



CYGNETISE

REPORT

Technology and the role of company secretaries: in a chat with

Governance leaders share their insights into how emerging technology could impact their jobs.

Authored by Cygnetise
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Technology and the role of company secretaries: in a chat with

Technology and the role of company secretaries: in a chat with is a series of interviews with governance professionals investigating how they think emerging technology such as AI and blockchain will impact their roles.

We have spoken to a diverse group of individuals from a range of industries and locations sharing their unique perspectives.

We hope you enjoy reading about each respondent's perspective as much as we have.

'The advent of blockchain and other technology will allow new, more secure and flexible ways to hold data'

David Venus, ICSA: The Governance Institute

List of contributors

David Venus *ICSA: The Governance Institute*

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Sharon Ah Lin *Rogers*

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DAVID VENUS

Immediate International Past President

icsa | The Governance Institute

About David: Immediate International Past President of ICSA, David Venus is also an adviser helping organisations identify and adopt appropriate governance strategies, procedures and practices. David is a Chartered Secretary with over 40 years' experience, of which over 30 years were spent in practice as senior partner of David Venus and Company, where he acted as company secretary and trusted adviser to numerous FTSE companies, private companies, and government bodies.

He authored *Futureproofing*, a report on how emerging technologies like blockchain and AI will affect the role of company secretaries and other governance professionals.

LOCATION

London, UK

SECTOR

Professional services

You previously published a report on how emerging technologies like blockchain and AI will impact the role of company secretaries, could you share some insights?

Futureproofing: Technological innovation, the company secretary and implications for corporate governance sets out the opportunities and challenges that AI is bringing to the company secretarial and governance roles. The advent of blockchain and other technology will allow new, more secure and flexible ways to hold data and Cygnetise's signatory management system is an early example of this. In the same way, AI will transform the boardroom, allowing instantaneous translation, virtual reality presentations and minute taking 'audio to text' devices, using machine learning.

Virtual attendance at boardrooms by way of holograms is being developed and I believe that Accenture and some other organisations are already deploying this technology. We may see robots in the boardroom analysing and interpreting data in real time to enable the board to reach the best decisions; Salesforce Inc in the US and Deep Knowledge Ventures in Hong Kong are already using robots in the boardroom for this purpose. But the challenges are just as real as the benefits. The governance of AI is a big issue and the company secretary will have a great role to play in this.

Who programs the machines, who uses the results, who ensures proper oversight? These are all vital questions and the company secretary will have an important role in helping the board put in place the right tools and procedures to ensure the beneficial use of AI within any organisation. I believe that all company secretaries should gain a good knowledge of the new AI technologies and their implications, to ensure they can advise their boards and their colleagues on the right steps to take.

With increased automation of administrative tasks, do you think that this enables the role of a company secretary to become more effective?

To my mind, the new technologies will undoubtedly increase the effectiveness of the company secretary. It is accepted that AI can analyse, interpret and assess data better than any human being so why not use it to allow the better processing of shareholder records, the process of due diligence in transactions, the retention of corporate records, and entity management. The potential uses of machine learning are myriad. We have already seen this year the first use of blockchain to facilitate institutional voting at Santander's AGM and the Australian Stock Exchange plans to use blockchain for trading on its markets in 2020.

To those who give dire warnings about AI threatening human dominance, I say yes be wary, but like other technologies such as nuclear power, they cannot be 'dis-invented'. AI will be increasingly deployed so the task of all those involved in governance be they Governments, regulators or company secretaries is to ensure that AI is used ethically, effectively and to the benefit of society as a whole. This is a big and vital task.

Do you see the role of the company secretary changing, focusing more broadly on strategy and corporate communications, rather than just internal administration?

There has been a marked shift within the company secretarial profession in recent years from compliance to governance. Of course, compliance remains a core responsibility and indeed forms part of the governance panoply, but the widespread recognition of the need for robust corporate governance and the central role it plays in the long-term success and sustainability of any organisation, has meant that the company secretarial function has expanded and has become a key part of strategy.

