



Directors' Training Program

ClassyBoard is a Necessity, Not an Option

► Abdul Rahim Suriya, FCA

This article talks about need of Directors Training as well as it summarises what the law requires in different jurisdictions, and at the end it distinguishes for each country whether these requirements are mandatory or voluntary.

In a world of instant communication and ever changing business models, the traditional task of the professionals in business is evolving. The mounting drift focus on:

- Increased governance requirements
- More regulations
- More emphasis on documentation
- More intervention from governments

Introduction

Together with guiding corporate strategy, the board is chiefly responsible for monitoring managerial performance and achieving an adequate return for shareholders, while preventing conflicts of interest and balancing competing demands on the corporation. Now more than ever, directors need to understand their fiduciary, legal, and ethical oversight responsibilities hence the bar has been hoisted. Board of directors must focus more on economic performance, not conformance. Public confidence in corporations has reached an all-time low and the role of directors has become even more challenging and demanding.

Besides, governance-related policy changes introduced in recent years have increased the focus on the experience and qualifications of corporate directors. Accompanying these changes is an increased expectation that companies and boards take affirmative steps to ensure directors are prepared to address emerging opportunities and challenges. The board of directors has had often the business shrewdness, but lack a deep grasp of corporate

governance or the leadership skills required to reform policies, practices, and behaviours that can undermine a company's performance.

Today's boards of directors are facing an unprecedented level of scrutiny and pressure from regulators, investors, media, institutional investors, and other stakeholders. Besides, directors' training and development is fundamental element in enhancing board effectiveness and can help board members be better prepared to tackle misgiving. An effective board education program offers ongoing educational opportunities that help board members continuously cultivate skills that heighten the overall effectiveness and performance of the board.

Boards today can be a competitive advantage for companies. They can provide an outside view, overcome blind spots in strategy, raise awareness of external risks, connect with governments, society and other stakeholders, give credibility and build trust in ways that executive teams cannot. But most board education programs today add little value and instead either focus on the regulatory environment or copy existing managerial education for senior executives. But boards need more than this to become effective. For example, the board's strategic role is different from the strategic role of executives. It ranges from supervision to co-creation of supporting the executives.

The board of directors not only monitor the company's innovation performance, they actively contribute to it. Board diversity is key in this regard as board members

from other industries are faster to foresee sudden industry shifts or disruptive moves. Employee representatives can also be an excellent source of innovative thinking. Board education is failing to address many other important questions, such as which structures enable boards to add real value, as opposed to mere regulatory compliance. And, most importantly, what makes an individual a good board member.

Besides, board development and training are important because today's chief executive officers (CEOs) are overstretched and confronted with an incredible rise in complexity of society, governments, alternative business models, global changes, new risks and opportunities and shifts in economic conditions. Even the best executives cannot be expected to respond consistently to all these challenges.

As organisations strive to compete in the global economy, differentiation on the basis of the skills, knowledge, and motivation of their workforce takes on increasing importance. According to a recent industry report, the American Society for Training and Development, alone spend more than \$126 billion annually on training and development. Undoubtedly, education is important, but people learn from their practical experiences much better as compared to bookish knowledge. Nowadays training and development has been the most important factor in the business world because it increases the efficiency and the effectiveness of both directors and the organisation.



OECD in 2004 avowed that in order to improve board practices and the performance of its members, an increasing number of jurisdictions are now encouraging companies to engage in board training and voluntary self-evaluation that meets the needs of the individual company. (Principle VI.E.3)

Training and development refers to the practice of providing training, workshops, coaching, mentoring, or other learning opportunities to inspire, challenge, and motivate directors to perform the functions of their position to the best of their ability and within standards set by local, state, tribal, federal government or society.

According to the Cambridge dictionary training and development means: "The activity of teaching employees new skills and knowledge through training, mentoring, (support and advice given by those with more experience), etc."

If one wishes to make a distinction between training and development, it would be that training is directed at helping employees perform better at their current jobs, whereas development represents a future-oriented investment in employees. In short, training provides the skill and development maximises it.

