Corporate Governance for MSME Resilience

Workshop by Governance Gurus in association with Pearl Initiative and Dubai Business Women Council
7 – 8 October 2019

A little about the Pearl Initiative and Dubai Business Women Council

Pearl Initiative

Prominent business leaders from across the Gulf Region formed the Pearl Initiative in 2010 to create a non-profit vehicle for the Private Sector to collectively take the lead in adopting higher standards in corporate governance, accountability and transparency to enhance business innovation, opportunity and value creation. With over 40 regional and international partners, the Pearl Initiative brings together business, government and civil society decision-makers to share best business practices and to help maximise the economic opportunities available to companies within the region. The Pearl Initiative also supports Gulf-based university students to identify and embrace strong ethics as they embark on their future careers.

The Pearl Initiative seeks joint collaborative action between regional and global business leaders, international institutions, government bodies and wider initiatives within the Gulf Region, exhibiting positive leadership and sharing knowledge and experience in order to influence the entire regional business and student community. For more information, please visit www.pearlinitiative.org or contact us on +971 6 515 4605 or via email at enquiries@pearlinitiative.org

Dubai Business Women Council (DBWC)

Established in 2002, under the umbrella of the Dubai Chamber of Commerce and Industry, the Dubai Business Women Council is the UAE's leading platform for the personal and professional development of business women in the Emirate of Dubai.

The Dubai Business Women Council celebrated the 15th anniversary of its establishment in 2017. During this time, the Council has dedicated its efforts to enhancing gender equality in society and encouraging women to play an active role in building the country and stimulating sustainable development.

Providing education, training and networking opportunities to aid in achieving holistic development and meeting career aspirations of UAE-based business women is at the heart of the DBWC's mission, in addition to inspiring and encouraging women to play their role in society and the economy.

DBWC's tailored workshops and training sessions are hosted exclusively for its members and provide valuable information about the latest knowledge, skills and best practices for women entrepreneurs and leaders. For more information about the DBWC and how to join its community of visionary and influential trailblazing women and benefit from its services and initiatives, visit www.dbwc.ae or contact info@dbwc.ae

Our value proposition

Governance Gurus design and deliver bespoke professional corporate training masterclasses and courses for directors, senior executives and company secretaries. We are a registered tuition partner for the **ICSA – The Chartered Governance Institute** and partnered **with Hawkamah – The Corporate Governance Institute of Dubai** for the **ICSA Foundation** course the entry route for corporate governance professionals and company secretaries.

If required, our training will be accredited for continued professional development hours and certificates independently issued to delegates. Our trainers are experienced qualified professionals and hold academic and professional qualifications.

Our value proposition

- Understand the client and their needs
- Create bespoke and unique content
- Facilitate learning and training Workshops
- Connect theory, law and practise
- Deliver professional accredited materials
- Case studies and group exercises

Our professional development excellence approach

Sustainability and success through embedded good governance

Agenda for training on Corporate Governance

Two day corporate training masterclass on Corporate Governance for MSME Resilience

Workshop - Day 1

Session 1 – Introduction to Corporate Governance
- International overview of corporate governance
- Shareholder value and principle/agent model
- Skills, knowledge and experience required for excellence
- Strategic thinking and decision making – bigger picture
- Relationship between the Owner(s) / Board, CEO and the Senior Management team – business objectives

Session 2 – How to start from where you are – good, better and best
- Diversity and skillsets
- Communications and maintaining relationships with stakeholders
- Strategy, corporate culture and business excellence – why it matters now!
- Business transformation and managing human capital – preparing for the future
- Technology, innovation and cybersecurity – does your organisation have a roadmap

Overview
- International standards and the changing face of governance
- Safeguarding your business and customer centricity – prevention or cure?
- The building blocks for successful governance implementation
- One size doesn't fit all – getting your governance right through scalability

Workshop - Day 2

Session 1 – Strategy, culture and objectives - your governance framework
- Strategy, corporate objectives and risk management
- Reporting and monitoring – action points, setting business objectives and shareholder/stakeholder engagement – why does it matters?
- The Chairman, Directors and the CEO– who does what and why?
- Succession planning and talent acquisition – avoiding a single point of failure within your business

Session 2 – Activating your workforce for excellence – embedded governance
- Why diversity, culture and independent thought is vital for sustainability and success – getting the right mix of people and skillsets
- Transformation and embedding good governance – today and tomorrow
- A culture of excellence and high performance – how to get the best from management and employees – is your workforce engaged?
- Doing the right things for the right reasons – what happens when no one is looking?

Overview
- The advantages of diversity, culture and good corporate governance practices
- Influencing the governance environment by developing governance champions within the business
- A scalable solution as you grow or consolidation – governance excellence whatever your size and wherever you are on your journey

Day 1

Session 1 – Introduction to Corporate Governance

Break - Networking and refreshments

Session 2 – How to start from where you are – good, better and best

Close - Networking and lunch

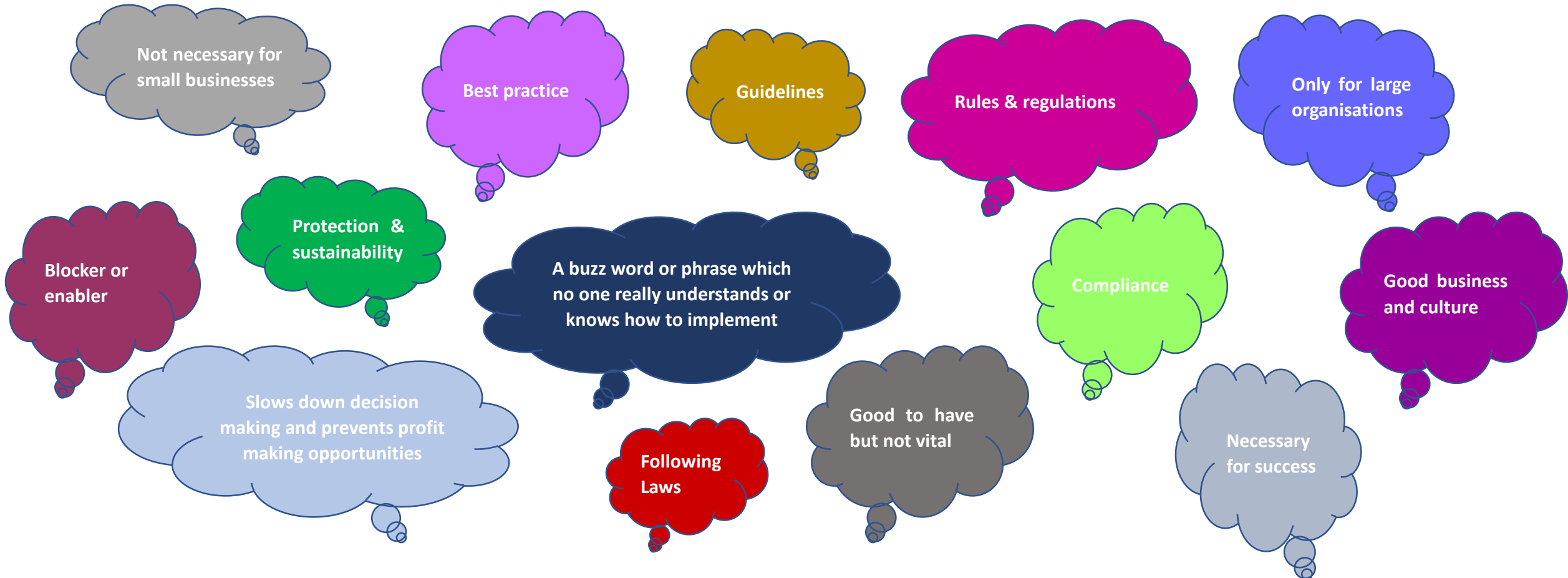Sustainability and success through embedded good governance

What is governance and why does it matter?

