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No 222 • July 2018

Welcome to our July edition of our e Quality Edge



I have put together an article in this issue about the long journey from basic inspection to organisational excellence and ask the question: Have we made ISO 9001 too complicated for the small supplier?

We take the opportunity in this special month to pay tribute to the centenary of the birth of South African legend Nelson Mandela.

Thea Wentzel continues our IT sector series by publishing an informative article on "The spreading of malware through social media."

We give feedback on the long awaited update to ISO 19011.

SAQI congratulates its long-term members who have completed ten and more year's membership of our organisation.

We are pleased to announce our SAQI National Quality Week theme.

Terry Booyesen discusses the role of the Company Secretary from company administrator to governance leader. Richard Hayward tells us that "Unfocused thinking creates Eureka moments"

Have a great Quality month!

Paul Harding
SAQI MD

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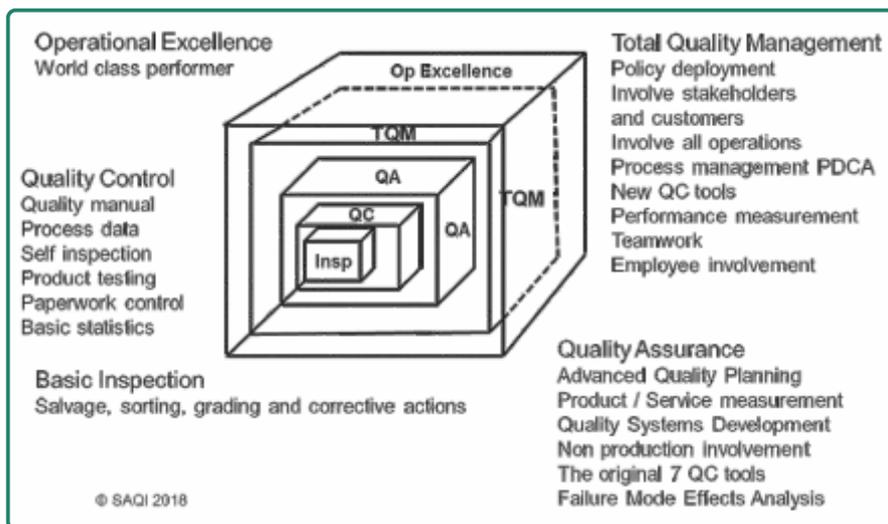
The long journey to excellence

By Paul Harding

Background

Over the past three years the South African Quality Institute has interacted with hundreds of delegates completing our career path development courses in quality that range from basic Quality Control to Advanced Quality Management. One thing that has stood out to us when presenting these courses is the lack of previous understanding by the delegates of the journey of quality concepts over the past few decades. This is particularly true when we look at the development of the ISO 9000 standards.

The model below attempts to give a representation of the magnitude of various Quality concepts.



Quality concepts

We can use this model to take us through the basic concept of Inspection before moving on to Quality Control and Quality Assurance. What does inspection tell us and is it necessary? The answer is that it tells us if the product is acceptable or not. Inspection does not solve the problem, it just highlights that a problem is there. Someone else determines that if the product does not conform should it be scrapped or can it be reworked. Quality Control takes the activity of inspection a little further and adds inspection instructions and methods of data collection to the activity. Quality Assurance then adds product specifications, Quality Systems and various planning and investigation techniques to improve product capability and consistency. These concepts of Quality Control and Quality Assurance were the focus of the ISO 9001:1994 standard with its twenty elements.

Organisations required consistent and conforming products from their supplier base according to contractual requirements. The concepts of QC and QA were used as stepping stones before starting the formalisation of a Quality Management System that met the requirement for ISO 9001:1994.

Continuous Improvement

In the year 2000 the ISO 9001 requirements changed and although there was no specific reference to it, the standard moved in the direction of Total Quality Management. Some of Deming's principles were applied and the PDCA cycle was introduced along with a greater focus on management responsibility and operator competence and training. The revised standard no longer just focused on the supplier of products but now gave the larger organisations across all sectors an opportunity to also become certified to a standard. An attempt was also made to merge products and services so the standard moved away from a pure manufacturing base to a much wider audience.

Did the ISO 9001:2000 revision have the desired effect of improving organisational quality?

This is debatable but if we listened to our SAQI training delegates they mostly said that the standard was still manufacturing focused and was difficult to introduce into a service environment. Most of them also highlighted the lack of management responsibility when introducing the Quality Management System as reasons for failure. One of the problems of

introducing the ISO 9001:2000 version was not in the standard itself, that had now moved towards TQM principles, but in the mind set of many QMS auditors who were still ticking boxes based on the requirements of the 1994 standard. Many auditors did not always understand how the processes in an organisation interacted together. Neither did many auditors understand the philosophy behind the PDCA cycle. Auditors still focused on nitty-gritty document control and calibration findings that often had little impact, if any, on the final product or service delivery.

