



INDEPENDENT BOARD EFFECTIVENESS REVIEWS



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Good corporate governance dictates that Boards undertake a formal and rigorous annual evaluation of their own performance and that an independent external review should periodically be undertaken, typically every two or three years.

Condie provides a detailed, independent analysis of Board governance, performance and effectiveness, based on a bespoke review project structure.

WHAT CONSTITUTES AN 'EFFECTIVE' BOARD?

There are numerous opinions around what characterises an effective Board.

At Condie we make informed judgements derived from published sources, such as the UK Corporate Governance Code and the supporting Guidance on Board Effectiveness as well as Bank of England and other regulatory expectations.

Our consultants also take a view on the strengths and development areas of Boards we review. Added to this is, we discuss the opinions and experience of directors that serve on client Boards and recognise what "good" looks like, as well as where improvement is possible.

OVERVIEW OF THE REVIEW PROCESS

Condie consultants meet with the Chair of the Board or other nominated lead contact to agree the full scope, detailed methodology and timings for the review. Where relevant, Condie also meets with the Company Secretary to discuss the practical side of the project.

We look at the relationship with any parent entities and the review can also be extended to include assessment of the main committees of the Board.

The review process is flexible and focussed and is based upon four interlocking stages:

Stage 1 – Confidential Questionnaire. Approximately 50 questions, focusing on Board Operations, Governance and Culture; Risk Management; Strategy and Business Planning; Board Capabilities; Key Stakeholder Relations; Role of the Chairman; Role of the CEO.

Stage 2 – Interviews with Directors. An opportunity for candid discussions on the performance of the Board and to discuss the Questionnaire responses.

Stage 3 – Documentation review. We undertake a review and analysis of key internal documentation such as Board and Committee packs, risk management reports, comments and correspondence from any regulators, the internal audit plan and Board succession plan.

Stage 4 – Observation of a Board meeting and where required, key committees. This helps us understand the dynamics of Board operations.

OUTCOMES

Condie will provide a written report to the Board that will highlight any areas of Board operations that might be improved. These are phrased as Recommendations and can be implemented in a style and timeframe that the Board believes to be most beneficial. We will also make Observations where we feel the Board would benefit from a new perspective.

We also note the positive areas of Board activities that will continue to contribute to effective operations.

The written report can be supplemented with attendance at a Board meeting to present the findings of the Review if required.

ADVANTAGES OF AN INDEPENDENT BOARD EFFECTIVENESS REVIEW

Whilst Boards of directors have a wide range of skills and considerable commercial and organisational experience, it is always helpful to have an independent view of the effectiveness of the group as a cohesive and productive Board.

The insight gained serves as a platform for improved operation of the Board and more effective direction and control.

CASE STUDY - UK BANK

As a UK subsidiary of an international bank, our client had very specific needs in their Board Effectiveness Review.

Condie assessed how the firm met with UK best practice as well as the expectations of the regulator. Our meetings with parent representative and subsidiary directors provided the basis for discussions on how the strategy of the firm would be agreed with the ultimate shareholder. The appointment of new Non-Executive Directors and how they contribute to the Board's overall skills and experience also featured in the final report.



WHY CONDIE?

Condie brings the familiarity of many years of Boardroom dynamics to the review process as well as a keen awareness of the desire for a practical and pragmatic approach to the review.

Condie offers independence, broad experience and an absence from any conflicts of interest.

Condie Board reviews give an open and honest opinion on the constituency of the Board in terms of skills, experience and diversity, the utility of the Board meeting packs, the contributions of directors and highlights the positive aspects of the Board's operations.

Where scope for improvements are seen, these are discussed with the Chairman at final draft stage and Recommendations and Observations are included in the final report.

"The review was excellent and will be a great help to the Board going forward, and the fees very reasonable given the work involved" –
Chairman, Lloyd's Managing Agency

2018 UPDATE

The Condie Independent Board Effectiveness Review process has been refined to include the latest themes prevailing in the FRC's 2018 UK Corporate Governance Code consultation – particularly the Board's role in managing culture across the firm. Discussions on Board composition, tenure and diversity also feature in the Condie review.

CONTACT

To discuss your Independent Board Effectiveness Review please contact

Mark Butterworth,
Managing Director, Condie.

www.condierisk.co.uk

mark.butterworth@condierisk.co.uk

0203 285 6675
07989 446903

Registered Office: 146 New London Road, Chelmsford, Essex, CM2 0AW
Company No 7676592 VAT No 116 8443 14