What is governance and why does it matter?

Whether you are a new start-up or a large listed company on the stock exchange does governance really matter?

When you hear the word 'governance', the phrases 'corporate governance' or 'good governance' what springs to mind?

Not necessary for small businesses

Best practice

Guidelines

Rules & regulations

Only for large organisations

Protection & sustainability

Blocker or enabler

A buzz word or phrase which no one really understands or knows how to implement

Compliance

Good business and culture

Slows down decision making and prevents profit making opportunities

Following Laws

Good to have but not vital

Necessary for success

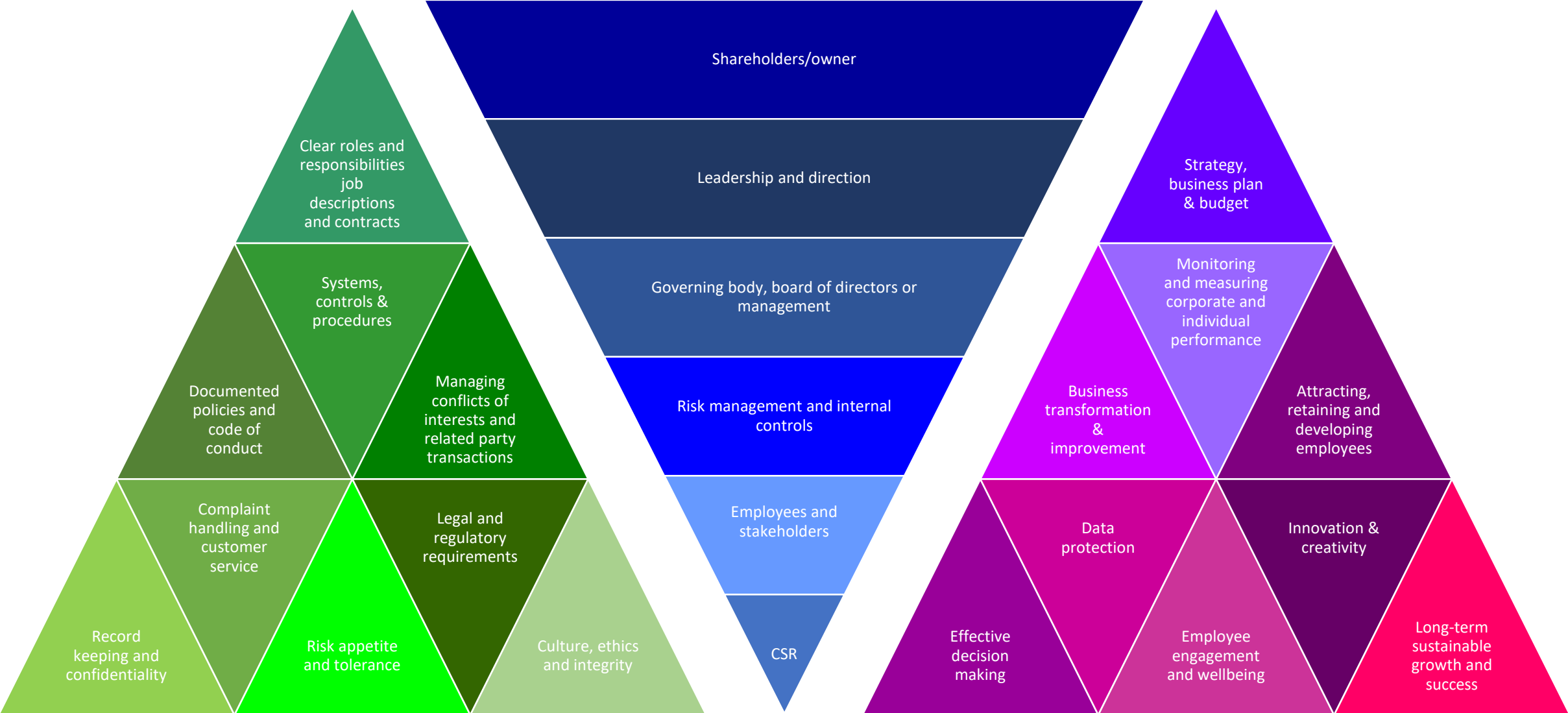# What is governance and why does it matter?

The fundamentals of corporate governance explained

What is governance and why does it matter?

The fundamentals of corporate governance explained

Left triangle:
- Clear roles and responsibilities job descriptions and contracts
- Systems, controls & procedures
- Documented policies and code of conduct
- Managing conflicts of interests and related party transactions
- Complaint handling and customer service
- Legal and regulatory requirements
- Record keeping and confidentiality
- Risk appetite and tolerance
- Culture, ethics and integrity

Center triangle:
- Shareholders/owner
- Leadership and direction
- Governing body, board of directors or management
- Risk management and internal controls
- Employees and stakeholders
- CSR

Right triangle:
- Strategy, business plan & budget
- Monitoring and measuring corporate and individual performance
- Business transformation & improvement
- Attracting, retaining and developing employees
- Data protection
- Innovation & creativity
- Effective decision making
- Employee engagement and wellbeing
- Long-term sustainable growth and success

International overview of corporate governance

Micro, small and medium sized enterprises explained - MSMEs

The definitions for the size of organisations differ across countries and even government agencies. Number of employees and turnover are the usual measures. In the United Kingdom turnover for MSMEs ranges from £6.5 million and £50 million. In the UK and European Union (EU) MSMEs make up around 99% of all businesses, so they are an important part of the economy. In the UAE MSMEs represent around

Size	Criteria
Micro	0-9 employees
Small	< 10-49 employees
Medium	< 50-249 employees
Large	250+ employees

International overview of corporate governance

Micro, small and medium sized enterprises explained - MSMEs

The European Commission categorises Internal Market, Industry, Entrepreneurship and SMEs as below:

Company category	Staff headcount	Turnover	Balance sheet total
Medium	< 250	< 50 million Euros	< 43 million Euros
Small	<50	< 10 million Euros	< 10 million Euros
Micro	<10	< 2 million Euros	< 2 million Euros

Source - https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en

Main benefits for MSMEs in the EU:

1. Eligibility for support under many EU business-support programmes targeted specifically at SMEs: research funding, competitiveness and innovation funding and similar national support programmes that could otherwise be banned as unfair government support ("state aid" – see block exemption regulation).
2. Fewer requirements or reduced fees for EU administrative compliance.

International overview of corporate governance

Micro, small and medium sized enterprises explained - MSMEs

Cabinet Decision No. 22/2016 sets out the definition of a SME for the purposes of UAE law. This cabinet decision expressly refers to the SMEs Law and not to other laws. It distinguishes between enterprises operating in the trading, manufacturing and services sectors as follows:

Size and sector for MSMEs	Trading	Manufacturing	Services
Micro	< 5 employees; or < AED 3 million revenue	< 9 employees; or < AED 3 million revenue	< 5 employees: or < AED 2 million revenue
Small	< 6-50 employees; or < AED 50 million revenue	< 10-100 employees; or < AED 50 million revenue	< 6-50 employees; or < AED 20 million revenue
Medium	< 51-200 employees; or < AED 250 million revenue	< 51-250 employees; or < AED 250 million revenue	< 51-200 employees; or < AED 200 million revenue

International overview of corporate governance

Micro, small and medium sized enterprises explained - MSMEs

Dubai SME defines SMEs in their 'State of SMEs in Dubai' report which provided the first comprehensive analysis of multi-dimensional details of the SME sector. Their definition of micro, small and medium slightly differ from the Cabinet Decision No. 22/2016.