ISO 9001:2015

The long awaited 2015 version of the ISO 9001 standard was finally released and went even further in the direction of Total Quality Management. The context of the organisation clause

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was introduced that now made it difficult for the “one size fits all” proponents of the standard to sell the same “system” to a number of different clients. The elimination of the six procedures, the Quality Manual and the Management Representative as mandatory requirements also made life a little more difficult for some consultants and auditors. The introduction of the 2015 version did not go without its challenges. Thousands of comments from various Technical Committees around the world went unanswered. However, the fifteen year old question on the overall purpose of ISO 9001:2015 standard was still left unanswered; is the standard based on the “Management of Quality” or the “Quality of Management”?

ISO 9004

There is another standard that we need to discuss. ISO 9004:2009 was published in order for an organisation to achieve “sustained success”. Now as one of the developers of the ISO 9001:2000 version of the quality requirements standard, I had a problem with this particular standard. Surely the purpose of ISO 9001:2000 with its focus on the PDCA cycle and continuous improvement was aimed at sustained success. With the advent of the ISO 9001:2015 standard the gap between the ISO 9001 standard and the ISO 9004 standard became even less pronounced. So now we are about to see the issuing of the ISO 9004:2018 standard. This standard now talks about the sustained success of the organisation through the “Quality of Management” and of course we have to bring the popular concept of innovation and self-assessment into the standard.

So is the confusion of the “Management of Quality” approach versus the “Quality of Management” approach finally resolved?

Operational Excellence

We need to consider other players in the market place so if we refer back to our model we need to look at operational excellence. Is this covered in ISO 9001:2015 or do we need to revert to ISO 9004:2018? However, the global excellence movement will tell us that we need something more than just ISO 9000 standards. We now need to consider Excellence Models such as the EFQM model, the Malcom Baldrige Award, the Deming Prize or the myriad of other excellence models that have been developed around the world.

Summary

So where is this long journey to excellence taking us?

Let us go back to the feedback from our many hundreds of delegates that represent a cross section of manufacturing, service and construction organisations in South and Southern Africa. Do they need an ISO 9001:2015 requirements standard or do they need an ISO 9004:2018 guidance standard? **The answer from the vast majority of our delegates is neither.** They need to comply with a standard that assures their various organisations can deliver a consistent product / service to their customers based on contractual requirements.

Now for the contentious proposal

Let us consider a basic ISO 9001:1994 type approach for suppliers that gives larger organisations confidence that their suppliers can deliver a consistent product based on contractual requirements from their customers. Can we really expect a Small Medium Micro Enterprise (SMME) to satisfy the requirements laid down in the latest standards? Many large organisations in South Africa require their suppliers to be certified against the latest ISO 9001:2015 standard. Do small suppliers need a roadmap to excellence or do they just need a certificate to trade? If the supplier's main customers want to take their own organisation to a level of excellence then change ISO 9004:2018 to a requirements standard.

I see nothing wrong with having a level two ISO 9001 certificate for conformance to requirements and a level one ISO 9004 certificate for top achievers.

If larger organisations or even any organisation, with aspirations of becoming World Class, want to go for an international excellence award then let's encourage them to do that.

Disclaimer:

The views expressed in the above article are my personal views and do not necessarily reflect the views of the South African Quality Institute.

About the author.

Paul Harding has a Master's degree in Industrial Administration from the University of Cape Town.

He was responsible for the design and manufacture of many world class tooling projects in the UK for many international organisations long before the first ISO 9000 standards were developed.

Paul was responsible for introducing the ISO 9001 requirements standard into a major automotive assembly organisation in South Africa. He also represented the National Association of Automobile Manufacturers of South Africa (NAAMSA) and was part of a small group of specialists at the South African Bureau of Standards (SABS) that work shopped and contributed to the ideas behind the ISO 9001:2000 requirements standard. Paul has been a member of TC 176 at SABS for the past twenty four years.

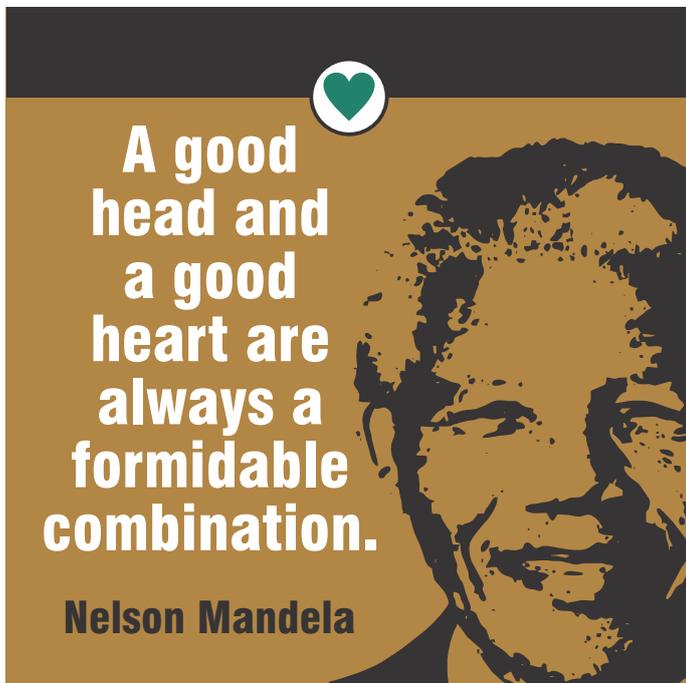


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A tribute to Nelson Mandela

Celebrating Mandela Day

By Team SAQI



2018 marks the centenary of the birth of Nelson Mandela. This provides a unique opportunity for people around the world to reflect on his life and times and to promote his legacy. In 2018 the Nelson Mandela Foundation will seek to create appropriate platforms for such engagement.