Corporate governance is all about the management of risk, whether it be board composition and effectiveness or corporate culture and

communication. The company secretary plays a huge part in ensuring effective board oversight, the dissemination of information throughout an organisation and the cascade of culture from the boardroom.

This requires the modern company secretary to have excellent people skills and emotional intelligence. This is a far cry from the 'quill pen' and 'backroom' images of the past. It has developed into an exciting role that places a company secretary at the heart of his or her organisation.



CAROLINE EVANS

Founder of MindLeap



About Caroline: Caroline Evans is the founder of MindLeap, a corporate governance boutique. She partners with several organisations, connects and collaborates across the corporate governance community providing expert advice, practical support and guidance as a company secretary and corporate governance professional speaker at conferences. She provides advice at Link Asset Services, supporting their Company Matters division, works with Board Intelligence, provides coaching and seminars on career decision-making for company secretaries, governance professionals and aspiring NEDs. She is also a mentor for the Association of Women Chartered Secretaries.

LOCATION

London, UK

SECTOR

Professional services

How will emerging technologies (ie: AI and blockchain) impact the role of the Company Secretary in the future?

The company secretarial profession has been slow to embrace technology; for example, many boards do not yet have digital board packs. The challenge for the company secretary is two-fold: 1) how to embrace these developments and 2) how to usefully contribute once liberated from the administrative burden of the office.

It's a time of great opportunity. Too often company secretaries stay behind the scenes, protecting the company and its directors. But if they are unseen their value remains unrecognised. As new technologies are rolled out, company secretaries will be able to focus on the interpretive aspects of their role, providing expert insight and influence to boards facing increasing complexity and challenges.

What is the main barrier to good corporate governance?

Lack of true understanding of what corporate governance really means and recognition of its importance and impact. The culture of the company is pivotal and is the key that allows corporate governance to flourish. An influential and impactful company secretary who is respected and listened to is critical in ensuring the transparency and communication necessary to achieve good governance.

Over recent years, how have changing regulatory environments impacted the work effort required in company secretarial functions (e.g. GDPR)?

Lack of true understanding of what corporate governance really means and recognition of its importance and impact. The culture of the company is pivotal and is the key that allows corporate governance to flourish. An influential and impactful company secretary who is respected and listened to is critical in ensuring the transparency and communication necessary to achieve good governance.

FROM 'A SURVEY ON HOW YOU MANAGE YOUR SIGNATORY LISTS'

Did you know that **55%** of company secretaries only refresh their list every 6 months or more? Out of date lists expose organisations to a great risk of fraud.



PETER SWABEY

Policy and Research Director at ICSA: The Governance Institute



About Peter: At ICSA, Peter is responsible for developing the profile of the organisation and the governance profession with members, regulators, policymakers, employers and other stakeholders, by delivering thought leadership and lobbying campaigns promoting strong governance as the vital ingredient for success in organisations.

Peter, who joined ICSA in 2013, has more than 30 years' experience of company secretarial work.

LOCATION

London, UK

SECTOR

Governance body

How will emerging technologies (ie: AI and blockchain) impact the role of the Company Secretary in the future?

In ways that I cannot even begin to imagine. As a professional body, we have spent a lot of time looking at this issue – a paper has even been written by the global institute on the subject entitled *Futureproofing: Technological innovation, the company secretary and implications for corporate governance*.

The role of company secretaries has already changed a great deal because of technology. We now have electronic company books, board papers on iPads, electronic submission of forms to Companies House and many other uses of technology besides. All these were science fiction when I joined the profession – indeed we didn't even have PCs or mobile phones and I scare some of my younger colleagues with tales of working in what they are pleased to call 'olden days'. What I do believe is that even the most advanced AI will not, at least in my lifetime, be able to replace the company secretary's judgement – for example in the advice given to the board or in the preparation of good minutes. The main benefit of technology as I see it is that we will be able to focus more on the aspects of our role where our skills and values are important and leave more routine work to the machine.

