Magazine of the Institute of Directors in New Zealand

boardroom

FEB/MAR 2017

THE DIGITAL ISSUE

21ST CENTURY DIRECTOR: UNDERSTANDING THE DIGITAL REVOLUTION

Sue Suckling, Victoria Crone and Murray Strong on understanding the digital revolution

DIGGING DEEPER INTO DIGITAL LEADERSHIP

PROTECTING YOUR INTELLECTUAL PROPERTY

Governance with purpose | Digital board tools | Governance in Tonga | Artificial Intelligence | Emerging directors

What Matters in digital

Build your board for tomorrow's digital future. With resources, development and branch events you can help improve your board's understanding of the influences in today's digital era.

Resources

The IoD's Cyber Risk Practice Guide offers five useful principles to help understand and monitor cyber risk, develop strategies for seeking assurance, and oversee management. It also poses critical questions directors have a duty to ask. With Chapman Tripp the IoD developed a call to action paper highlighting the opportunities and challenges artificial intelligence presents. In February a DirectorsBrief on Shareholder meetings in the digital age, for members, covers global trends and how technology can support these meetings including hybrid and virtual only. The February/March edition of *board***room** also features a number of digitally focused stories.

Development

Through a series of practical case studies the IoD's Digital Essentials helps you learn how to test the rigour of digital businesses cases presented to your board, and gain a fundamental understanding of the influences in this digital era. Future developments include an online cyber security module in partnership with Aura. The IoD's 2017 Leadership Conference in May - Shaping the Future explores emerging global trends in today's extraordinary time of rapid change.

Branch Events

In March Taranaki branch will host Craig Tweedie on the new risks and challenges cyber security presents in today's interconnected digital world. While in Napier Wayne Norrie will talk about technology megatrends and how to future focus your board, in Dunedin Kevin McDonald will talk cyber risk, in Hamilton Andrew Hampton will talk the role of directors when it comes to cyber security and in Christchurch be prepared to be socially engineered, with Aura's Peter Bailey. In April ASB's David Bell will share with Bay of Plenty branch his experiences of how leveraging digital channels through the adoption of disruptive fintech technology, delivers successful business growth, and in Nelson Andy Symons talks future disruptive technology.

Find out more:
iod.org.nz/whatmatters

LEADING GOVERNANCE

Institute of Directors

A note from the editor

Welcome to the first issue of *board***room** for 2017.

This issue is focused on the technology space and building your board for tomorrow's digital future. The convergence of technology and speed of change we are experiencing is going to impact business and society in as yet unknown ways. There is a need to remain agile to adapt to disruptive change; as Sue Suckling says in our cover story (page 12), directors can't get trapped in the world they grew up in.

While lack of diversity on boards has again been highlighted as an issue here in New Zealand, stories from IoD members demonstrate that our membership is certainly a diverse group. The 2016 Emerging and Aspiring Director Award winners come from many walks of life, and Dr Nailasikau Halatuituia offers a different perspective about the role of directors as he talks about governance in a small community – his native Tonga (page 30).

Emma Sturmfels
*board***room** Editor

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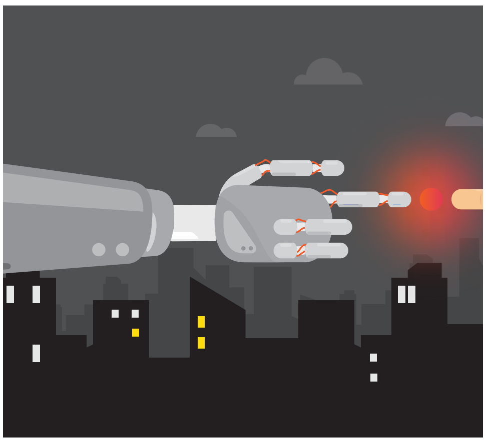

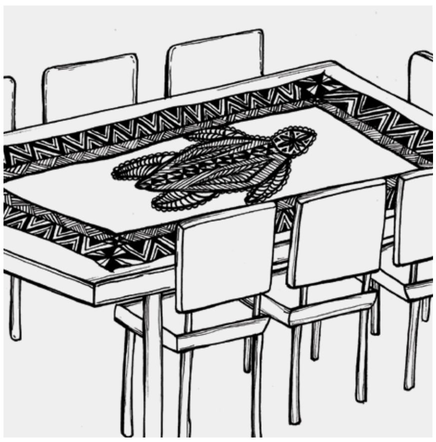

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*board***room** is designed to inform and stimulate discussion in the director community but opinions expressed in this magazine do not reflect IoD policy unless explicitly stated.

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The Institute of Directors has staff based at the National Office in Wellington, an office in Auckland, and eight branch managers operating from their localities. For National Office, telephone 04 499 0076. For branch managers' contact details see Branch Events, page 46.

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A note from interim CEO Glenn Snelgrove

The Institute of Directors promotes excellence in corporate governance, represents directors' interests and facilitates professional development through education and governance training. Now, more than ever before, members are looking to the IoD to keep them up to date on "what matters" in governance. That's why we are launching a new concept bringing together all the resources of the IoD to focus on a number of themes during the year. Our first theme "What Matters in digital", focuses on how to build your board for tomorrow's digital future. Look out for our What Matters in digital symbol for access to resources, development opportunities and branch events you can use to help improve your board's understanding of the influences in today's digital era, and remain agile to adapt to disruptive change.

In 2015 almost half of those who participated in our annual Director Sentiment Survey said they expected to face major technological and business disruption during the year. In 2016 that number hadn't changed, while barely a third of boards say they have the capability to deal with their organisations digital future.

Technology continues to be a strong theme when it comes to internal risks so developing board and organisational capability must be areas of focus for directors to ensure organisations are resilient.

A number of stories in this edition of boardroom explore different aspects of What Matters in digital. The cover story features Sue Suckling, Victoria Crone and Murray Strong on the 21st century director and understanding the digital revolution. Our Governance Leadership Centre explores what it means to be digitally literate, and as always, we value the contribution of our partners to the magazine, offering expert views on issues including cyber security, artificial intelligence and emerging risks for directors.

Member stories are an important part of sharing the breadth of experience and knowledge that is held by your peers. Some members will have experience working in governance roles both here and overseas, and recognise the message from one of our members in Tonga, that while the cultural frameworks you work within might differ, the principles of good governance are the same.

Equally, good governance practices enhance organisations working in every part of the community. The IoD has been running sessions with boards that work with the most vulnerable members of society; since September in partnership with the Ministry of Social Development. This is one of many important projects the IoD has delivered to social sector providers, giving them access to governance training that they otherwise might not have had the opportunity to get.

IoD BY NUMBERS

273

governance roles advertised with DirectorVacancies in 2016

8052

IoD members as at 31 January 2017

28.1%

IoD members are women as at 31 January 2017

Upfront

APPOINTMENTS

The IoD congratulates the following members on these board appointments:

IoD Vice President and Chartered Fellow Liz Coutts ONZM has been appointed chair of Skellerup

Chartered Fellow Jane Taylor has been appointed chair, Chartered Fellow Sir Rob Fenwick, Traci Houpapa and Warren Parker have been appointed to the board of Predator Free 2050 Ltd.

Chartered Member Chris Moller has been reappointed as chair of the New Zealand Transport Agency.

Chartered Member Tony Hill has been appointed to the Central Lakes Trust.

Chartered Member Jane Meares has been appointed as Chief Commissioner to the Transport Accident Investigation Commission.

New Year Honours 2016

The Institute of Directors congratulates the following members who have received honours in recognition of the contribution made in their respective fields.

DNZM – Hon Frances Helen Wilde, CNZM, QSO, of Wellington for services to the State and the community.

CNZM – Hon Murray John Finlay Luxton, QSO, of Wellington for services to the dairy industry.

CNZM – Mr Iain Robert Rennie, of Wellington for services to the State.

ONZM – Mr Roger Francis Albion Bridge, of Christchurch for services to business and philanthropy.

ONZM – Mr Kelvin John Coe, of Leeston for services to local government.

ONZM – Mr Peter Jakob Ernst Heinrich Diessl, of Wellington for services to music and philanthropy.

ONZM – Mr Ronald Alexander Ellis, of Dannevirke for services to local government.

ONZM – Ms Justine Margaret Kidd, of Takapau for services to the dairy industry and equestrian sport.

ONZM – Mr Peter Thomas Kiely, of Auckland for services to New Zealand's interests in the Pacific and the law.

ONZM – Mr Simon Perry, of Hamilton for services to sport and philanthropy.

ONZM – Mr Keith Bruce Taylor, of Wellington for services to the state.

ONZM – Ms Sarah Trotman, of Auckland for services to business and the community.

ONZM – Ms Vanessa Clare van Uden, of Queenstown for services to local government.

MNZM – Ms Lisa Maree Bates, of Auckland for services to the arts and philanthropy.

MNZM – Mr Anthony Evan Hill, of Queenstown for services to the community, disability sport and health.

MNZM – Ms Elizabeth Mason Sinclair, of Waikanae for services to the State

QSM – Mr James Gerard Jefferies, of Palmerston North for services to local government, theatre and business.

QSM – Rev Peter Brian Skyes, of Auckland for services to the community.

For further information visit www.honours.govt.nz

DNZM Dame Companion of the New Zealand Order of Merit, **CNZM** Companion of the NZ Order of Merit, **ONZM** Officer of the NZ Order of Merit, **MNZM** Member of the NZ Order of Merit, **QSO** Queen's Service Order

In Sympathy

The IoD extends its sympathy to the family and friends of Chartered Fellow Nick Calavrias, who tragically died in a cycling accident in early January.

He is remembered as a devoted family man and stalwart of the New Zealand steel industry. A founder of Wellington Steel, Nick went on to become the long-standing CEO of Steel & Tube until his retirement in 2009. Nick was chair of Aspeq Ltd, Clearwater Construction and D & H Steel Ltd. In 2010 he became an Officer of the New Zealand Order of Merit.

Upgrade to Chartered Fellow

As part of the Chartered Membership pathway we will accept applications for upgrade to Chartered Fellow from those members who meet the criteria. Applications are considered by Council at their bi-monthly meetings.

See our website for detailed information, an application form and guidelines for making an application. If you have any questions please contact ann.denboer@iod.org.nz

Chartered Fellows

I'd like to congratulate our members who became Chartered Fellows in 2016. This is the highest level within the IoD Chartered categories, and is awarded to members whose knowledge, character and experience makes them a role model for other members, their organisations and community as a whole.

Michael Stiassny, *President Institute of Directors*

Ted van Arkel,
Auckland

Martin Dippie,
Otago Southland

Alan Isaac,
Wellington

Leo Lonergan,
Wellington

Maitland Manning,
Wellington

Sir Ralph Norris,
Auckland

Steve Reindler,
Auckland

Peter van Rij,
Canterbury

Graeme Sutton,
Nelson Marlborough

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CPD POINTS

SHAPING THE FUTURE

Direct 2017
IoD Leadership Conference

2-3 May 2017
The Langham, Auckland

Institute of Directors

Direct 2017 is the fifth annual IoD Leadership Conference, and features a strong international line-up of leading governance and business minds who will share with you the latest insights to help you be informed, and make smart decisions to shape the future.

The theme, **Shaping the Future,** will explore the emerging global trends we are facing in this extraordinary time of rapid change.

This year's speakers include:

- **Seth Goldman,** TeaEO Emeritus and Innovation Catalyst for Coca-Cola's Venturing & Emerging Brands who will draw on his experience around building a sustainable business empire
- **Toby Heap,** Founding Partner of H2 Ventures, who will answer the question – what can established organisations learn from startups?
- **Jeff Gramm,** author of Dear Chairman and manager of Bandera Partners, discusses the history of shareholder activism and its role internationally and in New Zealand

Breakout sessions will cover a range of topics and specialist areas.

This event reached capacity in 2016, so we encourage you to make time in your diary and register early.

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DIGGING DEEPER INTO DIGITAL LEADERSHIP

Digital leadership is one of the top five issues for boards in 2017. Felicity Caird now digs deeper into what digital capability in the boardroom and the board's role in digital leadership mean.

Whatever you call it – a technology revolution, digital revolution or the Fourth Industrial Revolution – we live in a digital era characterised by exponential rates of change and major disruption. It may be more evolution than revolution in your business, but it still means huge opportunities for value creation and also major risks to business sustainability.

Well known examples of disruption include Amazon, Uber and AirBnB. We're now thinking about driverless cars in a sharing economy, blockchain, the impact of social media in election campaigns, opportunities from analysing big data and the potential impacts of artificial intelligence (AI).

Nearly half (47%) of directors expect their organisations to be impacted by major or disruptive change within the next two years. But only 35% of boards have the right capability (skills and experience) to lead their organisation's digital future, according to our 2016 Director Sentiment Survey.

The global digital economy is forecast (by Accenture in 2016) to be worth 25% of the world's economy by 2020 – in just three years. The board's role in strategic thinking, setting direction and holding management to account needs to encompass disruption and digital transformation. Digital leadership includes:

- developing digital capability to meet business needs and support sustainable success
- understanding the key disruptive innovations in your industry/sector
- exploiting opportunities and value from big data analysis
- putting digital issues on the board agenda now.

DEVELOPING BOARD DIGITAL CAPABILITY

Boards are responsible for ensuring they have the right mix of skills and experience on the board. Regularly reviewing board composition is essential to ensuring effectiveness and ongoing success.

In today's board, the diversity of skills, experience and thinking around the board table needs to include technology know-how so that there can be robust discussion and challenge to enable the board to add value.

Developing digital capability is not as simple as appointing a digital expert to the board. It's about developing the digital capability of the board so it can navigate challenges and future success in a digital world. This may include appointing a digitally savvy director to supplement existing board expertise or establishing an advisory committee with external experts to advise the board. The board can also invite digitally-orientated executives to board meetings to discuss strategic opportunities and risks – from both an organisational and an environmental scanning perspective.

McKinsey suggests four ways to adapt the board to the digital age, to stay relevant and raise their digital quotient:

1

CLOSE THE INSIGHTS GAP
Boards need the technological chops to recognize breakthrough digital initiatives as well as any hidden security or data risks.

2

UNDERSTAND HOW DIGITAL CAN UPEND BUSINESS MODELS
Directors should focus more on digital fundamentals such as data assets or customer-esperience quality.

3

FINE-TUNE THE ONBOARDING AND FIT OF DIGITAL DIRECTORS
New digitals directors must be able to influence change within the culture of the board and to play well with others.

4

ENGAGE MORE FREQUENTLY AND DEEPLY ON STRATEGY AND RISK
Today's strategic discussions need to match the speed of disruption and respond to real-time market signals about digital shifts.

McKinsey&Company

APPOINTING A DIGITAL DIRECTOR

Russell Reynolds defines a digital director as a non-executive board member who meets at least one of the following criteria:

- Plays a significant operating role in a digital company
- Has a primary digital operating role within a traditional company
- Has two or more non-executive board roles at digital companies.

