Governance New Zealand Incorporated

Professional Education Programme

Student Handbook

2019
Welcome

Governance New Zealand is New Zealand’s leading independent professional body with a sole focus on the practice of governance and is dedicated to providing leadership in the areas of governance, compliance and risk management. Members enjoy global recognition and are supported through ongoing professional development, advocacy and technical updates to advance the best international practices and standards. We provide the best education and support for all governance professionals including practising chartered secretaries, governance advisers and risk managers - who are all tasked with driving responsible performance in their organisations.

Governance New Zealand has recently incorporated Women on Boards New Zealand as a business unit of Governance New Zealand. This association enhances the promotion and advancement in supporting gender diversity in the governance space and on both sides of the Board table.

Our accredited and internationally recognised Professional Education Programme sets the standard for entry into the profession and is the gateway to membership of Governance New Zealand Inc. and the Institute of Chartered Secretaries and Administrators (ICSA) - both leading international associations for governance professionals.

Linda Noble
Chief Executive
Governance New Zealand Inc.

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Professional Education Programme (PEP)

The Governance New Zealand Professional Education Programme (PEP) is postgraduate study that provides comprehensive knowledge and skills in the essential elements of good governance principles and is valuable preparation for any professional aspiring to a senior career in governance, compliance and risk management. Our PEP sets the standard for entry into the profession and is the gateway to chartered membership of Governance New Zealand and the Institute of Chartered Secretaries and Administrators (ICSA) — both leading international associations for governance practitioners.

The Professional Education Programme is designed and taught by leading law and business academics and expert practitioners in corporate and public sector governance.

Single subjects
If you do not wish to undertake the full Professional Education Programme, you may enrol in single subjects as a non-award student, for which no previous qualifications are necessary. A certificate is provided on the successful completion of each subject.

Professional accreditation — CPD
Accountants and lawyers should be entitled to claim credit for modules of the Professional Education Programme under their continuing professional development (CPD) and mandatory continuing legal education requirements. See the CPD rules of your relevant association(s). The Professional Education Programme entitles you to CPD hours for Governance NZ’s CPD program.
Benefits of Study

Why enrol?

The Governance NZ Professional Education Programme may be undertaken:
- as a way of keeping abreast of key corporate governance issues and developments
- as part of a career path towards becoming qualified to assume corporate governance responsibilities
- as a postgraduate study option by those seeking to gain membership of Governance NZ and Chartered Secretary or Chartered Governance Professional status

How study with the Professional Education Programme will benefit you

Completing the Professional Education Programme will provide you with:
- a fully accredited and internationally recognised postgraduate qualification focused entirely on corporate governance
- the flexibility of distance study
- practical knowledge and skills that can be readily applied in your workplace to give you a competitive personal and career edge
- an explicit demonstration of your expertise in, and commitment to, sound governance practice
- the ability to foster excellence in governance, corporate conduct and administration as a proactive member of the senior executive team
- an in-depth understanding of how to meet compliance requirements, including the NZ Companies Act, NZSX Listing Rules and key governance guidelines
- the expertise to become a highly regarded adviser to management and the board, or to be a valued board member
- the opportunity to network with other governance professionals and senior managers
- the gateway to full chartered membership of Governance NZ and access to our international affiliations

How study with Governance NZ will benefit your employer

The Governance NZ Professional Education Programme is a rigorous post-graduate education programme that will provide you with the skills and expertise to implement high standards of corporate conduct and administration, thus significantly increasing your contribution to your organisation.

Your completion of the Professional Education Programme will provide your employer with benefits including:

- immediately usable, highly developed specialist skills in corporate law, corporate compliance, company secretarial practice, corporate governance, corporate administration and risk management
- enhanced ability to better serve the needs of corporate and internal clients
• reassurance for your organisation and corporate clients that staff have attained a **postgraduate qualification** in governance and risk management to list in annual reports, and fundraising documents
• **flexible study options** designed to help students and employers minimise impact on work commitments
• access to Governance NZ seminars, courses and CPD activities to ensure that your organisation and staff **stay at the forefront** of the latest developments in governance and risk management
• an understanding of **sound practice** in governance and risk management and the tools and techniques to apply to your organisation
• graduates will be **eligible for full chartered membership of Governance NZ**, New Zealand’s independent leader in governance and risk management which will help ensure you and your organisation stay up-to-date and informed

**Non-award** enrolments are welcomed and, in this case, no previous qualifications are necessary. For example, Applied Corporate Law covers the most important features of the Companies Act which affect corporate administration and is an ideal stand-alone subject.

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**Learning with experts**

Governance NZ is privileged to have some of New Zealand’s leading business and law academics and corporate executives as course directors and subject authors. Course directors are handpicked to ensure that students are exposed to optimum levels of technical knowledge, professional experience and communication skills.
Study options

A significant advantage of the Governance NZ Professional Education Programme is that our subjects are available in distance mode. As a student you will have maximum flexibility to arrange your study around your career, family and lifestyle commitments.

