

# **Webinar Transcript**

## **Governance - It's a global game**

So hi, everybody. Welcome to our webinar today titled governance is a global game with Tracy Cross, Stephen Bowman, and Miranda Fleury.

In today's webinar, our expert team will be exploring the foundations of good governance through a global lens.

They'll unpack international governance standards, examine real world events from the US, UK, and beyond, and consider how those lessons can lift the effectiveness of boards here more locally.

As I said, my name is Sean McDonald, and I shall be your moderator in the background for the next forty five odd minutes.

Firstly, thank you so much for attending today. We always appreciate the efforts you make to be here for our live webinar events.

During the session, if you have any questions, please try and use the q and a button on your toolbar.

We'll be answering as many of these as we have time for.

And finally, if you stay through till the end, which of course we hope you will do and as is customary for our webinars, we have a special treat for you. By answering a really short one minute survey at the end of the webinar, you'll go into the draw to win one of our beautiful gift hampers worth over four hundred dollars.

Now for those not too familiar with BoardPro, we are a board software provider or a board portal, and we serve just over thirty thousand users around the world, and we're represented in across about thirty four different countries these days.

And we enable organizations to prepare for and run their board meetings more efficiently and effectively with less time and deliver more impact and value for the organization.

And as much as we are a board software provider, part of our wider mission here at BoardPro is to make the fundamentals of governance free and easy to implement for all organizations, especially those organizations with resource constraints. And one of the many ways we do this is by providing free access to hundreds of business templates, guides, and resources, which funnily enough you'll find in the resources section of our website.

They're all free to download. These webinars also that we host are a great way of accessing key governance knowledge without the time commitment and costs associated with in person events.

So for the next forty five odd minutes, just sit back and relax and, add to the conversation by asking as many questions as you would like. A full recording of the webinar along with the slide deck transcript and resources will be sent to you tomorrow.

Yeah. It'll be tomorrow now.

So let me hand over to our team to get us started starting with, Tracy yourself. Over to you.

Hi, everyone, and thank you for joining us. My name is Tracy Cross. I've been working in governance for the last twenty five years in a variety of capacities. So I'm a financial services and corporate lawyer, an independent director and a, board advisor, training facilitator for Grounded Governance, a company that really looks to empower companies and directors, to be their best, and, introducing governance in a fun, expert, and inclusive way. So, I'm really looking forward to this conversation.

Stephen, would you like to introduce yourself, please?

Thanks, Tracy. Hi, everyone. Steve Bowman from Conscious Governance. I've been doing this for an awful long time and have been seeing some amazing shifts in governance over the last probably five years. So very much looking forward to this conversation about, what does this look through like an international lens.

Miranda.

Thanks, Steve. My name is Miranda Fleury, and I own Hawkeye Strategies, which is a governance firm that works with boards and executives all over the world. Absolute pleasure to be here and looking forward to participating in the conversation. And, Tracy, I'll hand it back over to you.

Right. Thanks, Steven and Amanda.

Look. I think this is gonna be a great conversation, and I do believe it's a very timely one. I was attending New Zealand's Institute of Directors Conference last week where, directors were challenged to go further and faster, with the, on the premise that governance is changing shape and gear. And I think we do need to be conscious that at the same time, directors are stretched by numerous demands.

The reality is that governance is in the spotlight, and changes everywhere we look, whether it's the heightened expectations of the regulators or our stakeholders.

Geopolitical and economic uncertainty is certainly, a part of the risk framework that we have in front of us at the moment. And with governance, we're feeding the unique cultural context. And

for many, and having reliance on the global economy, we really must respond to global regulation, economic shifts, and technological advances, all of which require us to have an outward facing approach, and that's the importance of this conversation today.

So we're going to look at, the following slides, and they're really based on, New Zealand's own institute of directors' four pillars of governance. And through those slides, we'll look to extract the global insights from our fantastic panelists that we have, joining us today. So this is a big topic, probably one that we'll probably just scrape the surface of, in the time that we've got. But, look. Let's get started. So, Sean, if you could take us to the first slide, please.

I can't see that slide, Sean, so I'll just assume that, it it is up.