Before we elaborate the needs of training of directors in different countries, let's first sort out what is education,

training and development, and how they differ with each other. Though their meanings are closely interrelated, it can be misleading to simply use these terms synonymously. There is much confusion surrounding the term 'training', 'education', 'development' and 'learning,' to the point where they are often used interchangeably, but they can have different, if overlapping, meanings in different contexts. However, it is often difficult to learn whether a specific research study addresses training, development, or both. In the rest of this review, we use the term 'training' to refer to both training and development efforts.

Education

- ▶ Education is systematic instruction and it is seen as relating to a more formal academic background.
- ▶ It is defined as a more general, less specialised or hands-on approach to enhancing knowledge.



Training

- ▶ Training is teaching new skills, knowledge, competencies and it is associated with on-the-job skills acquired for a particular role.
- ▶ Training refers to a systematic approach to learning and development to improve individual, team, and organisational effectiveness.
- ▶ Training is a systematic process through which an organisation's human resource gain knowledge and develop skills by instruction and practical activities that result in improved corporate performance.
- ▶ Training is characterised as an instructor-led, content-based intervention leading to desired changes in behaviour.
- ▶ Training is an activity or course, either formal or informal which has helped you to acquire the knowledge and skills to do your job.
- ▶ Training could simply be defined as the process of ensuring that employees acquire relevant and necessary skills, behaviours and knowledge for better on-the-job performance in their interest and that of the organisation.

Patrick¹ (1992), in one of the best books available on psychology of training, starts his discussion of the definition of training by referring to its aims - to develop new skills, knowledge or expertise. According to the United States Department of Employment, "Training is the systematic development of the attitudes/knowledge/skill, behavior patterns required by an individual in order to perform adequately a given task or job." The renowned scholar of psychology Goldstein, also defines training as:

"The acquisition of skills, concepts or attitudes that result in improved performance in an on-job situation."

This term is often interpreted as the activity when an expert and a learner work together to effectively transfer

¹ Patrick, J. (1992). Training Research and Practice. London: Academic Press.

information from the expert to the learner so the learner can better perform a current task or job.

Development

Development is a long-term process designed to enhance potential and effectiveness. It is also defined as the growth or realisation of a person's ability, through learning, often from planned study and experience. It is for perfecting existing skills.

- ▶ According to Oxford dictionary the term development means:
 - A specified state of growth or advancement.
- ▶ According to Business Dictionary the term development means:
 - The systematic use of scientific and technical knowledge to meet specific objectives or requirements.
 - An extension of the theoretical or practical aspects of a concept, design, discovery, or invention.
 - The process of economic and social transformation that is based on complex cultural and environmental factors and their interactions.
 - The process of adding improvements to a parcel of land, such as grading, subdivisions, drainage, access, roads, utilities.
- ▶ Development refers to activities leading to the acquisition of new knowledge or skills for purposes of personal growth and perfecting existing skills.
- ▶ Development is associated with continuous learning with existing knowledge.
- ▶ Development can encompass a wide range of activities, including coaching and more formal educational commitments and experiences, and is generally used to encompass a wider scope than 'learning' or 'training'—which may, in fact, be included in the concept of development.
- ▶ Development is 'a learning activity that is designed for future impact, for a role or job one will do in the future.'
- ▶ Development is preparing a person for his future expected role through skill improvement and grooming.
- ▶ Development teaches how to become more productive and effective at work and at the company.

Development describes the growth of humans throughout the lifespan, from conception to death. The scientific study of human development seeks to understand and explain how and why people change throughout life. This includes all aspects of human growth, including physical, emotional, intellectual, social, perceptual, and personality development.

According to the HRD Guru Thomas, 'Development' is a concept which is contested both theoretically and politically, and is inherently both complex and



ambiguous... it has taken on the limited meaning of the practice of development agencies and achieve the goals.

Training and Development for Accounting Experts

Code of corporate governance prominence the necessity to accounting and finance expert in audit committee, so the modernised expertise of their specialisation is unavoidable. International Accounting Education Standards Board of IFAC emphasis this requirement for the professional accountants by issuing an International Education Standard (IES) 7, **Continuing Professional Development**.

