

PRESENTATION
AT THE
PUBLIC SECTOR CORPORATE GOVERNANCE AWARDS LAUNCH

BY
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It was back in the year 2011 that the Cabinet, of which I was a part, gave final approval of a Corporate Governance Framework for Public Bodies.

The aim was to provide guidance for standard operating procedures of our public bodies and their boards that would lead to improved accountability, probity and transparency towards a more compliant, responsive, efficient and effective Public Service.

It was the Government's objective that this would ultimately bring the entities in line with international corporate governance best practices. The monitoring arrangement for the operations of Public Bodies by their parent Ministries is now underway and it fits well into the existing monitoring system that we have established in the Public Enterprises Division of the Ministry of Finance and the Public service.

I commend the collaborative effort of the Private Sector Organization of Jamaica (PSOJ) and the Ministry of Finance and the Public Service (MOFPS) in establishing an annual *PSOJ Public Sector Corporate Governance Awards* to commence in November 2017. Today we launch this initiative that will reward those deserving Public Bodies that are governed by the Public Bodies Management and Accountability Act (PBMAA) and the Corporate Governance Framework for Public Bodies (CGF), based on their performance in the 2016/17 financial year. It is anticipated that these awards will promote effective governance in order to increase the Public Bodies performance and improve public trust.

We will recall that there existed a time in which there was no formal established common approach or guidance in the public sector in relation to matters such as governance standards and regular reporting on performance. This was a glaring deficiency in effective governance. Some Public bodies had come into question for breaches including those of procurement guidelines and incidents of fraud or negligence on the part of their fiduciaries - chairpersons, directors, corporate secretaries and senior management.

Ladies and gentlemen, good corporate governance is just as important in public enterprises as it is in the private sector. I posit that effective corporate governance is **even more critical** in the public sector since public funds are being utilized for the common good. Public sector entities make a vital contribution to our social and economic circumstance by providing a range of essential public services in areas such as infrastructure development, public utilities, employment creation, social welfare and economic growth. The effectiveness with which they provide those services and the efficiency with which they utilize the public resources at their disposal are matters of deep public interest.

It is extremely important that for all public sector organizations, good corporate governance practices will encourage their corporate boards and management teams to establish and maintain a clear focus on performance, transparency and accountability. This involves boards providing strategic direction and developing proper business plans and strategies, establishing realizable benchmarks of performance, ensuring effective monitoring of compliance with relevant laws, regulations, standards and guidelines. It also involves instituting sustainable human resources and remuneration policies, and ensuring the adequacy of financial systems and controls, and risk management policies and practices. These are all important key elements of an effective governance framework and must be encouraged in **all** Public Bodies operating across Jamaica.

As the Government of Jamaica pursues a comprehensive programme of Public Sector Transformation and modernization , the broad goal is to achieve greater efficiency, effectiveness and economy in resource utilization, service delivery, and critically, to address perennial concerns of poor performance and management,

financial irresponsibility, and weak mechanisms for monitoring accountability in Government.

The Vision is to create effective, efficient and customer focused Public Bodies that are guided by a policy framework which provides for their effective oversight in order to ensure that they operate at the highest level of competence, transparency and governance for optimum performance across the Public Sector.

Most economists would agree that governance is one of the critical factors determining the growth prospects of countries and so this element has formed an important part of our growth agenda. We truly thank the private sector in partnering with us as we seek to set world standards in the delivery of public service to Jamaica and its people.

Thank you.