Nelson Mandela established the Foundation as his post-presidential office in 1999. As he stepped away from public life he gave us a robust social justice mandate in the areas of memory and dialogue. The Mandela Day campaign was introduced in 2009 as a tool for the world to honour him by interpreting his legacy in the contexts of working to meet the needs of local communities.

The 2018 Nelson Mandela Annual Lecture, in partnership with the Motsepe Foundation, was delivered by former US President Barack Obama.

The Nelson Mandela Annual Lecture is one of the Foundation's flagship programmes to honour its founder, Nelson Mandela. Every year since 2003, global leaders have used the lecture to raise topical issues affecting South Africa, Africa and the rest of the world. To honour the centennial of Madiba's birth, the 2018 lecture's theme was "Renewing the Mandela Legacy and

Promoting Active Citizenship in a Changing World". The lecture focused on creating conditions for bridging divides, working across ideological lines, and resisting oppression and inequality. The lecture took place on 17 July 2018, a day before Nelson Mandela International Day, and was held at the Bidvest Wanderers Stadium in Johannesburg. About 15 000 people attended.

For most of his life, Mandela fought for democracy and equality. His presidency was defined by his efforts to solidify the fragile democracy of South Africa and by his lessons on the politics of bridge-building over the politics of division. The Nelson Mandela Annual Lecture is a unique platform to drive debate on critical social issues in South Africa and around the world.

Welcoming assembled guests to the lecture, Nelson Mandela Foundation Chief Executive Sello Hatang said, "It's a very exciting moment for us." The 15 000-strong crowd was addressed by programme director Busi Mkhumbuzi, Foundation Chairperson Professor Njabulo Ndebele, Motsepe Foundation founder and CEO Dr Patrice Motsepe, activist and Madiba's widow, Ms Graça Machel, and President Cyril Ramaphosa before Obama spoke.

Ndebele said the world had welcomed Obama's election to the US Presidency in 2008 and that he had inspired universal belief in human unity. Motsepe, addressing the crowd, said, "The presence of each and every one here is living proof that the legacy and spirit of Nelson Mandela is alive."

Machel, Mandela's widow, said Madiba's centenary was an opportunity to celebrate him "in all his incredible uniqueness", and also to celebrate him as a representative of a broader collective leadership that had led South Africa and South Africans to freedom. Machel called on young people to take inspiration from Mandela's life so that they create a world in which all live in a way that respects and enhances the freedom of others.

President Ramaphosa said the Nelson Mandela Annual Lecture, from the very beginning, had been "global in its ambition, and broad and inclusive in its outreach". Ramaphosa said that his "Thuma Mina" (send me) message was "none other than Mandela's message" of personal service: "Madiba ... is sending all of us to deal with corruption, and to root it out of South African soil."

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Obama said: “Madiba's light shone so brightly ... that in the late seventies he could inspire a young college student on the other side of the world to re-examine my own priorities – to reconsider the small role that I might play in bending the arc towards justice.”

“And now an entire generation has now grown up in a world that by most measures has gotten steadily freer, healthier, wealthier, less violent and more tolerant during the course of their lifetimes. It should make us hopeful.”

“Let me tell you what I believe. I believe in Nelson Mandela's vision, I believe in a vision shared by Gandhi and King. I believe in justice and in the premise that all of us are created equal.”

In his speech Obama tracked the enormous social and democratic progress the world has made in the 100 years between Mandela's 1918 birth and 2018.

Obama went on to outline how the world has changed from one just emerging from a devastating war and in which most of what is now the developing world was under colonial rule. Women, across the world, were seen as subordinate to men, some races were seen – almost universally – as naturally subordinate and inferior to others, and business saw nothing wrong in seeking to exploit workers, of any race or creed.

Since then colonialism had come to an end and the world had, in general, embraced a new vision for humanity, based on the principles of democracy, the rule of law, civil rights and the inherent dignity of every single individual. This kind of progress was the kind of progress to which Mandela had dedicated his life, Obama said.

“Now an entire generation has grown up a world that has become freer, healthier, wealthier and more tolerant, in the course of their lifetime. That should make us hopeful.”

But, Obama cautioned, now the world stood on the brink of letting go of all this progress. Some people, world-over, saw the politics of fear and resentment as preferable to the “messiness of democracy”, Obama said.

The former US President said, however, that he still believed in the vision of Nelson Mandela.

“I believe we have no choice but to move forward,” Obama said. “I believe those of us who believe in democracy and human rights have a better story to tell.”

Obama called for the empowerment of young people, who would lead us into the future. “So on Madiba's 100th birthday, we now stand at a crossroads – a moment in time at which two very different visions of humanity's future compete for the hearts and the minds of citizens around the world.”

“So if we're truly to continue Madiba's long walk towards freedom, we're going to have to work harder and we're going to have to be smarter. We're going to have to learn from the mistakes of the recent past.”

