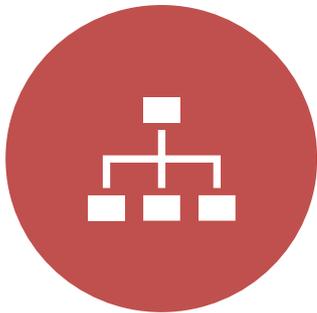


A Partnership Between the Board, Management and Auditors: A Catalyst for Improved Corporate Governance

- Prepared by: **Prof Saint Kuttu**
(Board Chairman, BOSTenergies Limited Company)
- Date: 3rd November 2025



Outline



THE GOVERNANCE TRIANGLE:
UNDERSTANDING THE INTERDEPENDENT
ROLES OF THE BOARD, MANAGEMENT,
AND AUDITORS.



**SYNERGY AND ACCOUNTABILITY: HOW
COLLABORATION AMONG THE THREE
DRIVES ETHICAL LEADERSHIP,
TRANSPARENCY, AND PERFORMANCE.**



CATALYST FOR STRONG GOVERNANCE:
PRACTICAL STRATEGIES FOR SUSTAINING
THIS PARTNERSHIP TO ENHANCE
CORPORATE INTEGRITY AND TRUST.

Introduction

Effective corporate governance does not rest on isolated efforts. It is the product of a strong partnership between the Board, Management, and Auditors with each of these playing a unique but complementary role in ensuring accountability, transparency, and ethical leadership.

When these three forces align, organizations move beyond compliance to create lasting value, strengthen stakeholder confidence, and build institutional resilience.



Corporate Governance Defined

Corporate governance is the framework of rules, relationships, systems, and processes through which authority within organizations is exercised and controlled.

Core Objectives:

Accountability: Ensuring responsibility for decisions and performance.

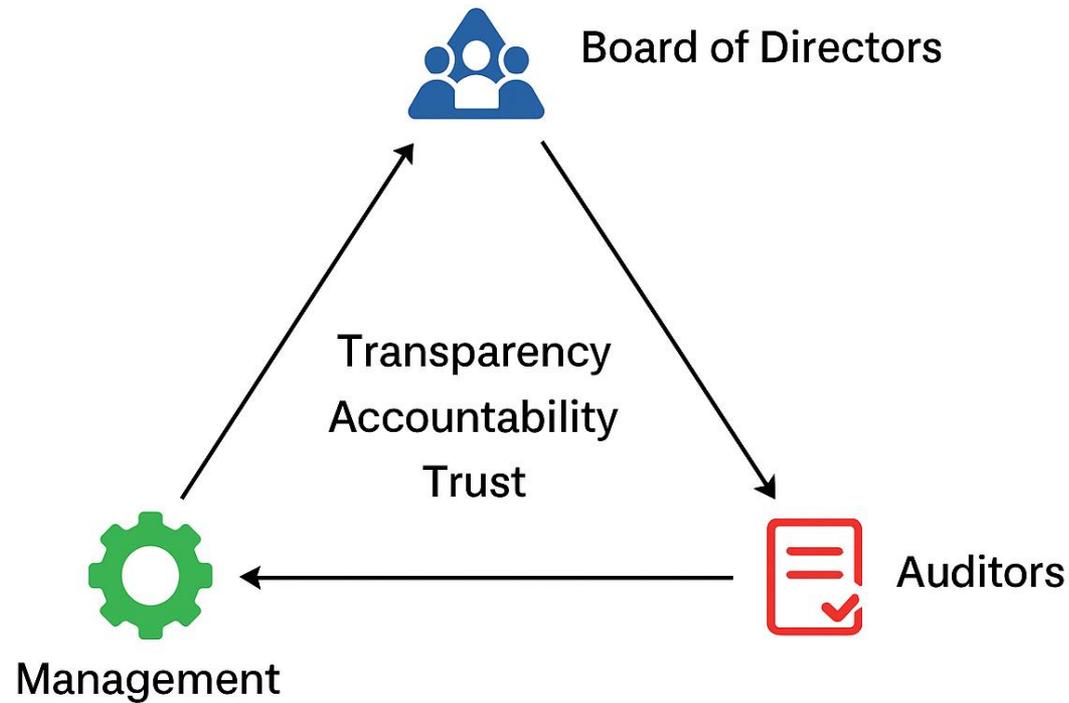
Transparency: Promoting openness in reporting and disclosure.