So if we consider what governance is, despite legal systems and codes, global governance is generally aligned around direction, accountability and oversight however I think it's fair to say that governance are becoming more and more about how we behave in the boardroom the questions we ask the challenges we see it how we engage with our people and our stakeholders which all shape our outcomes. And I guess to start off with, Miranda and Steve, I'd be interested in in, your experiences in operating in Australia and Canada with clients, globally. How are you seeing the governance lens changing?

So Steve here. I'll kick off. The the governance lens is lens is changing, I think, more than anything because people are starting to realize that there's no such thing as good governance.

It's governance that works.

And looking at, governance through the lens of what do we need to know now? How do we make that work for us? Rather than, you know, here are the three committees you should have, and here are the things you should have, and all that sort of thing. So there's there's never been more information available than there is right now on how to look at governance through the lens of compliance, strategy, risk, finance, whatever whatever you wanna put to it. There's so much information out there. But the biggest issue that I'm finding is still, there are a lot of organizations that have very professional directors, and there's an a vast majority that don't. So there's a lot of new people coming onto boards that have nearly never really, had much thought given to what this actually looks like from their perspective.

So I see that not only is there a dearth of sorry. Is there a a large amount of information available out there? However, the biggest issue that I'm finding now is that those directors that don't know just don't know, and they don't quite know where to go to to look at this notion of governance.

Miranda?

Thanks, Steve, and and thanks for the question, Tracy.

I think, and this is one of the pieces I've actually talked about in the past. As as governance continues to evolve, I think it's depending on the industry in which you're in, a lot of the, the

industries in which I currently serve are heavily regulated. And so regulations are actually dominating that that change and causing directors to have to amp up their game in order to be able to fulfill their fiduciary responsibilities properly.

And and I think, I'm thinking about financial services, Tracy, just because you mentioned that, that earlier. And even when I look at the difference between, Canada versus the US as an example, there's, very different pressures which are causing them to act in in many different ways. And so so I think probably the biggest piece for me is the regulatory component. And then, Steve, just speaking off of what you were referencing earlier is I like Steve said, there isn't necessarily one best way to do something, and there's a lot of gray areas in governance.

And in order for you to be effective depends on the context in which you are operating in. And so, so like Steve said, there is not binary. It's not a yes or no of right or wrong. It could be something is much more right for your organization than others. So I'll leave that back to you, Tracene.

Thank you. I mean, it's interesting, isn't it, that sort of directors come on to a board, but there's no requirement for for any training. I mean, are you seeing any jurisdictions where they actually have sort of compulsory training? Because, I mean, of course, you come on to a board, you only know what you know. I see a lot of directors and sort of, you know, smaller organization or organizations or, you know, charitable organizations, which they're they're there full of purpose, but they don't really understand the role. So is anyone leading in the space of actually requiring some some a a certain level of knowledge?

So I I can speak to that real quick. In in Canada, there are certain regulators, particularly in financial services, that are requiring directors have a minimum level of training in specific areas in governance.

And, but in in other industries outside of financial services that I have supported, I don't see that, in the same way. But, Steve, I'm curious from your perspective.

Some of the sectors, they acquire it.

If if you look at it in terms of, from the basics, the some organizations require any new director coming on to have done some course in the next twelve months, and the really good boards are those that say any chairs of any committees have to do a chairing course in their first twelve months of their of their role there. Then you roll out to the next level, which is there are sectors then that require that you have done some sort of training. So, you know, the the private schools, for example, we often find that there's a a requirement there that they have done some training that is put on by the peak body for that sector, and often the peak body builds in there. Then the, and then and then the actual industry or the sector itself, I I seldom see that occurring.

And then you move out even further, you, have a look at different countries, there's a whole disparity amongst, Commonwealth countries, non Commonwealth countries, Asian countries, non Asian countries, huge diversity of, both access to training, but also the requirements that it's there. In some of our heavily regulated industries, in in the Commonwealth countries in

particular, there is an expectation that you've had experience and you're a fit and per a fit and proper person to be a director. And, but in other in other jurisdictions, it just isn't so. And so you'll find that there's all sorts of, weird and wonderful stories about the notion of of independence, whether you decide you're independent, not whether others would see you as independent.

