



How can you be an effective director in the time of COVID-19?

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You will have a lot of questions...

- Check the Coronavirus Hub and listen to this webinar for the answer - our capacity to answer specific questions is extremely limited during or after webinars

www.icaew.com/coronavirus

- We may also not know the answer - this is a fast-moving situation
- If you are unable to find the answer, please contact us:

<https://www.icaew.com/contact-us/helplines-and-support>

Useful information

- ICAEW Coronavirus Hub: www.icaew.com/coronavirus
- Direct enquiries: www.icaew.com/contact-us/helplines-and-support
- Board Director Programme - Julia.Root-Gutteridge@icaew.com
- CABA: www.caba.org.uk



CHARLES WORTH
HEAD OF BUSINESS LAW

Legal framework

Continuing need to meet legal requirements

Law on directors' duties remains in place – see ICAEW's short guide

<https://www.icaew.com/regulation/membership/icaews-guide-to-directors-responsibilities>

Selected legal considerations

- Seven general duties:
 - Promote the success of the company for the benefit of members
 - Exercise reasonable skill, care and diligence
- Company in financial difficulty
 - Need to consider creditors
 - Insolvency law
- Company administration – keeping records, filing accounts
- Transactions with shareholders - dividends



ELIZABETH RICHARDS
HEAD OF CORPORATE GOVERNANCE

Directors' Duty

In promoting the success of the company, directors must have regard to the following:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standard business conduct; and
- the need to act fairly as between members of the company.

ICAEW's guide:

<https://www.icaew.com/regulation/membership/icaews-guide-to-directors-responsibilities>]

Companies (Miscellaneous Reporting) Regulations 2018

- The issues, factors and stakeholder the directors consider relevant in complying with section 172 (a) to(f) and how they have formed that opinion;
- The main methods the directors have used to engage with stakeholders and understand the issues to which they must have regard; and
- Information on the effect of that regard on the company's decisions and strategies during the financial year.

Connect and Reflect

- How employee directors add value
- How whistleblowing helps companies
- Why company directors should use social media
- How to end excessive pay
- How to mark governance out of 10



IAIN WRIGHT

DIRECTOR, BUSINESS AND INDUSTRIAL STRATEGY

Get the balance right

- Focus on immediate matters BUT consider how actions and behaviour will impact upon long-term performance and reputation
- Even greater role for the Board and NEDs – shorter but more frequent meetings
- Management of working capital crucial:
<https://www.icaew.com/insights/viewpoints-on-the-news/2020/mar-2020/working-capital-checklist>

New ways of working for the Board

- Role of the Board remains crucial
- Get the technology right and ensure all Board members are familiar with ways of working
- Role of the chair is essential but will require new ways of working
- Succession planning essential at this time

Effective stakeholder engagement and conduct

- Importance of frequent, clear and concise engagement to key stakeholders
- Society wants and expects businesses to consider the well-being of their employees, suppliers and larger communities
- Such behaviours will have long-term impacts on company performance and reputation



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