Distance mode with tutor support

Comprehensive study notes with tutor support provide necessary learning in lieu of face-to-face teaching. Some subjects also include an online learning resource (refer to the “Resources” section below)

Subject completion

If you should fail to complete the assessment components for subjects studied in the initial semester, you are able to complete them in the next consecutive semester for a fee of $250 (GST incl.). Updated resources, if required, may incur additional fees.

Professional Education Programme completion

It should be noted that students have a maximum of five years to complete all the required subjects for the Governance NZ Professional Education Programme.

Learning resources

Subject materials

Comprehensive learning materials, comprising subject notes and readings, are provided by Governance NZ and are regularly reviewed. The cost of these learning materials is included in the enrolment fee.

Online learning centre

The online learning centre is available as an additional resource for all subjects apart from the Corporate Law, Corporate Governance and Risk & Compliance modules. Access to the online learning centre is included in your enrolment fee.

Student workshops

Each module includes a one-day Saturday workshop held in Auckland. The workshops are conducted by senior academics and practitioners who provide a balance of guidance on examination and assignment preparation with actual practical work-based applications of theory included in the module content.
Travel and accommodation costs to attend the weekend school are at the student’s own expense.

**2019 WORKSHOP DATES**

Semester One - Saturday 6 April  
Semester Two - Saturday 7 September

**Workload guidelines**

You should plan to allocate a **minimum of six hours per week** per module to study, including assignment writing and exam preparation.

**Overview of qualifications and membership offered by Governance NZ**

Membership ensures remaining at the forefront of global developments and best practice in governance. Membership, and therefore possessing the qualification as a Chartered Secretary and or a Chartered Governance Professional, involves a career-long relationship with both Governance NZ, and the International parent body, the Institute of Chartered Secretaries (ICSA).

ICSA has three levels of membership – Affiliated Member, Associate and Fellow.

For those individuals studying to become an Associate or Fellow, on the successful completion of the required examinations, graduates immediately become GradICSA. Upon gaining the necessary practical experience and deemed to be of appropriate upstanding character, graduates are admitted as members at Associate level, become a Chartered Secretary and or a Chartered Governance Professional and are entitled to use the post-nominal ACIS. Upon admission as a Fellow, the most senior grade of membership granted on more extensive experience, a Chartered Secretary or Chartered Governance Professional may include the prestigious ‘FCIS’ designation after his/her title.
New doors are about to open for governance professionals

Following a review of the International Qualifying Standard – the framework that underpins our qualification in New Zealand - we are pleased to announce some significant changes to our education offering are just around the corner! From August 2019 a new professional designation of Chartered Governance Professional will sit alongside that of Chartered Secretary.

The new qualifying programme trains students in more relevant subject areas, offers greater support by design and will create graduates eligible to use both chartered designations on achieving the requisite work experience.

We believe that these changes will open more doors for more people into the growing world of governance.

The following are the modules that make up the Governance NZ Professional Education programme from August 2019.

<table>
<thead>
<tr>
<th>MODULE</th>
<th>CHARTERED GOVERNANCE PROFESSIONAL</th>
<th>CHARTERED SECRETARY</th>
<th>DATE OFFERED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Governance</td>
<td>✓</td>
<td>✓</td>
<td>Currently offered</td>
</tr>
<tr>
<td>Company Law</td>
<td>✓</td>
<td>✓</td>
<td>Currently offered</td>
</tr>
<tr>
<td>Finance for Decision Makers*</td>
<td>✓</td>
<td>✓</td>
<td>2020</td>
</tr>
<tr>
<td>Risk &amp; Compliance</td>
<td>✓</td>
<td>✓</td>
<td>Currently offered</td>
</tr>
<tr>
<td>Development of Strategy</td>
<td>✓</td>
<td>✓</td>
<td>2020</td>
</tr>
<tr>
<td>Corporate Accountability: Meetings &amp; Disclosure</td>
<td></td>
<td>✓</td>
<td>Currently offered</td>
</tr>
<tr>
<td>Enterprise Risk Management</td>
<td>✓</td>
<td></td>
<td>2020</td>
</tr>
</tbody>
</table>

The existing finance module, Corporate Financial Management, will be offered in semester two 2019 (subject to sufficient enrolments) for a final time and may be taken as an alternative to the new Finance for Decision Making.
### Enrolment and general information

#### Eligibility and exemptions

Entry into the Governance NZ Professional Education Programme is available to those who hold a university degree or degree equivalent qualification satisfying Governance NZ entry requirements.

In the Professional Education Programme, students are required to successfully complete (either by study or exemption) **six subjects** in order to apply for Associate Member status with Governance NZ.

