



**Chartered
Secretaries**
Southern Africa

The challenges facing company secretaries in South Africa today

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Outline

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Introduction	Trusted adviser and confidant	Emotional intelligence	Artificial intelligence	Ethics
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Cosecs in SOEs	Integrated reporting	Multiple roles	CSSA helping to meet the challenges	



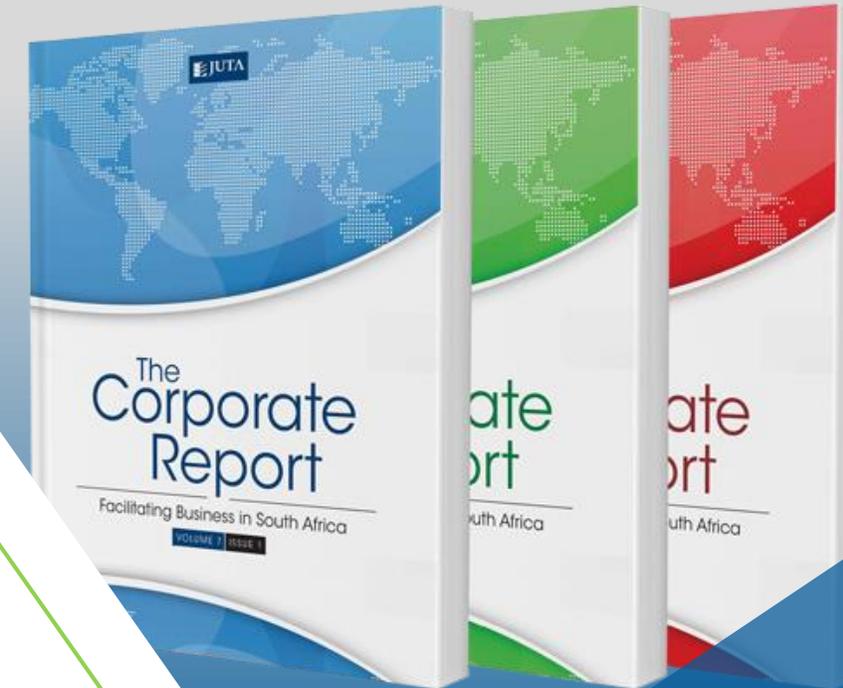
1

Introduction

Forthcoming article

The Challenges facing Company Secretaries in South Africa Today

- The Corporate Report (Juta) volume 8 issue 3 November 2018
- By Joanne Matisonn, Sabrina Paxton and Stephen Sadie



Does size matter?