What is the main barrier to good governance in organisations?

The lack of recognition, in some organisations, of the importance of what we do and a perception that the company secretary is focused 'just' on internal administration. Every organisation has governance – it's just that many don't think of it as such, and when we talk about governance they conflate it with bureaucracy. It isn't. As company secretaries, we need to raise our profile through our behaviours and through demonstrating value.

What are the main types of fraud company secretaries have to be more aware of today?

There is a much greater risk of technology-related fraud than in the past - corporate identity theft, phishing, the theft and misuse of customer data and the like – in addition to the 'traditional' scams that we have all seen such as boiler room fraud. In common with most other areas of life, technology has created opportunities, but it has also created opportunities for fraudsters and, unfortunately, some fraudsters are very good at their chosen profession. We all need to be on our guard.

Over recent years, how have changing regulatory environments impacted the work effort required in company secretarial functions (e.g. GDPR)?

There has been a consistent increase. How much the work has increased depends on the individual company and the nature of the role, but generally we have seen a significant increase in legislation and regulation on governance, risk and compliance topics, all of which need management and oversight from the company secretary.



ERIKA PERCIVAL

CEO/ Founder of Beyond Governance



About Erika: Erika is a governance professional, Chartered Secretary and senior executive. In her early 30's, she became Group Company Secretary and Head of Governance of a FTSE 250 (c.£700m turnover company). As a strategic advisor to the board of directors, she ensure that the business is directed and controlled (including the company's strategy, decision making and how it achieves its vision) in compliance with legal, ethical and regulatory requirements. She helps build a company's reputation, streamline decision making, avoid conflicts and wasted time thus enabling the business to focus on development and growth.

LOCATION

St Albans, UK

SECTOR

Professional services

How will emerging technologies (ie: AI and blockchain) impact the role of the Company Secretary in the future?

Whilst these technologies are only emerging in the company secretarial/corporate governance field, they are already a big part of our personal lives; it is the future. Whether we embrace change or not, AI and blockchain will transform the boardroom and the role of the Company Secretary will evolve. For me exciting changes will be:

- virtual reality meetings; bringing disparate attendees together in a more engaging interactive way;
- simultaneous translation technology; supporting the pursuit of increased diversity; and
- speech to text technology which will transform minuting meetings forever.

AI and blockchain will provide great opportunities for company secretaries and governance professionals, who can apply these emerging technologies to enhance risk and control processes.

What is the main barrier to good corporate governance?

Thinking you've already got it licked. Be that a company that's already known for being great or one that just thinks they are. I think good corporate governance is an evolution, not a destination. Corporate governance is always changing and to remain stationery means you move backwards.

Over recent years, how have changing regulatory environments impacted the work effort required in company secretarial functions (e.g. GDPR)?

The regulatory environment has continued to evolve and it definitely has had an impact on my work. That said, I have found that every company is different in which areas the company secretarial function is required to cover. In recent years, I have found I am working more and more cross-functionally and it has led to more creative outcomes and increased value for the business. Whilst not all regulatory changes exclusively add to the workload of the company secretarial team, it is vital that company secretaries and governance professionals understand the changes so they can support the board in their decision making.

FROM 'A SURVEY ON HOW YOU MANAGE YOUR SIGNATORY LISTS'

75% of company secretaries said it would be beneficial if they could update and distribute their lists in real time.



ROB FORD

Executive Director



About Rob: Executive Director of Governance Gurus, a corporate governance advisory and corporate training company based in the United Arab Emirates. His background is in advising major international clients, company directors and senior executives on corporate structuring and transformation projects whilst focusing on enhancing their corporate governance frameworks, reviewing policies and procedures and helping implement and embed good governance. As a corporate trainer I also design and facilitate an array of bespoke in-house training and advanced masterclass workshops, both regionally and internationally.

LOCATION

Dubai, UAE

SECTOR

Professional services

How will emerging technologies (ie: AI and blockchain) impact the role of the Company Secretary in the future?

