

# IOD, India - ACCA Joint Workshop

## Building Boards for Future

21 January 2016, New Delhi



**A Special Memento presented to Hon'ble Chief Guest Dr. Mahesh Sharma, Union Minister of State (IC) for Culture and Tourism and Civil Aviation, Govt. of India**

The Institute of Directors, India & ACCA, jointly convened a prodigious evening workshop on “Building Boards for Future” on 21<sup>st</sup> January 2016 at Hotel Le Meridian, New Delhi with the memorable presence of eminent Speakers, Moderators, Panellists and Guests of honour. Debate over the role of company boards invariably intensifies when things go wrong on a grand scale. Building a more effective board is a process. Directors need to spend a greater share of their time, shaping an agenda for the future of the organization.

IOD's mission has been “Building Tomorrow's Boards”. It has led social, environmental and economic transformation, through visionary and holistic awareness of boardroom strategies and practices, by focusing on issues of good governance, transparency and accountability. IOD forums try to transform the corporate psyche by demonstrating how ethical, responsible, transparent and equitable agenda can become the competitive advantage for redefining Sustainability. It's national & international conferences held in India and abroad provided wide networking and extended dialogue opportunities for the fraternity of business, industry and governments.

The Chief Guest for the evening workshop was Dr. Mahesh Sharma, Hon'ble Union Minister of State (IC) for Culture and Tourism and Civil

Aviation, Govt. of India. He enlightened all concerned with his vast boardroom experience. The audience of over 200 senior executives included high dignitaries including Ms. Helen Brand OBE - Chief Executive, Association of Chartered Certified Accountants (ACCA), Gen. J.J. Singh, Former COAS, Mr. M. G. George Muthoot - Chairman, The Muthoot Group, Mr. Atul Chaturvedi, IAS, former Chairman, Public Enterprises Selection Board (PSEB) and so on.

The evening started with a warm welcome address by Lt Gen J S Ahluwalia - PVSM (Retd), President, Institute Of Directors. IOD believes that the problem of corporate mis-governance stems from the lack of effective training in company directorship. He shared his views with regard to Key problems faced by the Board and some of the



**Special Address by Mr. M. G. George Muthoot - Chairman The Muthoot Group**



**Keynote Address by Ms. Helen Brand OBE - Chief Executive, Association of Chartered Certified Accountants (ACCA)**

problems are lack of diversity within the boardroom, insignificant rotation of board members, lack of creativity in decision making by the boards, deficient execution by the micromanagers, lack of clarity of roles to the Independent directors, evolving conflicts in the boardroom, incognito trends, rare monitoring of decisions and hidden agendas. Not surprisingly, there's been a renewed focus on improved corporate governance: better structures, more rigorous checks and balances, and greater independence by non-executives, in recent years. The session focussed on the alternatives to develop a dynamic board agenda with forward-looking activities.

It was followed by a keynote address by Ms. Helen Brand OBE - Chief Executive, Association of Chartered Certified Accountants (ACCA) on poor governance in companies. She specified that Board must be aware of worthy issues, at every level in the organization. As top position comes with the strongest influence, Boards shall not be guided by incentives and personal agendas. She apprised that board reporting shall be incessantly improved. She further briefed about the major board challenges like "Market volatility", "Harnessing technology", "Turbulence" and "Are board members out of touch?". Multiple layers of cultures in major organisations, are also the concerns of board as Globalisation requires curious & adaptable boards.

It was followed by a Special Address by Mr. M. G. George Muthoot – Chairman of The Muthoot Group. In a world governed by uncertainties, Muthoot Group strongly believes that it is the power of dreams that leads to some of the greatest innovations. It is these dreams that have driven them towards success. To display agility in the business approach and to keep evolving, is what "The Muthoot Group" believes in. He emphasized the need of "Grassroot Governance". Mr. Muthoot shared his vision for his group to be the most trusted, globally diversified institution, enriching lives of the masses, while contributing back to the society.

Chief Guest Address by Dr. Mahesh Sharma kept the audience spell bound. He cited that India is on the path of a management economy, where people are waiting for visionaries. Leadership is behaviour or a perception, and before becoming a good leader it's important to be a good human being. Be a giver to the society you live in, and do justice in your decisions. He shared his political experience that there is an acute shortfall of leaders and initiative takers in India. "Anybody who wants to do all by himself, can't be a leader".

A special memento each from IOD was presented to Hon'ble Chief



**Chief Guest Address by Dr. Mahesh Sharma - Hon'ble Union Minister of State (IC) for Culture and Tourism and Civil Aviation, Govt. of India**

Guest Dr. Mahesh Sharma, Ms. Helen Brand OBE and Mr. M. G. George Muthoot for their valuable contributions to the evening workshop.

A critical Panel Discussion on "Building Boards for Future" followed. Ms. Helen Brand OBE was the honourable moderator, with a very elite panel, comprising of:

- **Mr. Atul Chaturvedi**  
IAS, former Chairman, Public Enterprises Selection Board (PSEB)
- **Dr Bhaskar Chatterjee**  
IAS, DG & CEO, Indian Institute of Corporate Affairs
- **Mr. J. K. Dadoo, IAS**  
Additional Secretary & Financial Advisor, Ministry of Commerce & Industries, Govt. of India
- **Mr. Khaleel Rahim**  
Chairman & Managing Director, The State Trading Corporation of India Ltd.
- **Mr. M. G. George Muthoot**  
Chairman, The Muthoot Group
- **Mr. Ravi Chaudhry**



**Panel Discussion on Building Boards for Future was Convened by Moderator Helen Brand OBE along with Honourable Panellists**



Interaction with Audience during the Panel Discussion



Welcome Speech by Mr. Ashok Kapur, Director General, Institute of Directors

Chairman, CeNext Consulting & Investment Pvt. Ltd.

The discussion started about Indian PSUs, where due diligence gets marginalised to normal routine work. Panellists recommended “Due Diligence” to be done by risk management teams. Independent directors and Board of Directors shall do their homework and come prepared for the board meetings. Queries were raised with regard to “FUTURE? Building boards for whose future? What if future of company clashes with society? What are board responsibilities and assessment areas etc.?”

Major challenging areas for the Board of Directors that came up included:

- Major time spent on rear view mirror activities by directors, with regard to Past vs. Present vs. Future aspects of company
- Directors bias towards fiduciary tasks (daily tasks consume 70% of time of directors), and no time is left for crucial strategy framing. Atleast 50% of the allotted time of Board of directors should be used for strategizing.
- Independent directors serving multiple boards aren't left with enough time to get into details. Studies show that if

an Independent director serves on more than three boards, they can't do justice to their full involvement.

- Huge time of the board is lost in going through the board's long agendas and their briefing papers.

The panel discussion concluded that fake board meetings shall be avoided and directors shall come fully prepared and ask real questions and give individual inputs in board meetings. Boards shall look into what is lacking internally, and what are external challenges to the company. Risk taking abilities of the board shall be refined. Discussion was followed up by pleasing interaction with the audience and their queries.

The panel discussion was ably summed up by **Ms. Helen Brand OBE**, and mementoes were presented to all the Panellists. The day ended on a good note with ACCA and IOD, India jointly signing a MOU to renew their 3 years old MOU association with each other for another 3 years. These were signed by the heads of both organizations i.e. **Ms. Helen Brand OBE**, CEO - ACCA and **Lt Gen J S Ahluwalia - PVSM (Retd)**, President, Institute Of Directors, India.

It was then followed by a sumptuous dinner. ■



Delegates participating during the Workshop



Delegates attending the Workshop on Building Boards for Future