



NAVIGATING RISK IN THE BOARDROOM

In our latest View from the Boardroom series, **Shatish Dasani**, Chair of UNICEF UK and Audit Committee Chair at Genuit Group, SIG and Renew Holdings speaks to Senior Editor **Emily Jones** about the most prevalent risks Boards face in 2024



A successful Audit Committee (AC) Chair will always ensure real diligence on the collecting of financial information and reporting annual accounts, but there's increasing pressure on the role at present given the multitude of risks businesses are facing.

Shatish Dasani, Chair of UNICEF UK and Non-executive Director and AC Chair at Genuit Group, SIG, Renew Holdings and Speedy Hire, says: "The demands on Audit Committee Chairs have generally increased over the last few years, especially because of some well-publicised issues, such as we've seen with Carillion. I think the challenge continues to be around making sure there's clarity and accuracy of financial reporting."

In the UK, there has been backtracking and mixed messages around legislative reform, but changes to Corporate Governance are coming through. "Internal controls and fraud continue to be ongoing issues for Audit Committees clearly because these are well publicised and could then risk the whole business. The Audit Committee scored a really important role in terms of making sure we have got the right frameworks in place for managing controls," he says.

The breadth of Boards he sits on means that **Shatish** is well equipped to succeed in the role of AC Chair: "I Chair all four Audit Committees, so I find it's actually quite a full-time job in terms of being involved. But it does mean that I can get synergy from one to the other, in terms of commonality of issues."

Risk Register

In an era of rapid technological advancement, **Shatish** underscores the need for businesses to prioritise cybersecurity and establish robust defences against cyber threats. "Fraud is an ongoing risk – there's always elements of fraud going on within companies in a small way but what businesses should really be turning their attention to is cyber, especially now with what we've got going on between the Ukraine and Russia.

"Cyber security is a hot topic. Businesses need to just make sure they've got adequate defences in place as best they can and to make a plan in case there's an attack, so you know what you can do about it and even things like whether or not you're prepared to pay a ransom demand."

Technology is also a major concern for Chairs and non-executive directors as they seek to understand how it can drive productivity and accelerate performance. He explains: "For 2024 and beyond, technology will continue to be a driving force in terms of making it easier for organisations to work with different stakeholders, whether that's customers, employees or suppliers. In a couple of my companies, we started using AI in terms of getting better data analytics ... With UNICEF, we started talking about AI and how we can use it in terms of better targeting of fundraising.

"Nowadays things are just so much faster moving that as a Board you have to really adapt and be agile. You have to also encourage management to be that way as well."

There is a lot of conversation at present about the political and regulatory landscape in Boardrooms at present. **Shatish** says, "geopolitically, I think there's a lot of difficulty going on out there. Economically, I think recession is here to stay with higher interest rates and the impact that will have in terms of living standards. So, the flexibility of an organisation is going to continue to be important." >



Building Trust

In his opinion, **Shatish's** journey from chief financial officer to non-executive life has shaped his approach to how an AC Chair should effectively converse with executives and other stakeholders.

"I think the experience I've accumulated over the years on managing transformations, risk, acquisitions, developing strategy and so on, has given me a good understanding of how you need to think about communicating with the market and managing the expectations of stakeholders."

If Chairs and NEDs are to be effective, he cautions against blurring the lines between professional relationships and personal friendships: "You can see when a non-executive wants to be too friendly with the existing CEO and how it can get to a point where it's a little bit too close. It stands in their way of being independent."

There is a balancing act to be maintained so the relationships and dynamics are in the right place. "In all the Boards that I sit on, there isn't a feeling of 'us' and 'them' with the executives – though clearly we each have different roles to play. At the end of the day, we're all part of the same team on the Board as a collective," he explains.

In order to be high performing, there needs to be openness and alignment. "It's very important to make sure that you're focussed on what the strategy is and having that very clear direction of where the business needs to go," he says. "As a Board, it's making sure that management is supported and challenged, and then it's more about

“Internal controls and fraud continue to be ongoing issues for Audit Committees clearly because these are well publicised and could then risk the whole business”

execution. So, I think the Board needs to continue asking quite difficult questions of management – you want them to anticipate what's going to be coming around the corner.

"With the number of different Boards my colleagues and I sit on, we come in with what's going on elsewhere in the industry and I think that's quite useful for management in terms of providing external perspective of what's happening."

Shift in Perspective

Shatish's role with UNICEF provides a real contrast as a not-for-profit enterprise. "Really soon after I joined the Board at UNICEF, there was a crisis in the organisation: the Chair and CEO both resigned, so we were left with a lack of leadership and I was asked to step in and stabilise the organisation.

It was very much trying to make sure that we were focusing on our core purpose and ensuring that the issues raised were being dealt with.

"I was stabilising the leadership, recruiting new trustees and members of the executive team over a period of time, which was made worse as we were also going through Covid."

It is, he says, a completely different environment, but one that he finds deeply rewarding. "I have very much been in the corporate world and then to have the charity, I had to adapt that skillset. But meeting people from different walks of life, who have that same passion in wanting to make a difference, is something that I've really enjoyed."

In today's dynamic landscape, the role of Audit Committee Chair extends far beyond financial diligence to encompass an ever-growing set of risks. It's imperative for Chairs to show real adaptability amid technological and legislative shifts for consistent, organisational resilience that lasts. ■



Contact Shatish through:
www.criticleye.com