

CHARTERED GOVERNANCE QUALIFYING PROGRAMME (CGQP)

Programme Part 1

1.2 Corporate Compliance and Administration

Introduction

The aim of this module is for students to develop their knowledge and skills to prepare for practice as a company secretary, ensuring that the company operates in accordance with good governance principles and the regulations of the jurisdiction in which it operates

Module content

- Section A: The role of the company secretary, the board and other stakeholders
- Section B: Regulatory requirements for companies
- Section C: Meetings
- Section D: Shares

Pre-requisite learning

It is recommended that students, attempting this module, should ensure that they have gained the underpinning technical knowledge of Corporate Law for successful completion of this module.

Learning outcomes

After successful completion of this module you should be able to:

- 1 Understand the role of the company secretary and the differing responsibilities of the company secretary, the board, management, shareholders and other stakeholders.
- 2 Understand the nature and principles of the company's regulatory requirements and interpret and practise in the sector to ensure compliance.
- 3 Be able to exercise appropriate judgment to advise the board on the expectations of and compliance with regulatory requirements.
- 4 Be able to understand, apply and advise on statutes, regulation and good practice in respect of share capital.

Section A: The role of the company secretary, the board and other stakeholders

Learning outcome:

- Understand the role of the company secretary and the differing responsibilities of the company secretary, the board, management, shareholders and other stakeholders.

Key topics

- A1 The role of the company secretary
- A2 The directors
- A3 Effective board practices
- A4 Members

A1 The role of the company secretary

- A1.1 Role, functions and duties of the company secretary
- A1.2 Appointment and vacation of the office of company secretary
- A1.3 Relationship with the chair and directors
- A1.4 Company secretary as adviser to the chair and directors
- A1.5 Dissemination of information and decisions
- A1.6 Communication with shareholders and other stakeholders, including electronic

A2 The directors

- A2.1 Types of directors
- A2.2 Recruitment, appointment, re-appointment and rotation
- A2.3 Roles, duties, responsibilities and mandates
- A2.4 Retirement, removal and disqualification
- A2.5 Succession planning
- A2.6 Directors' and officers' indemnification and liability insurance
- A2.7 Co-option

A3 Effective board practices

- A3.1 Board evaluation
- A3.2 Director education and guidance
- A3.3 Best practices, policies and procedures

A4 Members

- A4.1 Defining a member
- A4.2 Restrictions on membership
- A4.3 Shareholders
- A4.4 Guarantors
- A4.5 Other types of member
- A4.6 Member activism
- A4.7 Articles of association
- A4.8 Unfair prejudice
- A4.9 Derivative action claims
- A4.10 Membership

Section B: Regulatory requirements for companies

Learning outcome

- Understand the nature and principles of the company's regulatory requirements and interpret and practise in the sector to ensure compliance.

Key topics

- B1 Company compliance
- B2 Annual or integrated report
- B3 External audit
- B4 Securities exchange listing regime
- B5 Maintenance of records
- B6 Company secretarial software
- B7 Minutes and minute books
- B8 Oversight by regulators
- B9 Regulation and disclosure

B1 Company compliance

- B1.1 Company formation
- B1.2 Filing of company returns
- B1.3 Offences under the relevant corporations or associations legislation
- B1.4 Corporate governance overview
- B1.5 Mergers, divisions, arrangements and reconstructions
- B1.6 Takeovers and acquisitions
- B1.7 Culture and corporate behaviours
- B1.8 Company insolvency, dissolution and restoration

B2 Annual or integrated report

- B2.1 Role and duties of the company secretary in the annual report cycle
- B2.2 Statutory, regulatory and listing requirements
- B2.3 Narrative reporting
- B2.4 Disclosure of financial statements
- B2.5 Legislative and other developments

B3 External audit

- B3.1 Role and responsibilities of the company secretary in the external audit process
- B3.2 Independence of external auditors
- B3.3 Appointment of auditors
- B3.4 Rotation of auditors
- B3.5 Termination of auditor's appointment
- B3.6 Role of external auditors