IES-7 fosters a lifelong commitment to learning and prescribes the continuing professional development required for professional accountants to develop and maintain the professional competence, necessary to provide high quality services to strengthen public trust in the profession. Continuing Professional Development provides a career passport because of the portable skills developed and is extremely worthwhile for recession proofing individuals.

Orientation of Director on Board

The move from being a manager to a directorship or from director to chairman is more than a change in responsibilities; it is a major change in behavior and identity. Directors becoming more experts in a narrow field, or focusing only on the interests of a single department. Suddenly, a need to have equal responsibility for all departments scanning the external environment for opportunities and developments and joining a new, elite, group at the top. Their need and requirement is different from the seasoned and full time director working with other board of similar or different product line.

Numerous companies are faced with the need to make a step change in the way they operate, perhaps when the business has grown from small, informal beginnings to a point where a more structured organisation is appropriate.

Company directors understand that directing the organisation is much more than managing it. They aim to maximise their contribution to the work of the board and ensure that they achieve high performance in all aspects of their role as company director. The difficulty is for the newly-appointed company directors to manage their



transition to the board effectively, by explaining both the theory and the practice of corporate governance and by building on their existing competencies.

Why is it Important to Welcome and Train new Board Members?

A proper welcome and training will help new members:

- ▶ Take on their roles in the organisation quickly and comfortably;
- ▶ Feel more connected to one another;
- ▶ Feel more connected to the organisation;
- ▶ Better understand their role on the board;
- ▶ Operate from the same “script” that is, to understand the vision, mission, and their roles in the organisation;
- ▶ Feel more motivated to do a better job.

Ideal Training Objectives

The training objectives of the new director(s) must be:

- ▶ A knowledge of the law relating to company directors’ liabilities;
- ▶ A better appreciation of how to apply the principles of corporate governance to building an effective organisation;
- ▶ An insight into how to balance the different aspects of the company director role – governance, entrepreneurship and management;
- ▶ A clear understanding of the leadership and organisational issues involved in stakeholder management and performance delivery;
- ▶ A sharper focus on their own competencies and how they can be further enhanced in order to maximise the effectiveness of their dealings with the rest of the board as well as with the organisation as a whole.

Discussion Questions during Director’s Training

The unique and ideal discussion questions must be:

1. Who has oversight and direct supervision of all the staff?
2. Why board and board committee meetings are important?
3. What does “adequate resources” mean?
4. What are the three most challenging things for you in understanding a financial report?
5. What is the performance of the firm and how to measure it?
6. In what ways have you had to address difficult or

challenging issues in an organisation? How were they resolved and what role did you play?

7. Who is responsible for setting the agenda for board meetings?
8. Who is responsible for setting overall strategic policy?
9. Are you able to discuss openly with the CEO issues that are difficult as well as positive?
10. Why is strategic planning the most important role of the board?
11. Is your CEO paid a salary/and benefits that are in line with other CEOs of similar sized firms in your business area? If not, what might the board do to move towards a fair rate?
12. Do you have respect for the leadership of your CEO? Why is it important?

DIRECTOR’S TRAINING PROGRAMS

While we discuss the subject it is very important to know what Code of Corporate Governance requires in different jurisdictions of the world.

Code of Corporate Governance in Pakistan

1. Code of Corporate Governance - March, 2002

In December 1998, ICAP developed a framework to foster good governance practices in Pakistan. This had brought to the establishment of a committee made up of the SECP, ICAP, ICMAP and representatives from all three stock exchanges. Meanwhile, a sub-committee was formed to take note of all recommendations given to draft the corporate governance code. The Code of Corporate Governance in Pakistan (2002) was finally published by SECP to regulate the KSE, LSE, and ISE as an extension of the Companies Ordinance, 1984, on 28 March 2002.



Orientation Courses/ Directors’ Educational Program

For the first time in Pakistan Securities and Exchange Commission of Pakistan (SECP) introduced the concept of ‘Training Development Program’ by the following para of the Code of Corporate Governance, 2002.