Size and sector for MSMEs	Trading	Manufacturing	Services
Micro (72%)	< 9 employees; or < AED 9 million revenue	< 20 employees; or < AED 10 million revenue	< 20 employees: or < AED 3 million revenue
Small (18%)	< 35 employees; or < AED 50 million revenue	< 100 employees; or < AED 100 million revenue	< 100 employees; or < AED 25 million revenue
Medium (5%)	< 75 employees; or < AED 250 million revenue	< 250 employees; or < AED 250 million revenue	< 250 employees; or < AED 150 million revenue

http://www.sme.ae/StudiesandResearchDocumentsinArabic/STATE_of_SMEs_in_Dubai_Presentation.pdf

- SMEs count for 95% of the total enterprise population in Dubai. 57% in trading, 35% Services and 8% manufacturing
- SMEs employ 42% of Dubai's workforce
- SMEs contribute 40% of Dubai's GDP
- Large businesses only account for 5% of companies based on size.

International overview of corporate governance

Micro, small and medium sized enterprises explained - MSMEs

Dubai SME defines SMEs in their 'State of SMEs in Dubai' report also looked at corporate governance across 500 SMEs which indicated an overall Low degree of orientation.

- 34% of SMEs have a formal organisation structure.
- 50% of SMEs maintained audited accounts.
- **Only 11%** of SMEs have an **independent board of directors / formal advisory board** to advice on the company's operations.
- 13% have a **formal mechanism for financial planning and management reporting**.
- The sector with the highest level of orientation was the **manufacturing sector**.
- Only 19% of SMEs have a high scalability potential due to high overhead structures and high capacity utilisation levels

http://www.sme.ae/StudiesandResearchDocumentsinArabic/STATE_of_SMEs_in_Dubai_Presentation.pdf

International overview of corporate governance

Micro, small and medium sized enterprises explained - MSMEs

Dubai SME defines SMEs in their 'State of SMEs in Dubai' report and access to finance for SMEs.

- **Sources of finance for commencing a business**
  - ➤ 80% used their own personal money/savings/equity

- **Source of finance for business operations and expansion**
  - ➤ Businesses largely re-invest business profits rather than bank financing
  - ➤ Only 23% had accesses bank financing in the last 5 years, well below SMEs in other countries.
  - ➤ 56% of businesses indicated a need for bank financing

- **Type of bank finance assessed by SMEs**
  - ➤ 50% of SMEs accessed short-term finance, 37% availed term loans
  - ➤ Only 10% of SMEs have accessed bank finance for long-term investments
  - ➤ Short-term finance is the most prevalent amongst trading SMEs whereas 47% of long-term financing was most accessed by manufacturing SMEs

  http://www.sme.ae/StudiesandResearchDocumentsinArabic/STATE_of_SMEs_in_Dubai_Presentation.pdf

- **UAE Government helping SMEs**
  - ➤ Mohammed Bin Rashid Establishment for SME Development
  - ➤ Khalifa Fund

  https://www.government.ae/en/information-and-services/business/crowdfunding/the-impact-of-smes-on-the-uae-economy

International overview of corporate governance

Corporate Governance

The Cadbury Commission, which produced the first corporate governance code in the UK in 1992, provided the following definition:

'Corporate governance is the system by which companies are **directed** and **controlled**. Boards of directors are responsible for the governance of their companies. The shareholders' role in governance is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the board include **setting the company's strategic aims**, providing the **leadership** to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. The board's actions are subject to laws, regulations and the shareholders in general meeting.'

The UK Corporate Governance Code comments:

'The purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company…. Corporate governance is therefore about what the board of a company does and how it sets the values of the company, and it is to be distinguished from the day to day operational management of the company by full-time executives.'

International overview of corporate governance

King IV Report - 2016 (Apply and Explain)

Principle 12 of King IV, the purpose of IT Governance is to support the organisation to set and achieve its objectives. The main outcome of your IT Governance efforts should be adequate and effective control, but you should be aiming to achieve all governance outcomes.

King IV refers to technology and information governance. At first, this seems strange because we are all familiar with the term information and technology governance (or IT Governance). The drafters had decided to change the terminology they used. The final King IV explained that the committee wanted to highlight that technology and information can stand on their own. They wanted to put the focus on information and not just technology.

Malaysian Code of Corporate Governance - 2017

A new code which has taken many of the best provisions or principles from various countries – executive pay for top 5 executives, director independence, gender diversity, board and audit and risk committee composition.

Wates Corporate Governance Principles for Large Private Companies - 2018

Provide a tool to help large private companies look themselves in the mirror, to see where they have done well and where they can raise their corporate governance standards to a higher level. This can in turn result in better engagement with their stakeholder base and ultimately build trust.

International overview of corporate governance

Shareholders, Owner, Manager or Board and delegation of authority on decision making

Shareholders /owner
- Multiple shareholders mix of private and corporates
- Single owner or joint venture

Board of Directors
- Mix of independent non-executives and executives
- Board charter or terms of reference

Manager or Management Team
- Single manager (executive) who might also be the owner
- A CEO and management team – CFO and others

Powers and authority
- Power of attorney
- Delegation of authority
- Articles of association

Internal controls
- Systems, checks and balances
- Policies and procedures

- Governance and oversight
- Owner/manager versus split ownership and management
- Why have a board of directors?
- Roles and responsibilities defined – who does what?
- Delegation of authority and powers or limits
- Your governance framework – everyone has one even if its just your articles of association and bank mandate
- Attract, retain and reward employees
- Internal and external environment
- Stakeholders – authorities, banks and lends (crowdfunding)
- Succession planning and career progression

Shareholder value and principle/agent model
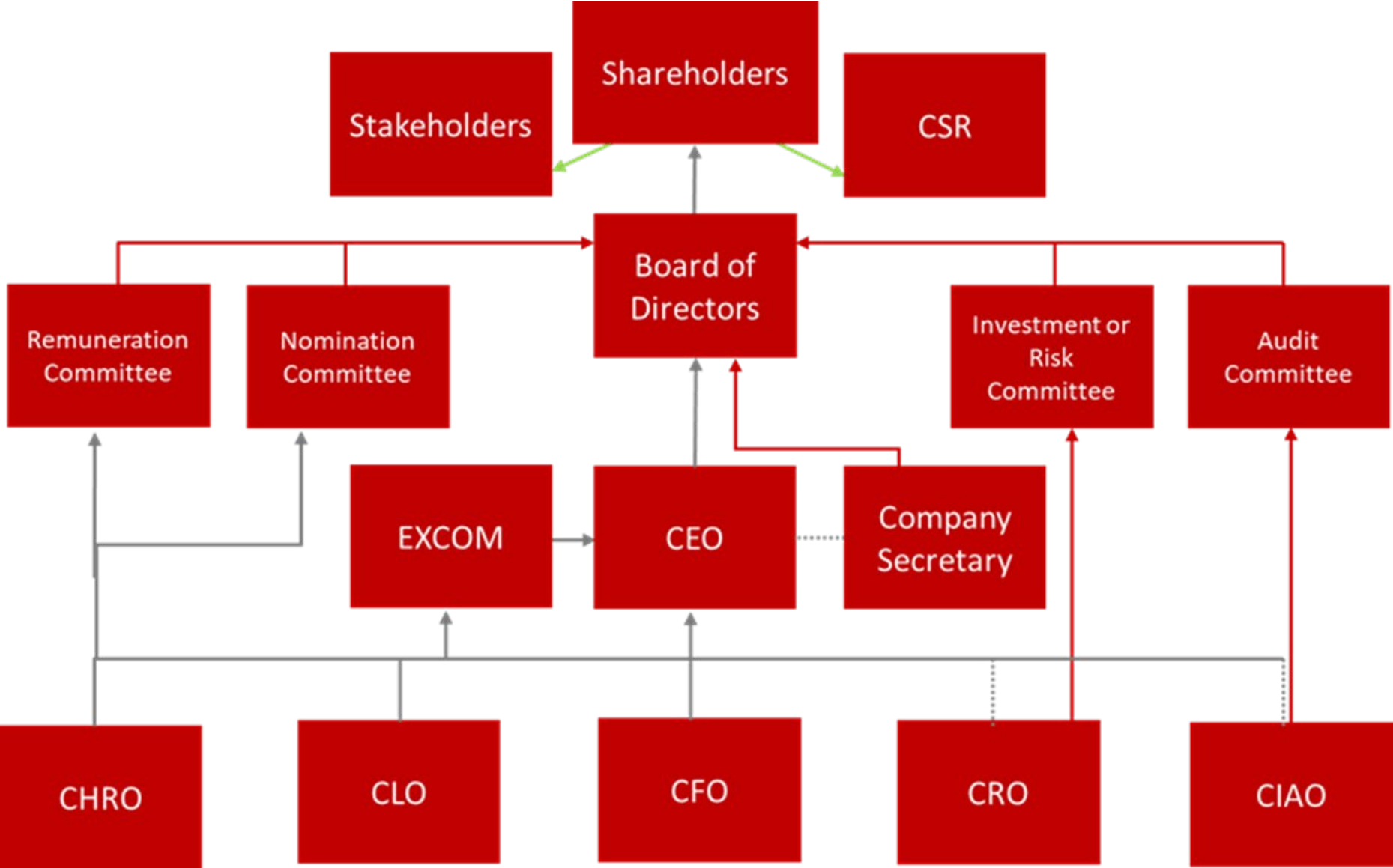
Shareholder value and principle/agent model

