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**SPEECH DELIVERED BY MR. ROCKSON K. DOGBEGAH (FIoD),  
PRESIDENT OF THE INSTITUTE OF DIRECTORS-GHANA**

**AT THE MEDIA LAUNCH OF 4TH IoD-Gh CORPORATE GOVERNANCE  
EXCELLENCE AWARDS**

**ON 8TH JULY, 2021**

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Our Special Guest of Honour, Mrs. Elsie Addo Awadzi, the 2nd Deputy Governor of the Bank of Ghana,

Distinguished Guests,

Members of IoD-Gh Council,

Fellows and Honorary Fellows of IoD-Gh,

Members and Associate Members of IoD-Gh,

Our friends from the Media,

Ladies and Gentlemen,

I welcome you to this afternoon's virtual media event to launch the 4th IoD-Gh Corporate Governance Excellence Awards.

In 2018 following the birth of the Mega Transformational Agenda (MTA), the strategic document of the Institute, the maiden Awards was launched as part of the IoD-Gh's strategic efforts to celebrate the achievements of outstanding industry Actors; individual personalities and corporate organizations that have represented excellence in leadership, sound Corporate Governance

practices and have also made significant contributions to the socio-economic development of Ghana.

The overarching aim of the Awards is to champion Director professionalism and development towards excellence and best practices in good Corporate Governance for the benefit of organizations and Stakeholders and for the prosperity of Ghana.

The IoD-Gh continues to make significant inroads into both public and private sectors of the Ghanaian economy through training, advocacy and strategic engagements with Stakeholders. We acknowledge the immense support given by the Bank of Ghana and our Corporate members; Ghana National Petroleum Corporation (GNPC), Zoomlion Ghana Ltd and GOIL Co. Ltd., towards this good cause.

*The theme for this years IoD-Gh Excellence Awards which is the Fourth (4th) Edition is; “Good Corporate Governance and Ethical Leadership: An Essential Requirement for Organizational Turnaround”.*

Directorship plays a key role in the wealth and value creation of nations. The Board of Directors is the focal point in the Corporate Governance system and legally mandated with directing and overseeing organisational success. Good Corporate Governance contributes to improved organisational effectiveness. Directors provide leadership to ensure sustainable good Corporate Governance culture to advance responsible economic growth and innovation.

The focus of the IoD-Gh award scheme is developed as an education framework which is an outcome-based assessment on the code of best practice of corporate governance which I will be sharing with you shortly.

I call on leadership of organizations in both public and private sectors of the Ghanaian economy to enhance their capacity in systems strengthening towards sound governance.

## CODE OF BEST PRACTICE: IoD-Gh DIRECTORS' HANDBOOK

### THE BOARD

The board is the focal point in the corporate governance system and legally charged with directing and overseeing corporate affairs.

### BOARD MISSION

The mission of a board is to enhance stakeholder value.

### BOARD RESPONSIBILITIES

Directors individually and collectively are accountable to shareholders and perform the following functions among others:

- Policy approval;
- Oversight of management;
- Strategic direction;
- Risk assessment; and
- Financial governance

### BALANCE OF POWERS

The roles of chairman and chief executive officer should be separated. The chairman is boss of the board, while the chief executive officer is the boss of day-to-day operations. The responsibilities of the two positions must be

documented. No one should have unfettered power or authority on the board.

## BOARD APPOINTMENT

Appointment to the board must be transparently and logically managed.

The more diverse the background and mix of skills, the greater is the likelihood of effective aggregate ability.

Character competence must be of priority in selecting board members.

## SIZE OF THE BOARD

The size of the board, taking into consideration the Regulations of the company must be appropriate to meet the needs of the company. Boards should periodically review their size to ensure that the size is most effective at all times.

## BOARD COMPOSITION

The board must be constituted in such a way that there will be more non-executive directors who will bring their independent judgment to bear on and enrich the decision-making process of the enterprise.

## BOARD INDEPENDENCE

The term independent director refers to a non-executive director who:

- Is not a substantial shareholder
- Has never been an employee of the company

- Is not a relative of an employee who has significant influence over the operations of the company
- Is not a professional adviser
- Is not a representative of a shareholder who has the ability to control management
- Is not a significant supplier or customer
- Is not employed by any company providing major service to the company
- Receives no compensation from the company other than directors fees

All directors must maintain their independence at all times. They must be independent in

- Thought, and
- Action

Directors must not allow themselves to be pressurized to take a decision against their will. This quality or characteristic of independence is necessary otherwise directors may not perform their duties effectively and efficiently.

## BOARD COMMITMENT

All directors must be committed and loyal to the companies that they serve. Serving on multiple boards brings in its trail, competing time commitments for directors. Boards must issue guidelines to address these.

Executive directors must serve on few boards so that they can devote much time to the business of the company which employs them.

## TERM LIMITS

Directorship must be subject to term limit. However, directors may be re-appointed in line with the Regulations or the legal regime of the company.

## WORK PLAN

The board should prepare an Annual Work Plan which will serve as a blueprint for all activities of the board for any given year.

## AGENDA

Board agenda must be determined by the Chairman, Chief Executive Officer and Company Secretary. Other directors must be free to amend the agenda. All board meetings must be called by the use of written notice and agenda.

## DISTRIBUTION OF BOARD MATERIALS

Materials for board meetings should be distributed in good time so that members can have sufficient time to prepare adequately for the meeting.

Boards must have policy as to when materials should reach members e.g. one week before the meeting. Board policy should prohibit materials being distributed on the day of the meeting, except where it is so confidential that the day of the meeting will be the appropriate time to distribute them.

## BOARD MEETINGS

The business of the board is transacted at meetings. Every effort should be made so that board meetings become effective. Members should be encouraged to attend meetings and participate fully.

