

Governance Conference 2015





The Corporate Governance Association of Ireland

Lessons in Corporate Governance

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The Corporate Governance Association of Ireland is an independent & voluntary organisation.

It was founded in 2006 and seeks to promote the highest standards in Corporate Governance.

It provides a network for experienced professionals who hold post-graduate qualifications in the discipline of corporate governance.

It facilitates ongoing professional development by providing regular educational and CPD opportunities



The 1st Code

1. "I am the Lord thy God, thou shalt not have any strange gods before Me."
2. "Thou shalt not take the name of the Lord thy God in vain."
3. "Remember to keep holy the Sabbath day."
4. "Honor thy father and mother."
5. "Thou shalt not kill."
6. "Thou shalt not commit adultery."
7. **"Thou shalt not steal."**
8. **"Thou shalt not bear false witness against thy neighbor."**
9. "Thou shalt not covet thy neighbor's wife."
10. **"Thou shalt not covet thy neighbor's goods."**

Mount Sini - 1450 BC

What is Corporate Governance ?

- ↳ Corporate Governance broadly refers to the mechanisms, processes and relations by which [corporations](#) and companies are controlled, managed and directed With particular focus on executive boards accountabilities to shareholders and other stakeholders.
- ↳ It particularly focuses on the avoidance of risk and the competence, ethics & property of the management, board of directors and Chair.
- ↳ It seeks to curb executive recklessness, fraud, negligence and incompetence

Why does it matter ?

- Polly Peck, BCCI, Guinness, Enron, BP Deepwater Horizon, Mirror Group pensions, Exxon Valdez, Bhopal, Baring's, News International, News of the World Phone Hacking, Northern Rock, Barclay's, Tesco
- BOI, AIB, ILP, Irish Nationwide, Anglo, Fas, CRC, Rehab, Credit Unions, IFA
- Recklessness of some of the worlds biggest banks resulted in a catastrophic global recession and the national bankruptcies of Iceland, Ireland, Spain, Portugal, Cyprus, Greece etc



ARTHUR
ANDERSEN



Lehman collapse sends shockwave round world

Shares and oil prices plunge, thousands lose jobs

By Duncan (Economic Policy)
The collapse of Lehman Brothers, one of a global financial institution or institution in the world's biggest financial markets, into total receivership, has sent shockwaves round the world. Investors were left reeling in the 48 hours of the Lehman Bank's liquidation. Some analysts say the 2008 stock market crash is the worst since the 1929 crash.



The Guardian

Receivers called in after £500m goes walkabout Mayhem leared in markets Barings Bank goes bust



Current codes

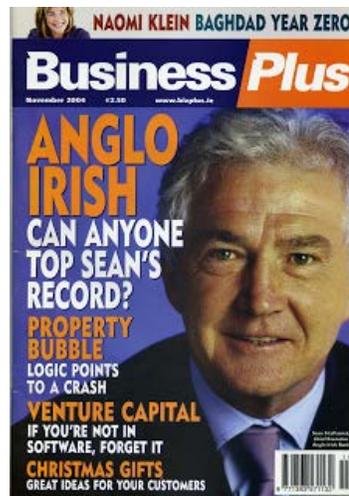
The Cadbury report (UK, 1992)

The Combined Code

The Principles of Corporate Governance (OECD, 1999, 2004 and 2015)

The Sarbanes-Oxley Act of 2002 (US, 2002)

The Higgs Report 2003 (ICSA Update 2010)



The Final Report
of the
Tribunal of Inquiry
into
Certain Planning Matters and Payments



Theresa May to unveil boardroom crackdown on private big business

In wake of BHS and Sports Direct scandals, PM pushes for privately owned companies to face similar governance to those listed on stock market



Theresa May has condemned an 'irresponsible minority of privately held companies acting carelessly'. Photograph: Andy Rain/EPA

Theresa May is to promise a crackdown on boardroom excess at large privately owned businesses as she unveils proposals intended to hold corporate Britain to account.

The prime minister said the government would look at ways to bring privately owned companies under a regime that could mimic the one imposed on major stock market companies.

While many private companies were performing well, "we have, however, seen



What Lessons have we learned ?

Lessons learned

- There was Insufficient safeguards against excessive risk taking
- Golden Circles leading to conflicted boards & interlocking boards
- Dominant CEO'S with unfettered power and little transparency
- Diversity
- Executive remuneration
- Regulatory regimes facilitating light touch oversight

Current Boardroom Trends

- Directors compliance statements
- Board Diversity
- Non Financial Reporting
- Whistleblowing
- Sustainability
- Data Protection
- Reputation management
- Brexit / Trump

Take aways

- Be keenly aware of your regulatory responsibilities.
- Remain fully focussed on adhering to pension scheme governance best practice.
- Read your Trustee Deeds & Rules & know the rules of engagement.
- Ensure you keep your training up to date.
- Challenge your advisors - ask questions.




Oifig an Stiúrthóra um Fhorfheidhmiú Corparáideach
Office of the Director of Corporate Enforcement



Department of Public Expenditure and Reform
Governance Framework



**COMPANIES ACT
2014**

**Code of Practice for the Governance of
State Bodies**



LOBBYING.ie
An Clár Brústocaireachta
Register of Lobbying



**An tÚdarás Pinsean
The Pensions Authority**



**Charities
Regulatory
Authority**
An tÚdarás
Rialála
Carthanas



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Thank you