SAQI's message to all our readers of the e Quality edge is:

“Let us all continue the legacy of Nelson Mandela, a true leader of our time.”



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Getting to grips with... spreading of malware through social media

By Thea Wentzel

What is malware?

Malware, or malicious software, is any program or file that is harmful to a computer user. It includes computer viruses, worms, Trojan horses, spyware and Ransomware.

These malicious programs can perform a variety of functions, including stealing, encrypting or deleting sensitive data, altering or hijacking core computing functions and monitoring users' computer activity without their permission. [https://searchsecurity.techtarget.com/definition/malware]

Have you ever fallen for a scam message with a free gift promise? Or instructions to claim money that you supposedly have won? Or perhaps a well-articulated person called you, saying he/she is from Microsoft and requires remote access to solve a performance issue on your computer? Or you may have received a message with a link to a survey that you completed and forwarded to 10 people?

Don't feel bad if you did fall for something and later learnt you've been scammed. Some of these messages, pop-ups and websites seem to be the real McCoy and quite legit.

Malware distribution campaigns are well-planned

The spreading of malware is not accidental, it is orchestrated by well-planned and funded malware distribution campaigns that often rely on social media to spread malicious software to end-users' devices. Users of social media are lured into forwarding messages that may contain links to fraudulent websites, infected files and bogus videos.

As users become more security aware, so do the methods used by cybercriminals become more sophisticated and harder to detect. Fake messages may appear real, false websites and apps may look legit, an 'update needed' pop-up could fool anyone.

The 'Fake Updates' Campaign

Earlier this year, Google Chrome users were cautioned about a malware campaign that spreads malicious files through fake updates for their internet browser. [1]

Dassanayake explains that the malware leverages hacked websites to redirect users to pages promoting fake software updates and that it has been spreading bogus patches for software such as Google Chrome, Mozilla Firefox, Internet Explorer and Adobe Flash Player.

He further references a blog post of Malwarebytes researcher Jerome Segura, who explains how Content Management

Systems of legitimate websites had been hacked to spread the malicious files, affecting thousands of sites utilizing WordPress, Squarespace and Joomla platforms. Affected sites were redirected to a fake update page for the relevant browser.

"Chrome users were presented with a bogus Google update page and Firefox fans saw a fake Mozilla download site. The victims were told their software was out-of-date and that they needed to update to the latest version. Clicking on the update button prompts users to download a JavaScript file hosted on Dropbox, which then infects a victim's computer with malware. The URL to the offending file is changed regularly to avoid detection." [1]

Segura continues that the end-game for cybercriminals is to trick users into downloading malicious software that enables them to steal banking and credit card details from captured victims.

"Compromised websites were abused to not only redirect users but also to host the fake updates scheme, making their owners unwitting participants in a malware campaign. This is why it is so important to keep Content Management Systems up to date, as well as use good security hygiene when it comes to authentication." [1]



Source: <https://www.extremetech.com/computing/267318-new-malware-spreads-through-hacked-websites-browser-update>

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Ryan Whitwam explains that most malware attacks rely on fooling users into launching a corrupted executable file, and online criminals have come up with plenty of ways to do that. With the 'Fake Updates' campaign, you'll get a bogus update notification when you visit one of these infected sites that kicks off the infection.

"Sites using WordPress, SquareSpace, and Joomla content management systems have been targeted by the group behind the campaign. Attackers either modify or replace JavaScript files on the site in order to target visitors." [5]

But how could this fake update attack pop up on thousands of websites for months without detection? Whitman explains that it is a clever attack. "For one, it only serves the fake update notification once per IP address. The update notification (which is a redirected URL) is themed to match your browser. So Firefox users get a page about running an old version of Firefox, and it's the same for Chrome users. There's a version for Flash updates, too. The styling of these pages looks spot-on." [5]

Spreading malware through fake browser extensions

In May 2018, Khandelwal reported that social media users are lured to visit lookalike versions of popular websites that pop-up a legitimate-looking Chrome extension installation window.

Dubbed 'Nigelthorn', the malware is rapidly spreading through socially engineered links on Facebook and infecting victims' systems with malicious browser extensions that steal their social media credentials, install cryptocurrency miners, and engage them in 'click fraud'. When a user clicks on the bogus link, he/she is redirected to a fake YouTube page, prompting them to download a malicious Chrome extension in order to continue playing the video.

Similar malware work by sending fake links over Facebook Messenger and installing a malicious extension, allowing attackers to spread the same malware to their friends' list via Messenger, or redirecting users to a fake YouTube page, asking them to install a malicious Chrome extension.

