



CORPORATE GOVERNANCE FRAMEWORK FOR PUBLIC BODIES IN JAMAICA

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PREFACE

Context

The Government of Jamaica aims to improve accountability, probity and transparency among Public Bodies in order to achieve a more compliant, responsive, efficient and effective Public Service. In essence, its ultimate aim is to bring Jamaican Public Bodies, especially the operation and effectiveness of corporate boards in line with international corporate governance best practices and emerging trends. In keeping with these objectives, the Cabinet has given approval for the Corporate Governance Framework for Public Bodies in Jamaica and the implementation of the recommendations.

In Jamaica, Public Bodies collectively **191** active ones, represent an important subset of the public sector. They are integral to the development and implementation of a number of key policy objectives. These entities are held accountable in relation to various statutory requirements. However, they often 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 committee members.

Purpose of the Corporate Governance Framework

Public Bodies across the Government of Jamaica (GoJ) operate in a dynamic and financially-charged environment. They are further challenged by the need to be fully compliant within the development and regulatory requirements of a transforming economy. In this regard, the GoJ has sought to clarify the governance framework within which Public Bodies must operate, taking into account lessons learnt from successful regional and international models.

Monitoring and Oversight

The Framework provides for the establishment of an effective monitoring arrangement for the operations of Public Bodies by their parent Ministries. The proposed arrangement will facilitate the transparent, efficient and effective use of resources, and make critical linkages to the existing monitoring system in the Ministry of Finance & Planning (MOFP). It is believed that clarification of the monitoring role of the parent Ministries will help to enhance the level of compliance by Public Bodies with the required statutory mandates. Consequent

on the acceptance of the governance principles and to ensure effective implementation, the legislative framework will require strengthening. Additionally, there will need to be increased sensitisation on the role and importance of strategic oversight functions undertaken by key institutions such as the Office of the Contractor General, Auditor General and the Ministry of Finance & Planning.

Implementation of the Corporate Governance Framework

The Ministry of Finance & Planning, with the support of the Office of the Cabinet, shall develop appropriate action plans which will outline the mechanisms by which the policy goals and objectives will be achieved, detailing the strategies, roles and responsibilities and timeframe. The Ministry of Finance & Planning shall be responsible for the institutionalisation of the Framework, including implementation oversight of the agreed action plans, and subsequent evaluation and revision of the Framework. A progress report and related analysis with respect to the impact of the Framework, as implemented, will be submitted to Cabinet every year after its approval.

This framework has been designed to embody best practices, in keeping with conditions prevailing in Jamaica. It is recognized that some public bodies, depending on their size and resources may need to adapt specific rules in the framework to meet their particular circumstances. To the extent that there is a departure, the Board will be required to provide sufficient, reasonable explanation in the annual report.

Consultation

In order to ensure that the development of the Corporate Governance Framework benefitted from the input and views of a wide stakeholder base, consultation sessions were held and included an in-depth review of the social science literature; an internet administered survey among corporate governance experts; focus group studies; and in-depth face-to-face interviews and informal discussions. A list of consultations held, and the feedback received is provided in a separate report.

LIST OF ACRONYMS

AGD	-	Auditor's General Department
CEO	-	Chief Executive Officer
CG	-	Corporate Governance
CIA	-	Chief Internal Auditor
CO	-	Cabinet Office
CS	-	Company (or Corporate) Secretary
CSR	-	Corporate Social Responsibility
ERM	-	Enterprise Risk Management
FAA Act	-	Financial Administration and Audit Act
IA	-	Internal Auditor
MOFP	-	Ministry of Finance & Planning
MCIA	-	Ministry's Chief Internal Auditor
MIND	-	Management Institute for National Development
NED	-	Non-Executive Director
OCG	-	Office of the Contractor General
OECD	-	Organization for Economic Corporation and Development
PB	-	Public Body
PBMA	-	Public Management and Accountability Act 2001
PED	-	Public Enterprise Division
PEX	-	Public Expenditure Division
PS	-	Permanent Secretary

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GLOSSARY OF TERMS AND INTERPRETATION

“Accountability” implies a relationship, a hierarchy and the duty of a body to explain and justify its conduct to another body. In the systems which are based on the Westminster Model of Parliamentary Democracy (and this is an element which has been retained by the Jamaican Constitution), ministerial responsibility is the cornerstone of accountability... it is based on departmental hierarchy and lines of responsibility culminating in the Ministers. Ministers are traditionally accountable for the policy direction of their Ministries and agencies- they are accountable for the policy that underlies their budgets whereas Accounting Officers account for expending the budget. Therefore, accountability is a responsibility of individuals in as much as it is for the body corporate.

“Board” refers to the Board of Directors of the Public Body as prescribed in law or constitution.

“Board Invitee” refers to (excluding ex officio indicated below) persons to whom an invitation is extended to attend board meetings by virtue of their expertise. This excludes ex-officio officers as indicated below. However, where the Public Body is a subsidiary of a parent company, the Directors of the parent company may not be deemed board invitees. They would be ex-officio officers as in fact, the Directors of the subsidiary Public Body would be in essence, shadowing for them. Hence, parent Company Directors where they are appointed ex-officio may be entitled to vote, while board invitees are not entitled to vote.

“Board processes” denotes all the activities and practices that add up to enhance effective boardroom deliberations and successful outcomes. They include the preparation for, attendance and participation in board meetings, the agenda items, frequency and duration of meetings and board leadership.

“Board composition” refers to the number of Directors and their diversity—skills, qualifications, experience and ages, gender balancing considerations.

“Corporate Governance” here refers to the laws, regulations, voluntary codes, principles, guidelines, management practices and leadership styles that independently or collectively serve to advance shareholders’ wealth and stakeholders’ welfare. It represents both the long-term survival and the effective and efficient survival of the Public Body.

“Corporate Governance Report” refers to the articulation of the principles and acceptable behaviours of fiduciaries, Board processes or ethical conduct being practiced by the Board in order to fulfill its mandate. This report should form part of the Annual Report.

“Executive Director” refers to an individual who is employed in a full-time capacity whether permanently or contractually and at the same is a legal Director of the Public Body.

“Ex-Officio Officer” "ex-officio" is a Latin term meaning "by virtue of office or position." Ex-officio members of boards and committees, therefore, are persons who are members by virtue of some other office or position that they hold. For example, if the by-laws of an organization provide for a committee on finance consisting of the treasurer and three other members appointed by the president, the treasurer is said to be an ex-officio member of the finance committee, since he or she is automatically a member of that committee by virtue of the fact that he or she holds the office of treasurer. Without exception, ex-officio members of boards and committees have exactly the same rights and privileges as all other members, including, of course, the right to vote.

“Financial Literacy” is the application of knowledge and skills to understand and interpret financial statements and make informed judgement and effective decisions about the use and management of money.

“Framework Document” refers to the document which each Public Body will be required to develop to articulate the responsibilities of the Public Body, its aims, objectives and accountabilities including the high level governance relationships.

“Government” means the Government of Jamaica and may be otherwise construed for Government of other countries depending on the context of usage.

“Independent Non-Executive Director” means a director who: has not been employed by the public body in any executive capacity for the preceding three financial years; in relationship to the Public Body, is not a significant supplier or customer; has no significant contractual relationship; and is not a professional advisor, other than in his or her capacity as a director.

“Non-Executive Director” refers to a Director who is not an executive of the Public Body.

“Public Body” refers to wholly-owned or partially-owned and controlled Limited Liability Companies (State-Owned Enterprises), Statutory Bodies, Authorities, Commissions and their subsidiaries -in which the Government has a controlling interest, with each having its own Board of Directors.

“Responsible Minister” denotes the Minister in charge of the ministry under whose portfolio responsibility the Public Body falls.

“Senior Executives” refer to senior managers as distinct from the board. By virtue of their material influence on the integrity, strategy, operation and financial performance, they are held with strict fiduciary responsibilities as Directors and referred to quite often in many Statutes as “Officers.”

“Shareholder” means the Accountant General, unless otherwise referring to shareholders in Stock Market Listed Companies.

“Stakeholder Representative” refers to the Permanent Secretary, Accountant General, the Chief Executive Officer (in the case of an Executive Agency) or the Minister.

“Voluntary Code” is a formal body of corporate governance Best Practices which is issued by various authorities (Government, international donor agencies, multinational institutions such as the OECD, World Bank and Commonwealth Secretariat) that require voluntary compliance. Such Codes are also referred to as the “soft laws” or volunteered governance. Examples are the Combined Code, 2003 (UK) and the King III Report, 2009 (South Africa).

CHAPTER 1

INTRODUCTION

Public Bodies such as statutory bodies, authorities and government-owned limited liability companies have been in the forefront of their respective countries development for many decades. Research by McKinsey International highlights the importance of sound governance and leadership of organizations in developing countries to promote Foreign Direct Investment. Public Bodies play an integral role through their contribution to the economy and the overall competitiveness of a country. Public Bodies also have significant impact on the economy, as they are producers, service providers and capital market constituents. They also account for a significant percentage of the Government's operating expenditure.

Public Bodies, collectively 191 active ones, represent an important subset of the public sector and have a wide scope of coverage which includes government companies, regulatory agencies, commissions, and statutory bodies. The Public Bodies differ in terms of size, public policy, purposes and demands for financial support. These Public Bodies are dependent to varying degrees on government funding, ranging from those financially self-sustaining to those fully funded through annual appropriations from the budget process. They are integral to the development and implementation of a number of key policy and commercial objectives. They are held accountable regarding several statutory requirements and are required to be compliant with various regulatory frameworks. They however, often come into question for breaches, including those related to procurement guidelines, keeping finances in good order, or negligence on the part of their key fiduciaries, such as Chairpersons and Committee members.

The leadership and strategic management of Public Bodies present a distinct experience from private enterprises, given their unique environment and objectives. They are unique in that, the "owners" are the government, i.e. the public - the voters. Private enterprises have a very clear profit motive and active shareholder participation in adjudicating and monitoring governance and leadership. While such checks and balances among Public

Bodies are often well-defined, they are either developed on a piecemeal basis or not efficiently enforced. Public-sector organizations sometimes find it hard to comply because they are insulated from the competition that fuels innovation in the private sector. They must therefore organize themselves in ways that stimulate performance from within.

In response to the preceding, the Government of Jamaica has for the past several years been pursuing a comprehensive programme of Public Sector 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.

Vision

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.

Purpose of the Policy Framework

The Corporate Governance Framework will seek to promote effective systems of control and accountability and, responsible attitude on the part of those handling Government resources. It will seek to strengthen the governance accountability systems of Public Bodies, in order to facilitate greater probity, transparency and efficiency in the functions of government. The Government of Jamaica has recognized that the major legislation which addresses the matter of corporate governance, transparency and accountability in public bodies, the Public Bodies Management and Accountability Act (PBMA), as well as the various enabling legislations of Public Bodies are unspecific about certain issues such as: the roles and responsibilities of the Board and Management, procedures for the conduct of the Board and the relationship between Ministers, Boards and Management.

Rationale for the Policy Framework

This policy framework arises out of a necessity to:

1. Clarify the corporate governance framework for Public Bodies by clearly defining the reporting relationships between the Minister, Boards and Executive Management,
2. Strengthen the Public Bodies accountability regimes in order to make their activities and operations more transparent;
3. Provide Boards of Public Bodies with the necessary guidelines to enhance their effectiveness and;
4. Define the monitoring arrangements for the operations of Public Bodies within their parent Ministries and the Ministry of Finance & Planning.

Definition and Scope of Corporate Governance

Corporate Governance embodies processes and systems by which corporate entities are directed, controlled, managed and held to account. Corporate Governance influences how objectives are set and achieved; how risk is monitored and assessed; and how performance is optimized. It encompasses authority, accountability, stewardship, leadership and direction of an organization. Corporate Governance therefore involves the totality of the systems and frameworks that ensure that a culture of accountability permeates the organization, so that individuals know what their responsibilities are and are equipped with the appropriate tools and skills to exercise them.

The Government of Jamaica in seeking to clarify the Governance Framework for Public Bodies has taken into account lessons learnt from successful models regionally and internationally. These are:

- Roles and responsibilities for the board and its directors;
- Principles, standards and procedures to ensure an effective and enforceable accountability framework;
- Procedures for appointing board of directors;

- Criteria for the selection of board members;
- Procedures for the conduct of the Board and its members;
- Definition of the relationships between management, its boards, shareholders and other stakeholders;
- Board composition and performance;
- Board orientation, sensitisation and professional development;
- Roles and responsibilities of the board and key fiduciaries - chairpersons, directors, committees, corporate secretaries;
- Independence and powers of Board in decision making;
- Board information and disclosure;
- Role and independence of the internal controls including internal audit;
- Treatment, value and limits of co-opted board members, invitees, and ex-officio officers;
- Code of ethics for directors and officers.

