



KEYNOTE ADDRESS

BY

**BOSS MUSTAPHA
SECRETARY TO THE GOVERNMENT OF THE FEDERATION**

ON THE OCCASION

OF

**THE INDUCTION PROGRAMME FOR BATCHES 2,3 & 4 GOVERNING
BOARD MEMBERS OF FEDERAL PARASTATALS, UNIVERSITIES AND
MEDICAL CENTERS**

AT

TRANSCORP HILTON HOTEL, MAITAMA, ABUJA

MONDAY, 29TH OCTOBER, 2018

Protocol

I am particularly delighted to be with you this morning to deliver this Keynote Address to mark the commencement of the Induction Programme for Governing Boards of Federal Parastatals including Universities and Medical Centers. Your very impressive turnout is an indication of the importance you have attached to this programme and your disposition to be better equipped for your responsibilities as Chairmen and Members of the Governing Boards of the respective organisations being that you represent here, today.

2. Distinguished Ladies and Gentlemen, the inaugural edition of this programme was held from 26th to 28th July, 2018. The Chairmen and Members of Boards of Federal Parastatals as well as their Chief Executives found that programme very educative and beneficial. The successes recorded from that programme have promoted effective good corporate governance practices in a number of Boards that attended the programme. However, it is rather unfortunate that one or two of the Boards that attended the last programme failed to understand their roles and responsibilities. I have been made to understand that a few more are having serious challenges.

3. Government is determined not to be deterred as we believe that the art of governance is continually evolving. Chairmen, Members of Boards and Chief executives must continue to learn how to work together within the law, rules and regulations.

4. This induction programme is particularly important and coming at a time when the nation is poised at the critical juncture of a holistic transformation process, that is heralding the entrenchment of good and purposeful

governance in our country. This is built on three main goals namely security, anti-corruption and economic growth.

5. As you are all aware, the Public Service remains the major service provider in Nigeria. It is the operating arm of executive, with the responsibility for implementing policies and programmes that guarantee good governance. The Public Service is therefore the vehicle through which effective governance and democratic dividends are delivered to citizens. It is, however, hierarchical in structure deriving its direction from the foremost decision-making body in the Federation, the Federal Executive Council (FEC). It is this responsibility for specific tasks that informed the creation of Ministries, Departments and Agencies.

4. Parastatals are subject specific establishments created by statutes to provide services and they operate under the supervision of the Presidency or a Ministry. The roles of Governing Boards/Councils as the case may be, are prescribed by the statutes, guidelines and extant circulars. I have directed that these documents be made available to you all, during this retreat. I have similarly instructed that the following referral authorities be made available

- i. Public Service Rules;
- ii. Financial Regulations;
- iii. Guide to Administrative Procedures in the Public Service;
- iv. Public Procurement Act 2007; and
- v. Fiscal Responsibility Act 2007, etc.

5. Governing Boards/Councils headed by Chairmen, are *stricto sensu* to provide policy direction and implementation of programmes and projects

designed and funded for the achievement of the mandates of their parastatals. For the avoidance of doubts, their policies, projects and programmes must never be at variance with the overarching direction of government and they must remain accountable to their supervisory Ministries. Let me emphasise that for effectiveness, guidance, policy coordination and institutional memories, they must report to their ministries through the Permanent Secretary.

6. Distinguished Ladies and Gentlemen, I have observed with strong reservations that most Governing Boards are yet to clearly understand the roles they are expected to play in the corporate governance of their organizations. Some of the issues that have become recurring decimals include:

- a. Undue interference by Board Chairmen in the day to day activities of their respective Parastatals and Agencies;
- b. Blatant disregard for extant regulations guiding/restricting the conduct of Board meetings;
- c. Alleged interference in the function of Office of the Chief Executive Officers;
- d. Issuing directives to staff without recourse to the Chief Executive Officer thereby undermining authority and creating disharmony amongst personnel;
- e. Imposing disciplinary measures on Chief Executives without recourse to laid down procedure, guidance and approval from supervisory authorities;
- f. Using the Labour Unions and Associations as agents of distraction in the Parastatals; and

- g. Demanding for benefits far beyond authorised limits in the public service.

Let me reiterate that membership of Boards are part time and considered a service to the nation. It is also important to state that such service is a privilege. We should therefore desist from actions and utterances that continue to ridicule the government. Categorically, Governing Boards **DO NOT** have the powers to **SUSPEND** or **REMOVE** a Chief Executive appointed by the President without due process. You may however, articulate infractions, investigate wrong doing and make your recommendations to government through the supervising Ministry.

7. Distinguished Ladies and Gentlemen, let me at this juncture highlight the roles and responsibilities of Governing Boards as provided by some of the above mentioned referral authorities:

- Statutory Boards/Councils shall set operational and administrative policies in accordance with government policy directives and shall supervise the implementation of such policies;
- A Board shall not be involved directly in the day-to-day management of a Parastatal or an agency;
- A Minister exercises control of Parastatals at policy level through the Board of the Parastatal only;
- The Board must only operate as a part-time Board in accordance with extant rules that forbids allocation of official quarters to members on a permanent basis, use of official vehicles by members on a permanent basis and payment of estacode allowances for only overseas' travels

approved by the Office of the Secretary to the Government of the Federation and their supervising Ministry; and

- No part-time member of the Board shall be allowed to retain official vehicle for use on a permanent basis.
- On the other hand, the core functions of the Chief Executive Officer include: the day-to-day administration of the organization, as well as providing strategic leadership for the management of the organization.

8. The Boards shall, in addition perform the following oversight responsibilities:

- ensure that the Federal Government of Nigeria long-term interest is served;
- work with the management to determine the organization's mission and long-term strategy;
- promote sustainable and cost-efficient activities of the organization;
- establish and promote the objectives, business and integrity of the organisation;
- establish internal control over financial reporting, and assess the organisation's risks and strategies for risk mitigation;
- monitor the performance of management in achieving set objectives of the organization; and
- Request appropriate reports from Management.

9. I hope that you will take this induction programme very seriously and leverage on the gains as I assure you of the unflinching support of His Excellency, Muhammadu Buhari, President of the Federal Republic of Nigeria in the discharge of your duties. I have directed that this programme should be

fully participatory and as such, any of you could be invited to chair or lead a session without prior notice. It is therefore necessary that you all remain committed to the end of the event as Government will not hesitate to enforce disciplinary action on anyone found to have left this programme halfway.

10. On this note, Chairmen, distinguished Board Members, ladies and gentlemen, I wish to formally declare the Induction Programme for Governing Boards of Federal Parastatals, Universities and Medical Centers, Open.

11. I thank you all for listening.