

# GOOD GOVERNANCE, THE BOARD, THE GOVERNMENT AND THE OPEN GOVERNMENT INTRODUCTION: GOOD GOVERNANCE.

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## INTRODUCTION

1. United Nations Development Programme (UNDP) in its report in 1997 defines Good Governance as an 'exercise of economic, political and administrative authority to manage a country's affairs at all levels.'
2. From then on good governance sets the normative standards of development. It fosters participation, ensures transparency, demands accountability, promotes efficiency, upholds equity and ethics and above all the rule of law in economic, political and administrative institutions and processes. It is the hallmark of political profoundness and propels the requisite impetus for growth and poverty alleviation for ushering large-scale investment to occur and for social programs to be supported. A cornerstone of good governance is adherence to transparency, efficiency, development, growth and progress to all, irrespective of the social status or political considerations of the citizens.

## THE BOARD.

3. If we apply these postulates in business and make it happen to excel in their performance, especially the governors and leaders of business who form the Board of Directors, the following thoughts may be of immense help to all Stakeholders.
4. The board must be effective in leading and controlling the organisation and acting wholly in its best interest. Board members must ensure that the interests of the organizations are placed before any personal interests. Each Board must be clear about its duties and responsibilities. These must be set out and made available for all existing and potential board members. All board members must receive induction on joining the board and should regularly refresh and update skills. Recruitment to board vacancies must be open and transparent, based on merit and objective selection and assessment techniques.
5. The board must undertake a formal and rigorous annual appraisal of its members

and of the board as a whole and inform to all stakeholders. Each board must be headed by a properly appointed and skilled chair who is aware of his or her duties as head of the board and the clear division of responsibilities between the board and the executive. The board must act effectively, making clear decisions based on timely and accurate information. They should have clear terms of reference in order that their conduct is transparent, effective and in the interests of the organization.

6. There must be clear working arrangements between the board and the chief executive and clear delegation of authority. Must have a written and signed contract of employment. Proper oversight of the board be in place. Committees of the board may be established where the board determines that they will provide expertise and enable it to scrutinize and deliver effective corporate governance and manage risk. Across the board, organizations need a clearly defined mission and vision that translates into concrete goals for measuring executive compensation and board of directors' pay.
7. Effective governance is clearly the answer to resolving the pay-for-performance challenge. Each member of a board of directors owes a fiduciary duty to establish a compensation strategy that does not include excessive board compensation. The test of viability is the board's ability to translate that strategy into performance metrics for executive and director compensation. The compensation should be based on established and clearly documented performance-based metrics.
8. For any public organization, transparent disclosure of executive and director compensation is an essential component of good governance. In order to demonstrate accountability to stakeholders, organizations must employ disclosure practices that clarify and publically make known the roles and responsibilities of board and management and the director's salaries. They must also implement procedures to independently verify and safeguard the integrity of the company's financial reporting - including board compensation reports. Disclosure of material matters concerning the organization should be timely and balanced to ensure that all investors have access to clear, factual information. Board committees hold meetings regularly so the members of a board of directors can make decisions regarding the direction of an organization as per the framed set of rules. They are held at definite intervals to consider policy issues and major problems. They are usually presided over by an organization's chairman or his or her appointee. They must meet the quorum requirements. All directors (even if absent) are bound by collective responsibility to the resolutions of the board committee. Deliberations and meeting agendas must be recorded in board meeting minutes.
9. Meeting agendas are fundamental to the success of a board committee meeting. Usually a one-page document, the board meeting agenda sets the tone, pace, and content of a board meeting, eliminating any unwanted surprises. A well-written meeting agenda should make it clear what will be covered during a board meeting: Each topic should be clearly

articulated. The length of time expected for any topic, and the member responsible for the discussion should be indicated.

10. Board meeting minutes are prepared as a follow up document that is made available to all relevant stakeholders. They must include the statutory requirement of providing and to preserve an accurate and official record of decisions made and actions taken. Meeting minutes also must demonstrate the fiduciary duty of directors, and serve as prima facie evidence. It should be accurate - reflect what happened at the meeting, what decisions were made and who made them. It should be made accessible, make important information easy to find, easy to understand and easy to use. It is desirable to use uniform style, consistent formats, processes and language.

