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30 Septemba 2022

Watendaji Wakuu Wote,

Taasisi, Mashirika ya Umma Wakala za Serikali

TANZANIA BARA.

YAH: KUWASILISHA MWONGOZO WA CORPORATE GOVERNANCE KATIKA
TAASISI, MASHIRIKA YA UMMA NA WAKALA ZA SERIKALI

Tafadhali rejea somo tajwa hapo juu.

2. Kama mnavyofahamu, Serikali inachuka hatua mbalimbali za kuboresha utendaji kazi katika Taasisi, Mashirika ya Umma na Wakala za Serikali. Lengo ni kuhakikisha kwamba Taasisi husika zinajiendesha kwa ufanisi mkubwa ili kukidhi malengo ya uanzishwaji wake. Moja ya hatua zinazochukuliwa ni kuhakikisha kuwa Taasisi, Mashirika ya Umma na Wakala za Serikali zinazotekeleza majukumu yake kwa kufuata misingi ya utendaji inayozingatia utawala bora, uwajibikaji na uwazi katika uendeshaji wa shughuli za Taasisi.
3. Katika kuhakikisha kuwa Taasisi, Mashirika ya Umma na Wakala za Serikali zinaendeshwa kwa misingi ya utawala bora, uwajibikaji na uwazi, Ofisi ya Msajili wa Hazina imeandaa Mwongozo wa jumla kuhusu Masuala ya Utawala Bora (*Corporate Governance Guidelines*). Lengo la Mwongozo huu ni kuainisha Miongozo muhimu ya ujumla inayotakiwa kuandaliwa na kuzingatwa na Taasisi, Mashirika ya Umma na Wakala za Serikali katika utekelezaji wa shughuli za kila siku ili kuendana na mabadiliko yanayotokea ndani na nje ya nchi, kuongeza ufanisi na tija katika uendeshaji. Vilevile, Mwongozo huu unalenga kuimarisha misingi ya utawala bora, kuongeza uwajibikaji, uzingatiaji wa Sheria Kanuni na Taratibu zinazosimamia Taasisi za Umma pamoja na kulinda haki za wadau mbalimbali wa Taasisi.

4. Hivyo, kwa barua hii, nawasilisha kwenu Mwongozo ambao mnapaswa kuuzingatia wakati wa uandaaji wa miongozo mbalimbali ya kiutendaji katika Taasisi mnazosimamia. Pamoja na Mwongozo huu, mnapaswa kuzingatia Miongozo iliyopo ambayo imetolewa na Mamlaka mbalimbali za Serikali. Nakala ya Mwongozo husika imeambatishwa pamoja na barua hii kwa ajili ya rejea na ninawatakia utekelezaji mwema.

5. Nashukuru kwa ushirikiano wako.



Mgonya A. Benedicto

MSAJILI WA HAZINA

THE UNITED REPUBLIC OF TANZANIA



OFFICE OF THE TREASURY REGISTRAR

**CORPORATE GOVERNANCE GUIDELINES FOR PUBLIC AND
STATUTORY CORPORATIONS**

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LIST OF ABBREVIATIONS

CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
HR	Human Resources
ICT	Information and Communication Technology
PSCs	Public and Statutory Corporations
OPRAS	Open Performance Review and Appraisal System
OTR	Office of the Treasury Registrar
SHE	Safety, Health and Environmental

PREFACE

Public and Statutory Corporations (PSCs) have played an essential developmental role in countries worldwide. Their contribution to the global economy has grown enormously in recent years, focusing on public services and strategic activities. In Tanzania, PSCs have been established to serve ideological, strategic, and commercial objectives. PSCs in the country cut across public service activities such as health and education and strategic ones comprising energy, extractives, infrastructure, communications, utilities, and financial services. These institutions have played an instrumental role in promoting socio-economic development in the country.

The main purpose of establishing the OTR was to hold and oversee all investments and properties including investments comprised of paid up capital of public and statutory corporations as well as in private investments where the government owns shares or interest in trust for the President and for the purposes of the Government of the United Republic of Tanzania. It is under this backdrop that the OTR has developed Corporate Governance Guidelines. The guidelines set corporate governance structures and policies, enabling PSCs to meet the governance expectations of the Government of Tanzania. These Guidelines are not intended to replace or amend the existing enabling legislation but rather to enhance good governance in PSCs.

These guidelines seek to ensure that PSCs use their resources more efficiently, protect shareholders, and improve relations with workers, creditors, and other stakeholders. Furthermore, implementing the guidelines will attract resources (financial and non-financial) for sustained growth and development.