Types of digital directors include digital industry specialists, data analytics gurus and experts in general consumer or services businesses.

KEY TIPS:

- If appointing a digital director it is important to also look for candidates with business acumen and governance know-how so that they can add value across general board responsibilities.
- The board should avoid delegating technological matters to the 'digital director' but rather seek their input and expertise to enable whole board understanding and engagement.

WHAT IS DIGITAL LITERACY?

Directors don't need to be digital experts but they do need a degree of digital literacy to understand, monitor and guide the business. A good analogy is financial literacy. Directors don't need to be accountants but they do need to have sufficient financial literacy to understand financial information and come to a personal level of satisfaction about its accuracy and probity – and not to simply rely on the opinion of other board members who have financial expertise.

Directors need sufficient digital literacy so that they can hold management to account – to ask the right questions, and to understand and probe the answers. To do this boards need to understand terminology and concepts so they can engage in robust discussion and challenge management.

McKinsey & Company (July 2016) suggest five questions boards can use to discuss IT performance and help keep on top of changing technology:

- How well does technology enable the core business?
- What value is the business getting from its most important IT projects?
- How long does it take the IT organization to develop and deploy new features and functionality?
- How efficient is IT at rolling out technologies and achieving desired outcomes?
- How strong is our supply of next-generation IT talent?

The digital space is moving quickly and will look different tomorrow than it does today. Identifying director and board capability in this space is a key step to driving future success in a disruptive world.

What Matters in digital

The 21st century director: Understanding the digital revolution

Is your organisation agile? Are you ahead of the curve or behind it and do you have the capability to take a leading role? Do you as a director understand the convergence of technology that is upon us and the exponential rate of change society is experiencing?

Sue Suckling, Victoria Crone and Murray Strong share their expertise on this topic as **boardroom** *explores the age of digital and why directors need to think differently and prepare for what comes next.*


Sue Suckling

The period of change we are currently experiencing has been labelled 'the fourth industrial revolution'. Technology is changing the way we live, challenging traditional business models and shaking up the current order of things. Examples of this can be seen in the transport and accommodation industries, where new players are demonstrating their ability to quickly embrace technology to thoroughly unsettle their markets.

"It is about the convergence of technologies which enable services to be provided that once required different people, different approaches," Sue Suckling explains.

Suckling is chair of Callaghan Innovation, Jade Software and NZQA, amongst other directorship roles. Over her career many of the organisations Suckling has worked with have had grounding in technology and innovation. These skills are not common enough however, and Suckling is pushing for more directors to get their heads in the right space.

"It's not about silos of technology; it's about the convergence of technology that is digitally enabled, and the rate of change and the new possibilities that have come about that weren't there before. As a country we can't have a view that certain things will impact us and certain things won't because convergence and the rate of change are creating totally different business models and opportunities."

"If you're around a board table you've got to make sure you're not trapped in the world as it is today and the world that you grew up in and formed your career"

As chair of NZQA Suckling recently spoke at the Singularity University New Zealand Summit around the changes needed in the education sector to remain relevant and provide the type of education that students both need and are seeking out to thrive in the modern world. Change needs to start at the top.

"I spoke about education and the people who are hanging on to the bricks and mortar and the existing, [who are] saying 'without these things you won't be able to be educated well and won't have a career'. That's holding on to the past.

"If you're around a board table you've got to make sure you're not trapped in the world as it is today and the world that you grew up in and formed your career."

THE CAPABILITY QUESTION

Victoria Crone agrees the board needs to lead the charge in the digital age.

"The pervasiveness of digital innovation and technology into our business is so strong," Crone says.

"If you want to respond and actually be proactive to the change that is happening you have to seek the capability out. You need to do that at a board level, you need to do that at an executive level and then you need it throughout your organisation. A big part of the journey is making sure you have that capability."

Crone is former managing director of Xero and currently holds directorships at Contact Energy, Aura Information Security, and Creative HQ, is a trustee of NZ Hi-Tech Trust and chair of Figure NZ. Crone says it is vital that directors understand the technological change we are experiencing and recognise how it will change society as well as business.

The 2016 IoD Director Sentiment Survey shows only 35% of boards say they have the right skills and experience to lead their organisation's digital future. 28% don't have the right digital capability and 37% are unsure/neutral. Having that capability is really important Crone argues, as "technology is not going away."

"It is going to be a fundamental plank. You look at what is coming in the next two decades with the fourth industrial internet revolution, and that's going to go through our society, our businesses at a speed we haven't seen before.

"What's coming at us in the next decade or two will challenge us in ways we don't even know," Crone says.

Vic Crone

“The more we talk about it the better. Technology is not limited to tech businesses anymore. For example with the Hi-Tech awards, there’s some seriously cool tech innovation in what we would traditionally see as non-core technology businesses.”

Categories for awards illustrate just some of the areas technology is permeating – from medical companies, to agritech businesses and companies looking at technology solutions for the public sector. The convergence of technology and rate of change is transforming the way business is done across industries, not simply the companies producing apps or tech equipment.

Energy companies are part of a traditional industry that is having to adapt to the times. Crone says Contact is taking an organisation-wide approach, transforming the core of its business to embrace technology and digital. That involves working on systems, the culture of the organisation, boosting data analytics capability and, importantly, recognising the impact of technology at a more fundamental level.

Technology and innovation is not just the sphere of marketing, Crone adds.

“You can get some incredible cost advantages, some incredible operational effectiveness by deploying technology deep into your business. You know that an organisation gets it when an organisation talks about it in every aspect of the business.

“It’s not just around the culture and systems; it’s also about how the technology is fundamentally impacting our product and making sure we are trialling things in that space. So we are supporting the roll out of EV* through the electric highway programme, and trialling solar and batteries in terms of potential sources of power that are globally taking off.”

*EV: Electric Vehicles

COURAGE TO THINK DIFFERENTLY

Murray Strong notes that disruption really isn't a new concept, and the limits to being a disruptor have always been "our imagination and our ability and willingness to take a courageous leadership step as a board."

Strong holds governance and advisory roles in both the public and private sector including CERA, the Ministry of Education and the TSB Trust and is actively involved in the Christchurch rebuild as the independent chairman of three of the anchor projects. He is a facilitator for the IoD's Digital Essentials course and has a wealth of knowledge and experience with helping boards.

"Directors of organisations that develop and utilise existing digital technologies and apply business models don't consider themselves to be disruptive, rather that's the label that's applied to them. They do however display some common characteristics. They have little or no fear of admitting they don't know something and set about using an essentially open-source world to find the answers they need quickly."

Those who will be able to adapt and disrupt do so because "they are able to deal with uncertainty and ambiguity by taking risks that demand a flexible approach to planning and execution timeframes," he says.

"The pace of change demands more rapid turnarounds which goes against many traditional approaches to business. They use rapid innovation to inform disruption, they accept failure as a part of strategy and they have courage.

"It is a mind and skill set that is markedly different to what many directors possess." Strong says.

"It is so much a mind set space," Suckling agrees.

"You've got to first be open to it and then be exposed to it and then you've got to start thinking What if? What might be? What could be? You can bring in others to help you think through that, and then you've got to take a risk on that."

That risk taking attitude can be difficult, but Crone adds that this is where the collective skills of board members can really be utilised. Making the choice to disrupt your own business rather than be disrupted takes courage but also careful consideration.

"It's a very informed risk and this is where you need to use the skills of all the board members. It's not usually a once off thing; it's a conversation you are likely to have over a couple of years and between the collective skills of the board, the executive and keeping a very good eye on what is happening in the market – innovation, competition, technology, you tend to know when the right time is.

"Sometimes you go too early or too late and then you thrash that out with the board. It's better to be having that conversation than having your heads in the sand."

Some businesses will be able to adapt much more easily than others. Suckling suggests that existing businesses operating under the traditional model of incrementally driving improvement will find it harder to change.

"It's harder for traditional business to carve out and really think *what is the disruption and where does that investment need to be made?* because that's foreign territory. It's easier to be in a start-up to give a new opportunity a go because you're not constrained by what you currently know."

The questions those in existing businesses need to be asking are around *have we even got the knowledge and if we do, have we thought about how we will resource that and apply that to our business* Suckling says.

"They have a mind-set and a skill-set that is markedly different to what many directors possess"

"The traditional is operating with very different processes than what is required to be agile, to fast fail, to design think. One of the things you will see businesses do is carve out almost a separate group, with a separate budget, who have a different modus operandi, who have a responsibility to be agile, to pilot and develop different stakeholder relationships in a different way to that which the traditional business does."

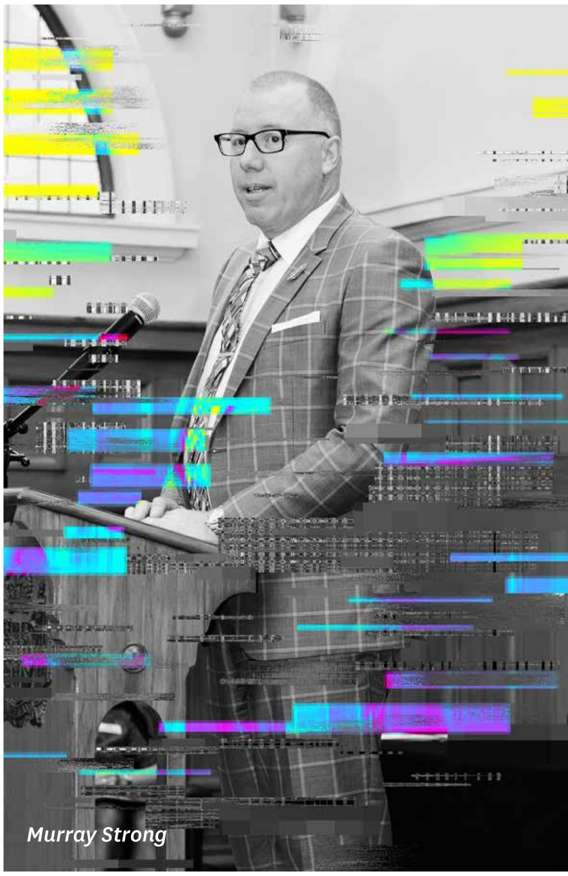
Those businesses that do it well don't consider it a choice Suckling says.

"It's not 'can we do it?' It's as important as the ways you consider the other areas of the business.

"My view is that our existing New Zealand businesses need to really step up on this. There are some that have really got in the new frame, if you look at the likes of ASB and Z Energy, it's totally part of their frame and its starts with the board and goes right through the organisation.

"Our good companies are resourced well enough (if they're in the right mind set) to actually invest and look at new ways and actually lead opportunities rather than be caught out by them.

"The market is really different in a global sense and how people participate, because of our digital connectedness."



Murray Strong

REACHING A CRITICAL MASS

A real challenge for businesses trying to adapt is coming up with new ways of operating, as traditional models become too slow and too expensive.

"You cannot have a forty million dollar investment programme over ten years to have some new services, when you could have a hackathon and have three options up and being tested in a market within eight months for less than a million bucks," Suckling says.

"A 60 or 90 day turnaround on a business case often means the opportunity is lost," Strong adds.

"The real value of converging digital technology is the manner in which it enables organisations to make better and different choices about achieving their strategic goals, and possibly recasting them, not if, but when old processes, products and services become obsolete."

This really does require a whole of business approach, not simply a digital strategy Strong says. A digital strategy almost misses the point and certainly won't have the desired impact.

"A digital strategy won't provide the disruption that many think will eventuate. In and of itself, it is of little or no consequence if it's merely a substitution exercise of digitizing an existing business process – it will only feel digital and probably won't be disruptive.

"Thinking of emerging digital technologies as merely tools that enable an organisation to re-engineer its business model to allow it to make the old way of doing what they did obsolete is a better approach.

"And are boards ready, willing or even able to have these types of discussions? Of course some are, but many are not," he reasons.

"We have got to have this in the rhetoric in New Zealand from the highest level and we've got to have the broad exposure," Suckling says.

As momentum builds in this area we must reach a critical mass of directors and senior leaders who are knowledgeable in this space.

"A number of boards are packing up the whole board and exec and actually going and putting themselves at Stanford, or LA, or in Palo Alto to be exposed and challenged to the cutting edge of exponentially evolving digital developments across multiple disciplines. They are trying to gain an understanding of what is out there, what is happening, what it means. They're also investing in bringing people in this area into their boardroom. If you look at their agendas, their focus in this area is becoming a standard part of their agenda not a look at it every now and again."

Both Suckling and Crone mention that there are good people here in New Zealand who can help boards and executives, for example the Future Tech programme run by Frances Valintine's team. The IoD Digital Essentials course has been revamped to address the key things boards need to be thinking about.

"This is absolutely critical. You've gotta be in it and you've got to get the 'wow' moment. We've got a great big gap in governance leadership in NZ in this area but it is possible to close it. Get on this bus. Directors have a huge impact in this area," Suckling urges.

"It absolutely starts with the board. You cannot have it run by an innovation area in the company. It starts with the board and then secondly you've got to have a senior exec that really get this and understand it, and a Chief Exec who really drives the disruptive opportunities while they continue to deliver current services and incrementally improve those while they've still got life in them."

Crone stresses it's about "making sure you are part of it and you understand it. I do think board members have responsibility to get on the train. It will only get harder and harder to get on.

"The fact that 47% of jobs are going to go should be enough to get boards to start thinking about this stuff; that 93% of breaches of security in terms of cyber-security could have been avoided. These are the stats that need to go in front of boards to ensure they really are thinking about this."

It's an exciting time, Suckling urges, with many opportunities. New Zealand directors need to position their organisations to seize these.

"Once you are in the space, it isn't easy, but one of the things we're very good at in New Zealand, we can be fast, we can look at opportunities.

"The sooner we have this as a common language the more we have the chance to be a disruptor rather than find our businesses are disrupted."

Murray Strong suggests some key questions for directors:

"There are a number of basic questions directors need to be asking in terms of the way the rapid pace of technological change and the opportunities that presents. But directors need to bear in mind that technology is only one element that can affect strategy and that corporate or business strategy trumps any single strategic priority the business might have."

The questions are:

1. Is our current product or service line sustainable and/or under threat from emerging technologies?
2. Is our current human resource capability suitable to recognise and take advantage of future opportunities?
3. How is the technology function integrated with the business strategy?
4. How has the technology function improved business and shareholder value in the past reporting period and how will it do so in the coming year?
5. How has technology enabled us to improve business agility?
6. Does the technology we have allow us to disintermediate our various relationships so we can have more direct relationship with our customers?
7. What is the business capability of the new technologies we are seeing developing at a rapid pace around us?
8. How has the business improved the efficiency and effectiveness of its technology function?
9. What do these converging technologies allow us to do and more importantly what might they allow others to do to us?

