

Report of the Council of The Institute of Chartered Secretaries and Administrators

This report to the membership of the Institute covers the period from 1 July 2017 to 30 June 2018.

For the second year in a row the complexity of the proposed changes to the Charter & byelaws saw an increase in the number of Council meetings normally held during the year. Face to face meetings were held in London in October 2017 and Jersey in March 2018. Teleconference meetings were held in December 2017 as well as June 2018.

Council meetings continue to be conducted in a spirit of goodwill and friendly cooperation and as the Council composition is based on the number of members in each Division there is a good cross-section of views and skills.

The composition of Council for the period was as follows:

Australia	Mr Peter Turnbull (elected Vice-President from 1 July 2016)
	Mr Frank Bush (President until 30 June 2016 and Immediate Past President with effect from 1 July 2016)
Canada	Mr Gerry Boose
Hong Kong/China	Ms Edith Shih (re-elected Vice-President with effect from 1 July 2016)
	Mr Paul Stafford (resigned with effect 1 March 2018)
	Mr Peter Greenwood (appointed with effect from 1 March 2018)
Malaysia	Dr Syed Abdul Hamid Aljunid
New Zealand	Ms Kerry Heath (resigned with effect from 31 December 2017)
	Mr Chris Luoni (elected with effect from 1 January 2018)
Singapore	Mr Loh How Yee
Southern Africa	Ms Jill Parratt
Zimbabwe	Ms Loice Kunyongana
UKRIAT	Mr David Venus (Vice-President until 30 June 2016 and elected President with effect from 1 July 2016 to 30 June 2018)
	Mr Frank Curtiss
	Mr John Heaton
Past Presidents	Mr Michael Ashford (Canada) (resigned with effect from 30 June 2018)
	Mr Frank Bush (President until 30 June 2016 and Immediate Past President with effect from 1 July 2016)

On behalf of the Council, I am pleased to report to you on the work Council has undertaken during the year ended 30 June 2018. As I assumed the role of President effect from 1 July this year, this report covers the period of David Venus' second and final year as President. I would like to acknowledge the significant commitment and achievements that David made during his Presidency as well as the commitment my colleagues made to attend Council meetings (two face to face and two by teleconference) to finalise details of changes for the October 2017 AGM as well as further changes for the September 2018 AGM which I elaborate on below.

Our mission

In October 2014, the Council adopted a strategic framework, mission statement and five principal elements that would guide its activities going forward. It gives me great pleasure to outline the substantial progress that had been made during this last year.

As a reminder, the Institute's mission statement is as follows:

'To be the leading global professional institute in governance'

The five elements that have driven the Council's activities are:

- To update the International Standard and Qualifying Programme;
- To promote the benefits of membership and the qualification;
- To raise the profile of the Institute to ensure that its skills, knowledge and experience in governance are recognised internationally;
- To improve communications with the membership base;
- To update the administrative structures of the Institute.

October 2017 Annual General Meeting

There is no doubt that the highlight of the year was the resounding approval by members to the introduction of Chartered Governance Professional and Affiliated Member. Over 82% of those that lodged a proxy, cast their vote in favour of the two key resolutions that represented these changes. This level of support gave confidence to the Council that it was leading the Institute in the right direction in its evolution to be a more inclusive and current professional institute.

The Institute was granted Royal Assent to the Charter & byelaw changes on 8 February 2018 and they came into effect on 1 May 2018.

These changes are important building blocks that will enable the Institute to meet the needs of a wider group of professionals that previously did not see us as their professional home. I know that a number of Divisions are well down the track on implementation. Many members have already been grandfathered into Chartered Governance Professional and a number of courses have been approved by the Professional Standards Committee to bring people into Affiliated Membership.

These two strategic changes will become an important part of the Institute's repositioned brand that I will address later in this report.

New qualifying programme

From 1 January 2019 the nine Divisions of the Institute will be offering a newly revised qualifying programme for individuals that wish to become members. As previously advised the new programme is the result of an 18-month international review of what the Institute believes a person needs to know to be a Chartered Secretary and or a Chartered Governance Professional. Some Divisions propose to examine students so that they can acquire the designations separately whilst other Divisions will examine students so that they acquire both designations concurrently.

The new programme includes a greater emphasis on risk management and enterprise risk management; a revised focus on finance and decision making; introduction of a module on development of strategy and boardroom dynamics as well as an updating of applied governance, corporate law and corporate secretarial practice. The new programme has also benefited from a more contemporary approach to assessment. Whilst an examination will always remain a key part of the

assessment framework now there is also the option for a Division to incorporate coursework for up to 30% of assessment marks.

We need to thank the Professional Standards Committee, chaired by Past President Frank Bush, for their hard work and professional leadership in spearheading the new qualifying programme.

Further strategic initiatives

At the Council meeting in March of this year the Council agreed to recommend to members that the name of the 'international' Institute be changed to *The Chartered Governance Institute* and to reposition the Institute's brand to be more encompassing and reflective of governance, which is at the core of what we do. The proposal to change the Institute's name will only apply to the international Institute, and it will be up to Divisions as to whether they change their local title or the name of their local service company.

Much work has gone into reaching the decision to change the name of the Institute and to define what role it will play in leading and supporting the work of our nine Divisions. Council is of the view that the Institute can redefine its role to be the leader in the practice of governance around the world. We know we can reposition the Institute to be the best explainers, the best advocates and the best educators in the promotion of good governance.

All members were formally advised of this via an email from the President in early May along with a section of the icsaglobal website dedicated to providing further information on the background to the changes. To date the feedback from members via the website has been overwhelmingly positive to the new name. Many members have commented that the Institute will have a 'stronger and more trusted brand' and that the new name will position the role of company secretary well above that of a 'mere minute-taker'.