2 483

>2 400

2 258

>2 000

776



Only has 375 listed companies

Companies Act

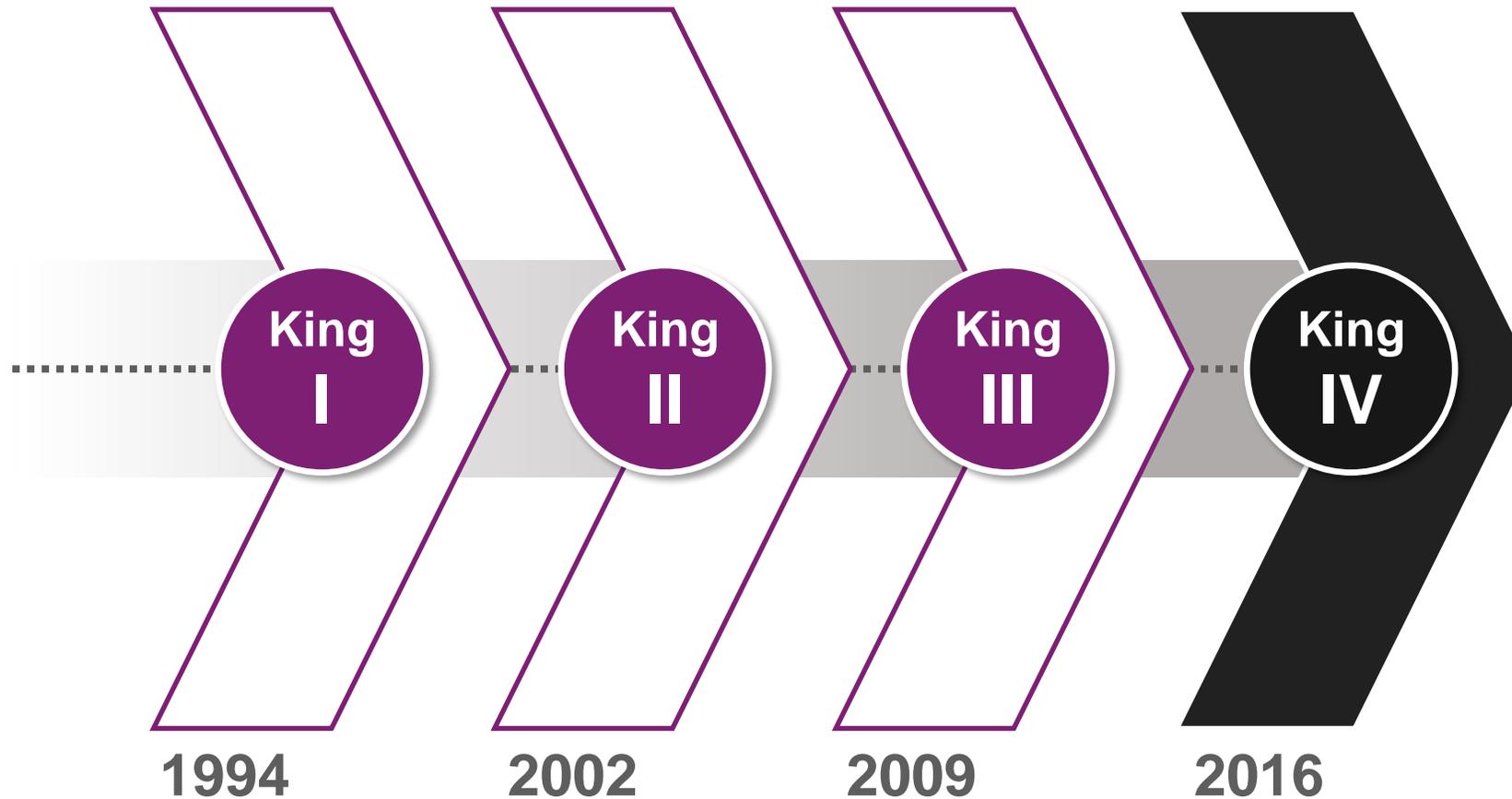
Listed companies
and SOCs have to
appoint a Cosec

Unlisted and NGOs
have also appointed

Since 1909 CSSA has advocated
NB role of Cosec



King Reports always promoted Cosec



King II

Company Secretary

The company secretary should provide a central source of guidance and advice to the board, and within the company, on matters of ethics and good governance.