And then you get into things like family, family based appointments, and a whole range of different areas. So so there's no there's no push at this stage that I can see from any jurisdiction other than in specific some specific sectors where there has to be some sort of craning.

Yes. That's I think, certainly, from what I see from a regulation's perspective, the the messages are, obviously, you've gotta have the right sort of skill set on the board. I think a good board does lead, the need for some training. And, also, as individual of directors, you know, I think it's sort of on us to to make sure that we we do have the right sort of skills. So I think, a good conversation. But, Sean, if we just move to to the next slide, I'm just going to sort of, touch on this quickly because, you know, I think, what this slide shows us is that we do have, an international governance standard that we can actually bring into our thinking so ISO thirty seven sorry ISO thirty seven thousand was introduced in twenty twenty one and New Zealand was over one of seventy plus countries that contributed to this The challenge with this, and I think, Miranda and Steve, you Steven, you'll agree with me, was that few people are aware of the standard. Is is that fair?

Yes.

Yeah. Yeah. I think you know, look. All I'm gonna say here, because I I think we've got a lot lot of things to discuss, is that this is a great model that can be used.

I love it because it's got purposes at heart. It's got clear foundational, and enabling principles and and sort of outcomes. So it's very easy to look at this to use as a benchmark when you're actually reflecting on your own governance system, or working with sort of other jurisdictions so, you know, we'll move on to the next slide, Sean, please, so which is really we can have all this conversation, but why do we need, good governance? Miranda and Steven, do you have your views on that?

Go for it, Steven. Sure.

I love it. So, look, good governance is all about what why have we got boards in the first place? You know, governance isn't just to do with boards, but primarily that's our focus today. And the reason that we've got boards is that they're there very simply to make the choices that create the future for the communities they serve, and they need some tools on how to make those choices, what those choices are, how they are actually creating the future, and how they're doing that within for and on behalf of the communities they serve.

And this is where good governance comes in. It it provides us with guidelines and tools that give us a heads up about some areas that we can really focus on. So things like risk management, yeah, there's some great tools there around around risk management and and risk and strategy and risk and opportunity. There's some great policies and procedures around.

There's some great learnings from the various institute of directors, particularly when it comes to things like bad behaviour or, doing things that that might might, harm the organisation or the communities that we're serving.

So this this notion of why do we need good governance is because in the absence of agreed ways that we have learnt from practice and from things going badly, in the absence of that, then we continue to say make the same mistakes that have been made before. So good governance there for me is what have we learned from the past? What have we learned going forward? And there's always going to be nuances around that. Miranda?

So I'm I'm gonna take a bit of a different perspective than than you, Steve. Although I agree with what you said, by the way, is I think there's two reasons why we need good governance. Number one, we need to protect the value that whichever organization you are currently governing has already created. So protecting the value and then also creating new value for for the organization itself.

And so if you think about those two pieces and all of the items that Steve was just talking about with respect to, you know, enterprise risk management, to strategy, and so on and so forth, they all fall into that. But ultimately, you're trying to protect the existing value you've built and create additional value, and that actually comes from having very good governance. And and I'm sure both Tracy and Steve have seen it where you don't have good governance and the value erodes. And it doesn't take that long, in my opinion, and I'm just actually dealing with this with a client right now.

It does not take long for that value to erode that might have taken decades to build to begin with.

Yeah. Look. I I think that's so true, and I think that, you know, good governance creates sort of, credibility and legitimacy. It shows, you know, companies sort of acting ethically and transparently, transparently, and it all comes back to trust.

And, one of the interesting things at the at the IOD conference was just the fragility of trust in the what they described as this fractured world. And there's a lot of evidence around that that people are sort of looking to, you know, they want to work with, entities that they trust. They want, to be served by entities that they trust. So, you know, good governance is is really sort of key to to all of this.

So just taking that sort of one step forward, if we move to the next slide, Sean, you know, what does an effective governance, culture look like? We've got some, some common threads there. But, Steven, do you want to sort of just pick off with what you think and what you see, you know, what we can learn from, your experiences that you're that you're seeing globally for boards around the world?

