CAPACITY BUILDING PROGRAMME

Board Paper Writing

CS. Diana S. Tanui
AGENDA

1. Governance Standard on Board Papers (GS: 005)
2. Practical tips on writing an effective Board Paper
3. Board Papers Writing Exercise
4. Group Discussions and Plenary

‘The Governance Profession’
The company secretary has a key role to play in helping boards perform even better. In summary, the role should become that of the chair’s chief of staff, or chef de cabinet, in helping to assure delivery of a well-functioning board.

Sir David Walker - Boardroom Behaviours: A report prepared for by the Institute of Chartered Secretaries and Administrators
1. Governance Standard on Board Papers (GS: 005)
ICS has developed various Governance Standards and Guidelines:

I. Nine Governance Standards
II. Four Governance Guidelines
III. Four Codes of Governance
GS on Board Papers

Governance Standard Number Five is on Board Papers

- Approved by Council on 21st January 2016
- Effective from 1st March 2016
- Recommended governance practice for preparation of board papers
GS on Board Papers

Standard Guidelines

<table>
<thead>
<tr>
<th>FORM</th>
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<tbody>
<tr>
<td>• Organisation, Meeting and Author of the Paper</td>
</tr>
<tr>
<td>• Agenda Item Number, Title of the Paper and Standard Template</td>
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<table>
<thead>
<tr>
<th>SUBSTANCE</th>
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<tr>
<td>• Introduction, Executive Summary, Details of the Paper and Appendices</td>
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<tr>
<td>• Further information on contents of board paper on next slide</td>
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<table>
<thead>
<tr>
<th>ALSO....</th>
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<tr>
<td>• Clear, Concise and Consistent</td>
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<tr>
<td>• Neutral Tone and Present Continuous Tense</td>
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GS on Board Papers

Subject to organisational requirements, contents to include:

- SWOT Analysis
- Cost Benefit Analysis
- Risks Assessment
GS on Board Papers

Subject to organisational requirements, contents to include:

- Items for discussion and input
- Items for information and noting
- Items for approval or decision making
- Conclusions and recommendations
GS on Board Papers

For ease of discussion:

- Organisation: chronological numbering and segmentation into sections

- Prioritisation: discussions, decision and information (the Bell Curve Structure)
2. Practical tips on writing an effective Board Paper
A key responsibility of the Corporate Secretary is to ensure that Board members have the proper advice and resources for discharging their fiduciary duties.

- Society for Corporate Governance
Board Paper Writing

Codified Requirements – Mwongozo:

CS to ensure that all Board papers are accurately written, are relevant and are availed to the Board members in good time (10 days before), except in exceptional circumstances.
The CS shall ensure the timely preparation and circulation of the Board and Committee minutes and other relevant papers.
Board Paper Writing

Making strides towards better board papers will entail an understanding:

- The role of the Board in providing oversight and stewardship to the organization;
- The fiduciary responsibility of Board members to the organization;
- The limited time available to optimally attend the Board agenda;
- The key source of information for Board members to base their decisions is the board paper; and
- That Board papers are not only for current use but also for future reference.
Board Paper Writing

Some common problems which board paper writers should be aware of and avoid:

1. Writing for management, not the board;
2. Assuming the board members have in-depth knowledge of a topic; and
3. Poorly written, badly structured, poorly presented, too detailed, focusing on the benefits and glossing over the risks.
Board Paper Writing

Practical Tips:

Types of Board Papers
- Papers for decision;
- Papers for discussion; and
- Papers for noting.

What to consider
- What do we want to achieve?
- What do we want the board to do?
- What do directors need from the paper?
- What are the probable questions?

Ensure
- Have a Board Paper Template
- Include most significant information
- Focus on quality and not quantity
- Do not dispense with important information
- Consistency; prior and subsequent
- Use clear, plain English
- Ease reference for lengthy reports
- Emphasize key points and recommendations
- Avoid jargon, provide glossary if necessary
- Check for spellings, grammar and colloquial language
- Provide the full picture (good, bad & ugly)
Board Paper Writing

Practical Tips:

Avoid

• Providing operational details, attention to key matters
• Late provision of papers, especially substantive decisions
• Information overload and piecemeal provision of information
• Misuse of information; providing selective, excess or irrelevant information, use of jargon

_The CS is not a post office!_
Board Paper Writing

Content Development

- Well-developed board papers revolve around content development and presentation.

- Content development = generation of reports that contain relevant information + desired formats that will enable the Board make informed decisions on agenda items presented for discussion.
Content development is clustered around agenda items presented for discussion as follows:

1. **Preliminaries** – This involves matters such as welcome note by the Chair, confirmation of quorum, apologies, declaration of conflict of interest / independence and changes in the composition of the Board (if any) among others.
Board Paper Writing

Content Development

2. Minutes and resolutions passed since the last Board meeting – Minutes of the previous board meeting need to be enclosed for confirmation by the Board. The Secretary should also ensure that resolutions via circular vote are tabled at the meeting for ratification.

