

# **PNGID**

**PAPUA NEW GUINEA  
INSTITUTE OF DIRECTORS**

## **Corporate Governance The Role of Directors/Board Members**

**Presented by: Ray Clark  
Executive Director  
PNGIBBM**

## **What is 'Corporate Governance'**

**Corporate -**

**derivation CORPORARE**

**To form into a body**

**Governance -**

**derives from GUBERNARE and KUPERNAO**

**To rule - to steer**

**Definition:**

**The system and the processes under which delegation of authority takes place and an organisation is directed and controlled.**

## THE STRUCTURE of CORPORATE GOVERNANCE

**Shareholders - Members - Stakeholders**

(Those who have an interest in the organisation)



**Directors - Board Members - Council Members**

(Those who govern the organisation on their behalf)



**Chief Executive Officer and Management**

(Those who operate the organisation at the direction of the Board)

# The Pillars of Corporate Governance

## COMPLIANCE

With legislation

- Corporate and Establishing
- Securities
- Financial
- Taxation
- Insurance
- Employment
- Environmental

## PERFORMANCE

Adding Value

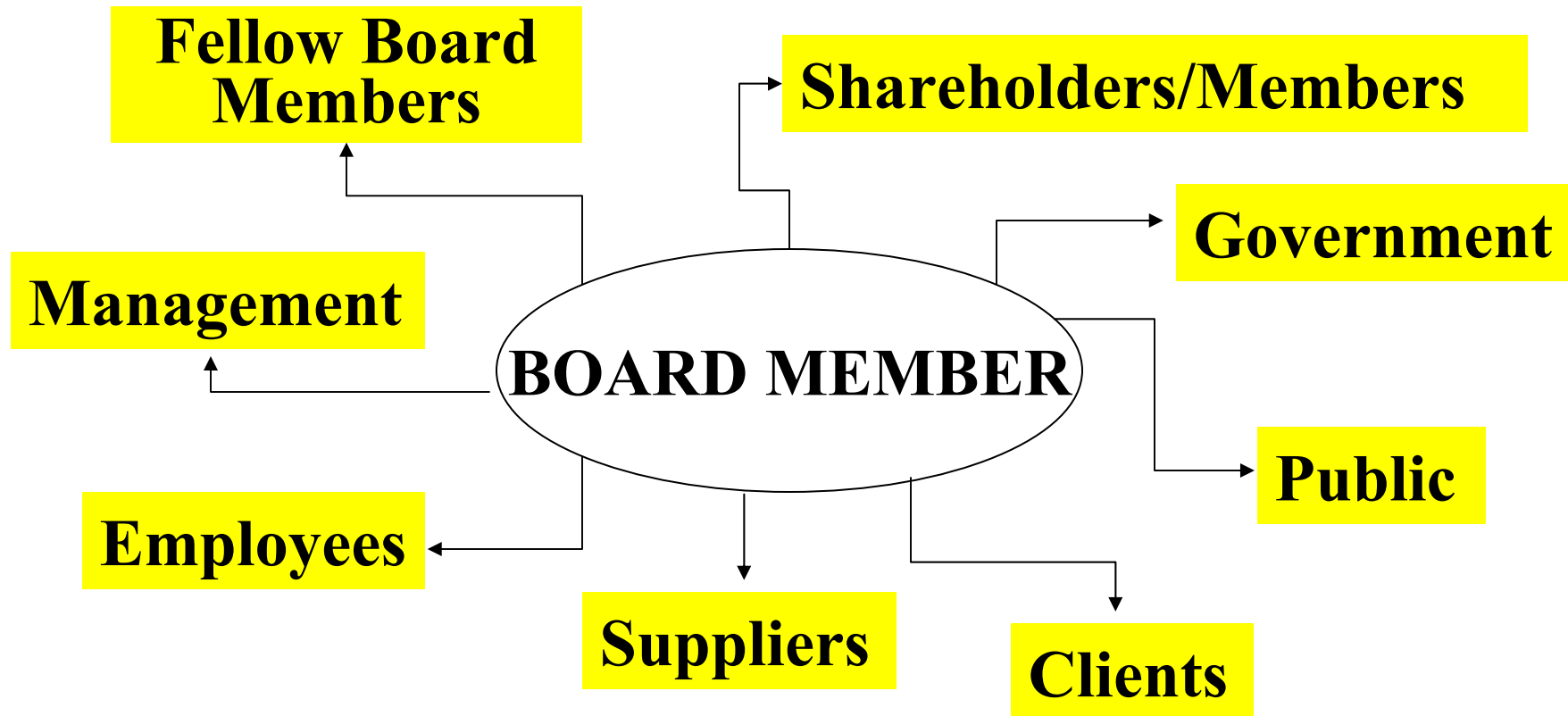
- Strategy
- Policy
- CEO and staff
- Investment
- Operational
- Communication
- Risk
- Board

## COMMUNICATION

With stakeholders

- Shareholders or Members
- Government
- Public
- Clients
- Suppliers
- Management
- Employees

# Directors are accountable TO: and/or responsible FOR:



**THEMSELVES and THEIR FAMILIES**

# **JOB DESCRIPTION**

## **Director/Board Member**

### **KEY RESPONSIBILITIES**

- **Serve the legitimate interests of the stakeholders by providing leadership, enterprise and soundly based judgement;**
- **Direct the affairs of the enterprise with care and diligence, exercising and exemplifying transparency, accountability and responsibility;**
- **Add value to the organisation;**
- **Ensure compliance with all relevant laws, regulations and codes of best practice.**



## **Code of Professional and Ethical Conduct**

- Legal Framework
- Care and Diligence
- Personal responsibility
- Use of Powers
- Personal gain or favour
- Conflict of Interests
- Disclosure of Interests
- Safeguard of Information
- Financial Integrity
- Transparency
- Personal Conduct
- Cessation of appointment

## **GOLDEN RULE FOR DIRECTORS**

### **NUMBER ONE**

**Know the legislation, the constitution and the regulations that apply to the organisation of which you are a Director/Board Member.**

## **GOLDEN RULE FOR DIRECTORS**

### **NUMBER TWO**

**Embrace and foster all aspects of  
Corporate Governance**

## **GOLDEN RULE FOR DIRECTORS**

### **NUMBER THREE**

**Understand your duties and responsibilities as a Director/Board Member;  
Perform them with honesty, integrity and to the best of your ability.**

## **GOLDEN RULE FOR DIRECTORS**

### **NUMBER FOUR**

**Play by the rules and ensure that all other Board Members do likewise - or be prepared to cop the penalty**

## **GOLDEN RULE FOR DIRECTORS**

### **NUMBER FIVE**

**Read and consider Board Papers before the Meeting, develop your opinions, prepare your comments, have your say.**

## **GOLDEN RULE FOR DIRECTORS**

### **NUMBER SIX**

**If you do not understand something on which you are being asked to make a decision, say so and seek advice**