A maximum of **four** subject exemptions are available, based on the degree studies completed by the applicant.

<table>
<thead>
<tr>
<th>PATHWAY</th>
<th>ENTRY REQUIREMENTS</th>
<th>MODULES TO BE COMPLETED</th>
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<tbody>
<tr>
<td>Fast-track Professional</td>
<td>Qualified lawyers and accountants with a <strong>current practicing certificate</strong> and with <strong>more than 5 years’</strong> relevant experience</td>
<td><strong>Two</strong> modules to be completed</td>
</tr>
<tr>
<td>Professional Exemption Route</td>
<td>Qualified lawyers and accountants with a <strong>current practicing certificate</strong> and with <strong>up to 5 years’</strong> relevant experience</td>
<td><strong>Four</strong> modules to be completed</td>
</tr>
<tr>
<td>Related Degree Entry</td>
<td>Individuals with a law or finance degree, or both, but are not qualified lawyers or accountants.</td>
<td><strong>Five</strong> modules to be completed</td>
</tr>
<tr>
<td>Standard Entry</td>
<td>Individuals who also fall into this category may also have:</td>
<td><strong>Six</strong> modules to be completed</td>
</tr>
<tr>
<td></td>
<td>• Degree (non-finance/law related)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 5+ years’ relevant work experience (case-by-case basis)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• MBA or Diploma in Business Management/Law/Accounting</td>
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</tr>
</tbody>
</table>

- Your entry qualification may be either an undergraduate or postgraduate degree
- A business degree includes a BBUs, BCom, MBA, MCom or equivalent
- A law degree includes an LLB, LLM, or equivalent degree
- A degree-equivalent qualification may be a membership qualification for some related professional associations
- For exemption purposes, you may be asked for further evidence of equivalent prior studies
- For overseas degrees, you may be asked to provide subject outlines
To make application for entry into the Professional Education Programme and to apply for exemptions, please supply the following:

- A certified copy of the official academic transcript for your degree. This can be certified by a lawyer, notary public, JP or court official
- A copy of your testamur (degree certificate) if your academic transcript does not have a conferral or award date on it
- Evidence of name change if your current name is different in any way from the name as it appears on your academic transcript
- Evidence of currency, for example evidence of current membership to CAANZ (formerly NZICA), CPA or CIMA or your practising certificate
- Your current résumé or evidence of current membership of relevant professional bodies if exemption requests are based on undergraduate study

Contact Governance New Zealand if you require assistance in determining your eligibility for exemptions.

Ph (09) 377 0130 or email lee.edmands@governancenz.org

Affiliated membership (non-chartered)

Individuals without degrees or not wanting to pursue either of the two chartered qualifications can opt to study towards gaining the new Affiliated class of membership by completing three subjects from Governance NZ’s formal qualifying programme. These subjects are Corporate Governance, Finance for Decision Making and Corporate Law. This pathway will provide you with the learning to support your career without requiring a commitment to the completion all 6 modules. Students can opt to later transfer to the chartered study path at a later stage, to completing the full chartered membership pathway in the future is available.

Stand-alone modules

All modules are available as stand-alone papers as a means of acquiring Professional Development.

Semester start dates

4 March 2019
5 August 2019

Recommended enrolment dates

Early enrolment is highly recommended as places are sometimes limited.
Subject fees

The 2019 module fee for all subjects is $1,450 per subject (GST incl.)

New students are required to pay a one-off application fee of $150 (GST incl.) on registration.

All students are also required to maintain Student membership of Governance New Zealand which is $95 (GST incl.) pa.

Text books may be required, dependent on the module, and are not covered by the module fees.

Registrations

To be admitted to the Professional Education Programme and/or enrol in any of the subjects listed in this handbook, please complete the registration form at the back of this book and forward with your payment.

Please include a certified official academic transcript, issued by your university or equivalent educational body, confirming the award of your degree or degree-equivalent qualification and the conferral date, and listing the individual subjects you completed together with your results.

If you are enrolling as a non-award student only, you are not required to submit an academic transcript, unless you subsequently change your mind about completing the Professional Education Programme.
Subject content

Course descriptions

These course descriptions are a guide only, based on the previous offering of the course. Governance New Zealand reserves the right to amend the content and/or evaluation process from time to time without notice.

Applied Corporate Law

This subject is the point of entry to the Professional Education Programme for students and provides a detailed examination of the Companies Act as it applies to corporate administration, compliance and governance. As this is the threshold subject the level of assumed knowledge is limited.