3. Report on Matters Arising – This is a summary of items that required follow up after the previous Board meeting that need to be tabled to update the Board on progress made.
4. **Standing Agendas Items** – Standard agenda items update the Board on the affairs of the Company. Some of the standard agenda items include matters such as the Company’s Performance, to consider the budgets for the year, Business preview and overview, Staff matters etc.

5. **Reserve Matters** – Due to the supervisory nature of the Board and the mandate entrusted to them by the Shareholders, some matters are purely reserved for deliberation and approval by the Board.
6. **Statutory Matters** – This includes matters such as the use of Company Seal. Reports should be made to simply inform the Board.

7. **Other reports and Correspondence** – Management at times may be faced with matters outside the normal operating activities of the Company that require to be brought to the Boards attention. Copies of the summarized reports should be circulated to the board accompanied by a brief summarizing the matter and detailing any particular items that requires a decision by the board.
Board Paper Writing

Content Development

- Board papers should inform, stimulate debate and seek approval.
- One common format for a two-page board paper or an executive summary of a report is a “STPRA” memo:

<table>
<thead>
<tr>
<th>S</th>
<th>SITUATION</th>
<th>Briefly describe the background of the issue.</th>
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<tbody>
<tr>
<td>T</td>
<td>TARGET</td>
<td>Briefly describe the goal of the proposal.</td>
</tr>
<tr>
<td>P</td>
<td>PROPOSAL</td>
<td>Briefly describe how you are going to achieve your goal.</td>
</tr>
<tr>
<td>R</td>
<td>RISKS</td>
<td>Briefly describe the risks associated with doing and/or not doing the proposal.</td>
</tr>
<tr>
<td>A</td>
<td>ACTION</td>
<td>Outline what action you want the board to take.</td>
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*Source - The Corporate Secretary: The Governance Professional, IFC 2016*
Content prepared for the board should be presented to conform to the following guidelines:-

- **Pictorial presentation** to reduce several pages of literature into a picture enable the board see big picture very quickly and not be consumed by detail.
- **Sensitivity analysis** be provided on the implication of their decisions.
- **Provocative** to enable the Board ask certain questions to probe into an issue.
- **Point format** is preferable to lengthy paragraphs.
Emerging issues:

- Ensuring management has carried out all the relevant consultations before bringing a proposal to the Board e.g. sign of from Finance and Legal.
- CS at liberty to circulate specialist reports, press releases, market-share information or policy statements by Government that will help assist the Board make informed decisions.
- Need to be more deliberate on delivery, security and retention of papers.
- Reporting to the board on stakeholder relationships – King IV.
- Evaluation of CS based on quality and timeliness of papers received.
Board Paper Writing

Other pertinent matters:

- Timely distribution of papers
- Security and confidentiality; advise
- Scoping of board agenda; consult, refer
- Presentation should not subject organization to legal liability
- Retention policy
- Chairman’s Copy
- AOB; loose it?
Board Paper Writing

Relevant Data and Information

Well Founded Decisions

Provided Prior to a Board Meeting

Effective and Productive Discussions

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3. Board Papers Writing Exercise
Board Paper Writing Exercise

Kilimobidii Case Study:

✓ You are the Company Secretary of Kilimobidii Limited

✓ It’s a family-owned agribusiness enterprise

✓ Consider the facts of the case and draft a Board Paper for the Meeting to be held May 4th 2018
Board Paper Writing Exercise

Common Challenges:

- ✓ receiving papers after the deadline;
- ✓ reports are too long, operational or backward looking;
- ✓ balancing the focus against the volume of information;
- ✓ lack of standardised reporting formats; and
- ✓ managing the revision and collation of the various reports
Board Paper Writing Exercise
Common Challenges:

*Source: https://www.icsa.org.uk/research/challenges-to-effective-board-reporting.pdf
4. Group Discussions and Plenary
Group Discussions and Plenary

The ICSA is developing a guidance to help organisations assess their own board packs. This will cover all aspects of producing and preparing board packs, including:

1. Planning – agreeing on the agenda and identifying the information the board needs
2. Commissioning – setting deadlines, specifying content and format and briefing authors
3. Writing – making sure the issues and decisions needed are set out clearly
4. Reviewing – agreeing appropriate sign-off procedures
5. Collating and distributing – timing, format and security
Conclusion

- What you have done to improve the quality of your board papers
- What you have done to make preparing and distributing the board pack more efficient
- Who within the organisation helped implement these improvements

Clarify what you want to say and what you want the board to do

Spell out pros and cons

Think like a director

Make the paper easy to read

Clear proposed resolution

Anticipate questions

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Group Discussions and Plenary

In the guidance we want to include examples of innovation and changes introduced that improved the content of board pack or the production process, along with any other ‘handy hints’ participants may have. In our case:

1. What would you do to improve the quality of your board papers?

2. What would you do to make preparation and distribution of board papers more efficient?

3. Who within your organisation would help implement these improvements?
Sources

1. ICS Governance Standards
5. Challenges of Effective Board Reporting, ICSA 2017
6. Effective Governance.Com
7. Society for Corporate Governance
THANK YOU