All of these elements have been validated through stakeholder consultation (survey, focus groups and interviews) vis-à-vis their relevance to the Jamaican context. Empowering and improving the effectiveness of boards of Public Bodies is a fundamental step in strengthening their Corporate Governance. It is important that Public Bodies have strong Boards that can act in the interest of the company and effectively monitor management. To this end, it will be necessary to ensure the competency of PBs, enhance their independence and improve the way they function. It is also necessary to allow them clear and full responsibility for their functions and ensure that they act with integrity.

Existing Legislative Framework

The Public Bodies Management and Accountability (PBMA) Act sets the corporate governance framework for Public Bodies in Jamaica. Regulations to govern aspects of board management and oversight are being developed in relation to the PBMA. These bodies are also held accountable to statutory requirements in the Financial Administration and Audit Act (FAA), the Companies Act and their individual enabling legislations.

Linkages with other Policies

The Corporate Governance Framework for Public Bodies is complementary and supportive of the commitments of the National Development Plan - Vision 2030 Jamaica, the Modernization Vision and Strategy Paper Medium Term Action Plan 2008-2012, and the Accountability Framework for Senior Executive Officers.

SUMMARY OF ELEMENTS AND PRINCIPLES OF THE CORPORATE GOVERNANCE FRAMEWORK FOR PUBLIC BODIES

Table 1 summarizes the elements and principles of the corporate governance framework for public bodies. The principles highlight several related governance issues which are indicative of the need to, inter alia, clarify the governance structure of boards, including their reporting relationships with Ministers, Permanent Secretaries, CEOs and stakeholders; define the roles and responsibilities of boards; ensure that systems are in place to provide feedback on the performance of boards; and strengthen the provision of oversight mechanisms for public bodies by the portfolio Ministries and the Ministry of Finance & Planning.

Table 1: Summary of the Elements and Principles of the Corporate Governance Framework for Public Bodies

ELEMENTS	PRINCIPLES
<p>1. Governance of Boards The Board of a Public Body requires a governance structure that allows it to fulfil its role and is sufficiently codified in statutes.</p>	<p>Every Public Body should be headed by an effective Board which is collectively responsible for strategic management and oversight, serves as the focal point for Corporate Governance and is accountable to the Responsible Minister and shareholder representatives as determined by law.</p>
<p>2. Roles & Responsibilities of the Board The Board's roles and responsibilities have not been sufficiently codified in statutes or the appropriate governing documents that regulate Public Bodies. This has led to inappropriate interferences in the day-to-day operations of Public Bodies by Board members, and some Ministry officials.</p>	<p>The Board should be established as the primary decision making authority of the Public Body and its roles and responsibilities vis-à-vis executive management should be clearly documented to avoid any misunderstanding between the Board's role and that of executive management.</p> <p>The Board should hire, appoint, evaluate and determine the tenure of the CEO.</p>
<p>3. Role of the Chairperson The Chairperson is the leader of the Board and is always recognized in law. It is necessary that he/she sets the tone at the top and articulates his/her vision and style and lead by example.</p>	<p>The Chairperson should be appointed by the Minister from among the membership of the Board. The Chairperson should be an independent outsider and hold no executive position or material connection with the Public Body.</p>
<p>4. Role of the Chief Executive Officer (CEO) The CEO's role is to manage the day to day affairs of the Public Body and report directly to the Chairperson of the Board.</p>	<p>The CEO reports to the Board through the Chairperson. The Board should hire, appoint, evaluate and determine the tenure of the CEO, whose role should be to manage the day to day operation of the business. The CEO should be held</p>

ELEMENTS	PRINCIPLES
	accountable by the Board for performance of the organization and the implementation of the Board's strategy and policy in accordance with mutually agreeable and written performance objectives which are outlined in the Corporate Plan.
<p>5. Role of the Corporate Secretary The appointment of a Corporate Secretary is already a requirement under Jamaican Company law where the organization is a limited liability company irrespective of ownership.</p>	Every board of a public body should appoint a Corporate Secretary to execute critical administrative and governance functions regarding effective board operations including orientation & sensitization of directors, which normally require a high degree of meticulousness, diligence, competence and involve a swathe of regulatory, personnel and administrative issues. This position is distinct from that of a Recording Secretary.
<p>6. Role and Authority of Board Invitees Board invitees can play an important role in deliberations of Boards, however there are guiding principles which prescribe the behavior and participation of such persons.</p>	There should be formal procedures and guidelines established by the Ministry of Finance & Planning for recruiting board invitees setting out their powers and limitations.
<p>7. Role and Authority of Ex-Officio Officers The role of Ex-Officio officers needs to be codified within the framework of the roles and responsibilities of the Board and its Committees.</p>	There should be formal procedures and guidelines established by the Ministry of Finance & Planning for the treatment of Ex-Officio officers, setting out their roles and responsibilities in a Code of Conduct.
<p>8. Board Composition Many Boards do not have the right mix of skills, qualifications and experience among its appointed Directors and as such failed to perform its duties effectively.</p> <p>Careful attention should be given to the composition and governance of subsidiary Boards.</p>	<p>The Board should be composed of a diversity of skills, qualifications and experience to add optimal value to the Public Body. The skills, knowledge and experience of Directors should be ideally, consistent with the mandate and business operations of the Public Body.</p> <p>The responsible Minister should ensure that subsidiary boards are comprised of at least 25% independent directors who may be drawn from the independent directors of the parent Board.</p>
<p>9. Board Diversity & Equality Issues Individuals from all sections of society have much to offer a public body by virtue of their diverse experience and background. In Jamaica only 33% per cent of women occupy board seats in the Public Sector of Jamaica, although being signatory to the United Nations Convention on the <u>Elimination of all Forms of Discrimination Against Women</u>, and its Article 7, in particular, the argument to increase female participation and representation at the highest level of decision making in public life is of critical importance and should be considered in an open,</p>	In the selection and nomination of members of boards, due consideration should be given to the promotion of diversity and equality of opportunity which can redound to the benefit of public bodies. Consideration should be given to include youth representation which would also contribute to appropriate board succession planning.

ELEMENTS	PRINCIPLES
fair and transparent manner.	
<p>10. Board Selection & Appointment There is the need for guidelines to be established to govern the procedures for selection and appointment of board members in Jamaica to ensure that only qualified and competent Directors are selected. The value of having an appropriate range of experiences may be taken into account.</p>	<p>Transparent, clearly articulated and documented selection procedures should be developed to ensure that qualified Directors are selected and that a Board is in place and functional at all times.</p>
<p>11. Board Orientation, Sensitisation & Professional Development Most Board directors lack adequate preparation for the task of directing and do not understand the rudiments of their responsibilities and hence fail to perform to acceptable standards.</p>	<p>The Ministry of Finance & Planning should lead the formal process of orientation and sensitization for new directors on their role, duties, responsibilities, obligations and on Board procedures. The process should be facilitated by the Corporate Secretary. All Boards should be provided with operating procedures and a Code of Conduct. All directors should seek to avail themselves of professional development programmes in areas such as legal reform, public sector development, corporate governance, the changing corporate environment, internal control systems, business/commercial risks and other issues that may be of interest in the execution of their role.</p>
<p>12. Board Performance Evaluation Board performance evaluations are an important tool for providing valuable feedback to the Minister, and for keeping directors on their toes. In other jurisdictions, it is used as a measure to determine the renewal or termination of tenure for boards and for remuneration purposes. This practice is however, almost non-existent among public bodies in Jamaica.</p>	<p>The Ministry of Finance & Planning should develop a Performance Evaluation Template to be used by all Boards. The Board of a public body should be subject to a formal, objective and rigorous annual appraisal of its performance and that of its committees and individual directors. The evaluation should address whether the objectives of the board or committee are being met in an efficient and effective manner and would be linked to the implementation of the organisation's operational plans.</p>
<p>13. Role & Independence of Audit & Internal Control Functions Many public bodies do not have functioning Audit Committees, while others are without sufficiently qualified members. Also, many internal auditors still report directly to the CEO rather than the Audit Committee of the board, which goes against established best practice.</p> <p>A significant number of boards do not have an effectively operating Procurement Committee, the existence of which is necessary for ensuring integrity and transparency of the procurement process,</p>	<p>The Board of every public body should have an effectively functioning Audit Committee the membership of which should be independent of any material relationship with the entity and ideally, at least one member should be a qualified Accountant. The Internal Auditor should report directly to the Chairperson of the Audit Committee.</p> <p>The Board should ensure the establishment of a Procurement Committee with members who have undergone continuous training facilitated by the Procurement Unit in the Ministry of Finance &</p>

ELEMENTS	PRINCIPLES
	Planning in order to be kept abreast of the latest developments as they relate to the GOJ's Procurement Guidelines.
<p>14. Role of the Board in Enterprise Risk Management</p> <p>Enterprise Risk Management ensures a continual examination of all aspects of the public agency to reduce the incidence of losses, reduce waste, improve effectiveness, and better manage resources. It includes and employs the identification, ranking, prioritizing, classification, measurement and employment of different methodologies to minimize, prevent, and if possible, eliminate the possibility of events that may tarnish corporate reputation, erode profits, affect service and product quality, to name a few.</p>	The Ministry of Finance & Planning should develop an Enterprise Risk Management Framework to be used by all Boards to manage risk across all functional areas and business units of the public body. Training in Risk Management should be part of the ongoing training and development programme for directors.
<p>15. Monitoring Arrangements of Ministries</p> <p>There is some uncertainty on the role Ministries should play in the monitoring of Public Bodies within the portfolio Ministry, in particular the self-financing public bodies.</p>	Aor Framework Document should be developed outlining the respective roles and responsibilities of public bodies and their portfolio ministries, consistent with the Accountability Framework. The monitoring roles should be clearly defined and the reporting relationships established in legislation.
<p>16. Role of the Ministry of Finance & Planning</p> <p>The Ministry's role in leading, guiding and monitoring the overarching governance framework for public bodies needs to be more explicitly defined to ensure that they operate in such a way to bring sustainable economic and social benefits to the country.</p>	The Ministry should provide leadership in the implementation of the governance framework for Public Bodies. Its role is clearly defined in legislation, regulations and guidance documents. The Ministry should provide the advice, information and support necessary to promote good governance, continuous improvement and accountability within the Public Body.
<p>17. Board Information & Disclosure</p> <p>Most Public Bodies are not governed by a policy for managing Board information, and therefore have no clear and consistent means of determining the quantity, nature and quality of information that should be disclosed.</p>	<p>The Ministry of Finance & Planning should develop a Board Information & Disclosure Policy which would include, the types of information to be disclosed and the time it is disclosed. The Board should in applying the policy give due consideration to the risk of disclosure of information in the particular circumstances.</p> <p>Boards should only seek exemption if deemed necessary under the Access to Information Act of Jamaica 2002 where issues of a sensitive nature are involved in some board deliberations.</p>
<p>18. Managing Stakeholders Communication & Relationships</p> <p>The Public Body has a two-fold duty of loyalty to its internal stakeholders (Responsible Minister, Government and shareholder members) and externally to the public at large.</p>	The Ministry of Finance & Planning should develop a protocol on communicating with stakeholders and the media as communication is part of the overall accountability of the public sector. Every Board should ensure that its Public Body has a procedure and strategy for responding

ELEMENTS	PRINCIPLES
Therefore, a web of internal and external relationships must be constantly nurtured.	to stakeholders' concerns on a continual basis and such communication should be proactive and transparent. As such, it is also recommended that the PB develops a methodology of identifying its key stakeholders.
<p>19. Code of Ethics A comprehensively written and enforceable 'code of ethics' is not common among Boards of Public Bodies in Jamaica.</p>	There should be an overarching Code issued by Ministry of Finance & Planning for all Boards of Public Bodies. In adopting the Code as part of its Corporate Governance regime, each board may enhance particular aspects, based on its operations.
<p>20. Corporate Social Responsibility There has been increasing interest by local and international publics, including governments, in sustainable business practices--the triple bottom-line approach--economic, social and environmental considerations.</p>	The Board of every Public Body should devise measures and ensure that a policy is in place to take into account the social, cultural and environmental issues of the Public Body. A Corporate Social Responsibility Framework should be developed by the Ministry of Finance & Planning which would include a donations policy.

CHAPTER 2

ELEMENTS AND PRINCIPLES OF THE CORPORATE GOVERNANCE FRAMEWORK FOR PUBLIC BODIES

PRINCIPLE 1: GOVERNANCE OF BOARDS

Principle: Every Public Body should be headed by an effective Board which is collectively responsible for strategic management and oversight, serves as the focal point for Corporate Governance and is accountable to the Responsible Minister and shareholder representatives as determined by law.

