

THE GOVERNANCE CHECKLIST

Every organisation is unique. Those with governance responsibilities should consider structures, policies and procedures that make sense for their particular circumstances and resources.

Here are some key questions that all governing fiduciaries should ask:

- 1** Have we clearly stated the purpose of the fund, its objectives and risk appetite?
- 2** Do we, the governing fiduciaries, focus on the big picture by taking responsibility for the most important strategic decisions and policy development, while delegating everything else?
- 3** Is the structure that we have in place appropriate given our scale and resources? Are the roles and responsibilities, including decision rights, clearly articulated? i.e. do we define who does what, when?
- 4** Do we have sufficiently experienced, skilled and resourced parties in the various governance layers? Are 'real time' functions delegated or outsourced appropriately? (i.e. are 'governing', 'managing' and 'operating' fiduciaries roles and responsibilities defined?)
- 5** Have we detailed objectives, policies and procedures clearly in accessible governance documents?
- 6** Have we aligned our risk management framework with the structure of the fund or investment program, its objectives and the risk appetite?
- 7** Is our regular reporting package helping us fulfil our governance responsibilities by succinctly providing high level performance, risk and asset allocation details of the portfolio(s) while drawing attention to items that require further attention?
- 8** Are we reviewing ourselves regularly and ensuring we are appropriately structured given our objectives, constraints and the prevailing market realities?