

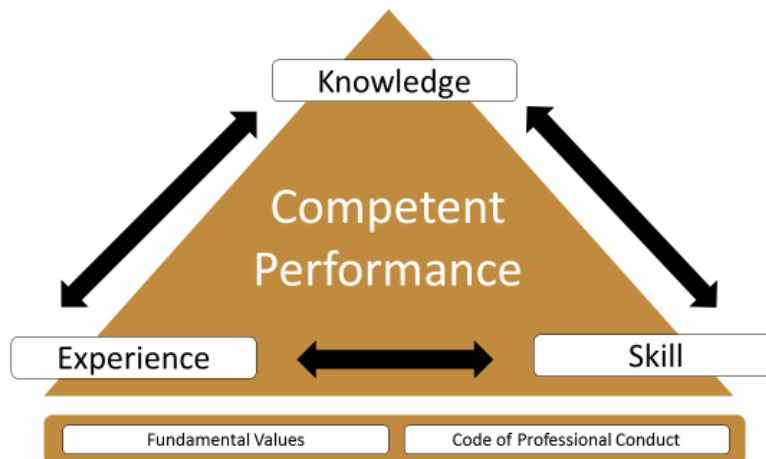
# CD(SA) Director Competency Framework

This framework identifies the knowledge, skills and experience you will be required to evidence for the Chartered Director Evaluation.

**The Institute of Directors in Southern Africa (IoDSA)**

A comprehensive analysis that identifies the knowledge, skills and experience required to competently perform the tasks of a profession is the cornerstone of a quality professional credentialing programme

## Director Competency Framework



The competency profile for Directors is made up of the values, knowledge, skills and experience that a director draws on when fulfilling their roles and responsibilities as part of a board, performing their duties as direction giver and applying their knowledge of the legislative, business and ethical environment when making decisions. The effective combination of knowledge, skills and experience underpinned by values is what defines the behaviour of a director as competent.

A qualifying Chartered Director will have demonstrated the following competencies:

- Contribute to and function as board member within the appropriate governance structures and cognisant of position of trust
- Lead the company effectively and ethically in the long-term interest of all its stakeholders
- Act as director within the confines of the law
- Contribute meaningfully and effectively to strategy - setting and implementation thereof
- Serve as an effective audit committee member and/ or to relate the functions of the board to that of the audit committee
- Act in a manner that demonstrates understanding of the responsibilities of various assurance providers and how these are leveraged to contribute to the working of the board and its accountability to stakeholders
- Interrogate financial statements and to conclude on financial performance of company
- Oversee a variety of management activities at board level, including risk management policy formation and oversight of implementation thereof, IT policy formation and oversight of implementation thereof, compliance management policy formation and oversight of implementation thereof, stakeholder policy formation and oversight of implementation thereof, integrated reporting, the management of ethics within the company and, remuneration policy and its implementation
- Respond to business challenges in a creative and constructive manner
- Gather and analyse information in decision-making by applying logical thinking
- Act in a manner that demonstrates self-knowledge and self-awareness
- Manage self in a manner that contributes to the activities of the board
- Adapt to environmental needs
- Interact with fellow board members and management in a manner that is beneficial to the company

## KNOWLEDGE AND SKILL

In order for a director to perform his or her role in a professional manner, he or she will need to possess the appropriate set of functional, personal and social competencies required of a director – in short, professional skills. The knowledge and skills underpinning these competencies are described in the table below:

<b>FUNCTIONAL COMPETENCIES</b>			
	<b>COMPETENCE</b>	<b>KNOWLEDGE &amp; SKILL</b>	<b>ELEMENTS/ COMPONENTS</b>
FC1	Contribute to and function as board member within the appropriate governance structures and cognisant of position of trust	Corporate Governance	Corporate Governance Development and Evolution; Theories; Purpose and Benefits; Application; Linkage With Law; Independence and Conflicts; Governance Structures (Board, Board Committees, Company Secretary, Shareholders, Group Companies) and Delegation Frameworks; Responsible Investing
FC2	Lead the company effectively and ethically in the long-term interest of all its stakeholders	Ethical governance	Leadership and Corporate Citizenship; Ethical Values Underpinning Corporate Governance (Responsibility, Accountability, Fairness, Transparency); Moral Duties (Conscience, Commitment, Inclusivity Of Stakeholders, Courage, Competence); Sustainability; Stakeholder Inclusivity.
FC3	Act as director within the confines of the law	Directors' legal duties	Common Law, Legislation, Including Companies Act, Competition Act and Other Related Legislation and Codes.
FC4	Contribute meaningfully and effectively to strategy - setting and implementation thereof	Strategy	Business Models and Value Creation; Strategic Risks and Opportunities; Considerations of Wider Environment including Stakeholder Expectations; Impact of Strategy on Society and Natural Environment.
FC5	Oversee the management of ethics within the company	Governance of ethics management	Ethics Risk and Opportunity Profile; Policies; Risk Management; Monitoring; Reward; Disclosure.
FC6	Oversee remuneration policy and its implementation	Remuneration oversight	Role of Remuneration Committees; Components of Remuneration; Linkage with Performance; Ethical Dimension of Remuneration; Policy; Measurement; Reporting; Shareholders' Say on Pay.