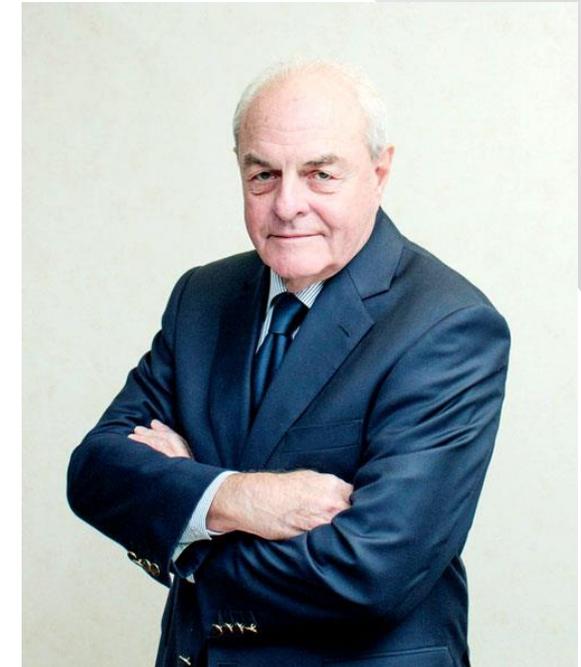


King IV – P10 s94 on Cosec

King
IV

The governing body should oversee that the person appointed has the necessary competence, gravitas and objectivity to provide independent guidance and support at the highest level of decision-making in the organisation

”



The background features a complex geometric design with overlapping triangles and lines in shades of blue, teal, and green. A bright light source at the top center creates a lens flare effect with rays of light extending downwards. The overall aesthetic is modern and professional.

2

**Trusted
adviser and
confidant**

Trusted adviser and confidant

- Takes time and numerous interactions to build trust relationship
- Set up regular meetings with board chairman, committee chairmen, CEO and CFO
- Directors must feel they can speak freely to cosec
- Burdensome for cosec, can't share with others
- If the matter is serious, cosec should be able to seek advice from company's attorneys at company's cost
- Comes with experience and maturity



Cosec as educator

- Some board and committee members don't fully understand complexity
- Board and committee meetings
- Articles
- Training sessions
- Induction
- Using examples of other companies
- Reputation risk
- Informal discussions



The background features a complex geometric pattern of overlapping triangles and lines in various shades of blue and green. A bright, glowing light source is positioned at the top center, creating a lens flare effect that radiates across the scene. The overall aesthetic is modern and professional.

3

**Emotional
intelligence**

Relationships

- Cosecs work with people
- Cosecs engage with board and committee members, CEOs, CFOs and managers daily
- Many have large egos and dominant personalities
- “IQ gets you hired, EQ gets you promoted” (Rod Charlton)
- Easier to work with people with whom you have a good relationship
- *Ubuntu* – the success of the group above that of the individual

High pressure environment

- High pressure for Cosecs
- Unrelenting pressure of agendas, board packs, minutes and then cycle starts again
- Difficult board members and line managers
- High performers can embrace criticism and negative feedback
- If you become defensive and reactive, you lose the opportunity to grow



How to cope

- Breathing exercises
- Think before you respond
- Don't be intolerant of mistakes – swept under the carpet
- Diplomatic
- Apologising takes strength
- Respect is earned rather than demanded

The background features a complex geometric design with overlapping triangles and lines in shades of blue, purple, and green. A bright light source at the top center creates a lens flare effect with rays of light extending across the scene.

4

**Artificial
intelligence**

AI is here to stay

- AI has already come into many businesses
- You are often speaking to a robot – call centre
- Remote medical operations
- Driverless cars
- Accountants are worried
- Lawyers are worried
- It will be discussed by the board, will you understand what they are talking about?



Robots can do

- Lodging documents with CIPC
- Distribution of board packs
- Drafting standard clauses of contracts
- Reviewing policies and manuals to identify “hotspots”
- Repetitive tasks



Robots can't yet do

- Humans still beat robots on EQ
- Cosec needs to have empathy, ethical values, compassion and subjective judgement
- Can a robot take minutes?
- Robots can but it will take 1 000s of hours to train a robot to take minutes which is not feasible yet (James Matcher, EY)
- Special bond with chairman and CEO – navigate complex and critical relationships



Upskill your team

- Onward march by AI – need to upskill
- Technology develops exponentially, timeframes are short
- Junior staff doing administrative tasks need to be upskilled
- Learn the language of AI, robotics, machine learning to be an early adopter
- Free the cosec to do higher level tasks
- Not AI vs Cosec but AI and Cosec



The background features a complex geometric design with overlapping teal and purple shapes. A bright light source at the top center creates a lens flare effect, with rays of light extending downwards. White lines intersect to form a diamond shape in the center, which contains the number 5.