I think the the the key thing that I found with good governance is, if you boil it down, probably three key areas. One of them is a absolutely laser focus on, strategy, vision, purpose. You know,

why do we exist in the first place? And that then becomes the filter for everything, and that then finds its way through all of the governance structures of the organization.

The second thing is that we actually make the best use of the of of the skills, insights, and and experiences of our directors by making sure that we've got that, you know, varied, skills, experiences, and, and areas of expertise sitting around our board table so that way they can ask the sort of questions that need to be asked. And then the third thing is to make sure that we're continuously learning as a board. And every single organisation that I've come across that has got into trouble, one of those areas wasn't in existence. At least one of those areas is not in existence.

So what does an effective governance culture look like? You know, the absolute focus on vision strategy, the, making best use of the time of the directors so that we can tap into that. And then and then lastly, making sure that all works. Miranda?

Thanks, Steve. I I I would concur with what you said, and I would maybe build particularly around the recruitment process for for new directors coming onto the board and recognizing I I love saying this and watching people's facial expressions is that experience doesn't necessarily translate to competency.

And and it's real. Right? So somebody's got I got twenty years of experience in strategy, right, which is what you were just talking about, Steve. And, like and it's just like all like, it it doesn't translate to being a competent director.

And so figuring out either, a, how are you properly screening directors in into your board to identify those particular skills, that you need and or how are you providing the education and training to be able to support directors in their role is is a really important facet. I think number two, which is, a combination of what you have on the slide here, Tracy, of both diversity of thought and open debate. And so to me, having diversity of thought is a really important piece around the table, but it doesn't matter if people can't speak up. And and some of that is is quite nuanced.

It's very much, you know, you're reading body language. It's it's not as outwardly spoken about what's acceptable to say, what's not acceptable to say. And so part of that comes from the role of your board chair in facilitating really great discussions and allowing people to openly debate and have differences of opinion and welcoming that and continuing to reinforce the differences of opinion. I was just actually working with, a board.

I think it was a couple weeks ago, and and I I noticed that there was quite a bit of group think. And so I end up having to facilitate this conversation where I said, okay. Like, I'm just gonna force you to to disagree just to see where it goes, and then eventually, people's perspectives came out. So so it just it takes a little bit of time.

So diversity of thought is not enough. You have to actually be able to pull it out of of people. And then, of course, the dynamics and how folks, work together is is an integral piece as well, Tracy. So back to you.

And and and with, I guess, the the the pushback we're seeing around, diversity, equity, inclusion, I mean, are you seeing that sort of impacting boards and and looking to who who they bring on to boards?

I think that depends what country you're talking about, Tracy.

So so in Canada, the answer is yes. And I'm trending lightly. In Canada, the answer is yes. And and when I'm looking at, like, the skills matrix for for directors, it's inclusive of diversity related statistics that they're looking for, whether it's gender, age, sexual orientation, so on and so forth.

And and they're trying they're trying to get a diverse enough group of people with the assumption that that comes with diversity of thought as well. And there's some interesting, research on that, and so there's support for it and there's no support for it. So, anyhow, it's, it's an interesting area. But, yes, in Canada, there is a focus of of diversity.

Steve, I don't know if some of the other countries that you've been working in have that too.

Not so much. There there's there's a recognition that skills and experience are really, really important for directors coming on as long as it's our sort of skills and experience.

So and that that still happens a lot out there. I see, particularly in some countries where there's still it's still who do you know, and it's that's still out there. And on paper, they're very, very good. I'm just thinking of one country in particular a gentleman by the name of professor Mak, have it m a k. Have a look at some of his work. And he he holds the blow torch under the the feet of many Singaporean, Malaysian, and, and other Southeast Asian countries in terms of their diversity and and where they find their directors from.

So the other the other big issue, I think, is that we have many, represented in many of the people that are here today, a lot of professional trade or society type, not for profit organizations where essentially they go out and they they say we've got three vacancies, who's interested? Without giving any indication of the sorts of skills, experience, and diversity that they particularly like to have come onto their board. And often the excuse is given, well, we have to take who we who who who puts their hand up. And the answer is, yeah. But give them some guidance as well. You know, find out, you know, what is it that's gonna be that really make a difference on your board, and give them some guidance about what would help. You may or may not get it, but if you don't ask, the chances are you won't.

