Interface Between Ministers of State and Governing Boards/Councils in the Management of Public Service Agencies

Presentation by

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Presentation Outline

- Setting The Scene

- Good Governance

- The Enabling Legal Framework/ Players

- The Interface in a Sketch

- The Ten Principles of Board Effectiveness/The Interface Discussions

- Summary

- Conclusion

Setting the Scene and Scope

- Governance: How government deals with the governed, including the capacity to build public sector institutions and deliver services.

- Problematic throughout the world especially developing nations. Why?

- Because the citizenry now perceive governments to far away

- The implication is low level of relational trust

Good Governance 1/2

- Governments the world over are facing the problem of earning a relationship of trust with their citizenry who perceive Governments to be too remote and unresponsive to their needs.

- As Governments strive to gain the trust of the citizenry Good Governance has become the theme of development.

- A major characteristic of Good Governance is partnership that is innovative, results oriented and promotes participation and trust; (Ohemeng and Ofosu-Adarkwa, 2004)

- One channel used by Governments to promote trust of the citizenry is ensuring the efficient delivery of services by institutions classified under "Public Services".

Good Governance 2/2

- This partnership goal is accomplished through the appointment of Governing Boards/Councils of institutions to enhance collective responsiveness to the needs of the citizenry

- Successful institutions, will be those that enact effective policies that enable Governments as shareholders and investors to appreciate the policy outcomes that positively impact on the citizenry and communities.

- Governance, then, is concerned not only with decisions, but also with process outcomes, arising from the engagement and empowerment of all societal actors.

- Thus the important and complementary role by Boards in governance to support the course of Governments.

The Guiding Legal Framework and Institutional Players

❖ The Constitutional Provisions (1992 Const. of Ghana)

❖ The Enabling Acts of Incorporation (Article 190 (3))

❖ The Companies Code 1963, Act 179 (Limited Liability)

❖ The Presidency (Article 70 (1) (d) (iii)

❖ The Council of State (Article 91 (1))

❖ The Ministry (various)

❖ The Governing Board (Article 195 (1)

