



# The 7 deadly sins post the Hayne Royal Commission

# The Banking Royal Commission



*'Commissioner Hayne turns Treasurer's moment in the spotlight ice-cold'*  
The Sydney Morning Herald, 1 February 2019

# 1 - Failings in culture



*'Seven reasons Volkswagen is worse than Enron'*  
Financial Times, 27 September 2015

## 2 – Lack of clarity in roles, accountability

*The task of the board is **overall superintendence** of the company, not its day-to-day **management**. But an integral part of that task is being able and willing to **challenge management** on key issues, and doing that whenever necessary...*

*Proper governance requires **setting priorities**.  
Setting priorities requires **choices**.*

**The Royal Commission into Misconduct in the Banking,  
Superannuation and Financial Services Industry**

# 3 - Losing sight of your purpose

*Without a sense of purpose, no company,  
either public or private,  
can achieve its full potential...*

*It will succumb to short-term pressures ...  
It will remain exposed to activist campaigns that  
articulate  
a clearer goal...*

**Larry Fink's annual letter to CEOs, BlackRock CEO, January 2018, 'A Sense of Purpose'**

# 4 – Failure to challenge



Photo by Glenn Carstens-Peters on Unsplash

# 5 - Risking reputation and relationships

*The  
‘can we?’  
question won out  
over the  
‘should we?’  
question... [leading to]  
reputational damage.*

**Australian Prudential Regulation Authority - Prudential Inquiry into the  
Commonwealth Bank of Australia Final Report**

# 6 – Missing the gaps



Photo by Artur Tumasjan on Unsplash



# 7 – Failure to connect

*We can't solve problems by using the  
same kind of thinking  
we used when we created them.*

**Albert Einstein**

# Seven practical tips post Hayne

1. Focus on your culture
2. Clarify your roles, embrace accountability
3. Govern with purpose
4. Consider and challenge, effectively
5. Protect your reputation, engage with stakeholders
6. Don't fear failure, manage risks/issues effectively
7. Connect, communicate, collaborate

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