I am extremely interested in information, data and technology and firmly believe that emerging technologies like artificial intelligence, machine learning and blockchain should help people work smarter and no harder. Everything comes at a price, sometimes that is the time and cost to implement new technologies, resistance from employees to use the technology effectively or a lack of awareness of the medium to long-term benefits of embracing change to stay agile and relevant.

I have used entity management software to maintain and manage large portfolios of companies and successfully worked with board portals to collect and circulate board packs, resolutions and even board performance surveys or questionnaires. In my early career I used compliance software and databases to identify individuals' identities, ultimate beneficial owners and to monitor transactions and news. We hear so much about FinTech, RegTech and blockchain and other technological advances.

The way companies do business has changed and in the next three to five years we will see more technological advances which will force businesses to re-evaluate the way they implement and improve

governance, manage their organisational risk and monitor gaps and vulnerabilities.

I feel that organisations are lacking the leadership knowledge to help guide them through this fourth industrial revolution as there is a limited understand about technology and the risks and opportunities it brings whilst maintain the data from hacking, ransomware and misuse by employees, hackers and cybercriminals to exploit or capitalise on data and sensitive information.

What are the main types of fraud company secretaries must be more aware of today?

Strategy business objectives and corporate culture are intrinsically linked to good governance as this allows businesses to achieve their corporate objectives whilst controlling risks and acting with integrity. There is no magic elixir to instantly transform an organisation to become an ethical business which implements good governance consistently at all levels whilst balancing short, medium and long-term objectives.

Too often senior executives are rewarded or punished for mainly the financial performance of the organisation in the short-term whilst non-executive directors and most shareholders are mainly focused on shareholder value and sustainable growth and success. This has led to most of the major corporate governance failures as some senior executives look to manipulate financial performance or act mainly with short-term objectives in mind as their performance and bonuses are dependent on achieving the financial objectives. This is sometimes encouraged by the board by setting unrealistic financial targets and growth expectations and not providing the chief executive and their executive team the resources to achieve the business objective ethically.

The main areas of fraud would be misstatement of financial performance, rewarding senior executives for short-term achievements without clauses to clawbacks payments over the medium-term if targets were achieved unethically or at the expense of the long-term sustainability of the business. I also see collusion by senior executives to bypass internal controls and falsify achievements, progress of project or actual profitability versus the approved transaction or project. Unfortunately, fraud can never be fully prevented but good policies and robust systems can help minimise and detect instances of fraud as quickly as possible.



FIONA OTIKA

Company Secretary for Europe



About Fiona: Fiona is the Company Secretary for Europe at Principal Global Investors, a subsidiary of Principal Financial Global Inc, a US listed company. She is the Mentoring Coordinator for the Association of Women Chartered Secretaries having retired as President in April 2019. Fiona has an LLB in Law, is a Fellow of the ICSA and has over 10 years of experience from a number of financial institutions, including: Universities Superannuation Scheme Limited, BNP Paribas Securities Services and Octopus Investments. Her roles have included portfolios of listed and private companies across various jurisdictions.

LOCATION

London

SECTOR

Investment
Management

How will emerging technologies (ie: AI and blockchain) impact the role of the Company Secretary in the future?

I see AI and blockchain unburdening the company secretarial function of some but not all of the administrative elements of role. It's unlikely to happen as quickly as some would like or anticipate, as there can be challenges getting sign off for new technology (for example budget constraints). Technology also comes with its own issues and vulnerabilities.

The role of governance professionals has already changed over the past 10 -15 years. Effective AI and blockchain have the potential to further support the evolution of the role. Governance professionals could then continue to focus on more strategic matters and be leveraged as trusted advisors to the board. Greater emphasis would be placed on emotional intelligence and skills that require sound judgement that cannot be automated.

This could help demonstrate more overtly the value governance professionals can add, for those willing to rise to the challenge. As the focus of the board and business often relate to added value.

What is the main barrier to good corporate governance?