❖ The Public Services Commission (Articles195 (1)); 196; 198
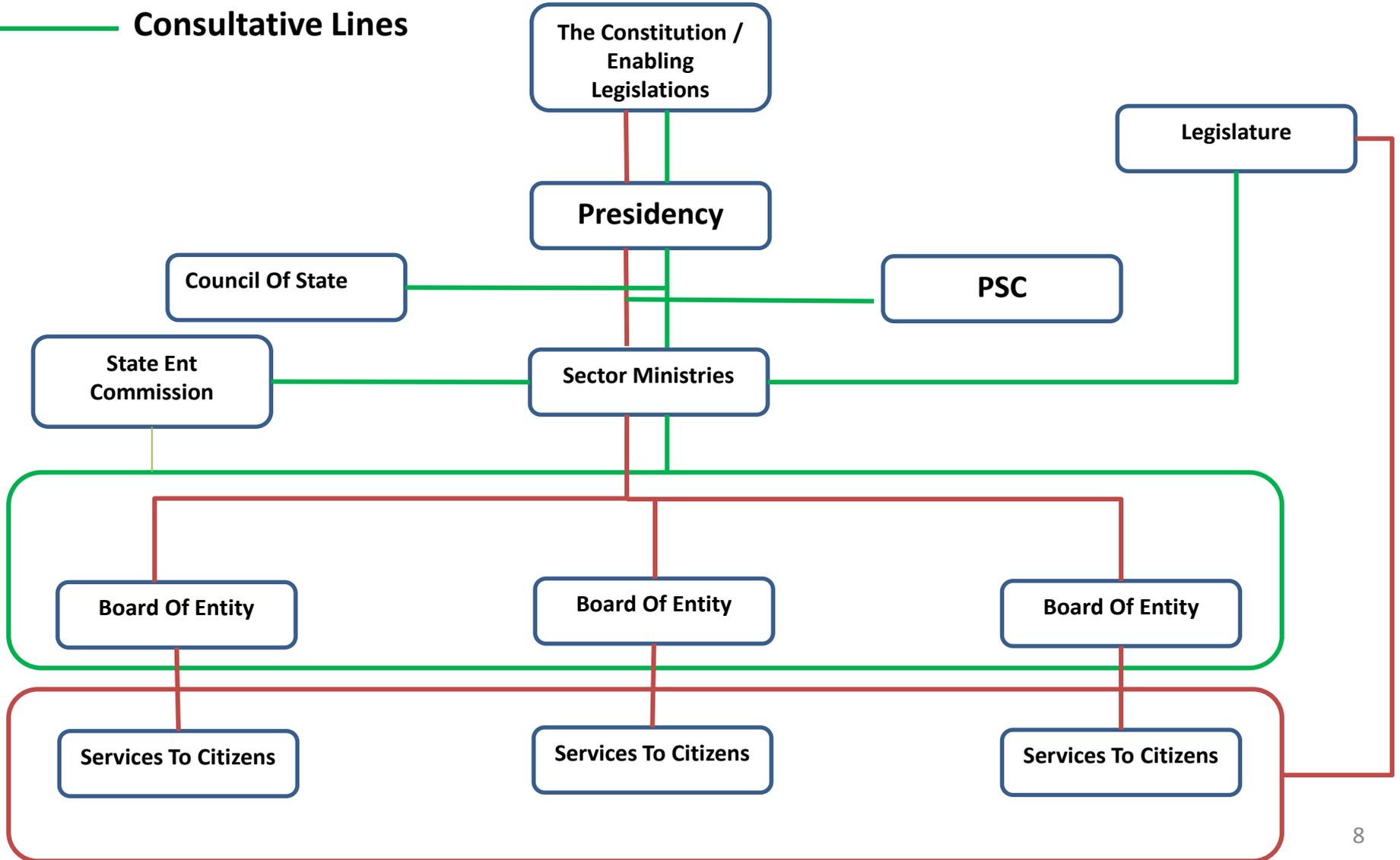
The Guiding Legal Framework and Institutional Players

❖ The Organisation/Entity (Article 190 (1) a,b.c

❖ The State Enterprises Commission (PNDC L. 170, 1987

❖ The Shareholders/Citizenry

❖ Parliament (The Legislature)

The Interface in Sketch

Legend

——— **Flow of Authority**

——— **Consultative Lines**

- The Constitution / Enabling Legislations
- Legislature
- Presidency
- Council Of State
- PSC
- State Ent Commission
- Sector Ministries
- Board Of Entity
- Board Of Entity
- Board Of Entity
- Services To Citizens
- Services To Citizens
- Services To Citizens

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The Ten Governance Principles to Guide Discussions of Ghana Case

1)   Board Composition

2)   Roles and Responsibilities

3)   Purpose and Strategy Formulation

4)   Risk Recognition and Management

5)   Organisational Performance

6)   Board Effectiveness

7)   Integrity and Accountability

8)   Organisation Building

9)   Culture and Ethics

10)   Broad Engagement

The Governance Ecosystem

Board Composition

- The right mix of skills and experience and knowledge and group of people. Making the recommendations

- Formal and transparent procedures.

- Choice normally accounted for based on specific features of the Entity – Refer to provision in Act

- Ministry Initial due diligence crucial - competencies

- The Presidency due diligence essential- Commitment

- The Council of State advise to Presidency necessary due process

- Formal notification of appointment by sector Ministry on behalf of Presidency very relevant.

Roles and Responsibilities

- General Provisions in enabling Act

- The need for clarity.

- General Duties of Chairman and Members as well as the Board itself

- Effort should be made by Minister to generally spell out during inauguration

- Ministers inaugural address should carry charge and expectation

- Orientation necessary to enable members know the entity.

- The occasional policy directives from the sector Minister must be clear and unambiguous.

