

## What red flags should non-executive directors always be alert to?

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Poor boards have patterns. A Chair who will not name them is decoration.

### Briefing

Demand for NEDs rose with the UK Corporate Governance Code and with public failures on safeguarding, whistleblowing and transparency. The useful question is what should make an independent director use the right to challenge.

### The flags, kept and sharpened

1. A dominant CEO who will not take advice. 2. Poor agendas and minutes. 3. Meetings that nobody controls, and NEDs who never speak. 4. The CEO and the Chair are the same person. 5. Long-serving NEDs who do not understand the business, are not diverse, or only tick boxes. 6. No ability to benchmark the organisation. 7. No diversity of thought — even where the room looks mixed. 8. The impact of the board is not measured. 9. An audit committee that will not challenge management or support the auditors. 10. Reporting that is unclear or unrealistic.

At R W Progressive those flags are the job in the first 90 days. Late packs, a weak FD and a board that only hears good news are why accountants are right to care who they introduce.