



# BOARD SUPPORT SURVEY

## Preliminary findings

Three-quarters of board support officers across Europe act as secretary to the board, although governance responsibilities are shared in about 60 per cent of cases.

The most important aspects of a board support officer's work are attending board and committee meetings, drafting meeting minutes, ensuring board committees are constituted in line with governance best practice and ensuring the necessary governance disclosures are made by directors.

Board support officers believe the key governance challenges over the next five years will be the fight to preserve principle-based systems and avoid over-prescriptive rules and legislation, encouraging high standards of boardroom conduct and growing a supply of good independent directors.

Board support officers anticipate that boards could be better supported by more formal support for the board, including promotion of a more formal role for board support officers, better induction and training at board level and stronger leadership from chairmen.

## Background

The ICSA/ecoDa Board Support Study is a project co-developed by the Institute of Chartered Secretaries and Administrators (ICSA) and the European Confederation of Directors' Associations (ecoDa) to review how boards are being supported and managed across the EU.

Both organisations share a fundamental belief that good corporate governance and high standards of boardroom practice are essential to the success of organisations. The study looked to identify:

- the types of board support roles currently in place;
- the scope and influence of these roles; and
- what professionals are doing on a day-to-day basis to promote good governance practice and influence board behaviour.

The study took the form of a questionnaire, which respondents were encouraged to complete online between June and September 2009. Responses were received from respondents in a number of jurisdictions, including the UK, Ireland, Malta, Finland, Slovenia, Austria, Belgium, Luxembourg, the Netherlands and Spain. However, it should be noted that 66 per cent of respondents were based in the UK. 55 per cent of respondents work for listed companies.

It should also be noted that the term 'board support officer' is used as a generic term, as not all jurisdictions recognise the title company secretary.



## Study results

### Types of board support roles

53 per cent of respondents revealed that their country requires companies to appoint a named board support officer, although in 70 per cent of those cases this role may be performed by third-party organisations.

26 per cent of respondents report to the chairman of the board of their company, a similar percentage to the chief executive and 14 per cent report to another director. 58 per cent of respondents are part of their companies' senior management group. Where a board support officer is required, the decision to appoint or remove them is made by the whole board in 66 per cent of cases.

Typically, around 74 per cent of board support officers act as secretary to the board, with 68 per cent also acting as secretary to board committees. The most common committee of which respondents were secretary was the audit committee (72 per cent), followed by the remuneration committee (63 per cent), then the nomination committee (52 per cent).

Governance responsibilities are shared with the finance director in 64 per cent of cases, and in 57 per cent of cases with the general counsel. As regards staff management, roughly two-thirds of respondents managed between one and three members of staff directly. Indirectly, numbers were much higher, with around a third of respondents indirectly managing between one and five members of staff, and a slightly lower percentage managing between five and ten.

### Tasks performed

The most important aspect of the role would seem to be attending board and committee meetings, and this took up the greatest proportion of respondents' time. Drafting minutes of meetings was seen as the next most important action and, as would be expected, is the second most time-consuming element of the role. 76 per cent of respondents said that it was an important part of their role to ensure board committees are constituted in line with governance best practice, and 72 per cent of respondents believe that ensuring that the board makes necessary governance disclosures is a matter of high importance.

Other areas of high importance include ensuring that the board operates appropriate processes, analysing and setting the parameters of risk and the oversight of internal control, briefing the board on governance issues and establishing a schedule of matters which may only be considered by the board.

Matters which seemed to be of less importance to board support officers across Europe included ensuring the board is aware of its responsibilities around risk and stakeholder relations. It is, perhaps, disappointing that these more proactive governance elements of the role do not rate higher.

### Promoting good governance

Respondents were asked which elements of governance were performed well and which were performed poorly. The elements that are performed well include:

- regular board meetings;
- the regular re-election of directors;
- financial reporting; and
- the distinction between matters on which shareholders must vote and those which the company can manage internally.



The elements that respondents considered to be poorly performed include:

- board performance evaluation;
- the recruitment, training and support of independent directors;
- the promotion of a healthy atmosphere of openness and debate in the boardroom;
- risk management; and
- many aspects of remuneration.

Respondents argued, therefore, that the key governance challenges over the next five years will be:

- influencing and dealing with the impacts of regulatory change, both at national and international levels – particularly in terms of preserving principles-based systems and avoiding over-prescriptive rules and legislation;
- encouraging high standards of boardroom conduct, getting buy-in from directors and a real will to embrace corporate governance and execute it fully;
- growing a supply of good independent directors with the right balance of sector and general experience; and
- dealing with issues surrounding the remuneration of senior executives

They suggested that boards could be better supported by:

- better induction and training at board level, including further clarification of expected boardroom behaviour and of the responsibilities of the different roles within the board;
- more formal support for the board, including promoting a more formal role for the board support officer, and reinforcing the benefits of having a board support officer with appropriate qualifications and status – although respondents were aware there could be barriers to this in some European countries;
- greater access to information and sharing of best practice; and
- strong leadership from chairmen.

## Further information

A full report interrogating the results of the survey in full will be available shortly. To register your interest in receiving a copy, contact [pressoffice@icsa.co.uk](mailto:pressoffice@icsa.co.uk).

## About ICSA

The Institute of Chartered Secretaries and Administrators is the leading professional body for company secretaries and a leading authority on corporate governance in all sectors. Working alongside governments, it represents the interest of organisations where legislation is concerned and promotes best practice in business management. For more information, visit [www.icsa.org.uk](http://www.icsa.org.uk).

## About ecoDa

The European Confederation of Directors' Associations (ecoDa) is a not-for-profit association that represents ten directors' associations throughout Europe. Through its members, ecoDa spans the whole spectrum of business leadership, from the largest public companies to the smallest private firms – both listed and unlisted. ecoDa's objective is to promote directors' skills, professionalism and impact on society. For more information, visit [www.ecoda.org](http://www.ecoda.org).