

Championing best business practices and
effective corporate governance in PNG

INDEPENDENT DIRECTORS ASSOCIATION

PAPUA NEW GUINEA

Chartered Member Assessment Handbook

Welcome to the IDAPNG's Chartered Member Assessment Candidate Handbook

This handbook has been designed to provide you with the key information you need about the Chartered Member Assessment.

By choosing to work towards becoming a Chartered Member of the Independent Directors Association in Papua New Guinea Incorporated (IDAPNG), you are demonstrating your commitment to being the best you can be as a director.

You will likely find your director roles challenging and rewarding in equal measure. Committing to achieving the Chartered designation will enhance your skills, knowledge and confidence, on top of building your credibility as a director.

We hope you find everything you need to know here. If you require further information you can look online at www.idapng.org or speak to one of our team by emailing director@idapng.org or calling 76552377.

We look forward to welcoming you as a IDAPNG Chartered Member.



The Assessment Process

1.

Register your interest

Fill out the enclosed form and email it back to us to register your interest. Alternatively, you can log in to www.idapng.org and register your interest via My Profile. Thereafter, you will receive an email confirming your eligibility and instructions for your next steps.

2.

Book your exam and register for the assignment

You may complete the exam and assignment in either order. Book your exam via IDAPNG's online booking system. You may also choose to register for the assignment at the same time.

3.

Examination

You can sit the exam at the centre and time that you choose and book (details will be confirmed by email). Once you have taken the exam you will be notified of the results within 48 hours.

Assignment

The assignment case study will be provided to you when you register. Once you receive the assignment questions you will have 3 weeks to complete and submit the assignment via email. Assignments are marked and moderated and you will receive the results within four weeks.

4.

Pass

If you pass the Chartered Member Assessment and you meet the required criteria, you can apply to upgrade to a Chartered Member.

OR

Fail

You are able to re-sit the examination once and/or provide one assignment resubmission.

Five steps to becoming a Chartered Member

Step 1.

Complete the IDAPNG Corporate Governance Course (or equivalent).

Step 2.

Pass the IDAPNG Chartered Member Assessment.

Step 3.

Hold a position on the board of a qualifying organisation.

Step 4.

Confirm you uphold the principles of the IDAPNG Charter including that you are of good character.

Step 5.

Pay upgrade fee.

Chartered Member Assessment

A summary of key information.

The Chartered Member Assessment (CMA) is a robust assessment process and achieving the Chartered Member designation is a strong demonstration of your commitment in developing the skills and knowledge you need to be an effective director.

Chartered Members and Chartered Fellows of the Independent Directors Association make an annual declaration of good character, commit to continuing professional development and to upholding the principles of the IDAPNG Charter.

Criteria

To sit the Chartered Member Assessment you must have completed the IDAPNG Corporate Governance Course (CGC) or equivalent.

The Chartered Member Assessment has two parts:

- **The exam:** a multi-choice exam (60 questions in 75 minutes)
- **The assignment:** a 2,000 word assignment based on a case study (3 weeks to complete)

These will assess your knowledge and understanding of *The Three Pillars of Governance Best Practice*, and the content of the IDAPNG Corporate Governance Course.

You will need to achieve a 70% mark in both the exam and the assignment to pass the assessment.

Preparing for the Chartered Member Assessment

When preparing for the assessment there are a number of things you should consider:

- It takes about 30 hours of preparation on average to sit the exam and another 6-8 hours to prepare for and answer the assignment.

Study materials

- Begin preparation about 3-4 weeks before you apply for the assessment by reading the following:
 - *The Three Pillars of Governance Best Practice*
 - Relevant sections of the Companies Act 1997
 - Your IDAPNG Corporate Governance Course notes.
- You may also find it helpful to review:
 - Finance and legal material
 - AICD publications and other resources
 - Health and safety guidance
 - Risk management articles.

Completing the Assessment

You may complete the two parts of the assessment in either order.

Timeframe

You will need to complete both parts of the assessment within three months of either sitting the exam or receiving the assignment (whichever you choose to do first). Failure to meet the timeframe will give you a null mark for the completed part of the assessment.

Results

You will be notified of your exam results within one week of sitting the exam.

The IDAPNG will communicate assignment results by email within four weeks of receiving your assignment.

Fees

The fees for the assessment are charged separately for each part.

- **Examination:** K1,000 incl. GST, paid on registration
- **Assignment:** K1,000 incl. GST, paid on registration
- **PDD points:** 10 PDD points are allocated to each part of the assessment. Points are not dependent on a pass mark.

Exam Centre: Lamana Hotel

Exam Date: TBA

You will be provided with a copy of the following documents when sitting the exam:

- Companies Act 1997
- The Three Pillars of Governance Best Practice

The following should be learned:

- Directors - powers and duties
- Chair - role and responsibilities
- Proceedings at meetings of shareholders
- Proceedings of the board of a company.

