

THE INAUGURAL BRANCH ANNUAL SUMMIT

GOVERNANCE, ETHICS & SUSTAINABILITY MOMBASA

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Presentation agenda



Governance

Ethics

Sustainability

IN A NUTSHELL CORPORATE GOVERNANCE



- Corporate Governance maybe be defined as a set of systems, processes, and principles which ensure that a company is governed in the best interest of all stakeholders
- It is the system by which companies are directed and controlled
- It is about promoting corporate fairness, transparency and accountability

It ensures:

- Adequate disclosures and effective decision making to achieve corporate objectives
- Transparency in business transactions
- Statutory and legal compliance
- Protection of shareholder interests
- Commitment to values and ethical conduct of business

Four Pillars of Corporate Governance



Accountability

- Ensure that management is accountable to the Board
- Ensure that the Board is accountable to shareholders

Fairness

- Protect Shareholders rights
- Treat all shareholders including minorities, equitably

Transparency

- Ensure timely, accurate disclosure on all material matters, including the financial situation, performance, ownership and corporate governance

Independence

- Procedures and structures are in place so as to minimize, or avoid completely conflicts of interest

ETHICAL GOVERNANCE



- “To be able to do the right thing in the right way, in each case and at every moment, one must be in the right consciousness.” Sri Aurobindo
- Corporate governance should endeavor to create corporate consciousness and an environment in which those who are charged with governance and those who are governed display genuine ethical, social and ecological responsibilities.

ETHICS



- Refers to well founded standards of right and wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues
- Relates to the standards of conduct and moral judgments that differentiate right from wrong. Ethics is not a natural science but a creation of the human mind
- It is not absolute and is open to the influence of time, place and situation
- Considered ethical behavior in one society might be considered unethical in another



FEATURES OF ETHICS



- Ethics is a conception of right or wrong conduct. Ethics tells us when our behavior is moral and when it is immoral. It deals with the fundamental human relationship, how we think and behave towards others and how we want them to think and behave towards us.
- Ethics relates to the formalized principles derived from social values. It deals with the moral choices that we make in the course of performing our duties with regard to the other members of society. Hence, it is relevant in the context of a society only.
- Ethical principles are universal in nature. They prescribe obligations and virtues for everybody in a society. They are important not only in business and politics but in every human endeavor.

FEATURES OF ETHICS



- There exist no sharp boundaries between ethical and non-ethical. Therefore, people often face ethical dilemmas wherein a clear cut choice becomes very difficult.
- The concepts of equity and justice are implicit in ethics. Fair and equitable treatment to all is its primary aim.
- Ethics and legality of action do not necessarily coincide. What a society interprets as ethical or unethical ends up expressed in laws. The legality of actions and decisions does not necessarily make them ethical. For example, not helping an injured person in a road accident may be unethical but not illegal.

ETHICS IN BUSINESS



- Society expects business to work in its interest. Impact on environment and mankind has to be kept in mind
- Ethical conduct is in the long-term interest of the business
- Ethical business behavior is not only about good business but about good citizenship as well
- Ethical policies and practices enable a business enterprise to build goodwill for itself
- Business can prosper only when a society is stable and peaceful. Unethical practices at times create distrust, disorder and turmoil in society

STATE AND PUBLIC OFFICERS (Cap 6)

AVOID





"It's not all bad. We still have enough cash for bribing the prison guards."

ETHICS VIEWS



Moral Rights View

Does a decision or behaviour maintain the fundamental rights of all human beings?

Individualism View

Does a decision or behaviour promote one's long-term self-interests?

Utilitarian View

Does a decision or behaviour do the greatest good for the most people?

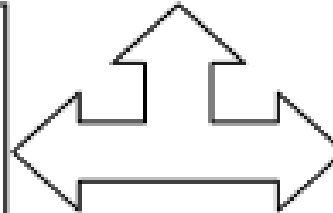
Justice View

Does a decision or behaviour show fairness and impartiality?

