

Somerset West
10 April 2025

WHY COMPANY SECRETARIES ARE GOVERNANCE'S UNSUNG HEROES

Lessons from South Africa hint at a digital tomorrow

By Terrance M. Booyesen (CGF Research Institute: CEO)

Looking back to move forward

I have spent 22 years at the helm of CGF Research Institute, watching South Africa's governance story unfold, sometimes with hope, often with frustration. State capture left a one-trillion-rand scar (Zondo, 2022), and Eskom's R78 billion loss in 2023 still stings. These are *not just numbers to me*; they're signs that oversight systems are struggling to find their footing. Yet through it all, I keep coming back to the Company Secretary - not sitting on the board but working tirelessly behind the scenes. They are the ones who could turn things around, if only we gave them the right tools. This is not just a South African tale; it's a lesson for boards everywhere.

The quiet power of the Company Secretary

The Company Secretary is the heartbeat of governance, or at least, they could be in an organisation. They're not there to vote or set strategy, but to guide, advise, and make sure the board runs like it should. King IV™ asks them to steer ethical leadership, keep compliance on track, and handle the nuts and bolts of board arrangements. They team up with the CEO to shape agendas, nudge the Chairman toward that which matters, and try to keep everyone honest. If one thinks about board evaluations as an example - these reports could light a fire under any board, showing where it's strong or where it's slipping. But too often, the reports just gather dust.

It's not that Company Secretaries aren't up to it, some of the best I've met are truly world-class. The problem is the setup. Boards like things calm, jobs aren't easy to come by, and it's tough to push the boundaries when you're stuck with the old ways of doing things. Take Eskom in 2023; the warning signs were flashing, but the losses piled up anyway. I can't help wondering what a sharper, more agile Company Secretary could have done differently. The same thought applies to the SABC, Denel, PRASA, Transnet, Telkom and so many others. It's the same challenge Company Secretaries face around the world; they've got the know-how, but the *systems of 'control' are sluggish and cumbersome*.

A digital boost for real impact

That's where digitisation comes in; it's not a 'nice-to-have' anymore; *it's essential*. At CGF, we built Praefectus™ to help bridge that gap, and it's been an eye-opener on so many levels. It's a tool that shows you governance as it happens -- where the organisation is solid, and where it's shaky -- *all in real time*. For a Company Secretary, that's gold. They can sit with the CEO, look at the data, and say, "This needs to hit the board agenda now." The Chairman listens, the board talks it out, and suddenly you've got actions, responsibilities, and follow-through - no more wondering why something's on the boardroom table or what's being done about it.

I've seen it work here in South Africa, and it's making a difference. Even between board meetings, it helps the Company Secretary keep things moving; compliance checks, governance risk updates, you name it. Could it work beyond our borders? Absolutely, even a data-savvy outfit like Musk's Tesla or SpaceX might like the edge it gives, or reformers elsewhere might use it to cut through red tape. But here's the rub, so many more organisations (and ultimately societies) could be benefitting from these types of oversight tools. The Institute of Directors in South Africa (IoDSA) pushes King IV™ hard, and that's great, but we need a bigger nudge toward tools that let Company Secretaries do what they're meant to and that is to *guide boards with real clarity and purpose*.

What's next for governance

South Africa's been through the wringer which includes Eskom, state capture, Steinhoff and the country downgrades to name a few. It's taught me governance is not about being perfect and it doesn't need to be over engineered; *it's about getting better, even over a period of time if need be*. Company Secretaries are right in the thick of it. If they stick with the old playbook, boards will keep drifting, trust will keep waning and this will be a reoccurring theme. But if Company Secretaries lean into something digital -- something like Praefectus™ -- they could change the rules of the game. They would go from 'silent convenors' to 'strategic voices' -- rightfully so -- *helping boards act, not just talk*. One Company Secretary taking that step could start something big, call it a revolution if you like.

I am not saying Praefectus™ is the only way, I've just seen it work in our tough corner of the world! Governance is not static nor is it a single event; *it's a live process*, and Company Secretaries can breathe new life into it. With the right support, they'd advise the C-suite with surer footing, keep boards on track, and turn those dusty reports into real progress and action. The wide scale global adoption of a digitised governance framework is coming, *it's just a question of when*.

Company Secretary, your move

To every Company Secretary, CEO, or Chairman reading this: you're the ones who can shift the game. Tools like Praefectus™ are out there - check @CGFResearch on X or LinkedIn, or swing by our site. I've watched governance highs and lows for over two decades and I believe this is a turning point.

Ask yourself, how could it shape your next board and risk agendas, or even new acquisitions? How could it back you up when you advise boards? How will it reshape your board, your board rotation policies and strategy?

Why let the old ways hold you back? Drop me a line and let's figure out what's next, together.

WORDS: 981

For further information contact:

Terrance Booysen (CGF: Chief Executive Officer) - Cell: 082 373 2249 / E-mail: tbooyesen@cgf.co.za

Jene' Palmer (CGF: Director) - Cell: 082 903 6757 / E-mail: jpalmer@cgf.co.za

CGF Research Institute (Pty) Ltd - Tel: +27 (11) 476 8261 / Web: www.cgfresearch.co.za

