

Recovery & the Role of the Director



Following a period of prolonged economic difficulty, Maura Quinn, Chief Executive of the Institute of Directors in Ireland, highlights how Directors can play their part in leading Ireland out of this difficulty and drive recovery.



Over the last year we have seen too many examples of poor corporate governance and oversight which has brought the role of the director and that of the board under unprecedented scrutiny. It is vital that we all work to improve corporate governance standards in Ireland and highlight the need for all executive and non executive directors to understand best practice and how it should be applied within their own organisation.

It is crucial for companies throughout Ireland to comprehensively examine and assess their corporate governance structures and to ensure that they possess and implement solid and robust risk and governance frameworks.

The recent introduction by the Financial Regulator of CP41 – consultation paper on corporate governance requirements for credit institutions and insurance undertakings, proposes a range of regulations for banks and insurance companies in Ireland, with the aim of addressing perceived deficits.


Although enduring a prolonged period of economic difficulty and decline, it is important not only to acknowledge and reflect on how deeply Ireland has been impacted by the recession, but to equally recognise the need for a combined effort to work towards our recovery.

Business leaders throughout all industries in Ireland must play a key leadership role in that recovery. Irish business has been sorely impacted by the recession, and while we have seen many forced to shut their doors, those that remain open and in survival mode, can utilise their management skills and knowledge to help lead us out of economic difficulty, whilst supporting the restoration of our reputation and helping to rebuild the image of corporate Ireland.

Through continuous professional development, even in the current climate, business leaders can strengthen and improve management and governance frameworks within their own companies, whilst making a meaningful contribution to putting Ireland on the road to recovery.

Addressing Corporate Governance Shortcomings

It is paramount to this country's recovery that we address our corporate governance shortcomings and improve standards throughout the private and public sector. All directors, regardless of the company size or sector they are involved in, can play their part.



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In addition, the new NSAI code, SWIFT 3000, code of practice for corporate governance assessment, will encourage and enable companies throughout Ireland to undertake independent evaluation and assessment of their corporate governance. The Institute of Directors in Ireland is delighted to have played a leading role in initiating and developing the standard.

Good corporate governance allows an organisation to bring together all of its powers and resources, nurturing better business and ultimately supporting recovery. By developing their knowledge of corporate governance and understanding the intricate role which it plays within business, directors across all sectors will be better able to lead their business towards success.

Developing for the Future

Ireland is and continues to be highly dependent on its business talent as a means of supporting our economy and creating the potential for business growth. The more developed and well rounded our directors are, the more significant and positive a role our businesses will play in the country's economic recovery.

By ensuring they are fully equipped for their role, directors can enhance the chances of their business succeeding. The better equipped directors are; the better businesses thrive.

Sean Flanagan, CPA, Managing Director of BPI Business Analysis and IoD Ireland member agrees: "Directors need to recognise that the skills acquired through their profession will not necessarily be adequate for their role as a company director which needs to be seen as separate and distinct from the job they perform within their companies.

"Those who sit on company boards need to ensure that they undergo a certain level of training specific to their position as a company director and, in this way, help to ensure the implementation and maintenance of good practice processes and to contribute to the combined knowledge of the board. This in turn will support the structured and effective management of the company."

Running successful businesses results in greater profitability, creates new opportunities, enhances shareholder value and in turn, better positions our companies to represent Ireland on an international scale.

The development of effective leaders who can devise and advise on an organisations' strategy is now of increased importance. Many business leaders have already recognised the importance of director development and have undertaken training specific to their role and the responsibilities that come with it. Courses such as the Institute of Directors' (IoD) Chartered Director programme, among others, offer directors the opportunity to build and expand their knowledge of company direction and corporate governance, thereby developing their skills and expertise as business leaders.

By achieving a formal qualification, directors can not only improve their own performance, but can become better business people and fitter for their role, thus becoming more valuable to Ireland Inc.

Be Ready for Opportunities

It is widely acknowledged that with every recession comes opportunity. However, more often than not, it takes those leaders with the right skills and business acumen, to recognise and be ready for opportunities when they come along.

Andy Kelly, CPA, Chief Executive of the Irish Blood Transfusion Service and IoD Ireland member, commented that: "The director, through appropriate questioning encouraging the Executive to create value added products and services and challenging performance, can play a significant role in turning around the fortunes of an organisation."

It is these high quality management and leadership skills that will not only enable companies to navigate the current economic climate, but will also prepare businesses to take advantage of new opportunities when they emerge. It is those business leaders and directors who are both capable and qualified for their role that will ultimately see their business succeed and flourish.

The old adage "knowledge is power" has never been more applicable than in the current environment and by continually building their knowledge base, company directors can place themselves and their business on the road to success, thereby supporting the economic recovery and revival of corporate Ireland.

Maura Quinn, Chief Executive, Institute of Directors in Ireland.

Maura Quinn has held the position of Chief Executive of the Institute of Directors in Ireland (IoD) since April 2008. The IoD is the representative body for senior business professionals in Ireland. Members include chief executives, chairpersons, board members, senior executives and partners of national and international entities. Affiliated to the Institute of Directors worldwide, the Institute offers a range of training and services for its members to increase their effectiveness as directors.