Recommended Practices:

1. In keeping with Government's policy framework, the Board should decide on the Public Body's values and strategy and provide the necessary leadership to secure human, physical and financial resources required for the organization to meet its objectives.
2. Consistent with its respective statutes, constitution, governing codes, and Government guidelines, the Board of the Public Body should apply leadership styles which are consistent with good practice in the conduct of its affairs.
3. The Board should be organized in order to perform its tasks efficiently.
4. There should be a clear separation of the responsibilities at the very top leadership of the Public Body where the Chairperson is responsible for leading the Board in the development of the policies and strategies of the organization, while the Chief Executive Officer is responsible for the day to day management of the Public Body.
5. The decisions taken by the Board must be based on the objectivity of each director taken in the interest of the Public Body.

PRINCIPLE 2: ROLES AND RESPONSIBILITIES OF THE BOARD

***Principle:** The Board is the primary decision making authority of the Public Body and constitutes the fundamental base for corporate governance for the organization. All Boards should establish and disclose their roles and responsibilities to avoid any misunderstanding between the Board's role and that of executive management.*

Recommended Practices:

1. Each Board must have a Charter which defines the roles and responsibilities of the Board including its responsibilities for corporate governance and its code of ethics. The Ministry of Finance & Planning should provide the necessary guidelines for a Charter.
2. Each Public Body must develop a Framework Document, which is agreed with the Portfolio Ministry and the Ministry of Finance. The Framework Document should outline governance and management arrangements, including the delegation of authority within the organization. The Framework Document should underscore the Board's responsibility to provide leadership oversight within a framework of prudent and effective controls that enable risks to be assessed and managed.
3. The Board should be responsible for the strategic direction of the Public Body ensuring alignment with the policy direction of government.
4. The Minister may from time to time provide the Board with specific policy directives to guide the formulation of strategy¹.
5. The Board should appoint the Chief Executive Officer, decide on his/her compensation in accordance with relevant guidelines, establish performance standards and evaluate his/her performance annually.

¹ Consultation with the Companies Office of Jamaica to be held to determine if any change to the Companies Act will be necessary to recognize the Minister's role in Government Companies

6. The Board (through a sub-committee) should lead the recruitment and performance evaluation processes for the Chief Internal Auditor (CIA) and the Corporate Secretary (CS), where the Corporate Secretary is not also vested with the position of legal counsel.
7. The Board should determine the Committees that need to be established, to which it should delegate specialized functions such as Finance, Audit, Human Resources, Project Management, Risk Management, Procurement and Corporate Governance.
8. In order to ensure that committees have the capability to perform the duties assigned, Boards may co-opt, to perform the duties of the committee, individuals who are not members of the Board but who possess a broad range of qualifications relevant to the function of the public body.
9. Individuals co-opted to a committee shall have the rights and responsibilities of other members of that committee provided that – (i) a Board member shall be the chairman of the committee (with a casting vote on decisions where there is an equality of votes), and (ii) Board members shall comprise not less than one-half of the committee members.
10. The Board should retain full and effective control over the strategic direction of the Public Body while allowing the CEO to take full responsibility for its day to day operations.
11. The Board should set the Public Body's values and ethical standards, and ensure that its obligations to stakeholders are understood and met.
12. The Board should take responsibility for the performance of the Public Body by monitoring CEO performance, ratifying strategic decisions and approving expenditure within stipulated limits.
13. The Board may authorize the purchase of indemnity insurance for directors and officers, consistent with the conditions outlined in the PBMA Act.

PRINCIPLE 3: ROLE OF THE CHAIRPERSON

Principle: The Minister appoints the Chairperson as head of the Board, who in turn is directly responsible to the Minister on the policy and strategy of the organization. The Chairperson should be an independent outsider and hold no executive position or material connection with the Public Body. The position of Chairperson should at all times be separated from that of CEO, consistent with the GOJ Accountability Framework. The Chairperson should preferably be selected from an industry not related to, or conflicting with, the nature of the business of the Public Body. Where regulation, constitution of the organisation or other governing documents do not provide, the Board may nominate a Vice Chairperson from among its members. The Vice Chairperson should meet the same requirements and qualifications as the Chairperson.

Recommended Practices:

There should be clear and easily understood Terms of Reference for the Chairperson of the Public Body which should guide his/her responsibilities and expectations of the role which include:

1. Chairing the meetings of the Board, maintaining the orderly conduct of meetings, affording participants a reasonable opportunity to speak and that minutes of meetings accurately record decisions taken;
2. Engaging all Board members and ensuring that they are fully informed of any business issue on which a decision has to be taken;
3. Exercising impartial judgment, acting objectively and ensuring all relevant matters are placed on the agenda and prioritized properly;
4. Providing direction to the Corporate Secretary;
5. Leading the Board in reviewing the performance of the CEO on an annual basis through an objective process as provided for under the GOJ Accountability Framework;
6. Appointing Chairpersons and members of Board Committees and conducting evaluation of their performance.

7. Authorising and overseeing the execution of the annual, performance evaluation of the entire Board, and individual members.
8. Maintaining communication protocols with the Minister, Permanent Secretary and other stakeholders as established by the Ministry of Finance & Planning;
9. Ensuring that a formal process for orientation, sensitisation and ongoing professional development, to improve the competency and level of performance of Board members is effected in keeping with the related guidelines of the Ministry of Finance & Planning.

PRINCIPLE 4: ROLE OF THE CHIEF EXECUTIVE OFFICER (CEO)

Principle: The CEO reports to the Board through the Chairperson. The CEO's role should be to run the day-to-day operation of the Public Body in accordance with mutually agreeable and written performance objectives. The CEO's contract should be void of any ambiguity whatsoever, with the clear definition of roles and responsibility for management, inclusive of the authority delegated from the Board.

Recommended Practices:

1. The CEO's management style in the organization should be carried out within satisfactory ethical and business norms as established by the Board;
2. The CEO should determine which strategic activities are delegated to team members in order to get the business of the Public Body done effectively, efficiently and in accordance with the strategic direction of the Board.
3. The CEO will operate as the chief spokesperson for the Public Body on behalf of the Board, and will communicate with shareholders and stakeholders (such as the media) frequently, periodically and as prescribed by law, through monthly and quarterly reporting.
4. The CEO is responsible for the performance appraisal of all his/her team members.
5. A healthy and open relationship should exist between a Permanent Secretary and the CEO of a Public Body under his/her Ministry. However, the CEO is ultimately responsible to the Chairperson of the Board.
6. The reporting relationship of the CEO to the Chairperson should be set out in the Framework Document.

PRINCIPLE 5: ROLE OF THE CORPORATE SECRETARY (CS)

***Principle:** Every Board should appoint a Corporate Secretary (CS) to execute critical administrative and governance functions, which demand a high degree of compliance and ethical conduct. The appointment of a CS is a requirement under Jamaican business law, where the organization is a limited liability company irrespective of ownership. In addition, many PB statutes and Corporate Governance guidelines set out clear and comprehensive roles and responsibilities for the CS, which ought not to be delegated elsewhere under any circumstances.*

Recommended Practices:

1. The CS should report to the Board directly. The position of legal counsel reports directly to the CEO.
2. Boards should give consideration to the separation of the positions of Corporate Secretary and Legal Counsel based on the guidelines developed by the Ministry of Finance & Planning.
3. The CS should act as a central source of guidance to the entire Board on all matters related to Corporate Governance, including orientation, sensitization and professional development of directors, effective operations of the Board, regulatory compliance and ethical standards.
4. The CS is appointed by the Board and should be subjected to similar requirements of fit-and-proper tests² or due diligence as any new director.
5. The CS should assist the Chairperson in developing the annual board work plan.
6. The CS should prepare and circulate Board papers and coordinate the recording Secretariat in the preparation and circulation of Board and Committee minutes.

² There already exist fit and proper tests for financial institutions.

7. The CS should work with the Chairperson to coordinate the evaluation of the Board, its Committees and individual members.

PRINCIPLE 6: ROLE AND AUTHORITY OF BOARD INVITEES

***Principle:** There should be a formal and documented procedure for recruiting Board invitees. This should be established in a Code of Conduct for Boards of Public Bodies.*

Recommended Practices:

1. Board invitees **should not** be allowed to vote at Board meetings or Board committee meetings as they are not members of a Board and are usually invited to provide specialist advice not readily available on the Board.
2. Board invitees should not constitute a quorum of an officially convened meeting of the Board or its committees.
3. Board invitees other than executives of the Public Body, or from elsewhere in government, may be paid a fee for their services, within Government guidelines.
4. The Ministry of Finance & Planning should establish within the Code of Conduct, the formal procedures and rules of engagement for Board Invitees.

PRINCIPLE 7: ROLE AND AUTHORITY OF EX-OFFICIO OFFICERS

Principle: *There should be a formal and documented procedure for the treatment of Ex-Officio Officers. This should be established in a Code of Conduct for Boards of Public Bodies.*

Recommended Practices:

1. Ex-Officio officers should have the same duties, responsibilities, rights and privileges as do all appointed Board members, including the right to vote. The Ex-Officio officer should not be expected to commit the Government in respect of matters which are required to be referred to a higher level of authority.
2. The Ex-Officio officer should not endorse any action of the Board which will conflict with the legal and ethical obligations of a Public Officer and the position he/she holds, and should advise against and vote against such action, or ensure that the opposition is clearly recorded if no formal vote is taken.
3. The Permanent Secretary who has a constitutional role as Supervisor for Departments and Subjects within the portfolio of his/her ministry should not be appointed as a member of the Board, due to the inherent conflict of interest this would present.
4. The Ministry of Finance & Planning should establish a Code of Conduct which should outline the formal procedures indicating the rules of engagement for Ex Officio Officers.

PRINCIPLE 8: BOARD COMPOSITION

***Principle:** Every business is unique and should likewise be matched with the appropriate set of skills and competencies to enable it to carry out its functions effectively, efficiently and productively. Under no circumstance should the responsible Minister operate as the Board Chairperson or member of the Board.*

Recommended Practices:

1. The Permanent Secretary in consultation with the Ministry of Finance & Planning should develop a competency profile for each Board which identifies the knowledge, experience, discipline and personal attributes required for the effective oversight of the Public Body.
2. Key competencies such as auditing, financial, accounting and for some, legal skills are required to meet specific Government regulations and guidelines.
3. There should be a periodic review of the existing skills and competencies of Board members against the competencies required for the effective operation of the Public Body. This review should be conducted by the Permanent Secretary and Chairman of the Board in consultation with the Ministry of Finance & Planning.
4. A Terms of Reference should be developed for each Board Committee. The chairperson and members of the Board Committee are expected to have the specialized skills, expertise, qualifications and experience in areas covered by the Terms of Reference.
5. The Board Committees should analyse specific issues, and advise the Board on those issues. The final decision always remains within the collective responsibility of the Board.
6. The Chairperson and directors should be given fixed term appointments with the outcome of the annual reviews of their performance providing guidance to Ministers in determining the termination or renewal of their appointment.
7. The Minister is responsible for ensuring that a Board is always in place to oversee the management of the Public Body. Upon the change of a portfolio minister, the existing Board should offer its resignation which would not take effect until a new Board is duly appointed within the recommended timeframe of **sixty days**. The roles and responsibilities

of the Board during the transition period should be outlined in the Code of Conduct for Directors and would address issues such as the disposal of assets and matters related to the management of human resources.

8. For some Public Bodies the expiration of the term of office of directors should as far as possible be staggered to ensure that a quorum of the Board exists to facilitate continuity in the conduct of the affairs of the Public Body.
9. The size of the Board and the quorum required should be prescribed in statutes, and its constituting documents.
10. Independent Directors, who may be drawn from the parent Board, should comprise at least 25% of the Board membership of a subsidiary entity.
11. The Chairperson of the subsidiary Board should not be employed to the subsidiary entity, consistent with the GOJ Accountability Framework.

PRINCIPLE 9: BOARD DIVERSITY AND EQUALITY ISSUES

***Principle:** The Board should be composed of a diversity of skills, knowledge, qualifications, experience, gender and age to assist the Public Body in achieving its objectives and perform its functions to add optimal value to the Public Body. In the selection and nomination of members of Boards, due consideration should be given to the promotion of diversity and equality of opportunity which can redound to the benefit of Public Bodies. Individuals from all sections of society have much to offer a public body by virtue of their diverse experience and background, and their participation should be considered in an open, fair and transparent manner.*

Recommended Practices:

1. Diversity should be a key feature of Board composition with keen attention paid to the balance of skills, experience, diverse backgrounds, gender and youth representation, where possible, which can enhance the quality of the Board
2. Diversity should be considered as a key component of succession planning activities of the Board of the Public Body.

