

Ensuring continual improvement of directors' skills and capabilities

Director Professional Development Guidelines



Everything you need to know about Director Professional Development (DPD)

Mandatory Director Professional Development Requirement

Generally, all Australian Institute of Company Directors (AICD) members other than Affiliate Members, Retired Members and Life Fellows are required to undertake 60 units of Director Professional Development ('DPD') over each rolling three year cycle for the duration of their membership ('Mandatory DPD Requirement').

What is DPD?

DPD means activities (including both formal and informal learning) undertaken to improve directors' skills and capabilities within the areas identified in the Company Directors Corporate Governance Framework™ ('Framework') attached as Appendix 1.

A member may fulfil their Mandatory DPD Requirement by obtaining the requisite number of DPD units from:

- (a) Activities offered by AICD
- (b) Professional development activities undertaken through external providers of appropriate professional standing (provided the activities relate to the practice of directorship and governance, as identified in the Framework)

or any combination of the two.

Set out in Appendix 2 are the various kinds of DPD activities we will recognise as contributing towards the fulfilment of a member's Mandatory DPD Requirement, and the DPD units ascribed to each of those activities.

Time-frames and maintenance of DPD

The Mandatory DPD Requirement commenced on 1 January 2013.

All members subject to the Mandatory DPD Requirement started their three year period on their first annual membership renewal that occurred on or after 1 January 2013. Members who began their DPD in 2013 completed their three years by the end of December 2016.

Set out in Appendix 3 is a diagram illustrating the timeframe for engagement in the DPD process with respect to those persons who are members of AICD on or after 1 January 2013.

Following the initial three year period, members are required to maintain at least 60 DPD units on a three year rolling basis: calculated with reference to the current year ending on the date the member's annual membership renewal falls due plus the preceding two years.

Set out in Appendix 3 is an example illustrating how a member might comply with their Mandatory DPD Requirement over a rolling three year period.

Recording of DPD units

DPD units for courses and events offered by AICD is recorded automatically on completion of each activity. Members can view their personal DPD unit tally through their member portal at companydirectors.com.au/My-Site

Members are required to keep their own record of all DPD units obtained through:

- Self-directed activities
- Activities sourced from external providers. This DPD can be recorded on our website at companydirectors.com.au/My-Site

Members are required to keep sufficient details of the DPD they have undertaken to enable AICD to determine whether they have fulfilled the Mandatory DPD Requirement. These details may include receipts (as proof of purchase), papers and/or a log book to record professional reading.

Please note, members will need to demonstrate the professional development activities undertaken are aligned with an element of practice from the **Company Directors Corporate Governance Framework™**

It is a member's responsibility to be aware of the DPD units they have attained, both through AICD and through external providers. For more information about how to record DPD units online go to companydirectors.com.au/recordyourdpd

Audit process

A small number of members are selected to determine whether, at the time of auditing, the associated member has fulfilled the Mandatory DPD Requirement.

If, as a result of an audit, AICD determines that a member has not fulfilled the Mandatory DPD Requirement then (subject to the Period of Grace, discussed on page 5) the member will be ineligible for renewal in any membership class other than Affiliate Member.

Membership renewal and DPD units

Members will be reminded of their Mandatory DPD Requirement over the course of their DPD three years.

When a member applies to renew their membership the member will be required to confirm that they have fulfilled the Mandatory DPD Requirement. The member will also be reminded that they may be included in an audit that will require them to have evidence of their DPD activities.

If at the time of their membership renewal, a member indicates that they have not fulfilled the Mandatory DPD Requirement, an AICD staff will contact the member to provide assistance and address their concerns. If they are selected for the audit (subject to the Period of Grace, outlined on page 5) the member will be ineligible at their following renewal date to renew in any membership class other than Affiliate member.

Breaks in membership and DPD units records

Members carry their accumulated DPD units across any gaps in membership of six months or less. As soon as a person's membership is reactivated financially, their DPD record will also be reactivated.

Members whose membership has lapsed for six months or less will still be subject to the Mandatory DPD Requirement.

Past members returning after a gap of more than six months will be required to pay a new membership fee and must satisfy the membership criteria for the class of membership they wish to apply for. Such members will commence a new three year period for DPD, at the end of which they will be subject to a compliance audit.

Period of Grace

Any member who has either indicated at the time of their renewal or been identified on an audit as having not fulfilled the Mandatory DPD Requirement will be entitled to a 'Period of Grace'.

A member is entitled to only one Period of Grace during their association with AICD (notwithstanding any lapse of membership at any time or for any period).

During the Period of Grace, a member will be renewed into their existing membership class until a compliance audit is conducted approximately two months before the end of the relevant membership year. This compliance audit will determine whether the member has 'made good' the deficiency in their DPD units and fulfilled their current Mandatory DPD Requirement. The audit will take into account completed DPD units plus any DPD activities that have been formally scheduled and are to take place in the final weeks before renewal.