(xiv) All listed companies shall make appropriate arrangements to carry out orientation courses for their directors to acquaint them with their duties and responsibilities and enable them to effectively manage the affairs of the listed companies backed shareholders.

It will be compulsory for all the directors of the listed companies to have certification under any director training/education program offered by any organisation, which meets the criteria or benchmark specified by the Securities and Exchange Commission of Pakistan.

Provided that at least one director on the board shall be required to have such certification up to June 30, 2011 and thereafter, every following year minimum one

director on the board shall acquire the said certification under this program.

2. Code of Corporate Governance – May, 2012

Directors' Training Program

The revised code 2012 also emphasis the requirements of the DTP by the following para.

(xi) All listed companies shall make appropriate arrangements to carry out orientation courses for their directors to acquaint them with this code, applicable laws, their duties and responsibilities to enable them to effectively manage the affairs of the listed companies for and on behalf of shareholders.

It shall be mandatory for all the directors of the listed companies to have certification under any directors' training program offered by institutions—local or foreign—that meet the criteria specified by the SECP.

Provided that from June 30, 2012 to June 30, 2016 every year, a minimum of one director on the board shall acquire the said certification under this program each year and thereafter all directors shall obtain it.

Provided further that individuals with a minimum of 14 years of education and 15 years of experience on the board of a listed company—local and/or foreign—shall be exempted from the directors' training program.

3. SBP's Prudential Regulations - Regulation G-1 for Corporate /Commercial Banking

All the members of the Board should undertake and fulfill their duties & responsibilities keeping in view their legal obligations under all the applicable laws and regulations. All Board members should preferably attend at least 1-2 weeks training program(s) which will enable them to play effective role as a director of bank/DFI, at an institution like Pakistan Institute of Corporate Governance or other similar institution within first year of their directorship on the Board of bank/DFI.

4. Public Sector Companies Rules - 2013

Board Orientation and Learning

Para 11(i) Orientation courses shall be held by a Public Sector Company, to enable directors to better comprehend the specific context in which it operates, including its operations and environment, awareness of Public Sector Company's values and standards of probity and accountability as well as their duties as directors.

Para 11(ii) In order to ensure that the directors are well conversant with the corporate laws and practices, they are encouraged to have certification under an appropriate training or education program offered by any institution, local or foreign.

Para 11(iii) In order to enlighten the board members with the wider scope of responsibilities concerning the use of public resources, to act in good faith and in the best interests of the public sector company, at least one orientation course shall be arranged annually for the directors and the following information in writing, inter-alia, shall be provided, namely;

- Control environment and control activities
- Key policies and procedures
- Risk management and internal control framework
- Background of key personnel, including their job description
- Delegation of financial and administrative powers
- Board and staff structure
- Budget, planning and performance evaluation system

Malaysian Code of Corporate Governance 2012

Recommendation 4.2: The board should ensure its members have access to appropriate continuing education programmes.

Commentary: In a dynamic and complex business environment, it is imperative that directors devote sufficient time to update their knowledge and strengthen their skills through appropriate continuing education programs and life-long learning. This will enable directors to sustain their active participation in board deliberations.



Director(s) recommend to notify the chairman of board about the planned and estimated time that will be spend on the training and development of new directorship appointment before accepting any new directorship. Nominating committee is responsible for the review of director's training program.

The Kuala Lumpur Stock Exchange (KLSE) issued Practice Note 15/2003 on Continuing Education Programme (CEP) for directors of public listed companies which came into effect on Tuesday, 1 July 2003, relates to paragraph 15.09 of the Listing Requirements which states that directors must attend training programmes prescribed by KLSE.

Until July 2014 over 5,870 directors has attended the Mandatory Accreditation Program (MAP) in Malaysia.

All directors of the listed companies are required to attend the training programmes prescribed by the Kuala Lumpur Stock Exchange (KLSE). These programmes comprise two parts: the Mandatory Accreditation Programme (MAP), which is to be attended once by every director of a listed company and the Continuing Education Programme, which must be attended on a yearly basis by each director.

