

Trends in Corporate Governance

*A Presentation by FCPA Eric Kimani, to ICPAK
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CREDIBILITY STATEMENT

- FCPA Eric Kimani, CPS (K), LLB (Laws)
- Over 30 years Board room experience
- Current Chair Board /Risk/Procurement -I & M Bank
- - Current Chair Board Audit Kibo Fund, Mauritius
- Chaired many previous audit committees
- Previously CEO at Sameer Africa, KTDA
- Trained Corporate Governance facilitator

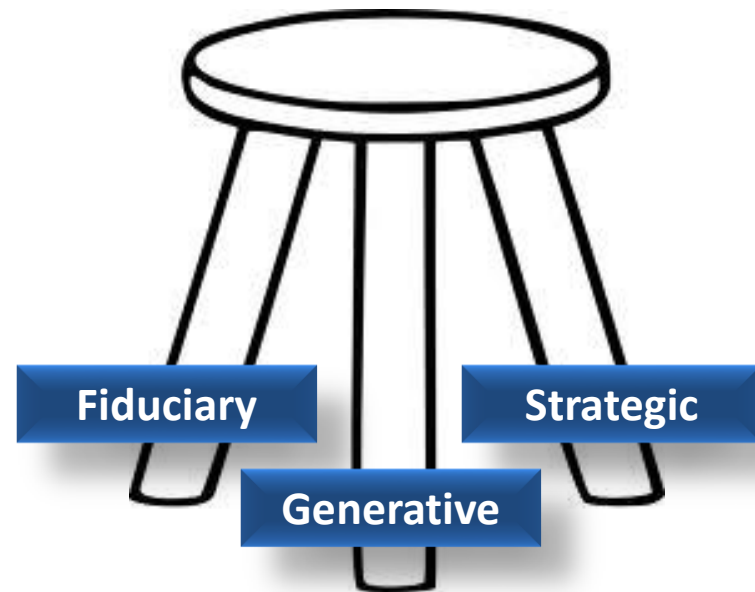
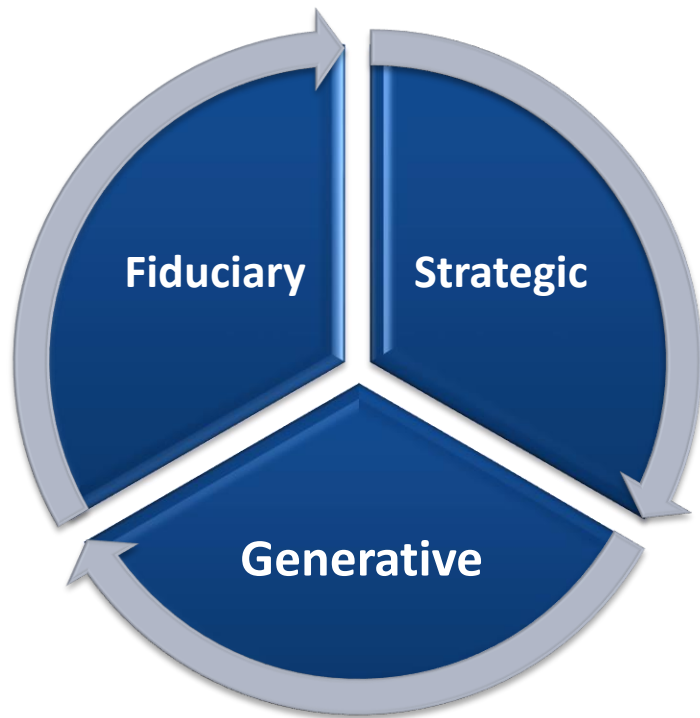
PRESENTATION OUTLINE

- Introduction- The role of the Board-recital
- The Global Trends-Discussion
- Where do we go from here?

Role of the Board

1. Fiduciary-Conformance-control. Financial oversight, legal, accountability
2. Strategic-Performance. Direction
3. Generative-futuristic

Governance as Leadership



Role of the Board (cont.)

- OVERSIGHT over;
- Financial reporting and accounting
- External Audit
- Regulatory Compliance
- Monitoring Internal Controls and Internal Audit
- Risk Management

GLOBAL TRENDS

1. Long termism versus short termism/Focus on Strategy & Value creation.
2. Term/Rotation/age/Succession
3. Diversity/composition-better boards and diversity
4. Evaluations-performance evaluations
5. Vicariously liable/one board

GLOBAL TREENDS (Cont.)

6. Shareholder engagement-Greater shareholder control & accountability
7. CEO & Board Chair roles
- 8 .Regulatory
9. Risk Management-Risk Governance & management.
10. IT issues-information technology governance
11. Communication

GLOBAL TREENDS (Cont.)

- 12. Greater attention towards Director Independence- CBK/Mwongozo/Uchumi
- 13. Shareholder democracy versus stakeholder democracy
- 14. Compensation Governance

In my view

1. Professionalism is growing
2. The value proposition is growing
3. External force will continue to exact change on Boards
4. Increased scrutiny- sustainability reporting, CSR, etc
5. A triple bottom line
6. Technological governance

Where do we go from here?

- An effective board will provide good governance and leadership by:
 - understanding their role;
 - ensuring delivery of organisational purpose;
 - working effectively both as individuals and as a team;
 - exercising effective control;
 - behaving with integrity; and
 - being open and accountable.

Questions/Comments?

- What is the one or two trends that you will want your board to pay attention to?
- What will do about it?