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# Modern Governance Checklist

Does your organisation have the tools to succeed?



# Modern Governance Checklist

In a constantly changing environment, it's no longer enough for organisations to simply get the basics right when it comes to governance. The ability to make wise decisions amid uncertainty is crucial to rapidly adapt and thrive.

Leaders need to be collaborative, informed and nimble, uniting organisations around a common sense of purpose. Modern governance underpins the insights and processes that help them manage risk, pursue opportunities, and achieve strategic goals.

This checklist helps organisations evaluate their progress on the journey to modern governance and identify opportunities for improvement. It looks at the following three core areas:



## Board effectiveness and collaboration



## Risk and compliance



## Data and intelligence



## Board effectiveness and collaboration

Even the most capable boards will struggle without a clear framework in place. It provides a reliable foundation to help them address the organisation's current priorities, navigate change, and prepare for the future.

Digital solutions enable company secretaries to enhance board collaboration by directors and streamline governance processes, giving them more time to focus on advice and strategy.

### Responsibilities

- We monitor how the board meets its responsibilities throughout the year.
- We have a written board charter which we review and update at least every three years.
- We produce minutes of each meeting promptly (at least within one month), review them with the chair and seek board approval at the next meeting.
- We maintain an up-to-date register of directors' interests and actively manage any potential conflicts.
- We have protocols in place for directors' conduct, including engagement with staff, media, regulators and government.

### Composition

- We have a board skills matrix and review it at least once a year to identify the capabilities, experience and diversity the board needs.
- We have a board succession plan in place to tackle retirements, departures, and strengthen capabilities.
- We seek new candidates for the board from beyond our current networks.

- We recruit directors with a diverse range of genders, ages, ethnicities, abilities, skills, experience and perspectives.
- We have an induction process for new directors that includes meetings, briefing sessions and information to familiarise them with our organisation and its operations, strategy, risks, culture and people.

### Performance

- We review board performance regularly, including seeking feedback from directors and executives.
- We engage an independent expert to facilitate the board review process at least once every three years.
- We develop an action plan to implement recommendations from board performance reviews and track progress.
- We regularly benchmark director remuneration against comparable organisations.
- We seek external advice on the level of remuneration our board receives before recommending changes to shareholders.

## Meetings

- We prepare agendas well before the meeting and discuss them with the chair.
- We structure the agenda to prioritise the most important items.
- We allow enough time for the board to address each agenda item and for each director to contribute.
- We strike an appropriate balance of detail which reflects the different roles of the board and management.
- We include strategy at every board meeting, not only at separate planning or offsite sessions.
- We have a forward agenda which sets out the planned items for each meeting over the next 12 months and update it regularly.

## Collaboration

- We produce clear, concise board reports which support effective discussion and decision-making.
- We distribute reporting at least five days before each scheduled board meeting.
- We have a process to prepare, review, collate and distribute board reports using a secure digital platform.
- We include detailed briefings on key aspects of our business and significant issues as part of the board program.
- We encourage directors to share feedback on meetings and reporting.
- We engage with directors outside the board meeting cycle through regular discussions and updates.
- We provide opportunities for our directors to meet separately from management, such as private sessions or board dinners.
- We have a central repository to provide directors with access to information they may need regularly, such as strategic plans, budgets and key policies.
- We give directors access to a secure, encrypted system to communicate confidentially without using email.
- We apply a consistent approach to archiving board reports and purging personal notes of board meetings.



## Risk and compliance

Managing risk and meeting compliance obligations is a central responsibility of governance roles everywhere. Organisations face an expanding array of risks combined with economic challenges, cultural reckonings, and technological change.

Boards, shareholders and regulators have minimal appetite for mistakes when it comes to the fundamentals. Company secretaries need the processes in place to ensure they get it right.