5

Ethics

King IV starts with ethics

Principle 1:

The governing body should lead ethically and effectively.

Principle 2:

The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

If the board does not lead ethically, then there is no basis for the company to flourish.

Big reputation risk



Public sector governance



Public sector governance



Private sector governance



Private sector governance



Whistleblowing

- Would we know what we know today without whistleblowers?
- Cosecs need to protect whistleblowers
- Whistleblowers should report to the CEO or Cosec
- Often perpetrators can find out who the whistleblowers are
- Reports should go to quarterly audit and risk committee meetings
- A deterrent to would be fraudsters and an oversight role
- Karen Mills, FCIS, former cosec of JRA, suspended for six months for whistleblowing, settlement reached

Conflicts of interest

- Not always managed properly
- Some don't take it seriously
- Area for the Cossec to monitor and advise the board
- Board should have a robust conflicts of interest policy
- Directors must provide the cosec with a completed and signed declaration of interest form
- Declare at the start of every meeting if on agenda
- You may open the paper one day and notice that one of your directors has flouted tender rules in another company



6

Cosecs in
SOEs

SABC Cosec

- In April 2018 SABC executives refused to appear before parliamentary portfolio committee but spent R600 000 on travel and hotel expenses
- Former Cosec, Theresa Geldenhuys spent R100 000 and current Cosec, Lindiwe Bayi spent R34 000
- 7 December 2016, SABC delegation walked out en masse parliamentary ad hoc enquiry
- When enquiry resumed, the committee asked why she had walked out. She replied that she was supporting the chairman, James Aguma
- They also queried why at the request of minister Faith Muthambi, she wrote a report on the behaviour of board members including Krish Naidoo
- They accused her of bypassing the board in terms of the Companies Act and reporting directly to the minister



Eskom cosec

- Suzanne Daniels meteoric rise
- General manager in office of then chairman Ben Ngubane
- Between October 2015 and June 2017, she took up the role of group company secretary and acting head of legal and compliance
- Salary approximately R2.7 million
- This year Eskom charged her with misconduct and negligence
- She was intricately involved in dubious payments – R1.6 billion to McKinsey and Trillian



Eskom cosec

- R659 million to Tegeta
- R800 000 in legal fees for Ben Ngubane for an SABC related matter
- Dismissed on 20 July 2018
- Some regarded her as a whistleblower when she appeared in parliament in 2017
- Adv Nazeer Cassim found her guilty on all charges
- Found that most of what she revealed was already in Public Protectors report and already in public domain
- Major clean up process



The background features a complex geometric design with overlapping triangles and lines in shades of teal, green, and purple. A bright light source at the top center creates a lens flare effect with rays of light extending across the scene.

7

**Integrated
reporting**

Integrated reporting

- King III recommended IR
- The international <IR> framework was adopted in 2013
- Some companies outsource the writing of the IR
- Often the Cosec has to coordinate the IR team
- The Cosec has a privileged view of the whole organisation
- Integrated thinking should happen the whole year and not just at the end
- Seems daunting but there is assistance from the IRC of SA and CSSA
- CSSA has run its reporting awards for the past 63 years



The background features a complex geometric design with overlapping triangles and lines in shades of blue, green, and purple. A bright light source at the top center creates a lens flare effect with rays of light extending across the scene. A large white number '8' is centered on a yellow-green diamond shape.

8

Multiple roles

Multiple roles

Cosec,
compliance officer
and risk manager

Cosec and
legal
counsel

To save
costs

All of these have
separate mindsets and
all are important

Not ideal but depends
on size of company



Chartered governance professional

Not everyone wants to be a company secretary

Legal
counsel

Risk
manager

Governance advisers

Compliance officer

The background features a central sunburst effect with rays emanating from the top center. The scene is divided into several geometric sections by white lines. A large diamond shape is filled with a gradient from orange to green. To the left, there are purple and blue sections. The right side is dominated by teal and blue tones with a strong sense of perspective, as if looking down a long, straight path.

