

# Delegation; Duties and Responsibilities of Board Committees and Taskforces – Public & Private Sector Perspectives

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# The Presentation



- ❑ Delegation
- ❑ Committees
- ❑ Public and Private sector perspectives
- ❑ Q and A

# Delegation



- ❑ Delegation is the assignment of any responsibility or authority to another person to carry out specific activities;
- ❑ Delegation begins all the way from ownership to execution;
- ❑ Boards have a limited amount of time for meetings, and so they delegate their functions to committees of the board.

# Delegation....



- ❑ Various Codes recommend that Boards should set up a number of key committees with specific responsibilities;
- ❑ Such responsibilities include Audit, Finance, nominations, Remunerations, **Executive**, Technical, **Ad-hoc** etc

# Cross cutting issues about committees....



- ❑ These committees are committees of the Board; the Board agrees their ToRs and their membership;
- ❑ The Board retains the responsibility for committee decisions;
- ❑ The number of committees is subject to the size of the oversight/ governance organ as well as Codes and guidelines;

# Cross cutting issues about committees....



- ❑ The composition is determined by governance organ's size, regulations and organizational context



# Public and Private sector Perspectives



- ❑ The distinction between delegation through committees in the sectors is guided by various legal tools, guidelines, Board charters among others;
- ❑ For instance public sector enterprises are guided by State entity governance tools such as *Mwongozo*, Standing orders, various substantive laws such as PFM Act (2012), Task force ToRs, SCAC guidelines, executive orders among others.

# For instance *Mwongozo* provides that..



The detailed work of the Board is carried out by committees. In this respect:

- ☐ Not more than four committees;
- ☐ It is mandatory that the Board shall establish the Audit Committee out of the four;
- ☐ Other committees could deal with governance, strategy, technical matters and finance;



# For instance *Mwongozo* provides that..



- ☐ The chairperson should not be a member of any Board committee save for an ad-hoc committee;
- ☐ Senior staff play important role at the committee stage;
- ☐ The Board can appoint ad hoc sub-committees as the need may arise;

# In the Private Sector



Committee structures and compositions varies as wide as the sector manifests.

- ☐ They include;
- ☐ Listed firms;
- ☐ family owned businesses,
- ☐ medium sized,
- ☐ NGOs,
- ☐ Cooperative societies etc

# For instance *Mwongozo* provides that..



For listed companies, The CMA guidelines provide that;

- ❑ The board should establish relevant committees and delegate specific mandates to such committees as may be necessary;
- ❑ The board shall specifically establish an audit and nominating committee.

# Effective committees



For committees to be effective;

- ☐ They should be well composed from the beginning;
- ☐ Group dynamics have to be managed;
- ☐ Their ToRs should be spelt out clearly;
- ☐ Should be adequately facilitated;
- ☐ Continuous learning and development
- ☐ Their work should be appreciated by the form Board.

# Board and Committee relationship



- ❑ Authority and power is maintained at the Board level;
- ❑ Decision making is a role of the full Board;
- ❑ Caution should be taken to avoid creating Boards within the Board;

# In conclusion fellow delegates...



Corporate governance questions concerning committees should encapsulate the following;

Has the board reviewed its committee structure? In particular:

- ☐ Do the board's committees meet best practice, and fulfil the requirements and recommendations of the relevant Corporate Governance Code?

# In conclusion fellow delegates...



- ☐ Do the committees have clear and effective terms of reference?
- ☐ Do the committees make good use of the expertise of non-executive directors?
- ☐ Do the committees have a proper balance of executive and non-executive membership?
- ☐ Are the committees adequately facilitated?
- ☐ Are all the committees effective – indeed, are they all necessary?

# In conclusion fellow delegates...



Thank You!!!



# In conclusion fellow delegates...



Q and A