I urge PSCs to abide by these guidelines that are intended to set new benchmarks for efficiency, profitability, environmental and social responsibility.



.....

Mgonya A. Benedicto

Treasury Registrar

PART ONE

1.0 AN OVERVIEW OF THE OFFICE OF THE TREASURY REGISTRAR

1.1 Introduction

This Chapter presents an overview of the Office of the Treasury Registrar (OTR). The main aspects covered are establishment of the OTR; its mission and vision; core values; its roles and functions and its organizational structure.

1.2 Establishment

The Office of the Treasury Registrar (OTR) is established as a body corporate under Section 3 of the Treasury Registrar (Powers and Functions) Act, (Cap 370). The main purpose of establishing the OTR was to hold and oversee all investments and other properties including investment comprised of paid-up capital of public and statutory corporations (PSCs) as well as in private investments where the Government owns shares or interests in trust for the President and for the purposes of the Government of the United Republic of Tanzania.

In 2014, the OTR assumed all roles and functions of the defunct Consolidated Holding Corporation (CHC), a statutory corporation established by the National Bank of Commerce (Reorganization and Vesting of Assets and Liabilities) Act, (Cap. 404). The powers and functions of CHC which were inherited by OTR in 2014 were a result of changes in laws which were made in 2007 vide National Bank of Commerce (Reorganization and Vesting of Assets and Liabilities) Act No. 26/2007. In principle, the Act No. 26/2007 amended two Acts i.e., the National Bank of Commerce (Reorganization and Vesting of Assets and Liabilities) Act, (Cap. 404) and the Public Corporations Act, (Cap. 257).

The said Act, (Cap 404) also dissolved the Presidential Parastatal Sector Reform Commission (PSRC) that had been mandated to undertake privatization and restructuring of public enterprises and amended Cap. 404 by vesting the residual powers and functions of the defunct PSRC to the CHC.

Following this, the OTR became responsible for determining the means by which the restructured specified public corporations are to be diversified; conducting post privatization monitoring and evaluation; administering initial public offering of the Government shares in the stock markets; collecting debts owed to public enterprises arising from sale and purchase agreements; and procuring title deeds in respect of diversified public enterprises;

1.3 Vision and Mission

Our vision is to be a leading Supervisory Body in East Africa in overseeing Government investments and Interest in Public and Privatized Entities. With a mission of ensuring effective and sustainable contribution of Public and Privatized Entities to national development by focusing on operational excellence and commercial viability.

1.4 Core Values

In day - to - day operations, the OTR is guided by the following core values:

- i. Integrity: We are committed to be honest and impartial in all aspects of our services when dealing with our stakeholders.
- ii. Transparency: We uphold the standards of ethics, honesty and openness in our actions.
- iii. Excellency: We seek to perform our duties with high levels of creativity and innovativeness to meet our customers' expectations
- iv. Accountability: We are dedicated to shape and sustain an organization that values and promotes sense of responsibility.
- v. Professionalism: We are committed to deliver our services with credibility using the knowledge and skills at our disposal.
- vi. Team work: We are committed to work jointly and collaboratively engage our stakeholders to achieve desirable goals.

1.5 Roles and Functions

Pursuant to Section 10 of the Treasury Registrar (Powers and Functions) Act, (Cap. 370), the OTR is charged with the following functions:

- (1) To keep or cause to be kept under permanent review the business affairs of all persons and bodies of persons in respect of which the Treasury Registrar holds any property or any interest in the property pursuant to the Act.

- (2) Without prejudice to the generality of subsection (1), and in furtherance of that provision, the Treasury Registrar shall, in particular:
 - (a) Render advice to the Government relating to the establishment of public or statutory corporations and vesting of any business or property in those organizations;
 - (b) Review the financial performance of PSCs with a view to recommending measures aimed at amalgamation, reorganization, disestablishment, or improvement of their performance;
 - (c) Set financial targets and other performance criteria to be pursued by any PSC;
 - (d) Evaluate from time to time the performance and effectiveness of the boards or managements of PSCs and recommend to the Government for remedial or improvement measures designed to ensure proper and more efficient utilization of resources of those corporations;
 - (e) Approve equity investment of public corporations in other public corporations or companies;
 - (f) Invest or dispose of investments in PSCs;
 - (g) Ensure that every PSC enters into performance contract with the Treasury Registrar immediately after the appointment of the governing body;
 - (h) Monitor and evaluate training programmes in PSCs;
 - (i) Direct or approve the adoption, application, or amendment of financial regulations so as to ensure proper accounting of the income and expenditure of PSCs;
 - (j) Examine and approve organization and salary structures, schemes of services, and incentive packages of PSCs;
 - (k) Monitor capital grants, subsidies, capital funds, reserves, or retained earnings earned by PSCs and any other public investments;

- (l) Consider, recommend, or approve corporate and annual plans of PSCs;
- (m) Monitor and evaluate performance of PSCs; and
- (n) Make follow-up and ensure dividends, remittances, and loans from PSCs are paid when are due.