ETHICS WHICH WAY



**Compliance Orientation
Programme**



Values Orientation

Cultural relativism

Universalism



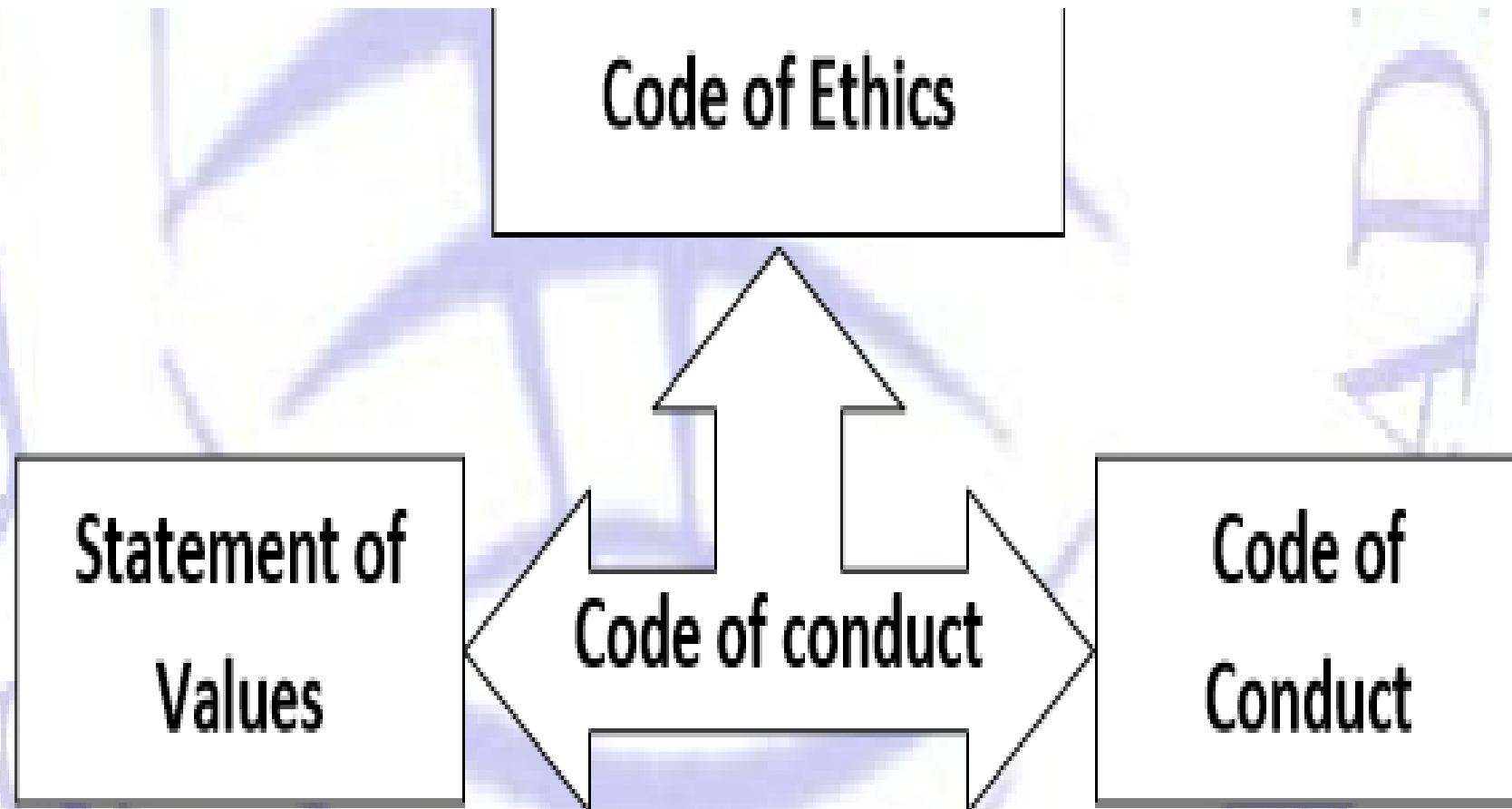
No culture's ethics are superior.
The values and practices of the local
setting determine what is right or wrong.

When in Rome, do as the Romans do.

Certain absolute truths apply everywhere.
Universal values transcend cultures
in determining what is right or wrong.

Don't do anything you wouldn't do at home.

CODE OF ETHICS



CODE OF ETHICS... CODE OF CONDUCT... STATEMENT OF VALUE???