B4 Securities exchange listing regime

- B4.1 Listing requirements
- B4.2 Ongoing reporting, filings and compliance
- B4.3 Corporate Governance Code
- B4.4 Stewardship Code
- B4.5 Insider dealing
- B4.6 Dematerialisation

B5 Maintenance of records

- B5.1 Statutory registers
- B5.2 Location of records and registers
- B5.3 Access to records and registers
- B5.4 Minute books
- B5.5 Meeting materials/board papers
- B5.6 Financial records
- B5.7 Corporate records
- B5.8 Retention periods for documents and registers

B6 Company secretarial software

- B6.1 Evaluation of needs for company secretarial software
- B6.2 Implementation of appropriate software
- B6.3 Security issues
- B6.4 Potential uses and benefits of company secretarial software
- B6.5 Ongoing maintenance and updates

B7 Minutes and minute books

- B7.1 Required information in minutes
- B7.2 The six 'Cs'
- B7.3 Proof of existence of an organisation and its historical development
- B7.4 Record of decisions made and actions taken
- B7.5 Demonstration of due diligence on part of decision-makers
- B7.6 Legal evidence in support of actions taken
- B7.7 Records retention
- B7.8 Risk management

B8 Oversight by regulators

- B8.1 Governance practices
- B8.2 Assessment of performance in carrying out governance responsibilities
- B8.3 Protection of stakeholders
- B8.4 Investigation powers of regulators

B9 Regulation and disclosure

- B9.1 Disclosure requirements for listed companies
- B9.2 Link between disclosure, accountability, transparency and trust:
- B9.3 Data protection
- B9.4 Public access to corporate information

Section C: Meetings

Learning outcome:

- Be able to exercise appropriate judgment to advise the board on the expectations of and compliance with regulatory requirements.

Key topics

- C1 Meetings of shareholders and members
- C2 Meetings of the boards and its committees

C1 Meetings of shareholders and members

- C1.1 Member meeting or written resolution
- C1.2 General meetings
- C1.3 Regulations governing general meetings
- C1.4 Role of the company secretary before, during and after the annual meeting
- C1.5 Notice of meetings
- C1.6 Quorum, agenda, meeting materials
- C1.7 Resolutions
- C1.8 Role of the Chair
- C1.9 Rules of order, standing orders
- C1.10 Proxies
- C1.11 Polls
- C1.12 Attendance
- C1.12 Voting
- C1.13 Meeting technology
- C1.14 Share registrar and role of scrutineer
- C1.15 Communication with shareholders and other stakeholders

C2 Meetings of the boards and its committees

- C2.1 Board meetings
- C2.2 Role of the company secretary before, during and after board meetings
- C2.3 Delegation of authority and responsibility
- C2.4 Reliance on management and advisers
- C2.5 Committees
- C2.6 Matters reserved for the board
- C2.7 Executive discretion
- C2.8 Motions and written/circular resolutions
- C2.9 Conflicts of interest

Section D: Shares

Learning outcome:

- Be able to understand, apply and advise on statutes, regulation and good practice in respect of share capital.

Key topic

D1 Shares, share capital, share register and debt capital

D1 Shares, share capital, share register and debt capital

D1.1 Regulation of the securities industry

D1.2 Types of share and debt capital

D1.3 Share capital

D1.4 Company share registrar function

D1.5 Share transfers

D1.6 Transmission of shares

D1.7 Registration of documents affecting title

D1.8 Share certificates

D1.9 Distributions

D1.10 Rights and warrants, debentures and bonds

D1.11 Capital events and role of share registrar

D1.12 Key features and establishment of employee share schemes and their ongoing administration:

- Enterprise Management Incentive (EMI)
- Company Share Option Plan (CSOP)
- Save As You Earn (SAYE)
- Share Incentive Plan (SIP)
- unapproved share options

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