1. Legislative & market framework; the role of the governance professional
   - The legislative and market framework
   - Sources of company law
   - Company law elements in the role of the governance professional

2. The nature of the corporate entity
   - Types of corporate entities including associations and not-for-profit charities
   - Partnerships, joint ventures and sole traders
   - Promoters and pre-incorporation contracts

3. Nature of the company structure
   - Fundamental characteristics of the company
   - Formation and registration
     - Procedures/documents
     - Company name
     - Certificate of incorporation
     - Role of Registrar

4. Separate legal personality
   - The veil of incorporation
   - Lifting the veil of incorporation

5. Structural and legal issues involving companies
   - The company constitution; shareholder agreements
   - Director appointment, duties and liabilities
   - Shareholders and shares
   - Equity and debt capital
   - Raising capital from the public
   - Overview of companies in financial difficulty, administration, receivership and liquidations
Corporate Accountability: Meetings and Disclosure

This subject is designed for the corporate sector and provides a highly practical review of key issues relating to company secretarial practice and the rules of company meetings and their application with particular reference to NZX Listing Rules and governance principles. It also builds upon the subject Applied Corporate Law or equivalent university studies undertaken by law graduates.

1. Operating context and governance framework
   - The company secretary
   - The company secretary and regulators
   - FMA
   - Overview of state sector, NFP and charities roles for the company secretary
   - SMEs and out-sourcing the role
   - The company secretary and the Takeovers Act
   - The company secretary and NZX
   - The company secretary and FMA
   - The company secretary and the Commerce Commission
   - The company secretary and other regulators
   - Standards and guidelines

2. The role of the company secretary or governance professional
   - Primary responsibilities
   - Relationship with the Board of Directors and CEO
   - Company secretary as governance intermediary
   - Function and relationships with corporate counsel, management
   - The company secretary as agent of the company
   - The compliance framework
   - Company constitution
   - The duties of officers

3. Records and reporting
   - Books
   - Financial reporting
   - Audit
   - Remuneration committee
   - Company statement — extract of particulars
   - Execution of documents

4. Managing knowledge and information
   - The sources of information on law, regulation and administrative best practice
   - Intellectual property
   - Information, data and technology as a corporate asset
   - Technological change and innovation
   - Internet website applications and management
   - Data protection legislation
   - Confidentiality
5. NZX and listing
   - Overview of NZX
   - Listing on NZX
   - Prerequisites for admission to the official list
   - NZX listed securities

6. NZX market integrity and corporate governance
   - Market integrity
   - Continuous disclosure
   - Mandatory requirements
   - Important ongoing requirements
   - Other Listing Rules
   - Corporate governance

7. Membership and share capital
   - Types and function of shares
   - The issue and allotment of shares
   - Register of members
   - Transfer of shares
   - Share capital issues

8. Principles of meetings
   - Members' and directors' meetings
   - Form of meetings
   - The role and structure of company meetings
   - Meetings under the Companies Act
   - Specific meeting requirements for listed companies
   - The chair
   - The company secretary
   - Defamation
   - Minutes

9. Directors’ meetings
   - Framework of meetings
   - Directors' meetings
   - Convening directors’ meetings
   - Agenda
   - Procedural issues
   - Minute taking
   - E-documentation and protocols
   - Board committees
   - Disclosure of interests
   - Related party transactions
   - Care and diligence and the business judgment rule
   - Insolvency
   - Minutes
   - Directors’ meetings versus public sector meetings
10. **Convening general meetings**
   - Annual general meetings
   - Convening general meetings
   - Proxies
   - Direct voting
   - Quorum

11. **Conducting annual general meetings and other meetings**
   - Motions and resolutions
   - Rules of debate
   - Preparation for an AGM
   - Quorum
   - Adjournment of a general meeting
   - Voting
   - General and statutory validation of irregularities
   - Class meetings
   - Meetings under external administration
   - Meetings — managed investment schemes
   - Web-based information and disclosure

12. **Simulated general and directors’ meetings**
   - Case study
   - Revision /exam preparation

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Corporate Governance

This subject ties together the full range of legal, managerial and ethical issues which affect corporate governance best practice. It identifies the best practice principles which students can apply in their own corporate or governmental situations. It builds upon the knowledge of the law and its practical application gained from Applied Corporate Law OR Corporate Accountability: Meetings and Disclosure.

1. Overview of the general principles of corporate governance
   - Definitions of ‘corporate governance’
   - Key elements of corporate governance
   - The Companies Act 1993 and corporate governance
   - Regulatory regime
   - Corporate governance disclosure, NZX Listing Rules requirements
   - Corporate governance principles - FMA
   - Corporate governance principles, codes and guidelines for different sectors

2. The Board of Directors and leadership
   - Corporate governance and the role of the board
     - The legal context
   - General characteristics of the board
     - Board functions
     - The board's role in formulating strategy
     - Different types of boards

3. Board performance assessment
   - Board performance assessment
     - Do companies review the performance of their boards?
     - Why review board performance?
     - How can board performance be assessed?
     - What are the key areas that the board should consider when assessing its own performance?
     - Measuring board performance
     - Individual director assessment
     - Guidelines covering board reviews