This proposed evolution of the brand is substantiated, amongst other things, by the introduction of Chartered Governance Professional and the wider areas of governance that are the subject of the Institute's thought leadership activities.

The Council urges you to familiarise yourself with the issues, lodge your proxy and recommends you vote in favour of this new name and brand position for the Institute.

Demonstrating thought leadership

Along with the strategic changes referred to above it is important for the Institute to support these changes with substance, in particular in developing leading thinking on a broad range of governance issues. To address this the Thought Leadership Committee (TLC), has stepped up to the task.

A ground-breaking paper on the *21st century AGM* and an accompanying video was released in late-July and is on the icsaglobal.org website. As in any other industry or profession, advances in technology have created disruption but also created opportunities. How well our profession takes advantage of these opportunities will shape the community's perception of us and so work such as this is important to raise the profile of the Institute and position it in the minds of stakeholders as a leading thinker in governance practice. I urge you to familiarise yourself with this work when you have a moment.

A discussion paper is also nearing completion on *Futureproofing: Technological Innovation, the Company Secretary and Implications for Corporate Governance*. The rapid pace of change in artificial intelligence, blockchain technology and RegTech will have a dramatic impact on the boardroom and the work of all members. This paper will be released shortly and will be of interest to all.

Another project of the TLC has been to take the work of last year from its minute-taking survey across most of our Divisions and harmonise the results into a set of recommendations that will span across all of the Institute. This report will also be released in the coming weeks.

Finally, the survey undertaken with the assistance of the OCED has also been completed and is available in the Thought Leadership section of the icsaglobal website. The final report: *Shareholder engagement: The state of play* provides for the first time the views of investors and issuers across ten jurisdictions on the critical topic of shareholder engagement. The company secretary is becoming increasingly involved in the engagement process with both retail and institutional shareholders and this report underscores that trend.

In addition to the above the TLC is also looking at future projects on board diversity and director accountability that will be developed and circulated in the coming months.

Building the network

In October of 2017 the Institute attended the Council meeting of the International Integrated Reporting Council (IIRC), as an observer. The IIRC is the leading proponent of improving reporting through integrated reporting. There is an important role that the Institute can play to contribute to the work of the IIRC. As integrated reporting becomes more accepted into the governance framework of an organisation, the role of the Chartered Secretary and Governance Professional can become a champion for this improved reporting framework. Discussions are well underway about a greater involvement by the Institute in the work of the IIRC.

The Institute is also in the process of renewing a Memorandum of Understanding (MOU) with the Institute of Company Secretaries of India that was initially negotiated in 1998. The MOU recognises the quality of both organisation's qualifying programmes and provides exemptions from specified subjects so that membership can be attained in both organisations if a person so wishes.

There is always much work to do to raise the profile of the Institute across the globe but real progress has been made. As has always been the case, a great deal of work to raise the Institute's profile is undertaken within the Divisions but more recently activities have been undertaken by Council and this will only gather momentum.

Administration

This year was the fourth year in which administrative support to the Council was independent of the United Kingdom, Republic of Ireland and Associated Territories (UKRIAT), although we are thankful for excellent support received from UKRIAT staff for the proposed changes to the Charter and byelaws and a range of other activities.

General administrative support continues to be provided by our external service provider MCI. The range of skills and experience that MCI can bring to the table is extensive and has facilitated administrative support for our meetings, hosting the website, assisting with the communication strategy for this year's Annual General Meeting and more. We are grateful to them.

We also have the benefit of two key senior people to help guide the Institute's progress, the Director General, Tim Sheehy and the Institute Secretary, Simon Osborne.

Finally, the Executive Committee structure has proved to be a critical component of our governance structure. The Executive Committee meets by video conference the first Monday of each month and has been instrumental in maintaining a momentum between Council meetings. As initiatives within the strategic plan have been progressing at pace the need for a decision making body to meet regularly has been imperative. The Executive Committee has been supported by the contribution of the Constitutional Agreements Committee given the extensive changes being undertaken to the Charter & byelaws.

Honorary Officers

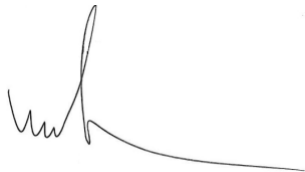
As I close I would like to take this opportunity to again acknowledge the achievements of David Venus during his two years as President. They are substantial and we are all very grateful for his commitment. I would also like to acknowledge the substantial contributions that have been made to the Institute by my colleagues on the Executive Committee Peter Turnbull (Australia), as well as Jill Parratt (Southern Africa) and Frank Bush (Australia) in his capacity as Chair of the Professional Standards Committee. In addition, I would like to thank all members of Council for their support, commitment and hard work. As mentioned, we had four meetings this year and a great deal to consider and all Council members played their part in progressing the work of the Institute.

I was elected as President to serve for the two years from 1 July 2018. It is an honour for me to work with the talented and experienced professionals that make up your Council and, in particular, to serve as your President.

Annual General Meeting and September Council meeting

The Annual General Meeting (AGM) will be held in Toronto this year on 19 September 2018 to coincide with the Council meeting on 20 and 21 September 2018. The meeting will be streamed live on the internet and will be the first hybrid AGM to be held by the ICSA. You can read more about the business of the AGM on the Institute's website.

On behalf of the Council

A handwritten signature in black ink, appearing to be 'Edith Shih', with a long horizontal line extending to the right.

Edith Shih FCIS FCS(PE)
International President
1 August 2018