Singapore Code of Corporate Governance 2012

Guideline 1.6: Incoming directors should receive comprehensive and tailored induction on joining the board. This should include his duties as a director and how to relieve those duties, and an orientation program to ensure that they are familiar with the company's business and governance practices. The company should provide training for first-time director in areas such as accounting, legal and industry-specific knowledge as appropriate.



It is equally important that all directors should receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time.

The Monetary Authority of Singapore (MAS) recommended that companies should be responsible for arranging and funding the training of directors, and the board should disclose in the annual report the induction, orientation and training provided to new and existing directors. In addition, the nominating committee should make recommendations to the board on matters relating to the review of training and professional development programmes for the board.

According to the Singapore Stock Exchange (SGX) rule 210(5)(a) on July 2006, as a pre-quotation disclosure requirement that issuers must release a statement identifying for each director, whether the person has prior experience (and what) or, if the director has no prior experience as a director of a listed company, whether the person has undertaken training in the roles and responsibilities of a director of a listed company.

Training for directors is not mandatory under Singapore's legislation. Directors are encouraged to receive further relevant training, particularly on relevant new laws, regulations and changing commercial risks, from time to time. Singapore Institute of Director organises and conducts professional training courses and seminars to meet the needs of its members and company directors generally.

Hong Kong's Code of Corporate Governance 2011

The first Code of Corporate Governance (2004) did not provide anything about director's training, but Consultation Conclusions on Review of the Corporate Governance Code and Associated Listing Rules 28 October 2011 recommended the following proposals.



Directors are proposed annually the eight-hour minimum training; directors should receive regular training to keep informed developments in law, regulations and other areas relevant to their role and responsibilities. A vast majority of respondents supported the proposal that the company secretary should uphold a record of directors' training.

Rule 3.29 requiring company secretaries to attend 15 hours of professional training per financial year. The suggestion about the implementation require company secretaries to start accumulating training hours from August 1, 2011.

Listing regulation, appendix 14, Hong Kong Stock Exchange Listing Rules, January 2012, All directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant. The issuer should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director. Directors should provide a record of the training they received to the issuer.

England's Code of Corporate Governance 2012

Main Principle (B.4): All directors should receive induction on joining the board and should regularly update and refresh their skills and knowledge.



Supporting Principles: The chairman should ensure that the directors continually update their skills and the knowledge and familiarity with the company required to fulfil their role both on the board and on board committees. The company should provide the necessary resources for developing and updating its directors' knowledge and abilities.

To function effectively all directors need appropriate knowledge of the company and access to its operations and staff.

Code Provisions (B.4.1): The chairman should ensure that new directors receive a full, formal and tailored induction on joining the board. As part of this, directors should avail themselves of opportunities to meet major shareholders.

B.4.2. The chairman should regularly review and agree with each director their training and development needs. According to the London Stock Exchange Rule 2005 (A.1.6): "The company ensures that it recruits to the board only individuals of sufficient caliber, knowledge and experience to fill the duties of a director suitably. There is no formal training program for directors."

Chinese Code of Corporate Governance 2002

Chapter 3 (37) - Directors shall earnestly attend relevant trainings to learn about the rights, obligations and duties of a director, to familiarise themselves with relevant laws and regulations and to master relevant knowledge necessary for acting as directors.



The Canadian Code of Corporate Governance 2013

(Sec. 3 – Board Skills and Competencies): While, Office of the Superintendent of Financial Institutions (OSFI) expects all directors to play an effective role, it is recognised that the contribution of individual directors will vary based on their particular qualifications and experience. However, the Board should, collectively, bring a balance of expertise, skills, experience and perspectives, taking into consideration the Federally-Regulated Financial Institutions (FRFI) strategy, risk profile and overall operations.



In order to assess the skills and competencies required to oversee the FRFI's strategy, products, and risks, boards should have a skills and competency evaluation process, which should be reviewed annually and updated by the appropriate board committee. The skills and competency evaluation process should be integrated with the overall Board succession or Board renewal plans, with particular attention to the positions of the chair of the board and chairs of the board committees.

Directors should seek internal or external educational opportunities in order to fully understand the risks undertaken by the FRFI, as well as developments in corporate and risk governance practices.