There is more than one main barrier to good corporate governance and this can vary from one business to another. I believe the primary barriers are lack of understanding, misconceptions or experience of poor execution of good governance that all result in a lack of engagement. When corporate governance is turned into a tick box exercise it can become laborious and be perceived as another hurdle designed to slow down the decision-making process without adding value. This is where having an engaged company secretary who understand the business and can be pragmatic in its application where possible can be a great facilitator rather than be seen as an obstacle to overcome.

Over recent years, how have changing regulatory environments impacted the work effort required in company secretarial functions (e.g. GDPR)?

The ever-increasing regulatory environment has expanded the scope of the work performed by company secretarial functions. The Financial Services industry has experienced the most significant regulatory changes following the financial crisis. There is no sign of this slowing down. An example is the Senior Managers & Certification Regime introduced in 2016 by the FCA in the banking sector that has now been extended to almost all regulated firms with an implementation date of December 2019.

The additional requirement to provide support to implement and oversee any continuing obligations adds increased pressure on the function. The majority of the regulations touch on different departments and provides opportunities for the function to work collaboratively with other departments.



SHARON AH LIN

Corporate Manager – Chartered Governance Secretary

Rogers

About Sharon: Sharon Ah Lin is a chartered company secretary working at Rogers and Company Limited, a diversified holding listed on the Official List (i.e. the Main Board) of The Stock Exchange of Mauritius Ltd. Sharon has over 13 years' experience within company secretarial and board practices and has extensive experience of corporate transactions including IPO and M&A. Sharon holds a BA Honours Business Law and International Business (UK) as well as an ACIS (Associate) with ICSA (UK).

LOCATION

Mauritius

SECTOR

FinTech, Hospitality,
Logistics , Property

How will emerging technologies (ie: AI and blockchain) impact the role of the Company Secretary in the future?

Change is constant and inevitable. With recent technological innovation, some aspects of the company's secretary role have already evolved. The Entity management, access and management of compliance data and maintenance of statutory registers are done electronically on company secretarial software, while filing of statutory documents and accounts are done online. Alongside this, meetings are managed online, with a soft board pack available to all directors, wherever they might be.

These tasks are currently carried out by the compliance staff, allowing the company secretary to scale creative efforts, focus on more strategic work and solve complex problems.

However, with emerging technologies such as AI and blockchain, the role of the company secretary is expected to change even further.

AI in particular could have a huge impact and I think the company secretary will one day work alongside a robot aid. Let's call the robot Alfie!

Alfie would undertake the aforementioned administrative tasks and relieve the company secretary from the burden of tracking regulatory change management and capturing new obligations.

Additionally, Alfie would provide support in terms of safeguarding corporate memory - i.e. the history of corporate transactions, significant changes (including rationale) to the way the board has operated and the organisation's strategy.

However, there are of course some caveats. There will be areas where Alfie could encounter some difficulty. As is, Alfie would be taking verbatim minutes. In the event you have a board meeting which lasts 3 - 5 hours, you should then expect a lengthy transcript with over-wordy sections and some irrelevant content; for example, a director asking which page of a report we are on. Conversely, a good company secretary is able to listen to multiple voices, capture arguments and tone, summarise accurately and record the decisions taken.

Or, for example, if you had a group of directors who decided to proceed with a walk-out, how would Alfie handle this situation? Would it be able to capture that we might be inquorate at this stage of meeting and how would it support the Chairman?

Emotional and situational intelligences are two things that are at the heart of the company secretary's role and that AI such as Alfie would likely lack.

What are the key risks you are seeing in work undertaken by company secretaries, and how do you suggest they are mitigated?

There has been a recent spate of regulatory and legislative changes, all impacting governance strategies and practices. As the governance custodians, the company secretary operates at the centre of this change and is required to ensure that the right people within the organisation are kept abreast of developments and that they are approved by the board.

Having to assimilate both the volume of information and its implications in a short time span is challenging. Not least, because as at the same time company secretaries are also required to run a tight ship with regard to their other duties; whether attending board and shareholders meetings, devising compliance checklists and timelines for important projects (for example, an IPO), or supervising the smooth progress of major corporate transactions and conducting due diligence.

