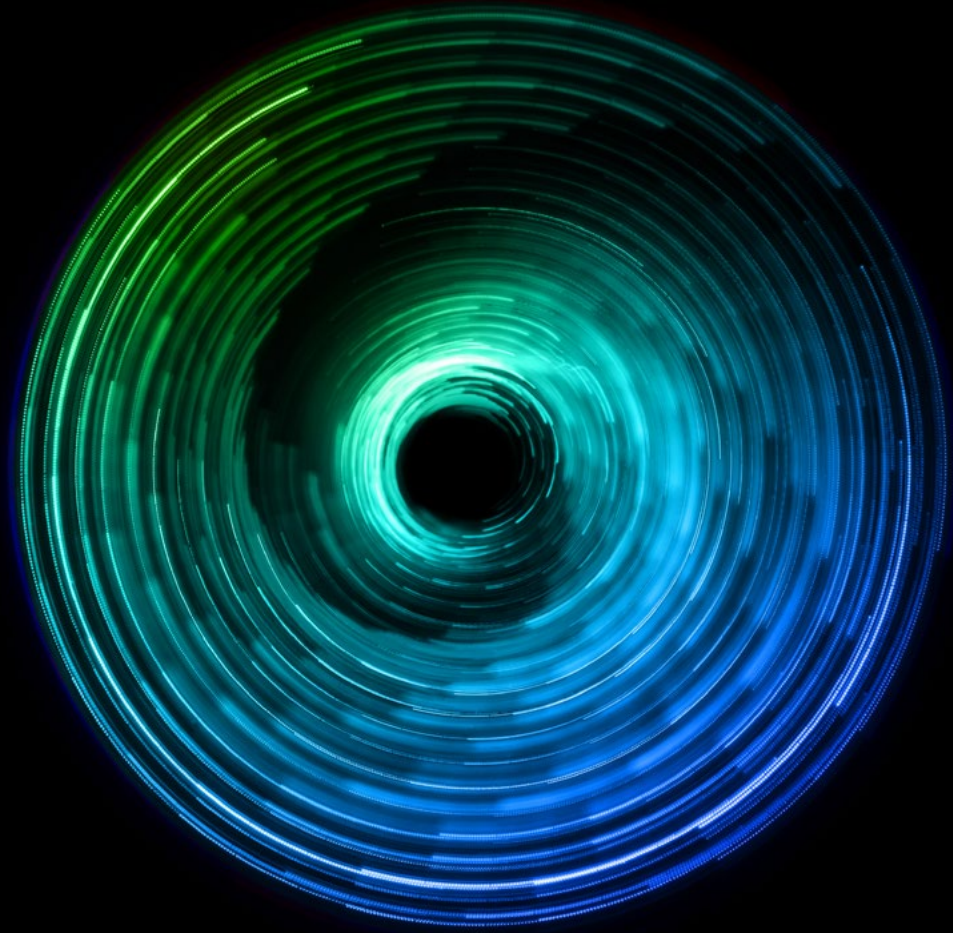


**Deloitte.**



Legal Entity Management  
Elevating board support

### **New board responsibilities raise the stakes for new board support opportunities**

In recent years, the areas of responsibility for boards of directors have grown, seemingly exponentially. Boards that have long overseen traditional matters such as strategy and management succession now find that their responsibilities extend to areas such as employee activism; diversity, equity, and inclusion; climate change; and the role of the corporation in society. Not surprisingly, the increased responsibilities of the board have created the need for mission-focused board support. The obligations imposed by these additional responsibilities can be exacerbated by the fact that the people responsible for board support often have other responsibilities; for example, in many companies, the corporate secretary and one or more assistant secretaries are part of the larger legal function that handles transactions, litigation, contracts, and other matters. Further, many of those who provide board support perform similar functions for subsidiaries throughout the world, each subject to differing legal and regulatory regimes, adding significantly to their required scope of knowledge in carrying out related duties.

### **Addressing new board support responsibilities**

Board support functions need to fulfill their increasing roles and responsibilities efficiently, but with no diminution in quality or timeliness. A conventional way of addressing this challenge is from a talent perspective: increase headcount. However, adding staff can be difficult; in uncertain economic times, it can be virtually impossible. Accordingly, board support functions (especially those overseeing subsidiary boards) may need to consider alternatives such as greater reliance on external resources (primarily technology and managed services), as well as collaborating cross-functionally with other groups within the organization.

### **New board support resources**

Technologies such as board portals have transformed the way many board support functions fulfill their responsibilities. For example, board and committee meetings can be easily calendarized, and meeting materials can be shared with the board and its committees in advance of upcoming meetings electronically and securely (regardless of where the director may be) via the board member's computer, tablet, or other mobile device. Board portals can also provide for a convenient way to maintain information about board members that is needed for compliance and other purposes and to serve as a secure communication platform for companies to share confidential information with board members without the need for private or personal email accounts, which may be less secure. Other features include the ability to populate agendas, minutes, and other board materials with ease by leveraging templates, oftentimes through the functionality of a board portal that provides version control and gives directors the ability to add and see others' comments through a secure platform.