Crazy.

And, Steven, in Australia, I mean, you know, it'll be worldwide. You know, there's been lots of, reviews and, certainly in the financial services, space that I'm very familiar with, you know, the PwC independent review. And then you, of course, have got you've got the Qantas situation, which is showing us the challenges around an effective governance culture and and what sort of, a not so great culture looks like. Do you think that those learnings are being picked up by, organizations and boards that aren't, you know, directly impacted by those sort of scenarios?



They're looking to sort of lead change. They're looking to sort of do a gap analysis as to where they sit against those sort of learnings. Are we actually getting proactive about about this?

I think there's a lot written about every governance failure or perceived governance failure that's out there, and, we've all got our favourites of where they are. And and, yes, there are always learnings from that, and I think progressively we're getting better at it to minimise that, but it all depends on the people. So, you know, is it a governance failure or is it, we haven't actually looked at what Miranda was saying before, and have we got the right sort of people around the board table that will actually enable us to extract the most value out of what we're out of what we're doing. We

still, every now and then, see the cult of the CEO crop up in a in a in in organizations, and, something we've got to be very aware of. So, the issue here for me is, yes, there will always be governance failures of some sort because it involves people. And sometimes people, you know, make it through the cracks, and what they look like on paper and what their experience shows doesn't actually show what they're like when faced with tension and and difficulties around the board table. So, there'll always be that.

But I think we have we're we're learning more, when it think comes to things like conflicts of interest and, testing assumptions and not having board packs at a six hundred pages and losing details. And so, yes, we know all of that.

Now if only we can get the boards to do that, we'll be in much better shape.

Absolutely. Which is a nice segue into our next slide around sort of, you know, governance protocols, which I think are are very important for an effective, governance culture. You know, often these are found in in codes or, you know, charters or, you know, that they're in the in the in the documentation, etcetera, but how are they actually brought to life? And, I'm really keen to to to know if you see any great boards which are actually, you know, in some way bringing them these to life. I think that, obviously, the chair has an important role, in doing so. And, Steven, you've mentioned sort of conflicts of interest. But is anyone doing anything out there that's really, really impactful and and, helping the development of the culture?

So I'll Tracy, I'll quickly jump in. I was I was just looking at the the dials that we have here. And so probably one of the harder ones to execute is creating that participatory environment. I would say the confidentiality piece you typically have, you know, your signing documents and so on and so forth. And conflict of interest, same thing. It's probably on your board agenda, and you're stating it in advance and having that conversation upfront.

And and even the the no surprises piece is more of a bit of a board norm that's that's set. But creating that participatory environment, I actually find, that really starts from having some type of relationships within the board itself. And so I it this sounds a bit fluffy, but I actually think it's really, really important in that I believe board need to spend time actually gelling as a team. So we don't we don't actually think about a board as a team.

We just think about it as a group of people. They come together. Some in some cases, monthly. The other cases, quarterly basis, and we expect them to be these, like, high functioning people in this high functioning environment and then, like, just disperse after the day and and call it day and I'll see you in a few months and maybe I'll see you on a committee.

But we're not necessarily taking the time, that social time to connect. And so I have seen it in practice where, I have seen a couple things. So number one, around every board meeting, there are, you know, suppers that are happening around, every board meeting so that you're just getting together just to socialize. I have seen it where there are board retreats and off sites that they can gel and better understand one another.

And I've also seen it where, on an annual basis, there's a governance day. And so it's just the board. There's no management involved. They're sitting together, and they're just talking about how do we do things better.

And, like, let's talk about the specific topics and the participatory environment. I've seen that come up as a topic before, and I have found that that's actually helpful just spending time on the board there. Steve?

One of the things I, really enjoy about the work that we do is when we do governance reviews, I get to mix it with some of the smartest people with some of the smartest ideas, and then I get their permission to pass those ideas on. And I wanna do a couple of those now. So one of my most favorite organizations in the whole world is the Indigenous Allied Health Association here in Australia. And one of the things that they do there is for the, their members who are indigenous, They have a leadership program where up and coming potential leaders are then taken through the board processes and attend board meetings as observers and they get mentored.