"The malware mainly focuses on stealing credentials for victims' Facebook and Instagram accounts and collecting details from their Facebook accounts. This stolen information is then used to send malicious links to friends of the infected person in an effort to push the same malicious extensions further. If any of those friends click on the link, the whole infection process starts over again." [4]

"Although Google has removed these fake extensions, if you have installed any of them, you are advised to immediately uninstall it and change passwords for your Facebook, Instagram and as well as for other accounts where you are using the same credentials". [4]

Khandelwal concludes with a caution that Facebook Spam campaigns are quite common and that users are advised to be vigilant when clicking on links and files provided via social media platforms. [4]

Don't become a victim

Webroot.com provides the following tips to protect yourself against social media perpetrators. [3]

- a. **Slow down.** Spammers want you to act first and think later. If the message conveys a sense of urgency or uses high-pressure sales tactics, be sceptical; never let their urgency influence your careful review.
- b. **Research the facts.** Be suspicious of any unsolicited messages. If the email looks like it is from a company you use, go to the real company's site, verify the phone number given.
- c. **Don't let a link be in control of where you land.** Stay in control by finding the website yourself using a search engine to be sure you land where you intend to land.
- d. **Email hijacking is rampant.** Once perpetrators take over control of an email account, they prey on the trust of the person's contacts. Even when the sender appears to be someone known to you, if you aren't expecting an email with a link or attachment check with your contact before opening links or downloading an attachment.
- e. **Beware of any download.** If you don't know the sender personally, and expect a file from them, downloading anything is a mistake.
- f. **Foreign offers are fake.** If you receive an email from a foreign lottery or sweepstakes, money from an unknown relative, or requests to transfer funds for a share of the money, it is guaranteed to be a scam.
- g. **Set your spam filters too high.** The email's spam filters are under 'settings options', you can set these too high, though you may have to check your spam folder periodically for legitimate emails.
- h. **Secure your computing devices.** Install anti-virus software, firewalls, email filters and keep these up-to-date.

Wrapping up

Once a piece of malware has been able to bypass a security perimeter (e.g. firewall), it can use multiple methods to infect and spread inside internal systems. Drives, emails and infecting other files are the most common methods. It important to detect the malware, prevent further spread and securely remove malware that has already been planted.

Protect yourself and your connections. Don't fall for hoax messages, don't follow instructions of a stranger for something you have not requested, don't endanger your contacts or waste their time by forwarding spam messages.

Be vigilant. Make sure Updates and Websites are the real thing, go to the actual website rather than following links, make sure you update your privacy settings and passwords.

Be Safe. Make information security part of the way you think, do and respond.

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ImproveIT Special Interest Group contact point

Make contact with the ImproveIT SIG by send an email to improveit@saqi.co.za

About the author

Thea Wentzel is IT Service Continuity Manager at CIPC.

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ISO 19011:2018

By Denise Robitaille

Communication from Denise Robitaille chair ISO/PC 302, Guidelines for auditing management systems.

The latest version of ISO 19011 has recently been released. This is the culmination of 2 years efforts that resulted in a 100% approval of the document – a rare occurrence for such a high profile international standard.

The overwhelming success of this project is due in no small part to the diligence of all the representatives, subjective matter experts and professional auditors who contributed to the work. This was conducted over the course of several meetings and through off-site reviews by committed participants. Through this work we have been able to bring to market a product that continues to be the recognized authority on the subject of auditing.

Auditors around the world will now have access to improved guidance due to the participation of so many dedicated individuals. ISO 19011:2018 continues to provide the guidance auditors have come to rely on. It facilitates the deployment of an internal audit program that reflects multiple management system requirements. It addresses the enhanced focus on risk and gives great tips on the expanding practice of remote auditing. It provides consistency in the audit profession and is written in language comprehensible to all levels of users.

Finally, it is **the** go-to document for anyone needing guidance on auditing.

Thank you all for your commitment and your perseverance.

Denise Robitaille

**ISO
19011
:2018**

SAQI have been informed that SABS will soon start on the adoption process.



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SAQI congratulates long-term members

By Team SAQI

SAQI would like to acknowledge our long standing and loyal member organisations that have been recognised as leading quality organisations and have been supporting the promotion of Quality in South Africa.

Special acknowledgment goes to SAAB Grintek Technologies who are celebrating 20 years of membership with SAQI.

A special mention also goes to Armscor, NECSA, Plascon and Safeline Brakes who are in their nineteenth year of membership.

We have listed below all our member organisations that have completed ten years or more of membership with SAQI.

20 years

SAAB Grintek Technologies (Pty) Ltd

19 years

Armscor
NECSA (SA Nuclear Energy Corp)
Plascon South Africa (Pty) Ltd
Safeline Brakes (A division of GUD Holdings)

15 – 18 years

APE Pumps (Pty) Ltd
Institute for Maritime Technology
Intertek
Libwin Library Systems cc
NMISA (National Metrology Institute of SA)
NCP Chlorchem (Pty) Ltd
SAAB Grintek Defence (Pty) Ltd
Trident Jute Products

11 – 14 years

Afritest
Aliangy Enterprise cc
Anya Knoetze School of Teachings cc
Berea Technical College (Pty) Ltd
Boshoff PA
Cleanroom Maintenance cc
College of Cape Town
Danks KDM
Director Fleet Quality Assurance (SA Navy)
Financial Sector Conduct Authority
Grobler IHJ
Kruger BJ
Management Systems Consultants cc
Orion Imex t/a Network Global Trading
Rand Water
Service Master
SMS group Technical Services South Africa (Pty) Ltd
Sepend TD

10 Years

BICSA (Pty) Ltd
GIBB (Pty) Ltd
Health and Welfare SETA
Mukuku K
Project Pro Management Services
Shongwe MS
Voigt V



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SAQI 2018 National Quality Week theme is announced

By Team SAQI



In line with SAQI's career path development programme aimed at improving the understanding of Quality concepts to all our quality delegates, SAQI takes pleasure in announcing its National Quality Week theme for 2018. NQW will run from the 5th to the 9th November as:-

Changing the Mind-set of Quality

This theme was inspired by one of our member organisations last year that adapted our 2017 theme to “Quality is... my responsibility”.