Other functions of the Office of the Treasury Registrar are provided under the Public Corporation Act, (Cap. 257), the Budget Act, (Cap. 439); the National Bank of Commerce (Reorganization and Vesting of Assets and Liabilities) Act, (Cap. 404); and the Public Finance Act, 2004 as amended.

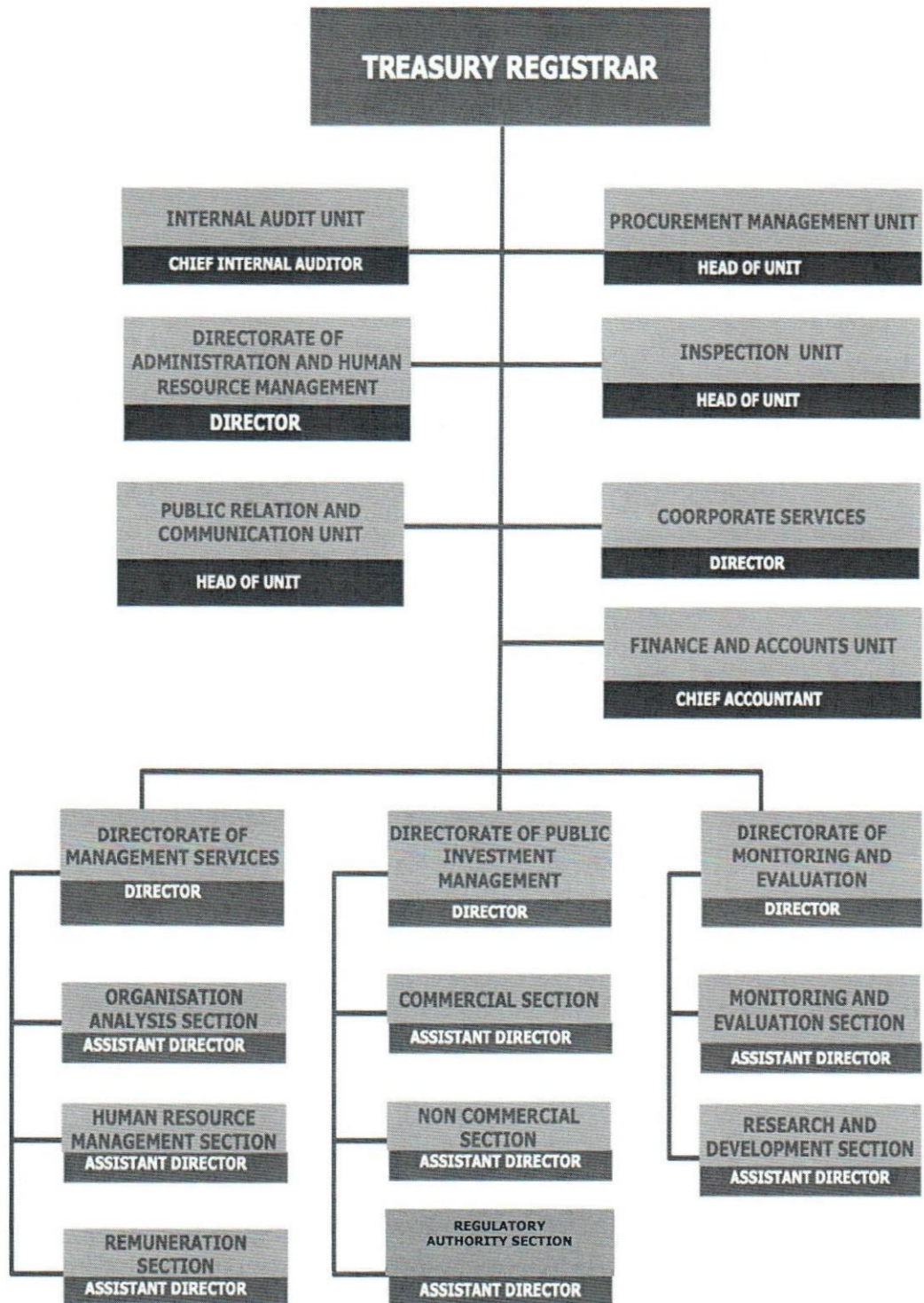
1.6 Organizational Structure

The functions and organization structure of the Office of the Treasury Registrar comprise of five (5) directorates and five (5) units as follows:

