

DIRECTORS' EDUCATION & ACCREDITATION PROGRAMME CARIBBEAN

Participant Information

1) Description of the Program

The Directors' Education and Accreditation Program (DEAP) has been developed for Directors of public, private, not-for-profit or governmental organizations, and those considering becoming a director of such an organization. It provides a forum for a frank, incisive and insightful discussion on the duties and responsibilities of a director, and the exploration of the requisite skills for, and the legal ramifications of, being a director.

DEAP is a sharply focused program, delivering critical content in a condensed period of time. It is designed for busy people who want to get what they need in a timely fashion.

Shortly after registering for DEAP, you will receive by email material to be read ahead of time – one document for each of the modules.. The workshop will be four days in duration and will be a mix of presentations, discussions, case studies and a knowledge assessment (quiz) for each module.

Upon completion, you will be awarded the Accredited Director designation (Acc.Dir.) and receive membership in Chartered Secretaries Canada's Affiliate Group. As an Affiliate Group member, you will have a subscription to *Corporate Governance Quarterly*, CSC's premier publication on good governance practice; access to special rates for seminars, workshops and other continuing professional development opportunities; and the same benefits package extended to its other professional members.

a. Description of modules

DEAP consists of four modules: Corporate Governance, Financial Disclosure and Reporting, Corporate Strategy and Enterprise Risk Management. A detailed of each module follows.

- **Corporate Governance**

- What is corporate governance: definitions and issues; ethics, corporate governance and corporate social responsibility
- Directors and the board: powers and duties of a director; effective boards; financial reporting and auditing
- Directors and management: the respective roles of the board and management; executive compensation
- The board and shareholders: shareholder powers and rights; shareholder relations

- **Financial Disclosure and Reporting**
 - Financial objectives: finance decisions; types of entities; regulatory framework; financial objectives; stakeholders; agency relationships; annual report; Canadian Securities Administrators; financial management decisions; financial functions; areas of responsibility; types of planning; budgets and forecasts; cash management; capital structure
 - Accounting concepts and financial statements: conceptual framework of accounting; objectives of financial reporting; qualitative nature of accounting; recognition and measurement principles; components of financial statements; audit reports
 - Financial management: financial markets – stock exchanges and other sources; costs of issuing; leasing; short-term financing; small business financing; dividend policy; cost of capital; investment risks; weighted average cost of capital; capital structure and leverage; key financial management areas
 - Ratio analysis: liquidity ratios; asset turnover ratios; leverage ratios; profitability ratios; dividend policy ratios; cash flow ratios; market and combined ratios; balanced scorecard
 - Financial disclosures: notes to financial statements; listed company disclosures; management discussion and analysis; annual information form; disclosure standards; statutory civil liability

- **Corporate Strategy**
 - Introducing strategy: characteristics of strategic decisions; strategic thinking; Mintzberg's 5 P's; levels of strategy; elements of strategy;
 - Strategic management: emergence of strategic management;
 - Rational model: rational planning process; strategic analysis; strategic choice; strategy implementation; strategic management as fit or stretch; need for strategic planning; in support of the rational model; Ansoff; Peter Drucker; limitations
 - Emergent strategy: crafting emergent strategies; strategy and objectives; a behavioural approach; incrementalism; significance of competition; opportunism
 - Strategic management in different contexts: small business; multinational corporation; innovating organization; voluntary sector; professional service organizations

- **Enterprise Risk Management (ERM)**
 - The ERM Revolution: more – and more complicated – risks; external pressures; portfolio point of view; quantification; boundaryless benchmarking; risk as opportunity
 - ERM definition and conceptual framework: definition; conceptual framework; types of risk; process steps
 - ERM language, measures, models and tools: overall corporate performance measures; risk measures; risk modeling; risk integration; risk prioritization; tool application for treating/exploiting risks; risk monitoring

- ERM case studies: risk assessment; distribution strategy; performance measurement; asset allocation; strategic planning; product design; dividend strategy; risk financing
- Practical considerations in implementing ERM: designating an ERM “champion”; making ERM part of the enterprise culture; determining all possible risks of the organization; quantifying operational and strategic risks; integrating risks; lack of appropriate risk transfer mechanisms; monitoring the process; start slowly – build upon successes

b. Description of knowledge assessment

At the end of each module, you will complete a knowledge assessment. Some of these consist of a case with a small number of short essay-type questions, while others are a combination of multiple-choice and short essay questions. They are designed to test your knowledge and the way you would apply it in real-world situations. To complete the program and qualify for accreditation, you will need to pass each assessment.

c. Discussion of pre-reading materials

You will shortly receive your reading package. It consists of a study guide for each of the four modules and may also include an assignment you will be asked to complete. Please read all four study guides and do any required assignment before commencement of the program. There is no need to bring all these materials with you. You will be provided with a hard copy binder of the reading materials and additional materials used during each module when you arrive for registration at the Program.

i. Assignments

Included in your package is an assignment for the strategy module. It is listed on page 7 of the first section. You will be asked to review the case “Bally Total Fitness” and prepare four documents based on it. Please note you will need to read the entire the study guide before you can complete the assignment.

ii. Expectations for receipt of materials

You should receive your materials within three (3) days of registration for the program. If, for any reason, you do not receive them by that date, please contact the program administrator at the ECSE office.