4. Composition of the board
   - Board composition
     - Guidelines and evidence concerning composition of the board
     - What is the rationale for the appointment of nonexecutive directors?
     - What do non-executive directors need to fulfil their role?
     - Diversity initiatives
     - What factors limit the effectiveness of the contributions of non-executive directors?
     - Evidence about the effectiveness of boards composed of non-executive or independent directors
   - Separation of chair and CEO
     - What is the rationale for separating the roles of chair and CEO?
     - Do companies actually separate the roles of chair and CEO?
5. Board structures
   • What is the role of the chair?
   • Committees of the board
     o The nomination committee
     o Audit committee
     o Risk committees
     o Other committees

6. Role of shareholders
   • The growing influence of shareholders
   • The dynamics of New Zealand’s institutional investors
   • Why do institutional shareholders take an interest in governance?
   • Examples of institutional involvement
   • Institutional codes of practice
   • Continuous disclosure
   • Exercise of shareholders’ rights
   • Future of the AGM
   • Proposals for strengthening the voice of shareholders

7. Ethics and governance
   • Ethics versus regulation
   • Resolving corporate questions from an ethical perspective
   • Ethics and corporate governance
   • Some particular ethical issues for governance

8. Corporate social responsibility
   • Definition
     o Stakeholders
     o Factors shaping CSR programs
     o CSR programs
   • CSR contexts
     o Sustainability and environment
     o Integrated reporting – global developments
     o Delivering socially responsive goods and services
     o Global and local choices: shareholder and community value
     o Conclusion

9. Directors’ and executives’ remuneration
   • Regulation of remuneration practices
   • Remuneration considerations
     o What information must be disclosed about director and executive remuneration in New Zealand?
     o The role of remuneration committees
     o Why is remuneration an important corporate governance issue?
     o Current issues in remuneration

10. International models of corporate governance
    • The “comply or explain” model vs mandatory compliance model
    • US Sarbanes-Oxley Act, Dodds-Franks Act
    • The global financial crisis
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- UK corporate governance and its impact
- NZ, Australia and Asia-Pacific governance
- Comparative corporate governance
- A classification of corporate governance systems
- Convergence or divergence?
- Characteristics of the New Zealand corporate governance model
- Country case studies

11. Sector models of corporate governance
- Governance in the not-for-profit sector
- Governance in government-owned enterprises
- Governance in the government sector
- Governance in SMEs and family-owned companies
- Conclusion

12. Review and examination preparation
- Case study
- Reflection
- Revision

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Risk and Compliance

This subject ties together the fundamental frameworks of risk and compliance. It provides a practical foundation of approaches to both risk management and compliance. It highlights legal requirements in terms of privacy, trade practices and equal opportunity, health and safety.

1. Risk management framework
   - Risk management framework
   - Developing a risk culture
   - Standards and guidelines
   - Strategic goals and risk management – a board responsibility
   - Risk management – a shifting paradigm
   - ISO 31000 and risk appetite, tolerance
   - Introduction to tools and techniques
   - Enterprise-wide risk management
   - Audit and risk management
   - Risk management reporting
   - Insurance
   - Types of insurance
   - Alternative risk transfer arrangements

2. Compliance frameworks
   - Regulatory requirements for compliance
   - Compliance standards and guidelines
   - Key elements of an effective compliance framework
   - Enterprise-wide compliance management
   - Implementation
   - Compliance risk assessment
   - Disclosure and reporting obligations
   - Tools and techniques
   - Responsibilities of the board and management

3. Business continuity management
   - Implementing business continuity management (BCM)
   - Developing a business continuity plan (BCP)
   - Risk identification
   - Business impact assessment
   - BCP reporting
   - Dealing with business interruption
   - Standards and guidelines
   - Insurance and BCM

4. Reputation risk
   - Reputation — risk or outcome?
   - Key drivers of reputation risk
   - Reputation risk case studies
   - Tools and processes to manage reputation risk
5. **Competition and Consumer Act compliance**
   - Competition and consumer protection framework
   - The Commerce Act for Competition
   - The Consumer Guarantees Act
   - Fair Trading Act for Consumer Legislation
   - Commerce Commission’s investigatory and enforcement powers
   - Competition and consumer compliance management

6. **Privacy compliance**
   - Privacy in New Zealand
   - New Zealand Privacy Principles (NZPPs)
   - NZPPs and sensitive information
   - NZPPs and direct marketing
   - Privacy compliance
   - Privacy and outsourcing
   - Privacy complaints

7. **Project risk**
   - Why govern projects?
   - Key concepts
   - Best practice project governance
   - Issues and developments