Failing to understand the implications of regulatory or legislative developments or ensure their effective implementation across the

organisation could dent the reputation of the organisation or cause a material impact on the business. A single innocent oversight can have serious consequences.

In such high-pressure circumstances, company secretaries should take a step back. Take stock of the situation with calm eyes, get a helicopter view of the totality of the organisation's governance requirements, reassess priorities and make adjustments accordingly.

Utilise the resources you have – a vital one will be your team. For instance, junior or assistant company secretaries could be called upon to take on more responsibilities in complex projects. This will not only allow them to acquire first-hand experience and help build a robust company secretarial team. It is also proactive succession planning. Alternatively, some of the legal work could be judiciously outsourced. These measures will then help company secretaries to focus on the broader strategic issues and complex problem-solving matters, and help them stay on top of the shifting governance landscape.



VENESSA DENNY

Assistant Company Secretary



About Venessa: Venessa works in governance, compliance and administration, and is passionate about supporting and leading organisations to fulfil their corporate governance goals for the betterment of their business, the market and society in.

She is also a Committee Member of the Association of Women Chartered Secretaries (AWCS) supporting the personal and professional development of women chartered secretaries through providing educational, networking and social events.

LOCATION

London, UK

SECTOR

Real Estate

How will emerging technologies (ie: AI and blockchain) impact the role of the Company Secretary in the future?

I think new technology will have a positive impact on the role. Things like getting electronic signatures rather than waiting for signatories to sign in person, or capturing accurate minutes and actions digitally so less time is spent typing them up, and members receive them sooner. AI could allow tasks, such as pre-populating electronic calendars with reminder dates, and automated filing.

With less human intervention in these tasks, it gives us time to become better subject matter experts and engage with the Directors on elements such as strategy or implementing changes.

I was really struck by Jimmy Choo's UK's first fully electronic AGM, mentioned on the Equiniti website. I think this is something that the sector responded positively to. They saw greater participation and shareholder engagement, regardless of location, and a decrease in Carbon Footprint - wins all around.

What is the main barrier to good corporate governance in non-for-profit organisations?

I think the main barrier is corporate partners understanding how we operate. The sector works in partnership with private companies to pool money, resources, expertises and share risk. Organisations in the sector have certain allowances and recourse to public funds, but must also balance social and commercial value.

We are heavily regulated and scrutinised, so are more stringent in our processes, procedures and continual drive for transparency. I suspect that, as a sector, we might be seen as slightly pedantic in our approach and this can sometimes create tensions if not managed properly.

FROM 'A SURVEY ON HOW YOU MANAGE YOUR SIGNATORY LISTS'

53% of company secretaries said it takes a week or longer to refresh their signatory lists. What if technology could help you do so in just a few clicks?



NATASHA JAMAL

Assistant Company Secretary

Smith+Nephew

About Natasha: Natasha is responsible for day to day liaison with shareholders, suppliers and department customers as well as global company secretarial compliance with local entities. She also acts as Secretary to one of the Smith & Nephew plc Board Committees. Prior to Smith & Nephew, Natasha worked within GlaxoSmithKline plc's company secretarial department in the Plc & Shareholder services team. She initially started in the profession as a Trainee on the TMF Corporate Secretarial Graduate scheme in 2012.

LOCATION

London, UK

SECTOR

Medical Devices

How will emerging technologies (ie: AI and blockchain) impact the role of the Company Secretary in the future?

I think even with movement in the form of virtual meetings and electronic software, the real impact of AI and blockchain technologies remains to be truly seen in the company secretarial field. I myself have had little involvement in the more innovative elements, which appear to remain in an embryonic state but think that as the technologies continue to evolve over time and are of widespread use it will certainly provide an opportunity for Company Secretariats to gain efficiencies, particularly around some of the more administrative aspects of the function. However, it will certainly be interesting to see how AI and blockchain or other evolving technologies have, if any, impact on the Company Secretariat's advisory and strategic functions.

