

# Trustee Director Course

## – Enhance your excellence

Enhance your excellence, the second level of AIST’s Trustee Director Course, offers a challenging learning opportunity for experienced trustee directors and fund executives, and board Chairs. Enables enhanced effectiveness in the board room, with a focus on developing the competencies of the board as a collegiate body.

Key outcomes include strategic decision making, contributing to the board’s strategic outcomes, board culture and governance, managing risk, leading board discussions in the context of changes to the economic and investment environment.

Facilitated by AIST and industry experts, this program will be delivered using a combination of interactive case studies and practical, real life learning experiences.

The course is facilitated as a public program, three days a week over two weeks. In-house options are also available to suit the needs of individual organisations and smaller groups.

### Module 1: The board’s role in strategic oversight

Outlines the roles and responsibilities of the trustee board in overseeing the strategic thinking, development and planning processes to establish and monitor the future direction of the fund.

Analyses the three phases of strategic oversight and the role of the board and trustee directors throughout each phase.

Key topics include:

- ~ strategic thinking – environmental scans, formulating ideas, developing options
- ~ strategy development – defining critical success, testing options, making decisions
- ~ strategic planning – planning initiatives, identifying risks, setting actions and accountabilities.

### Module 2: Guide the strategic direction of the fund

Discusses the board’s role in guiding the strategic direction through analysis of fund demographics, product design strategies, fund viability and strategic implementation. Key topics include:

- ~ fund demographics
- ~ member life stages
- ~ products and services
- ~ assessing fund viability
- ~ strategy implementation.

### Module 3: The economic and investment environment

An interactive exploration of the economic concepts that influence investment outcomes. Has a particular focus on global themes that will drive investment returns and impact on future decision making for superannuation boards. Key topics include:

- ~ economic concepts
- ~ economic indicators
- ~ economic cycle
- ~ regulation of financial markets
- ~ impact of government policy
- ~ global economic themes.

### Module 4: Investment governance

Provides an overview of the investment governance process from formulating investment beliefs through to review of the investment strategy. Uses a range of activities to build up a spectrum of potential issues to highlight that investment governance is an evolving process, unique to each board. Key topics include:

- ~ investment philosophy and beliefs
- ~ investment governance
- ~ investment strategy and objectives
- ~ portfolio implementation
- ~ asset management
- ~ monitoring investment performance and exposures.

## Module 5: Managing and monitoring risk

Provides an overview of the risk management framework, including APRA's Prudential Standard SPS 220, the risk management declaration and types of documentation required. Outlines a module that funds can use to holistically mitigate risk.

Key topics include:

- ~ risk management framework
- ~ three lines of defence for mitigating risk
- ~ APRA's requirements for risk reviews, including APRA prudential reviews and consultations.

## Module 6: Board culture and governance

Discusses the importance of creating a positive and engaged board culture in order for the board to achieve its business objectives that are aligned with the strategic plan. Looks at the ways in which the board can clarify expectations, establish a common view on how to operate and how to reflect on and improve its effectiveness.

Key topics include:

- ~ board culture and behavior
- ~ assessment of board effectiveness
- ~ decision making pitfalls and framework
- ~ the importance of the board keeping up to date with the latest tools and techniques.

## Module 7: Monitoring management

Outlines the way in which the board works with the CEO and management to carry through the fund's strategic plan into business plans and objectives. Key topics include:

- ~ monitoring the business plan
- ~ managing and monitoring relationships between the Chair and the board, and the CEO and management
- ~ CEO life cycle and evaluation
- ~ remuneration policy and reward strategy
- ~ monitoring business continuity.

## Module 8: Knowledge in action

Provides participants with the opportunity to practice the skills and knowledge learned during all modules of the program. Based on a fictional strategic scenario, participants' discussions will:

- ~ demonstrate critical strategic thinking
- ~ identify issues in an environmental scan
- ~ formulate a strategic vision and direction.

Participants will be expected to prepare and contribute to the discussion on the above components during each week of the program.

## Assessment

Participants who have completed all modules will be required to submit an assignment within six weeks of completing the program.

The assessment comprises two parts designed to provide the opportunity for participants to transfer insights from the course to practical situations.

The first part is based upon a fictional superannuation case study, which may be discussed with the other participants, however the written submission is to be completed and submitted individually. The second part is a journal to be completed individually and reviewed with their Chair.

Individual assignment:

- develop a written submission setting out the strategic direction for the Widget Employees Superannuation (WES) fund (20-25 pages).

Individual journal:

- reflect on your learning from the program in a journal and evaluate how you will apply the learning in the context of your board. This journal will form a platform for an in-depth discussion with your Chair after the program.

As a guide, we recommend that you allow at least 30 hours post-course to complete the requirements of the assessment.