These questions of course are equally applicable to other areas of the business and are relevant questions all boards and directors should be asking of their CEO's.

DIRECTOR DEVELOPMENT

8 CPD POINTS

Digital Essentials

What Matters in digital

Gain an understanding of board responsibilities in the digital era, how to determine your organisation's digital maturity, responding to cyber risk and how to make informed decisions about disruptive technologies.

4 April	Auckland
26 July	Auckland
9 August	Wellington

Register now: iod.org.nz or call 0800 846 369

LEADING GOVERNANCE

Institute of Directors

What Matters in digital

Artificial Intelligence: Challenges for corporate governance

Amazon.com CEO Jeff Bezos recently observed that we're at the earliest days of Artificial Intelligence. Speaking about the influence it will have he said: "It's hard to overstate how big of an impact it's going to have on society over the next 20 years".

As a small country shaped by its distance from others, New Zealand has much to gain from Artificial Intelligence. Combined with advances in genetic technology (transforming agribusiness), 3D manufacturing (transforming physical production and our built environment), the Internet of Things and nanotechnology, AI will lessen – and in time – effectively remove the economic and resource constraints of distance and size.

Artificial Intelligence holds the potential to be a major driver of economic growth and social progress, if we work together to support its development while governing its risks.

Artificial Intelligence, together with machine learning and other forms of cognitive technology (here bundled together as "AI"), is proceeding down two paths. Narrow AI addresses specific domains such as for search engines (think 'Hey Siri' or 'OK Google'), self-driving cars (Uber's self-driving cars or Google's Waymo) and strategic games (high frequency trading, AlphaGo or military tactics). Andrew Ng in his recent Harvard Business Review article suggests the following simple rule of thumb, "If a typical person can do a mental task with less than one second of thought, we can probably automate it using AI either now or in the near future." Narrow AI shows us the near path to opportunity as well as the potential for disruption of our organisations and livelihoods.

The far path of AI development is General AI. This seeks an AI system that displays intelligence at least as advanced as a person across the full range of cognitive tasks. The debate is not about if but rather when – and some experts believe this could be as soon as 20 years from now. Given the nature of technology progress, once AI systems are as smart as we are, they will inevitably be smarter, and exponentially so, virtually a few moments later. For the near to mid-term, the practical focus should be on Narrow AI.

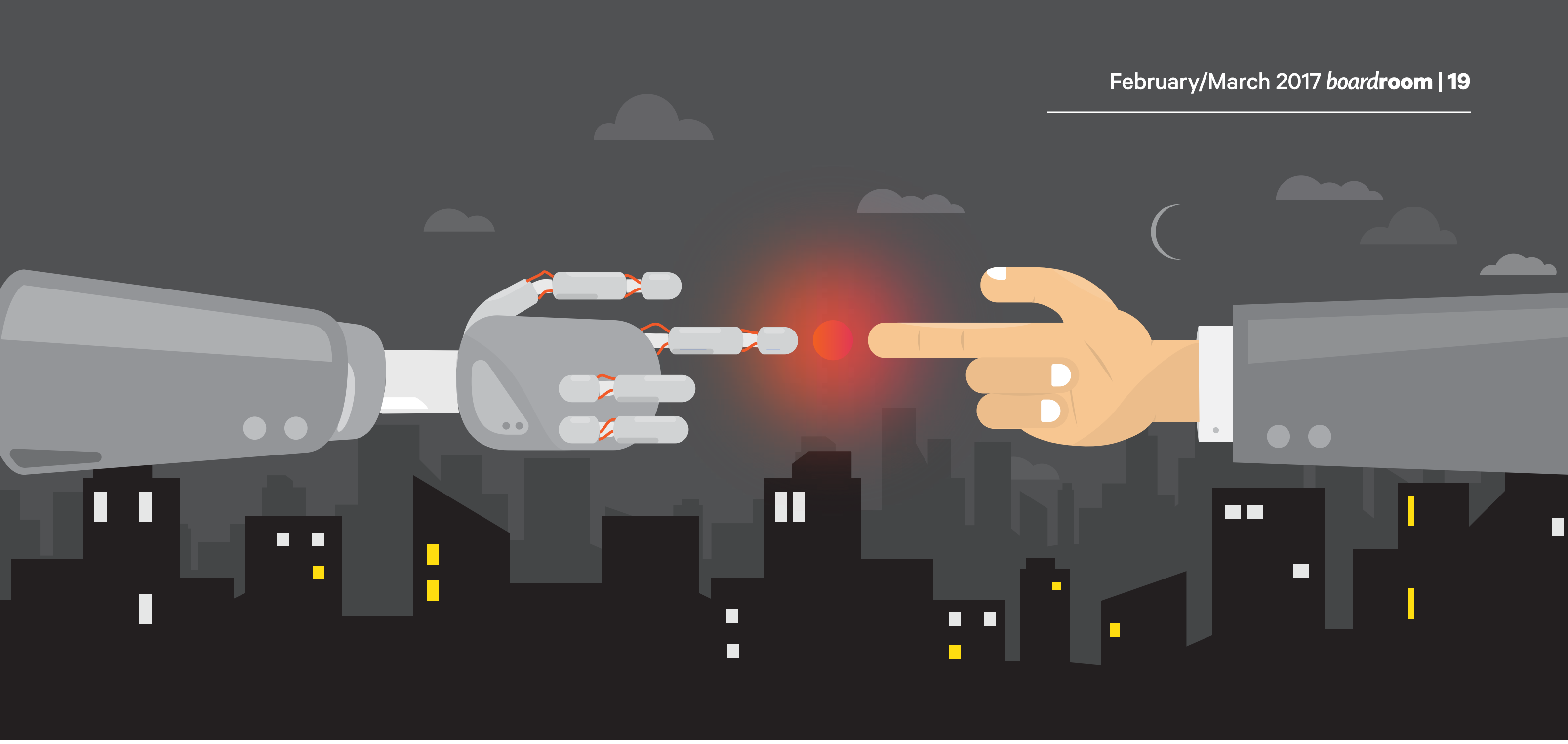
The current leaders in AI research are the global technology giants: Google, Microsoft, Amazon and Facebook. They are all in to develop both narrow and general AI, bringing enormous resources and research focus to bear. The combination of cheap parallel computation, big data and ever-improving algorithms gives them enormous advantages.

For one perspective, consider Kevin Kelly's statement from his book, The Inevitable: "A cloud that serves [out] AI will obey the same law [that holds that the value of a network increases much faster as it grows bigger]. The more people who use an AI, the smarter it gets. The smarter it gets, the more people who use it. The more people who use it, the smarter it gets. As a result, our AI future is likely to be ruled by an oligarchy of two or three large, general-purpose cloud-based commercial intelligences."

We also know that the source of disruption and opportunity can come from unexpected sources. Kevin Kelly again: "There is almost nothing we can think of that cannot be made new, different, or more valuable by infusing it with some extra IQ. In fact, the future business plans of the next 10,000 start-ups are easy to forecast: Take X and add AI."

For industry, the risks and opportunities will speak with increasing urgency, requiring enterprises to experiment and invest so that they stay with if not ahead of current and emerging competitors.

For boards, additional questions must be asked. How is management considering



where AI is or could be applied in or adjacent to your business and industry sector? What experiments could be run to see how AI works in your setting and what you could learn from it? What opportunities are there to partner with others in this area? What are the human resource implications not just for blue and white collar jobs but also for knowledge workers and management? How might embracing AI allow you to leap ahead of your competition?

Accenture's study, The Promise of Artificial Intelligence, concluded that the AI revolution, unlike prior waves of new technology – which have largely disrupted blue collar and service jobs – will affect all levels of white collar and management jobs. AI will end administrative management work, such as scheduling, resource allocation, reporting and time-consuming tasks. AI will augment capabilities, amplifying what can be achieved in virtually every area.

Successful managers will be those who can work alongside cognitive technologies, while successful executives and their boards will be those who demonstrate the vision, commitment and flexibility to ensure that their enterprises are actively engaged in the challenge.

Beyond this, our view is that industry will inevitably be drawn into areas that have traditionally been of less immediate concern. AI and associated technologies will lead to extensive redeployment of personnel. It will also require deeper engagement with other sectors that traditionally may not have been part of an industry's ecosystem, for example with technology companies or players in other industry sectors. A future in which society looks to industry explicitly to take greater responsibility for societal impacts of technological development is not hard to foresee.

The recent Chapman Tripp and Institute of Directors white paper, *Determining our future: Artificial Intelligence*, is a call for action to public and private sector leaders to work together to promote the greater development of AI technologies and to ensure there is a coordinated approach to prepare for the effects AI will have on the New Zealand economy, work, education and welfare.

From a policy perspective, a few questions already well-rehearsed will be familiar. This AI revolution will generate great wealth, but into whose hands will that go? And what dislocation will it cause? Will there be shorter working weeks? Will there be work at all? What happens as we turn machines into workers and what does that leave for humans in terms of earning money and finding value in their life?

AI technology is also likely to generate major ethical, privacy and security concerns. What does privacy mean to New Zealanders in an AI world? What ethical challenges does the widespread use of AI raise? Do we have the right frameworks to protect data and make sure it can be used most effectively?

There are political and ideological issues at the heart of this, but certainly industry, as the originator of much of this development, will find itself deeply involved.

Government has an important role to set the agenda for public conversations about AI. It is the New Zealand way in recent times for regulation to be well-targeted and light-handed. Even so, there will be a role for government to monitor the safety and fairness of AI applications, and to adapt our regulatory framework to support innovation and protect the public. Government can help in the development of a skilled workforce and help avoid adverse economic consequences.

Above all, though, we may be challenged by our more basic human limitations. How do we deal with the tension between the pace of development and the amount of change we as individuals, organisations and society as a whole are able to take?

Bruce McClintock
Partner, Chapman Tripp

CHAPMAN TRIPP

What Matters in digital

Board portals – Moving to a paperless boardroom

WHAT ARE BOARD PORTALS?

Many large corporate boards have been using online board papers and board portals for years.

Board portals are a digital governance tool primarily for directors. Portals allow board, committee and governance documents to be accessed digitally (eg board agenda, papers, minutes and policies). Other board portal features can include annual board plans, calendar management and meeting scheduling, email and discussion tools, news and updates, and board survey and voting tools.

GOING DIGITAL?

For some time, the cost of board portals and the human resources needed to manage them were a barrier for boards of small and medium enterprises and not-for-profits in adopting the technology. However, there are now options tailored for boards of all types of organisations. Some examples of board portal providers include BoardPro, Diligent, Stellar Library and Thomsen Reuters.

As boards deal with digital disruption and transformation in their organisations, they should also be asking whether a board portal is suitable for their boardroom.

BENEFITS

Convenience and access: A key benefit of portals is having all board information in one place. Directors no longer have to carry around large board packs or other information. And they can access board material remotely, for example, when they are travelling overseas.

Efficiency and savings: Board packs can take considerable time to prepare and send to directors. Portals reduce the preparation time and, unlike with hardcopies, distribution is instantaneous and environmentally friendly, and saves on printing and courier costs.

Control and security: Board portals control who can access information, for example, restricting certain information to directors and not executives. Board portals also have various security functions to protect information from being stolen or compromised. It is important that good online protocols and company policies (eg concerning IT security) are followed.

TIPS FOR GOING DIGITAL

Due diligence: It is essential to undertake appropriate due diligence in selecting the right board portal provider and software. It is helpful to involve your organisation's IT department in this process. Ensure user support and training is provided so directors can make full and effective use of the board portal.

Managing information: Directors are required to take into account all information they receive in carrying out their duties. In receiving information in a digital environment there is potential for directors to be exposed to greater amounts of information (e.g through the use of hyperlinks in documents). Care needs to be taken so they are not unduly burdened or put at risk of breaching their duties.

BE AWARE

Annotations: Like with hardcopy board documents, directors can annotate and highlight online documents when they are reviewing them and in board meetings. Notes and annotations on online documents can be discoverable in litigation. Accordingly, care should be taken here and directors should manage what happens to these documents.

Audit trail: It is possible to track who has logged into a board portal, what documents have been viewed and for how long. This information may be used in investigations and litigation and directors should be aware of this.

Get your head around health & safety governance with Safe365

It's new. It's disruptive. It's empowering entities of all sizes and industries to understand and enhance organisational health & safety. Safe365 is a cloud based product that is quickly becoming the secret weapon for many businesses wanting to ensure their people go home safely each day, that directors meet their individual due diligence requirements and the entity achieves legal compliance.

> *"Health and safety dialogue around the board table must be robust and rigorous. What I saw in Safe365 was a product that provided us with a common definition, a common template for managing health and safety on an ongoing and dynamic basis. It's excellent value for money. Without hesitation, I'd recommend Safe365 to any business"*
> – **Simon Whyte,**
> **Chairman Lion Foundation**

Co-founder Nathan Hight (CPRM) said that in developing the product, Safe365 engaged with well over 100 corporate and SME businesses. "What we found was that many owners and directors didn't know where to start and what to do when it came to health and safety. For others who had already started their health and safety journey, they needed a solution that would equip them with the pathway and support they needed to improve. While engaging external consultants was useful, this approach alone generally didn't achieve the lasting capability, governance, culture and behaviour outcomes needed to reflect a healthy and safe working environment for the long term".

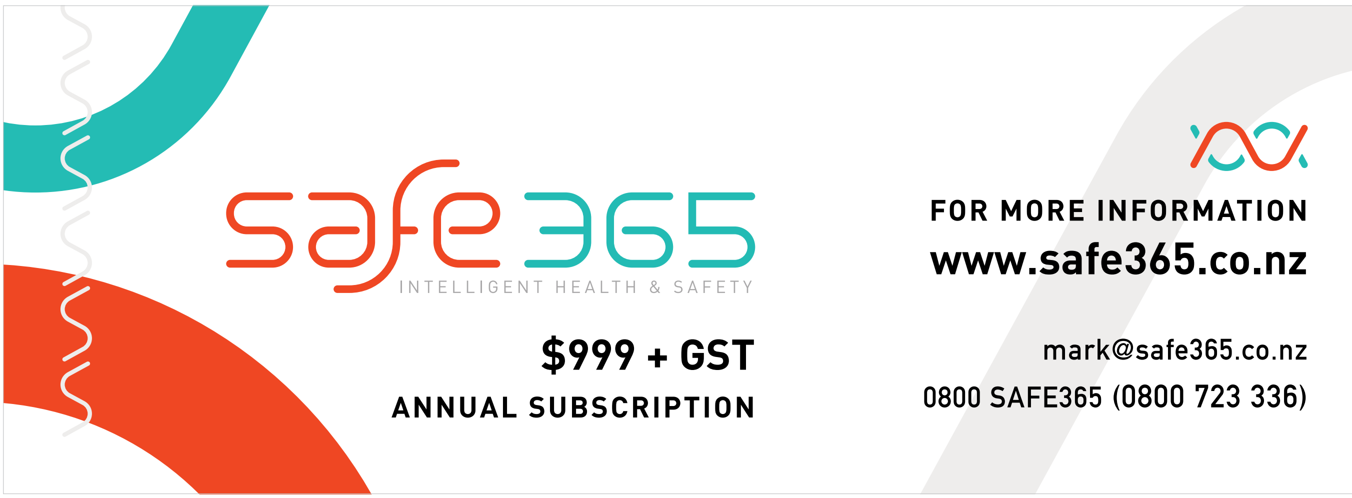
As a result, Safe365 was developed and launched in September 2016. Safe365 provides the business with its own online health and safety portal to measure its health and safety status, systems and culture. A user friendly dashboard provides insights into the business's overall health and safety capability and cleverly matches identified gaps with solutions so the business can implement health and safety initiatives as it suits them and measure improvements in capability over time. Safe365 produces a board oriented report which provides directors with quantitative and qualitative insights about where the business is at, what it needs to do to improve and how to do it through Safe365's clever arsenal of solutions.