In order for South Africa to move forward as a nation we need to understand the concepts of quality. These concepts start with doing things right the first time and not having to rely on basic inspection when we don't. We can then progress to improving our Quality Control activities and setting improved Quality Assurance standards. However, our mind-set needs to change before we set our sights on Organisation wide Quality Management and Organisational Excellence.

We are amazed when we speak to non-Quality practitioners about what we do that most of them only view “Quality” as Quality Control and usually think that Quality is the responsibility of someone else or at best the Quality Control department.

We need to change the Mind-set of Quality and address these attitudes towards product and service delivery including operator and staff level right up to executive management level.

Quality is everyone's responsibility.

So we call on all our members and associates to make a special effort to support this year's program.

SAQI will be happy to publish the plans and any events that our members will put together to celebrate our National Quality Week activities. We look forward to hearing from you all.

Send your NQW details to vanessa@saqi.co.za

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The Company Secretary: From Company Administrator To Governance Leader

By Terrance M. Booyesen (Director: CGF) and peer reviewed by Lucien Caron (Lead Independent Consultant: CGF)

The role of a company secretary is broad and onerous to say the least and, if this post is not occupied by a competent person who has the appropriate knowledge and skills; the consequences can be the cause of significant organisational friction. The requirements and reporting lines of the position -- by their very nature -- give rise to potential conflict situations, and it is for this reason in particular, that the person appointed to the position must have the necessary maturity, experience and independence to properly carry out their duties and responsibilities, while being objective, impartial and independent.

The role of company secretary has evolved well beyond a mere minute-taker

The role of a company secretary within a modern organisation comprises two main elements. The first element requires the company secretary to ensure the smooth running of the board's functions, and this covers the more "traditional" secretariat role, such as attending board, board committee, shareholder and trustee meetings, and preparing the relevant documentation before and after these meetings.

This first element is what gives the company secretary rather unique insights into the organisation, which not many other employees will have at their respective levels within the organisation. Not only is the company secretary intimately aware of what will be discussed at the meetings of the board and other top-level committees (this being as a result that they are required to prepare the respective agendas and relevant documentation to be tabled at the meetings which is typically done in consultation with the Chairman of the board), but they will also have access to the same sensitive board pack information provided to the board. The company secretary will also then be present at the meeting, where the contents of certain reports, proposals and strategies will be discussed, and will be required -- among other things -- to minute the meeting and follow up on the outcomes of the discussions and actions proposed at the meetings.

"In recent years the company secretary has become an important and powerful individual within the company. This role is enforced by the [Companies] Act [2008] and King IV™."

Source: Duties of Directors Deloitte (2017)

With these unusually deep insights into the workings of the organisation's board, it is no wonder that the company secretary

is often referred to as the "keeper of secrets". In fact, the word "secretary" comes from the Latin word *sēcrētus* which means something that is "confided only to a few" or "secret".

The second element of the company secretary's role involves ensuring -- from a good governance point of view -- that directors are adequately informed and protected in the heightened regulatory environment in which modern organisations operate...and this is no mean feat.

Staying ahead and being adequately informed

In considering the concept of a board being kept 'adequately informed' by a company secretary; the latter will themselves be required to first have a thorough grasp of relevant legislation, regulation and other governance instruments, structures and mechanisms prior to them passing such information to the board. Indeed, a competent company secretary must be able to discern various levels of information which is required to be 'filtered' across various board and executive levels. They also need to be up-to-date on relevant industry trends and knowledge before passing such information to the board who is ultimately accountable to the organisation's stakeholders for the organisation's long-term success. In addition to providing the board with this type of important information, the company secretary is also responsible for proactively ensuring that the organisation's legal and regulatory governance structures and operations are in place, and they are also typically required to ensure that there are proper communication channels in place to communicate the necessary information to the organisation's stakeholders.

"The role the Company Secretary play in managing legal entity governance has changed dramatically in recent years and perhaps a more befitting title for the role is now Governance Director or Leader. In today's regulatory environment, the Company Secretary plays a more strategic enabling role, making sure directors are protected and proactively ensuring legal and regulatory governance compliance, throughout a group."

**Source: Report - Subsidiary governance:
An unappreciated risk (April 2013)**

PricewaterhouseCoopers

Given the second element of the company secretary's massive tasks of keeping the board, including the organisation's executive management and key stakeholders informed of a wide array of important matters (and the associated actions), a more systematic and co-ordinated approach is generally used by

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experienced company secretaries to ensure that they address all of the pertinent and often critical issues. To assist company secretaries -- and by association the members of the board and executive -- a digitised Corporate Governance Framework® significantly changes the nature of their role within the organisation. With the assistance of such a framework, the company secretary is able, at any point in time, to know, assess and report on the status of any one of the organisation's governance elements (i.e. operational performance, key legislation, regulation, key policies, integrated reporting, IT governance and business continuity management, to name a few of the thirty-two governance elements found in most organisations).