Integrity: Upholding ethical conduct and sound judgement.

Fairness: Protecting the rights and interests of all stakeholders.

The Governance Triangle

The Corporate Governance Triangle



The Governance Triangle

- Companies ACT 2019 (ACT 992) clearly defines the role of the Board and, to a lesser extent, the role of the others in the triangle

Role of the Board





Function of the Board

- The Board of Directors has centre stage in a company's governing structure. The generic function of the Board is to safeguard the interests of the company shareholders.
- Typical Board duties fall into three fiduciary obligations:
 - loyalty,
 - due care, and
 - disclosure.

Directors must demonstrate unyielding loyalty to company shareholders and resign from those posts where there is a conflict of interest.



Function of the Board

- The Board is obliged to exercise due diligence on all issues brought to its attention
- Further, the Board is also committed to disclosing reasonable information about the company to shareholders.

Role of Management

Execute strategy and maintain controls.

Promote ethical culture and compliance.

Provide transparent and timely information.

Governance Value:
Operationalizes governance; bridges policy and performance.

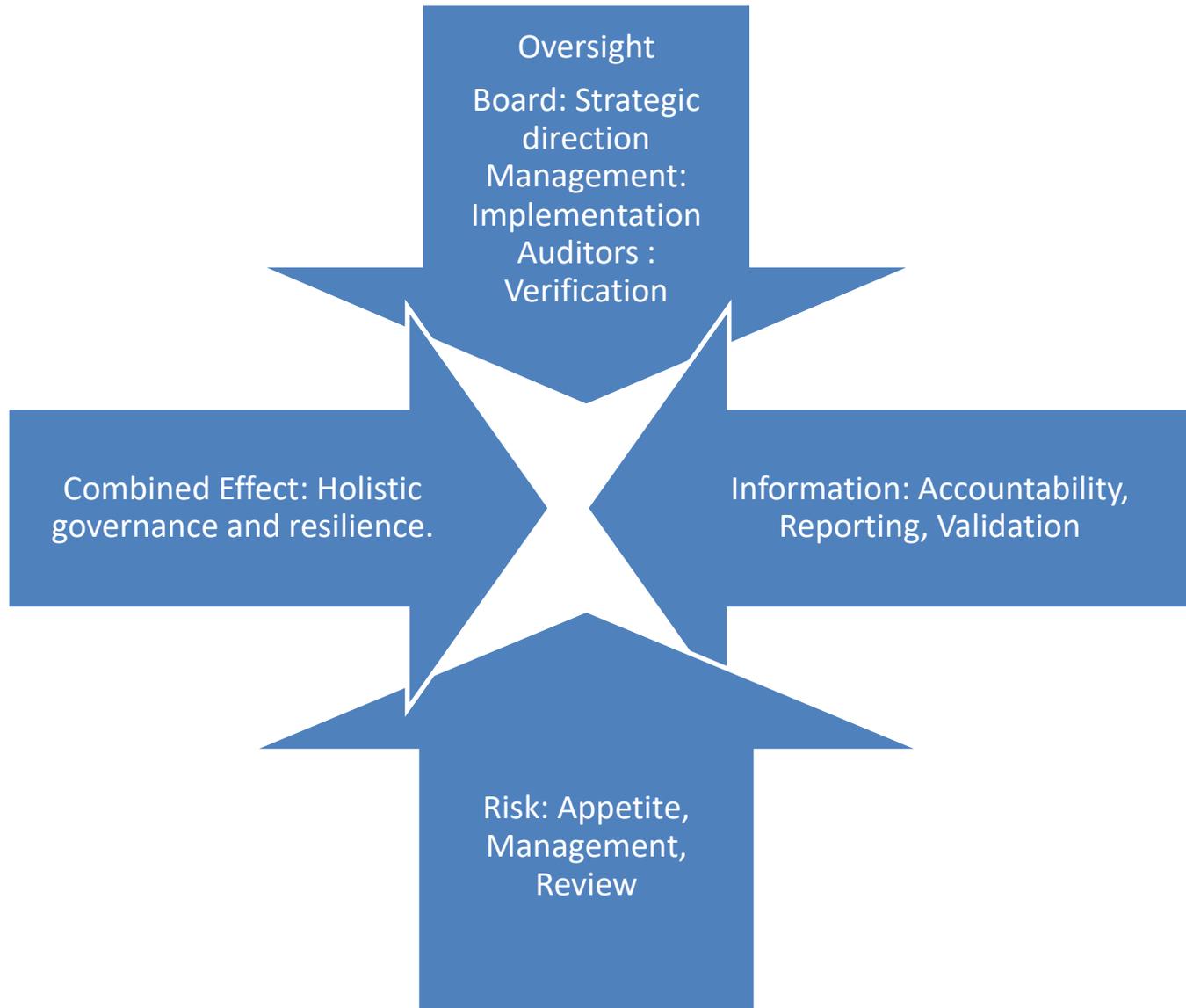
Role of Auditors

Internal Auditors: Evaluate controls, governance, and risk management.

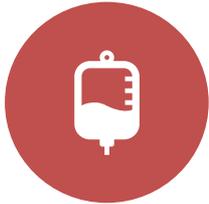
External Auditors: Provide independent opinion on financial statements.

Governance Value: Strengthens assurance, transparency, and stakeholder trust.

The Power of Partnership