HIGHLIGHTS OF SAFE365

1. Monitors progress via the Safe365 dashboard and downloadable board reports which are aligned to HSWA2015 and officer due diligence duties – excellent fuel for the boardroom discussion.
2. Enables a simple, easy, measurable pathway towards legal compliance – increases internal assurance.
3. Creates a common language and alignment on health and safety within the business – gets everyone on the same page.
4. Provides directors and executives with a status report on the business's health and safety capability and culture and areas for improvement – supports and enables quality decision making.
5. Transparently identifies and addresses gaps and weaknesses in the business's health and safety capability – enables prioritised continuous improvement over time.
6. Builds workforce capability and culture with a strong focus on continuous improvement and workforce engagement – equip your people with the knowledge they need to drive health and safety.

As part of the annual or monthly online subscription, Safe365 provides clients with a training and induction session and ongoing online and free-phone support.

Safe365 – its intelligent health and safety software, for business.



[CYBER SECURITY]

WHAT DIRECTORS NEED TO KNOW [AND DO]

Cyber security is a pervasive issue which confronts every organisation across every industry, regardless of size. From the private sector to the public, from large listed companies to small one man bands, cyber security is an ever-present concern

But what do directors need to know about information security? And perhaps even more importantly, what should directors be doing about it?

An Interview with Paul W. Poteete, Aura Information Security

1. Acknowledge that the risk is real

The transversal nature of computer systems means nearly every company depends on them. In turn, that means almost every company is a target for hackers due to their complexity and – more often than not – poor design. The simple fact that compromising information systems has developed such powerful motivators within the dark shadows of the web is equally disconcerting. Hackers seek quick and easy profits, revenge, military objectives, activism, and even corporate competitive advantage.

While there isn't any shortage of headlines when the big breaches occur, most breaches happen quietly, far from the media spotlight. Many of the companies which are targeted in New Zealand are small organisations you have probably never even heard of; however, this doesn't deter hackers.

A breach can have dire consequences, including regulatory investigations, loss of intellectual property and financial risk from fraudulent transactions. The greatest risk could be reputational. It is for all these reasons that cyber security has become a boardroom issue.

2. Accept responsibility for information security

What should be clear is that directors should accept responsibility for information security. Less clear, perhaps, is precisely how. That's because approaches will differ, with dependencies including industry type and risk tolerance. There are further nuances, too: the whole board could take collective responsibility, or a committee – or even individual directors – could be tasked with information security.

However, a commonality is that whichever structure is considered appropriate, the full board must continue to exercise its core oversight responsibilities, viewing cyber security as an enterprise risk issue rather than in the narrow terms of 'just another IT problem'. Given its pervasive, constantly shifting nature, cyber security should be a recurring item on the board agenda and with management.

4. Assess current practices – and anticipate a breach

Information security is a boardroom issue, but it is also an issue on which every single person in the company can have a positive or negative effect. As a consequence, the cyber security practices which are in place throughout the business must be considered from a board perspective. This includes a range of considerations, such as management's understanding of cyber security relative to the business, whether or not appropriate controls are in place, and if sufficient resources are allocated to information security.

Perhaps most importantly in terms of preparedness, the board should ensure that there is an appropriate response system, policies and processes in place.

Independent advice can be the best method through which the board can gain assurance of an appropriate information security posture.

Part of assessing readiness is to plan and rehearse what will happen in the event of a breach. When it does happen, it is likely to be a trying time; when the various layers within the business know what to do and what is expected of them, the ability to deal with and recover from an information security breach is greatly enhanced.

3. Understand your company's risk profile

Cyber security breaches present multiple problems should they eventuate. For regulated industries, it may be legally required to notify customers, while some companies may be subject to international laws which require disclosure and remediation. Company assets should be analysed and prioritised for protection and recovery; trade-offs between security and risk may have to be struck and it is best for directors to understand, discuss and structure the company accordingly. Third party risk must be considered, such as that posed by outsourced providers and partners.

While assessing risk, it is also an ideal time to consider cyber insurance and, if a policy is in place, to understand just what is and isn't covered.

Again, information security is a moving target, so it isn't something the board can consider once and then move on from. It must be a recurring fixture on the agenda.

5. Know the cost (and the value)

Finally, directors need to know that information security comes at a cost. Determining what that cost should be is no mean feat. While market intelligence firm Gartner found that the 'correct' range of spend on cybersecurity should be somewhere between 1 percent and 7 percent of the total IT budget, it also pointed out that the number of dollars put into information security is no measure of how secure that organisation will be – or actually is.

Proper information security management cannot be measured by the overt costs of software, appliances, and external services, but by the comprehensive effectiveness of the programme itself. In the absence of knowledgeable security leadership, no amount of spending will solve an organisation's security shortcomings.

aura INFORMATION SECURITY
POWERED BY KORDIA

Paul W. Poteete
CISSP, CISM, CGEIT, CRISC, ACE, VCP
Principal Consultant / Cyber Evangelist

What Matters in digital

Responsive & responsible leadership

To thrive in an exponential world, the courage to change will be essential. Future success will be more about adaptability, rapid change in direction, collaboration and the ability to adjust to customer driven expectations.

Steven A. Graham,
Director – Digital Strategy Lead,
KPMG New Zealand

In the exponential era, The Fourth Industrial Revolution, business leaders are quickly realising that if they don't disrupt themselves they will be disrupted. You've heard this before, haven't you? How many of your decisions are substantiated by rich data? Digitally savvy leaders understand that rich insight driven data and evidence based decision making tools will rule the roost. Worldwide revenues for big data and business analytics (BDA) are expected to grow from $130.1 billion to more than $203 billion in 2020. That's an unprecedented amount of money and expertise focused on data insight. Logically, the more time and resource spent on data insights the more likely we will witness high impact breakthroughs.

KPMG advocates an ongoing cyclical approach - Anticipate, Innovate and Deliver. Leaders must spend more time anticipating the future and harness the courage to shift away from pre-existing strategies and make insight driven decisions that leverage the outcomes of data driven evidence. Once a firm creates plausible future horizons they establish a context in which to develop systemic innovation. Just as organisations utilise traditional customer management and resource planning systems as their core platforms to drive customer centric decisions, introducing other introducing innovation platforms and ideation processes will become critical for sustained success and market relevance.

Delivery lifecycles have changed to be more responsive. Investment lifecycles must also be aligned with the delivery cadence. This era is not for the faint hearted nor the decision procrastinator as speed is the digital currency; "roughly right is better than precisely wrong."

ANTICIPATE – DIGITAL DISRUPTERS AND STRATEGIC FORESIGHT

Many Directors and CEOs are asking, "How do I disrupt my own business before someone else does?" The influx of cross-sector competitors, start-ups and vibrant partner eco-systems has put a premium on agility, while upending traditional business risk assumptions. Collaboration and building networked communities will be key in this new landscape. More companies will position themselves as platforms to attract fresh ideas, talent and capital to power growth. And the traditional model of "make or buy" will increasingly give way to "rent or collaborate," as the cost, speed and risk benefits of working with partners may very well supplant the approach of going it alone.

The 'anticipate' approach is not limited to commercial firms. KPMG is currently working with a large New Zealand government agency to help develop scenarios to better anticipate the future workforce, new capabilities, new services and the implementation of new technology that will enable a more effective government approach of 'more for less.'

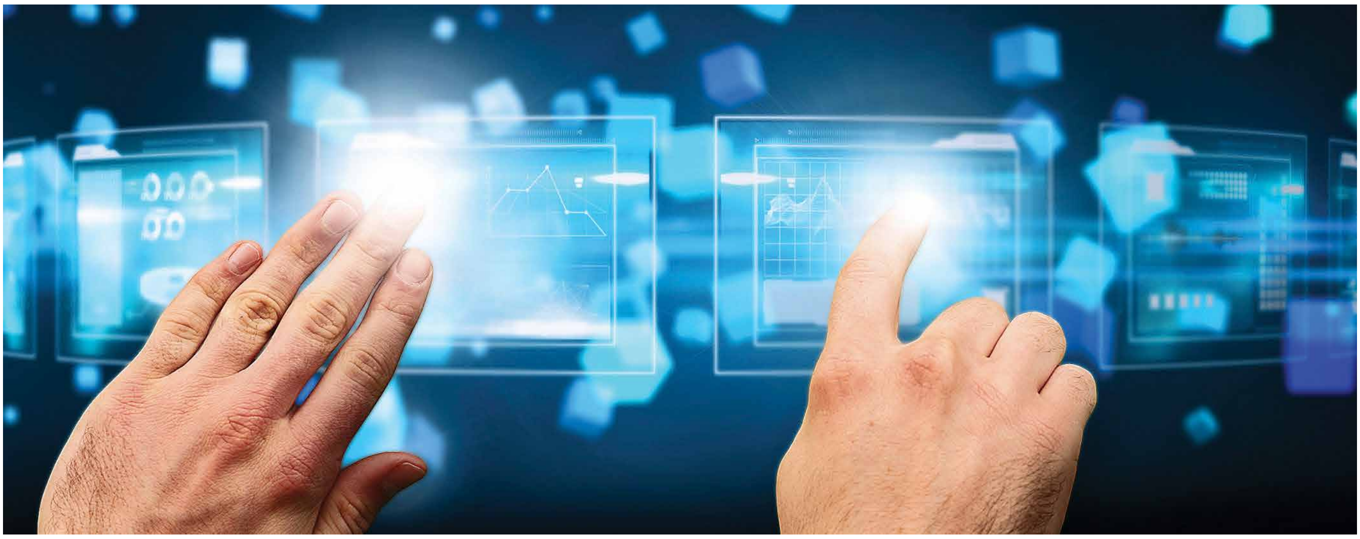
Technology and other market forces are disrupting business models, blurring the lines between industries, and requiring an entirely new way of thinking and developing relevant business strategies. 65% of CEOs are concerned that new entrants will disrupt their business models and more than half of CEOs believe that their company is not disrupting their industry's business models fast enough.[1] Here, the IoD Director Sentiment survey revealed that 47% of directors think their industry will face major disruptive change in the next two years and 33% of boards need to assess their digital capabilities and develop their ability to identify and adapt to disruptive change.

While dependence on insightful digital analytics will continue to expand, a trust gap has emerged as 80% of CEOs surveyed were worried about their data quality.[2] A majority of business leaders we surveyed indicated a lack of trust in the insights they're generating from their analytics. Clearly, business leaders need greater trust in the way they are managing their data, analytics and related controls in order to have confidence in their data-driven decisions.

INNOVATE – DESIGN THINKING FOR THE FUTURE

If 82% of CEOs are concerned their current products and services may not be relevant to customers three years from now then clearly they must make a concerted effort to innovate. Capturing new ideas from internal staff, partners and customers along with interpreting qualitative and quantitative insights from the market will be critical. Design thinking, 'human centred design' allows business teams to put the client at the centre and empathetically design, ideate, prototype and test solutions.

[1,2] Now or Never, 2016 Global CEO Outlook, KPMG International



KPMG recently worked with a large telecommunications provider to design services based on how the end user would ideally navigate a digital interface to more effectively obtain the service. Starting with a blank canvas, participants developed an engagement process that included compressed steps, real-time communication updates and increased satisfaction. Challenges remained, due to limitations of the back-end system and pre-existing governance models, but when the voice-of-the-customer appeals for an approach the platform for change is established.

Customer loyalty is the top concern voiced by 88% of CEOs in KPMG's Global CEO Outlook. CEOs are in a battle for profitable growth. They know that growth will come in large part from keeping and increasing the value of their existing customers and winning new customers. They also understand that the economics of keeping a customer is more favourable compared to the cost of acquiring a new customer or a win-back programme. Just having the right product or service, or even the lowest price, is not enough — customer experience will be a compelling basis of differentiation. Knowing and understanding the voice-of-the-customer is only half the equation. You also need to understand the economics of the customer, how to create value, and deliver the customer experience profitably in the context of the competitive environment. We use a process we call "customer journey economics." Aptly put "Value comes from seeing what customers need and delivering it. Digital disruptors will do all of this at lower cost, with faster development times, and with greater impact on the customer experience than anything that came before." [3]

DELIVER – OUR PURPOSE AND OUR PEOPLE

Faced with significant transformation plans and rapidly advancing technology, 99% of CEOs report taking action to develop existing or future talent. In line with these findings, over 50% report skills gaps in key business functions. This will likely create challenges for the 96% of CEOs who plan to increase their headcount over the next three years.[4]

KPMG has been working with a large medical equipment distributor to help the firm understand where some of the gaps are emerging for their future delivery model. They quickly discovered that to remain competitive they must innovate and incorporate solutions that leverage artificial intelligence and advanced analytics. Mindful that the potential disruption is a few years away they recognise the need to develop the capability in the Big Data Analytics (BDA) space and start building capacity today.

There is a need to ensure employees are culturally aligned, so that when an organisation needs to change, adapt and shift, they can do it rapidly and collectively. This is no easy exercise, considering that many New Zealand employee feedback surveys indicate that only 20 percent of staff are engaged, 60 percent ambivalent and 20 percent disengaged. To attempt to drive new digitally driven operating models, successful adoption of digital tools and processes will rely on a culture of transparency, openness, and collaboration. These values underpin the engaged workforce of the future.

The concepts of strategic foresight, systemic innovation, digital transformation, cultural change and design thinking are essential ingredients for the future of organisations. Foresight thinking provides a well-proven approach to determine future horizons, establish a picture for the future and create a context in which to innovate. A culture of collaboration and transparency will break silos, empower the point of view of frontline staff and eliminate duplication of effort. In the 20th Century linear world it was much easier to play catch up, in the exponential world of the 21st Century, 'hockey stick' like inflection points inhibit the ability to rapidly respond. If your company has not yet started this journey, 2017 most certainly should be your year of change.