What is the main barrier to good corporate governance?

There are many barriers to good corporate governance, which I believe vary between organisations and industries but generally speaking I think one of the main barriers is the approach of 'one size fits all' and the continuing use of an initially agreed framework without continually evaluating whether it remains the right one over time. The landscape for companies is ever evolving and I think the corporate governance framework in place needs to reflect this.

Over recent years, how have changing regulatory environments impacted the work effort required in company secretarial functions (e.g. GDPR)?

Even in my relatively short career, I have certainly seen first-hand how the evolving regulatory landscape has impacted the company secretarial function. Notwithstanding the function of the Company Secretary varying from organisation and industry, I believe the increase in regulations has certainly led to an increased workload for the profession. A prime example being the implementation of the Market Abuse Regulation. Company Secretariat need to continually be abreast on the changing environment so that it can establish which changes will (directly) affect the company and provide the

Board and organisation with the support it needs to meet and adhere to such to ensure compliance.



NICK IVORY

Company Secretarial Assistant

nationalgrid

About Nick: Nick is one of the Company Secretarial Assistants at National Grid PLC, an organisation listed both in the UK and US . He is also the Vice-Chair of the ICSA Student Forum having been appointed in June 2019.

Nick has a BA (Hons) in Business Management and is currently working towards the ICSA qualification.

LOCATION

London, UK

SECTOR

Energy

How will emerging technologies (ie: AI and blockchain) impact the role of the Company Secretary in the future?

I think the impact can only be viewed as positive and it is important to embrace emerging technologies or there is risk of being left behind. The legal sector has been significantly in the limelight regarding AI and new technologies, Bernard Marr wrote last year about how AI and Machine learning have transformed Law Firms and the Legal Sector. In terms of the Company Secretarial function and governance profession I think there are a few more complications when it comes to embracing AI.

Alongside the growth of AI discussion in the past 5-7 years there has also been the growth of discussion surrounding Emotional Intelligence and how vital that is for the 'modern day' Company Secretary to possess. The role is unique in the interactions it must have with the close to every function across the business at all levels. Can AI or technology in its current state offer the level of emotional intelligence that is vital within organisations these days, at this point no.

What technology can currently do is offer further enablement to the company secretarial function, automation can allow significant time saving and programmes such as Blueprint and BoardVantage have already completely revolutionized the profession compared with 15/20 years ago. Although I'm extremely far from having my head wrapped round exactly what blockchain is and the range of its offerings, it is

What is the main barrier to good corporate governance?

interesting to see particularly how it is being embraced for AGMs as part of the voting process. Santander were interestingly able to produce a 'shadow register'. Although blockchain is yet to be widely adopted, exploratory activities such as this are leading the way and will get organisations thinking about what they can adopt.

Certain barriers have been knocked down in recent years, corporate governance is increasingly at the top of the corporate agenda and the appetite has increased. Bigger roles for corporate governance professionals has further supported this move forward. Adding company secretaries and governance professionals to the C-Suite in roles such as Chief Governance Officer as seen at Rolls Royce will have an important long term impact.

Organisations are complex and constantly evolving similar to regulation and governance. It has got to always be forward thinking allowing for continuous evaluation. One element may suit one year that may not the following year. Governance professionals need to be the voice advocating strong corporate governance alongside the leaders in the business and be the individuals facilitating this.

Over recent years, how have changing regulatory environments impacted the work effort required in company secretarial functions (e.g. GDPR)?

Regulation is consistently evolving and this is developed externally from most organisations, it is vitally important that company secretarial functions remain informed and adaptable to new regulation developments. It is well known that the industry facing day to day scrutiny is Financial Services particularly post financial crisis. Sarbanes Oxley also had a significant impact on the professional services industry impacting how Company Secretarial providers particularly in how the 'Big 4' operated.