- Code of ethics, is the most comprehensive and consists of general statements, sometimes altruistic or inspirational, that serve as principles and the basis for rules of conduct. A code of ethics generally specifies methods for reporting violations, disciplinary action for violations, and a structure of due process
- Code of conduct, is a written document that may contain some inspiration statements but usually specifies acceptable or unacceptable types of behavior. A code of conduct is more akin to a regulatory set of rules and as such tends to elicit less debate about specific action
- Statement of values, it serves the general public and also addresses distinct groups of stakeholders. Values statements are conceived by management and are fully developed with input from all stakeholder

FEATURES OF A GOOD ETHICS PROGRAMME



Leadership

Consistency between word and actions

Fairness

Openness

Just reward

Value-driven



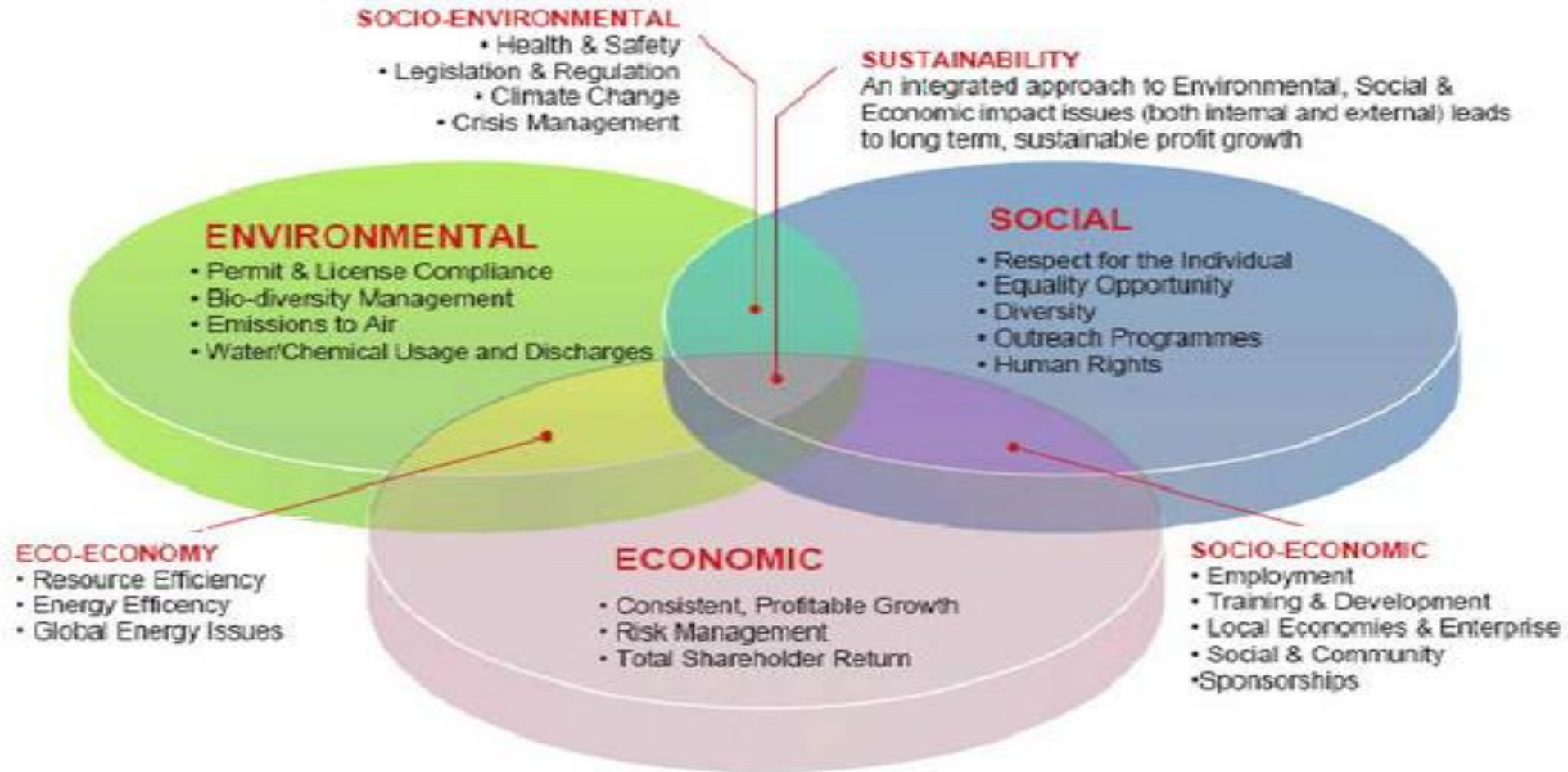
SUSTAINABILITY



- The capacity of an eco-system to endure
- Making the future the cause of our present
- Development that meets the needs of the present without compromising the ability of future generations to meet their own needs



SUSTAINABILITY





SUSTAINABLE DEVELOPMENT GOALS