KPMG

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[3] James McQuivey, Digital Disruption: Unleashing the Next Wave of Innovation, 2016.
[4] Now or Never, 2016 Global CEO Outlook, KPMG International

Meet the 2016 Emerging and Aspiring Director award winners

The 2016 Emerging and Aspiring Director award winners come from diverse backgrounds and sectors but share a common desire to grow their governance knowledge and skills. Winners each receive mentoring from an experienced director, between $1500 and $4000 for professional development, and a one-year membership with the Institute of Directors.

This is also the first time an award has been given to an emerging director dealing with a disability. Launched by the Waikato Branch, the winner will get the opportunity to observe on the Enrich+ board for a year as part of the winners package.

RICHARD BARKER – OTAGO SOUTHLAND

Statistics Professor and IoD Chartered Member Richard Barker says no amount of training is enough and is seeking more opportunities to learn. Richard was first appointed to a board in 2008 when he joined Hopkins Farming Group Ltd, later becoming Chair in May 2012. He also sits on the boards of Dinsdale Ltd, as chair and Oritain Global Ltd as a director.

RACHEL HOPKINS – AUCKLAND

Part of the Leadership Team at industry training organisation Competenz, Rachel Hopkins is committed to bringing the customer voice to the board table and interested in the role of governance to drive innovation and cultural change rather than ticking the boxes.

JASON MCDONALD AND MELANIE TEMPLETON – WELLINGTON

Jason McDonald is head of sales and marketing at Meridian Energy and sees this award as an opportunity to broaden his perspectives. Melanie Templeton is a commercial director for Regen NZ Ltd who says through mentoring and advice she realised governance gave her an opportunity to help companies grow and flourish.

WAIKATO EMERGING DIRECTOR DISABILITY SECTOR

Maree Haddon is a Chartered Accountant and Deputy Chair of the McKenzie Centre Charitable Trust. A mother of two boys with special needs, Maree will observe on the Enrich+ board as part of this award. Enrich+ Deputy Chair Simon Lockwood explains the board looks forward to Maree's contribution as someone who understands the challenges faced by the disability sector.

ANUSHIYA PONNIAH – BAY OF PLENTY

Strategic Manager Consultant with PLG Consultancy Services, Anushiya Ponniah says the Emerging Director Award is a great opportunity to have supported learning through mentorship, board placement, education and connection to IoD's corporate intellect.

HELEN SHORTHOUSE – CANTERBURY

Canterbury Development Corporation Sector Leader – Technology, Helen Shorthouse has a desire to benefit from exposure to thinking from a completely different organisational perspective. The internship is a great opportunity to see best practice in place.

MIKE BROWN – NELSON MARLBOROUGH

A New Zealand Trade and Enterprise Customer manager responsible for supporting business at the top of the South Island grow; Richmond's Mike Brown was recognised as an aspiring talent in governance. Mike's great interest is working with people and developing strategies for growth that benefit all.

ALISON SHANKS – WAIKATO

Alison Shanks is a former professional cyclist, double world champion, Olympian and Commonwealth gold medallist. Alison brings a deep and diverse skillset and recognises good governance as the foundation of great organisations, and has a real drive to grow her capability as a director.

FIND
THE RIGHT
LEADER

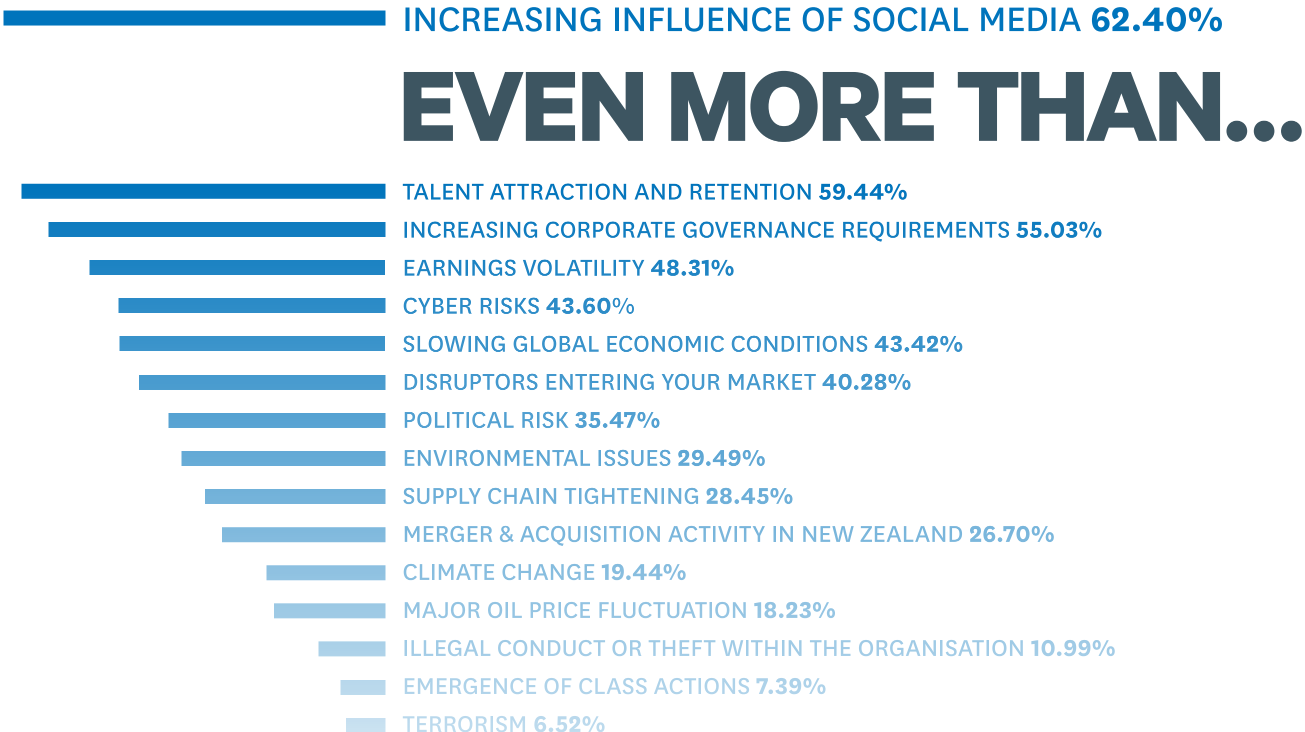
HOBSON
LEAVY
EXECUTIVE
SEARCH

We believe for every position there's the perfect individual somewhere in the world – and we'll find them. That's because we've got a dedicated team just for your search.

STEPHEN LEAVY | PARTNER
BA/LLB (Hons)
leavy@hobsonleavy.com

CARRIE HOBSON | PARTNER
BCom (Hons)
hobson@hobsonleavy.com

REPUTATION MATTERS.



Following a year in which we witnessed escalating global social and political instability, increased terrorism events, and several high-profile cyber-attacks, it is no surprise that nearly two thirds of directors responding to the annual Marsh Directors' Survey of Risk survey believe that 2017 will be riskier than last year.

What is surprising is that the 62% of the 415 IoD members who responded, felt that social media influence was the emerging risk most likely to affect their business in 2017, relegating cyber risk to fifth equal. To be fair, the survey has been updated to include more options that reflect the rapidly changing nature of business challenges but talent attraction and retention, increasing corporate governance requirements and earnings volatility were seen as more likely than a cyber event.

It is relevant to note that the survey was conducted prior to former prime minister, John Key's resignation announcement and the Kaikoura earthquake. Responses also overlapped with the US election result with 50% received prior to that outcome being confirmed. It is likely this figure would be even higher if we conducted the same survey today.

MARSH

Against this backdrop, debate continues around what directors' responsibility for risk oversight should be. One very positive finding from this year's survey is that the majority of boards spent more time on risk management in 2016 than last year, although the driving force behind this change may be questioned, since it comes off the back of a sea change in the health and safety responsibilities of company directors.

Ironically, around 41% of directors indicated their company had little or no formal risk management framework in place, or that a framework is only now being established. Today's uncertain situation serves to emphasise the importance of having a robust and proactive risk management framework in place to identify and mitigate risks and to seize any opportunities they may present.

SOCIAL MEDIA INFLUENCE THE MOST LIKELY RISK FOR NZ BUSINESSES

Today, almost all large and medium-sized organisations have a presence on social media, which can offer significant benefits when used correctly. However, social media also presents brand and reputational risks for those companies that misuse or neglect their social media capabilities, as well as providing ways for cybercriminals to perpetrate a range of rapidly evolving cybercrimes. Social media can have substantial immediate negative impact on organisations even where no fault may exist. Tested response and recovery capabilities are therefore critical.

Private companies rate the influence of social media as potentially more damaging than public companies – 72% of private companies regard it as a medium to high risk, compared to 54% for public companies. This may reflect a better understanding and resourcing of social media management from the publicly listed companies.

CYBER STILL TOP OF EXTERNAL RISKS IN TERMS OF POTENTIAL IMPACT

Cyber is now regarded as the risk that would have the greatest impact on respondent organisations' strategic growth, operational efficiency, and legal/contractual compliance.

This is despite directors' rating the likelihood of a cyber event happening to their business in 2017 as 5th equal. With a 25% jump in the number of data loss incidents in New Zealand from July 2015 to June 2016 and a worrying 47% increase in the value of those losses this is somewhat surprising.

Cyber risk has been on many companies' agendas for some time, which has naturally led to increased awareness and activity to minimise and manage the potential risk. This result may therefore indicate an increased level of confidence on the part of organisations in their ability to protect themselves against cyber attack, and an understanding that when these attacks are successful, they are major events. On the other hand, it may be that many of them are unaware of the frequency of breach events within their firms, or that they are particularly fortunate when benchmarked against their global peers.

Either way, just over two thirds (68%) of respondents' organisations indicate that they have an effective risk management framework in place to manage cyber risk. This suggests that there is still work to do to improve the identification and assessment of cyber risks in nearly one third of organisations.

LESS CONCERN FOR INTERNAL RISKS

Respondents believe IT disruption to be the internal risk with the greatest potential to impact their organisation, with 75% considering it to be a high or medium risk. Inadequate succession planning and an inability to attract and retain talent– which are often combined in internal risk registers – came third and fourth, respectively. It appears that many organisations are still struggling to have in place strong formal risk frameworks for the people related risks.

When comparing internal and external risks, it is apparent that businesses are more concerned about the impact of external risks. This may be explained by the fact a greater percentage of organisations have frameworks in place to deal with internal risks, perhaps revealing that businesses feel they are more in control of, and better equipped to manage, internal as opposed to external risks.

Marcus Pearson, Country Head, Marsh

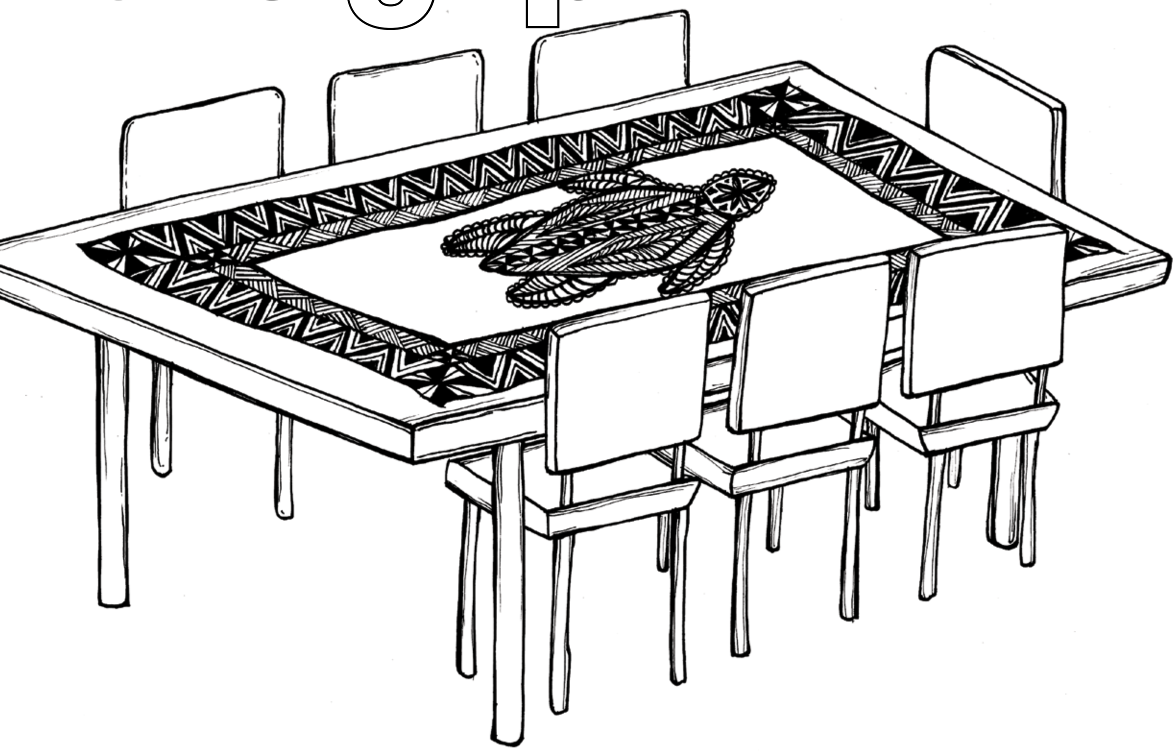
IS THE LACK OF A PROACTIVE RISK MANAGEMENT STRATEGY THE BIGGEST RISK?

Where there is risk there is also opportunity. Today's uncertain situation reinforces the importance of having a robust and proactive risk management framework in place to identify and mitigate risks but also to recognise and seize any opportunities they may present.

The lack of an effective enterprise-wide risk management strategy may be the biggest risk faced by some New Zealand companies. While the existence of a risk register may tick the boxes from a board perspective, if the risk management framework fails to identify new and emerging risk issues including poor or slow information flow to management (leading to bad decisions), poor systems or resources, or staff retention and morale issues, then things can unravel in very short order exposing directors to potential loss.

SURVEY PARTICIPANTS:
The Directors' Risk Survey Report 2016, was undertaken in partnership with the Institute of Directors (IoD). The survey, conducted in late 2016, was completed by 415 IoD members from government, public, private, and non-for-profit companies, as well as partnerships and industry associations, giving a wide range of insights and perspectives. There was a good cross-section of responses from right across the country.

Bridging the gap



Dr Nailasikau Halatuituia is the first Tongan-based IoD member to become a Chartered Member. He wants to encourage his fellow directors in the Pacific to take on professional development opportunities, particularly by attending the Company Directors' Course and taking on the Chartered Member Assessment.