	<b>COMPETENCE</b>	<b>KNOWLEDGE &amp; SKILL</b>	<b>ELEMENTS/ COMPONENTS</b>
FC7	Serve as an effective audit committee member and/ or to relate the functions of the board to that of the audit committee	Audit Committees' duties and functioning	Legal Requirements for Audit Committees, King III Requirements, Skills, Role in Relation to Other Board Committees – Especially Risk, Sustainability and Social and Ethics Committees; Oversight of External Audit, Internal Audit and Finance Function; Disclosure.
FC8	Act in a manner that demonstrates understanding of the responsibilities of various assurance providers and how these are leveraged to contribute to the working of the board and its accountability to stakeholders	Combined Assurance model	External Audit, Management Reporting; Internal Audit and Internal Controls; Risk Management Framework.
FC9	Interrogate financial statements and to conclude on financial performance of company	Financial literacy	Interpretation and sound working knowledge of financial requirements and information
FC10	Oversee risk management policy formation and oversight of implementation thereof	Risk governance	System and Process of Risk Management, Risk Tolerance and Appetite; Role of Risk Committee; Implementation and Monitoring of Risk Management Plan; Risk Assessments; Risk Responses; Assurance; and, Disclosure.
FC11	Oversee IT policy formation and oversight of implementation thereof	IT governance	IT Charters and Policies; IT Governance Framework; IT Risks – Investment and Expenditure, Protection of Information Assets; Assurance; Disclosure.
FC12	Oversee compliance management policy formation and oversight of implementation thereof	Compliance governance	Compliance Universe; Compliance Framework and Process; Integration into Risk Process.
FC13	Oversee stakeholder policy formation and oversight of implementation thereof	Stakeholder relations' governance	Reputational Risk; Identification of Stakeholders; Stakeholder Inclusivity; Engagement with Stakeholders; Alternate Dispute Resolution (ADR)
FC14	Oversee integrated reporting	Integrated reporting	Nature of Integrated Reporting; Frameworks and Principles; Assurance

	COMPETENCE	KNOWLEDGE & SKILL	ELEMENTS/ COMPONENTS
FC15	Respond to business challenges in a creative and constructive manner	Business Judgment	Anticipation of risks; Dealing with Risks; Recognition of Business Opportunity; Anticipating Competitor Action; Setting Priorities and Resource Support
FC16	Gather and analyse information in decision-making by applying <a href="#">logical thinking</a>	Analytical skills	Systems Thinking; Organizational Knowledge; Problem Identification; Problem Analysis and Solving

### PERSONAL COMPETENCIES

	COMPETENCE	KNOWLEDGE & SKILL	ELEMENTS/ COMPONENTS
PC1	Act in a manner that demonstrates self-knowledge and self-awareness	Self-awareness	Emotional Self-awareness; Knowing Strengths and Limitations; Self-Confidence
PC2	Manage self in a manner that contributes to the activities of the board	Self-management	Emotional self-control; Transparency Adaptability; Achievement; Positive Demeanor

### SOCIAL COMPETENCIES

	COMPETENCE	KNOWLEDGE & SKILL	ELEMENTS/ COMPONENTS
SC1	Adapt to environmental needs	Social awareness	Understanding others' perspectives and taking an active interest in their concerns; Reading the currents, decision networks and politics at the organisational level; recognising and meeting staff, client and member needs
SC2	Interact with fellow board members and management in a manner that is beneficial to the company	Relationship management	Inspirational leadership; Influence and persuasion; Developing others; Change catalyst; Conflict Management; Building relationships; Teamwork and collaboration

## FUNDAMENTAL VALUES

These competences are underpinned by 5 fundamental values (refer King III, Chapter 1), namely:

**Conscience:** A director should act with intellectual honesty and independence of mind in the best interests of the company and all its stakeholders, in accordance with the inclusive stakeholder approach to corporate governance. Conflicts of interest should be avoided.

**Inclusivity** of stakeholders is essential to achieving sustainability and the legitimate interests and expectations of stakeholders must be taken into account in decision-making and strategy.

**Competence:** A director should have the knowledge and skills required for governing a company effectively. This competence should be continually developed.

**Commitment:** A director should be diligent in performing his duties and devote sufficient time to company affairs. Ensuring company performance and compliance requires unwavering dedication and appropriate effort.

**Courage:** A director should have the courage to take the risks associated with directing and controlling a successful, sustainable enterprise, and also the courage to act with integrity in all board decisions and activities.