PRINCIPLE 10: BOARD SELECTION AND APPOINTMENT

***Principle:** The responsible Minister or other relevant authority should appoint Board members based on merit, against objective criteria, with due regard for the benefits of diversity and commitment to the policy objectives of the government. This will strengthen the integrity of the selection process and ensure that appointed members are the very best that can be found. This should be supported by an open, rigorous, transparent and clearly articulated policy governing the nomination, selection, appointment and termination of Board members.*

Recommended Practices:

There should be a defined policy for the nomination, selection, appointment and termination of directors that is transparent, inclusive and that lends itself to continuous review and includes the following:

1. The Responsible Minister making the final recommendation to Cabinet or other relevant authority on the composition of the Board, and being responsible for appointing and terminating the Board.
2. A structured mechanism to handle all stages of the selection, nomination and appointment of Directors of Public Bodies.
3. All Directors are to be subject to ‘fit and proper tests’ in respect of entities designated ‘significant Public Bodies’ or due diligence for others in the determination of their suitability for Board appointments. All potential candidates are to be vetted based on a pre-determined set of criteria to be outlined in the procedure, or guidelines governing appointments. This process of vetting should be done by a Committee of Cabinet with Secretariat support provided by the Office of the Cabinet, prior to submitting the slate of potential Directors to the absolute authority (Cabinet) for final consideration, to exclude those not qualified.
4. Consideration for parliamentary involvement in the appointment of Chairpersons consistent with ongoing constitutional reform deliberations.

5. All potential Board members being required to declare to the responsible Minister in a timely and effective manner any conflict of interest in keeping with the established Conflict of Interest rules identified in the Code of Ethics.
6. The development of competency profiles for each Board with accompanying position descriptions for Board members.
7. Consideration for a percentage of Board positions to be advertised in order to widen the pool of potential candidates.
8. Directors being considered to serve on the Boards of Public Bodies having the appropriate skills, knowledge, discipline and experience, the ability to commit adequate time to serve and being citizens of undisputed integrity.
9. Directors' confirmation of willingness to devote sufficient time to carry out their duties and responsibilities effectively and commitment to serve on the Board as determined in their appointment document (See Box 1). As such each potential candidate should declare all Boards and organizations to which they are connected, whether as a director having material interests. Where they are employed, authorization should be obtained and submitted by their employers.
10. Where stakeholder representatives to the Board are features of a particular statute or where the Minister seeks to include same, there should be multiple nominations to the

Box 1:

SUGGESTED ELEMENTS FOR A DIRECTORS LETTER OF APPOINTMENT

Public bodies may be guided by the following checklist when drafting letters of appointment for board directors.

1. Duration of appointment
2. Time commitment required
3. Legal duties and responsibilities of directors
4. Role and function with respect to the duties of the board and its committees
5. Any special duties and expectations associated with the position
6. Circumstances in which the office of a director shall be deemed vacant
7. Requirements for disclosure of director's interests
8. Trading and borrowing policies of a public body
9. Orientation, sensitisation and professional development requirements for the job
10. Policy regarding accessing independent advice
11. Indemnity and insurance advice
12. Fees
13. Confidentiality Code and right to access corporate information
14. A copy of the statutes, constitution, Articles of Association, terms of reference for board committees, overview of the public body and its organizational chart.

relevant authority by the stakeholder organisations, from which the most suitable candidate may be selected based on the needs of the Public Body at the particular time.

11. Ministers submitting nominees to be considered for appointment to Boards are required to submit, in relation to the nominees, their resumes and voluntary declaration to the Committee of Cabinet who will provide advice to the portfolio Minister on the suitability of the candidates.
12. The Government's Board remuneration policy should be made known to the potential Directors and should take into account specific roles as Chairperson of the Board, Chairperson or member of Board committees as well as their resulting responsibilities and commitment in time. The Ministry of Finance & Planning should keep this policy under review.
13. The appointments should be made public and each Director should be issued with a formal letter of appointment and the Code of Conduct, setting out the terms, conditions and expectations for each appointee (See Box 1).
14. It is considered best practice that a cooling-off period of at least three (3) years should elapse before a former CEO of a Public Body can be recommended to serve as Chairperson on the Board of a Public Body.
15. There should be no restrictions on the Board of a Public Body to contracting a former CEO.
16. The management of the policy for nomination, selection, appointment and termination of Board members should fall within the mandate of the Ministry of Finance & Planning.

PRINCIPLE 11: BOARD ORIENTATION, SENSITISATION & PROFESSIONAL DEVELOPMENT

***Principle:** The Ministry of Finance & Planning should provide leadership for the formal process of orientation and sensitization for new Directors, which should encompass a description of their role, duties, responsibilities, board practices, procedures and any other information linked to the specific roles of any committee. This orientation should be facilitated by the provision of a Code of Conduct governing the board's operating procedures.*

Recommended Practices:

1. The Board should identify opportunities for professional development of all members in order to update their skills and improve their knowledge of the business environment in which the organization operates.
2. Responsibility for the coordination of orientation and sensitisation processes should be a part of the Corporate Secretary's TOR.
3. The orientation and sensitisation process should include at a minimum:
 - a. the issuance of the instrument of appointment and the Code of Conduct to all Board members (**See Box 1**);
 - b. specially designed sessions over a given period addressing issues of the business, industry and subsector, where necessary;
 - c. the organisation's roles and those of each division presented by divisional heads;
 - d. the Public Body's strategic plan, organisational plan, and recent annual report;
 - e. expectations of the Chairperson, procedures for conduct of meetings; calendar of events for the year; role of board committees and calendar of their events.
 - f. the legal instruments and all relevant legislation governing the entity.
 - g. the respective rights, duties, responsibilities and roles of the board and senior executives.

4. It is desirable that all directors have access to professional development programmes in areas such as legal reform, public sector developments, corporate governance, changing corporate environment, internal control systems, business/commercial risks and other issues that may be of interest in the execution of their role.
5. Permanent Secretaries and Ministers should avail themselves of this training, to ensure that all parties understand each other's duties and responsibilities.

PRINCIPLE 12: BOARD PERFORMANCE EVALUATION

***Principle:** Each Board of a Public Body should be subject to a formal and rigorous annual appraisal of its performance and that of its committees and individual Directors. The Ministry of Finance & Planning should develop a Performance Evaluation Template to be used by all Boards. The evaluation should address whether the objectives of the Board or committee are being met in an effective and efficient manner. The evaluation process should be used constructively as a mechanism to improve Board effectiveness, maximize strengths and tackle weaknesses. The overall Board assessment should be shared with the Board as a whole, while the results of individual assessments should remain with the Chairperson, the individual directors, and the portfolio Minister. The Board may use an external third party to conduct the evaluation.*

Recommended Practices:

1. The Ministry of Finance & Planning, supported by the Cabinet Office, is responsible for developing an effective evaluation system for Boards.
2. The results of the evaluation should be submitted to the Responsible Minister for action.
3. The corporate governance section of the annual report should disclose whether a performance evaluation for the Board and its members has taken place in the reporting period and how it was conducted.
4. While issues to be evaluated may vary from one Public Body to the next, the following critical questions and areas should be considered in any evaluation framework of the Board:
 - i. How well has the Board performed against agreed performance objectives?
 - ii. Is the composition of the Board and its committees appropriate, with the right mix of knowledge, skills and experience to maximize performance in accordance with future plans?
 - iii. How well has the Board as a whole communicated with the management team, employees and other stakeholders?

- iv. How well has the Board responded to any problems or crises?
 - v. Is the Board as a whole up to date with latest developments in the regulatory environment and market, regarding important issues of Corporate Governance?
 - vi. Are matters specifically reserved for the action and authority of the Board the right ones?
 - vii. How effective are the Board committees?
 - viii. The timeliness, appropriateness and relevance of information provided to the Board and the quality of feedback provided by the Board to management;
 - ix. Address issues relating to the roles of the Chairperson, the Corporate Secretary and the Audit Committee.
5. Performance evaluations should be used as a basis for identifying future training needs.

PRINCIPLE 13: THE ROLE AND INDEPENDENCE OF AUDIT AND INTERNAL CONTROL FUNCTIONS

***Principle:** The Board should ensure that the Public Body has effective internal control systems. These systems are critical to the Corporate Governance regime of the Public Body, and include Internal Audit and Procurement for which Board Committees should be assigned responsibility.*

Recommended Practices:

1. Every Board should establish an Audit Committee with at least three members. All members should have suitable qualifications, skills and experience and be independent non-executive directors. The majority of its members should be financially literate. Ideally, at least one member should be a qualified accountant.
2. The Audit Committee should not include the Chairperson of the Board of the Public Body and preferably not be the Chairpersons of the Finance, Projects or Procurement Committees.
3. The Audit Committee should have responsibility for the oversight of internal control structure and systems.
4. The Audit Committee should be responsible for the oversight of internal audit systems and should conduct the performance evaluation of the Chief Internal Auditor
5. The Audit Committee should be responsible for the oversight of the external audit process and recommend the appointment and removal of the external auditor.
6. There should be the mandatory rotation of the Engagement Partners of the External Auditors of Public Bodies.
7. The tenure of service for Engagement Partners should be limited to a maximum contractual period of seven years with follow-on renewals prohibited.
8. The Audit Committee must ensure that the audit partners responsible for the Public Body's external audits are rotated. Where the Auditor General's Department performs the

external audit functions for the Public Body, the Audit Committee should ensure that the auditors assigned are rotated in keeping with stipulations of the Code of Audit Practice.

9. The Audit Committee should report to the Board and relevant stakeholders on the execution of its duties. A report on the work of the Audit Committee may be a subset of the Report on Corporate Governance, which should be a component in the Annual Report of the Public Body.
10. The general roles and responsibilities, composition and guiding principles of Audit Committees should form part of the proposed Code of Audit Practice.
11. The Board should establish a Procurement Committee to assure the integrity and transparency of the Public Body's procurement process.
12. The Board should ensure that members of the Procurement Committee undergo frequent training to be kept abreast of the latest developments in law and regulation as it relates to the GOJ's Procurement Guidelines.
13. The membership of this Committee should be rotated at least every three years.

PRINCIPLE 14: ROLE OF THE BOARD IN ENTERPRISE RISK MANAGEMENT

***Principle:** The systems of internal control should be based on an ongoing process to identify and prioritise the principal risks to the Public Body. Every Board should therefore put in place a formal Enterprise Risk Management (ERM) Framework, developed by the Ministry of Finance & Planning to manage risk across all functional areas and business units of the Public Body. The framework should be designed to identify, assess, monitor and manage risk. The risk profile of a Public Body may include operational, business, regulatory, market, credit, economic, capital and HR related risks. Any material changes to the risk profile of the Public Body should be reported to the Minister and Permanent Secretary.*

Recommended Practices:

1. The Board should ensure the implementation of the Enterprise Risk Management (ERM) Framework.
2. Information Technology should be employed as a critical component of the Enterprise Risk Management framework.
3. The Board should recommend the PB's appetite for risk and its ability to bear the consequences of the occurrence of risks. The Ministry of Finance & Planning & the Permanent Secretary of the Portfolio Ministry should review and endorse the Public Body's appetite for risk.
4. Where appropriate, the Board should appoint a Chief Risk Officer, who should report to the Board through its Audit Committee or other Committee for managing risks.
5. All staff members of the Public Body must be aware of the ERM framework and how it informs their day to day business activities.
6. The Board should delegate the responsibility of ERM to a committee of the Board, preferably the Audit Committee. The Committee will be required to ensure a disciplined and systematic approach to improve risk management as risks will be identified, quantified and methodologies employed to minimize their impact.

7. Training in Risk Management should be part of the ongoing professional development programme for Directors.

PRINCIPLE 15: MONITORING ARRANGEMENT OF MINISTRIES

Principle: *The Permanent Secretaries as chief advisors to the Ministers are required to monitor performance against expected results, manage risks and advise/inform the Minister accordingly on Public Bodies which operate within the portfolio responsibility of the Ministry. They also ensure coordination among Public Bodies within the Ministry's portfolio which enhances policy coherence. They should know what is happening in the Public Bodies in order to assess whether the strategic objectives of the Ministry are being met through the Public Bodies.*

Recommended Practices:

1. The Board should ensure that the Framework Document developed for the Public Body outlines roles and responsibilities within the organization, and with its portfolio Ministry, and that these are in keeping with the GOJ's Accountability Framework.
2. Quarterly reports should be submitted to the portfolio Ministry of a Public Body. The reports should detail the financial status and other specified areas such as scale of investment and spending, budget variance report, debt ratio, as well as performance information such as customer satisfaction and internal operations.
3. Within each Ministry, functional responsibility should be assigned for the monitoring of Public Bodies. The Ministry should be equipped with the required skills including competencies in governance matters to effectively fulfill their monitoring mandate.
4. The Permanent Secretaries should participate in the development of the competency profile for Boards and the orientation process for new Directors.
5. The Permanent Secretary should participate in the pre-screening process for Board members.
6. The Permanent Secretary should provide periodic reports to the Minister on issues pertaining to Public Bodies, particularly on matters which will impact significantly on the portfolio.