Dr Halatuituia's career began with a desire to make an impact in Tonga. Halatuituia attended his final year of high school at Auckland Grammar (the option wasn't available at Tonga High School at the time) and later attended Massey University completing a Bachelor of Science, Diploma in Development Studies and a Masters of Philosophy.

"Some people ask me why I switched from science to development studies; it was almost by accident. I was walking through campus and somebody said 'Mālō e lelei'. I looked around and didn't see anybody from Tonga, and then I heard it again. It was Crosbie Walsh."

Walsh had established the Centre of Development Studies at Massey University and taught in Tonga in the sixties. He convinced Halatuituia that to make an impact back in Tonga development studies was the way to go. The change in direction led to work in urban planning (Ministry of Lands) on return to Tonga before Halatuituia secured placement at the University of Sydney to undertake PhD studies.

Halatuituia took on the head role at Ministry of Lands in Tonga upon completing his PhD, and later started a consultancy business using his expertise in development and natural resources. An opportunity to step into governance came when the Tongan government started to reform the governance of State-Owned Enterprises. The reforms reduced the number of boards responsible for the SOEs and implemented an appointment process for selecting directors. Changes came into action from 2015.

Having successfully applied for a position, Halatuituia now sits on the board responsible for Tonga Power Limited, Tonga Water Board and Waste Authority Limited. While the government is still working through the legal process to combine the SOEs, Halatuituia and his board colleagues all sit across the three companies.

"Right now we have one board working on three different companies, so we have to wear different hats. That's a challenge."

"When you sit on Tonga Power it is that company first and foremost but when you switch to another board, for example Tonga Water Board, you have to think about that board first and foremost. Especially when there is a link between them you have to decide based on where you sit not based on whether you have a preference. You have to wear those different hats and be conscious of it and be professional about it."

In late November 2016 the Common Utility Board, comprising Tonga Power Limited, Tonga Water Board, Waste Authority,

Dr Nailasikau Halatuituia

presented a record dividend to the Government. Radio & TV Tonga reported the dividend portrays the positive outcome of having one common Utility Board. For the directors involved there is more to it than profit, Halatuituia says. It reflects a board that functions well.

In a small community like Tonga there is keen awareness of how decisions made in the boardroom impact on the community.

"We understand that it is not about making the company profitable – we have a social obligation to make sure that all of these services are efficient and accessible for our people. Water and power are very important for people and for the economy."

Certainly the divide between boardroom and community is not as wide as it is in larger countries such as New Zealand. The community knows who Halatuituia and his colleagues are and what role they play.

"Every now and then you walk along the street and someone will say hello to you and will raise a concern, you know 'we had a blackout last night, what's going on?' I'm always happy to have a chat and explain or give them a bit of information. Or, in the boardroom you can say 'we'll increase the tariff', but when you walk out there will be people who say 'we can't afford it', so you have to think about it a bit more."

Halatuituia takes his responsibilities to the community seriously and sees professional development and continual learning as part and parcel of being a director. While Tonga and New Zealand have differences, the learning opportunities offered by the IoD have proven valuable Halatuituia says.

"Our board, especially our chairman, has been very accommodating about the professional development of board members and our minister of Public Enterprise also sees the benefit of these things. To develop you need exposure to more. Sometimes in Tonga we see companies in New Zealand that are doing really good work and we sit there and admire them but we don't try to bridge the gap. I think bridging the gap is the way for us. We learn from it and try to implement it in Tonga; of course there are differences in structure and legal frameworks but the principles are the same."

Halatuituia found the Company Director's Course to be a great way to start bridging that gap.

"It definitely was a learning curve and an eye-opener for me. The course and especially going through the Chartered Member Assessment really gave me a better understanding of what a director's role is, how a board operates and how it should be."

"On my board we come from different backgrounds; an accountant, a lawyer, businessman, gender expert, and myself with a science, development, environmental and land background. We all bring different angles and expertise to the boardroom. That's what I've learned – the strength of the board comes from the differences. You get the heated debate but at the end of the day we respect each other and make decisions based on the best interests of the company.

"This kind of course and learning for me really helps. You start to look at yourself, how you perform. You don't just go to the meetings and go through the process. As you can imagine in Tonga, our culture and our societal set up is a bit different from New Zealand. I appreciate that there are some differences in terms of culture and society, the economy; you have to take those challenges into account.

"Engaging as a director and continually improving yourself is an important part of the whole role of being a director in my view. Personally for me, learning is for a lifetime. If I say I know it all then it's time for me to retire," he laughs.

Halatuituia wants to pass this view on to other Pacific Island directors, encouraging them to attend the Company Directors' Course and also take on the Chartered Member Assessment.

"It's a challenge and an opportunity and at the end of the day it's a betterment of you as a director. It's not a weakness to admit you need better training or learning in an area and to go out and get it; to me that's a strength.

"It takes a lot of heart to stand up and say I need a bit of training."

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What Matters in digital

Thou Shalt Not Steal: The Biggest Cyber Risks Are Not What You Might Think

By Paul Adams, Global CEO, EverEdge Global.

Over the last 24 months cyber-security has exploded into public consciousness as organisations from Ashley Madison to the Democratic National Committee have been successfully targeted in cyber-security attacks.

Australasian Directors have become increasingly aware of the major risks associated with cyber-security for ill-prepared organisations. Damage from cyber-crime breaks down into four broad categories:

1. Manipulation of systems to mis-direct funds (theft) e.g. an illegal bank transfer
2. Withholding access to or damaging systems to extort payments (extortion) e.g. ransomware
3. Damage to systems or leaking data with no apparent financial motive (vandalism) e.g. the Sony hack
4. Theft of intangible assets (intellectual property) (espionage) to be used or sold

Boards have started to respond: for example New Zealand now has the highest per capita penetration of cyber-insurance in the developed world. Well-crafted cyber-insurance generally covers (1) and (2) and the direct loss (such as system repair and downtime) associated with (3).

THE DANGER IS ELSEWHERE

This is good news and represents a healthy step up from the previously low level of understanding. However many boards are failing to manage the most catastrophic of all cyber-risks: number (4) intangible asset theft (espionage).

Espionage includes theft of confidential information including algorithms, ingredients and formulas, manufacturing trade secrets and processes, product designs, bills of material, customer, supplier and employee data, pricing information and strategic business and financial information.

The scale of such intangible asset theft is huge: the US Director of National Intelligence estimated that in 2015 alone Chinese interests stole US$460 billion in intellectual property from US companies.

In "Cybersecurity Risk to Knowledge Assets" Kilpatrick Townsend & Stockton and the Ponemon Institute surveyed 600 North American companies about their approach to cyber risks to "knowledge assets". The results were stark:

THEFT IS RAMPANT.

74% reported it is likely that their company failed to detect a loss or theft of knowledge assets.
60% stated it is likely one or more of their company's knowledge assets are now in the hands of a competitor.

Only 31% say their company has a classification system that segments intangible assets based on value or priority.

EXECUTIVES AND BOARDS AREN'T FOCUSED ON THE ISSUE

Over 72% rate the company's approach to the problem as "not effective" and cite lack of in-house expertise (67%) and lack of clear leadership (59%) for this.

59% state a data breach involving knowledge assets would impact a company's ability to continue as a going concern.

53% felt that senior management is more concerned about a data breach involving credit card or customer information rather than the leakage of knowledge assets.

Only 32% say senior management understands the risk caused by unprotected knowledge assets.

69% believe that senior management do not make the protection of knowledge assets a priority.

The board of directors is even worse off: barely 23% say the board is made aware of all breaches involving the loss or theft of knowledge assets

Only 37% indicated that the board asked for assurances that knowledge assets are managed and safeguarded appropriately.

THREE REASONS CYBER THEFT OF INTANGIBLE ASSETS IS CRITICAL

Cyber-theft of intangible assets has the potential to cause catastrophic damage for three reasons:

1. It directly and systematically degrades the long term competitive edge of a company and transfers it to competitors. The victim company has typically expended substantial resources to develop a competitive edge but the thief enjoys the advantage for free (i.e. the victim pays 20% for its advantage, the thief gains 20%, a net 40% shift). Paying a false invoice of $50,000 (cyber damage type 1) is bad but an effective 20% or 40% net shift in margin in a large company can be catastrophic. According to Kilpatrick et al the average direct cost to remediate attacks against knowledge assets was US$5.4 million but nearly 7 out of 10 respondents indicated that the real cost of such attacks is more likely to top US$100 million. 5 in 10 assessed the real cost at more than US$250 million.

2. Over the long term it erodes the incentive to develop new products. Writing in Harvard Business Review Erik Meyersson found that – even prior to the advent of cyber crime – theft of intellectual property by East German companies "was so successful it crowded out R&D" in West Germany. The cyber age makes such theft easier than ever.

3. The damage associated with intangible asset theft is frequently uninsurable for the very reason that it can potentially run for years and have far reaching consequences, making it difficult for an insurance provider to identify the full quantum of damage. Interestingly, cyber-insurance is also unlikely to cover indirect loss associated with a hack such as damage to brand reputation (another form of intellectual property) – again because it is perceived to be difficult (though not impossible) to value the extent of the damage. Kilpatrick's research found only 35% of respondents believed losses from the theft of knowledge assets were covered by their company's insurance.

Given that intangible assets are frequently a company's most valuable assets (would you rather a competitor steals a company car or your customer database?) and now account for on average 87% of all company value, it is essential that directors take the risk of intangible asset theft seriously.

Boards should insist their organisation institutes policies and processes to proactively identify, protect and monitor key knowledge assets such as trade secrets, know how and data. Employee education is likewise essential.

Boards should absolutely consider taking cyber insurance but also need to carefully determine what the policy covers and in particular establish if theft of intangible assets (often the most substantial risk) is included and how quantum of damage is established.

As American science fiction writer Ursula Le Guin wrote "where there's property there's theft" and boards need to act to protect their most valuable property.

Paul Adams is CEO of EverEdge Global, the world's leading intangible asset specialist. Paul has four times been named one of the world's top intellectual property strategists and was the recipient of the Outstanding IP Leader Award 2012.
www.everedgeglobal.com

Governance with Purpose

The Governance with Purpose programme is bringing training to the boards of 108 social sector organisations. The newly created programme was developed by the IoD in partnership with the Ministry of Social Development.

The IoD in partnership with 22 new and seasoned facilitators, worked together to make a difference to some of the most vulnerable members of our society, in locations we have never been before. Recognising the busy, voluntary nature of these providers, three facilitators share why they got involved and why the programme matters.

CATHERINE COONEY

EXPERIENCE: OVER 40 YEARS IN HEALTH SECTOR

KOWHAI HEALTH ASSOCIATES ROTORUA

A registered nurse and midwife with over 40 years' experience in the health sector, Cathy Cooney runs Kowhai Health Associates based in Rotorua, as well as holding a number of governance roles including being Chair of Toi Ohomai Institute of Technology, the West Coast Hospital Redevelopment Partnership Group, interRAI NZ Governance Group, Midlands Health Network Alliance Leadership Team; and Co-Chair of Healthy Families Rotorua. Cathy was the CEO of Lakes DHB from 2001 to 2012.

As a Registered Capability Mentor with MSD, I have been working with NFP organisations in community, health and disability settings for the past few years. My colleagues and I are passionate about supporting organisations to grow and develop both at the operational leadership and the governance levels. When the opportunity arose to become involved as an IoD facilitator to work with the NGO/NFP sector, I was very keen to put my name forward since the IoD is a highly regarded organisation with a strong national reputation.

The quality of the IoD resources which are provided as part of the training, along with the collective depth of knowledge and expertise the IoD brings to the material provided means that the organisations participating in the programme receive a rich learning experience that sets them up well for the future. Being able to present such quality material and to share from my own governance and operational management knowledge and experiences is extremely rewarding work to be involved with at this point in my career.

I want the boards I work with to come away inspired to continue to grow and develop in their governance function and that they see the full potential of the governance role and contribution they make to the success of their organisation. They will have a familiarity and understanding of how they can use the provided resources in their governance roles – both as a collective group and as individuals.

Tone from the top is important. One of the things I encourage boards with is how critical it is that the board inspires their organisation through having a positive outlook and being courageous in their decision making. You have to be resolute for the long haul – set your purpose, vision and strategic direction, be clear as to your values and reflect these in your behaviour, and consistently lead in that way.

It is critically important to communicate in a way that engages people's hearts and minds, to understand the importance of having a shared purpose and the need to be "all on the same page" if a board is to help the CEO/GM lead a high performing team.

MIKE WOOD

EXPERIENCE:
OVER 25 YEARS WORKING WITH NFP'S

DEPUTY CHAIRMAN OF THE WELLINGTON CITY MISSION

Mike Wood has been involved in not-for profit governance for almost three decades, in a variety of faith-based organisations involved in youth work and social work. Mike is currently deputy chairman of the Wellington City Mission, a board member of the Youth Cultures and Community Trust and the Ignite Sport Trust.

Not-for-profit organisations that work to meet the needs of their communities are the glue that holds New Zealand society together. People are often asked to serve on NFP boards because of their involvement in and knowledge of their communities, or because they have a history of working with the organisation. Finding people who have that level of connection and commitment who also have good governance skills is almost always difficult, especially in smaller centres. When I heard that the Governance with Purpose programme had been given the green light, I was immediately interested in being involved.

All the governance issues that not-for-profits commonly face and find challenging are addressed in the programme, such as managing conflicts of interest (which are unavoidable in smaller communities in particular) and complying with new legislation such as the Health and Safety at Work Act. In both those examples, I have been able to extensively draw on my own experience from the boards that I serve on, and I find that the participants are especially keen to hear about "real-life" examples. Often the ways of dealing with governance challenges are quite simple to implement (conflicts of interest registers, for example), but until you hear what other organisations are doing, it can seem quite daunting.

The programme is based on the Four Pillars, but also introduces an Outcomes Capability Planning and Assessment Tool developed by MSD to assist organisations to improve their reporting on funding outcomes – the difference that the funding has made to their communities. This sounds simple in theory, but in practice it is not easy to provide data on social outcomes that may take many years to become apparent and are almost always the result of a number of complementary programmes. Attributing them to a particular organisation or social service is therefore a major challenge.

Starting boards on the journey of outcomes reporting is a positive step in itself, because it forces them to think beyond just their outputs and really engage with the challenge of measuring the difference they are making.

The word "journey" is important – the Governance with Purpose programme is a really effective way of introducing the thinking and practice behind good governance and outcomes reporting, but a one-off programme won't be enough on its own. Raising awareness of the range of other training opportunities that are offered by the IoD is one of the most important aspects of the programme. If we can cement in the idea that finding yourself on a board doesn't mean that you've "arrived", but rather that you are just beginning a new journey of learning, we will have succeeded!

Pania Grey has a public sector background, including seven years with the Office of the Auditor-General. As the sector manager responsible for all of the public entities (approximately 2500) in the education, science, Maori affairs sectors, Pania had the opportunity to observe boards in action from a unique perspective. Pania sits on five boards – two of which are NFPs and one a Crown entity.