- ❑ When is it the right time to consider having a board of directors?
- ❑ Where will we find directors?
- ❑ How much should we pay them?
- ❑ Will a board make us more effective and successful?
- ❑ What should the composition of the board look like?
- ❑ What is a board charter or terms of reference?

Skills, knowledge and experience required for excellence

- Employee engagement
- Change as a solution to a problem or dilemma
- Building model team members – who should do what?
- Removing bad performers
- Creativity and innovation

Strategic thinking and decision making – bigger picture

Forming, monitoring and measuring and rewarding corporate objectives

- Strategy and strategic direction – how is the business environment?
- Business objectives and the business plan – are you on track?
- Measuring performance and risk management – ongoing monitoring
- Cultural aspects – are you managing it or is it managing you?
- People and change – attract, retain or release
- Investor relations – shareholders and banks
- Shareholder engagement and communication – transparency

Relationship between the Owner(s) / Board, CEO and the Senior Management team – business objectives

- Board and Senior Management – team work and getting the best 1+1 = 5.
- Having the right tools in your toolbox – diversity, experience and knowledge.
- Short termism versus long termism.
- Maintaining independence.

Relationship between the Owner(s) / Board, CEO and the Senior Management team – business objectives
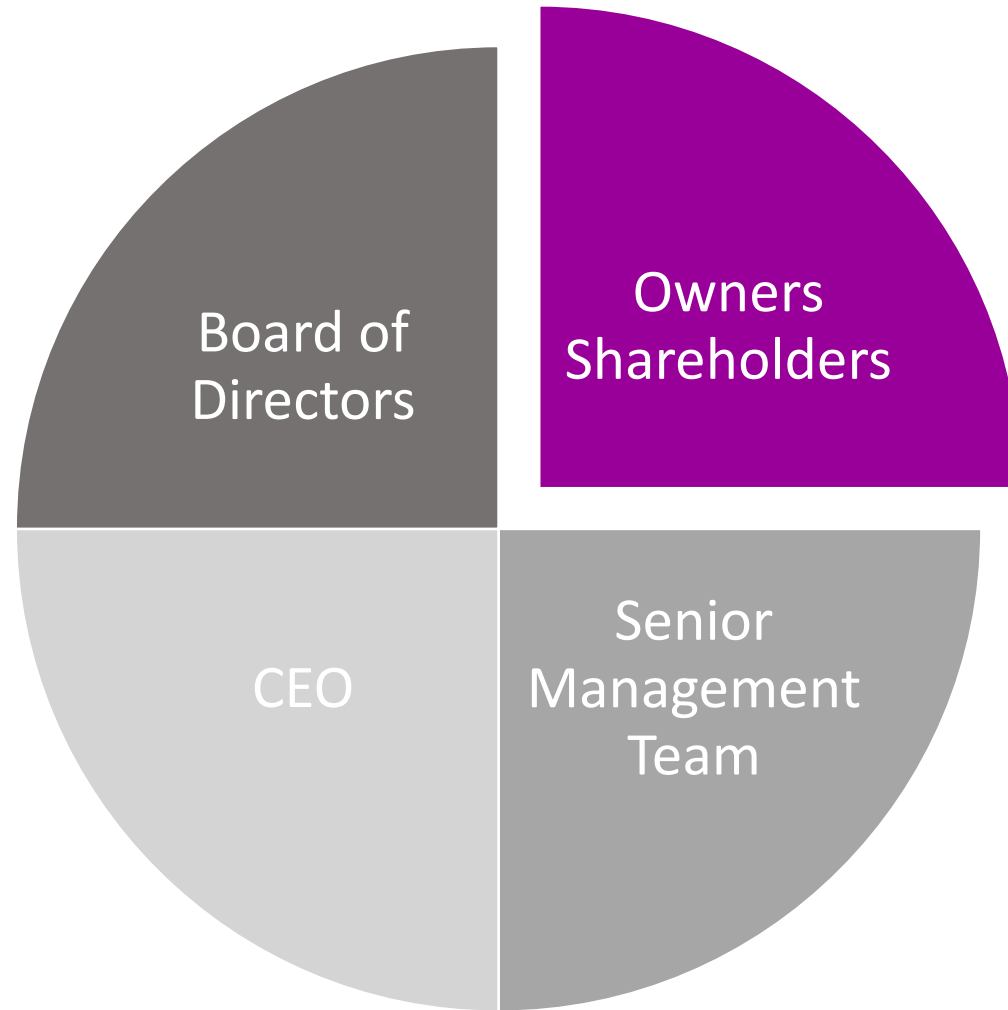
Networking and refreshments

Communications and maintaining relationships with stakeholders

Who are your stakeholders and why should you manage them?

- Owners/Shareholders – corporate and private
- Employees
- Customer Centricity
- Regulator/competent authorities
- External auditor
- Corporate Social Responsibility & environmental concerns
- General public – brand image
- Bank or sources of funding

Strategy, corporate culture and business excellence – why it matters now!

Getting to know the Senior Executive team – influencing behaviours and reporting styles. The role of the C-suite in nurturing Governance culture

- Organisations have different objectives and employs people with different skillsets to meet their strategic and operational needs.
- Can the direct and indirect impact of culture be measured?
- Does culture provide the basis of long term sustainability?
- Who is mandated to set and nurture the Corporate Culture?
- Does one size fit all, is 'good culture' the same for all organisations?
- Governance, is it a block or an enabler?
- Risk models and how to align with the organisation's risk appetite and tolerances.
- Why worry what keeps the owners/directors up at night?

Business transformation and managing human capital – preparing for the future

Business transformation and managing human capital – preparing for the future

Case study – strategy to turn a business around

- **Scope** – You are the new owner of a small business providing professional consulting services which has an annual revenue of AED 4 million and 25 employees. Over the last three months your finance manager has raised concerns that one business unit in your organisation is underperforming, some areas are highly profitable whilst others are cost centres or loss making. There are major issues with silos (people not sharing information) and no social responsibility (not working together or covering others work in times of absence) across the business unit. Previous bad leadership has resulted in employees going rogue or causing conflict with other employees. It has also resulted in a lack of quality and consistency which is now taking up too much management time to try and rectify. You must review the business unit and put in place a new governance framework, processes and procedures and operating model in order to turn the business unit around or carve out unprofitable areas. What will you do? How will you get the unit in shape? Will you sack people? Unless something changes quickly you'll go out of business within 6 months!