8. **Environmental risk**
   - The NZX reporting requirements
   - Social and economic drivers of environmental risk
   - Principles of environmental risk management
   - Environmental risk management in practice
   - Current issues and developments
   - Case studies

9. **Employment law and risk**
   - Employment law and regulation
   - The employment contract

10. **Workplace health and safety — equal opportunity**
    - Equal opportunity in employment
    - Work health and safety
    - Workers compensation

11. **KiwiSaver — the regulatory framework**
    - Superannuation funds
    - KiwiSaver
    - Prudential rules
    - Regulation of superannuation investments
    - Employer issues
    - Key cases

12. **Risk and Compliance self-evaluation**
    - Case study, reflection and revision
Corporate Financial Management

This subject is designed to enable non-business graduates to become knowledgeable and competent in corporate financial principles, and in understanding the impact of the fiscal environment on companies and other entities and on their decision-making.

1. **Financial management — the essence of business survival**
   - Financial management and financial management decisions
   - The balance sheet and financial management decisions
   - Alternative forms of business organisation
   - The goal of financial management
   - Agency problems with control
   - The role of financial markets

2. **Financial statements — analysis and interpretation**
   - Working with financial statements
   - Cash flow and financial statements
   - Financial statements analysis
   - Du Pont identity and other groupings
   - Using financial statements for planning growth
   - Financial planning models and per cent of sales forecasting
   - Limitations in using financial statements to assess past or future performance

3. **Financial maths — the basic tool of finance**
   - The aim of financial mathematics
   - Single cash flows
     - future value and compounding
     - present value and discounting
   - Determining the discount rate or period taken to get a required investment yield
   - Present and future values of multiple cash flows
   - Valuing equal cash flows — annuities and perpetuities
   - Comparing rates — the effect of compounding periods

4. **Principles of valuation — shares and bonds**
   - General principles of valuation
   - Valuing bonds and shares
   - Estimating bond yields, dividend and capital gain yields

5. **Investing in capital projects (capital budgeting)**
   - Investing and the capital budgeting process
   - Types of investment projects
   - Net present value
   - Internal rate of return
   - Present value index
   - Payback period and discounted payback period
   - Accounting return on investment

6. **Competitive advantage**
   - Investing and strategic planning
7. Risk and capital budgeting
   - Investors' attitudes to risk
   - Measuring historical risk with standard deviation
   - Estimating future risk with standard deviation
   - Volatility and capital market efficiency
   - Causes of share price variation
   - Risk and return on a portfolio investment
   - Risk-adjusted hurdle rates for capital budgeting

8. Financing the business
   - Financing and the financial system
   - The debt/equity financing pattern
   - Short- or long-term financing
   - Sources of debt, equity and hybrid financing
   - Methods for raising debt, equity or hybrid finance
   - Mechanisms to expedite raising finance
   - Leasing as a debt financing equivalent
   - Distinguishing financial and operating leases

9. Capital structure — more or less debt
   - Advantages and disadvantages of debt financing
   - Fixed costs — a driver of operating and financing risk
   - Linking leverage to required returns with the SML and with the WACC
   - Capital structure theories — how they help
   - Professional lenders — how they assess credit risk
   - Transaction costs and lumpy fundraising
   - Practical issues in financing

10. Business restructuring
    - Types of and motives for mergers and acquisitions
    - Possible merger mechanisms
    - Calculating the benefits and costs of mergers
    - Defensive measures — conflicts of interest
    - Divestments — leveraged buyouts (LBOs) versus conglomerates
    - Bankruptcy — involuntary reorganisation

11. Treasury decisions
    - An overview of the treasury function
    - Judgment — the key for sound treasury policies
    - Treasury risk measures
    - Derivatives and other tools of the treasury trade

12. The global marketplace
    - International financial management
    - Foreign exchange markets
Drivers of foreign exchange uncertainty
Issues in international capital budgeting
Other current global market issues
Finance for Decision Making

The aim of this subject is to develop knowledge of finance and accounting and the ability to use that knowledge to interpret financial and accounting information in order to provide advice to the board, or a similar decision-making body, in strategy development and/or decision-making.

LEARNING OUTCOMES

1. Understand and interpret financial reports
2. Identify the financial reporting regulatory regimes and their objectives
3. Identify and critically evaluate sources of finance and their associated risks and returns
4. Utilise the major fundamental financial models and evaluate their strengths and weaknesses
5. Independently evaluate finance theories in light of impactful events

MODULES

1. Introduction to accounting and business decision-making
2. The conceptual framework for financial reporting
3. Financial statement components — The balance sheet
4. Financial statement components — Statement of profit or loss and statement of changes in equity
5. Analysis and interpretation of financial statements
6. Monitoring and controlling the business and performance measurement
7. Financing the business — Associated risks and returns
8. Capital structure and cost of capital
9. Financial investment principles
10. Investing in capital projects (capital budgeting)
11. Competitive advantage and the capital budgeting decision process
Assessment

Students must attain an aggregated mark of 50 per cent for their total assessment requirements in order to pass each subject.

