see not only its inherent beauty but also its often surprising utility in everyday life.
- supporting developments in the teaching of mathematics to people of all ages, including students in years 12 and 13 who have chosen arts A levels.

The Trust supports other charities than those with a mathematical basis. The policy of the Trust is to give priority in its donations to charities in which members of the livery or the wider actuarial profession are active, and the Trustees actively encourage members to apply for support. The picture shows members of the Company after their recent success in the fund-raising Inter Livery Shrove Tuesday Pancake Race.



The Worshipful Company of Information Technologists, in its brief 25 year history, has achieved a huge amount through the WCIT Charity, including spinning off two independent charities, the Charity IT Association and Lifelites; endowing a new school in Hammersmith (see plan of school to left); and supporting hundreds of individual causes through grants of almost £4 million. The Company believes that its model of IT with funding, pro bono expertise and cross-charity collaboration adds exceptional value to the causes its Charity supports.



The Worshipful Company of Tax Advisers actively supports those who need help with their taxation affairs through Tax Aid and Tax Help for Older People. It has been one of the supporters of the “Bridge the Gap” appeal which seeks to provide funds for these charities. Many of its members actively support Tax Aid and Tax Help for Older People by volunteering their services both directly and as Board Members.

Through its charities, the Company supports the training of prospective members of the Chartered Institute of Taxation (CIOT) and the Association of Taxation Technicians (ATT) by providing “loan grants” to applicants who need funding. These are provided over a period and are conditional on success at each examination phase. They are generally repayable in instalments on qualification but may be waived in whole or in part dependent on the recipient’s financial position.

The charities also assist members of the taxation profession (and their dependents) who through ill health or bereavement are in difficulty and who may be failing to provide a professional service. Such assistance is often both financial and practical. The company has military affiliations and is seen here involved with the Army Cadet Corp.



Interests of others (CIVIC)

FSG companies, and their related professional bodies, have contributed to the second I in **CIVIC** by taking account of, and recognising, the interests of stakeholders.

The Institute of Chartered Secretaries and Administrators has recognised the increasing importance of the role of corporate governance and the need to provide leadership in this field by renaming itself 'ICSA: The Governance Institute'. In addition, a new qualification will be introduced, the Chartered Governance Professional, which will be in addition to associates and fellows of the ICSA.

The Worshipful Company of Management Consultants provided financial support and the engagement of senior members of the Company to help establish the Cass School for Charity Effectiveness at Cass Business School, part of City University. The Founding Director, Professor Ian Bruce is pictured left. The Centre is now recognised internationally as one of the world's leading academic centres for research and development in the sector, enhancing the working of the charity sector's management cadre. There are over 1500 Charity MSc and executive education alumni and their organisations have benefited immensely. In 2019 the Centre will host the International Non-profit Academic Centres Council biennial conference, the first time the conference has been held outside of the US.



The Institute of Chartered Accountants in England and Wales has introduced a new approach to its regulatory oversight, including a significant increase in lay membership. The newly-created ICAEW Regulatory Board has oversight of all ICAEW disciplinary activities. The board membership is 50% lay and 50% non-lay and all the committees and panels it oversees have at least 50% lay representation on each of them. The decisions of the board are publicly communicated.

The Worshipful Company of Insurers has recognised that it needs to develop further its focus on diversity and inclusion and so has developed more ambitious and targeted recruitment goals:

- The iENGAGE initiative promotes the WCI to its younger members and potential members and helps equip them for a meaningful and successful contribution to the Insurance Industry while accelerating the development of the necessary skills and expertise to help shape its future.
- The iWIN Forum aims to support the professional development of Women in Insurance and is committed to the growing momentum of the diversity agenda. Regular speed-mentoring events are hugely popular with younger women looking to move up the career ladder. <http://iwin-wci.co.uk/>
- The iNED Forum recognises that the UK's financial services regulator places considerable demands and expectations upon insurance Non-Executive Directors (iNEDs). The iNED programme concerns itself, primarily, with the education and professional development of those who serve on insurance boards in a non-executive capacity. The picture shows Lord Hunt of Wirral addressing the forum. <http://wci-ined-information-bank.co.uk/>



Clear Communication (CIVIC)

The examples below show how FSG companies have contributed to the final **C** in **CIVIC** by being transparent, open, responsive and accountable.

The Worshipful Company of Marketors, through its Law & Marketing Committee, actively supports the marketing profession in understanding the relationship between law and marketing. Most recently, the impact of the General Data Protection Regulation (GDPR) on members has been covered not just from a legal or regulatory perspective but, more importantly, from a reputational one. There is no better example of 'trust in business' than the adherence to the global standards of data protection, privacy and security. Many strides have been made to decode what is complex regulation and make this more easily accessible by using ordinary language and understanding how best to deepen digital trust in order to do more, not less, with personal data.