German Code of Corporate Governance 2013

(Sec. 5.4.5): The members of the supervisory board shall on their own take on the necessary training and further education measures required for their tasks. They shall be supported by the company appropriately.



Kings' Code of Corporate Governance South Africa 2009

(Sec. 2.20): The induction of and continuing training and development of directors should be conducted through formal processes.



The board should ensure that:

- 2.20.1. A formal induction programme is established for new directors;
- 2.20.2. Inexperienced directors are developed through mentorship programmes;
- 2.20.3. Continuing professional development programmes are implemented; and
- 2.20.4. Directors receive regular briefings on changes in risks, laws and the environment.

Russian Code of Corporate Governance 2014

(Sec. 186.7): Nominating committee preparing an educational and training programme for board members which takes account



of their individual needs, as well as exercising control over practical implementation of the programme.

(Sec. 209): The chairman of the board of directors and the nominating committee shall, if necessary, develop proposals on how to improve the work of the board of directors and its committees, taking account of the results of such evaluation. Based on the results of evaluation of individual members of the board of directors, recommendations may be given regarding training/education of such members. Should this be necessary, individual educational (training) programmes should be developed and implemented. The chairman of the board of directors and the nominating committee shall exercise control over implementation of such programmes.

New Zealand's Code of Corporate Governance 2004

(Article 2.9): The board should allocate time and resources to encourage directors to acquire and retain a sound understanding of their responsibilities, and this should include appropriate induction training for new appointees.



(Article 2.11): Annual reports of all entities should include information about each director, identify which directors are independent, and include information on the board's appointment, training and evaluation processes.

To be individually effective, directors need to make themselves familiar with both the activities of the entity and their responsibilities as a director. Induction training and opportunities to attend directors' professional education can greatly assist this process.

Sri Lankan Code of Corporate Governance 2008

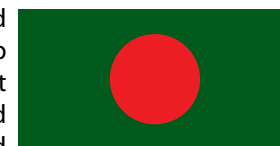
(Sec. A. 1.7): Every director should receive appropriate training when first appointed to the board of a company, and subsequently as necessary.



Training curricula should encompass both general aspects of directorship and matters specific to the particular industry/company concerned. A director must recognise that there is a need for continuous training and an expansion of the knowledge and skills required to effectively perform his duties as a director.

Bangladesh's Code of Corporate Governance 2004

Principle V: Companies should recognise that a directorship is a professional appointment and therefore they should provide opportunities and funds for training of individual directors and the development of the board.



Guidelines: New and continuing directors would benefit

from director training programmes that increase their skills and knowledge on directors' liabilities, best board practices, and strategic planning. New directors should be required to attend a corporate governance orientation or training offered by a reputed institution or trainer.

III (E). Any director appointed to the board for their non-financial specialist knowledge should undergo intensive training in financial analysis for non-financial directors.

III. (F). Orientation and Training

1. All members on taking office shall receive orientation on the operation of the organisation and training on their fiduciary roles, responsibilities and liabilities as board members.
2. The board should possess the core competencies necessary for effective governance. Board members should work to achieve these competencies through relevant board training and development.
3. Board development sessions should be conducted at least once a year with a certificate awarded to show participation.

Indian Code of Corporate Governance 2009

According to the rule, II. (A):

- i- The companies should ensure that directors are inducted through a suitable familiarisation process covering, inter-alia, their roles, responsibilities and liabilities. Efforts should be made to ensure that every director has the ability to understand basic financial statements and information and related documents/papers. There should be a statement to this effect by the board in the annual report.
- ii- Besides this, the board should also adopt suitable methods to enrich the skills of directors from time to time.

Companies Act 2013 (Sec. 149) deal with the training & development of independent director as, "Though the Act provides one year period for companies to implement the provision, it would still be a difficult task until sufficient persons with requisite skill sets are developed in India. Accordingly, it will become necessary to conduct and organise appropriate training sessions by recognising organisations/associations for suitable persons to develop the required skill sets for performing their entrusted responsibilities".