For non-award students, assessment is optional. However, if you wish to move to membership or later wish to complete the Professional Education Programme, assessment is mandatory.

There are two compulsory assessment components for all subjects as follows:

<table>
<thead>
<tr>
<th>Assessment Component</th>
<th>Percentage of overall mark</th>
<th>Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignment</td>
<td>30%</td>
<td>A practice-related written assignment of 3,000 words maximum.</td>
</tr>
</tbody>
</table>
| Examination          | 70%                        | • Finance for Decision Making and Corporate Financial Management: one closed-book examination of three hours per subject plus 15 minutes reading time. Only calculators will be allowed in the examination room. Please note: this is not a memory test. Tables of formulas will be provided with the examination papers  
• For each other subject: one open-book examination of three hours plus 15 minutes reading time  
• The examination questions may cover any content of the 12 modules and key readings from the subject materials |

Assessment dates

Assignment submission dates for 2019

Semester 1 — Tuesday 30 April 2019  
Semester 2 — Tuesday 1 October 2019

Examination dates for 2019

Semester 1 — Tuesday 11 June 2019  
Semester 2 — Tuesday 12 November 2019

Students sitting more than one examination may sit the additional paper on another day within the same week as arranged with the programme coordinator.
Examination venues

Examination venues are located in Auckland, Hamilton, Wellington and Christchurch.

On request, Governance NZ will make arrangements for students outside these cities to sit exams at a local institute or organisation. These candidates may be required to pay that institution/organisation’s examination supervision fee directly.

Results

Semester results will be released approximately five weeks after the examination week. Students will be notified by email when results are available.

Prize for Academic Excellence

A prize for academic excellence is awarded each semester. Recognition of this prize is acknowledged in the Governance NZ Annual Report.
Withdrawals and refunds

Notice of withdrawal must be given in writing to the Chief Executive within ten business days of the despatch of subject materials by Governance NZ. All fees (less an administration charge) will be refunded on return of materials provided.

Refunds will not be granted after this period other than in exceptional circumstances and at the discretion of Governance NZ. Please refer to the Refund Policy.

Policies

Please go to the Governance NZ website to view all policies relating to the processes, rules and guidelines for the Professional Education Programme.

- Academic misconduct guidelines
- Admissions policy
- Exemptions policy
- Five-year completion policy
- Refund policy
- Subject completion policy
- Assessment appeals guidelines
- Assignment rules and procedures
- Examination rules and procedures

How to enrol

Please send your completed registration form and academic transcript to:

Lee Edmands
Education & Communications Executive
Governance New Zealand Inc.

Contact details

Email: lee.edmands@governancenz.org
Phone: 0800 242 669 or (09) 377 0130
Post: PO Box 444, Auckland 1140

Contact Governance NZ if you have any questions about how to enrol in the Professional Education Programme
Frequently asked questions

Q. What are the requirements for admission to the Governance NZ Professional Education Programme?
A. To be admitted to the Governance NZ Professional Education Programme you are required to hold a university degree or degree-equivalent qualification which meets the entry requirements of Governance NZ. There are no prerequisites for non-award enrolments.

Q. What if I don’t have a degree but there are parts of the programme that are really relevant to my current role?
A. If you do not have a degree or are not intending to complete the full Professional Education Programme, you can enrol for single papers as a non-award student. This will provide you with the learning to support your career without requiring a commitment to complete all 6 modules.

Q. Which subject should I do first?
A. There are no hard and fast rules governing the order of study although Corporate Law, Corporate Accountability – Meetings & Disclosure and Corporate Governance are ideal subjects to start with due to being more generalist or broad in terms of content. If your aim is to complete the Governance NZ Professional Education Programme you may be eligible for exemptions based on your prior studies. Refer to page eight for details. For more specific advice in relation to your enrolment, contact Governance NZ.

Q. How will I be assessed?
A. Each subject consists of an assignment and exam component. Refer to page twenty-four for details. If you enrol as a non-award student the assessment is optional, although if you later wish to convert to the Professional Education Programme, assessment is mandatory.

Q. How difficult are the exams?
A. The examinations are set at a postgraduate level with an emphasis on the candidate’s ability to critically analyse and apply the knowledge in a practical context. The failure rate is usually less than 5% of candidates sitting.

Q. How do I find out if my degree meets the requirements of Governance NZ?
A. We will be able to advise you as to whether or not your degree will likely meet the entry requirements. However, to confirm your eligibility we will need a certified copy of your academic transcript from your university, listing the subjects you completed and your results. This should be sent to the Education & Communications Executive. Refer to page eight.