The board should meet at least four times in a year, excluding emergency meetings. Listed companies must be guided by SEC Guidelines

## BOARD COMMITTEES

Committees help to advance the business of the board. Boards must establish enough committees to meet their operations. All board committees must have terms of reference. Every board must have at least the Audit Committee.

## ROTATION OF COMMITTEE MEMBERS

As part of capacity building for the board, members of committees must be rotated periodically. This must be done in consultation with the individual directors. Rotation should not be made compulsory, especially when there could be a good reason for keeping an individual director on a particular committee permanently.

## BOARD REMUNERATION

The board must establish a comprehensive policy on its remuneration. The remuneration should be structured to attract and retain competent directors and must be reviewed annually. Board remuneration must be approved by shareholders.

## FINANCIAL REPORTING

The board must maintain adequate systems of financial management controls, including procedures designed to minimize fraud.

The board must determine the clarity and completeness or otherwise of the financial information supplied to it by management.

## RISK MANAGEMENT

The board is responsible for the total process of risk management. Management is responsible to the board for day-to-day implementation of the process.

## INTERNAL CONTROL

It is the responsibility of the board to institute sound internal control systems which will safeguard the assets of the company and investments of investors. The board should demand regular management reports in order to monitor and review the internal control system.

## ACCOUNTABILITY TO SHAREHOLDERS

The board is accountable to shareholders and the Annual General Meeting should be used as a constructive means of rendering such account.

## RESPONSIBILITY TO STAKEHOLDERS

The board is responsible to stakeholders and must determine the level of such responsibility. The board must take note of the principle of “all-inclusiveness” in corporate governance.

## CONFLICTS OF INTEREST

The board must have a comprehensive policy that addresses all conflicts of interest whether actual or potential.



## CODE OF ETHICS

The board must prepare a comprehensive code of ethics for members.

The code of ethics must prescribe individual behavioral expectation and conduct.

The code must prescribe relationship of board members with:

- Employees
- Creditors
- Community
- Shareholders
- Debtors, etc.

## TENETS OF CORPORATE GOVERNANCE

The board must abide by the tenets or pillars of corporate governance namely:

- Accountability – leadership that is ready to account
- Efficiency and Effectiveness – leadership for results
- Probity and Integrity – leadership that is honest, faithful and diligent
- Responsibility – leadership that is capable, responsible, representative and conscious of its obligations
- Transparency – leadership that is open and comes out with timely and accurate disclosures of information.

## DISCLOSURES OF INFORMATION

Directors must ensure that timely and accurate information is disclosed on all matters regarding the financial position, performance, ownership and governance of the company.

Directors must be conversant with disclosure requirements as per:

- Company law and other statutory provisions;
- Capital market regulations;
- Stock exchange rules;
- Codes of best practice that a company subscribes to;
- International accounting and auditing standards, etc.

#### CORPORATE SOCIAL RESPONSIBILITY

The board must comply with international conventions on:

- Human rights;
- Labour;
- Environment; and
- Anti-corruption

#### MATTERS RESERVED FOR THE BOARD

The board should delegate to the Chief Executive Officer the transactions or activities with limits that can be handled by him and state what should be referred to the board. The Chief Executive Officer will be expected to act within the specific authorities delegated to him by the board.

#### SUCCESSION PLAN AND DEVELOPMENT

Boards must have in place an effective CEO and management succession plan and receive regular reports from management on the development of members of the senior management.

## BOARD TRAINING AND DEVELOPMENT

Board training and development is part of the duties of directors.

Companies must make provision for the training of directors in the annual budget.

## TECHNOLOGY

The board must design appropriate technology policies and ensure its implementation to enable the company survive in this competitive era.

## BOARD ACCESS TO SENIOR MANAGEMENT

The board must have access to the company's management. However, the Chief Executive Officer must be made aware of any contact between the board and senior management and if possible, the CEO should arrange for the meeting or serve as the liaison.

## SESSIONS OF NON-EXECUTIVE DIRECTORS

Non-Executive Directors must plan sessions which will exclude any executive directors, including the Chief Executive Officer. The meeting can be used to review the performance of the Chief Executive Officer and his team.

## FORMAL EVALUATION OF THE CHIEF EXECUTIVE OFFICER

The board must establish performance criteria and evaluate the CEO annually against these criteria.

The evaluation may be based on criteria such as:

- Achievement of profit targets
- Management development and succession planning
- Accomplishment of long-term strategic objectives

CEO evaluation is the responsibility of the full board. The evaluation will help in the review of the compensation package of the CEO.

## BOARD EVALUATION

The board should establish performance criteria for themselves and review their performance against those criteria.

## RECOGNITION AND PROTECTION OF MINORITY RIGHTS AND INTERESTS

The board must ensure that minority shareholders are recognized and that their rights and interest are protected.

## RETIREMENT AGE

Every board must determine its own retirement age for non-executive directors. Service contracts of executive directors will usually state when they should retire.

## Conclusion

It is expected that an organization practising good corporate governance will observe these codes which will lead to desirable outcomes for the organization. Individual Directors who have demonstrated leadership in these areas and have made significant impacts on society will also be recognized and celebrated accordingly. We look forward to the patronage of the Awards by all industries in both the public and private sector spaces of the economy.

We will also count on organizations and individuals desirous to see improvements in the Corporate Governance culture in this country to sponsor the Awards scheme. To this effect, let me commend the Bank of Ghana once again for her strong commitment to promoting the culture of good Corporate Governance and her support to the Institute of Directors-Ghana.

Let us all endeavour to be Ambassadors of good Corporate Governance in Ghana.

Thank You.