- The tenure. Dissolution and reconstitution. Care with LL

Purpose and Strategy

- Setting appropriate vision, purpose and set of strategies. Study growth pattern from reports

- Reviewing and approving annual work and business Plan: Committee services

- Ensuring strategic interface with the Minister – The role of the Chairman to avoid "bouncing back"

- Succession planning to refresh leadership in order to continue meeting the challenges of a constantly changing business environment. Re: retention of institutional memory

Risk – Recognition and Management

- Recognition and management of appropriate risk oversight including members' liability

- Preparing the organisation to be mindful of threats so it can take advantage of potential opportunities while managing potential adverse effects. GMet

- Risk oversight begins with understanding the risk of the industry – ie. source of funds

- Risk in industry trends – ie. Telcom Industry

Organisational Performance

- Strategic planning, targets and performance measurement of Organisation (Boards Direction based also on policy advise)

- A focus on effective resources mobilization and use

- The Board's role in the appointment of Management staff by the Presidency in consultation with PSC

- The Minister's role - The need to know

- Setting targets and assessment of the performance of the CEO – The lack of it brings friction in assessment. CTO/ITU case.

- What about SEC and PC measurement?

- The Management effectiveness. The CEO feedback

Organisational Performance

- The entity performance report to stakeholders
- Entity performance report to the sector Ministry
- Ministers' accountability under Performance Agreement with Presidency
- Entity performance report to Parliament through the Ministry
- The critical role of the Ministry to react to issues raised and steps taken to address them.
- The need therefore for periodic evaluation of performance within sector goal to address shortfalls
- The quarterly board and institutions reports to the Ministry – The gap of lack of thorough assessment

Board Effectiveness

- Appropriate board structures and processes.
- Oversight of organisational performance
- Compliance with all legal and regulatory requirements.
- Building Board effectiveness/performance monitoring. Lack of benchmarks?
- Life long learning – Why? NCA case.
- An effective board is must have the right mix of skills and knowledge to work effectively.

Integrity and Accountability

- The right information at the right time.

- Financial reporting and approval: Need to evaluate

- Important role of board procurement and audit committees – Transparency- The case of media scrutiny/openness

- Relationship with Internal/External Auditors – Key?

- IT Governance as key tool here – Is the staff equipped before the offers?

- Directors Fees/determination/Remuneration committee/approval process – The temptation of unilateral increases and repercussions

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Organisation Building

- Mindful the board and management are trying to achieve the same vision

- Build and maintain organisational capability and effectiveness to deliver on purpose

- The role of Board/PSC/Presidency – Ministry need to know – Filling positions competitively- the challenges

- Productive and harmonious relationship between the board and management is critical for good governance - Difficult to achieve in reality? Why? Need to understand role separation.

Culture and Ethics

- A healthy culture in the boardroom and throughout the organisation.

- Constructive partnership and not imposition

- Culture of critical enquiry and independent mindedness

- Affirmative action …proportion of women/vulnerable group.

- Compliance with integrity

- Mentoring programme as a practical and concrete measure designed to help institutional knowledge

Broad Engagement

- Effective stakeholder engagement.

    i)   Management and staff

    ii) Sector Ministry

    iii) Parliamentary Select Committee

    iv) Council of State

    v) The Third Force - Media

- Meeting with peers as under PSC. Time to share lessons from case studies

- Corporate Social Responsibility. Go extra mile to let the citizenry experience social benefits.

Summary

- Attract competent hands collaboratively
- Encourage them to deliver innovatively
- Encourage interaction and engagement
- Analyse Board's strategic decisions brought to attention of Ministry to remedy shortfalls
- Promote healthy partnership through information and knowledge sharing
- Market deliverables to enhance citizens' confidence to help promote trust and inclusiveness in Governance.

Conclusion

- Government-owned institutions need to meet the challenge of earning a relationship of trust with both their customers and government as investors on behalf of the citizenry

- Successful institutions are those whose policies effectively impact on the citizenry to the satisfaction of all stakeholders.

- Boards have a crucial strategic partnership role with sector Ministries to transparently facilitate the delivery of services/products that will inure to the benefit of the citizenry at all times.

THANK YOU