For example:

A member has acquired 45 DPD units in three years, of which 20 units were in the first year, so there is a 15 DPD unit shortfall. In year four the member retains their member level (Period of Grace), makes up the shortfall of 15 DPD units, and in addition undertakes another 20 DPD units such that at the end of the Period of Grace they have accumulated 60 units over the previous three years.

During the Period of Grace, a member will receive advice and support from AICD to ensure they are properly recording their professional development activity to assist them to fulfil the Mandatory DPD Requirement. The advice and support of a Members and Directors Executive will also be available to the member to assist in this process.

If, following a compliance audit, a member is found to have addressed the deficiency in their DPD units and fulfilled their current Mandatory DPD requirement, then the member will be renewed into their existing membership class. Alternatively, if a member is found either not to have addressed the deficiency in their DPD units then the member will be renewed as an Affiliate Member.

Exceptions to the Mandatory DPD Requirement

Any member may request AICD to renew them into their existing membership class even though they have not fulfilled the Mandatory DPD Requirement. AICD may agree to such a request in exceptional circumstances. Such exceptional circumstances may include the following:

- An extended period of illness
- An outstanding period of work challenge/adjustment (not including being located internationally)
- A personal trauma
- Full-time study
- Extended travel overseas (for leisure and not work-related)
- Parental leave

Privacy and access to information

Our privacy policy apply to all aspects of the DPD process. Only members will have access to DPD records. Information with respect to DPD activities undertaken through AICD will also be available to member support staff.

Transition and amendment

Members who renewed in 2013 and completed the *Company Director Course, International Company Directors Course, Board Ready* or *Mastering the Boardroom* course in 2012 or 2013, will have the DPD units for the courses credited to their DPD '60 units in three years requirement'. The DPD units will be amortised over two years. Activities from external providers of an equivalent standing in the same timeframe will also be recognised. Members will need to maintain their own records for these activities.

AICD reserves the right to amend these Guidelines at any time.

Appendix 1: Company Directors Corporate Governance Framework™



*Size of segments has no relation to importance.
The values encircle the practices of directors, boards, their organisations and interactions with stakeholders.

Appendix 2:

DPD Unit Values Table

The DPD units ascribed to particular activities takes into account the depth of participant engagement expected, as well as activity time-frames. DPD activities undertaken externally must relate to the practice of directorship and governance as identified in the Company Director Corporate Governance Framework™. Members must identify the

quadrant of the Framework with which their externally sourced DPD activity aligns. DPD activities undertaken through appropriate external providers attract the same number of DPD units as similar activities offered by AICD. Refer to the Professional Development Handbook for more descriptions of activity.

AICD Programs and Courses	DPD unit value	Logging DPD units
Short Course – Half day Intensive interactive discussion, drilling into specific director focused topics.	5	Automatic
Short Course – Full day Intensive interactive discussion, drilling into specific director focused topics.	10	Automatic
In-House Programs and courses delivered to your board.	Unit value per course	Automatic
Foundations of Directorship & International Foundations of Directorship Three one-day courses of interactive discussion and group work.	30	Automatic
Company Directors Course & International Company Directors Course Extensive pre-reading. Coursework includes 10 modules of intensive interactive discussion, group work and applied learning.	50 (amortised over 2 years)	Automatic
Company Directors Course Update Facilitator-led intensive, interactive discussion to maintain currency post Company Directors Course.	20	Automatic
Boardroom Mastery Four extended days of experiential and intensive discussion based applied learning.	40 (amortised over 2 years)	Automatic
Chair’s Mentoring program – Masterclass	10	Automatic
Chair’s Mentoring program – Mentor session DPD units for mentees are maintained by the member.	5	Self-log
AICD Assessment Awards	DPD unit value	Logging DPD units
Foundations of Directorship & International Foundations of Directorship Assessment Award	5	Automatic
Company Directors Course & International Company Directors Course Assessment Award	10	Automatic