2) Description of ICSA

This program is an initiative of the Institute of Chartered Secretaries and Administrators (ICSA) in Canada, also known as Chartered Secretaries Canada. ICSA is the world’s premier organization promoting governance practices. It offers

the only internationally accepted accreditations denoting professionalism in governance at both the Associate and Fellow level.

a. History

ICSA is the professional body for chartered secretaries, corporate secretaries and governance professionals.

Founded in England in 1891 and granted a royal Charter in 1902, the ICSA is an international organization focused on achieving excellence in the practice of corporate governance and professional administration. The Institute has over 72,000 members and students worldwide and is a leading voice on corporate governance issues in over 70 countries.

b. ICSA Canada

Chartered Secretaries Canada is the Canadian Division of ICSA. The Institute was established in Canada in 1920 and incorporated federally in 1957. It is the only body in North America offering an international professional designation for corporate secretaries and corporate governance professionals.

c. The Chartered Secretary Program

Chartered Secretaries command a thorough knowledge of a broad range of business disciplines. They advise the board on legal, financial, administration and regulatory issues, manage compliance and reporting, enhance efficiency and, as guardians of compliance and regulation, instil confidence in the probity of leadership. Such assets make Chartered Secretaries indispensable to corporate, not-for-profit and public sector organizations alike.

ICSA's International Qualifying Scheme is the only professional accreditation program offering postgraduate training across a broad spectrum of business practices – corporate governance, law, finance, administration, corporate secretaryship and management. The combination of examinations and structured work experience is recognized as best practice in professional training and leads to the internationally recognized qualification of Chartered Secretary.

3) Ongoing Responsibilities and Benefits of Acc.Dir.s

When you become an Accredited Director and earn the post nominals Acc.Dir., you demonstrate a high standard of personal integrity and professionalism. With the accreditation come both responsibilities and benefits.

a. Responsibilities

- i. Become director within 2 years*

The course is for directors of corporations, not-for-profits and public sector/government organizations. To keep your newly acquired skills at a high level, therefore, we ask that you become a director within two years of accreditation. If a corporate directorship does not present itself, there are many suitable not-for-profit and charitable organizations you can approach.

ii. Maintain membership in CSC (Affiliate) – about \$225 Canadian

As part of your registration in DEAP, you will become a member of Chartered Secretaries Canada's Affiliate Group, and your registration fee includes your first year of membership. However, since CSC is accrediting you, it needs to know that you continue to maintain your commitment to professionalism and the only way it can do that is if you remain a member. The annual subscription is about Cdn\$225, and it entitles you to the benefits listed below.

iii. Complete 10 hours annual CPD – self assessed with annual renewal of membership

Continuing professional development (CPD) is an important part of the commitment you make when you become an Accredited Director. To maintain your currency in the field, CSC asks that you complete ten hours of qualifying CPD each year and report it to them when you renew your membership. Qualifying activities include speaking, writing articles and attending seminars or workshops on various governance issues. Most CPD requirements of other professional accounting and legal bodies will qualify as appropriate CPD for Accredited Directors.

b. Benefits

As American Express used to say, membership has its benefits and being an Accredited Director is no different. Here are a few.

i. Receive certificate of completion at end of course

Once you have finished the course and completed the knowledge assessments, you will receive a certificate of completion acknowledging this fact. The certificate does not entitle you to the designation, but it may serve as proof of CPD for other organizations of which you are a member – CMA, CGA, CA, or a Law Society for example.

ii. Obtain Acc.Dir. on approval by Executive Committee of Board of CSC (about 6 weeks delay)

As part of our accreditation process, CSC's Executive Committee reviews applicants for the Acc.Dir. designation. This takes place at the first meeting after your course completion, and normally within six weeks.

Once the Executive has approved your designation, your accreditation certificate will be mailed to you by the office, along with appropriate membership information about CSC.

iii. *Recognized designation in Caribbean and in Canada*

Once approved by CSC's Executive Committee, you will be entitled to use the post nominals Acc.Dir. This designation is recognized in Canada and the Caribbean as the hallmark of excellence in professionalism for corporate directors. We encourage you to be proud of your designation and to use it at every opportunity.

iv. *Membership (Affiliate CSC) benefits*

As a member of Chartered Secretaries Canada's Affiliate Group, you also receive certain benefits, a full description of which will be included with your membership package. These will include:

1. Access to Member portion of www.icsacanada.org website

In the "Members Only" area of CSC's website, you will have access to its "Ask a Member" feature, to get answers to your governance questions; its member directory, and back articles from its magazine, *Corporate Governance Quarterly*. It is always expanding these services, so be sure to check back with the site often.

2. Subscription to *Corporate Governance Quarterly* Magazine

Corporate Governance Quarterly is the magazine of Chartered Secretaries Canada. It contains articles of interest and significance from Canada and around the world. The normal annual subscription price is Cdn\$100 Canadian, but it is included free as part of your membership.

3. Member rates for CSC and CSC-sponsored events in Canada and Caribbean

CSC offers a full calendar of events every year – workshops, courses, and symposia (including the annual Symposium on Corporate Governance, held in Toronto each December). These are good opportunities for you to meet like-minded people, keep your skills updated, broaden your horizons and fulfil your CPD requirements. In addition, through CSC's partnership with organizations such as the Treasury Management Association of Canada (TMAC), and the Eastern Caribbean Securities Exchange, it co-sponsors a number of other learning opportunities and we encourage you to take advantage of them.