

Governments, their regulators and key stakeholders are placing greater accountability on bank Board Members for the strategic and tactical decisions they make. As a result, and with the threat of disciplinary actions for mismanagement under their watch, Boards are becoming more concerned about ensuring they understand the businesses for which they have responsibility. An essential part of this process is more effective engagement and communication between executive directors and Non-executive Directors to ensure optimum understanding of the skills and knowledge of the wider board.

The questions and concerns raised by regulators and stakeholders include the following:

Does Board composition, mode of operation and formal process effectively support its role and responsibilities?

Does the Board represent a strong mechanism for oversight and challenge?

Is the Board sufficiently prepared to identify underlying deficiencies in Bank management capabilities and style?

Does the Board fully understand the risk information that it receives so it is able to challenge and question what is presented?

Can the Board recognize the adequacy of information it receives on risk issues and is it sufficiently rigorous to demand full explanations from management?

Does the Board comprehensively understand the Bank's risk appetite, and reflect the Bank's culture and attitude towards risk and opportunity? How does the risk appetite compare in a peer and competitor review?

What are the key major challenges and opportunities for the organization?

In recognition of the increasing demands placed on Boards, Consultancy Matters offers selective tutorials to Non-Executive Board Members on bank risk management. Our sessions are designed to ensure that Board members are informed and inspired to be independent and challenging on risk issues. Our offerings also include a suite of personal effectiveness and leadership skills to help support Boardroom and professional success.

We also provide one-on-one coaching to members (or potential NEDs) who prefer private learning sessions on bank risk and personal effectiveness.

Risk learning can be delivered in person, or on-line at a time that is suitable to the learner and for a duration that meets individual or group needs.

For more information about our NED development offering, please contact Keith Waitt in the USA or Maddy Robinshaw in the UK.

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