



REPUBLIC OF NAMIBIA

MINISTRY OF PUBLIC ENTERPRISES

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COMMON PRINCIPLE OF CORPORATE GOVERNANCE AND GOOD PRACTICE:

DOCUMENT NUMBER 1/2016

SUBJECT:

COMMUNICATION LINES

INTRODUCTION:

The Ministry of Public Enterprises has taken note of a developing trend within the Public Enterprise sector whereby proper communication lines are simply not adhered to or consciously ignored.

It is extremely important that various layers of authority are always respected and to do this, communication and consultation lines should be adhered to at all times.

Due to the seriousness of this conduct, the Ministry of Public Enterprises takes a very dim view of this practice and urges all functionaries concerned to henceforth follow proper communication lines and desist from this practice forthwith.

Section 4(1)(a) of the Public Enterprises Governance Amendment Act of 2015 stipulates that one of the functions of the Minister responsible for Public Enterprises, is **"to establish generally accepted common principles of good governance and good practice governing public enterprises"**.

This circular must thus be viewed within the purview of this specific provision of the Public Enterprises Governance Amendment Act 2015.

All official Correspondence must be addressed to the Permanent Secretary

PRINCIPLE:

COMMUNICATION LINES:

It is recommended herewith that the following communication lines be observed at all times and without fail in the interest of sound working relationships.

1. MANAGEMENT OF PUBLIC ENTERPRISES:

- 1.1 Whenever there is an issue of concern, both from an operational and policy perspective, that Managers of Public Enterprises feel is beyond them or that they cannot handle, the proper procedure to follow is to bring that matter to the immediate attention of the Chief Executive Officer or Managing Director of the entity for the resolution thereof.
- 1.2 It is only when this avenue of redress has not yielded the desired results, that managers may then ask their Chief Executive Officers or Managing Directors to bring the matter to the attention of the Chairperson of the Board of Directors of the entity.
- 1.3 Managers are not allowed to leapfrog their Chief Executive Officers or Managing Directors and take the matter directly to the **Chairperson of Board of Directors** or to their **portfolio Ministers** or the **Minister responsible for Public Enterprises** or the **Prime Minister** or even to **His Excellency, The President** without seeking to have it resolved first of all by the Chief Executive Officers or Managing Directors.

2.0 CHIEF EXECUTIVE OFFICERS/MANAGING DIRECTORS OF PUBLIC ENTERPRISES:

- 2.1 Whenever there is an issue of concern, both from an operational and policy perspective, that Chief Executive Officers or Managing Directors feel is beyond them or that they cannot handle, the proper procedure to follow is to bring that matter to the immediate attention of the **Board of Directors** of the entity for resolution thereof.
- 2.2 It is only when this avenue of redress has not yielded the desired results that Chief Executive Officers/Managing Directors may then ask the Board of Directors to bring the matter to the attention of the portfolio Minister of the entity or the Minister responsible for Public Enterprises. CEOs/MDs are further encouraged to approach the portfolio Minister or Minister responsible for Public Enterprises together with at least one Board member and if possible preferably with the Chairperson of the board.

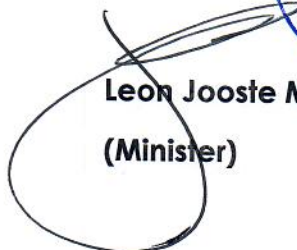
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- 2.3 Chief Executive Officers/Managing Directors are not allowed to leapfrog their **Board of Directors** and to take the matter directly to the **portfolio Minister**, the **Minister responsible for Public Enterprises** or the **Prime Minister** or even to **His Excellency, The President** without seeking to have it resolved first of all by the Board of Directors.

CONCLUSION:

A matter of concern to any given functionary, both from an operational and policy perspective, must never be escalated to the next higher level without all avenues at the lower level having been properly exhausted. I am confident that adherence to these basic principles on communication lines will minimise unnecessary misunderstandings which may lead to compromised or complicated relationships. Principles of Corporate Governance and related matters like Communication Lines facilitate corporate and institutional relationships where all layers of authority are equally respected and acknowledged.

Please be assured as always that these measures are implemented in the best interest of your entity as the Ministry of Public Enterprises pursue mechanisms and strategies to create the optimum environment for Public Enterprises to flourish.


Leon Jooste MP
(Minister)