Not necessarily for them to come onto that board, but for them to go then go out to their community with a much wider understanding of what that looks like. So the participatory environment, the confidentiality, all the things that are on this list here, They actually get trained up and have some experience in that. And I think that is an absolutely brilliant way of bringing forward the next generation of leaders without expecting them to come onto your board. The second thing that group does, which I think is brilliant, is they have a finance and audit committee.

And one of the terms, in the terms of reference, the chair of that finance and audit committee is always an independent person. But that independent person also takes on as part of their job to train up the members of that committee in how to be really good finance audit and risk committee members. So that's actually their job, not just to chair it, but to also act as mentor and to and to actually spend time training that and how to do do it. Again, to get them to go out into their own communities so that they take those, skills and experiences with them.

I think we could learn from those sorts of things. How do we help our people in advance of actually wanting them to be on the board to better understand how they can be a greater

contribution on our or any other board. The other briefing I mentioned too is I've seen some organisations where they always will come across pretty thorny issues of conflict of interest. So what they've done is they've collected stories over the years of various conflicts that occurred and have I dealt with them.

And they use those stories as learning mediums to get across what conflict of interest looks like and how we deal with them rather than having to read some policy on conflict of interest that may or may not mean anything.

Yeah. There's some great examples here. Thank you, Steven. I think it sort of all comes back to being intentional about, you know, how these things are sort of implemented, isn't it? But a lot of good stuff there that, that others can sort of take away. So just moving on, we've sort of touched on the role of the chair already.

And I think in in this sort of slide, we can sort of see that, you know, the chair has a role much larger than just managing the meeting, which, it, surprises me that there are still many that just think that that is their role. And picking up your point, Miranda, around that sort of the traditions, the getting together, the having the time, the having the dinners, you know, how do we, attend meetings? Are we just flying in the morning, attending a full day meeting, or are we coming in the night before and actually having some time together? I think they're really important. The role of the chair, obviously, Miranda in this in the US, you know, we've got a bit of a difference here where sort of the CEO and chair can be one and the same. Your views on that?

My views on that. Yeah. So, I mean, so there are opportunities for that to happen. I I'm personally not a big fan of of it.

I think that there's a there ends up being a direct conflict of interest when you have the ability to vote as a director and you're also benefiting as a CEO as a result of that. It's obviously served a purpose for a very long time. But I know in a number of different jurisdictions that that is just simply not allowed. And, Steve, I'm actually curious from your perspective.

Is is that the same as well?

Look.

In Australia, New Zealand, most of the Commonwealth countries, the role of the chair and CEO is is is split. And and but I've also seen examples, and I'm just doing one at the working with one at the moment where the that they actually have an executive chair, and it works quite well with the right person. So in all of this, it depends on, you know, the the boundaries you put around it. But the the role of the chair, I think one of the big issues that that we find is that often people get get into the chair position because they've seen how others have done it.

They've been a vice chair maybe, or they've been there, or as was my case, I didn't turn up to a meeting once and found out that that one, meeting I was elected as chair. So, you know, there's all sorts of different routes that people get into chairing, but there's also very seldom any support for that chair. So one of the things that really good organizations are doing are providing either a

mentor support for the chair or asking them to go on some sort of course so that they can mix it with other chairs.

Having seen your predecessor do the work may or may not be a good idea in terms of getting yourself ready to be chair of a board.

Yep. Thanks, Steven. Just moving on then around, the need for a healthy board cycle, in the next slide, Steve, Sean. I think that, you know, the key here is that the the a good governance system isn't isn't sort of static.

It's evolving. It's it's sort of flowing. It's continuing to be reviewed. And I think there are some sort of sticking points in in relation to a a healthy life cycle that are being ignored.

I think one of the recent, it's a full size bar report in New New Zealand sort of found that, you know, companies lacked annual self assessments. And, also, one of the big concerns was around the lengthy auditor tenures, you know, some of them being sort of over nineteen years. So just briefly, because I'm just conscious of time, is there one sticking point here in the, healthy board cycle that you think is is creating issues in the boards that you see?