PRINCIPLE 16: ROLE OF THE MINISTRY OF FINANCE & PLANNING (MOFP)

***Principle:** The Public Bodies should be provided with an overarching governance framework, to ensure that they operate in such a way as to bring sustainable economic and social benefits to the country. Ministry of Finance & Planning, as the custodian of the Public Bodies Management and Accountability (PBMA) Act, should be required to provide advice in relation to the governance and performance of Public Bodies. The Ministry should maintain and update the PBMA Act that defines the governance structure between Government and its Public Bodies. The Ministry should ensure that Cabinet, responsible Ministers, Ministries, Boards of Directors and their respective staff are provided with the support and information required to undertake their respective roles and responsibilities within the framework of the PBMA and related Acts. The Ministry should also provide financial analysis and oversight for the Public Bodies as well as advice on policy issues that impact the Public Bodies.*

Recommended Practices:

The Ministry of Finance & Planning should:

1. administer the Public Bodies Management and Accountability (PBMA) Act and lead the development of related regulations.
2. lead the review and amendment to the PBMA and provide guidance to the Boards in the application of the Act.
3. provide leadership in the implementation of the governance framework for Public Bodies.
4. provide the advice and information necessary to promote good governance and accountability for Public Bodies.
5. develop and periodically update guidelines and tools that enable both the Public Bodies and Ministries to fulfill their governance responsibilities.
6. identify and co-ordinate policy issues affecting Public Bodies as a group.

7. provide advice in the determination on whether a Public Body should be established or an existing Public Body dissolved.
8. lead in ensuring the provision of training and certification of Board members.
9. develop an overarching framework for assessing the fiscal risk of Public Bodies and monitor their performance within this framework.
10. be responsible for monitoring the performance of Public Bodies against their established objectives and performance targets.
11. develop and manage a policy to govern the appointment and termination of Directors to Boards of Public Bodies.
12. develop an overarching Code of Ethics which will provide a core set of values and standards for Boards of Public Bodies.
13. develop and monitor the application of a remuneration policy for Board of Directors of Public Bodies.

PRINCIPLE 17: BOARD INFORMATION AND DISCLOSURE

Principle: *The Ministry of Finance and Planning is responsible for developing a Board Information & Disclosure Policy, which should include the types of information to be disclosed and the time for it to be disclosed. The Board should, in applying the policy, give due consideration to the risk of disclosure of information in the particular circumstances.*

Recommended Practices:

1. On first appointment, and at any time when circumstances dictate, all directors should, in good faith, disclose to the Board, for recording and disclosure to external auditors, any business or other interests that are likely to create a potential conflict of interest.
2. The annual report should be a critical channel through which Corporate Governance information is communicated. This information should include at a minimum:
 - a. Commentary on the financial results;
 - b. The full compensation package of the CEO and senior managers;
 - c. The names, expertise, length of service and meeting attendance record of Board Directors.
3. The Board of the Public Body should assume responsibility to monitor disclosure, reporting and public communications processes, and to ensure that financial statements and other disclosures represent the institution fairly.
4. The remuneration and other benefits granted directly or indirectly to Board directors of Public Bodies should be disclosed in the annual report.
5. The Board and committees should regularly review their information needs (quality, quantity and timeliness) to ensure the information they receive is appropriate for the effective discharge of their duties.
6. The Board is responsible for the maintenance of effective systems and procedures for information management and disclosure within the Public Body. A reliable system of corporate disclosure requires an investment in accounting and information systems, in

internal controls, and in internal and external auditing. It will include formulating and documenting policies and procedures, putting in place hardware and software systems, and recruiting and training qualified staff.

7. Where issues of a sensitive nature are involved, Boards if they deem necessary, should seek exemption under the **Access To Information Act of Jamaica 2002.**

PRINCIPLE 18: MANAGING STAKEHOLDERS' COMMUNICATION & RELATIONSHIPS

Principle: *The Ministry of Finance & Planning is responsible for developing a protocol on communicating with stakeholders and the media, as communication is part of the overall accountability of the public sector. Every Board should ensure that its Public Body has a procedure and strategy for responding to stakeholders' concerns on a continual basis and such communication should be proactive and transparent, which is important for building and maintaining relationships. As such, it is also recommended that the PB develops a methodology of identifying its key stakeholder.*

Recommended Practices:

1. The Public Body should have a clear and coherent understanding of its key stakeholders, their information needs and the most effective means of communicating with them.
2. The Board is responsible for the Public Body maintaining effective communications with stakeholders and the media.
3. The Board should strive to achieve the correct balance between its various stakeholder groupings; ensuring equitable treatment and mutual respect for all, in order to advance the interests of the Public Body.
4. The Public Body should develop and implement a formal process to resolve internal and external disputes.

PRINCIPLE 19: CODE OF ETHICS

***Principle:** Each Board should observe the Code of Ethics developed by the Ministry of Finance & Planning as part of its Corporate Governance regime. However, each Board may enhance aspects of the Code where necessary, based on its particular operations, in keeping with guidelines established by the Ministry of Finance & Planning. The purpose of a Code of Ethics is to articulate the values, ethics and beliefs upon which the Public Body bases its policies and corporate behaviour.*

Recommended Practices:

1. The Code of Ethics should clarify the standards of ethical behaviour required and the Board should monitor and enforce the observance of these standards.
2. The Code should provide guidance as to the practices necessary to maintain the Public Body's integrity.
3. The Code should define what constitutes a 'Conflict of Interest' and articulate the mechanism to identify, disclose and manage them.
4. The Code should outline the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.
5. The Code should be able to harmonize the concepts of social responsibility, with public accountability and profitability. It should include, inter alia, fiduciary obligations to the organization, disclosure of any personal interest that may come before the Board and the need to treat colleagues with respect, dignity and courtesy.
6. The Code should set standards for personal and corporate behaviour of Board Directors, the Public Body, all employees, suppliers, financiers and lenders, and should reflect intolerance for undesirable practices.
7. The Code should incorporate elements of any Whistle Blower Legislation developed by the Government of Jamaica and stipulate expected behaviour where breaches occur.

PRINCIPLE 20: CORPORATE SOCIAL RESPONSIBILITY

Principle: *Every Board should ensure that measures for managerial performance take into account the financial, social, cultural and environmental issues (known as the triple bottom-line-approach) with a focus on their customers and other stakeholders. The Ministry of Finance & Planning is responsible for developing a Corporate Social Responsibility Framework which should include a donations policy.*

Recommended Practices:

1. Each Board should make the issues of Corporate Social Responsibility (CSR) a priority on the Public Body's business agenda.
2. CSR should be addressed as an important tenet of a Public Body's Corporate Governance Framework.
3. CSR should be undertaken within the Framework established by the Ministry of Finance & Planning.
4. Each Public Body should develop and publish in its annual report, a statement on its CSR activities, and should produce for public scrutiny a CSR statement of commitment and philosophy, to which stakeholders can hold it accountable.

CHAPTER 3

CONCLUSIONS AND LIMITATIONS

Development of Related Guidance and Tools

The identified elements presented in this document have sought to clarify the Governance Framework within which Public Bodies should operate. It is important to note however, that within these elements identified, additional work is required to establish specific guidelines, standards, and tools to support the Public Bodies in adhering to the Framework. Some of these will include:

1. Template and guidelines for developing a Framework Document/Board Charter in the specific responsibilities of the Board Members are defined in relation to the Public Body to which they are appointed.
2. Templates and guidelines for developing Terms of References and Performance Contracts for Board Members
3. Detailed guidelines for the role and involvement of Non-Executive Directors
4. Detailed guidelines for developing competency frameworks for Board Directors
5. A Performance Evaluation System for Boards and Board Members
6. Standard Training Modules for Boards, PSs and Ministers
7. An overarching Code of Ethics for Board Directors, Management and Staff of each Public Body.

Resource Requirements

One of the threats to effective governance among Public Bodies, is the lack of adequate and appropriate resources, technology and financial and human capital, which are considered the three most critical elements. The implementation of risk and IT governance, requires significant ICT infrastructure and appropriately trained human capital, as well as the acquisition of hardware and software, and the procurement of highly specialized and sometimes rare skills. Institutionalisation of this Framework must take these resource requirements into consideration and the potential requirement for large capital outlays.

Strengthening and widening the Legislative Framework for Public Bodies

All indications from earlier analysis of the core legislation, showed that there are significant gaps that must be filled to enable a sufficiently strong legislative framework and one which will lend itself to effective implementation of the elements outlined in this Corporate Governance Framework. The PBMA Act, FAA Act and aspects of the Companies Act are in need of significant revision to allow for various issues to be addressed, such as stricter penalties for statutory breaches.

Performance Monitoring and Accountability

The Accountability Framework approved by Cabinet Decision No. 02/10 dated January 8 & 10, 2010 provides the basis for performance appraisals for Permanent Secretaries, and CEOs. The Ministry of Finance & Planning will need to develop a separate performance management and appraisal system for Boards of Directors of Public Bodies as indicated above.

CHAPTER 4

ROAD MAP FOR IMPLEMENTATION

The Road Map for implementation provided below is linked to the elements of the Framework. The Road Map sets out the specific activities that need to be completed to allow for the institutionalization of the Corporate Governance Framework. Following Cabinet Approval of the Corporate Governance Framework, there should be widespread sensitization of all Boards to the principles and Practices as outlined in the Framework. Work should immediately commence on the further articulation of specified elements and the establishment of these in the relevant legislation.

FRAMEWORK PRIORITY ELEMENT	IMPLEMENTATION ACTIVITIES	LEAD / SUPPORT ENTITY	Proposed Completion Timeframe						
			2012/2013			2013/2014			
			Q2	Q3	Q4	Q1	Q2	Q3	
Sensitisation & Dissemination Programme	Conduct sensitization and dissemination on the Corporate Governance Framework for Public Bodies with Board of Directors, CEOs, Permanent Secretaries and other key stakeholders	MOFP/CO							
Capacity Requirement of the MOFP	Conduct review of the capacity requirement of the Ministry of Finance & Planning to lead the implementation of the Corporate Governance Framework.	CO							
Monitoring Arrangement for Ministries	Develop Monitoring Framework for Ministries	MOFP/CO							
Framework Document	Develop Template with the elements for a Framework Document which will clearly articulate the relationship between the Minister, PS, Board Chair and CEO	MOFP/CO							
Code of Conduct	Finalise development of the Code of Conduct which will include the Code of Ethics, elements for a Board Charter	MOFP/CO							
Code of Audit Practice	Finalise development of the Code of Audit Practice	MOFP							

FRAMEWORK PRIORITY ELEMENT	IMPLEMENTATION ACTIVITIES	LEAD / SUPPORT ENTITY	Proposed Completion Timeframe						
			2012/2013			2013/2014			
			Q2	Q3	Q4	Q1	Q2	Q3	
Competency Profile for Boards	Develop procedures for identifying the competency profile for Boards	MOFP/CO							
Selection, Nomination, Appointment & Termination of Board Directors	Develop procedures for the selection, Nomination, appointment & termination of Board Directors.	MOFP/CO							
Board Performance Evaluation	Develop Instrument for the conduct of Board Performance Evaluation	MOFP/CO							
Enterprise Risk Management	Develop Enterprise Risk Management Mechanism to be used by Boards.	MOFP							
Role of the Board	Obtain Cabinet Approval for the Separation of the CEO and Board Chairperson Role	MOFP/CO							
	Clarify the concept of ' Accounting Officer ' in relation to PBs.	MOFP/CO							

FRAMEWORK ELEMENTS	IMPLEMENTATION ACTIVITIES	LEAD/SUPPORT ENTITY
Roles of the Chairperson	Develop fundamental elements of a Terms of Reference for a Board Chairperson.	MOFP
	Amend the PBMA to provide for a Terms of Reference for the Chairperson	MOFP
The Corporate Secretary	Define roles and responsibilities of the Corporate Secretary	MOFP
	Amend the PBMA to reflect the mandatory appointment of the Corporate Secretary	MOFP
Board Composition	Establish Rules of Engagement for Board Invitees and Ex-Officio Officers.	MOFP
	Amend the PBMA to mandate the development of competency profiles for Boards	MOFP
	Institutionalise fixed term contracts for Board members with their continuation based on the outcome of an annual performance review.	MOFP
	Institutionalise continuity of Board during periods of transition and in some instances the staggering of their expiration to ensure that a quorum is always in place to conduct the affairs of the Public Body.	MOFP
	Legislation of each PB statute amended to define the size and quorum of Boards.	MOFP
Board Composition	Define the required size and composition of subsidiary Boards.	MOFP
Board Selection and Appointment	Establish the regulatory framework for monitoring the implementation and adherence to the guidelines	MOFP
	Amend PBMA to establish within the law the criteria and procedure for selection and appointment of Board Members	
	Ensure the inclusion of the requirement for the orientation and sensitisation of all Board members in the Code of Conduct .	MOFP
Orientation and Sensitisation Process	Develop Terms of Reference for the development of a training curriculum for the Corporate Governance Framework	MOFP/CO
	Develop curriculum to facilitate the certification of trainers in Corporate Governance pertaining to Public Bodies.	
Board Performance Evaluation	Amend the PBMA to require a Performance Agreement between the Board Chairperson and the Minister.	MOFP/ CO
	Amend the PBMA to indicate elements of the Annual Report to include the outcome of the Appraisal.	MOFP
	Include in the Code of Audit Practice the provision for the mandatory rotation of External Auditors, their partners as well as the limitation for their tenure of service.	MOFP
Role and	Develop Terms of Reference for a Procurement Committee with defined requirements for	MOFP

