

Maddison Pine

Changing the way Boards think and practice

Maddison Pine Newsletter. Issue 1, Volume 1

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Welcome Note

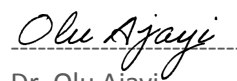
Dear partners in change,

Maddison Pine is pleased to share with you the first issue of our newsletter which aims to share insights, knowledge, and practice about corporate governance and board effectiveness.

Since Maddison Pine's active work in Africa and the Maldives, Maddison Pine has witnessed the growing interest of the public sector and the state-owned-enterprise sector in corporate governance. These are positive developments that testify to Maddison Pine's deep commitment to advancing corporate governance and outcomes in these regions.

Newsletters such as this are ways to engage like-minded individuals and help create a network of corporate governance champions. We welcome your contributions and feedback.

Again, I would like to thank you for supporting Maddison Pine and its role in promoting Good Corporate Governance and look forward to supporting your efforts in 2017.



Dr. Olu Ajayi
Chief Executive
Maddison Pine

Upcoming Programmes

- ∞ Making Public Boards More Effective
15 - 20 January 2017, Dubai
- ∞ Leading from the Chair
23 - 27 January 2017, Singapore
- ∞ The Innovative Board
13 - 17 February 2017, London
- ∞ Making Boards Work: Board Evaluation and Effectiveness
20 - 24 February 2017, Mauritius
- ∞ Making Public Boards More Effective
20 - 24 March 2017, Maldives
- ∞ Leading Strategic Change
20 - 24 March 2017, Abu Dhabi

King IV: Bolder Than Ever

The King Committee published the King IV Report on Corporate Governance for South Africa 2016 (King IV) on 1 November 2016. Download Deloitte's Executive Summary at

<https://www2.deloitte.com/za/en/pages/africa-centre-for-corporate-governance/articles/kingiv-report-on-corporate-governance.html>



IN CONVERSATION WITH

Sir Tony Redmond

Sir Tony is the Chairman of Consumer Council for Water and a Local Government Boundary Commissioner for England. He is currently President of the Chartered Institute of Public Finance and Accountancy (CIPFA) and was previously its Honorary Treasurer. He is a Trustee and Honorary Treasurer of UNICEF UK and is also Course Director for Public Administration Internationals Ombudsman Study Programme. His previous roles include Chairman and Chief Executive of the Commission for Local Administration in England and Local Government Ombudsman, Chief Executive of the London Borough of Harrow, Finance Director of Knowsley Metropolitan Borough Council and Treasurer to the Merseyside Police Authority. He is a Fellow of the Royal Society of Arts and a Fellow of the Institute of Revenues, Rating and Valuation. Sir Tony was knighted for services to Local Government in 2010. He is also Maddison Pine's Mentor.

From your experience, what makes for an effective board?

Having a Chairman who is knowledgeable, experienced, and engaged. Ensuring the right skills and balance amongst board members. Informed decision-making, strong governance, and periodic member turnover. Accountability and Annual Board and Member appraisal. Constructive challenge, healthy debate and interaction; and good time management.

How can boards best achieve a strategic balance between Compliance and Performance?

Compliance is not an option – it is a requirement. Collective responsibility is to be observed. Non-compliance in a Board must also mean under-performance. Performance and compliance must dovetail but governance must be overbearing. If bureaucracy dominates, Board activity performance will suffer.

How do you see the role of the Board Secretary?

The Board Secretary ensures that good governance is practised at all times within the Board. Timely dispatch of papers (electronic and hard copy), manage the agenda, support the Chairman of the Board and its members' fulfilment of roles. The Board Secretary must respect the balance between transparency and confidentiality (including commercial sensitivity). He/she must strive continually to maintain a balance between safeguarding organisational interests and over-protecting the Board.

What is your advice on building effective Board-Management relationships?

Developing a regular, if not continuous, rapport between Non-Executive (the board) and the Executive. The effective induction of Board Members establishes requirements and expectations. Away Days have their place but must be focused and outcome-based. The Executive and Non-Executive roles must be clearly defined and respected. Personal qualities of understanding, awareness and tolerance matter. Mutual co-operation, information sharing and meaningful dialogue is helpful.

What is your view on information for the boardroom?

Assertion and opinion must have their places but information on which the Board makes its decisions must be evidence-based. Judgements by the Executive of what the Board needs to know is important. The CEO/Chairman relationship plays a key role here as the latter will, inevitably, be sighted on MORE operational matters – what goes out to the Board is then, in part, at his/her discretion.

What book is on your bedside table and why?

“Mandela, The Authorised Biography”

He was a human being with incredible dedication, stamina and unswerving commitment to defeating apartheid, injustice and inhumanity to man. Succeeding when faced with the greatest adversity; his wonderful personal qualities significantly outweighs his fault and failings.

What is your Golden Rule?

Integrity must be preserved at all times in the conduct, behaviour and performance of Board Members and the Executive.



