

Changing Role of the Board Secretary

By Alison Dillon Kibirige

The role of the Board secretary has evolved from a 'mere servant or minute taker of the Board' to that of a 'governance professional' so say more and more studies on the role. The reason often given for this is the increasing formalization of governance in laws, regulations, standards and codes around the world. The implementation of these governance laws, regulations, standards and codes is, however, only a small part of the role. Ensuring that the structures, policies and processes they require in your organisation work effectively should be taking up the lion's share of the modern day Board secretary's time. This means that in addition to the technical knowledge required by lawyers, accountants and other compliance professionals, board secretaries as governance professionals require strong emotional intelligence skills. Box 1 sets out the essential skills for modern board secretaries.

Box 1 - Essential Skills for Board secretaries

- Technical knowledge (a given)
- Independent
- Diplomatic
- Confidante – “keeper of the Company's secrets”
- Effective communicator
- Courage and conviction – ability to say 'no' constructively
- Mutual trust
- Integrity / Ethical
- Ethical / possessing a moral compass
- Commercially minded – good understanding of the business
- Organised
- Influencer
- Flexible
- Good listener
- Eye for detail
- Versatile
- Raising issues or concerns – reputational risk
- **Emotional intelligence**

Emotional Intelligence is the ability to understand and manage your own emotions and those of people around you, to discriminate between different emotions and label them appropriately, and to use emotional intelligence to guide thinking and behavior, yours and the people you are interacting with. The board secretary is like 'the oil in an engine' lubricating the relationships between different board members, the board and management and the board and shareholders and possibly other stakeholder groups to ensure that there are good governance practices within the organisation.

Evidence shows us that good governance is important for successful organisations and that board secretaries have an important role in the development of effective governance frameworks. They do this through two main elements in their role. These are *'Engagement and Influencing'*. Examples of how Board secretaries exercise these elements are as follows:

- Through their involvement in agenda development. It is often the board secretary that pulls together the first draft of the agenda. They should do this by engaging with the Chairman, management, board members and other stakeholders. Agenda development also gives board secretaries the opportunity to influence what is on the agenda.
- As the board's primary information point. All information to the board passes through the board secretary who should not just act as a post office collecting and distributing information but should ensure that the board is getting the information it needs to exercise its duties and responsibilities effectively and efficiently. To achieve this board secretaries, need to engage with management and sometimes use their influence to ensure the relevant information gets to the Board.
- During the meeting advising and assisting the chairman and the board to ensure good governance and effective decision-making. The board secretary through their roles in both the board and board committees often has more knowledge than both management and board members. They are able to guide and inform across the board session to ensure that decision-making is made based on informed decision-making.
- Ensuring that delegation is appropriate and operating effectively within an organisation. This often requires engagement with the board and management to ensure that decisions are made at the right level of the organisation. It may also require a board secretary to use their skills as an influencer if boards are micromanaging or management are inviting the board into the boiler room.
- After the meeting in minute drafting board secretaries also have the power to influence in how they draft the minutes. The quote below articulates the board secretaries challenge in writing minutes.

'As the great ones depart, and are eating their dinner, the secretary sits, getting thinner and thinner, racking his brains as he tries to report what he thinks that they think that they ought to have thought.' (Anonymous)

To enable the Board secretary to effectively carry out their role, the role needs to be a senior position in the organisation reporting to the Chairman of the Board. The individual should also be appointed to their role as Board secretary by the whole board. It is important for the board secretary in carrying out their governance role to be independent. This is because a big part of governance is 'Doing the right thing' which may take you beyond the laws, regulations, standards

and codes. This could have cost implications, in the short-term, that Management and members of the Board may not be prepared in the first instance to incur. The Board secretary in this instance becomes the 'conscience of the company' and is required to use their influence behind the scenes and sometimes in the meeting to remind board members of their responsibility to take decisions in the best long-term interests of the company. Board members will expect the advice of the board secretary to be impartial and in the best interests of the Company.

'You are not a member of [the] executive team, you're not a member of [the] board, you're the interface between board and executive, you've got to have independence'. ICSA/Henley Business School Study 2014

It can be difficult to see people having to go through a stressful situation. And because of the role, you're unable to actually take sides. You have to stay professional, and that can be quite difficult.' ICSA/Henley Business School Study 2014

Many in the role also hold another position, often that of general counsel or Head of Legal where they may report to the Chief Executive Officer (CEO). This creates challenges and conflicts for the individual as they have two bosses to answer to and this can affect their independence. An individual in this position should try wherever possible to manage this situation to ensure that they remain independent when providing governance advice to both the Board and Management. Ways of doing this are by:

- Developing a strong relationship with the CEO who understands the situation and allows the board secretary to be independent.
- Splitting the responsibility under the joint title so that different individuals carry out the legal and governance roles. The legal role could be outsourced for example.

An ICSA Guidance Note on 'Reporting Lines of the Company Secretary published in 2013 stated that if 'the board fails to protect the integrity of the company [board] secretary position, one of the most effective inbuilt internal controls available to the company is likely to be seriously undermined'. The board therefore has a role to play in protecting a board secretary especially when the board secretary has a dual reporting line.

Recognising the importance of the role of the Board Secretary to good governance and effective decision-making within an organisation, the GCC BDI will be offering a certified Board Secretaries Programme in Bahrain commencing 9-13 September 2018. The programme will consist of four five day workshops to be run over a two-year period. The themes of the workshop follow all aspects of the Board Secretary's role:

- Governance and Decision-Making

- Advising and assisting Board members
- Engagement with shareholders and other stakeholders
- Strategy and Risk

The course is designed to provide participants with the knowledge, skills and practical tips for carrying out their duties as Board Secretaries in the 21st Century.



About the author: Alison Dillon Kibirige

Mrs. Alison Dillon Kibirige is a global expert on corporate governance (Governance, Ethics, CSR and Risk Management). She is the Founding Director of AMDK Consultancy & Training Services Limited (AMDK), a business she set up in early 2007, which focuses on improving corporate governance practices in all sectors (private, public and not-for-profit) globally. Her work at AMDK has taken her throughout Europe, Africa, the Caribbean, the Middle East and Asia.

Alison has served as a member of Boards, Committees and industry working groups since the early 1980s. She is a member of the UKRIAT Committee, Qualifications Committee and of ICSA's International Professional Standards Committee, company secretary of aBi Trust and aBi Finance Limited and a Director of the Leadership Team Uganda Ltd. Alison is the former Chair of ICSA Uganda.

Alison has worked for the IFC/Global Corporate Governance Forum on projects in Indonesia, Mongolia, Zambia, Nigeria, Rwanda and Malawi. She has developed a series of workshops for IFC for corporate secretaries in developing and emerging markets, Directors of Banks in Nigeria and for SME Governance. Alison has also worked for the African Peer Review (APRM) in Uganda and at the APRM Secretariat in South Africa reviewing the Corporate Governance portion of the APRM Country Self-Assessment Questionnaire.

Alison has worked globally for over 25 years as a company secretary, previously as Secretary to the main Boards of Unilever and Barclays in London. She has also set up and worked as a Director in several SMEs Alison has also been involved in numerous consultations with governments, regulators and industry and professional bodies in Africa, Europe and the US.

She is a Fellow of ICSA and a UK solicitor. Alison was awarded the 2013 ICSA President's Medal for Meritorious Service, the inaugural ICSA Company Secretary of the Year award in 2005 and has also won awards globally for her work with shareholders