Why Partnership Matters



REDUCES
INFORMATION
ASYMMETRY.



PREVENTS
GOVERNANCE
FAILURES.



BUILDS RISK AND
CONTROL CULTURE.



ENHANCES
TRANSPARENCY
AND CONFIDENCE.



PROMOTES
SUSTAINABLE
GROWTH.

Case Study: Governance Failures

Enron (2001): Weak oversight and auditor independence.

Wirecard (2020): Poor collaboration between board and auditors.

Lesson: When the triangle breaks, governance collapses.

Framework for Effective Collaboration

1. Communication:
Regular structured
engagement.

2. Role Clarity:
Avoid overlaps and
independence
breaches.

3. Transparency:
Timely, accurate
reporting.

4. Accountability:
Clear ownership.

5. Ethics and
Integrity: Zero
tolerance for
conflicts.

Role of the Audit Committee

Acts as bridge between Board,
Management, and Auditors.



Oversees financial reporting,
risk, and compliance.



Strengthens coherence and
assurance across all parties.

Benefits of the Partnership

Improved decision-making.

Strengthened internal controls.

Enhanced stakeholder confidence.

Timely risk identification.

Sustainable performance and reputation.

Challenges and Mitigation

Poor communication → Misalignment
→ Regular joint reviews.



Role conflict → Overlaps → Defined
charters.



Weak ethics → Governance erosion
→ Leadership tone.



Inadequate capacity → Poor oversight
→ Continuous training.

Conclusion

Strong governance is a team effort.

Board sets tone; Management drives execution; Auditors assure integrity.

Partnership ensures resilience and sustainability.

'Governance works best when oversight, management, and assurance operate in harmony.'