FRAMEWORK ELEMENTS	IMPLEMENTATION ACTIVITIES	LEAD/SUPPORT ENTITY
Independence of Audit and Internal Controls	membership.	
	Review the capacity requirements of the Internal Audit Units in Public Bodies	MOFP/ OCG
	Amend the PBMA to reflect the mandatory establishment of a Procurement Committee in PBs.	CO
	Amend the PBMA to require the development of an enterprise risk management framework for all Public Bodies.	MOFP
Monitoring Arrangement by Portfolio Ministries	Review the functional profile and structure of Ministries in consideration of the monitoring functions being assigned.	MOFP
	Review the functional profile and structure of the Ministry of Finance & Planning, taking into the account the increased responsibilities.	CO
Role of the Ministry of Finance & Planning	Amend the PBMA to reflect the expanded role of the Ministry of Finance & Planning in monitoring PBs.	MOFP
Board Information Management & Disclosure	Develop a policy to govern Board Information and Disclosure	MOFPP
	Develop protocol for the Boards to identify, communicate and engage stakeholders and the media	MOFP
	Amend the PBMA to provide for the annual report to detail compliance with the policy.	
Managing Stakeholder Communication & Relationship	Develop protocol on communicating with stakeholders and the media.	MOFPP
	Amend the PBMA to provide for the annual report to detail the methods of communicating and engaging with stakeholders.	
Code of Ethics	Amend the PBMA to provide for the development of Code of Ethics by all Boards.	MOFP/ CO
Corporate Social Responsibility	Develop Corporate Social Responsibility Framework for Public Bodies.	MOFPP/ CO
Corporate Governance Reporting	Develop guidelines on issues to be addressed in the Corporate Governance Report	MOFPP/CO
	Amend the PBMA to provide for the inclusion of a Corporate Governance Report	

APPENDIX 1

CONSULTATION – SUMMARY OF FEEDBACK

Methodology

The clarification of the Corporate Governance Framework for Public Bodies has been informed by the extensive consultations which were undertaken with key stakeholders. Various forms of consultations were utilised and these included expert interviews, questionnaire and focus group meetings and workshops. Participants were selected in order to provide a representative sample of the many types of Public Bodies. The presence of several participants allowed for a variety of points of view to emerge and for the group to respond to and discuss these views.

The first form of consultation used was based on a specially designed **Likert Scale** with predetermined key benchmark drivers among highly informed stakeholders. These stakeholders include corporate governance experts, Permanent Secretaries, Chairpersons, Directors and CEOs of Public Bodies. It was designed to ensure that an impartial representative sample was achieved. The instrument was designed and administered via the internet. Based on 16 Corporate Governance drivers that were sent to stakeholders for their prioritization by ranking them on a scale 1 to 5 with 1 being not important to 5 being critically important, all Corporate Governance drivers received an overwhelming endorsement, except two, which relate to Co-opted members, board invitees and ex-officio officers (57%) and gender and equality issues (50%).

The remainder 14 drivers received a combined ranking of very important and critically important from between 76 percent (board processes, meeting management and dynamics) and 100 percent (board composition and clarifying the relationship between board and management) of respondents. This therefore signals the wishes of stakeholders for at least fourteen of these drivers (See Appendix --) to be considered in a Corporate Governance framework for Public Bodies in Jamaica.

The Corporate Governance drivers were subjected to further consultation in focus groups and personal interview settings. A summary of the issues are indicated below. In addition to the 16 key drivers identified and tested above, respondents identified and ranked other drivers they believed were important enough for inclusion. Many of the selected key drivers were further tested in focus group discussions and face-to-face interviews. In the final analysis three additional important drivers emerged (role of the Chief Executive Officer; Enterprise Risk Management as a strategic area for adoption by Public Bodies and Corporate Social Responsibility). Additionally, the role of Co-opted members, Board Invitees and Ex-Officio officers, and issues of gender and equality were confirmed by a majority of stakeholders as framework drivers. See Table 1.

Table 1: Stakeholders’ Support and Ranking of Key Drivers

How important are the following Key Corporate Governance benchmark drivers? Each factor has been ranked based on a scale of 1-5. Rating Scale: 1=not important; 2=of little importance; 3=fairly important; 4=very important and 5=of critical importance.	Respondents’ Aggregate Scores of 4 (very important) and 5 (of critical importance) only. (Percentage)
(a) Board composition	100%
(b) Criteria for Nominating and selection of board members	96.4%
(c) Procedures for appointing Board of Directors	79%
(d) Board orientation, training and continual development	89%
(e) Roles and responsibilities of the board and key fiduciaries –Chairperson, Directors, Corporate Secretary, committees	89%
(f) Clarifying the relationship between board vis-à-vis management	100%
(g) Clarifying the relationship between board and management vis-à-vis stakeholders	96.4%
(h) Board Processes-meeting management and dynamics	76%
(i) Independence and powers of board in decision making	89.3%
(j) Public Bodies information management and disclosure	82%
(k) Internal audit and controls	92.8%
(l) external audit and controls	87.3%
(m) Co-opted members, invitees and ex-officio officers	57.1%
(n) Board and CEO accountability, performance and monitoring and evaluation	89.3%
(o) Code of Ethics for Directors and Officers	89.3%
(p) Gender equality issues	88.3%

Summary of Feedback

The findings from stakeholder consultations are presented below and spans issues such as role and responsibilities of the board, board composition, the audit committee, role of the CEO, board appointments, director orientation and sensitisation, professional development, Board performance evaluation, Board information management and disclosure, Board invitees and ex-officio officers, managing stakeholder relations, enterprise risk management, gender and equality, code of ethics for directors, corporate social responsibility and gender equality.

1. Role and Responsibilities of the Board

The provisions in the Companies Act of Jamaica 2004 and Public Bodies Management and Accountability Act 2001, as amended, are significantly deficient as they do not go far enough in delineating the role of the Chair vis-à-vis the CEO. Respondents agreed that the lack of a formal code on the role and responsibilities of the board has given rise 1) frequent interferences by Board members in the day-to-day activities of the organization, 2) inappropriate channels of communications (Directors instructing executives without going through the CEO or Chairperson), 3) instructions being given to subordinates of the CEO by a Director, Chairperson or Minister, 4) unreasonable demands being placed on a CEO for salaried compensation or other forms of remuneration outside of the compensation guidelines of the Ministry of Finance & Planning; 5) poor attendance and low levels of participation which affects the performance of the Board, and 6) lack of knowledge of relevant statutes and other Governance documents.

2. Roles of the Chairperson

Many individuals have been appointed Chairpersons of PBs which are in similar businesses to that of their private interests. This practice provides an unfair advantage over their competitors and it would be rather difficult for such Chairpersons to place the best interest of a PB over their own interests. This practice should not be encouraged. An example was cited where the Chairperson of the Board is drawn from the portfolio Ministry which is also its main client and for whom it was initially established to serve. This practice lends itself to conflict of interest issues and could disadvantage other governmental clients. It was recommended that due consideration be given to appointing unconnected persons, preferably drawn from the private sector.

3. The Chief Executive Officer

Participants expressed concerns that there were instances in which chairpersons and directors would circumvent the CEO and go directly to his/her direct reports for information and/or cooperation on various issues such as contractual and procurement matters. In other instances, the chairperson and or a director may sometimes pay unscheduled visits to the offices of the CEO and attempt to issue instructions to CEO subordinates on matters related to

the board or committee, or a personal errand. Participants agreed that Directors need clear guidance and instructions as to their roles and limits, as distinct from those of the CEO, his/her day-to-day duties and the boundaries between senior management and the board.

CEOs indicated that ministerial interference is a major concern because it can undermine managerial authority. They indicated that this is like ‘rolling the dice’ - it can be a function of the personality of the Minister so it can be negative or positive, depending on the individual Minister. Lack of documentation on the role and relationship and limits the protection of PBs from a “marauding” Minister. It is not uncommon to hear that the “Minister has instructed ...” A common view expressed was that Ministers often bypassed Permanent Secretaries and Chairpersons and became very involved in the operations of PBs. The general belief was that a Minister should not get too involved in the operations of PBs and should at all times respect the authority of the Chairperson and his Board of Directors. However, a seemingly strong position held supported the involvement of the Minister. Supporters for ministerial interference argued that if the Minister is held accountable by Parliament then he/she ought to have the latitude to effect controls and authority over executive decisions as he/she sees it fit. However, caution must be exercised in ensuring that ministerial involvement is not perceived as the norm but rather an exception.

4. Board Composition

Many respondents expressed concerns based on their experiences related to the skills and competencies of Board members. The issues identified include 1) Boards being selected with little attention paid to ensuring that critically required skills, training and experience are possessed by its members; 2) time commitment and value adding capacity of an individual are not adequately considered, and 3) absence of an appropriate balance of skill, experience, qualifications and youth to enhance board performance.

5. Board Selection and Appointment Process

Participants and individual respondents expressed a desire to see only competent directors appointed, based on business-specific knowledge, qualifications, experience and general capabilities. This, respondents believed, would add immeasurable value to the Public Body. The prevailing view expressed by respondents was that a process to conduct due diligence which would involve background checks should be required, especially for directors of self-financed Public Bodies, to clear each director on grounds of criminal record, potential and obvious issues of conflict of interest and any pending or a recently concluded legal dispute with the Public Body. It was generally agreed that current approaches to appointing boards were not serving the best interests of the Public Bodies and the nation, and therefore should be changed to reflect best practices in other jurisdictions

Respondents suggested that there should be strict requirements that multiple nominations be accepted from all stakeholder groups from which the Minister or any other responsible authority, would select and propose one for appointment, after conducting competency

assessments and other due diligence processes. Guidelines are needed to prescribe the roles and authorities of persons designated to ex officio officers. Such posts should possibly be rotated among a pool of individuals within the Ministry during the tenure of a board. It is generally agreed that Permanent Secretaries should not be appointed to Boards of PBs for which they have oversight responsibilities.

There were strong views expressed for a limit to be placed on the number of boards and committees on which any director can serve. There was at least one report of a Director in a particular Public Body serving on all five board committees, in addition to being the Chairperson of the procurement committee—a rather unusual situation. Members of a PB procurement committee are usually drawn from among executives and staff. Furthermore, it is not a prudent practice for a member of the audit committee to serve on procurement and finance committees.

6. The Audit Committee and Internal Control Function

In many PBs, internal auditors were still not reporting to the Audit Committee of the Board, either because there was no such committee in place, or because the Board did not insist on proper reporting protocols. Based on informant feedback the most glaring and threatening factor to the integrity, probity and accountability of the government of Jamaica's internal control process is the fact that in most Public Bodies where there is the presence of an Internal Audit structure, there is only one senior auditor and an assistant. This is the case even where the PB has regional offices, at times in every parish.

Based on information received from the Ministry of Finance & Planning, approximately 80% of all Public Bodies should have Audit Committees. However, respondents questioned the functionality and independence of these Committees. Some of the concerns which needed to be addressed include, 1) Audit Committees non-functional both in Ministries and Public Bodies and lacking the requisite skills to effectively operate where they do exist and, 2) Internal Auditors reporting to the CEO or Head of HR as a result of the absence of an Audit Committee.

The problem of a lack of qualified accountants and financial skills on Boards was cited as another matter of concern. However, one respondent was not in agreement and noted that there were enough certified accountants that work in the private sector who could become available through the Institute of Chartered Accountants of Jamaica.

It was reported that many PBs have been in breach by failing to submit their annual reports within 4 months of year end. This was attributed to their auditors having been unable to complete all the audits in a timely manner. It was argued that the entities wait too long to engage the auditors, i.e. they need to get the work started early. It was also noted that many PBs that depended on the AGD to do their audits attributed their failure to deliver timely audit reports to the inability of the AGD to carry out the work. Respondents say the AGD is always inundated with work and is unable to deliver.