- i) Public Investment Management Directorate;
- ii) Privatization, Monitoring, Evaluation, Research, and Development Directorate;
- iii) Management Services Directorate;
- iv) Administration and Human Resources Management Directorate;
- v) Corporate Services Directorate;
- vi) Finance and Accounts Unit;
- vii) Public Relations and Communication Unit;
- viii) Procurement Management Unit;
- ix) Inspection Unit; and
- x) Internal Audit Unit.

The Office's organization structure is as shown in Figure 1 below.

Figure 1: OTR's Organogram



PART TWO

2.0 INTRODUCTION AND BACKGROUND OF CORPORATE GOVERNANCE

2.1 Introduction

This Chapter outlines the rationale of Corporate Governance for PSCs. The main aspects covered are; why have corporate governance guidelines for PSCs, fundamental principles of corporate governance, scope of the guidelines and beneficiaries of the guidelines.

The Government of Tanzania has established and invested heavily in PSCs. The Government owns around 270 Institutions, with over 85% wholly owned by the Government. Corporate governance for PSCs is as important as it is for the private sector but even more important for the public sector because of the diversity of roles played by the various PSCs spread across the following categories:

- (i) Public institutions wholly owned by the government; and
- (ii) Commercial private entities with minority government ownership.

The role of PSCs in the economy cannot be over-emphasised; they contribute over 25% of the country's GDP, in addition to:

- (i) Delivery of public services;
- (ii) Production of goods;
- (iii) Creation of employment;
- (iv) Revenue generation for the government; and
- (v) Regulatory functions.

Against this background, the Office of the Treasury Registrar has developed Corporate Governance Guidelines that set structures and policies, which together

enable PSCs to meet the governance expectations of the shareholder, i.e., the Government of Tanzania.

Corporate governance defines a set of responsibilities and practices, policies, and procedures to provide strategic direction, ensure objectives are achieved and manage risks and resources. It establishes the dos and don'ts for PSCs (rules of the game) that will enhance the principles of good governance.

Therefore, these guidelines will ensure PSCs use their resources more efficiently, protect the shareholder's interests, and improve relations with workers, creditors, and other stakeholders. It is an essential prerequisite for attracting resources (financial and non-financial) for sustained growth and development. Corporate governance provides a balance between performance and accountability to ensure PSCs use public resources efficiently, act with integrity and in the interests of their stakeholders, and capture opportunities that promote socio-economic development in the country.

2.2 Rationale for Corporate Governance Guidelines for PSCs

Tanzanian PSCs, like all other PSCs around the world today, are under immense stakeholder and public pressure to enhance their performance and competitiveness by, among others:

- (i) Increasing their operational efficiency and effectiveness in the delivery of essential infrastructure, financial and other services to the public;
- (ii) Reducing fiscal risks and burden for the government; and
- (iii) Demonstrating accountability, transparency, and integrity in the use of public funds.

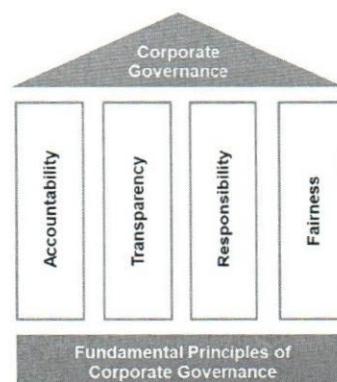
However, reports by the Controller and Auditor General (CAG) and the Office of the Treasury Registrar from time to time have cited operational challenges which largely reflect inadequacies in the PSCs' institutional governance. These include:

- (i) Poor internal controls;
- (ii) Non-compliance with Government circulars and guidelines;
- (iii) Misallocation of resources; and
- (iv) Inadequate monitoring and evaluation systems.

These Corporate Governance guidelines will assist PSCs in strengthening their governance structures, with a clearly articulated span of authorities and mandates for each stakeholder within the governance structure. In addition, they will facilitate the developing and refining of policies, rules, and regulations that define stakeholders' relationships in setting and implementing the strategic direction of PSCs for the country's benefit.

2.3 Fundamental Principles of Corporate Governance

Corporate governance is underpinned by the four fundamental principles: accountability, transparency, responsibility, and fairness.