For those organizations with subsidiary boards, another support enabler is the use of managed services. To overcome the challenges associated with adding headcount, companies have the opportunity to obtain assistance from third parties in a managed service capacity. External service providers can assume most, if not all, of an organization's board support function across its subsidiaries to allow department personnel to focus on and carry out competing priorities. Importantly, a board support function leveraging managed services can continue to maintain control of overall policies, procedures, and decision-making with real-time visibility into the workflow, which can be important when management, board members, and their personnel request information on the status of those processes.

## **Board support responsibilities include:**

- Calendaring meetings, deadlines, and many other matters for the board and its committees
- Preparing agendas for board and committee meetings
- Reviewing, preparing, and distributing board materials containing substantial background information to assist with board and committee meeting preparation
- Handling the logistics of live parent and subsidiary board meetings or, in the increasingly virtual business environment, scheduling conferencing. In addition, facilitating unanimous written consents for the company's parent and subsidiary boards
- Supporting the technology used to prepare and distribute materials, conduct meetings, and facilitate other board and committee activities while being mindful of privacy and confidentiality concerns
- Preparing minutes of meetings of the board and its committees
- Maintaining records of the materials provided to the board and its committees to substantiate that directors are given appropriate information on which to base decisions
- Monitoring corporate governance and other developments that the board and/or its committees need to know and taking the steps necessary to comply with changing regulatory and other requirements
- Facilitating director education and board and committee assessments

Technology and managed services can also be used to provide board support to the organization's subsidiaries across the globe. Both can provide customized approaches to reflect local laws and customs, and a single-source provider can efficiently incorporate corporate policies across different jurisdictions and business units.

### A new imperative

Given the ever-increasing responsibilities of boards and their committees, it could be imprudent and risky for those providing board support functions to continue to operate without incorporating technology and other enablers to assist with carrying

out their roles and responsibilities. Boards and their stakeholders, both within and outside the organization, reasonably expect and may demand that those functions embrace new solutions to providing information, facilitating virtual and in-person meetings, and carrying out other board and committee responsibilities. Accordingly, advances in technology and options such as managed services could now be “must-haves” rather than “nice-to-haves” to address the expanded role of the board and bring about not only greater efficiencies, but also greater effectiveness in enabling and tracking proper corporate governance.



## Questions and answers with Colleen McIntosh

In connection with this article, we had an opportunity to speak with Colleen McIntosh, Senior Vice President, Corporate Secretary, Chief Governance Officer, and Assistant General Counsel of CVS Health Corporation, to discuss her views about emerging and leading board support practices.

### Which functions have primary responsibility for supporting the board?

*The corporate secretary's office is usually the liaison between the board and management, but it cannot do so on its own. There are many others with key roles: every corporate function, as well as IT, event planning, security, and a large executive support team, including those who assist with the preparation and presentation of board and committee materials. All of these functions need to be responsive to the board's requirements, to earn and maintain the board's trust, and to work well with each other—and with the board and its committees. On the committee level, designated executives serve as liaisons to provide updates on subjects relevant to the committee, as well as other assistance.*

### What are some leading practices for supporting the board?

*Probably the most important practice is the detailed calendaring of everything that needs to be done for the board and its committees, whether relating to meetings or other activities. Scheduling early allows the directors to commit to meeting schedules and other deadlines. Consistency is also important, such as following the same format for board materials so that when the materials are distributed, the directors know what to expect and aren't surprised. Also, materials presented to the board should be clear and concise and should include information about those presenting.*

### What types of technology do these functions rely upon in carrying out their board support responsibilities? How has technology transformed the way your company provides board support?

*Technology is a main component for supporting the board. Companies are relying more upon virtual platforms for videoconferences. Some meetings have long been conducted via conference calls, but those have moved to the videoconferencing platforms given the pandemic. Of course, there are some challenges with video platforms, but so far boards seem to be favoring them over having all meetings in person.*

### Some companies are taking advantage of managed services for their board support functions. What's your view on these managed services?

*It's worth considering, particularly for low-risk, high-volume matters. But it may not be practical for some matters, including those that “touch” the board members more directly, such as security.*

### Do you have any other comments or guidance that other companies might consider in executing their board support functions?

*For me, belonging to peer groups of others who do what I do has been critical. We all learn so much from each other, such as how others are addressing new challenges, as well as new practices and how to incorporate them.*

### What challenges do you see as it relates to its board support function? Has COVID-19 affected these challenges? Will any of the impacts of COVID-19 continue postpandemic?

*I think the tug between virtual versus in-person meetings is going to remain a challenge. Of course, it's nice not to have to travel as much, but in-person contact is critical. In-person contact affords directors access to senior executives and their reports, which is important for relationship-building and for management succession planning, among other reasons, including the need to maintain a strong, positive board culture.*

## Start the conversation



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