Some Public Bodies have complained that their financial accounts have been outstanding for many years due to the inability of the Department to effectively execute the work in a timely manner. However, the AGD refutes this claim in part, by suggesting that no entity can attribute their arrears to the tardiness or delinquency of the AGD. The AG continued by stating that some Public Bodies submit inaccurate statements which must be returned; these statements are presented merely to meet statutory deadlines. Some agencies present statements in batches and this create greater difficulty to the Department to dedicate audit resources to review three years statements as against one. The AG has highlighted the need to put eleven more officers in the field and to provide relevant software to automate the entire audit process, now being carried out manually.

7. Orientation and Sensitisation Processes

It was felt by respondents that the lack of a structured programme of director orientation and sensitisation had compounded the problem of a dearth of business-specific knowledge among Directors. It also contributed to their low level of understanding of what their duties and responsibilities are; their propensity to interfere in the day-to-day affairs of the Public Bodies and their resorting to employing inappropriate communication channels to obtain information from the management team.

8. Training and Development of Board, Management, PSs and Ministers

There was unanimous agreement among stakeholders that training and continual development should be made mandatory for all Directors of the board of Public Bodies with a specific timeframe within at least three months of appointment. Additionally, there is call for a formal training course for Permanent Secretaries and Ministers to be made a core requirement of their orientation process. Respondents suggest that such a course should address the entire procurement process; their roles as Ministers and PSs; the relationship between a Minister and his/her PS; their relationship with Public Bodies and in particular, Statutory Bodies; the relevant legislation; performance management and appraisal issues; the role of the Auditor General's Department; the role of the Contractor General; the Office of the Attorney General and the Accountant General.

9. Board Performance Evaluation

While some stakeholders were unfamiliar with the practice of Board Performance Evaluation and how it works, consensus was obtained that Public Bodies should adopt a formal process of appraising the performance of the Board of Directors annually. Respondents suggested that such a process should include the board committees as well. Participants felt that constructive feedback from the evaluation process could inform individual members on how they are doing and guide adjustments towards improved performance and value-adding. They also felt that an evaluation which captures critical elements of board performance indicators could go a far way in determining Director tenure and compensation –where performance is so determined. It was also suggested that the contracts of all CEOs be based on strict

performance criteria and their tenure be reviewed annually and renewed or terminated based on their performance on stated objective criteria.

10. Board Information and Disclosure

Respondents suggested that the full compensation packages of all CEOs of Public Bodies should be published annually in a special edition of the local print media, especially the self-financing ones. They wanted a schedule of each CEO remuneration package to detail basic pay and allowances including housing and entertainment, if applicable. Also, stakeholders suggested a statement in each Public Body's annual report on its Corporate Governance activities, such as membership of Audit Committee and attendance record of Directors for the year under review. Additionally, Public Bodies should be required to report to Parliament on their stewardship of their entity once per year.

Respondents wanted new procurement laws to ensure mandatory disclosure of the names and further particulars of Directors of companies with which the Government enters into contracts of a specified some minimum amount. This could be the minimum value of contracts that must be approved by the National Contracts Commission. The suggestion is in keeping with an earlier request made by the Contractor General's Department and stated in its Annual Report, 2008, that:

“...Cabinet amends the Government Procurement Rules to require that any private corporate entity that is desirous of tendering on any Government of Jamaica contract must, as a mandatory pre-requisite, submit to the relevant contracting Public Body, certified and sworn particulars of its incorporation documents, certified particulars of all its beneficial shareholders.” (P.11)

11. Role and Authority of Board Invitees and Ex Officio Officers

Respondents wanted clarification of the roles, voting rights at board and committee meetings and the identity (names and qualifications, etc.) of those in these positions. They held the view that their roles, contributions and limitations should be codified under membership and roles and responsibilities of Board and its committees.

12. Managing Stakeholders Communication & Relationships

It was strongly proffered by respondents that the CEO should be the chief spokesperson of the Public Body to shareholders and the public at large. Respondents also suggested that there is a void in how public information is communicated by Public Bodies regarding matters of national importance and selected crisis scenarios. They are calling for a stakeholder communication and engagement strategy. Informants also suggested that Public Bodies should devise a strategy for board and management to engage stakeholders on a regular basis in bolstering good corporate citizenship.

13. Enterprise Risk Management

Not all respondents understood the role and importance of an integrated approach to risk management, but were made more aware from a brief presentation on the subject matter. They endorsed the idea of a policy and strategy to introduce and implement ERM in each PB and government ministry. Informed participants suggested that more risk-based auditing needed to be practiced by both the Auditor General's Department and by all Internal Auditors of Public Bodies and Government Ministries.

14. Board Diversity and Equality Issues

The majority of respondents felt that while the participation of women in board deliberations, as like in all other spheres of business was important and added value to organisations, particularly in the oversight function. Respondents maintained however that board appointments and participation should be based on the competency profile of each Board. However the view was expressed that Boards should be more representative of the national constituents which would include both female and youth involvement with the latter seeking to facilitate Board succession.

15. Code of Ethics for Directors

Respondents believed that Public Bodies would be better served with the institutionalisation and inculcation of ethical standards into their day to day operations. Respondents suggested that a standard ethical code be designed to guide the development and adoption of Codes across all Public Bodies.

16. Corporate Social Responsibility

Participants believed that the Public Bodies, in addition to being responsible for corporate performance, particularly those involved in large scale commercial activities should articulate and establish their own strategy of the triple bottom-line—economic, social and environmental concerns. Participants stressed the need for inherent values and commitment to a holistic approach to economic, social and environmental issues which could result in the business enterprise being able to protect, enhance and invest in the well-being of society and the natural ecology and that good corporate citizenship should be incorporated into the culture of the Public Body.

17. Monitoring Role of Ministries

With respect to the monitoring arrangements for the Public Bodies in Ministries, Permanent Secretaries generally accept that their role is “a monitoring one”, usually encompassing planning, operations management, review and oversight.” PSs and senior directors who sit on Boards will have more intimate knowledge of what is happening and are able to take early

corrective action. In exceptional cases, some boards are problematic and may need more direct involvement by the PS for good order. As one PS puts it, “the role might change, depending on the circumstances. For example, ‘Where an agency has a strong CEO, the PS only plays a monitoring role. For a new CEO and where the function is a “busy” one, more hand-holding is required.’” Another PS indicated that “the role played by the PS varies – bad, good, diplomatic. Some PSs prefer an arm’s length approach – for one PS this is “communicating policy decisions, especially from Cabinet” and delegating responsibility for the boards to which he has been appointed.

Permanent Secretaries accept that they cannot become involved in the day-to-day operations of PBs but must have a way of knowing what is going on, especially with regard to their budgets and procedural and HR issues. In the words of one PS, “The overall job is the responsibility of the PS. The buck stops with him/her.” Public Bodies generally only consult with the PS when there is a problem. The general approach is to allow individuals to be responsible and exercise their authority. The PS may step in from time to time when asked to do so. New appointees tend to be a bit more dependent on PSs initially.

18. Role of the Ministry of Finance & Planning

There seems to be a general feeling of micro-management by, and mistrust of, the Ministry of Finance & Planning. While some CEOs acknowledged close relations with the MOFP, they expressed concerns about the relationship/support MOFP gives, describing it as bureaucratic, costly, and clouded by a perceived lack of understanding of the business of the PBs. Respondents expressed the sentiments that some reporting instructions were superfluous, although they may have been designed to meet certain objectives, different instructions often conflicted with each other. Informants expressed the view that Public Bodies have different mandates but get generic instructions regarding policies which are often irrelevant to their situations.

LIST OF PARTICIPANTS

a. LIKERT SCALE INTERNET SURVEY RESPONDENTS

Permanent Secretaries: Ministry of Youth, Sport and Culture, Ministry of Tourism, Ministry of Agriculture and Fisheries, Ministry of Water and Housing, Ministry of National Security, Office of the Prime Minister, Ministry of Transport and Works, Ministry of Mining and Energy, Ministry of Labour and Social Security, Ministry of Industry, Commerce and Investment

Others: Professor Mervyn King, Philip Armstrong, Dr. Henley Morgan, Wesley Davis, E. G. Hunter, NIC, John Lynch, Earl Richards, Lloyd Pommels, Daphne Douglas, Princess Lawes, Noel Hylton, Ryland Campbell, Peter Fletcher, Al Powell, SRC CIB, Petroleum Corporation of Jamaica, Rural Electrification Programme, Jamaica Bauxite Institute, Central Information Technology Office, Antidumping and Subsidiaries Commission, Micro Investment Development Agency, Scientific Research Council, Broadcasting Commission, National Library of Jamaica, National Insurance Fund, National Council for the Aged, Coconut Industry Board, National Irrigation Commission, Jamaica Foundation for Life Long Learning, HEART Trust/NTA, Financial Services Commission, National Ex-Im Bank of Jamaica Ltd, North East Regional Health Authority, University Hospital of the West Indies, Firearm Licensing Authority, Tourism Enhancement Fund, Devon House, Jamaica Mortgage Bank, Transport Authority, Port Authority of Jamaica, Caribbean Maritime Institute, Development Bank of Jamaica, Jamaica Social Investment Fund, Urban Development Corporation, Social Development Commission, Women’s Centre and Institute of Sports.

b. FOCUS GROUPS

CEOs	Ministry Chief Internal Auditor	Public Bodies’ Internal Auditor	Expert Group of Professionals	Women’s Group
Fiscal Services	Ministry of Youth, Sport and Culture	Bureau of Standards	Port Authority	Bureau of Women’s Affairs
Airports Authority	Ministry of Health	National Irrigation Commission	Nutrition Products	Women’s Media Watch
ODPEM	Ministry of Industry, Investment and Commerce	Housing Agency of Jamaica	Scientific Research Council	Institute of Gender and Development Studies, UWI, Mona
Jamaica Intellectual Property Office	SERHA	Jamaica Library Service	Coconut Board	Jamaica Women’s Political Caucus

CEOs	Ministry Chief Internal Auditor	Public Bodies' Internal Auditor	Expert Group of Professionals	Women's Group
Southern Regional Health Authority	Ministry of Agriculture and Fisheries	Nutrition Products Ltd.	Bureau of Standards	Women's Resource and Outreach Centre
HEART Trust/NTA	Office of the Prime Minister	NERHA	Early Childhood Commission	
Petrojam	Ministry of Education	SERHA	Ministry of Youth, Sports and Culture	
Tourism Product Development Co.	Ministry of Tourism	Social Development Commission	National Health Fund	
National Library of Jamaica	Ministry of Transport and Works	Jamaica Cultural Development Commission	Tourism Enhancement Fund	
Agricultural Development Bank	Ministry of Labour and Social Security	Jamaica Civil Aviation Authority	National Health Fund	
National Water Commission	Ministry of Energy and Mining	Transport Authority		
Spectrum Management Authority				
National Health Fund				

c. STAKEHOLDERS' REPRESENTATIVE at Consultation Meetings to review draft reports and submit recommendations

Jamaica National Heritage Trust	SERHA
Real Estate Board	National Council for Senior Citizens
Jamaica Racing Commission	Financial Services Commission
Spectrum Management Authority	Ministry of Finance & Planning
Women's Centre of Jamaica Foundation	Office of Utilities Regulation

Bank of Jamaica	Broadcasting Commission
Bureau of Standards	Fair Trading Commission
HEART TRUST/NTA	Development Bank of Jamaica
Jamaica Cultural Development Commission Learning	Jamaica Foundation for Lifelong
National Irrigation Commission	National Road Operating & Constructing Co.
Planning Institute of Jamaica	National Water Commission
National Solid Waste Management Authority	Port Authority of Jamaica
Rural Agricultural Development Authority	Scientific Research Council
Students' Loan Bureau	University Hospital of the West Indies
Wallenford Coffee Co.	Early Childhood Commission
Caymanas Track Ltd.	Auditor General's Department
Jamaica Dairy Development Board	

d. PERSONAL INTERVIEWS

The Contractor General

The Auditor General

The Accountant General

Deputy Financial Secretary, Public Enterprises Division

Deputy Financial Secretary, Public Expenditure Division

Mr. Mark Golding, Opposition Senator and Spokesman for Industry and Commerce

Honourable Michael Henry, Minister of Transport and Works

Permanent Secretary former), Office of the Prime Minister

Permanent Secretary, Ministry of Tourism

Permanent Secretary, Ministry of Labour and Social Security

Permanent Secretary, Ministry of Industry, Commerce and Investment

Permanent Secretary, Ministry of Transport and Works

Mr. Don Wehby, Former Minister of Finance

The Likert Scale

KEY BENCH MARK DRIVERS (1)How important are the following Key Corporate Governance benchmark drivers? (score each factor as follows: 1 = not important, 5 = of critical importance)	Rating (1 = not important, 2= of little importance, 3=fairly important, 4=very important, 5= of critical importance.				
(a) board composition	1	2	3	4	5
(b) criteria for nomination and selection of board members	1	2	3	4	5
(c) procedures for appointing board of directors	1	2	3	4	5
(d) board orientation, training and continual development	1	2	3	4	5
(e) roles and responsibilities of the board and key fiduciaries – chairperson, directors, committees, corporate secretary	1	2	3	4	5
(f) clarifying the relationship between Board vis-à-vis Management	1	2	3	4	5
(g) clarifying the relationship between Board and Management vis-à-vis stakeholders	1	2	3	4	5
(h) board processes-meeting management and processes	1	2	3	4	5
(i) independence and Powers of Board in Decision Making	1	2	3	4	5
(j) public bodies information management and disclosure	1	2	3	4	5
(k) internal audit and controls	1	2	3	4	5
(l) external audit and controls	1	2	3	4	5

KEY BENCH MARK DRIVERS (1)How important are the following Key Corporate Governance benchmark drivers? (score each factor as follows: 1 = not important, 5 = of critical importance)	Rating (1 = not important, 2= of little importance, 3=fairly important, 4=very important, 5= of critical importance.				
(m) co-opted members, invitees and ex-officio officers	1	2	3	4	5
(n) board and CEO accountability, performance monitoring and evaluation	1	2	3	4	5
(o) code of ethics for directors and officers	1	2	3	4	5
(p) gender and equality issues					

Please indicate any other CG benchmark driver (s) that you would recommend but which has (have) not been included above. Also, please rank the benchmark driver (s), that you would have added. Please use additional pages if needed.