Since the company secretary is usually swamped with back-to-back meetings and large volumes of administrative work against tight time-deadlines, the quasi-real time information and evidence extracted from a digitised Corporate Governance Framework® provides a seamless filter of critical information. This allows the company secretary to timeously pass critical and relevant information on directly to the board so that the board, together with the organisation's executives, can properly manage the organisation's current and potential risks on an informed and proactive basis. With this in mind, it's no wonder that the role of the company secretary has changed dramatically in recent years such where it is increasingly managing the organisation's governance, often acting as the organisation's custodian in these matters and therefore being regarded as the most senior administrative officer of the organisation.

If the old adage "*knowledge is power*" holds true; the company secretary is indeed a very powerful person within the organisation and they hold a critical post. With the combination of their insights into the meetings of the board, coupled with their understanding of the relevant governance framework in which the organisation operates -- as well as their intimate knowledge of the actual operations of the organisation -- there are few that rival this position.

As proposed in Principle 10 of the King IV Code on Corporate Governance for South Africa, 2016™ (King IV™), the company secretary must report functionally to the board, but administratively to a designated member of the executive management. In practice, this "designated member" is usually the organisation's Chief Executive Officer or Chief Financial Officer (who will not necessarily be members of the organisation's board), and as such it becomes clear how an easily swayed or impressionable company secretary may find it extremely difficult to be the "keeper of the board's secrets".

What should organisations look for in their company secretary?

While the position of company secretary has always been important within an organisation, especially from an administrative point of view, it is clear that the role's scope of responsibility has grown over the years from 'efficient administrator' to 'governance leader'.

Since the function and role of a company secretary hold such importance within an organisation and since the person will play a pivotal role in assisting and supporting the board at both an administrative and guidance level, their appointment should be carried out with great circumspection. A company secretary should have the necessary experience, maturity and gravitas to

have the ear of the Chairman of the board and should be someone who is confident in their knowledge, astute and unintimidated by improper influences.

"The company secretary must also act as the central source of guidance and advice to the board and must provide the board...with appropriate guidance on how their responsibilities may optimally be discharged in the best interests of the company."

Source: Corporate Governance - R Naidoo (2016)

While the requirement that the company secretary pass a "fit and proper" test -- similar to that required of the directors of an organisation -- is not necessarily stated in legislation or contained in the latest corporate governance codes, it is most certainly implied by the caliber of person required to fill the position.

Why should all organisations appoint a company secretary?

In most countries, public and state-owned organisations are mandated to appoint a company secretary, while private organisations are not legally required to do so. That being said, the role and responsibilities of a company secretary are so essential to the proper running of an organisation, both at an administrative and governance level, that any private organisation would be hard-pressed to operate efficiently and sustainably without one. The importance of the role of company secretary, as well as the provisions of modern corporate governance codes and indeed best practice, require that an organisation's board should appoint such a person in order to obtain independent and professional guidance on corporate governance matters.

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Quality in Schools

Many of our readers are parents themselves or interact often with children. We have asked our education editor, a retired headmaster, to share thoughts on how to get Quality principles and practices instilled in young people.

By Dr Richard Hayward

Unfocused thinking creates Eureka moments

Maybe someone in your family has had this unhappy school experience. It might have even happened to you! A teacher has remarked on a report card that marks could have been better if there had been more focused attention in the classroom.

Focused attention is an important pre-condition to any achievement. Psychologist Daniel Goleman in his book, *Focus: the hidden driver of excellence* maintains that a child who is able to focus well, has the potential to develop willpower, determination and self-discipline. Those characteristics would be of long-term benefit throughout life.

Yet in the same book, Goleman praises the unfocused mind. In fact, daydreaming or mind wandering, could be good for a child. He states:

... a mind adrift lets our creative juices flow. While our minds wander we become better at anything that depends on a flash of insight, from coming up with imaginative wordplay to inventions and original thinking.

Barbara Oakley, a professor of engineering at Oakland University in California, describes two kinds of thinking:

- 1 **Focused attention thinking** as is often expected by a teacher in the classroom
- 2 **Default mode network thinking** in which one allows one's thoughts to wander

There are, according to Pavel Somov, downsides to thinking which is only highly focussed:

- A focused mind is a closed mind: to pay attention to one thing is to ignore another thing.
- Mind is one-track: to pay attention to 'this' is to ignore 'that'.
- Attention is zero-sum: to see one thing is to be blind to another thing.
- To focus on one thing is to close your mind to the rest of what currently exists.
- To pay too much attention to a banana is to ignore a jungle full of snakes.

When your mind is unfocused, it's open. It's fluid. The mind doesn't get stuck on one thing; it looks at the bigger picture. When you're deliberately unfocused, you give your cognitive brain a rest. When it's time to be highly focused once more, the mental batteries are recharged.

Focused attention is the starting point in order to learn something new. As we learn a new language, we learn its' grammar and vocabulary. Once we have the knowledge and skills to use the language, we apply it in our interactions with others. Unconscious learning follows from deliberate, focused learning.