Members of the Company earlier this year assisted in a half day briefing from Henley Business School on the GDPR for 110 Livery Company Clerks at Goldsmiths Hall, hosted by the Livery Committee. *The Regulation* with innovative searchable index and forewords from the Lord Mayor, the Information Commissioner and the Chairman of the FSG was published and made available as a gift to each Clerk to mark the occasion. More widely, the

marketing profession funds the Advertising Standards Authority and its Codes of Practice, the regulatory and co-regulatory framework designed to ensure trust in advertising. Advertising across all media must be 'Legal, Decent, Honest, and Truthful'.

The Worshipful Company of International Bankers hosted an event at Cass Business School with the Chartered Institute for Securities & Investments and the Institute for Business Ethics. At the *Question of Ethics CPD Debate* held in November 2017 a panel of esteemed speakers discussed real-life ethical dilemmas. The audience was able to ask questions and to vote on the actions that they would take in a given scenario. All those involved gained a deeper understanding of ethical issues in the workplace.

The Worshipful Company of Management Consultants has established a Centre for Management Consulting Excellence (CMCE) which provides an independent source of good practice and knowledge in management consultancy through a web based



repository, supported by lectures and workshops led by acknowledged industry experts. The inaugural lecture sponsored by the Centre was given in 2017 by Tom Peters (left), an internationally recognised leader in management thinking, and was attended by a number of livery companies and practitioners from throughout the management consulting industry. The Centre's products are available publicly.

The Worshipful Company of World Traders was instrumental in producing the *Get Smart about Scandals: Past Lessons for Future Finance* report which was supported by the FSG and launched by the Lord Mayor in March 2018. The Company is committed to focusing on the whole issue of trust particularly in the Square Mile but more broadly in the financial services and other related industries.



In what has since been described as a tour de force, the company's 2017-18 Master, Alderman Professor Michael Mainelli (left) was the guest speaker at the FSG's inaugural Jeremy Goford Lecture in September 2017 when his topic was *London Forever! Reality or Rhetoric?* During his address Professor Mainelli identified five home truths one of which was that 'Trust holds all relationships together'. He concluded by saying:

Trade reaps economic benefits from specialisation and comparative advantage. Trade creates wealth, shares prosperity, and enriches our environment. Trust holds all trade relationships together. The clearest sign of trust is that people want to live and work in London and the UK. If we keep that, we keep everything, including the top spot a century from now in Global Financial Centres Index 222.

Alderman Professor Michael Mainelli,

Mercers' Hall, September 2017, © Z/Yen Group Limited



Conclusion

The FSG strongly believes that Trust does indeed hold all relationships together. We are delighted that we have been able to make this contribution to the Lord Mayor's initiative on the Business of Trust and have been able to demonstrate, through the **CIVIC** principles, how the members of our Companies, individually and collectively, are working towards the Lord Mayor's desired legacy of 'better business trusted by society'.

This FSG paper has been collated by Dr Hilary Lindsay (Chartered Accountant) and Michael Godbee (Tax Adviser) drawing on contributions from all the FSG Companies.

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Appendix 1

Background to 'The Business of Trust'

The report '**The business of trust**' was launched by the Lord Mayor in November 2017. The aim of the initiative is to create 'a lasting legacy of better business trusted by society'. The full report can be found at: <https://www.cityoflondon.gov.uk/business/economic-research-and-information/Documents/the-business-of-trust-booklet.pdf>

The findings are based on a series of day-long citizens' juries held in London, Nottingham and Edinburgh with a small group of citizens who broadly reflect society. When asked to prioritise the most important actions that the sector could take to build their trust, the jurors chose:

- Doing what you do well
- Doing the right thing
- Having a wider purpose
- Focusing on customers
- Communicating clearly

This led to the development of a set of guiding principles that shape organisational values and behaviours and which can be represented by the mnemonic **CIVIC**:

- **C**ompetence and skills – being capable and doing what you do well
- **I**ntegrity – being honest, straightforward and reliable
- **V**alue to society – recognising and meeting wider societal needs
- **I**nterests of others – taking account of and respecting the interest of customers, employees, investors and other stakeholders
- **C**lear communication – being transparent, open, responsive and accountable

Appendix 2

The Financial Services Group and the CI in CIVIC

The Financial Services Group of Livery Companies (FSG) was formed in 2006 and now comprises thirteen modern Livery Companies:

- The Worshipful Company of Actuaries
- The Worshipful Company of Arbitrators
- The Worshipful Company of Chartered Accountants in England and Wales
- The Worshipful Company of Chartered Secretaries and Administrators
- The Worshipful Company of Chartered Surveyors
- The Worshipful Company of Information Technologists
- The Worshipful Company of Insurers
- The Worshipful Company of International Bankers
- The Worshipful Company of Management Consultants
- The Worshipful Company of Marketors
- The Worshipful Company of Solicitors of the City of London
- The Worshipful Company of Tax Advisers
- The Worshipful Company of World Traders

Competence and skills and Integrity (CIVIC)

While the membership requirements of the FSG Companies vary, all are committed to the competence, skills and integrity of their members.