- (i) **Accountability:** Being answerable for decisions and having appropriate mechanisms in place to ensure the organisation adheres to applicable standards;
- (ii) **Transparency:** Having and adhering to clear procedures, roles, and responsibilities for making decisions and exercising power;
- (iii) **Responsibility:** Having full responsibility for running the organisation on behalf of shareholders and the organisation's best interest; and
- (iv) **Fairness:** Protect the rights of stakeholders (including shareholders, customers, suppliers, regulators, employees, and communities) and ensure that they receive equal, just, and unbiased consideration.

2.4 Scope of the Guidelines

PSCs differ in their mandate, objectives, and functions. These guidelines are generally written to apply to all categories of PSCs under the Office of the Treasury Register (OTR) supervision.

2.5 Beneficiaries of the Guidelines

The guidelines will benefit stakeholders, including the shareholders, PSCs, and the general public.

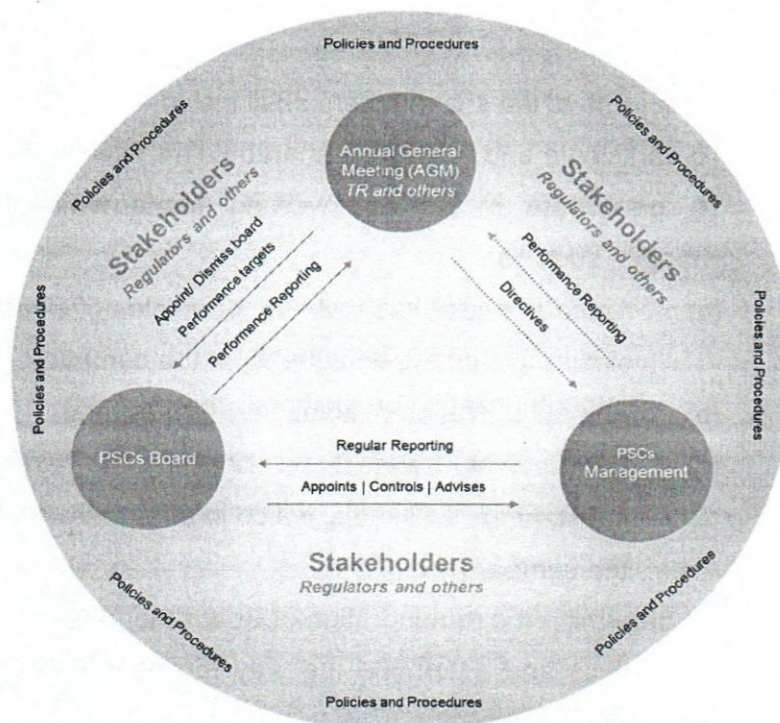
PART THREE

3.0 CORPORATE GOVERNANCE GUIDELINES FOR PSCS

3.1 Introduction

This Chapter presents a general idea of corporate governance guidelines for PSCs. The main aspects covered are corporate governance structure and governance policies, rules, regulations and procedures.

These guidelines incorporate the two key aspects of corporate governance of organisational structure and policies and procedures. Whereas structures describe responsibilities and practices, policies and procedures guide relationships between stakeholders within and outside the PSCs. See the Figure below.



3.2 Corporate Governance Structure

The corporate governance structure defines the internal organisational responsibilities and relationships among the key components of the corporate governance structure: The Annual General Meeting/Shareholder General

Meeting, the Board of Directors, and the Management. It is also an instrument for the enforcement of policies and regulations.

3.2.1 Annual General Meeting/ Shareholders General Meeting

An Annual General Meeting (AGM) is the yearly gathering of the shareholders to discuss, decide and guide on issues of strategic and operational importance to the PSCs.

As the custodian of the Government assets invested in PSCs and private companies where the Government owns shares, the OTR shall represent the Government in the Annual General Meetings/Shareholder General Meetings.

The specific roles of the shareholders shall include:

- (i) To participate and vote in the shareholders' meetings;
- (ii) To participate in issues involving fundamental institutional changes such as;
 - (a) Amendments to the statutes, or articles of incorporation or similar; governing documents of the company;
 - (b) The authorization of additional shares; and
 - (c) Extraordinary transactions, including the transfer of all or substantially all assets, which in effect result in the sale of the company.
- (iii) To determine the remuneration of Board members;
- (iv) To discuss and determine the way forward with regard to the external audit report;
- (v) To appoint external auditors and determine their remuneration;
- (vi) To approve equity component of compensation schemes for Board members and employees; and
- (vii) To consult with each other on issues concerning their basic shareholder rights.