The Assignment

The assignment is designed to test a candidate's ability to apply governance knowledge. Candidates will need to demonstrate that they can think like a director while using judgement and experience to prepare notes for an upcoming board meeting.

The material provided for the assignment is a case study that includes:

- background information on an organisation
- a set of board papers for the next meeting.

Candidates have to complete a 2,000 word response to questions on five topics. Information about the topics and mark allocations are provided on the next page.

Getting your assignment questions

You will need to contact the IDAPNG to register for your assignment and to get your questions. You will have three weeks from receipt of questions to complete and submit your assignment.

Writing and submitting your assignment

- The assignment is not assessing your ability to write prose. We encourage you to use bullet points and brief descriptions in your response.
- We are looking for a clear, succinct and well-presented response.
- Your answers should be legible and presented in clear English.
- All assignments must be submitted by email in a Word document.
- We test all assignment submissions for plagiarism. Further instructions will be included in your assignment package.

Assignment tips

- Don't get bogged down in details when analysing the board papers, focus on the material things that really matter.
- Don't get sucked into the red herrings or things that appear 'wrong' with the case study.
- Remember to put on your governance hat not a management one.
- Check to make sure that your answer addresses all parts of the question.

- Use headings and other layout options, such as tables, to structure information.
- Keep within the word limit prescribed.
- A good answer may be quite succinct – bullet points are welcome.

The table below outlines the topics and allocation of marks for the assignment.

Topic	Word guide	%
Strategy	550	25
Risk	250	15
Finance and legal	400	20
Board effectiveness and dynamics	550	25
Ethics	250	15
	2000	100

The Exam

Candidates have 75 minutes to answer 60 questions on the following topics.

Corporate Governance

12 QUESTIONS

- *IDAPNG Code of Practice*
- *The Three Pillars of Governance Best Practice*
- Companies Act 1997
- Board structure
- Role of the chair
- Accountability

Finance

21 QUESTIONS

- Fundamentals (financial statements, reporting, accounting concepts)
- Compliance
- Monitoring financial performance
- Building business value

Law and Compliance

20 QUESTIONS

- Law (legislation and directors' duties)
- Compliance (delegations, policies and responsibilities to regulators)
- Best practice (records, proceedings and indemnities)

Risk Governance

7 QUESTIONS

- Risk definition
- Risk appetite
- Director's role in protecting business value
- Risk culture

Sample multi-choice question

Directors should consider resigning if they have:

- a continuing, unresolved, material conflict of interest
- any conflict of interest
- overlooked disclosing an immaterial conflict of interest

Answer: A

Sample multi-select question

(You are required to select the two correct answers).

Directors of listed companies may only disclose non-public information:

- with the authority of the board
- to a selected group of shareholders if the board and the law both permit the same disclosure
- if the same information goes to all shareholders
- when the annual and half-year results are released

Answer: A and B

Re-sit, re-submit and review

If you don't pass either your exam or assignment – don't give up. You have one opportunity to re-sit the exam and/or the assignment as required.

Note that the exams are randomly generated so the second examination will not be the same as the first. Re-sit/re-submit fees apply.

Exam feedback

If you achieved between 50-70% in the examination you will receive an Examination Feedback Statement. This is provided to help you understand the topic areas for any incorrect answers you submitted. This is intended to help you to prepare to re-sit the exam. If you scored less than 50% it is more beneficial for you to fully revise the exam topics.

Assignment feedback

If you achieved between 50-70% for the assignment you will receive an Assignment Feedback Statement to indicate the areas for improvement and for use in preparing to re-submit your assignment.

Review

If you feel that your exam or assignment requires a review, you must apply within ten working days of the release of the result for your exam or assignment (depending on which you want reviewed).

Review fees

- **Examination:** K500 incl. GST
- **Assignment:** K500 incl. GST

Becoming a Chartered Member

It's a great achievement to pass the Chartered Member Assessment (CMA). Once you have passed you will be invited to apply to upgrade to Chartered Member. Your first step will be to complete the upgrade form which will require you to demonstrate you are a member of a governing body of a qualifying organisation.

A qualifying organisation is one where there is a meaningful separation of the executive function from the oversight and governance function of the organisation. The size of the organisation doesn't matter as long as there is a meaningful separation between management and governance. School boards and many other trusts or not-for-profit boards qualify.

Don't have a current board role?

You don't need to worry, the Chartered Member Assessment does not expire. You can complete the last step to upgrade to Chartered as soon as you obtain a directorship.

We encourage members to sit the assessment following completion of the IDAPNG Corporate Governance Course as it can be a great way to test your knowledge and assist your learning.