9

**CSSA helping
to meet the
challenges**

Professions need a professional body

- How else does a profession grow?
- Decide on entry requirements
- Set professional standards
- Code of ethics
- Discipline errant members and protect the public
- Continuing professional development
- Learn from and contribute to international best practice
- Support and encouragement for members



Governance Practitioner (NQF 7)

New curriculum starts Jan 2019



Programme 1

Introduction to Corporate Governance
Introduction to Law, Communication
Introduction to Financial Accounting

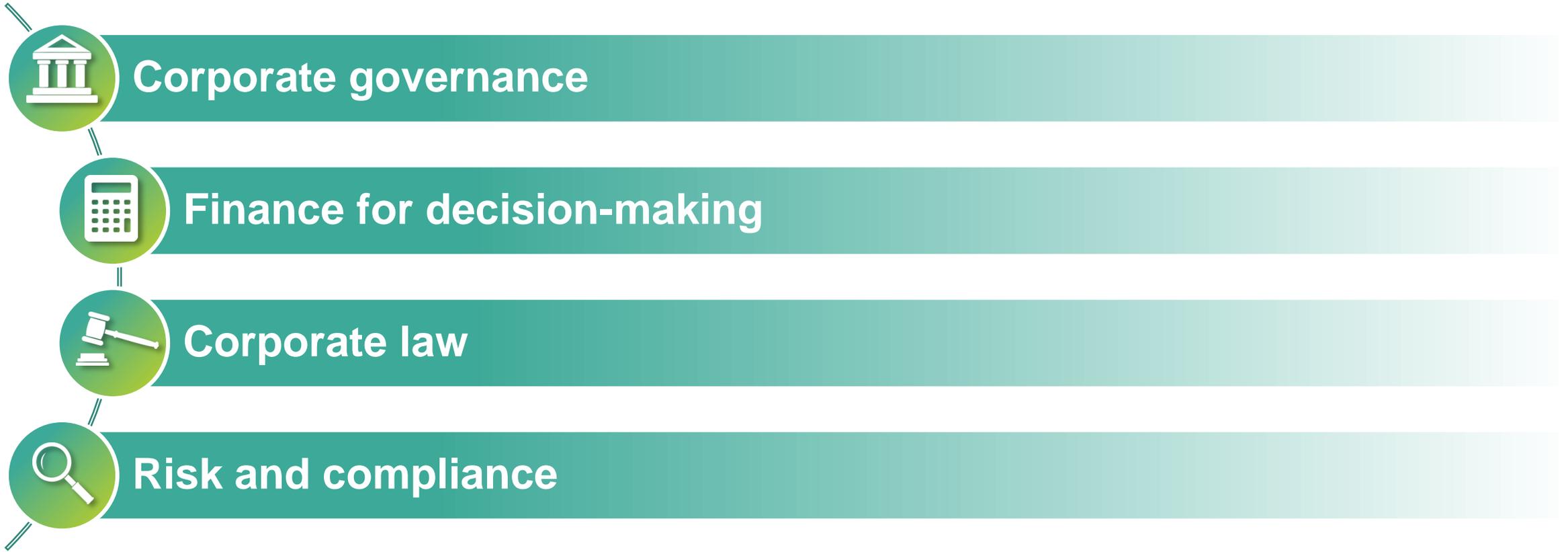
Programme 2

Principles of Corporate Governance
Principles of Business Law
Advanced Financial Accounting
Managing Information Systems

Programme 3

Advanced Corporate Governance
Advanced Business Law
Principles of Management

4 Core subjects



Chartered Secretary route (NQF 8)



**Company
Secretarial
Practice**

**Development
of Strategy**

Chartered Governance Professional route (NQF 8)



**Public Sector
Governance**

**Enterprise Risk
Management**

Student pipeline



Options are the best!