3.2.2 Board of Directors

The Board shall be responsible for the overall stewardship of the PSCs and be part of the Strategic/Corporate Planning process. The roles of the Board have explicitly been described in the Board Charter Guidelines provided by TR.

In addition, the following shall be read together with the other guidelines as provided by TR.

3.2.2.1 Board Selection and Appointment

Board appointments are made per the provisions of the establishment legislation, that is, the enabling legislation, government circulars, or Articles of Association of the Corporation. The performance of PSCs, among other things, depends on the capabilities and performance of its Board. Therefore, in appointing Boards of Directors, the appointing authorities consider skill mix, expertise, qualification, experience, gender, competence, and institutional memory. In addition, the appointment process considers merit in respect of the PSCs' key roles and responsibilities. Minimum qualifications, skills, and experience shall be as indicated in *Annexure III*

3.2.2.2 Board Performance Contract

The PSCs Boards shall ensure that a Performance Contract between the Chairperson of the Boards and Treasury Registrar is developed and signed annually. In developing the Performance Contract, the objectives and Key Performance Indicators shall be derived from the Strategic/Corporate Plan.

3.2.2.3 Board Evaluation

The Board shall evaluate its performance against agreed indicators and targets annually. The evaluation results shall form part of the AGM/Shareholder General Meeting agenda.

The modes of evaluation shall be per the Board Charter and Board Performance Evaluation Tools.

3.2.2.4 Board Tenure and Retirement/Dismissal

Board tenure and dismissal are directed by the establishment's legislation, Articles of Association of the Corporation, or other relevant guidelines.

3.2.2.5 Board Size and Composition

The size and composition of Boards shall comply with the establishment's legislation or Articles of Association of the Corporation. If the Establishment Instrument is silent about Board size, the number of members should not be less than eight (8) and not more than ten (10).

3.2.2.6 Role of the Chairperson

The Chairperson reports to the shareholder(s) on all matters. Among others, key roles of the Chairperson shall be:

- (i) To ensure that the Board's business is well organised and conducted and that the Board discharges its duties smoothly and efficiently;
- (ii) To ensure that Board Directors are fully involved and informed of any business issue that a decision must be taken at the Board level;
- (iii) To ensure that the Directors monitor the business and contribute to the business decisions of the PSCs;
- (iv) To exercise independent judgment, act objectively, and ensure that all relevant matters are placed on the agenda and prioritised adequately;

- (v) To work closely with the Board Secretary to ensure that all the Board Directors fully understand the nature and extent of their responsibilities as Directors to ensure the effective governance of the PSCs;
- (vi) To communicate shareholders' views and expectations to Board Directors;
- (vii) To ensure that the Board regularly evaluates its work; and
- (viii) To ensure AGM/Shareholder General Meetings are conducted as per the guidelines.

3.2.2.7 Roles of Individual Board Directors

Among others, the key roles of the Board Directors shall be:

- (i) To review the agenda, supporting materials, and Board papers before Board and committee meetings;
- (ii) To attend and actively participate in Board and Committee meetings and other activities, including capacity building;
- (iii) To be an organisation ambassador in specific situations and for the public;
- (iv) To strive to have a deep understanding of the organisation, including the surrounding community, customers' needs, and trends in the organisation's field;
- (v) To comply by adhering to the duty of care, loyalty, and obedience;

- (vi) To be appreciative of other Directors' points of view;
- (vii) To be supportive of each other by ensuring a positive organisational culture and refrain from disrespecting each other and Staff;
- (viii) To practice confidentiality of non-public organisational issues;
- (ix) To declare a conflict of interest generally and on specific agendas; and
- (x) To give written notice of any changes regarding disclosure particulars.

3.2.2.8 Roles of the Board Secretary

The Secretary to the Board shall be appointed as per the establishment's legislation or the articles of association of the specific Corporation. The overall responsibility of the Secretary is to provide a facilitative role to ensure that the Board functions effectively. The Secretary reports to the Chairperson of the Board on Board matters and the CEO on administrative matters. Among others, key roles of the Board Secretary shall be:

- (i) To prepare Board meetings as per the Board Calendar;
- (ii) To prepare and circulate to the Directors materials such as minutes of the Board meetings, Board papers, and other background materials in preparation for the Board meeting;
- (iii) To coordinate induction of new Directors and, together with the Chairperson of the Board, develop mechanisms

for providing continuous education and training for Directors to improve and maintain the effectiveness of the Board; and

- (iv) To keep a register of interest disclosures for each Director.

