

# PROMOTING GOOD GOVERNANCE

## ICSA

**ICSA: THE GOVERNANCE INSTITUTE IS THE UK'S PROFESSIONAL BODY FOR GOVERNANCE. WITH OVER 125 YEARS' EXPERIENCE, IT WORKS WITH REGULATORS AND POLICY MAKERS TO CHAMPION HIGH STANDARDS OF GOVERNANCE AND PROVIDE QUALIFICATIONS, TRAINING AND GUIDANCE. LAST YEAR IT SIGNED A COOPERATION AGREEMENT WITH ICPAC AND, EARLIER, THIS YEAR, SELECTED INFOCREDIT GROUP TO REPRESENT THE INSTITUTE IN CYPRUS AND THUS OFFER ITS PRODUCTS/SERVICES TO GOVERNANCE PROFESSIONALS. HERE, THERESA MINNIE, HEAD OF OUTREACH AT ICSA, SPEAKS ABOUT THE WORK OF THE INSTITUTE.**

**The significance of corporate governance seems to be growing these days so it is quite surprising to learn that ICSA's history goes back more than 125 years. Obviously the organization and the world have both changed but is there still a key principle that has continued throughout the years?**

When the Institute of Secretaries, as we were then known, was formed in 1891, the governments of the day were keen to put corporate life and the economy on a surer footing to increase public confidence in business. This is still something which resonates today. Companies need to encourage people to work for them, do business

with them and attract investment. They can only do this if the public has confidence in the way that they operate. Integrity, ethical behaviour and trust are of the utmost importance. How companies engage with employees, customers, suppliers and other stakeholders builds wider confidence in the way businesses are run and helps deliver more sustainable business performance. Our members are right at the heart of this, promoting accountability, transparency, integrity and stewardship to ensure that organisations operate in a manner which is most productive.

**The other buzzword is compliance. What exactly is**

**the difference between governance and compliance?**

Governance and compliance are closely associated terms but they have subtly distinct meanings. Compliance is about adhering strictly to laws and regulations. While governance involves a measure of compliance, it is a broader concept and not simply a box-ticking exercise. Simply put, governance is the practice of running an organisation in line with its own purpose and values, ensuring

that decisions are taken by the right people according to the best principles and procedures so that the organisation can meet its obligations to stakeholders.

**What does the Chartered Secretary qualification represent and why should someone want to obtain it?**

The Chartered Secretary qualification is the gold standard of the governance profession. It builds a unique breadth of technical skills

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that equip people for a varied career at board level and validates their knowledge with an internationally respected accreditation. Anyone working in governance who has the desire to reach the top of the profession should aspire to qualify as a chartered secretary. Being chartered demonstrates a capability in governance and compliance that draws together many disciplines, such as strategy, finance, law, regulation and risk, and shows a practical understanding of the dynamics of Boards and organisations.

**The ICSA website states, "You do not have to be a chartered secretary to work in governance" and also "We recognise that becoming chartered is not right for everyone who does governance, risk and compliance work". Aren't you rather playing down the importance of the qualification**

**by saying this?**

Not at all; we are simply recognising the fact that many people work in the governance field in roles that might not necessarily require the level of depth of understanding afforded by the full qualification. Chartered membership of ICSA demonstrates the extensive knowledge and skills needed by those with broad governance responsibilities in roles such as Company Secretary, Corporate Counsel, Head of Governance or Head of Risk and Compliance. There are, however, a multitude of other titles that apply to people working in governance, risk and compliance at a lower level or in sectors outside the corporate world and we offer many ways to qualify, reflecting the needs of different sectors, and the balance between governance and compliance in different roles. Whatever the level of qualification, be-

ing professionally qualified through ICSA shows that people understand how law, finance and governance operate in an organisation and we would always advise that all organisations have a qualified governance professional at board level.

**How does a company's culture reflect its approach to governance?**

Good governance is based around organisational purpose, leadership, integrity, decision-making, risk and control, Board effectiveness, diversity, openness and accountability. Culture is an integral part of this.

Without the right corporate culture in place, it is more difficult for organisations to take good quality, ethical decisions, something which is crucial in terms of enabling companies to create long-term value more effectively.

**You addressed the 2<sup>nd</sup> Corporate Governance Conference, in Nicosia in May. As Head of Outreach at ICSA, do you spend a lot of time outside the UK encouraging professionals in other**



Theresa Minnie