### Risk Management

- We have an organisation-wide approach to governance, risk and compliance.
- We have a documented risk appetite statement and review it periodically.
- We have identified the key risks to our organisation, their significance and probability, and have a process in place to identify new risks and changes.
- We have clear accountability for risks and control measures.
- We have a business continuity and recovery plan and test it at least once a year.
- We use relevant external frameworks, models and standards to guide our approach to risk management.

### Compliance

- We have identified all legislation and regulations that apply to our organisation.
- We have processes in place to monitor compliance and identify any breaches.
- We provide regular training to help our people understand and meet their compliance responsibilities.
- We have a process to escalate important information quickly to senior leaders.
- We have an internal audit program which addresses our key risks and processes.
- We review the progress of actions to strengthen our compliance, address control weaknesses, and investigate if delays occur.
- We have an up-to-date group structure and can easily access current details of our subsidiaries, joint ventures, class order groups and deeds of cross guarantee.

## Policies

- We have clear delegations of authority which specify the maximum thresholds for financial and business decisions.
- We have defined, documented and implemented the range of policies our organisation requires.
- We have a process to periodically review and update our policies.
- We have clear ownership and accountability for each policy.
- We provide our people with access to our policies wherever they are located and give updates when changes occur.
- We monitor ongoing compliance with policies and take prompt action to address any breaches.

## Security

- We can remotely wipe computers and mobile devices that are lost or stolen.
- We have a process to identify and apply redactions to sensitive board information and control user permissions.
- We use a secure system to share sensitive information with external parties such as lawyers, auditors and consultants.
- We know where our organisation's data is held, how it is protected, and who has access to it, including when data is shared with third party service providers.
- We install IT updates and patches regularly to ensure security measures are up to date.
- We conduct regular IT security testing, including assessing our cybersecurity.
- We take daily backups of our data, systems and settings and test restoration capability at least once a year.



## Data and intelligence

Boards and executives need to look outside the organisation to help them measure what's happening inside it. Effective governance synthesises information from a diverse range of sources to provide a cohesive picture of an organisation and its environment.

Using technology and digital solutions to extract insights from a sea of data helps organisations stay afloat. It adds value and supports better decision-making during uncertainty.

### Stakeholder voices

- We include external speakers in our board program to provide specialist insights from a range of perspectives.
- We connect our directors with people across and beyond the organisation, through presentations, site visits, customer meetings and community engagement.
- We conduct regular staff surveys or pulse checks and review the results to identify how we can improve.
- We measure and monitor customer satisfaction and use this information to help us get better.
- We monitor customer complaints, including how long they take to resolve.
- We engage periodically with significant investors, investor representatives and proxy advisers.
- We maintain ongoing relationships with key regulators, industry bodies and government agencies to stay up-to-date and contribute to new developments.
- We contribute to our local community and environment through volunteering, workplace giving and partnerships.

### Benchmarking

- We have identified the most relevant organisations for benchmarking our performance.
- We benchmark ourselves against industry peers, competitors, and best practice.
- We participate in external surveys and reporting that helps monitor and improve corporate performance, e.g. gender equality data, ESG performance.

### Insights

- We have systems that provide accurate, reliable data quickly and easily.
- We monitor a range of leading and lagging indicators across our operations, finances, people, and ESG performance.
- We have implemented dashboard reporting in our updates to the board.
- We track coverage of ourselves and our competitors in mainstream and social media.
- We monitor external industry, policy and regulatory developments which have the potential to affect us.
- We monitor emerging environmental, social and governance trends and consider their impact on us.

## Developing modern governance

Achieving best practice governance across every dimension involves ongoing improvement. It takes a combination of people, processes, and practice to develop the greater maturity modern governance requires.



### Board effectiveness and collaboration

Diligent gives you the platform to build better governance no matter where you're starting from. We connect directors, executives and company secretaries with the insights, resources and tools you need to maximise your impact.



### Risk and compliance

Diligent has the answers to help busy company secretaries and their teams keep on top of compliance, making it quicker and easier to ensure obligations are met on time, every time.



