

Yandraduth Googoolye: Importance of corporate governance at ICSA Mauritius Graduation ceremony

Speech by Mr Yandraduth Googoolye, Governor of the Bank of Mauritius, at the ICSA Mauritius Graduation ceremony, Port Louis, 15 November 2018.

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- ♦ Mr Ambrish Maharahaje, ICSA President, Mauritius Branch
- ♦ Mr John Heaton, ICSA President for United Kingdom, Republic of Ireland and Associated Territories
- ♦ Mr Simon Osborne, ICSA Chief Executive for United Kingdom, Republic of Ireland and Associated Territories
- ♦ Council Members and staff of the ICSA Mauritius Association
- ♦ Dear Graduates
- ♦ Ladies and gentlemen

Good afternoon.

Thank you for making me part of the celebration of your success. Your hard work is being rewarded by earning an internationally-recognised qualification that ICSA confers upon you. I congratulate you for the academic commitment you have displayed and for the passion within you to contribute to the business community and the country's progress.

The Companies Act makes provision for a company secretary in both private and public sector companies. Section 166 of the Act states that "*The duties of a secretary shall include but shall not be restricted to (a) providing the Board with guidance as to its duties, responsibilities and powers; (b) informing the Board of all legislation relevant to or affecting meetings of shareholders and directors and reporting at any meetings and the filing of any documents required of the company and any failure to comply with such legislation*". This clearly demonstrates the importance of such a function in an organization. And the Board of directors of a company have to ensure that the Secretary has the requisite knowledge and experience to discharge his/her functions.

The role of a company secretary is also visible in the 2016 National Code of Corporate Governance, where it is explicitly mentioned that "*all organisations should have a Company Secretary. The Company Secretary acts as a vital bridge between the Board and the executive management. The Company Secretary must have access to Board members (executive, non-executive, CEO and Chairperson). The Board should consider assigning the tasks of applying and implementing the principles in the Code to the Company Secretary. Boards should ensure that the Company Secretary be competent to carry out his or her duties.*"

Ladies and Gentlemen, your functions are already well defined and you have the duty to ensure that you comply with them. Gone are the days when a company secretary was merely taking "notes" or "minutes". The dynamics of the boardroom are constantly evolving. Chairpersons and directors recognize such changes and acknowledge the need for specialist skills and technical knowledge.

The Board trusts the company secretary to advise, amongst others, on directors' statutory duties as prescribed by law, board processes, disclosure obligations, listing rule requirements, and the requisites of corporate governance and practices. These functions have modernized the role of a company secretary and put them among the key governance professionals within an organisation.

There is no doubt that you have learnt a myriad of critical subjects that spanned through your curriculum. You will soon be joining (or, may, even have joined) firms in the country or abroad to discharge the duties for which you have been groomed. You have undeniably pushed the boundaries in some areas so as to specialise in a given field.

I am certain that you have seen how much the world has changed across the last two decades and how interconnected and inter-dependable countries, economies and people are. The world has taken more complex twists than the Gordian sociological and corporate scenarios that the American writer and futurist Alvin Toffler even imagined in his *'Future Shock'* best-seller.

Governance is more than just complying with laws, regulations, standards, and codes. Governance also aims to nurturing a culture of good practice. Good governance sources from an institution's internal processes and controls. This calls for another important function of a corporate secretary – to identify the required corporate governance practices of an organisation.

The corporate secretary is intended to be the link between the board and management; and between the organization and its shareholders and stakeholders. And to accomplish this function, the corporate secretary needs to be fully aware of the powers, rights, duties, and obligations of all of these groups so that he/she can inform, communicate and advise appropriately. Above all, he or she is also expected to perform his/her role with the highest integrity and independence.

Ladies and gentlemen, allow me to quote former South African Supreme Court judge and governance guru Mervyn Eldred King, father of the famed King Report on Corporate Governance, for this landmark statement, I quote: *"It is clear that good corporate governance makes good sense. The name of the game for a company in the 21st Century will be to conform while it performs!"*

There is no doubt that accountability and transparency are major pillars in the architecture of governance. We, at the Bank, value these elements to their core. This is the reason why we have issued a Guideline on Corporate Governance.

The Bank monitors adherence to the Guideline through its supervisory and regulatory functions. Bank supervision and regulation cannot function well if sound corporate governance is not in place. It is imperative to instil the levels of accountability and checks and balances within each bank. This principle should also be your motto in your organisation.

At the Bank, we engage in dialogue with our stakeholders and pursue consultative meetings with them to gauge their views, which are vital to enhance effective policy formulation and decision-making processes. We stand guided by the vision of our Board and operate independently within the parameters of the Bank of Mauritius Act. This notion of full impartiality also applies to our Monetary Policy Committee, where by law, members act independently and are free to express their views in full objectivity. This is what helps the Bank to seamlessly implement its core mandates to better serve the people of Mauritius.

Our country has made significant strides over time and the World Bank, in its Ease of Doing Business Report 2019, has ranked Mauritius in the Top 20 countries in the world for its ease of doing business and first in Sub Saharan Africa. This recognition is testimony of the hard work of every Mauritian. Whilst proud of this achievement, we should continue to work for the betterment of our country and contribute to enhance our standard of living, converging to a high-income country. The world's economy is fraught with uncertainties and challenges. We must put our minds together to address these challenges and move the country ahead. We need your contribution to that effect.

Ladies and gentlemen, the emphasis I have laid on governance underscore the sacrosanct aspect of the company secretary's duty to enforce governance and compliance. We have to

compose with a fast-moving environment where Kenneth Blanchard's once revolutionary management concepts of *One Minute Goals*, *One Minute Praisings* and *One Minute Reprimands* no longer seem to respond to today's business imperatives.

Dear young graduates, you have built your success on hard work, on hopes and efforts borne by your parents and your loved ones and your own aspirations of being the best in your league.

May I congratulate you once again and wish you the very best. May you always discharge your responsibilities in a most exemplary manner.

Never forget that your prime duty is to protect the integrity and repute of your country.

I thank you for your attention.