At the Auditor-General's Office they're often the ambulance at the bottom of the cliff; when something has gone wrong you're called in. A lot of my more detailed observations of governance happened when governance failure had occurred. It gave a really unique perspective that you just wouldn't get in other roles.

Often the challenges you had when you were a manager and managing personality dynamics are the same in a board setting. You think decisions or the operation of the governing body should be straight forward, but when you get human beings involved and personalities and different values sets and ways of operating, that's where governance can get tricky.

I have a really strong public good ethos and a personal commitment to helping others and giving service, so when I was approached by IoD to deliver this training, it combined a few aspects of my history and who I am really nicely. I have more social sector experience then corporate. Because of the pool of providers accessing this training, there was a strong focus on Māori providers and that's a big part of my background; I've worked in Māori affairs for twenty years. I'm really interested in helping people who want to help themselves; these providers aren't being targeted and required to take the training, they're being offered the training and they're opting in.

An important part of the introduction session of the training is understanding where each person around the board table is at. It's taking that 15 to 20 minutes to read the signals that each member is sending me of where they want to focus. That's been really important because there is so much material to cover.

One of the important aspects for these boards to take away is that some of their current practice does meet the IoD and Four Pillars standards. It's really important to me that they feel that there are some aspects of how they already operate that meet good practice. They don't have to change everything. That's about building self-belief and encouragement to focus on the areas that do need modification.

It's about building a sense of self-worth for the practice that is already going on and a taking away a bite-sized action plan that can be readily implemented and has realistic timeframes around it. The reason it has to be bite-sized is because these board members are busy people with many other commitments. In the sessions that I've run, there have been a large number of action points and if they're not broken down into something that seems achievable, it may be too discouraging to even start making change. An example is agreeing to add in as the last agenda item for every meeting for 2017 a last question 'what value did we add today?' That doesn't take much for someone to add that in as a standing agenda item. However, that small achievable action point could stimulate some important change in governance practice.

PANIA GREY

EXPERIENCE:
20 YEARS WORKING IN MĀORI AFFAIRS AND EDUCATION

KORORĀ CONSULTING

How the NOCLAR provisions can enhance corporate governance

New ethical requirements for responding to non-compliance with laws and regulations (NOCLAR) are around the corner. The NOCLAR provisions set out a first-of-its-kind framework to guide professional accountants on what actions to take in the public interest when they become aware of a potential illegal act committed by a client or employer.

The NOCLAR initiative reminds all professional accountants of their role in protecting the public interest. It adopts a zero tolerance mindset, clarifying that turning a blind eye to potential NOCLAR is not an appropriate response, while emphasising the responsibilities of management and those in governance to address the matter. Under the new framework:

- There is an overarching expectation that professional accountants with senior roles within an entity, for example a CFO, will create a no tolerance "tone at the top", including establishing appropriate policies and procedures to prevent NOCLAR, and a whistleblower facility as a necessary part of good internal governance;
- Other professional accountants are required to escalate suspected NOCLAR to an immediate superior or use established internal whistleblowing mechanisms;
- A professional accountant, regardless of the seniority of their role, cannot just resign if they identify or suspect NOCLAR without the matter being addressed.

The provisions include a clear pathway for disclosure of NOCLAR to appropriate authorities in certain circumstances. The accountancy profession is permitted to set aside the duty of confidentiality in order to disclose NOCLAR to an appropriate authority. However, professional accountants are not expected to have a level of knowledge of laws and regulations that is greater than that which is required for their role.

WHAT IS THE SCOPE OF LAWS AND REGULATIONS COVERED?

The scope of the framework is restricted to laws and regulations that:

- Have a direct effect on the determination of material amounts or disclosures in the entity's financial statements;
- May be fundamental to the entity's business and operations, or to avoid material penalties.
- Matters that are clearly inconsequential, and personal misconduct unrelated to the business activities of the employing organisation are out of scope.

WHICH PROFESSIONAL ACCOUNTANTS ARE IMPACTED?

The responsibilities of every professional accountant are about to change regarding dealing with NOCLAR. Responsibilities will differ depending on whether the professional accountant is:

- In business in a senior-level role, such as a director, officer or senior employee;
- Another professional accountant in business;
- An assurance practitioner; or
- A professional accountant in public practice providing non-assurance services.

WHAT IS REQUIRED OF A SENIOR ACCOUNTANT IN BUSINESS?

1. Raise identified or suspected NOCLAR with a superior or those charged with governance.
2. Understand and comply with applicable laws and regulations, including requirements to report the matter to an appropriate authority.
3. Rectify, remediate or mitigate the consequences and reduce the risk of re-occurrence.
4. Determine whether disclosure to the external auditor is needed.

Further action may include informing management of the parent entity in the case of a group, disclosing the matter to an appropriate authority even if not required by law, or resigning from the employment relationship. The nature of further action needed will depend on there being credible evidence of substantial harm to the entity or its stakeholders, and any law or regulation that may prohibit disclosure of confidential information to an outside party.

WHAT ABOUT OTHER ACCOUNTANTS AND ASSURANCE PRACTITIONERS?

A similar framework applies to other accountants and assurance practitioners, but will differ according to their role, seniority and spheres of influence.

These new requirements are as a result of changes made by the International Ethics Standards Board for Accountants (IESBA) to the international Code of Ethics for Professional Accountants. The New Zealand Auditing and Assurance Standards Board (NZAuASB) has already issued amendments[1] to its ethical requirements that are only applicable to assurance practitioners. The amendments are effective as of 15 July 2017, but early adoption is permitted.

The New Zealand Institute of Chartered Accountants (NZICA), a regulatory body in New Zealand, also has a code of ethics that governs the professional conduct of all New Zealand resident members of Chartered Accountants Australia and New Zealand (CA ANZ), not just assurance practitioners.

The Regulatory Board has issued an Invitation to Comment that proposes conforming amendments to the NZICA Code of Ethics. The closing date for comments is Friday 31 March 2017. This ensures New Zealand's two ethical codes are aligned with each other, and their international counterpart.

Misha Pieters CA(SA) – Senior Project Manager, External Reporting Board

Zowie Murray CA – Senior Policy Adviser, Chartered Accountants Australia and New Zealand

[1] Amendments to Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners – Responding to Non-Compliance with Laws and Regulations

Wellness matters

Dr Tom Mulholland is a roving and raving wellness doctor in his mobile workplace ambulance. He has written two internationally best-selling books on Healthy Thinking, hosted his own TV and radio shows and has a weekly wellbeing column in the Sunday Star times. He provides mobile testing, workplace workshops, keynote presentations and consultancy on wellness measurement and management. tom@drtomonamission.com

Dr Tom Mulholland

"If you measure it you can manage it" read the sign in a cow shed in deep Southland, on a winters day surrounded by deep snow. Much the same applies in the human shed I work in as a doctor in Auckland City hospital emergency department, and I am sure in many of the boardrooms in the country.

So how do you measure wellness? Having spent over 25 years working as a doctor I have measured plenty of illness but over the last decade or so I have become more interested in measuring and improving wellness. From the boardroom to the bedroom, factory to forest and bank to building site, wellness has a direct correlation with productivity and profit.

In my view wellness has three major components we can measure and manage, physical, mental and social. I am sure that we can all think of examples where poor focus on these areas has led to not only increased risk but poor board reports and metrics.

The new health and safety legislation is a good thing as it gives health and wellness more value and credibility. When asked what I do for a job and I reply work part time in an emergency department, the reply often is, that must be great saving people's lives. The reality is that we don't save too many lives, we might extend them for five minutes, five hours, five days or five years but often the irreparable damage has been done long before the lights and sirens arrive.

So a few years ago I decided to hit the road in my retro chevy ambulance to be the ambulance at the top of the cliff and save lives by improving wellness at the workplace and the coalface. It would be fair to say after two circuits of the country that our team potentially have saved more lives and prevented more accidents than I could have being the ambulance at the bottom of the cliff at the hospital.

Undiagnosed diabetics, hypertensives, the mad, sad and anxious, the loss of situational awareness, loneliness and the disengaged and the accidents waiting to happen have been measured and managed with good effect.

Until now wellness in my view has almost been a token gesture, some nutrition, exercises and maybe gym or golf membership if you are well up the ladder. But what is the return on investment? If you don't measure it you can't manage it and see if you are getting any bang for your buck.

With many companies and providers still using paper based records and minimal reporting and benchmarking, it's not surprising health has become the poor cousin to safety.

DR. TOM ON A MISSION
DRTOMONAMISSION.COM

Dr Tom Mulholland and KYND Wellness

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In terms of mental health our research shows that 42% of the time the average kiwi worker feels frustrated, 30% of workers have sleep problems, and stress sits at 33%.

Physical health, 28% of people are prediabetic or diabetic (in a sample of 1000 workers). Forestry workers (I was one before going to med school) have high smoking, blood pressure, diabetes and stress levels. It's no wonder the accident rate is so high. HEALTH IS SAFETY. Would you want to be working next to someone hanging out for a smoke, irritable, diabetic with visual problems in your workplace or on the road?

How many of your staff smoke, have blood pressure, anxiety, sleep, fatigue, addiction, depression, marriage problems? Your HR manager may have a good idea as they spend at least 50% of their time listening to people's problems and your new wellness manager may want to know, if you have one.

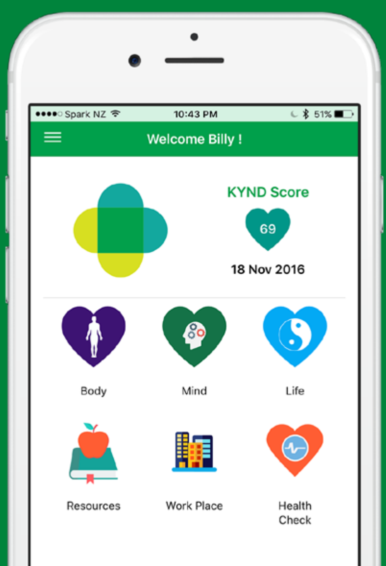
Beware of those offering wellness programs without wanting to measure it before managing it. There are a number of increasingly sophisticated tools and apps that have the ability to measure and manage wellness.

How much are you willing to invest in your budget on health and wellness and how will you measure the return on investment? Recently I consulted with a company spending more than six figures on health and wellbeing. They had no formal reporting, benchmarking or digital analysis. It was all paper based records with a third party provider. Another client uses excel spreadsheets, it takes longer to enter the data than it does to visit the workplace and test all the staff.

What is your own personal wellness strategy? What will keep you and your family out of hospital and enjoy the hard work you have put in? What are your physical, mental and social health numbers? Do they stack up and how do they compare with others?

What is your company's wellness strategy, what are you measuring, what are you managing, what is your budget and what is the ROI? Until you measure it you can't manage it. The time has come to do health and wellness properly with a clear strategy, budget and metrics both personally and professionally. It may save your or someone's life.

Dr Tom Mulholland



- **Workplace Consultancy**
- **Mobile Health and wellness testing, reporting and data management**
- **Stress and Healthy Thinking workshops**
- **Keynote wellness staff presentations**
- **KYND (Know your numbers digital) mobile wellbeing apps and corporate reporting**
- **Community events**
- **Solutions, not problems**

Registrar of Companies Q & A – quarter one 2017

NEW ZEALAND COMPANIES OFFICE

In this update the Registrar of Companies, who is also the Registrar of Personal Property Securities, Mandy McDonald, looks at what's in store for the Personal Property Securities Register, provides an update on director prohibitions and disqualified directors, and announces her retirement.

Mandy, the Personal Property Securities Register is over 14 years old, how has the Register contributed to the economy over its lifespan?

The Personal Property Securities Register is an important part of the New Zealand economy with over 2 million active financing statement registrations of security interests over personal property. This includes motor vehicles, money, goods, livestock, investment securities and documents of title, essentially any property someone can own other than real estate and large ships.

The Register and the Personal Property Securities Act 1999 help to regulate financial risk, access to credit and consumer protection. There have been 2.8 million searches on security interests on the Register in the past 12 months. By searching the Register, people and businesses are able to protect their financial interests, reduce investment risk and make more informed financial decisions.

Consumers are able to check whether they're buying personal property with existing finance owing, particularly in relation to highly mobile property like motor vehicles. Creditors who register a security interest get priority over that personal property, which means that, if a debtor defaults, the creditor may have a better chance of recovering property or money they're owed. The Register is also important when deciding whether to lend money or lease equipment as searching the Register can show whether the debtor has other security interests registered against them or over the property they are proposing to use as collateral.

What do you have planned for the future for this significant register?

The Register is over 14 years old and we are undertaking a technology refresh to mitigate the risks and costs associated with ageing technology. Given the successful operation of the Register in the New Zealand jurisdiction, the Personal Property Securities Act 1999, regulations and core functionality will fundamentally remain the same. The main changes in the new Register will be the recognition of the New Zealand Business Number and an improved user experience.

How does the Register contribute to New Zealand's reputation internationally?

New Zealand's Personal Property Securities Act 1999 and the associated Register are well respected internationally. We are leaders in modern securities registration and consistently rank highly among the best jurisdictions in the world. The 2017 World Bank Ease of Doing Business rankings placed New Zealand first in the world for getting credit. The Personal Property Securities Register directly supported this rank through successful 'strength of legal rights' and 'depth of credit information' indexes. This contributed to New Zealand being ranked first in the world for ease of doing business.

How do you manage director prohibitions and disqualified directors?

I believe that businesses that understand the law are more likely to comply with it. An important aspect of the work we do is helping directors and companies understand the laws that apply to them and what their obligations are. While the vast majority of directors are compliant, there are instances where we must prohibit someone from being a director.

In brief, those who do not qualify to be a director include (sections 151 and 382 – 385 of the Companies Act 1993):

- those under 18 years of age
- undischarged bankrupts
- certain prohibited persons
- persons subject to a property order under the Protection of Personal and Property Rights Act 1988
- those not eligible because of requirements in the company's constitution.

I'm able to prohibit persons from being directors or taking part in the management of a company for a period of up to ten years (section 385 of the Companies Act). The Registrar's power of prohibition can be exercised where a person has been a director, within the previous five years, of one or more companies that have failed, and their mismanagement was at least partly causative of the failure/s. In addition the Court is able to make director disqualification orders without any maximum term.

There is also an automatic director prohibition for a period of five years from conviction for persons who have been convicted of:

- criminal offending in relation to the promotion, formation, or management of a company (being an offence that is punishable by a term of imprisonment of not less than three months); or
- certain offending under the Companies Act; or
- any crime involving dishonesty as defined in the Crimes Act 1961.