- **Issues** – The business unit is not working as a team, some employees are underperforming, a culture of fear has arisen. Silos have formed and team members work against each other to make themselves look better. Some experts are operating outside of the existing policies and procedures or are indirectly reporting and updating others in the other division or directly to the owner. There is a lack of accountability and no real hierarchy. A root branch exercise may be required – what will you do to get to the bottom of this conundrum and how will you solve the issues?

Technology, innovation and cybersecurity – does your organisation have a roadmap?

Work smarter not harder – technology options and software tools

Board and entity management tools
1. https://business.nasdaq.com/intel/directors-desk-board-portal/index.html
2. https://www.boardpad.com/
3. https://www.cgs-gems.com/#overview
4. https://www.blueprintoneworld.com/
5. https://diligent.com/products/diligent-boards
6. https://diligent.com/products/diligent-entity-management
7. https://www.azeus.com/products-services/azeus-products/convene-board-portal/
8. https://www.capterra.com/board-management-software/ - Comparisons Board Management
9. https://www.g2crowd.com/categories/governance-risk-compliance?order=popular&page=2#product-list – Comparisons of GRC software

Strategic tools
1. https://www.azeus.com/products-services/azeus-products/electronic-record-keeping-system/
2. https://www.skillsyouneed.com/ips/agenda-setting.html
3. https://www.boardeffect.com/blog/planning-a-board-meeting/
4. https://www.iodireland.ie/resources-policy/directors-faqs/setting-agenda-board-meetings
5. https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/building-a-forward-looking-board
6. https://www.boardeffect.com/blog/board-meeting-agenda-format-template/
7. https://www.forbes.com/sites/bernietenenbaum/2017/08/08/how-to-run-a-great-board-meeting-part-ii-setting-the-perfect-agenda/#7e16c4527a34

Checklists
1. https://www.boardeffect.com/blog/checklist-for-a-board-meeting/
2. http://www.nyshcr.org/Forms/NPPRPP/cd169.pdf
3. https://www.plantemoran.com/explore-our-thinking/insight/2016/02/assembling-an-effective-board-of-directors-a-checklist-for-community-banks
4. https://www.lawdonut.co.uk/business/business-ownership-and-management/the-board-of-directors/getting-more-from-your-board-members-checklist
5. https://acmaweb.org/chaptermanual/attachments/Section%206_BOD%20Transition_Succession%20Checklist.doc

Networking and lunch

Day 2

Session 1 – Strategy, culture and objectives - your governance framework

Break - Networking and coffee

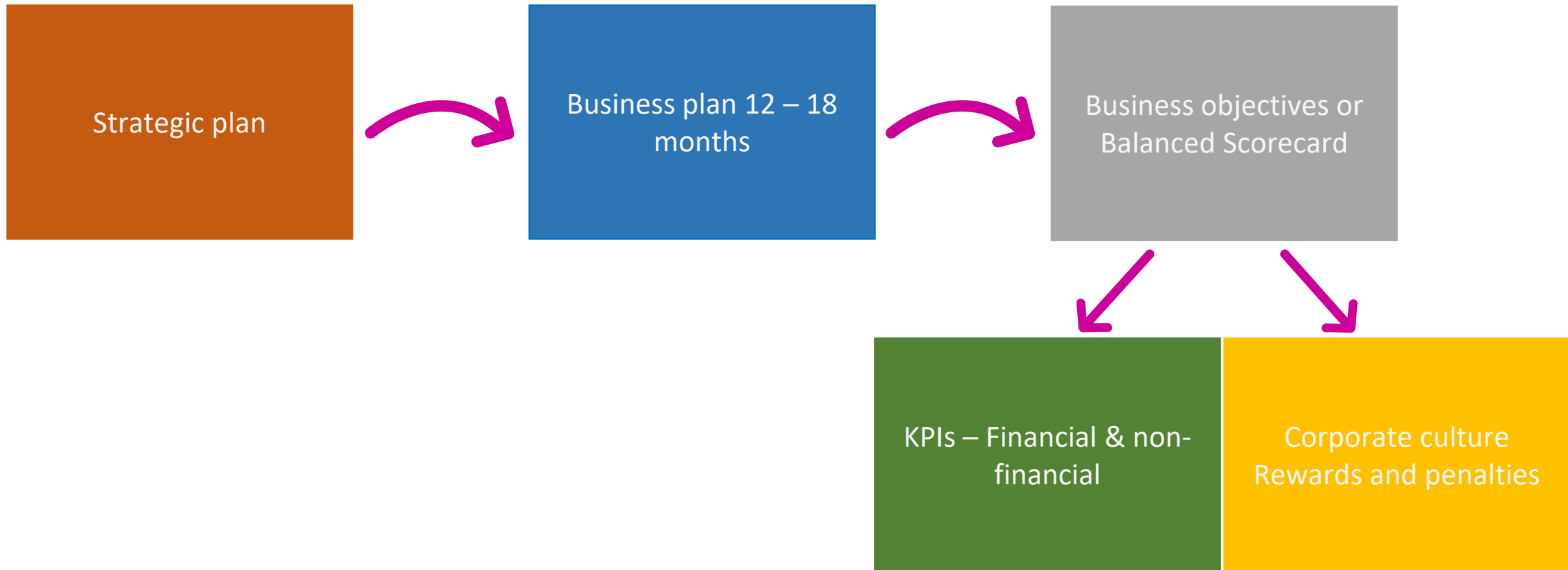**Session 2 –** Activating your workforce for excellence – embedded governance

Close - Networking and lunch

Sustainability and success through embedded good governance

Strategy, corporate objectives and risk management

Owner & Manager

Employees

Setting the strategic direction and measuring business objectives and performance

Shareholders

Board of Directors

CEO and management team

Employees

Control and risk management spectrum

Strategy, corporate objectives and risk management

Risk identification

A company should have a procedure in place for reviewing and identifying the risks it faces. Risks change over time, and risk reviews should therefore be undertaken regularly. Strategic risk can be divided into three broad categories:

- Risks that arise from changes in the general business environment (such as economic recession, or significant technological changes).
- Risks that arise in the industry in which the company operates (such as a risk of decline in the industry and falling customer demand).
- Risks from unexpected actions by major competitors.

Risk assessment

The assessment of risks calls for procedures to assess the potential size of the risk. The expected losses that could occur from adverse events or developments depend on the:

- probability that an adverse outcome will occur; and
- size of the loss in the event of an adverse outcome.

Where a risk is unlikely to materialise into an adverse outcome, and the loss would in any case be small, no management action might be necessary. Where the risk is higher, measures should be taken to protect the organisation so that the remaining exposure to risk is within the company's tolerance level and consistent with its risk appetite.

Strategy, corporate objectives and risk management

Risk responses

Risk responses are the measure taken to deal with strategic risks that have been identified and assessed. The measures taken to deal with each risk are decided by management, which is accountable to the board for the measures they take. In broad terms, strategic risks can be dealt with by avoiding them or by taking steps to limit the exposure.

- Some risks can be avoided. For example, a car manufacturer might be concerned about the risk of losses at a subsidiary specialising in car repairs, due to the strength of competition in the car repair industry. It could decide to avoid the risk by selling the subsidiary.
- Many risks have to be accepted as an inevitable feature of business. For significant risks, a company should decide what measures might be necessary to reduce the risk to acceptable proportions. Strategic risks may be reduced through any of the following measures (sometimes called the '4 Ts').