The membership of some FSG Companies is closed and only members of a particular professional body can join. The most closed membership is that of the Worshipful Company of Solicitors of the City of London, all of whose members are required to practise or to have practised as a solicitor within one mile of the Bank of England or at Canary Wharf. Another example is the Worshipful Company of Chartered Accountants where only members of the Institute of Chartered Accountants in England and Wales may apply to join. Several other companies work very closely with their industry professional bodies, for example the Worshipful Company of Insurers with the Chartered Insurance Institute where great emphasis is placed on membership qualification, the code of conduct and business ethics. Meanwhile others have members who belong to a range of professional bodies or sector groupings. However all FSG companies require their members to subscribe to any relevant codes of conduct that apply in their context. For example, the Marketing profession is highly regulated with over 400 pieces of applicable legislation. Members of the Marketors Company are also subject to the Codes of Conduct of the Chartered Institute of Marketing, the Direct Marketing Association and the Institute of Promotional Marketing. A further example is provided by the

Worshipful Company of Arbitrators whose members are drawn from a range of backgrounds but with a common interest in private dispute resolution:

[They] therefore proceed, individually and collectively, upon the basis that appropriate standards of conduct, law and regulation prevail and are enforced in the area of dispute resolution, and services offered in connection with it must be reliable and of high quality and integrity.

WCA (Arbitrators)

Competence and integrity are emphasised by the Worshipful Company of Tax Advisers:

Our main affiliations are with the Chartered Institute of Taxation (CIOT) and the Association of Taxation Technicians (ATT) [although] many of our members are qualified professionally with other institutes (such as the ICAEW, Law Society and Bar Association). As with all such organisations a great emphasis is placed on competence (training, examination and CPD) and integrity.

WCTA (Tax Advisers)

In drawing up the **CIVIC** principles other existing codes of conduct were reviewed and so it is not surprising that there is close overlap with those codes as can be seen by the code of conduct of the Institute and Faculty of Actuaries:

- 1. Integrity: members will act honestly and with the highest standards of integrity*
- 2. Competence and care: members will perform their professional duties competently and with care*
- 3. Impartiality: members will not allow bias, conflicts of interest or the undue influence of others to override their professional judgement*
- 4. Compliance: members will comply with all relevant legal, regulatory and professional requirements, take reasonable steps to ensure they are not placed in a position where they are unable to comply, and will challenge non-compliance by others*
- 5. Communication: members will communicate effectively and meet all applicable reporting standards.*

The ethical code of the Institute of Chartered Accountants in England and Wales refers to the five principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Similarly, members of the Royal Institution of Chartered Surveyors are required to demonstrate integrity, provide a high standard of service, act in a way that promotes trust in the profession, treat others with respect and take responsibility. Members of the Worshipful Company of International Bankers are asked to adhere to the Lord George Principles for Good Business Conduct which include acting with honesty, fairness and integrity; observing the law, good practice and conduct; managing conflicts of interest; maintaining a level of professional competence and upholding the highest personal and professional standards. The first value of the Worshipful Company of Marketors is integrity

followed by excellence, the needs and wellbeing of others and a long-term perspective, honouring the past, celebrating the present and cultivating the future.

Several of the contributions from the FSG member companies made specific reference to the issue of trust as the quotes below indicate:

Insurance is based on 'Utmost Good Faith' as a principle. Trust between Insured and Insurer is a critical part of an Insurance transaction. The Worshipful Company of Insurers continually upholds the principle of trust between its Members and when any Member of the Company is acting on its behalf with others. The WCI was the first Livery to consider the significance of ethics in business.

WCI (Insurers)

The motto on the coat of arms of the WCCSA is 'Service with integrity'. A new Liveryman undertakes to 'at all times conduct myself with integrity ...'

WCCSA (Chartered Secretaries and Administrators)

Trust is one of the core 5 principles [of the Royal Institution of Chartered Surveyors]. Specifically members are required to promote the highest standards globally. They are expected to understand that being a professional is more than just about how you behave at work; it's also about how you behave in your private life. Members are asked to consider how their actions affect others and the environment and, if appropriate, to question or amend that behaviour.

WCCS (Chartered Surveyors)

[The Lord George Principles for Good Business Conduct] comprise the general standards of conduct that are expected of members of the Company in their business relations. Their observance carries a hallmark of trust and a commitment to fair and honest dealings with colleagues, clients, customers and counterparties and to good stewardship of customer interests, whether wholesale or retail. A material breach of the principles would be incompatible with continuing membership of the Company.

WCIB (International Bankers)

In our Oath we do include a commitment to "My word is my bond" and "to treat others as you would wish to be treated".

WCWT (World Traders) and also WCMC (Management Consultants)