Regulation at times can add increased pressure particularly when it adds elements to the day to day role, however it should be recognised that it is there to add safeguards and does not always fully fall to the Company Secretarial function. It will be interesting to see potential future developments that the Auditing, Reporting and Governance Authority (ARGA) will bring and particularly positive that Company Secretary/Governance professionals are being consulted and are involved in the independent BEIS review.



SARA JOHNS

Former Partner

Ogier

About Sara: Sara has over 20 years' experience as a corporate commercial lawyer, having worked in London for several years prior to joining Ogier in 2003. She is a Jersey Advocate specialised in mergers and acquisitions, corporate restructuring, joint ventures and capital markets transactions involving offshore vehicles. In her last role, Sara led Ogier Jersey's competition law practice, and has advised on numerous merger control applications to the Channel Islands Competition and Regulatory Authorities.

LOCATION

St. Helier, Jersey

SECTOR

Legal Services

As the world embraces innovative technology, do you feel that company secretarial functions are being served sufficiently?

If changes in regulation represent one of the biggest challenges to company secretaries, innovative technology arguably represents the biggest opportunity. A lot of businesses are now seeking to differentiate themselves in terms of their delivery, aiming to deliver products and services better, faster, cheaper. The strategic use of technology to support this objective is placing increasing numbers of companies at a distinct advantage over their competitors.

Company secretaries have already benefitted from technological advances to some extent. For years, suppliers have been productising low risk services and corporate governance toolkits abound on search engines. But that is just the beginning. Artificial intelligence solutions are already used by banks and others in the financial services industry to handle transactional compliance, screening for indicators of fraud, money laundering, insider dealing and the like. As these AI solutions start to become mainstream and are developed to support other high volume functions, the role of the company secretary looks set to move still further away from its administrative roots.

With increased automation of administrative tasks, do you think that this enables the role of a company secretary to become more effective?

Inevitably, the role of the company secretary, like so many others, will change as more and more automation is introduced into our business processes. As that happens, the skill set needed to perform the role will change too. Emphasis will still be placed on the strategic and communication skills we have talked about, but ironically company secretaries will also need to be increasingly tech savvy in terms of procurement (picking the right tools) and implementation (using them to best effect). Those company secretaries able to bring this extra skill to the table are likely to play an even more important role in the companies of the future.

Over recent years, how have changing regulatory environments impacted the work effort required in company secretarial functions (e.g. GDPR)?

In the last few years, we have seen many regulatory changes that have had a huge impact on the company secretarial role. In Jersey, these have included not only changes to our local employment and discrimination laws, but also overseas developments that have impacted companies in the island such as FATCA, CRS, the UK trusts and PSC registers, and of course GDPR.

Company secretaries have played an increasingly pivotal role in keeping up with these regulatory changes and the co sec function has evolved accordingly. Internal recordkeeping and administration remain an important part of the job, but company secretaries need to be increasingly outward-looking, monitoring developments in corporate governance and regulation that affect the company and advising boards on compliance issues.

GDPR is a good example of this. It is a regulatory change that has generated a vast amount of interest and a vast amount of information, and it represents a real shift in the way data is protected and individuals' rights are enforced. Companies worldwide have been affected by GDPR because of its extra-territorial reach in protecting the data of EU citizens, and Jersey has also introduced its own legislation to ensure the island has an equivalent data protection regime. Getting to grips with these reforms and understanding their impact has been a huge challenge for a lot of companies, and company secretaries have often been at the forefront of this learning and development exercise.

All of this takes time, so naturally the work effort required from company secretaries has increased exponentially in recent years.

About Cygnetise

Cygnetise enables organisations to easily manage their signatory lists, whilst decreasing the risk of signatory fraud. Using Distributed Ledger Technology (DLT), the data is validated on a permissioned blockchain where the user has full control of their own data. In addition, all amendments are recorded providing an immutable audit trail which shows what was changed and by whom, increasing the security of your data.

Cygnetise can be used to manage: authorised signatory lists, bank mandates, sensitive document sharing, director lists, authorised trader lists (MiFid II), and shareholder lists.

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