3.2.2.9 Board Committees

The Board shall establish committees as deemed necessary to discharge its functions effectively. The number and nature of committees will depend on the organisation. It is, however, expected that all organisations establish the Audit and Risk Management Committee to oversee the organisation's financial and internal control functions.

3.2.3 Management and Staff

Typically, the organisation structure reflects the requirements of the Strategic/Corporate Plan, in addition to those given in the enabling legislation. To avoid unnecessary overlap and conflicts, it should ensure adequate linkage across departments to foster collaboration and teamwork while ensuring clear demarcation of roles and responsibilities between the departments.

The functions of Management include:

- (i) To prepare a Strategic Plan and submit it to the Board for approval;
- (ii) To oversee the organisation's operations and delivery of outputs as guided by the Strategic Plan;
- (iii) To ensure proper use of resources and provide cost-effective goods and services;

- (iv) To prepare and submit reports to the Board on the implementation of the Strategic Plan for the performance review;
- (v) To manage staff matters relating to appointments, performance, and staff discipline within the Management's mandate;
- (vi) To ensure that the organisation is fully in compliance with its policies, regulations, guidelines and national laws; and
- (vii) To prepare and submit to the Board a risk register with mitigations.

3.2.3.1 Staff Appointment and Performance Management

Appointment of CEO:

- (i) The appointment of the CEO is as per the enabling/ establishment legislation or articles of the Corporation. The role and responsibilities of the CEO are determined in the enabling legislation or appointment contract, as the case may be; and
- (ii) The Board of Directors shall evaluate the CEO's performance annually on their performance with the strategic plan's implementation and interpersonal relationships. The Human Resources (HR) Policy and national performance frameworks shall specify the CEO's performance review procedures and processes.

3.2.3.2 Appointment of the Staff:

- (i) The appointment of Staff is as per the Human Resources Policy or enabling legislation, including those related to public service. The HR policy and organisation structure shall specify staff roles, responsibilities and reporting relationships; and

- (ii) The performance of Staff shall be evaluated by the CEO annually concerning their performance in the implementation of the strategic plan and interpersonal relationships. Procedures and processes of staff performance review and discussions shall be as specified in the HR policy and national performance frameworks.

3.2.4 Stakeholders and the General Public

PSCs' stakeholders, such as Regulatory Authorities, Government Departments, Developmental Partners, Suppliers, Customers, Creditors, CSOs, and the General Public, have a role to play in successfully implementing good corporate governance. They have a direct and indirect relationship with the shareholder, Boards, and Management. Their relationship is governed by the PSCs' governance policies, rules, regulations, and procedures.

3.3 Governance Policies, Rules, Regulations, and Procedures

Corporate policies, rules, regulations, and procedures define the organisation's culture, influencing its behaviour as a unit and of the individuals within it; they are instruments of branding the organisation. These instruments facilitate smooth relationships among stakeholders and enhance the efficient allocation of resources fairly and transparently. They are contained in the Board Charter and Management Policies, which are outlined below.

3.3.1 Board Charter

A Board Charter shall guide the working relationships within the Board and between the Board and the Management. It develops a shared understanding of the roles, responsibilities, and authorities of the Board of Directors as individuals and collectively, how the Board will conduct its business and its relationship with Management within and outside the Board room. Specifically, the Board Charter shall:

- (i) Serve as an operating procedural manual for the Board, among others, the frequency of Board meetings and the Board agenda;
- (ii) Provide a framework for review of individual and collective performance and clarifies the roles and responsibilities of both the Board and Management;
- (iii) Document the Board's policies to meet its governance, leadership, social and compliance responsibilities;
- (iv) Serve as an induction tool for new Directors and Senior Managers;
- (v) Outline the Board Directors' remuneration procedures in line with the organisation's establishment legislation and Government circulars and guidelines;
- (vi) Provide guidelines for Board Directors' access to loans or corporate assets. Loans made directly or indirectly to the Board of Directors shall be discouraged unless the granting of loans is the entity's core business. In such cases, the provision of loans shall observe transparency subject to the rules and procedures of such loans; and
- (vii) Provide guidelines on disclosure of conflict of interest, which include but are not limited to;
 - (a) Connection with the PSC (or any related company) shares, debentures, or any changes in respect of those particulars prescribed;
 - (b) Contractual relationships (directly or indirectly) may give rise to a conflict of interest; and

- (c) Board agenda matters in which a member may have a substantive interest.

NB: This section shall be read together with Board Charter Guidelines.