Stop dreaming. Design the future of your career... now!

ULTIMATE SHOE SHOP

Pick your colour, design and material.
Custom-made in 30 minutes.
Over 5 000 options.



Student pipeline



Imagine everyone gave options!
Your passport to a range of career possibilities.

Department of Home Affairs



APPLY FOR PASSPORT:

1. In branch service 24/7
2. DIY: at counter 4
3. Online/website
4. Via the app
5. Call-out: We'll come to you!

10th premier corporate governance conference



Chartered Secretaries
Southern Africa

CSSA CONFERENCE
ENERGY SUPPLEMENT

GET RE-ENERGISED INSTANTLY

Vitamins B, C and essential minerals for everyday

15
Sachets

GET RE-ENERGISED INSTANTLY!

Get corporate governance back to peak performance with the 10th premier corporate governance conference – it has all the ingredients you need to stay on top of your game.

10th
Premier Corporate Governance Conference

Biggest corporate governance conference in SA

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SEE THROUGH FRESH EYES

10th Premier Corporate Governance Conference

CSSA CONFERENCE
EYE SOLUTION

Soothes burning, red eyes
Relieves itching
Refreshes tired, strained eyes

C12 5ml

Renew your vision for good corporate governance with the 10th premier corporate governance conference. Enjoy some fresh perspectives and a new outlook on this ever-changing field.

The advertisement features a central image of a white eye solution bottle with a white cap. The bottle has a blue and red label with the text 'CSSA CONFERENCE EYE SOLUTION' and 'C12 5ml'. The bottle is set against a background of blue water splashes. In the top left corner, there is a logo for 'Chartered Secretaries Southern Africa' featuring a bird. In the bottom left corner, there is a gold circular badge with '10th Premier Corporate Governance Conference'. In the top right corner, the text 'SEE THROUGH FRESH EYES' is written in a stylized font. In the bottom right corner, there is a blue banner with white text: 'Renew your vision for good corporate governance with the 10th premier corporate governance conference. Enjoy some fresh perspectives and a new outlook on this ever-changing field.'

Seminars

Keep
abreast



Chartered Secretaries
Southern Africa

Seminars

**If knowledge is power,
become a heavyweight.**

The advertisement features a barbell with two weights, each composed of several colorful books. The barbell is positioned horizontally, with a stack of three books on the right side. The background is a solid red color. In the top left corner, there is a logo for Chartered Secretaries Southern Africa, which includes a stylized bird icon. In the top right corner, the word 'Seminars' is written in a white, italicized font inside a red oval. At the bottom, the text 'If knowledge is power, become a heavyweight.' is written in a white, bold font.

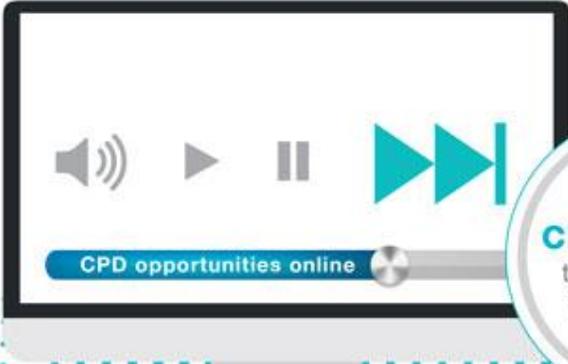
Webinars

Earn
respect



FAST FORWARD

Think forward



CLICK HERE
to register for
this webinar

Stay ahead of the game with Continuing Professional Development webinars from CSSA – the only body in South Africa that offers a qualification in corporate governance.