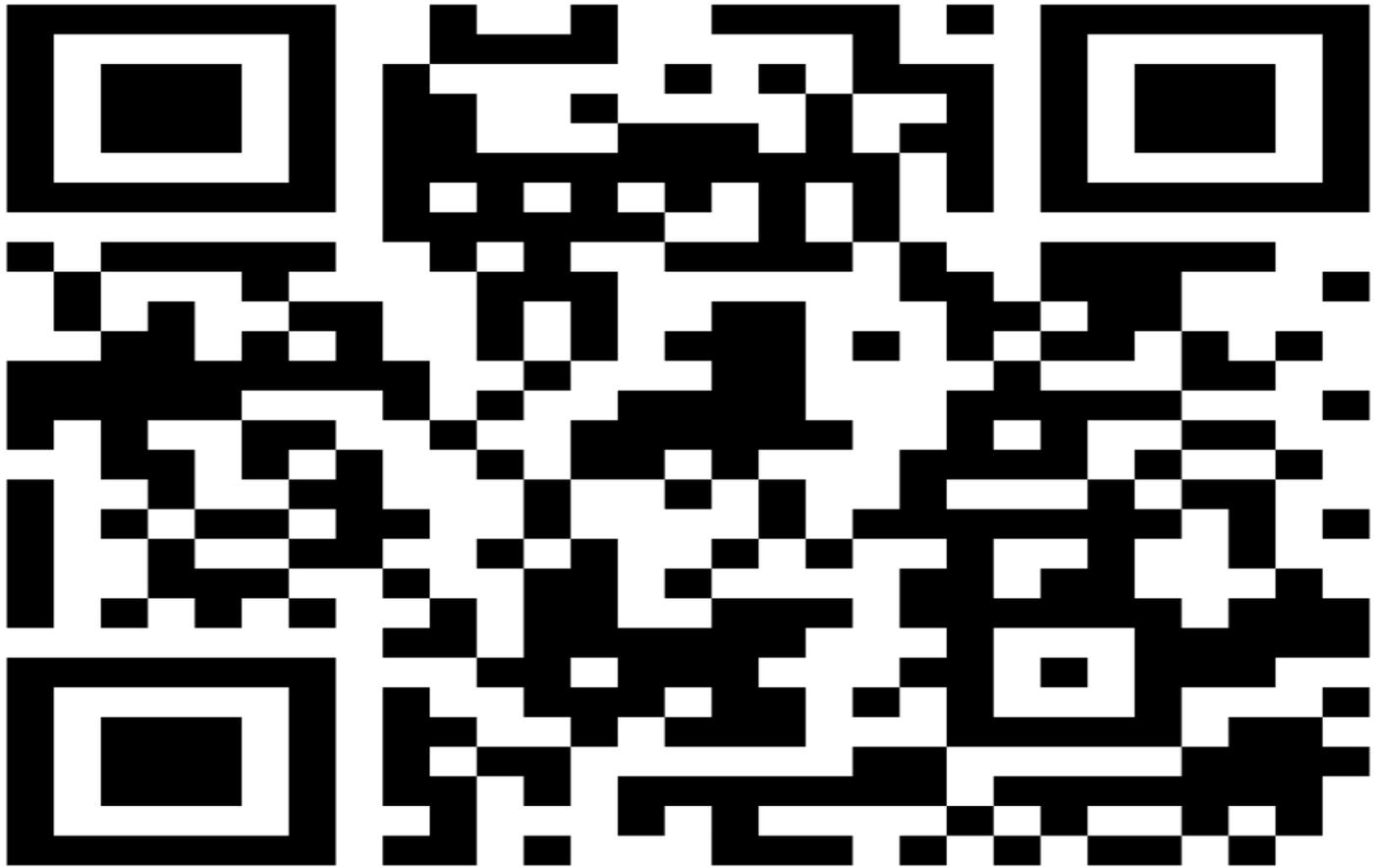
Discussion

Board and executive compensation, and incentive scheme

Auditor's **apparent conflict**. The moral and the ethical dilemma

Management's influence on the Board

EVALUATION





Contributions/Clarifications/Comments