AICD Events, Conferences, and Summit	DPD unit value	Logging DPD units
Luncheon / Breakfast / Dinner Expert speakers provide perspectives on topics of interest including Q&A session(s).	5	Automatic
Chair's Mentoring Program – Luncheon	5	Automatic
Essential Director Update Extended expert presentation plus Q&A and resource materials. Free to members.	10	Automatic
Specialist sector conference One day of presentations, Q&As, discussion and sharing learning and perspectives.	10	Automatic
AICD Annual Governance Summit Two days of presentations, Q&As, discussion and sharing learning and perspectives.	20	Automatic
Director Nexus Experienced chair-led peer group topical discussion series, delivered over a year.	25	Automatic
AICD Online Learning	DPD unit value	Logging DPD units
Webinar (<60 minutes) Facilitator and expert-led online discussions on director-focussed issues. Selected topics free to members.	3	Automatic (at the beginning of the following month)
Webinars (60 minutes - Discussions and downloads) Facilitator and expert-led online discussions on director-focussed issues. Selected topics free to members.	5	
International Essential Director Update Webinar 1 hour of extended expert presentation plus Q&A and resource materials. Free to members.	5	
Essential Director Update Webinar 1.5 hours of extended expert presentation plus Q&A and resource materials. Free to members.	10	
eLearning Courses Self-paced online learning and director-focussed topics including: - The Director Mindset - Introduction to Financial Statements - Cyber for Directors	5	
AICD Briefings, Workshops and Reviews	DPD unit value	Logging DPD units
Directors' Briefing Briefings from experts including Q&A session.	5	Automatic
Seminar or Workshop Expert-led discussions on topics of interest.	5	Automatic
Chair's Mentoring Program – Workshop	5	Automatic
Round Table Expert-led small group discussions.	5	Automatic
Expanding Your Thinking Guidance sought on governance and directorship. A template for this activity is available on the AICD website .	5	Self-log
Reflecting on valuable experiences Undertaking a reflective post-scenario review. A template for this activity is available on the AICD website .	10	Self-log
Boardroom Mastery pre-course phone call session	5	Automatic
Boardroom Mastery post-course phone call session	5	Automatic

AICD Resources and Publications	DPD unit value	Logging DPD units
Self-assessment Tool Members can self-assess their current director capability against a framework of practice derived from the Company Directors Corporate Governance Framework™. Free to members.	5 per completion (max 10 per year)	Automatic
Governance Analysis Tool A whole-of-system framework for boards to assess their governance practices against a set of good practice statements and provides informed guidance of where improvements may be made.	10	Automatic
Professional reading Journals, publications, online materials, Company Director magazine and books. AICD online materials and magazine are free to members. <i>&/or</i> LinkedIn – The Australian Institute of Company Directors Member Group and Member Sub Groups Reading and discussions. The LinkedIn Member Group is free to members.	Max 10 each year	Self-log
Voluntary contribution to AICD director development	DPD unit value	Logging DPD units
Writing an article	10	Self-log
Writing and delivering a presentation	15	Self-log
Mentor for the Chair's Mentoring Program	20	Automatic (at the end of the program year)
Representation on an AICD professional committee	5 per meeting	Automatic

Third Party director professional development guidelines	DPD unit value guide*	Logging DPD units
Short Course, Conference or Seminar – Half day	5	Self-log
Short Course, Conference or Seminar – Full day	10	Self-log
eLearning Course	5	Self-log
Webinar	5	Self-log
Writing an article	10	Self-log
Writing and delivering a presentation	15	Self-log

*The AICD recognises third-party learning opportunities that are undertaken to improve directors' skills and capabilities within the areas identified in the Company Directors Corporate Governance Framework™. Self-logged learning must include evidence of the learning.

- Automatic recording of DPD units to member DPD record
- Requires member to maintain record of participation in DPD activity

Appendix 3:

Three-year rolling cycle

How does it work?

- Fellows, Graduates and Members are required to accrue a total of 60 DPD units and maintain that total over a continuous three-year rolling period
- We recommend that members accumulate 20 units per year as the best way to maintain the required 60 units over a three-year rolling period

Example

John Smith joined on 1 June 2013, the start of his foundation period. He accrued 15 units in the first 12 months (Year 1), 25 units in his second year (Year 2) and 20 units in his third year (Year 3), which equals 60 units over three years. In the following rolling period the units from Year 1 no longer count and he will need to accrue at least 15 units to maintain the required 60 units total.

The three-year rolling period

	Year 1 of membership*	Year 2 of membership	Year 3 of membership	Year 4 of membership	Year 5 of membership	Year 6 of membership
Foundation period	[Shaded]					
Rolling period 1		[Shaded]		[Shaded]		
Rolling period 2			[Shaded]	[Shaded]	[Shaded]	
Rolling period 3				[Shaded]	[Shaded]	[Shaded]

An example of a member who joined in (or prior to) 2013 maintaining the 60 units over the three year rolling-period:

	2013	2014	2015	2016	2017	2018
Foundation Period	15 units	25 units	20 units			
Rolling Period 1		25 units	20 units	25 units		
Rolling Period 2			20 units	25 units	15 units	
Rolling Period 3				25 units	15 units	20 units

*For members who joined before 2013, year 1 of your DPD period began at your membership renewal date in 2013.

For more information please contact

t: 1300 739 119

e: contact@aicd.com.au

w: companydirectors.com.au/dpd