



DCSL Corporate Services Limited

Front Burner Issues For Corporate Boards In 2021



About this Publication

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Vision

To be the preferred corporate services provider in Nigeria.



Mission

The pursuit of excellence in service delivery.



Values

- Integrity
- Professionalism
- Team Work
- Accountability
- Respect for Self and Others

What we do:

- ▶ Board Evaluation and Governance
- ▶ External Quality Assessment of the Internal Audit Function
- ▶ Setting up and Hosting Whistleblowing Infrastructure
- ▶ Codification of Charters, Policies and Terms of Reference
- ▶ Immigration Support
- ▶ Training
- ▶ Business Advisory & Regulatory Compliance
- ▶ Company Secretarial
- ▶ Executive Selection
- ▶ Business Recovery & Insolvency
- ▶ Company Set Up

Introduction

The role of Corporate Boards in managing risk and steering the organization through turbulent times is more critical today than ever before. A lot of the challenges that companies and their Boards encountered in 2020 as a result of the Covid 19 Pandemic continue to be the focal point in 2021. Hence, Boards must pay more attention to leadership role to navigate these challenges as well as manage the evolving expectations of stakeholders.

The 2020 edition of DCSL survey on front burner issues for Corporate Boards has identified Business Continuity; Cybersecurity, Data Protection; increased oversight of Corporate Strategy;

Compliance and Corporate Culture oversight of Internal and External Audit; Board Structure & Composition; Succession Planning; Measuring and Monitoring Performance; Managing Talent; Disruptive Technology and greater focus on ESG Reporting as the most significant issues that Corporate Boards should keep on the agenda.

Drawing on insights from our conversations with Directors and Business Leaders, we highlight the issues that Boards should keep top of mind in 2021 and beyond. This list is not exhaustive as there will be industry specific concerns as well as a wide range of emerging issues that will feature prominently on the Board's agenda.

Business Continuity Planning (BCP) and Crisis Management

The COVID-19 pandemic has exposed significant flaws in business continuity and crisis management plans across business sectors. The Board must assess the performance of business continuity and resilience programs and take steps to ensure that the structure and strategies are in place to anticipate and respond to "unexpected events" – whatever these may be. Boards should prioritize commissioning an evaluation of the third-party service providers that contribute to the execution of critical business services.

The Board also needs to reevaluate crisis management and business continuity planning to prepare for events that could potentially threaten business operations.

Talent Management and Organization Culture

Many changes occurred in the workplace in 2020 as many companies transitioned to remote work and hiring. It became apparent that for the most part, employees could work from anywhere, thus obviating commute cost and time savings. Organizational culture has however taken a knock as employees are no longer able to learn things through in-person interaction with colleagues, Social relationships are an essential part of productivity and mental wellbeing and Boards will need to pay attention to the consequences of this lack of in-person interaction. Critical aspects of training, mentoring, promotion, and succession are at risk in this remote working environment and will require deliberate and concerted effort to keep on track, Boards should discuss long-term policy changes that will enhance productivity as well as focus on the well-being of employees.

Cybersecurity and Data Privacy

Companies face greater cyber threats than ever before as the economic and operational disruption unbridled by the pandemic have increased the motivation and opportunity for cyber attackers, who have looked to exploit the large-scale shift to remote working and virtual meetings. Boards need to regularly evaluate and take appropriate action to mitigate cyber and data privacy breaches.

Oversight of Corporate Strategy

The uncertainties and disruption brought about by the pandemic has seen many companies reevaluate corporate strategy and take a shorter-term view. The changing business dynamics has seen more mergers and acquisitions, new entrants and disruptors using technology, or emerging technology adoption. Directors need to be more strategic in their thinking to enable them support Management to take advantage of opportunities as they emerge and be one step ahead of competition in an ever-changing world of disruption. The Board should constantly ascertain the appropriate governance structure that supports the periodic review and implementation of a robust strategy across short, mid, and long-term time horizons.

Board Composition

Board composition is a front burner issue for investors, regulators, and shareholders. It is an essential component of a company's governance and should be given priority on the board's agenda. Board composition encompasses an assessment of the skills, qualification, experience, independence, diversity, tenure, and refreshment of Directors on the Board. The Board is responsible for its own effectiveness and should ensure it has the right composition that will engender diversity of thought, varying perspectives, innovation, and ultimately robust decisions.

Risk Oversight

The board's processes and procedures for identifying and overseeing the company's key risks and related developments should be a top priority for boards. The board should work with management to monitor and address risks that are central to the company's business and ensure that risk management is integrated into every aspect of the company's operations.

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