The prohibition of directors helps to provide protection for the public from directors who have mismanaged companies or been convicted of a crime involving dishonesty (section 382 – 385AA of the Companies Act). This means that for the period of their prohibition, these directors are not able to be appointed directors of a company or be involved in a company. Prohibition also acts as a deterrent and serves to set appropriate standards of behaviour for directors.

Mandy you have announced your retirement, who will become Registrar of Companies?

Work has been undertaken to ensure a smooth transition to the new Registrar of Companies, Ross van der Schyff. Ross previously led the Intellectual Property Office of New Zealand and Insolvency and Trustee Service which fall within the ambit of my role so he will be well placed to lead these areas along with the Companies Office. He took up the role on 2 February 2017.

GLC Update

governance Leadership centre

Digital director issues have been a focus for the GLC this year as part of the IoD's What Matters in digital, with our first DirectorsBrief discussing shareholder meetings in the digital age. The GLC ended 2016 with three submissions on governance and director-related matters.

NEW TRUSTS LEGISLATION

There are an estimated 300,000 to 500,000 trusts in New Zealand including commercial, charitable and family trusts. The Exposure Draft of the Trusts Bill, which will replace the Trustee Act 1956, proposes the most significant trust reform in 60 years in New Zealand. The draft largely reflects the Law Commission's recommendations in its review of the law of trusts.

It is intended that all express trusts (ie trusts generally formed deliberately as a result of a settlor's intention to create a trust) will be governed by the new law, except to the extent that some types of trusts are governed by specific legislation. In the case of charitable trusts, for example, it will only apply where it relates to something not set out in the Charitable Trusts Act 1957.

The IoD generally supports the proposed new law and its purpose to restate and reform New Zealand trust law. We particularly support the inclusion of mandatory and default trustee duties. The duties align with other legislative developments, such as directors' duties in the Companies Act, and they should help trustees better understand their obligations. It is expected that a trusts bill will be introduced into Parliament this year.

ANNUAL MEETINGS

The Regulatory Systems (Commercial Matters) Amendment Bill was introduced into Parliament with the intention of amending the Companies Act 1993, the Takeovers Act 1993 and other commercial legislation. Our submission largely focuses on amendments to the Companies Act including an additional exception for companies not to hold annual meetings if:

- there is nothing required to be done at the meeting
- the board resolves that it is in the interests of the company not to hold the meeting (having regard to whether there is any particular issue that the shareholders should be given an opportunity to discuss, comment on, or ask questions about)
- and the constitution of the company does not require the shareholders' meeting to be called or held.

We support this exception and other governance and director-related amendments.

NZX CONTINUOUS DISCLOSURE (CORRECTING CONSENSUS GUIDANCE)

Analysts and other third parties track the performance of listed companies and publish guidance that can have a significant effect on market expectations. Under proposed amendments to NZX's Guidance Note on continuous disclosure, listed companies would be expected to correct such guidance where they are sufficiently certain that a material deviation (between market expectations and actual financial performance) will arise.

We generally support this disclosure requirement in our submission. However, we have expressed some concerns including:

- the effect on small listed companies not routinely covered by analysts and
- which analysts/third parties and guidance should be monitored.

All submissions and governance resources can be viewed at www.iod.org.nz

director Vacancies

directorVacancies is a cost-effective way to reach IoD members – New Zealand's largest pool of director talent. We will list your vacancy until the application deadline closes or until you find a suitable candidate.

STUDENT JOB SEARCH AOTEAROA INC (SJS)

Role: Independent Board Member
Location: Wellington
Closes: 28 Feb 2017

THE FOLLOWING POSITIONS ARE OPEN UNTIL FILLED.

BARRIER FREE NZ TRUST

Role: Trustee
Location: Wellington

WAIPA NETWORKS LIMITED

Role: Director
Location: Flexible

ALZHEIMERS CANTERBURY INC

Role: Executive Committee/Board Chair
Location: Christchurch, Canterbury

Key risks to fair New Zealand financial markets

This month the Financial Markets Authority releases its updated Strategic Risk Outlook. Simone Robbers, Director of Strategy and Risk at the FMA, explains the financial conduct regulator's view of the key risks to fair, efficient and transparent New Zealand financial markets.

Regulation focussed on conduct – on what actually happens between financial services providers and their customers – was ushered in by the Financial Markets Conduct Act (FMC Act). To be a successful conduct regulator and to have financial services providers respond positively to the new regulatory approach, the FMA needs to be clear about what we are trying to achieve, what we expect from providers, and why.

The Strategic Risk Outlook (SRO) published this month begins the process of giving investors and industry a clear line of sight into how the FMA identifies and prioritises risks to its overall objective of fair, efficient and transparent New Zealand financial markets.

This is a refreshed version of the original SRO published in late 2014. It is timely, as the FMC Act is now fully in place and new funding for the FMA has been agreed. This combination of mandate and resource enables us to set our strategic direction for the next few years.

Directors should note several important aspects of the SRO, and of the broader effort by the FMA to increase transparency through our planning and reporting. We want to be clear with our stakeholders where we intend to focus our efforts to contribute to capital markets growth and integrity, investor confidence and ultimately a more prosperous economy.

Those familiar with the SRO may recall that risks identified by the FMA are responded to through seven strategic priorities. Overall, the priorities established in the first SRO have remained consistent, as our analysis of the last 12-18 months has confirmed they will best help us respond to the risks identified. These are:

- Governance and culture
- Conflicted conduct
- Capital market growth and integrity
- Investor decision-making
- Sales and advice
- Effective frontline regulators
- FMA effectiveness and efficiency

Directors set, monitor and evaluate the direction and success of their companies. This is recognised in our priorities, in particular governance and culture, speaking directly to the governance role of boards and directors.

Boards of financial services providers must take the lead in establishing culture and values that respond to the new regulatory environment and understand how the FMA's priorities relate to them. Much of what we look at in financial services translates to firms and individuals operating in other spheres.

This is reflected in the FMA's guide to its view of conduct, published this month. The guide does not establish new, nor replace existing obligations. Nor is it prescriptive about how providers should meet those obligations. But it does set out how we will view – and respond to – what providers do and how they do it.

The IoD's recent director sentiment survey showed that many of you see the importance of conduct risk.. "Boards have a key leadership role to foster high ethical standards and set the tone for healthy organisational culture… However only 37% receive comprehensive reporting from management about ethical matters and conduct incidents and the actions taken to address them."

In that spirit we received a positive response from boards that our conduct guide would assist them in evaluating and managing risks arising from potential poor conduct. We trust the guide, the SRO and our Corporate Governance principles and guidelines – and the IoD's Four Pillars of Governance Best Practice – are useful for directors as references points for good governance.

There are several developing themes to keep on our risk radar:

- regulating in an environment of rapid technological innovation and change
- retail investor uptake of more complex or risky products
- reviewing our regulatory perimeter and establishing our response to any activities that occur outside of this; and
- helping investor decision-making in changing market conditions

Innovation and developments in fintech present opportunities and threats. We will be flexible in our approach to emerging products and new ways of delivering financial services. We encourage firms active in this space to talk to us about their plans at an early stage.

Establishing and responding to our regulatory perimeter is complicated by the ability of companies to offer services to New Zealanders from off-shore. Some of these services and products are unregulated by the FMA and we need to mitigate their potential harm, primarily by warning the public where we can see scams operating.

7 Strategic priorities

In our view, our regulatory perimeter also includes core banking and insurance products that are not directly licensed or regulated by the FMA, but which, if there is poor conduct, nevertheless pose potential risk and harm to New Zealanders. This will require close collaboration with other agencies such as the Commerce Commission and Reserve Bank.

The effectiveness of how we deal with these developing themes will depend on strong engagement with the leadership and boards of licensed providers.

It's important to reiterate that the SRO is a foundation document for the FMA, beginning the process of giving the market a clear line of sight into how we identify and prioritise risk and the regulatory outcomes we want to see from taking action on those risks.

We will be more transparent through our planning and reporting cycle, which begins with the SRO and concludes with the Annual Report. For the first time this year we will publish our annual corporate plan, with details on what we plan to do, and when, and involving which sectors of New Zealand's financial markets, to deliver on our strategic priorities.

We also intend to evaluate how our actions have contributed to confident participation in New Zealand's financial markets, and how that benefit to the New Zealand economy has been balanced against costs which may been imposed on the financial services industry. A well-regulated financial services industry, fair and transparent markets and investors who are confident they will be treated fairly, can only be good for NZ's economy and capital markets.

We are embarking on a new year and what we hope will feel like more of a steady state for many financial services firms – at least in terms of the regulatory agenda. We welcome feedback on the SRO from the director community. We hope our continuing dialogue with boards and stakeholders about our priorities and expectations will promote positive responses from the industry. This will help us gain a deeper understanding of the challenges, issues and risks faced by the sectors and firms we regulate.

Making NZ's financial services and capital markets respected for the conduct within them and the treatment of investors is what we strive for.

SRO can be found here www.fma.govt.nz

We want to see:
Capable, confident and well-informed investors.

We want to see:
Boards and senior management leading organisational culture and placing customer interests at the centre of their business strategies.

We want to see:
Conflict management prodedures designed to put customer interests first.

We want to see:
Resilient and dynamic capital markets with broad investors participation and sound infrastructure.

We want to see:
Sales and advice practices designed to meet customers' needs.

We want to see:
Frontline regulators who contribute to well-regulated financial markets.

We want to see:
The FMA as an efficient and effective intelligence-led regulator.

Out&about

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AUCKLAND

Auckland branch wrapped up a busy year with a Christmas Breakfast with Sir Ralph Norris KNMZ who had great advice on issues including the need for boards to take advantage of technology, not being afraid to ask the difficult questions and why openness is critical to good governance.

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OTAGO SOUTHLAND

Otago Southland's final event of the year was a Christmas function at The Dunedin Club. A large crowd of members attended to hear HW Richardson Group's CEO present on the topic 'work, life and risk – a balance is essential'. Brent outlined his varied background and how he has approached risk over the course of his life and in business.

WAIKATO

The branch brought 25 years of the IoD in the Waikato to a close with a Christmas celebration in early December.

7


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1 | Susan Paterson, Liz Coutts, Sir Ralph Norris (Auckland)
2 | Sharyn Catt (Auckland)
3 | Carolyn Steele, Michelle Alexander (Auckland)
4 | Tim Rillstone, Scott Wilson, Regan Hill, Vince Locke (Auckland)
5 | Geoff Thomas, Martin Doyle, John Ward (Otago Southland)
6 | Carole Adair, Rosie Clark, Lesley Brook (Otago Southland)
7 | Maree Haddon, Alison Shanks (Waikato)
8 | Margaret Devlin, Simon Lockwood (Waikato)
9 | Jane Coleman, Barry Knight, Isabell Knight, Paul Coleman (Canterbury)
10 | Ade Brierley, Dave Brierley (Canterbury)
11 | Andrew Oh, Krisztina Kormoczi, Richard Smith (Canterbury)
12 | Sarah-Jane Weir, Glenn Snelgrove, Peter McLellan (Nelson Marlborough)
13 | Julie Rosewarne, Julie Varney (Nelson Marlborough)

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CANTERBURY

Members and guests enjoyed Canterbury's final event of the year at the Toi Moroki Centre of Contemporary Art (CoCA)– an opportunity to relax and catch up with colleagues and friends while viewing the Gallery's latest exhibition Precarious Nature. CoCA's outgoing Chair Kristina Pickford and Director & Principal Curator Paula Orrell spoke about CoCA's post-earthquake challenges and opportunities.

TARANAKI

Branch members ended the year with a dinner function with speaker Dr Tom Mulholland, who presented a lively talk on 'how to live to 100 and stay out of the emergency department', and an event for new members.

WELLINGTON

The branch finished up the year with events in Wellington and Napier – an after five function with Alison Holt, and Christmas Cocktails with Nick Tuffley

NELSON MARLBOROUGH

The branch held its AGM and annual dinner at the end of November, with Sir Rob Fenwick as guest speaker.

12

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Company Directors' Course

QUEENSTOWN, 27 NOVEMBER 2016

Front row: *Wade Gillooly, Catherine McMillan, Leon Pieterse, Clarence Susan, Tony Kerridge, Derek Lyons, David Downs, Allan Dawson, Craig Erasmus, Andrew Lockyer, Alison Adams, Chris Myers, Sue Sutherland, Paul Grover*

Back row: *Maria Bargh, Michael Whitty, Andy Archer, Denise Atkins, Nick Hannan, Inam Udo Udoma, Carolyn Dimond, Anishka Prasad, Kevin Wall, Ben Halford, Gael Webster, Jesse Ball*

IoD Events Diary

= What Matters in Digital branch event

For more information visit www.iod.org.nz, or contact the director development team or your local branch office

Auckland

07 MARCH
Breakfast function with Graeme Wheeler

07 MARCH
Governance Essentials

08 MARCH
Finance Essentials

09 MARCH
Strategy Essentials

21 MARCH
Governance Essentials

22 MARCH
Director Accelerator Lunch

22 MARCH
Audit and Risk Committees

04 APRIL
Digital Essentials

05 APRIL
Not-for-Profit Governance Essentials

Bay of Plenty

23 FEBRUARY
Key issues for directors in 2017 with Liz Coutts, Tauranga

30 MARCH
Bay of Plenty Branch Annual General Meeting, Tauranga

06 APRIL
The digital director with David Bell, Tauranga

12 APRIL
An ounce of due diligence or a pound of pain, Rotorua

Waikato

28 FEBRUARY
Rural Governance Essentials, Hamilton

01 MARCH
Lunch function with Ngaire Best, Treasury, Hamilton

15 MARCH
Cyber security with Andrew Hampton

Taranaki

01 MARCH
AGM and cyber security with Craig Tweedie, New Plymouth

Wellington

01 MARCH
Governance Essentials

02 MARCH
Finance Essentials

16 MARCH
Breakfast event with Wayne Norrie, Napier

16 MARCH
New members after 5 welcome event

04 APRIL
Advanced Health and Safety Governance

05 APRIL
State Sector Governance

11 APRIL
Governance Essentials

12 APRIL
Finance Essentials

Nelson Marlborough

07 MARCH
Lunch function with John Ryder

09 MARCH
Finance Essentials, Nelson

06 APRIL
Future disruptive technology with Andy Symons

Canterbury

03 MARCH
New members' lunch

08 MARCH
Cyber with Peter Bailey

20 MARCH
Branch Annual General Meeting with Andy Coupe

22 MARCH
Governance Essentials

23 MARCH
Strategy Essentials

06 APRIL
Rural Governance Essentials, Timaru

Otago Southland

15 MARCH
Kevin McDonald Cyber Risk

03 APRIL
Governance Development Programme, Dunedin

Self-paced study

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- Directors' and Officers' Insurance
- Ethics – How directors do business
- Health and Safety Governance
- Not-for-Profit Finance Fundamentals

Webinar

28 MARCH
Risk Trends

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