For strategic risks, the possible responses are to:

- **Tolerate**. Accept the risk, because it is not a significant threat, or because they are external risks (such as regulatory risks and market risks) over which the company has no control.
- **Transfer**. Move some or all of the risk to someone else, for example by entering joint ventures to share risk or by purchasing insurance against risk events.
- **Trim**. Take suitable measures to reduce the risks – by reducing the probability of an adverse risk event or by reducing the impact if a risk event occurs.
- **Terminate**. Avoid the risk entirely, by withdrawing from the area of business operations where the risk exists.

Measures to manage risk may reduce the risk without eliminating the risk entirely. When this happens, there is some residual risk, but this should be within the level or limit that the board is prepared to tolerate. From a corporate governance perspective, it should be a responsibility of the board to make sure that risks are reviewed regularly and that management take suitable measures to deal with them.

Strategy, corporate objectives and risk management

The different lenses – operational, management, independent, governance body and regulator

- Risk Management
- Risk Oversight
- Risk Assurance

"Regardless of the size of the risk management operation, the role of the Risk and Compliance function itself will not vary and should include:

- setting the policy and strategy for risk management
- establishing internal risk policy and structures for business units
- designing and reviewing processes for risk management
- the championing of risk management at both a strategic and an operational level
- building a risk aware culture within the organisation through appropriate training and education
- developing risk response processes, including contingency and business continuity programmes, and
- preparing relevant management information and other reports on risk for the board and other key stakeholders.

Reporting and management information that meets the needs of the recipients must be available, and this falls to the Risk Management function of the Compliance department. Reporting, MI and awareness of responsibility for risk are required at various levels in an organization" - **ICA International Diploma in Governance, Risk and Compliance Manual**

Strategy, corporate objectives and risk management

Diversity, Experience and Knowledge is key
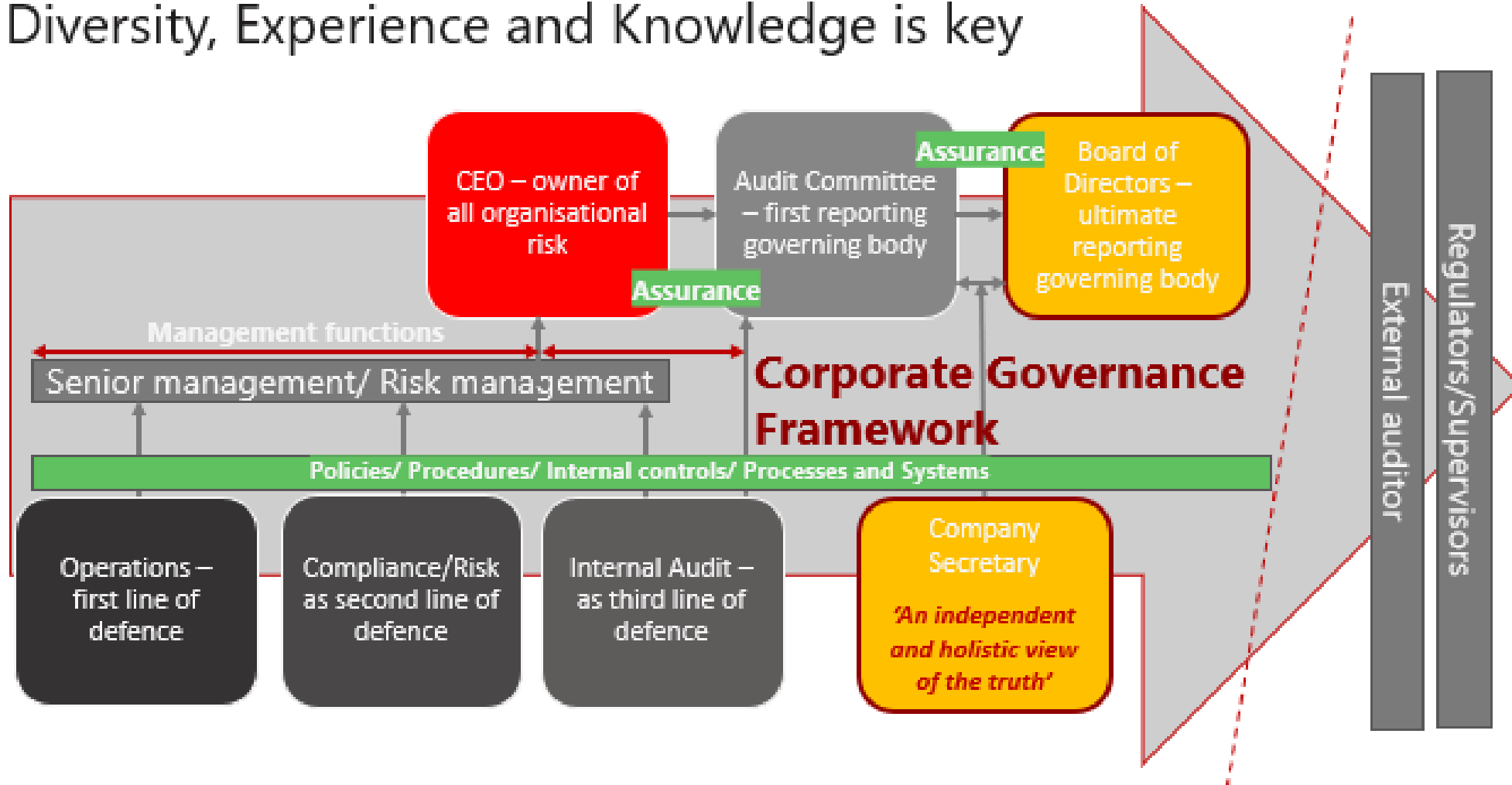
Reporting and monitoring – action points, setting business objectives and shareholder/stakeholder engagement – why does it matters?

Case study - whistleblowing and fraud

You are a small manufacturing company with three divisions which are overseen by a board of directors to protect the owners interests. Your annual turnover is AED 40 million a year with profits of AED 8 million and all divisions are profitable. Division A brings in 50 % of the overall profit whilst division B and C generate profits of 35 and 15% respectively.

Your finance director has raised some concern to the CEO regarding the internal controls and governance of your overall procurement system and you have recently had anonymous tips that division C's inventory is going missing and orders have increased over the last 6 months. In division A there have been tip offs that the procurement team are being put under pressure by their divisional head to use certain single source suppliers and even a case of selection of a non-prequalified vendor.

Division B handles major projects and often these projects are either later or they miss the approved internal rate of return. You have been tipped off that value engineering is common practice (sourcing cheaper parts as substitutes) and this is resulting in quality issues and requires division C to fix these issues under their budget as after sales fixes.

The company uses an IT system for booking orders however there is a common practice across all divisions to bypass the system and get approvals by email or memo. Your internal auditor recently carried out an audit of the procurement processes across the organisation and did not find any unsatisfactory results.

The Board is meeting urgently to address the concerns the finance director and the CEO have raised as there have been increased tipoffs that there is widespread procurement fraud taking place across all three divisions of the organisation. **As a Board, discuss and agree a strategy to improve the efficiency and profitability of the organisation and how to detect fraud and tighten internal controls and governance to prevent or minimise any exposure to fraud across the divisions. What other wider aspects should you consider regarding internal controls or behaviours?**

The CEO and the senior executives are your ... ?

Chief risk takers!

The Chairman, Directors and the CEO – who does what and why?

