



KEYNOTE ADDRESS

BY

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

ON THE OCCASION

OF

**THE INDUCTION PROGRAMME FOR GOVERNING BOARD MEMBERS
OF PARASTATALS RECENTLY INAUGURATED UNDER THE OFFICE OF
THE SECRETARY TO THE GOVERNMENT OF THE FEDERATION**

AT

THE TRANCORP HILTON HOTEL, MAITAMA, ABUJA

THURSDAY, 26TH JULY 2018

Protocol

It gives me great pleasure to be here with you this evening at this very important Induction Programme for Governing Boards of Federal Parastatals under Office of the Secretary to the Government of the Federation (OSGF). Your very impressive turnout is an indication of the importance you have attached to this programme and your disposition to be better equipped for the responsibilities ahead of you as Chairmen and members of the Governing Boards of the respective organisations that you represent here today.

2. Distinguished Ladies and Gentlemen, this programme as you may recall, is in keeping with my address to you at your inauguration on 27th February, 2018, to the effect that a joint retreat for Management, Chairmen and Members of the Governing Boards of Federal Parastatals under the Presidency and other MDAs, would be organized to further deepen your understanding of the new policies, processes and procedures that have been introduced into the art of governance. This induction programme which is the first phase, becomes more significant at this time that the present Administration is fully committed to the entrenchment of good and purposeful governance in our country.

3. As you are all aware, the Public Service that we all know remains the major service provider and development machinery in Nigeria. It is the operating arm of Government with the responsibility for implementing policies, projects and programmes that guarantee the efficient delivery of good governance and democratic dividends 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 assignment of responsibility of specific tasks that evolved the creation of Parastatals and Agencies of Government.

4. Parastatals are Government establishments created by statutes to deliver specific mandates. The structure and operating instruments are derived from their respective Acts of establishment. Depending on exigencies, parastatals are placed under the supervision of the Presidency or a Ministry. The affairs of Parastatals are superintended by a Governing Board, headed by a Chairman, to provide policy guidelines and liaise with the supervisory Ministry through the Permanent Secretary for effective monitoring, policy guidance, Budget processing and ensuring that Government policy directives relating to the functions of the Parastatal are carried out effectively. However, the day-to-day administration of the Parastatal is handled by a Chief Executive who doubles as the Accounting Officer.

5. Distinguished Ladies and Gentlemen, I have observed with concern divergent interpretations to the roles Governing Boards of Federal Parastatals are expected to play in the corporate governance of their organizations. Arising from this, a number of worrisome issues have begun to emerge. Some of these include:

- a. Disagreements on who is responsible for the day to day running of Parastatals and Agencies;
- b. Disregard for extant regulations guiding/restricting the conduct of Board meetings;
- c. Interference in the function of Office of the Chief Executive Officers;

- d. Issuing directives to staff without recourse to the Chief Executive Officer thereby creating disharmony amongst personnel;
- e. Initiating unlawful disciplinary measures against the Chief Executive without requisite guidance and approval from supervisory Ministry; and
- f. Instigating the Labour Unions and Associations as agents of distraction in the Parastatals.

6. The observed poor and unhealthy relationships existing between Governing Boards and their Chief Executive Officers has become very worrisome to Government and is unacceptable. Chairmen and Members of Governing Boards should acquaint themselves with the instruments of establishment of their respective organisations, where the roles and responsibilities of the Board are prescribed. Equally, the following referral authorities and other relevant Government circulars are to guide the conduct of public officers:

- 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.

7. Distinguished Ladies and Gentlemen, let me at this juncture highlight the roles and responsibilities of Boards of Parastatals as provided by some of the earlier 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 on a part-time basis in accordance with extant rules that forbid 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
- 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 Board shall, in addition perform the following oversight responsibilities:

- ensure that the Federal Government of Nigeria's 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. In conclusion, Governing Boards and Chief Executive Officers of Federal Parastatals and others who run them must remain worthy of the trust reposed in them by their respective appointments. First, there must be a sustained and committed leadership that embodies the core values of good

governance. I therefore enjoin you all to be worthy of your calling and strive to entrench good governance in your organizations.

10. I am assured that you will take this induction programme very seriously and leverage on the gains as I can affirm to the unflinching support of His Excellency, President Muhammadu Buhari 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 and lead a session without prior notice. It is therefore necessary that you all remain to the end of the event as Government will not hesitate to enforce actions on anyone found to have left this programme midway.

11. On this note, Chairmen, distinguished Board members, ladies and gentlemen, I wish to formally declare open this Induction Programme for Governing Boards of Federal Parastatals, Agencies and Commissions under the Presidency Open.

12. I thank you all for your kind attention.