The Chartered Governance Institute – New name



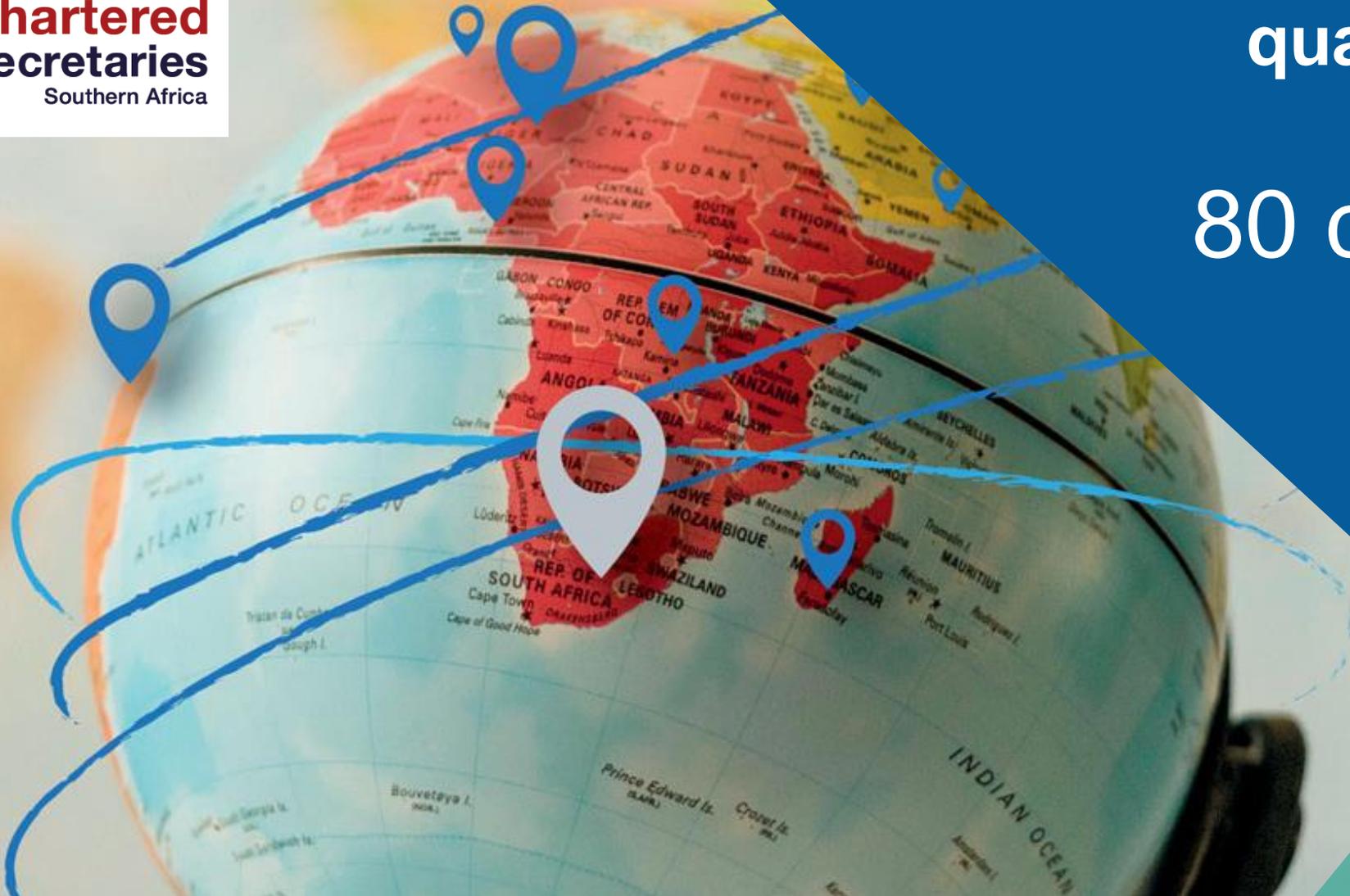
International president, Edith Shih speaks tomorrow





**Chartered
Secretaries**
Southern Africa

Internationally
recognised
qualification –
portable to
80 countries





**Chartered
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Thank you

Questions?

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