The CEO as the most senior executive in the organisation, their role and how they can work to change the culture and enhance performance

- The face of the Company, walking the talk.
- Implementation of the Board's directives.
- Managing the strategy and culture of the organisation.
- The chief risk taker in the organisation.
- The CEO requires their team to help implement Board and Committee directives and action points, they can't do it alone.
- The Senior Executive Team needs a leader to inspire them and ensure they are fully utilised?
- A good CEO listens and is emotionally intelligent and socially aware.
- Strategic, operational and motivator.
- Seasoned.

Succession planning and talent acquisition – avoiding a single point of failure within your business

Networking and refreshments

Why diversity, culture and independent thought is vital for sustainability and success – getting the right mix of people and skillsets

Petronas has been crowned Most Attractive Employer in Malaysia for 2018, according to Randstad Employer Brand Research.

"At Petronas, we believe that talent is the most fundamental asset to our success as a leading oil and gas multinational. As a result, we have always been able to attract, motivate and retain the best of talents not only in Malaysia but in the countries we operate in."

"We offer vast career growth opportunities through a structured career, leadership and capability development programmes. We also place a great emphasis on **diversity** and **inclusion** as well as the creation of a conducive working environment for our people to flourish." - **Petronas group human resource management senior vice president Datuk Raiha Azni Abd Rahman**

Why diversity, culture and independent thought is vital for sustainability and success – getting the right mix of people and skillsets

Shell - The world's workforce is more diverse than ever before, due to global business operations. The average age of workers is rising, and the number of women in the workforce continues to increase.

Shell Malaysia - one of the first employers in Malaysia to implement diversity and inclusion (D&I) and they continue to promote the D&I integration into their operations and culture.

Shell has been a partner in fuelling Malaysia's progress for over 125 years. Today, Shell continues to be one of the top employers in Malaysia with 1,000+ employed in our upstream, midstream and downstream businesses, as well as in service and support functions.

Why diversity, culture and independent thought is vital for sustainability and success – getting the right mix of people and skillsets

UK Corporate Governance Code - Encourages boards to engage with their workforce and to consider succession and diversity, pointing to board refreshment to ensure they have the right mix of skills and experience.

Equality Act (UK) – all employees (including those at board level) provided with protection from discrimination on the grounds of gender, race, age amongst other.

FRC Board Effectiveness (UK) – Diversity goes beyond gender and race (intellect, judgement, honesty, listen and building relationships) to guard against 'groupthink'.

King IV Report (South Africa) - each company set and publish race and gender targets for board membership, women occupy 20% of directorships.

Securities and Commodities Authority UAE – 20% females to be nominated for election as director.

The Davies Review (25%), **Hampton-Alexander** (33%), **BEIS - Business, Energy and Industrial Strategy Committee** (33%) all FTSE 350 firms and proposal to have at least one director from an ethnic minority by 2020. **McGregor-Smith Review** - Black and Minority Ethnic (BME) representation in the workplace

Transformation and embedding good governance – today and tomorrow

The Board of Directors are concerned with the overall Governance Framework of the Company and its appropriateness:

- Collection of risk management information – dashboard for the Board & Management.

- Exceptions and compliance violations.

- Is framework up to date and relevant?

- Is it understandable to all?

- Has it been effectively rolled out?

- Is it embedded and fit for purpose?

- It is still following best practice?

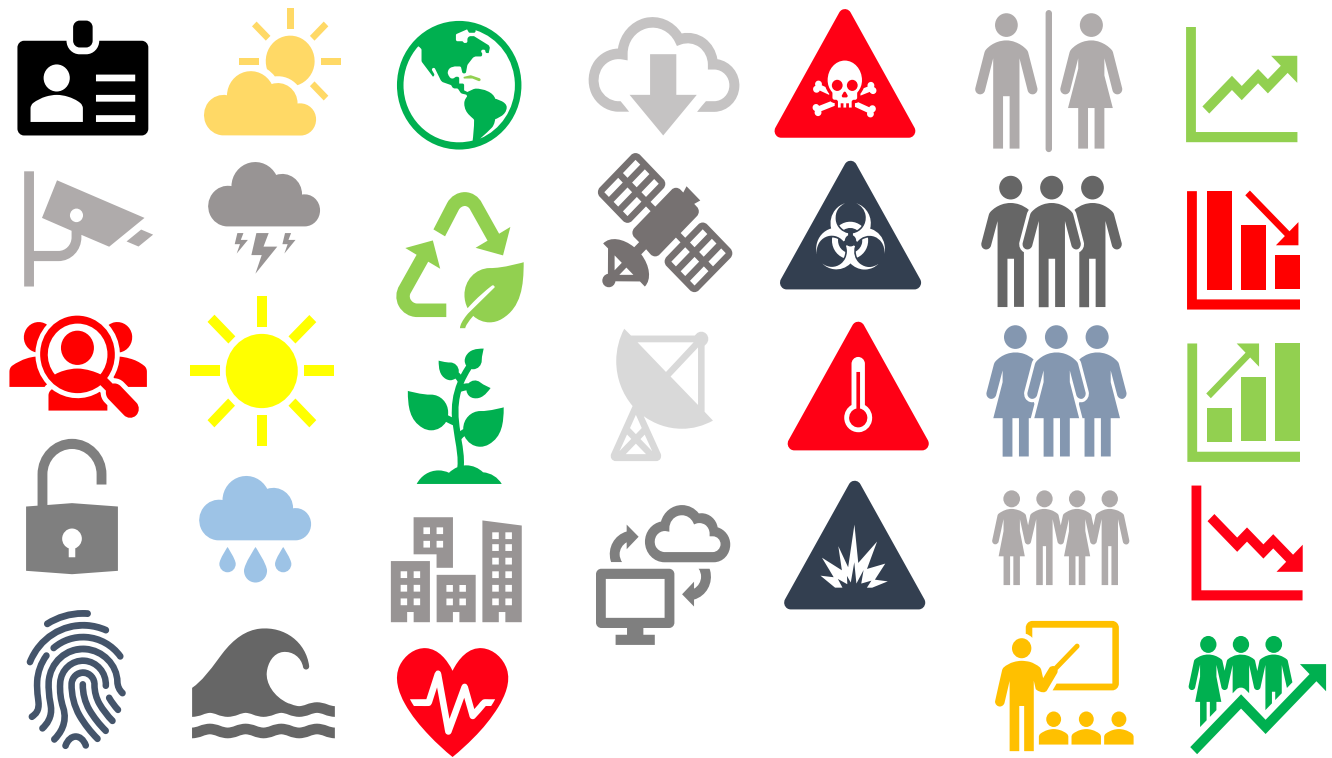- How to plan for needed changes due to new regulations, laws or internal policies?
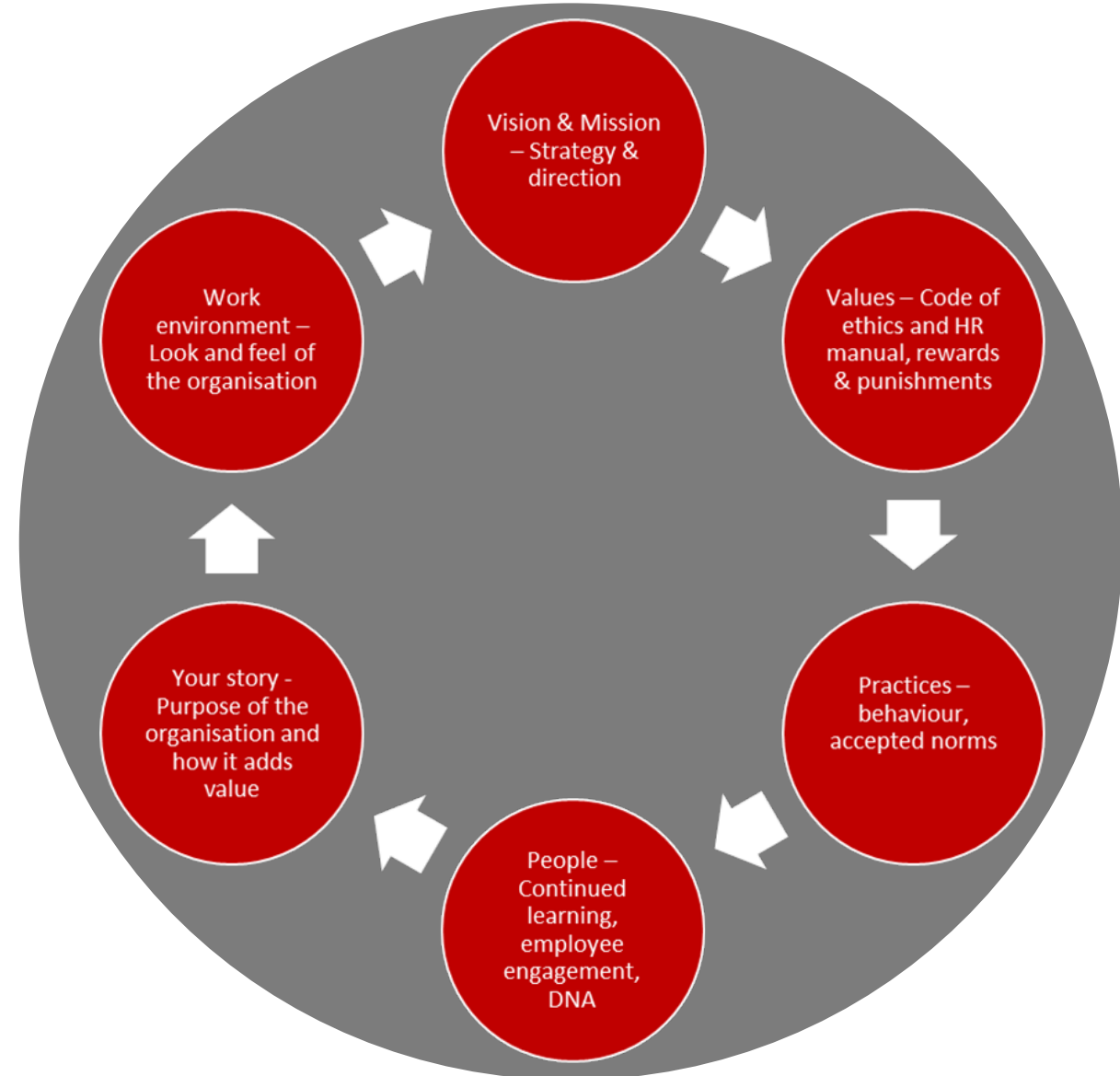
A culture of excellence and high performance – how to get the best from management and employees – is your workforce engaged?

