



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

This report to the membership of the Institute covers the period since the promulgation in March 2014 of the new constitutional framework for the Institute; namely the amendments to the Royal Charter and the new byelaws.

Since then there have been four meetings of the Council. All of which have been conducted in a spirit of goodwill and friendly cooperation. The size of the Council is now based on the number of members in each division. Its composition is as follows:

Australia	Mr Peter Turnbull
	Mr Frank Bush (President)
Canada	Mr Bruce Murray
Hong Kong/China	Ms Edith Shih (Vice-President)
	Mr Paul Stafford
Malaysia	Dato' Muhammad Hafidz Nuruddin
New Zealand	Ms Kerry Heath
Singapore	Prof Tan Wee Liang
Southern Africa	Ms Jill Parratt
Zimbabwe	Mr Lovemore Kadenge (with effect from 20 July 2015)
UKRIAT	Mr David Venus (Vice-President)
	Mr John Heaton
	Mr Ron Rosenhead
	Miss Angela Squire
Past Presidents	Mr Andy Cowe (UKRIAT)
	Mr Michael Ashford (Canada)

It is with great sadness that I have to report the death of our colleague Joseph Goromonzi who represented the Zimbabwe Division on the Council. He passed away in May 2015 following a short illness. The Council would like to pay tribute to Joseph's supportive contribution to the work of the Council and extend their sympathy to his family, friends and colleagues.

Now that we have our improved constitutional framework, the Council is working to promote the name and role of the Institute on the global stage. To achieve this, the Council at its meeting in Hong Kong in October 2014 adopted a strategic framework with a new mission statement and five principal elements. The new mission statement is:

*'To be the leading global professional institute in governance'*

The five elements are:

- To raise the profile of the Institute to ensure that its skills, knowledge and experience in governance are recognised internationally
- To update the international standard (see further below)
- To promote the benefits of membership and the qualification
- To improve communications with the membership
- To update the administrative structures of the Institute

The Council has agreed that its objectives are:

- To support divisions to ensure membership growth
- To ensure the right governance was in place
- To spread good practice
- To demonstrate value to members
- To explore sponsorship opportunities
- To ensure thought leadership was applied on a worldwide level
- To ensure that experiences between divisions were shared
- To commission the creation of a contemporary and relevant website

In order to achieve the above, the Council agreed that flexibility was key and that divisions should take the lead as they were the experts in local markets.

Pursuant to the fifth element above, the Council has taken two steps. First, it recognised that it was necessary to strengthen the arrangements for delivering agreed actions between meetings of the Council. Accordingly, at its meeting in May 2014, the Council established an executive committee comprising the President, the two Vice-Presidents, the Immediate Past President (who is also the chair of the Professional Standards Committee, Andy Cowe) and a fifth member (Peter Turnbull). The executive committee meets monthly by telephone on the first Monday of the month.

Second, the Council agreed that an international Chief Executive or Director General should be appointed to be responsible for representing the Institute on the global stage and to assure implementation of the decisions of the Council and the strategic framework. I am delighted to tell you that the Council has approved the appointment of Tim Sheehy as its first Chief Executive/Director General. He will fully take up his new responsibilities once he has completed his responsibilities as Chief Executive of The Governance Institute of Australia. The Council wishes Tim every success in his new role.

In order to normalise the relationship between all parts of the Institute, we are working towards establishing the UK, Republic of Ireland and Associated Territories (UKRIAT) as a full division of the Institute. UKRIAT has engaged in a process of re-organising its affairs and structure to ensure that it can operate as a separate Division and, having now completed that process, has requested the Council to approve its designation as a Division which the Council has been pleased to do. In further pursuit of that objective, the executive committee was authorised by the Council to appoint an association management company, MCI UK Limited, to take responsibility for the administration of the Council's business, so relieving UKRIAT of that obligation. Transitioning meetings have been held to place the team from MCI in a position fully to manage the affairs of the Council and the Professional Standards Committee.