IN CONVERSATION WITH

Mr. Eddie Prah

Mr. Eddie Prah is the Board Chairman of The Forestry Commission, Ghana. A graduate Wood Technologist and an Industrial Management Expert, he was formerly the acting Managing Director of Takoradi Veneer & Lumber Company, a State Owned Enterprise. As an expert in management and leadership, he worked as a consultant in Ghana, South Africa and Nigeria. He has served on several Boards including as Vice-Chairman of the Ghana Stock Exchange, Samartex Timber and Plywood Company, Ghana, OIM (Pty) South Africa, Takoradi International School and Greater Heights School in Takoradi, Ghana.

From your experience, what makes for an effective board?

The members build relationships based on mutual respect, cordiality and inclusion, even bordering on friendship but respecting boundaries of technical knowledge and roles or functions. Members have the right orientation regarding global view of both the internal and external environments of the organisation they serve, including risk elements in the environments. Members have a clear understanding of the distinctions between Board and management functions. Members have the ability to eschew parochialism and develop higher tendencies towards consensus building and shared governance. Keep high level of accountability and fiduciary responsibilities. Appreciates timelines in its decision –making process.

How can Boards best achieve a strategic balance between Compliance and Performance?

It starts with well-prepared Board meetings in terms of agenda, full and necessary documentation that members receive in reasonable time for their study and information to be able to contribute fully at meetings. Good quality and clear Board decisions that enable management to indicate in a plan of implementation, “who” does “what” and “when”. Putting in mechanisms for monitoring progress and checking quality of achievements of decisions at subsequent meetings. It is especially useful if Board committees are active in the monitoring instead of the whole Board or the chairman.

How do you see the role of the Board Secretary?

The role of the Board Secretary is crucial in Board effectiveness. He/she prepares meeting agenda with the chairman. Ensures all documents for the meeting are well prepared and compiled sequentially according to the agenda items for members. Ensures every member of the Board has all documents for the meeting and on time for study and reflection before the meeting. Ensures meeting place is prepared and made ready for the meeting. Diligently takes accurate minutes of meeting, placing emphasis on facts and decisions, who does what and when and recording nothing about his/her personal opinion about any issues discussed. He is the keeper of all official records of Board meetings and actions during the meeting. Confidentiality and good conduct are an essential factors in the Board Secretary’s role

What is your advice on building effective Board-Management Relationships?

Mutual respect, and trust for each other and the boundaries of their offices and functions. Strong and open communication and a culture of cooperation must exist especially between the Board chairman and the Chief Executive of the establishment. Board as a whole must as much as possible work within its oversight and guidance responsibilities putting at the disposal of management wisdom, experience and good judgement. Senior management provides the Board with accurate and timely information on strategic initiatives, risks, controls and challenges. Overall the Board should maintain its objectivity, asking the tough an appropriate questions while building strong relations with the management sometimes even in the in the informal setting.

What is your view on information for the boardroom?

Information for the boardroom should first and foremost be about issues concerning the Company or the establishment. Off-the-record issues not concerning the company should be kept to the minimum or completely avoided during board meetings as they serve as sources of distraction from serious Board business. Issues submitted by the Chief Executive for discussion at the Board must apart from being for informational purposes, be those requiring guidance on the way forward or approval for implementing financial or other decisions or management initiatives requiring the Board consent.

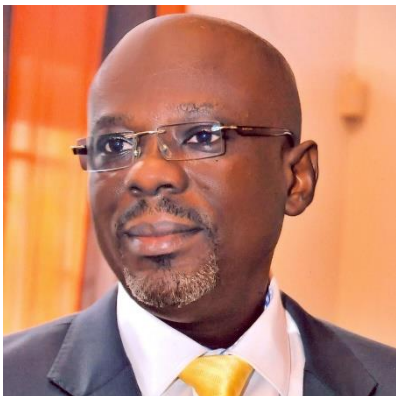
What book is on your bedside table and why?

The Bible so I would be in tune with my God from whom I draw my daily strength and wisdom for this life.

What is your golden rule?

To do the best I can in any situation and role I find myself, especially if it is to help others “see farther” than I have managed by the grace of God to “see”

WHAT CEOs WANT FROM THEIR BOARDS



Mr. Kofi Anokye Owusu-Darko

CEO, National Pensions Regulatory Authority,
Ghana

As stewards of organisations, CEOs and Board Members are expected to demonstrate profitable governance—yet their relationship is often overly complicated and dysfunctional, rearing unwanted outcomes like poor strategy and slow organisational development.

Mr. Owusu-Darko's Top 3 are:

1. Being prepared for board meetings
2. Quick decision making and approvals
3. General feedback on how organisation is doing.

Overall, the best partnerships are bound by respect and commitment. A great board doesn't sit back and review—its members are active in offering support, insight and counsel. Through candid and respectful interactions across the table, CEOs and boards can foster effective relationships.



ON A LIGHT NOTE



Recommended Reading

- ***Outliers***, The Story of Success, by Malcolm Gladwell
- ***My Vision***, Challenges in the Race for Excellence, by His Excellency, Mohammed bin Rashid Al Maktoum, Ruler of Dubai, United Arab Emirates
- ***Corporate Governance and Chairmanship***, by Sir Adrian Cadbury
- ***Leading the Board***, The Six Disciplines of World-Class Chairmen, Andrew Kakabadse & Nada Kakabadse

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