3.3.2 Human Resources Policy

The PSCs shall develop and implement a Human Resources Policy that guides recruitment procedures, disciplinary actions, remuneration/allowances, annual leave, insurance plans, succession plans, and work reporting relationships. The policy must comply with national labour legislations, rules and guidelines, ethical codes of conduct, international standards, and market trends.

3.3.3 Financial Management Policy

The PSCs shall develop and implement a Financial Policy that sets the standards and principles to create a system of checks and balances for managing the organisation's financial resources. The policy shall provide general guidelines on financial governance, reporting, and internal reviews and control, including internal and external audit requirements. The policy shall be developed per national financial legislations, rules, and guidelines/manuals, as well as international standards and procedures.

3.3.4 Procurement Policy

The PSCs shall develop and implement a Procurement Policy that ensures goods and services are procured in an open and competitive environment. It shall also guarantee proper transaction documentation, fiscal responsibility, ethical behaviour, and adherence to laws, regulations, rules, and procedures. The policy shall be developed per the Public Procurement Legislations, rules, guidelines, and international standards.

3.3.5 Dividend Policy

The PSCs shall develop and implement a Dividend Policy that will provide a clear direction on how profits will be allocated and aligned with the organisation's goals. The policy shall be developed per national financial legislations, rules and guidelines/manuals, and international standards. It shall consider important factors such as the sustainability of the respective PSC, growth plan (e.g., technological development), industry direction, and shareholder's interests.

3.3.6 Information and Communications Technology (ICT) Policy

The PSCs shall develop and implement ICT Policy that will ensure the organisation's smooth operation in matters related to ICT. It shall facilitate quick access and sharing of information within and outside the PSCs and enhance the controls and security. The ICT policy in PSCs shall be developed following the existing government frameworks guiding the ICT sector.

3.3.7 Communication Policy

The PSCs shall develop and implement a communication policy to provide methods for internal communication with its employees and external communication with clients and other stakeholders. The policy shall highlight and acknowledge what information can be shared and communicated. The aim is to reduce the risk of damaging the organisation's image and ensure that all Staff are aware of how information is communicated both externally and internally and who is responsible for each aspect. The policy shall be developed per existing Government communication frameworks and manuals.

3.3.8 Planning, Monitoring, and Evaluation Policy

The PSCs shall develop and implement a Planning, Monitoring and Evaluation Policy to monitor and evaluate the targets set by the organisation in implementing the strategic plans. The policy shall be

developed following national frameworks that guide performance management and evaluation.

3.3.9 Risk Management Policy

The PSCs shall develop and implement a Risk Management Policy and an underlying structure for implementing risk management at the PSC. The policy shall outline the overall philosophy, commitments, governance structure, and protocols when implementing risk management. The risk policy shall be developed per government frameworks, including Government circulars and guidelines for risk management. Where appropriate, the policy may also align with current international best practices, especially risk management standards, namely ISO 31000: 2018.

3.3.10 Corporate Social Responsibility, Marketing, and Corporate Affairs Policy

The PSCs shall develop and implement a CSR, Marketing, and Corporate Affairs Policy to guide the application, decision, and implementation of the organisation's CSR, marketing, and corporate affairs matters. The policy shall consider good practices and international standards to ensure the PSCs' adherence to the national laws, ethical standards, and international norms.

3.3.11 Safety, Health, and Environmental (SHE) Policy

The PSCs shall develop and implement the Safety, Health and Environmental (SHE) Policy for the health and safety of workers and the public while reducing environmental and societal damages that the organisational activities may cause. The policy shall be developed per the prevailing Health, Safety and Environmental related legislations. The policy shall also align with current international best practices and standards relating to health and the environment

3.4 Effective Date and Review

PSCs Cooperate Governance Guideline shall come into effect after being approved by the Treasury Registrar and shall be reviewed as deemed necessary. In such event, the Treasury Registrar will issue revised guidelines for review of Cooperate Governance for PSCs and resubmission to the Office of the Treasury Registrar for subsequent approval.

3.5 Complementary Guidelines for Corporate Governance

This Corporate Governance framework should be read together with the guidelines, manual and reports listed below;

- (i) Board Charter Guidelines for Public and Statutory Corporations issued by Treasury Registrar Office, 2022
- (ii) Board Performance Contract Manual- 2022
- (iii) Guidelines for Board Evaluation in Public and Statutory Corporations of 2022
- (iv) Guidelines for Government Representatives on the Boards of Corporations in which the Government has Minority Shares
- (v) Controller and Auditor General (CAG) reports
- (vi) Good Governance in the Public Sector (IFAC and CIPFA, 2014)