### **THE GOVERNMENT and GOOD GOVERNANCE**

11. So also the Government. In the case of Government it is no way different. The Government should enable Transparency, Access to Public Information and Good Governance.

#### **The Transparency process has a three-fold purpose:**

12. Expand and strengthen transparency in public activity, which is set forth as an obligation at every level of the public administration and public agencies; Public Accountability is the obligation of authorities to explain publicly, fully and fairly, before and after the act, how they

are carrying out responsibilities that affect the public in important ways.

13. Recognise and guarantee access to information, which is regulated as a far-reaching right; and Establish the good governance obligations to be met by public officials, as well as the legal consequences of noncompliance, which become a requirement of responsibility for all those carrying out public activities.
14. Holding to account means obtaining from authorities the public explanations when we need them, validating the reporting for its fairness and completeness and doing something sensible and fair with explanations given in good faith.
15. The openness of decisions and actions and their free flow of information are essential for transparency. Therefore, Accountability cannot be done without Transparency. Appropriate checks and balances (scrutiny), the right control mechanisms could enable more accountability.
16. Governments today are being challenged to find ways to improve their service levels. Limited by internal processes and procedures that were developed before the digital age, agencies must nevertheless respond to increased citizen expectations, growing security concerns, and demands for greater accountability – often without increased operating budgets. Earlier investments in technology helped to streamline internal workflows, but agencies continue to struggle with how to use technology to

best interact with citizens, businesses, and other agencies.

17. With the advent of Information Technology, the Central and State Governments and Public Sector Undertakings are putting critical information online, automating once cumbersome processes and interacting electronically with their citizens – eg. Citizen's Charter, matters coming under the purview of Right to Information Act, etc., resulting in transparency and accountability of their activities. The adoption of ICT brings hope that government can be transformed and forward-looking officials everywhere are using technology to improve their governance and public accountability – to outreach the members within a few seconds with improved connectivity through their websites, e-mails, e-governance etc.

18. E-Governance system with improved management mechanism will ensure professionalism and enhance productivity through systematic management of audit and help detect any deviations in near real time when the project is in progress and provide solutions so that the objective is met well in time

### **PUBLIC PARTICIPATION - THE CIVIL SOCIETY.**

19. Probably the Civil Societies can be utilized to achieve better results. In the case of Business Entities Stakeholders can do a lot in keeping the business activities in goods stead. Greater interaction between Institutions and civil

society organizations is likely to lead to stronger oversight by both sets of institutions – and that this interaction will strengthen the country's governance framework, public accountability and the effectiveness and efficiency of its antipoverty programmes.

20. The civil society organizations can augment the efforts of public awareness and greater scrutiny. Civil society organizations can build citizen literacy on public administration and robust financial management. Civil society organizations have the networks and expertise to detect potential cases of corruption and to report these to regulatory institutions. Civil society organizations can improve the limited oversight capacity in institutions to undertake performance, procurement and environment concerns. Civil society organizations (together with legislatures/parliaments) can monitor and build pressure on the executive to implement the best practices.

### **OPEN GOVERNMENT.**

Empowerment of Citizens and Public Trust are twin stamps of Open Government. Engaging civil society in legislative participation will definitely boost transparency and help to curb corruption. Give rise to incentives to enhance efficiency in departmental spending. Foster consensus about difficult budget choices and foster accountable and responsible government. Ensure High-Quality, Effective, Efficient, Transparent, Accountable, Economically and Physically Accessible and Nondiscriminatory Delivery of Public Service.

21. Increases the public trust and establish a system of transparency, public participation and collaboration. Openness will strengthen democracy and promote efficiency and effectiveness in democratic Government.
22. Rule of Law will prevail above all. This paves way for Open Government where systems integrate, probity in public work improves and equity is strengthened.

**P.S. The author compiled the materials from various sources of authenticated documents.**