APPENDIX 2

LIST OF PUBLIC BODIES 2010

SF = Self financing
 PF = Partially funded from the Budget (Consolidated Fund)
 FF = Fully funded from the Budget (Consolidated Fund)
 Stat = Statutory body
 Ltd. = Limited liability

Ministry	Funding	Type
Ministry of Science, Technology, Energy and Mining (STEM)		
Petrojam Limited	SF	Ltd.
Petrojam/Ethanol Company Limited	SF	Ltd.
Petroleum Company of Jamaica	SF	Ltd.
Petroleum Corporation of Jamaica	SF	Stat
Rural Electrification Programme	PF	Ltd.
Wigton Windfarm Limited	SF	Ltd.
Bauxite & Alumina Trading Company (BATCO)	SF	Ltd
Clarendon Alumina Production Limited (CAP)	SF	Ltd
Jamaica Bauxite Institute (JBI)	SF	Ltd
Jamaica Bauxite Mining (JBM)	SF	Ltd
National Council on Science & Technology	FF	Stat
E-Learning Company	SF	Ltd
International Centre for Environmental & Nuclear Sciences	FF	Ltd
Central Information Technology Office	PF	Ltd
Spectrum Management Authority	SF	Ltd
Postal Corporation of Jamaica	PF	Ltd
Scientific Research Council	PF	Ltd
Board of Examiners	FF	Stat
Earthquake Unit	FF	Stat
Universal Access Fund	SF	Ltd
Electoral Office of Jamaica	FF	Ltd
STEM – Total	21	
Ministry of Industry, Investment and Commerce (MIIC)		
Anti-Dumping and Subsidies Commission	FF	Stat
Consumer Affairs Commission	FF	Stat
Fair Trading Commission	FF	Stat
Jamaica Business Development Centre	PF	Ltd
Jamaica Trade & Invest (JTI) - (formerly JAMPRO)	FF	Stat
Bureau of Standards	SF	Stat
Factories Corporation of Jamaica	SF	Ltd.
Jamaica National Accreditation Company Ltd	SF	Ltd.
Jamaica Intellectual Property Office	PF	Stat

Ministry	Funding	Type
Kingston Freezone Zone Company	SF	Ltd.
Micro Investment Development Agency (MIDA)	SF	Ltd.
Montego Bay Freezone Company	SF	Ltd.
International Financial Services Authority	SF	Ltd.
Self-Start Fund	SF	Ltd.
Trade Board Limited	PF	Ltd.
MIIC- Total	15	
Ministry of Youth and Culture (MYC)		
Institute of Jamaica	FF	Stat
Jamaica Cultural Development Commission (JCDC)	FF	Stat
Jamaica National Heritage Trust	PF	Stat
National Library of Jamaica	FF	Stat
Creative Production Training Centre (CPTC)	PF	Ltd
National Youth Service	FF	Stat
MYC – Total	6	
Ministry of Labour and Social Security		
National Insurance Fund (NIF)	SF	Stat
National Council for the Aged	FF	Stat
National Council for the Disabled	FF	Stat
MLSS – Total	3	
Ministry of Agriculture & Fisheries		
Jamaica 4H Clubs	PF	Stat
Jamaica Agricultural Society	PF	Stat
Agricultural Credit Board	PF	Stat
Agricultural Marketing Corporation	PF	Stat
Agricultural Investment Corporation	SF	Ltd.
Agro-Investment Fund	SF	Ltd.
Banana Board	FF	Stat
Banana Insurance Fund	FF	Stat
Cocoa Industry Board	SF	Stat
Coconut Industry Board	SF	Stat
Coffee Industry Board	SF	Stat
National Irrigation Commission Limited	PF	Ltd.
Pimento Board	PF	Stat
Rural Agricultural Development Authority (RADA)	PF	Stat
Jamaica Dairy Development Board	PF	Stat
SCJ Holdings Ltd.	SF	Ltd.
Sugar Company of Jamaica Ltd.	SF	Ltd.
Sugar Industry Authority (including SIRI)	SF	Stat
Tobacco Industry Control Authority	SF	Stat
Veterinary Board	SF	Stat
Wallenford Coffee Company Ltd.	SF	Ltd.

Ministry	Funding	Type
MOAF – Total	21	
Ministry of Education		
Council of Community Colleges	FF	Stat
Jamaica Library Service	FF	Stat
Jamaica Foundation for Lifelong Learning (formerly JAMAL)	FF	Stat
National Council on Education	FF	Stat
Overseas Examination Commission	SF	Stat
University Council of Jamaica	FF	Stat
University of Technology	PF	Stat
Early Childhood Commission	FF	Stat
Human Employment and Resource Training/HEART Trust/NTA	SF	Stat
MOE - Total	9	
Ministry of Finance & Planning		
Air Jamaica (Legacy)	SF	Ltd
Bank of Jamaica	SF	Stat
Beting Gaming & Lotteries	SF	Stat
Casino Gaming Commission		
Caymanas Track Limited	SF	Ltd
Development Bank of Jamaica	SF	Ltd
Financial Sector Adjustment Company Ltd	PF	Ltd
Financial Services Commission	SF	Stat
Fiscal Services (E.D.P) Ltd	PF	Ltd
Capital Development Fund	SF	Stat
Jamaica Deposit Insurance Corporation	SF	Stat
Jamaica Racing Commission	SF	Stat
National Ex-Im Bank of Ja Ltd	SF	Ltd
Petrocaribe Development Fund (PDF)	SF	Stat
Planning Institute of Jamaica	FF	Stat
Statistical Institute of Jamaica	FF	Stat
Students Loan Bureau	SF	Stat
MOFPP - Total	17	
Ministry of Health		
North East Regional Health Authority	PF	Stat
South East Regional Health Authority	PF	Stat
Southern Regional Health Authority	PF	Stat
Western Regional Health Authority	PF	Stat
Central Board of Health	FF	Stat
Dental Council	FF	Stat
Hope Institute	FF	Stat
Medical Appeals Tribunal	FF	Stat
Medical Council	FF	Stat
National Council on Drug Abuse	FF	Stat
National Family Planning Board	FF	Stat

Ministry	Funding	Type
National Health Fund	SF	Stat
Nursing Council	FF	Stat
Nursing Home Appeals Tribunal	FF	Stat
Nutrition Advisory Council	FF	Stat
Pesticides Control Authority	PF	Stat
Pharmacy Council	PF	Stat
Professions Supplementary to Medicine Council	PF	Stat
Quarantine Advisory Council	FF	Stat
Registration Appeal Tribunal (Pharmacy)	PF	Stat
University Hospital of the West Indies	PF	Stat
MOH - Total	21	
Ministry of Justice		
The Legal Aid Council	PF	Stat
MOJ - Total	1	
Ministry of National Security (MONS)		
Firearm Licensing Authority	SF	Stat
Private Security Regulation Authority	PF	Stat
MNS - Total	2	
Ministry of Tourism & Entertainment(MOTE)		
Bath Fountain of St. Thomas the Apostle	PF	Stat
Devon House Development Company Ltd.	PF	Ltd
Entertainment Board		
Jamaica Tourist Board	FF	Ltd
Jamaica Vacations (JamVac)	PF	Ltd
Milk River Bath	PF	Stat
River Rafting Authority	FF	Stat
Tourism Enhancement Fund	SF	Stat
Tourism Product Development Company (TPDCo)	PF	Ltd
MOTE - Total	9	
Ministry of Water, Land, Environment and Climate Change (MWLE)		
Central Waste Water Treatment Co.	SF	Ltd.
National Water Commission	SF	Stat
Rural Water Supply Company	PF	Ltd.
Water Resource Authority	PF	Stat
Beach Control Authority	FF	Stat
Real Estate Board	SF	Ltd
MOWLE - Total	6	
Ministry of Transport, Works & Housing (MTWH)		

Ministry	Funding	Type
Aeronautical Telecommunications Limited	SF	Ltd.
Air Transport Licensing Board	SF	Stat
Airports Authority	SF	Stat
Caribbean Maritime Institute	PF	Stat
Civil Aviation Authority	SF	Stat
Island Traffic Authority	PF	Stat
Jamaica Railway Corporation	SF	Stat
Jamaica Ultimate Tyre Company Ltd.	SF	Ltd.
Jamaica Urban Transport Company	SF	Ltd.
Maritime Authority	PF	Stat
Montego Bay Metro Limited	SF	Ltd.
National Road Operating & Constructing Company (NROC)	SF	Ltd.
Housing Agency of Jamaica	SF	Ltd.
Port Authority	SF	Stat
Jamaica Mortgage Bank	SF	Ltd.
Rent Assessment Board	PF	Stat
Ports Authority Management Co. Ltd	SF	Ltd.
Ports Management Securities Ltd.	SF	Ltd.
The Ports Security Corps (PSC)	SF	Ltd.
Jamaica International Freezones	SF	Ltd.
Public Passenger Transport (Rural Area) Board of Control	FF	Stat
Toll Authority of Jamaica	FF	Stat
Transport Authority	SF	Stat
Road Maintenance Fund	SF	Stat
MTWH - Total	24	
Ministry of Local Government & Community Development		
Social Development Commission	FF	Stat
Office of Disaster Preparedness & Emergency Management	FF	Stat
National Solid Waste Management Authority	PF	Stat
Board of Supervision	FF	Stat
Golden Age Home – Vineyard Town	FF	Stat
Jamaica Fire Brigade	FF	Stat
MLGCD – Total	6	
Office of the Prime Minister (OPM)		
Kingston Waterfront Redevelopment Company Limited	SF	Ltd.
Le Meridien Hotel (Pegasus)	SF	Ltd.
Montego Beach (1975) Limited	SF	Ltd.
Montego Freeport Limited	SF	Ltd.
Montego Shopping Centre Limited	SF	Ltd.
National Hotel & Properties Limited	SF	Ltd.
Ocho Rios Commercial Centre Limited	SF	Ltd.
Portmore Commercial Development Company	SF	Ltd.
Runaway Bay Water Company Limited	SF	Ltd.
Rutland Point Beach Resorts Limited	SF	Ltd.

Ministry	Funding	Type
Seawind Limited	SF	Ltd.
St Ann Development Company Limited	SF	Ltd.
National Housing Trust (NHT)	SF	Stat
Urban Development Corporation (UDC)	SF	Ltd.
Urban Maintenance (1977) Limited	SF	Ltd.
Ackendown Newtown Development Company Limited	SF	Ltd.
Chase Fund	SF	Ltd
Jamaica Social Investment Fund Ltd	PF	Ltd.
Women's Centre of Jamaica Foundation	FF	Stat
National Council on Sports	FF	Ltd.
Institute of Sports	FF	Stat
Sports Development Foundation of Jamaica	SF	Stat
Independence Park	SF	Ltd
Jamaica Anti-Doping Commission	FF	Stat
National Road Safety Council	FF	Ltd.
Lilliput Development Company	SF	Ltd.
Broadcasting Commission	SF	Stat
Public Broadcasting Corporation of Jamaica	FF	Stat
Cinematograph Authority	PF	Stat
OPM - Total	29	
Cabinet Office		
Office of Utilities Regulation (OUR)	SF	Ltd
Cabinet Office – Total	1	
GRAND TOTAL	191	