The Council has been concerned too to rationalise the qualifying standard for chartered secretaries throughout the world. Currently, each division is authorised to set its own examinations, subject to oversight by the Professional Standards Committee. What has been lacking however is an up to date international qualifying standard. The last edition of the standard is actually still a draft dating from 1994 which is not fit for purpose. Accordingly, the Council has engaged a consultant, Dr Jennifer

Rees, who has a background in higher education, to review the standard. Her initial report was accepted by the Council at its meeting in March 2015. Her work for phase 2, which will see the development of a new standard, has been mapped out and agreed with a view to reports being delivered to the Council at each of the next three meetings – to be held in September 2015 and March and September 2016. Dr Rees will be working with a group delegated by the Council, comprising the Chairman of PSC, the President, Tim Sheehy and Stephen Sadie, the CEO of the Southern African Division. Both Tim and Stephen have strong backgrounds in professional education.

Members will appreciate that the time and cost involved in arranging and holding meetings of Council can be considerable. It is important therefore to try to ensure the right number of meetings. The pattern of meetings determined by the Council is that there should be a meeting in March each year in London and a second meeting in September each year to be held in one of the Divisions. The latter will be combined with the Institute's annual general meeting. As far as possible, the March meeting will be combined with UKRIAT's annual conference. In these ways, we hope that the Council members and their work will be less remote from the membership at large.

Although the new byelaws drafted by the special committee of Council members have improved greatly our constitutional framework, a few errors and omissions have come to light. These need to be resolved for the sake of good order. Accordingly, the Council is asking the membership at the annual general meeting, to be held in Kuala Lumpur on Thursday, 10 September 2015 to give their approval to some amendments which are set out in the notice of meeting. The Council has unanimously endorsed these changes and urges members to vote in favour of them. This is special business at the meeting requiring not less than two-thirds of those voting to vote in favour of the amendments. Council hopes that it may count on the support of the membership.

If the amendments to the byelaws are approved, it will facilitate the Council's reporting to members each year. The aggregate annual income and expenditure of the Council acting on behalf of the Institute is too low to warrant a full audit. However, in the interest of openness and good governance, the Council will be arranging in the future for its financial statements to be inspected by a suitably qualified and independent person. This year is therefore a transition. Until UKRIAT is formally established as a division of the Institute, its accounts are actually the accounts of the Institute. Although members in UKRIAT have their own annual general meeting to receive the UKRIAT report and accounts and to appoint auditors, those accounts for 2013/14 are being submitted for the annual general meeting in Kuala Lumpur on 10 September in order to comply with the letter of byelaw 28. Again, to comply with byelaw 28, the membership will be asked to approve the appointment of Moore Stephens LLP as auditors. This firm acts as auditor for UKRIAT and the further appointment to act on behalf of the Institute is academic. The need for the appointment of auditors will disappear if the members vote in favour of the proposed changes to byelaw 28.

In the unusual circumstances prevailing because the Institute is still in transition from one constitutional framework to the new one, it is hoped that the membership will understand the measures which the Council has felt it appropriate to take in relation to the forthcoming annual general meeting.

On behalf of the Council



**FWE Bush**  
President

## International expenditure statement for the year ended 31 July 2015

Expenditure	2015 £	2014 £
General meeting costs	–	11,352
Council costs	32,733	20,331
Professional Standards Committee	92,578	47,235
Legal costs	2,032	–
Consultancy services	18,788	–
Headquarters support costs	127,900	226,500
Association management company costs	41,454	–
<b>Total expenditure</b>	<b>315,485</b>	<b>305,418</b>

Recovery of expenditure	2015 £	2014 £
UK, Ireland and Associated Territories	105,339	100,054
Australia	53,601	50,119
Southern Africa	18,834	20,158
New Zealand	7,982	7,422
Canada	5,679	5,559
China	51,708	52,410
Malaysia	35,808	35,184
Singapore	13,661	11,392
Zimbabwe	22,873	23,120
	<b>315,485</b>	<b>305,418</b>

The international expenditure statement above shows the costs of Council which have been extracted from the financial statements of UKRIAT which are effectively those of the Institute. In July 2015, a cash call to the Divisions and UKRIAT totalling £100,000 for the purpose of funding Council was made by UKRIAT on Council's behalf of which £85,000 was received by the year end.

Expenditure is recovered from Divisions and from the UK, Republic of Ireland and Associated Territories in proportion to the number of members and students on the register at the beginning of the financial year. For this calculation the number of students is divided by three.