I would love to jump in on that real quick. I think on the evaluation piece, I think this concept of the self evaluation is, I don't know how to politically say it correct here, Tracy. I just think it's not a useful tool in helping a board evolve. There. There. I said it properly.

And so so I say this because oftentimes we go in and we say, you know, where do you think your skill is on a scale of one to five? You know, people rate themselves in a four or five. They're all great, blah blah. We said, oh, awesome.

We're sitting at a four point five average as a board. Great. Check mark. We've, like, we've done it.

It ends up just being a tick box exercise as opposed to something useful. And so I think if you're gonna do some sort of board evaluation, what I've actually done more recently with another board is I've implemented a combination of, like, a knowledge questionnaire related to that board's fiduciary responsibilities where this is not a multiple choice answer. This is a long answer. This is explaining a number of pieces and being able to sit down with with directors afterwards and help them better improve in certain areas.

And and those areas were derived from the competencies that were determined from that particular board was required. So whether it was risk management, strategy, financial oversight, etcetera, all those pieces had a set of questions there. So I think just in general, I think a lot of boards, fall down on evaluating how good they are and how effective they are as a board. And their CEOs are sitting there quasi pulling their hair out thinking you've gotta be kidding me right now. We have such a high functioning executive team, and and oftentimes, the board isn't as as high functioning as that executive team, and it can be very, very frustrating for CEOs.

Steve.

I think that leads to the other big the the other big, failure that I I find very often in boards is the notion of succession planning. Succession planning for both the CEO and also the board itself. Often, people's view of succession plan is, okay. So who's retiring this year, and do we know anyone? As opposed to, going through doing the evaluation, having a a good look at their skills matrix, all those sorts of things, and having in place having in place a process like a pipeline of looking at who potential directors may be coming up rather than waiting for us to have a vacancy.

So putting a little bit of forethought into that goes a long way to actually dealing with the problem that we often hear where people say, we don't know anyone. We may not get any directors this year. So, yeah, I think those things are the the succession planning and the evaluation, two big areas.

Thank you. Just moving on because I'm conscious of time. The next slide is is focusing on obviously the importance of effective compliance. This is a, just very briefly, a a tool that we established for this grounded governance.

Really, all it's doing is is showing compliance thinking beyond, you know, what we're told we have to do and what we tell ourselves we have to do to really sort of future thinking and thinking about the relevant sort of themes, within the industries that we're sort of all working on. So much more sort of holistic sort of approach, which I think is really important. Just very quickly, because I'm really keen to sort of move on to, get some real life sort of scenarios from you. But are you seeing your boards move beyond strict compliance thinking to a more holistic view of the world and what they need to consider?

If you want me to be quick, the answer is yes.

Yes. I know. No. It's a shame we're running out of time. Miranda, you'd also, you know, spoken about your sort of passion around risk management and sort of the real need to, you know, take what we what we learn, let's say, out of this sort of reflection piece into, you know, how we deal with it from a risk perspective.

Yeah. So compliance is is one component of enterprise risk management, but I think, like, there's there's a whole holistic piece. And when you're thinking about it from a board perspective, you know, it's understanding, like, what is the board's risk appetite? What are the inherent risks that exist just by nature of being in the business that you're in, and how are they mitigated? What does that look like over time? How is that influenced in all of the policies and procedures, and also in the reporting and and having that risk culture. So I'm trying to be super brief for you, Tracy, so that's all just the.

Yes. Sean, we might have to come back and have a version two of of of this sort of webinar, I think, because there's so much to sort of talk about. But just moving on to sort of our our sort of last slide, around global governance headlines, and and these are just a few over the last few years, and, crikey, it's just sort of endless. But there's some really important learnings around, you know, how we can, you know, better improve our governance sort of frameworks and and

the work that we do around governance. But I'd just ask, each of you, you know, what's one sort of scenario and, you know, only unfortunately, we've only got a few minutes sort of each. What's the one important learning that you'd like to share with the audience from a sort of a headline that's relevant to your space?

