The Governance Side of Authorised Signatory Management

Market Research Results 2022

CYGNETISE

Introduction

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Earlier this year, during the Chartered Governance Institute's annual summit, we completed market research on executives' general sentiment towards the management of delegated authorities and authorised signatory registers.

The research involved surveying 40 governance executives who attended the event. This report presents a brief overview of the research results.

Contents

Who owns authorised signatory management

In most organisations (43%) the process of managing authorised signatories and delegated authorities is owned by the Company Secretariate.

In 20% of the surveyed companies, the process falls within the control of the Governance/Compliance department whilst in 17%, it's managed by Legal.

- Co Sec
- Governance / Compliance
- Operations
- Not sure
- Legal
- Multiple divisions
- Finance
- IT
- No one
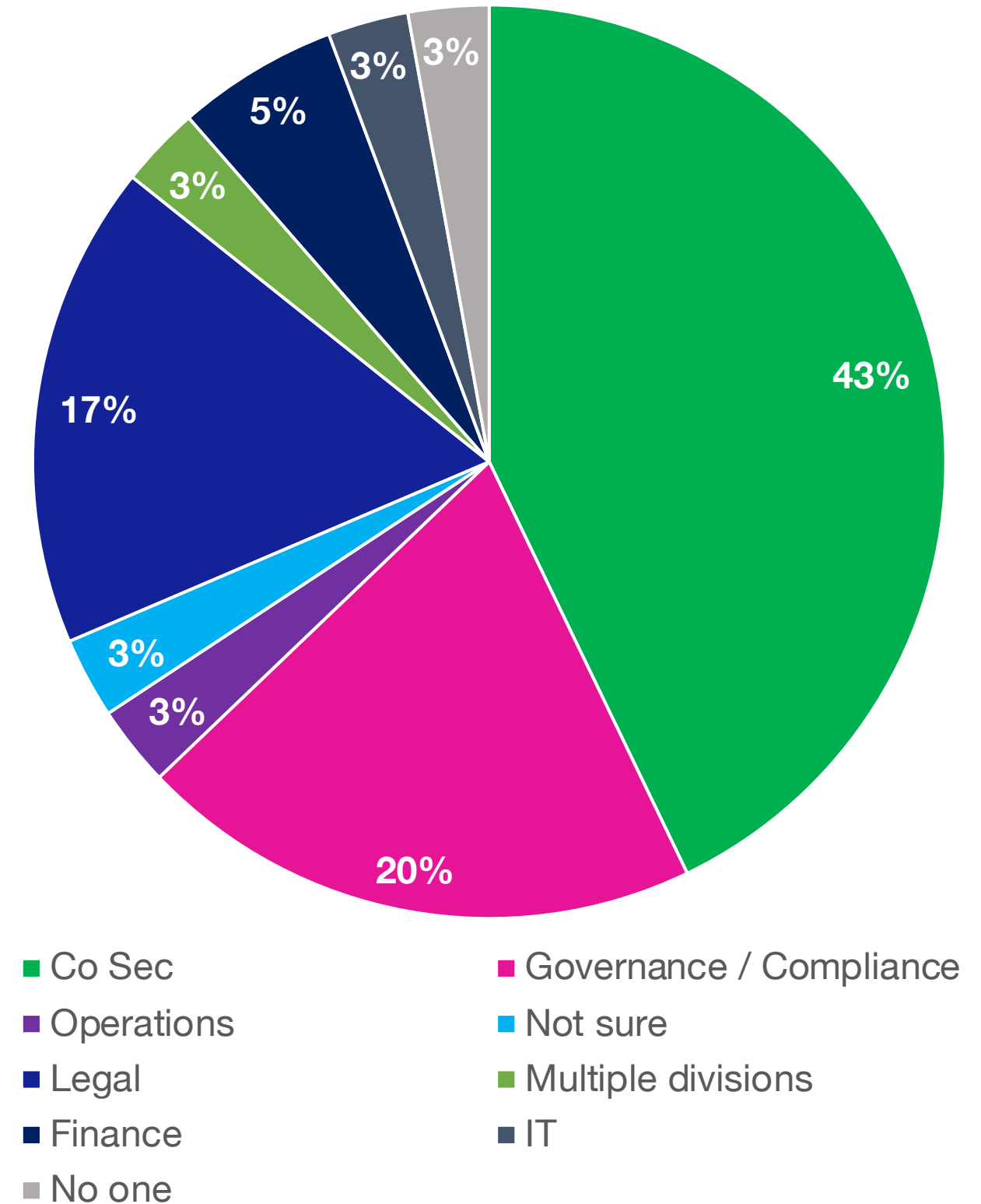
Signatories updating and approval practices

In only 15% of surveyed organisations, authorised signatory data is updated in real time. The rest update their records periodically (39%) and ad-hoc or whenever it's deemed necessary (46%).

In 55% of companies, the Board is responsible for approving any changes to the authorised signatory data.

Only 15%

update signatory data in real time

In 55%

of organisations, the Board approves all signatory data changes

How to improve the current process

When asked how the current process of managing authorised signatory data within their organisations can be improved, respondents identified efficiency and automation as the top two most critical areas.