US Corporate Governance and Director's Development

In the USA, training and development program for the Board is voluntary but Stock Exchanges (NYSE and NASDAQ) are only required audit committee members to satisfy certain educational or experience requirements so listed companies are required to address continuing education

and training of directors in their corporate governance guidelines. The NYSE Corporate Governance Rules (303A) require listed companies to publicly disclose their policy on continuing education and orientation for directors. While the NASDAQ does not currently have a similar mandate, it does suggest as a recommended practice a comprehensive orientation and continuing education of board members.

According to CII, directors should receive training from independent sources on their fiduciary responsibilities and liabilities. Directors have an affirmative obligation to become and remain independently familiar with company operations; they should not rely exclusively on information provided to them by the CEO to do their jobs. (§ 2.12a)

Australian Codes and Principles of Corporate Governance 2014

Recommendation 2.6: A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.



Commentary: The board or the nomination committee of a listed entity should regularly review whether the directors as a group have the skills, knowledge and familiarity with the entity and its operating environment required to fulfil their role on the board and on board committees effectively and, where any gaps are identified, consider what training or development could be undertaken to fill those gaps.

Where necessary, the entity should provide resources to help develop and maintain its directors' skills and knowledge. This includes, in the case of a director who does not have specialist accounting skills or knowledge, ensuring that he or she has sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the entity's financial statements. It also includes, for all directors, ensuring that they receive ongoing briefings on developments in accounting standards:

Table 1: List of Country's Regulation Status

Country	Most Recent Code	Status
Australia	2014	Mandatory
Bangladesh	2004	Mandatory
Canada	2013	Mandatory
China	2002	Voluntary
England	2012	Mandatory
Germany	2013	Voluntary
Hong Kong	2011	Voluntary
India	2009	Mandatory
Malaysia	2012	Mandatory
New Zealand	2004	Voluntary
Pakistan	May 2012	Mandatory on June 30, 2016
Russia	2014	Mandatory
Singapore	2012	Voluntary
South Africa	2009	Mandatory
Sri Lanka	2008	Mandatory
United State	2002	Voluntary

STATUS OF DIRECTORS' TRAINING PROGRAM IN PAKISTAN

a) List of approved Director Training Programs by SECP

- ▶ Pakistan Institute of Corporate Governance (PICG) www.picg.org.pk
- ▶ The Institute of Chartered Accountants of Pakistan (ICAP) www.icap.org.pk/web/dtp_program.php
- ▶ Institute of Cost and Management Accountants of Pakistan www.icmap.com.pk
- ▶ University of Lahore, Lahore www.uolcc.com
- ▶ IBA Karachi – has been approved by SECP, so far no DTP program is launched

b) No. of Directors trained as required by SECP from:

- ▶ PICG: 603 persons by March 2015
- ▶ ICAP: 240 persons in 13 programs since January 2013
- ▶ ICMAP: 97 persons in seven programs since March 2013
- ▶ University of Lahore: 140 persons by March 2015

Profile of the Authors:

- ▶ Abdul Rahim Suriya FCA, FCMA is a past president of The Institute of Chartered Accountants of Pakistan (ICAP), and a partner in an audit firm Suriya Nauman Rehan & Co.
- ▶ He is also a professional trainer on the subjects of finance for non-finance executives, corporate governance and corporate reporting. He is a visiting faculty member of IBA Karachi and KSBL.
- ▶ He was a member of International Education Board IFAC for six years and SAFA board member also.
- ▶ He has also authored a book **A Guide to Business Decision Making**. (www.arsuriya.com)

Co Author:

- ▶ Qaiser Rafique Yasser, PhD (Economics) UNIMAS, Malaysia – is a seasoned corporate governance professional with a sound track of research and consultancy.



The Pakistan
accountant

Advertisement Rates		
Positions	Per Issue	Four Issues
Back Cover	30,000	116,000
Inside Front Cover	20,000	76,000
Inside Back Cover	20,000	76,000
Inside Pages	10,000	38,000

Subscription Rates		
	Per Copy	Annual
CA Students (After Completion of Training Periods)	Rs. 40	Rs. 150
Others	Rs. 60	Rs. 200