



**CHARTERED SECRETARIES  
AUSTRALIA**

*Leaders in governance*

14 November 2005

Mr Greg Brunner  
General Manager  
Policy Research and Statistics  
Australian Prudential Regulation Authority  
GPO Box 9836  
SYDNEY NSW 2001

Dear Mr Brunner

## Governance for APRA-regulated institutions

As representatives of Chartered Secretaries Australia (CSA), Judith Fox and I were very pleased to meet with you last week to discuss APRA's proposed amendments to the draft prudential governance standards.

We feel that APRA has achieved a balance between ensuring good governance in APRA-regulated entities and providing for consistency with other relevant standards and regulation. CSA is particularly pleased that APRA has given consideration to the issue of costs to smaller companies.

We would like to raise one further matter for consideration by APRA in its revision of the prudential governance standards, that is, the role of the company secretary.

### The role of the company secretary

The role of the company secretary is included in the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendation*: Principle 8 - Encourage enhanced performance; Recommendation 8.1 – Role of the company secretary.

A key element in a company's governance framework is the professional and independent role of the company secretary and the secretariat, that is, to advise and support the chairman and the board, and to manage the day-to-day functions of the governance framework. All members of the board should have direct access to the Company Secretary for this purpose. The ASX Corporate Governance Council's guidelines specify that:

The company secretary plays an important role in supporting the effectiveness of the board by monitoring that board policy and procedures are followed, and coordinating the completion and despatch of board agenda and briefing materials.

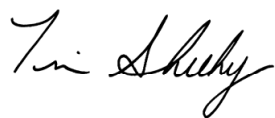
The company secretary should be accountable to the board, through the chairperson, on all governance matters.

*Recommendation*

CSA would like to recommend that APRA include a provision in its governance standard clarifying that the role of the company secretary is to advise and support the chairman and the board, and to manage the day-to-day functions of the governance framework within the organisation.

We would appreciate hearing from you in relation to this recommendation.

Yours sincerely

A handwritten signature in black ink, appearing to read "Tim Sheehy". The signature is written in a cursive style with a large initial "T" and a long, sweeping underline.

Tim Sheehy  
CHIEF EXECUTIVE