Oakley makes the point that both types of thinking – focused and fluffy – cannot coexist. Yet both are needed for learning.

We've all experienced those moments when we've had an insight around an issue or problem when we've let our mind wander. We might be chatting to someone, strolling in a park or watching a movie when there's a 'lightbulb' moment of creativity and insight.

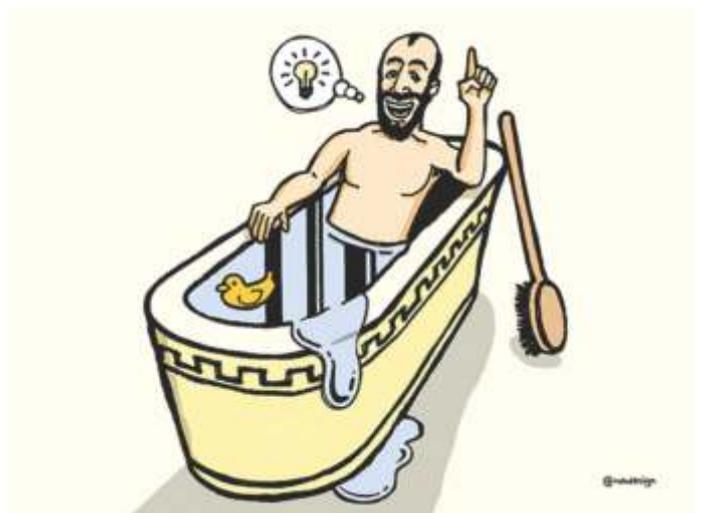
Archimedes (c.287-c.212) formulated the theory of buoyancy while he was relaxing in a bathtub. At a time when his mind had wandered from all the focused thinking on a scientific challenge, Archimedes suddenly leapt out of the bathtub shouting, "Eureka!" - I have (found) it!

In 1869 the Russian scientist, Dmitri Mendeleev, was struggling to put chemical elements into a logical format. One night he fell asleep listening to chamber music. His subconscious mind worked on the problem. By the next morning a solution had been found. Today, virtually every high school science lab in the world has Mendeleev's Periodic Table of the Elements on display.

We should be wary of discouraging a child from daydreaming or simply lying on the grass watching the clouds above float by. In fact – such moments in small doses – should be warmly welcomed. Thinking is happening. Who knows what's being thought?! They could be great, "Eureka!" moments for a blossoming mind!

References

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SAQI Training Programme for 2018

All courses offered by the South African Quality Institute are presented in association with other course providers and are available to all organisations and individuals. SAQI can assist with the training of a company's workforce and all training packages can be run in-house at cheaper rates. A special discount applies to SAQI members. For more information or to register contact Vanessa du Toit at (012) 349 5006 or vanessa@saqi.co.za

1. SAQI reserves the right to change details of the programme without prior notice. [click here](#) for all course synopsis.
2. The courses listed below form part of a specific Certificate and all modules should be successfully completed to qualify for the Certificate.
3. Training is presented on the CSIR campus in the east of Pretoria.
4. All courses completed previously will receive credit when proof of successful completion is received.
5. All prices **include VAT @ 15%**.

Code	Course	Days	Cost	Jul	Aug	Sep	Oct	Nov
L2	Certificate in Quality Control for Manufacturing	10	22,790-00	Jul	Aug	Sep	Oct	Nov
B41	Introduction to Quality Control	2	5165-00				29-30	
B90	Introduction to Statistical Techniques	3	6230-00				31-2	
B91	Introduction to Statistical Process Control (SPC)	3	6230-00	23-25				19-20
B79	A3 Problem Solving	2	5165-00	26-27				21-23
L2	Certificate in Quality Control for Services	10	21,725-00	Jul	Aug	Sep	Oct	Nov
B30	Introduction to Quality Control	2	5165-00		27-28			
B31	Introduction to Statistical Techniques	3	6230-00		29-31			
B33	Introduction to Quality Circles	2	5165-00			18-19		
B34	A3 Problem Solving	2	5165-00			20-21		
L3	SAQI Certificate in Quality Assurance*	13	29,020-00	Jul	Aug	Sep	Oct	Nov
B48	ISO Requirements 9001:2015	3	6230-00			5-7		
B24	Knowledge Management	2	5165-00				8-9	
B16	Internal Quality Auditing	3	6230-00				10-12	
B92	Advanced Quality Techniques	3	6230-00				22-24	
B77	Advanced Product Quality Planning (APQP)	2	5165-00				25-26	
L4	SAQI Certificate in Quality Management*	3	31,610-00	Jul	Aug	Sep	Oct	Nov
B38	Development of a QMS	3	6230-00					
B01	Organisational Excellence	2	5165-00	9-10				
B58	Policy Deployment (Hoshin Kanri)	2	5165-00	11-12				
B74/B76	Lean for Manufacturing/Service Industries	4	9885-00					
B93	Cost of Quality	2	5165-00	30-31				

Inhouse Training: vanessa@saqi.co.za • Public Training: info@saqi.co.za



For a list of other courses provided, please visit www.saqi.co.za
Inhouse courses provided to 10 or more delegates. Enquire from vanessa@saqi.co.za