Doing the right things for the right reasons – what happens when no one is looking?

Mindset – Awareness, independence, professionalism, ethics and integrity

Competencies – Strategic thinking, decision making, communication, influencing, interpret and analyse information

Director Excellence

Knowledge and experience – Strategy, leadership, corporate governance, financial

Continued professional development –training, workshops, away days

Doing the right things for the right reasons – what happens when no one is looking?

Networking and lunch

Corporate Governance for MSME Resilience

Our Strategic Positioning

Governance Gurus

Please sign up for the monthly Governance Gurus newsletter by click here - http://eepurl.com/gfc2PH

YOUR TRAINER - ROBERT L FORD

Executive Director of Governance Gurus FZE

E-mail: rob@governance-gurus.ae
Mobile: +971 (0) 55 8034 055
Website: www.governance-gurus.ae
Facebook: https://web.facebook.com/GovernanceGurus/
LinkedIn: http://linkedin.com/in/robertlford
Twitter: CorpGovDubai

Client recommendations and testimonials for Robert L Ford

"Having been a 'student' in Robert's Masterclass recently in Dubai; I would like to share with everyone this opinion...Robert is an expert at what he does. What impressed me the most was that we were a diverse class of leaders from a number of Countries; teaching' leaders is never easy, as opinions on every subject under the sun, 'without and within' the course content would spring up daily. Robert allowed those moments of discussions but would then masterfully guide us back to the course content for the day. The Masterclass on Corporate Governance was completed in good time. We left enriched with knowledge and understanding as Case studies and role playing was a method of teaching that Robert applied very well. Great relationships among participants were developed for future business where possible. Great work Robert! I recommend you to anyone or organization that may need your services ..." **Nora Bannerman - CEO, SLEEK GARMENTS EXPORT LTD & AFRICA SLEEK 'ICT'. Member, Governing Board of Ghana Investment Promotion Centre**

"Rob is a high quality trainer, facilitator, training content designer, coach and mentor. I have witnessed his programs and was amazed at the high level of energy and the skill at which he conducted the program. He is very well read and puts in a lot of effort to ensure he has something new to offer in every program. Not only impressed with his knowledge but all above his modesty to share that knowledge. Rob comes across as a thorough professional training consultant with a deep and detailed knowledge of the subject. He takes personal interest in the development of all members of the group and works well with participants delivering superlative work, from concept to final output. Rob always ensured that he went beyond what was expected of him. A privilege to have been associated with him. **Mayur Jain – Assistant Vice President at Quest on the Frontier**

"Robert has a deep knowledge of governance and compliance issues and is an expert in all company secretarial matters. He has great communications skills and made a significant contribution to our Corporate Governance and Board Readiness training initiatives." **Amanda Line – Partner PwC Academy**

"Robert Ford has demonstrated knowledge, creativity, and value in delivering corporate governance and leadership strategies. There should be no hesitation in engaging Robert to improve the overall performance board related matters." **Muhammad Saad - Managing Partner & Founder of Global Industries Intelligence**

"I have worked with Rob at Governance Gurus for corporate governance consultancy and strategic business planning. His knowledge is vast and invaluable, he is able to understand dynamic scenarios quickly and provide expert advice with various options based on the specific requirements. I can't recommend him highly enough and would gladly work with him again in the future." **Christopher Morley – Founder and Consultant at Unified Microsystems (UAE, Philippines)**

"Rob is an expert in Corporate Governance and Compliance. Having worked with Rob at our events I can recommend his presenting, facilitation and training masterclasses are well worth attending! Rob's knowledge and experience of his subject combined with his fun and engaging style make Rob one of the best in the business. Keep up the good work Rob!" **James Collin Director - Banking, Accountancy & Finance at Mackenzie Jones Middle East**

"Robert and I worked very closely on two high profile reviews for a sovereign wealth fund and a diversified investment company in the Middle East region. He quickly built rapport with the client as the Legal subject matter expert on both the projects and engaged in thought provoking discussions around best in class corporate governance, compliance frameworks, legal departments strategic remit as enablers for the business to move forward and policies and procedures review.

I would highly recommend Robert in his ability to advise clients, coach the project team and provide valuable insight whilst encouraging the client to see things from a fresh perspective. He always communicated with impact and presented with a personal flair to all stakeholders. Robert was always around when the team needed assistance and acted as a very good sounding board to exchange ideas. I look forward to working with Robert in the future." **Farhana Majid – Senior Manager Advisory at PwC**

"Robert enhanced the quality of my 5th Annual Directors' Duties: Corporate & Family Boards conference in Dubai this year with his passion and dedication as a Speaker. He played a key role in my conference success with his excellent facilitation of the panel discussion on 'Safeguarding your Directorship Accountability Vs Personal Liabilities'. I highly recommend Robert as an excellent speaker. He provided excellent feedback and insights throughout the entire two days and he was a major contribution factor in making this event a successful one." **Jareen Sidhu – Senior Conference Producer – Large Scale Events (Africa & Asia) at Marcus Evans**