### Data and intelligence

Diligent's integrated approach to modern governance enables organisations to harness key insights and puts relevant information at senior leaders' fingertips.

## Board effectiveness and collaboration solutions

### Work better together, anywhere

Digital solutions enable senior leaders to collaborate seamlessly in the boardroom and beyond.

Whether you hold meetings in person or online, Diligent's intuitive interface makes it easier to prepare and participate, helping you focus on what matters most.

### Prepare for the unexpected

Company secretaries and their teams have the power to put insights at directors' fingertips using Diligent.

We make every step of the meeting cycle easier, taking the pain out of processes with reliable, straightforward tools that help you finesse the detail without losing sight of the bigger picture.

### Access a diverse candidate pool

Identify potential non-executive directors to complement your board's current skills, experience and capabilities.

Diligent's vast database of qualified candidates across industries, locally and around the world. Powerful search tools help you find the right fit and identify the shortest referral path to connect with candidates.



## Board effectiveness and collaboration solutions

### Drive ongoing improvement

Measure compliance across the organisation, with Diligent's real-time analysis that shows which obligations are being met and identifying any gaps.

Turn information into action by creating plans to track improvement and allocating tasks to strengthen risk management.

### Cross-functional integration

A comprehensive group-wide register across your corporate group, streamlines the process to update statutory details and subsidiary data and providing a central library for key documents.

People from governance, compliance, legal, finance and tax can access the data they need more easily, with the confidence they're referring to the one source of truth. Flexible reporting lets you tailor information to meet specific users' needs.

### Proactive monitoring to never miss a deadline

Diligent has secure, two-way integration with corporate regulatory platforms around the world, enabling you to lodge updates with ease and access new information automatically.

Automated reminders mean you never miss a deadline, while built-in tools help ensure information is complete, supporting data integrity.

### Leading-edge security

You need security you can rely on to protect your most sensitive information. Diligent uses end to end encryption to protect your data.

Our advanced settings let you tailor access, privacy and storage to meet your organisation's needs. Diligent's specialist team is there to help you, but we never have access to your private data.

## Data and intelligence solutions

### Bring ESG to life

Track progress using standard ESG frameworks, monitor regulatory developments, and benchmark governance practices against your peers using Diligent's solutions.

### See what investors see

Our partnership with CGLytics gives you access to the same governance and remuneration tools as major global proxy advisor Glass Lewis.

### Deliver real-time insights

Connect your board with the latest industry and organisation news with powerful research capabilities, directly into your Diligent app.

## The benefits of an integrated approach

Consolidating governance activities into a single solution can save you time, money and energy:

- Improved visibility and greater insight into governance across the organisation.
- Avoid duplication between systems and processes.
- Efficient implementation process and easy to scale for further growth.
- One vendor who understands your organisation and the broader environment.
- To find out more, contact Diligent to talk about how we can help you achieve modern governance and arrange a demonstration of our solutions.

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**Diligent**

a  
**MODERN  
GOVERNANCE**  
company

## About Diligent

Diligent leads the way in modern governance. We empower leaders to connect and share insights that enable them to make the best business decisions.

Our integrated cloud-based solutions enable organisations to enhance their governance framework and streamline their processes so that directors, executives and governance professionals can concentrate on the key issues.

With our origins in New Zealand, Diligent has grown to become a global company with clients in more than 90 countries. We've come a long way, but local expertise and award-winning service paired with rigorous security are still at the heart of our business.

**Diligent is here to help you thrive.**

## Trusted by over 1,000,000 leaders and 25,000 organisations across the globe



### Highest security standards

- 256-bit encryption
- Remote locking
- Two-factor authentication

### Industry-leading support

- 24/7/365 support
- White glove service
- Unlimited user training

### Compliance Attestations

- ASAE 18 audits
- ISO-certified
- Third-party security testing

Explore our solutions at [diligent.com/au](https://diligent.com/au)