Q. What should I do if I anticipate problems finishing any subject in the normal one-semester time frame?
A. All subjects studied may be extended once to the next consecutive semester for a fee of $250. Updated resources may incur an extra fee.

Please refer to the Subject Completion Policy on the Governance NZ website.
Q. If I fail a subject can I re-sit at a later date? What are the charges?
A. Where a student fails an exam, they are able to re-sit the exam in the following semester by paying a re-sit fee. Where a student fails an assignment, they are able to submit the following semester’s assignment by paying the assignment re-sit fee.

Q. What are the requirements for membership of Governance NZ?
A. Associate membership of Governance New Zealand Inc. and our international affiliations is obtained by completion of the Professional Education Programme in addition to 6 years relevant work experience. The six-year requirement may be reduced by up to three years based on the academic or professional qualifications held by the applicant [Visit the Governance NZ website](https://www.governancenz.org.nz) to find out more about becoming a Chartered Secretary or Chartered Governance Professional.
# Professional Education Programme
## Registration Form 2019

### Personal Details

<table>
<thead>
<tr>
<th>Role</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr, Mrs, Ms</td>
<td>First name/s.</td>
</tr>
<tr>
<td>Miss, Dr, Prof (please circle)</td>
<td>Surname.</td>
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<tr>
<td></td>
<td>Preferred name.</td>
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<tr>
<th>Details</th>
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<td>Phone</td>
<td>Mobile.</td>
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<td>Email</td>
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<tr>
<th>Details</th>
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<tr>
<td>Date of birth</td>
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### Employment Details

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<td>Position</td>
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<tr>
<td>Company</td>
<td>..........................................................</td>
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<tr>
<td>Work address</td>
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<tr>
<td>Work phone</td>
<td>Email.</td>
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### Preferred contact details

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<tbody>
<tr>
<td>Preferred email address</td>
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<tr>
<td>Delivery address for course materials</td>
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**How did you hear about the Governance NZ Professional Education Programme?**

- GNZ website
- NZ Lawyer advertising
- CAANZ advertising
- Personal recommendation
  
Please circle

<table>
<thead>
<tr>
<th>Qualifications &amp; Experience</th>
<th>(originals or certified copies of Transcripts of previous studies, your Degree Certificate/s, or a letter from the appropriate professional body confirming membership must accompany this form)</th>
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<tbody>
<tr>
<td>Name of Institution</td>
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<tr>
<td>Course</td>
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<td>Major</td>
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<td>Year completed</td>
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<tr>
<td>Major</td>
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<td>Year completed</td>
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<tr>
<td>Professional Qualifications</td>
<td></td>
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<tr>
<td>Other</td>
<td></td>
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</tbody>
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**Enrolment Semester One Modules (4 March 2019) – please tick**

* All modules are run subject to sufficient enrolments being received

- Corporate Accountability – Meetings & Disclosure
- Corporate Governance
- Corporate Financial Management
- Risk and Compliance

**Enrolment Semester Two Modules (5 August 2019) – please tick**

* All modules are run subject to sufficient enrolments being received

- Corporate Governance
- Corporate Law
- Corporate Financial Management
- Risk & Compliance
<table>
<thead>
<tr>
<th>Examination centre venue – please tick</th>
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<tbody>
<tr>
<td>Auckland</td>
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<tr>
<td>Hamilton</td>
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<tr>
<td>Wellington</td>
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<tr>
<td>Christchurch</td>
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<tr>
<th>Programme fees (including GST)</th>
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<tbody>
<tr>
<td>Application fee (payable on application)</td>
</tr>
<tr>
<td>Student Membership</td>
</tr>
<tr>
<td>Module fee per paper</td>
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<table>
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<tr>
<th>Payment – payment must be received prior to commencement of the semester</th>
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<tbody>
<tr>
<td>Cheque enclosed (Payable to Governance New Zealand)</td>
</tr>
<tr>
<td><strong>Credit card</strong> details</td>
</tr>
<tr>
<td>Type (Visa or MasterCard)</td>
</tr>
<tr>
<td>Name on card</td>
</tr>
<tr>
<td>Card number</td>
</tr>
<tr>
<td>Expiry date (mm/yyyy)</td>
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<td>CCV #</td>
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**Direct credit** to Bank of New Zealand, Auckland. Acc # 02 0100 0043243 00

<table>
<thead>
<tr>
<th>Declaration</th>
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<tbody>
<tr>
<td>1. I agree to my assignment and examination papers being moderated by the Assessment Review Panel and ICSA International Review Panel.</td>
</tr>
<tr>
<td>2. I certify that the information given on this form is, to the best of my knowledge, true and correct.</td>
</tr>
</tbody>
</table>

Date .................................. Signed.................................................................

**Return your application by**
**Post** to Governance New Zealand
PO Box 444, Auckland 1140
or
**Email to lee.edmands@governancenz.org**