Stephen, start with you.

So for me, the the the big the big issue is the sheer volume of material that gets put to a board and the the loss of focus that often happens.

And so the big takeaway, from from that, and there's been many, many cases around the world where the board had been held liable, not because they didn't have the information, but because they had too much information, and they didn't know what to do with it, or they missed some key, strategic red flags that were coming up. So my big takeaway from all of that is to focus and simplify, focus and simplify, focus and simplify.

Simplify doesn't mean missing out major information, it means distilling it so that we know here are the two three two or three really big issues that we are gonna discuss in this board meeting rather than here are the forty five reports we need to make our way through. Miranda?

Yeah. And I think with with that in mind, thinking about I'm gonna go back to what I was saying earlier, Tracy, on on enterprise risk management is having it's not enough.

I actually built an entire presentation around this. It is not enough just to have a balanced scorecard that just shows we're all green and we're good to go. It's not enough. You have to have a very solid enterprise risk management framework that is supporting that scorecard because oftentimes when you're looking at defining success for the organization, it doesn't necessarily tell you the level of risk that you're taking in order to achieve that success.

And so there's the scorecard is just simply one tool, and it's a recognition for directors that there are multiple tools that you are using to evaluate the success of the organization, and it goes beyond just a scorecard.

And I think from what I've seen, actually, recently with regard to some scorecards and audits audits that have been undertaken is that they've they've got a green result, but then there's about twenty exceptions.

That to me, that's not not agreeing. That's not a sort of a pass, and it gives sort of the wrong impression. So I think that, really, you know, boards need to sort of, you know, challenge just the information that they are that they are sort of getting.

What do you think each of you we've got a couple of minutes. What do you think the biggest opportunity for improvement in the governance space is? Bit of a bit bit of a big question, but, Steven.

The biggest improvement is the board for the board to take the time to, first of all, put in better induction programs for their new directors coming in.

Because most of them are done within a month, and they they don't take into account the needs of that particular director when they're coming in. They're very generic. And then the second thing is to continually bring people into the boardroom who aren't directors, who have strategic views on how the world is shaping, and and tap into some of that knowledge so that we get out as ourselves out of group think. Miranda?

I think it's it's an understand what the board's role actually is and how to properly execute that role as a director. And so we talk about at this high level that boards need to be much more strategic and less operational. But, like, what does that actually look like, and how do we reinforce that, and how do we provide the effective training so that, boards can really be effective in their decision making going forward?

Thank you. Well, look, I think we're at one forty four, so we've got one minute left. Sean. Look. Thank you both very much for sharing your insights. I think it's been, a valuable sort of discussion, and there's a lot of takeaways, for all of you online even to sort of ask yourselves and, you know, some of these questions and to reflect and reflect and going back to your board. So, on that note, Sean, I'll hand it over to you.

Thanks. We have a couple of just questions that have come in from Ray. A couple of quick ones. Should an executive chair be oh, Steven, you've answered that one. Thank you. Are trainee directors a useful addition to the board?

Okay. My view on trainee directors is, if you're doing it for a a a bigger purpose to actually give people who wouldn't have had otherwise had experience some knowledge of what that would look like, I'm not sure it's a useful addition to the board, but it's a useful addition for the continuity and the succession planning, potentially.

And you can do that through either board committees. You can do it like the Indigenous Allied Health Association do it, different ways that you can do it, but be clear on why you're doing it.

Thanks, Steven. Okay. So that brings us to the end, of things today. Thank you very much. Please feel free to connect with our presenters today on LinkedIn. I'm sure they'll look forward to your connection. And if you'd like to be, put in touch with and work with any of our presenters from today, please indicate your interest, on the survey at the end of the webinar as you exit.

So you'll receive an email from me tomorrow, which will include a video of a copy of the video today along with the presentation slides and the, transcript. So as you leave the webinar, don't forget to complete our really quick survey to go in the draw for our beautiful gift hamper. Thank you everybody for your attendance. I hope you enjoyed the session. Thank you, Tracy, Steven, and Miranda for your great conversation today. I look forward to seeing you all at our next webinar, everybody. Have a great day.