Speed/efficiency (30%)

Automation (21%)

Delegation (9%)

Better communications (6%)

Simplification (6%)

Formalisation (3%)

The governance side of authorised signatory management

Whilst only 58% of organisations maintain historical records of their signatory data, over 90% of the survey respondents agreed that keeping a historical record of any changes made to the data would enhance governance.

58%
keep historical records of changes to signatory data

92%
agree that maintaining historical records can enhance governance

Is the use of case by case POAs common practice?

Only half of the respondents use POAs (Power of attorneys / Delegated authorities) on a regular basis and a third of them do not use them at all.

44% of those who don't use them or use them occasionally believe that this would not be the case if signatory lists were up-to-date.

30%

18%

52%
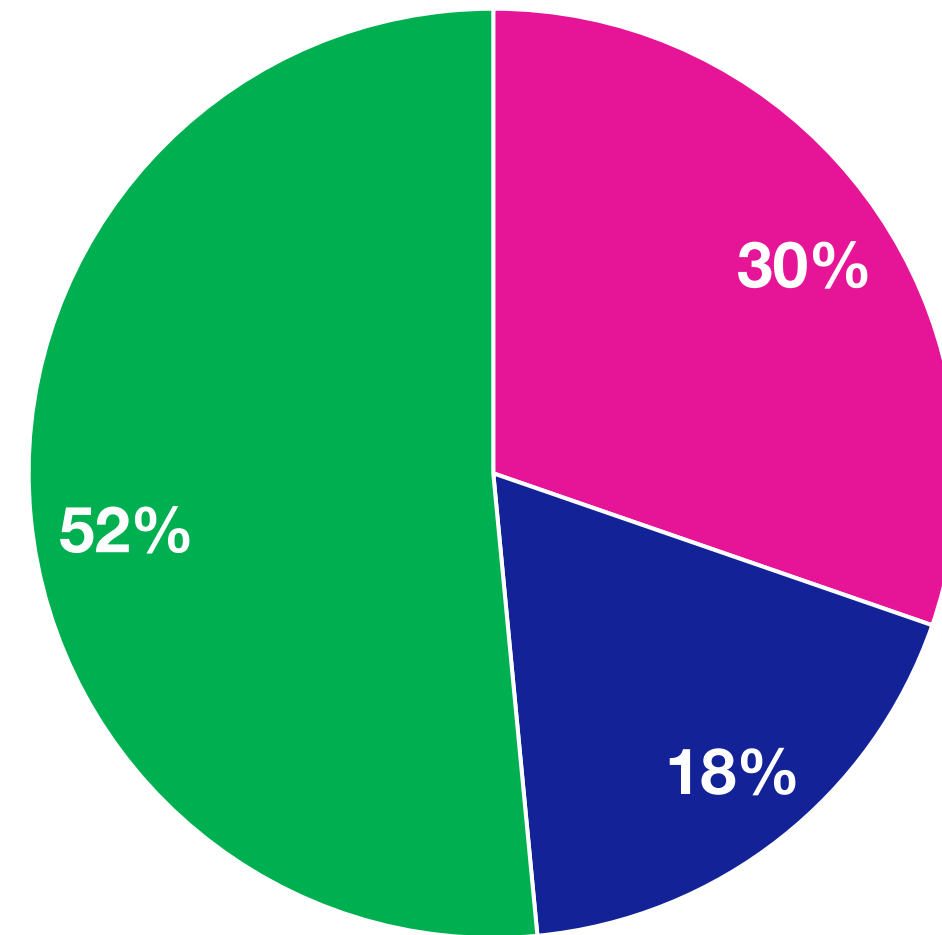
■ No, we don't use them
■ We use them occasionally
■ Yes, we use them regularly

Should managing authorised signatory registers be part of ESG?

More than 70% of the surveyed professionals agreed that keeping authorised signatory registers up-to-date should be incorporated in their companies' formal ESG policy and goals.

YES

>70% agree that signatory management should be part of ESG

Conclusion

It's interesting to note that there is still no consistency in the market when it comes to managing authorised signatories and delegated authorities. In various organisations, the responsibility is spread across the Company Secretariate, Compliance, Governance and Legal functions.

The vast majority of organisations also seem to be lacking effective internal signatory management procedures as only 15% are updating their data in real time and 58% are keeping historical records of any changes made. This means that most companies are potentially exposed to an increased risk of signature fraud, fines and reputational damage.

However, it's encouraging to see that most governance executives are actually realising the importance of the issue and agree that signatory management should be formally incorporated in an organisation's internal ESG policy frameworks.

At Cygnetise, we have developed an application that helps you reduce the risk of fraud, facilitate business continuity and contribute to ESG by digitising the process of authorised signatory management. Our technology enables users to update their signatory data in real time and has a variety of sharing mechanisms so that the counterpart can always have access to the most up-to-date information without having to recompile and redistribute.

To learn more about Cygnetise and request a free demo, click here or email our team at info@cygnetise.com

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