

**INSTITUTE OF CHARTERED SECRETARIES AND
ADMINISTRATORS IN ZIMBABWE**

2018 EXCELLENCE IN CORPORATE GOVERNANCE AWARDS

CEO SPEECH

Thank you, Master of Ceremony, for giving me this time to address this gathering of Business people and Captains of the industry.

Let me start by acknowledging the following people:

Our Guest of Honour - Honourable Minister July Moyo – Minister of Local Government, Rural and Urban Development

Permanent Secretary in the Office of the President and Cabinet, Corporate Governance Unit- Mr Willard Manungo

Government Officials here present,

Regulatory Authorities,

Captains of Industry here present.

Distinguished Delegates, Ladies and Gentlemen,

I welcome you to the Institute's 6th edition of the Excellence in Corporate Governance Awards (ECGAs) which were introduced in 2013 with the objective of promoting good corporate governance practices in Zimbabwe. The Awards recognise efforts of corporate boards for effectively leading their organisations in a sustainable, innovative and ethical way. Over the past years the ECG Awards have become Zimbabwe's most prestigious awards for corporate governance. The inaugural Awards in 2013 focused on companies listed on the Zimbabwe Stock Exchange (ZSE). In 2014 the awards were

expanded to include separate categories for banking institutions and in 2015 the Institute presented Awards to State Enterprises and Parastatals (SEPs) for the first time, with the full support of the Government of Zimbabwe. This year, 2018, the Institute extended the Awards to include Insurance Companies and Small-to-Medium Enterprises.

Awards Participants

The Awards are compulsory to all organisations falling under any established category except the Small-to-Medium Enterprises (SMEs) where it is voluntary. The Institute partnered the Government of Zimbabwe and the respective regulatory authorities in order to make the Awards inclusive and act as a barometer to gauge corporate governance practices of participants in their respective sectors.

Since their inception, the ECG Awards have become a symbol of excellence as participants use the Awards as a yardstick for best corporate governance practice. The Awards have also become a source of reference for corporate governance best-practice in the market.

Listed Companies - All listed companies still trading on the bourse on the adjudication date were eligible for evaluation. A total of 58 listed companies were evaluated for the 2018 Awards.

Banking Institutions - All banking institutions trading under Reserve Bank of Zimbabwe-issued banking licenses on the adjudication date were eligible. A total of 16 banking institutions were evaluated for the 2018 Awards.

State Enterprises & Parastatals - A total of 98 State Enterprises & Parastatals were eligible for evaluation and only 12 submitted the Annual Reports for adjudication in the 2018 Excellence in Corporate Governance Awards.

Insurance Companies- All Short-Term insurance companies regulated by the Insurance & Pensions Commission on the adjudication date were eligible for evaluation. A total of 20 Short-Term Insurers were evaluated for the 2018 ECG Awards.

Small-to Medium Enterprises – According to ICSAZ, SMEs are business entities which employ less than 75 employees and whose annual turnover and assets value is less than \$1 million”

Participation in this category was voluntarily and all SMEs were free to participate. 5 entities voluntarily participated in the 2018 Awards. We hope many SMEs will come on board next year.

Adjudication Process

The Excellence in Corporate Governance Awards are presided over by a Panel of 12 adjudicators who use the **ICSAZ Corporate Governance Scorecards** and Questionnaires to assess corporate governance disclosures by participating entities.

The Adjudicators used the Scorecards to assess participants based on the disclosures in their 2017 Annual Reports and other publicly available sources. The scores garnered by participants were used to produce a list of Top 5 participants.

These top 5 participants were subjected to further scrutiny to come up with the final Top 3 winners, who will receive the main awards. Last year, the Institute decided to give **Merit Awards** to the other two participants who would have been short-listed into the top 5 of the adjudication process to appreciate their effort in good corporate governance disclosures.

Major Highlights from Adjudication Process

The adjudication team faces challenges in obtaining information for evaluating State Enterprises & Parastatals and Insurance Companies. The majority of SEPs do not have up-to-date Annual Reports from which the adjudicators could obtain the necessary information for adjudication. Failure to timely produce Annual Reports by State Enterprises is worrisome. The Institute hopes that the coming in of the Public Entities Corporate Governance Act will assist in SEPs meeting the basic requirements of corporate governance.

Insurance Companies submit quarterly financial Returns to IPEC, but the information is not good enough for the purpose of adjudicating the entities in the Excellence in Corporate Governance Awards. Most of the Insurance Companies did not submit their Annual Report. Most of them indicated that their 2017 Annual Reports were not yet ready by the 30th of September, which is also worrisome.

The adjudicators also noted that most the Entities, particularly listed companies just update their financial figures on the Annual Reports. Little attention is being paid on the disclosure aspect.

Awards Categories

The 2018 ECGA Awards have 5 categories namely Listed Companies, Banking Institutions, State Enterprises & Parastatals Insurance Companies and Small-to-Medium Enterprises. The Listed Companies and Banking Institutions categories are further subdivided into 3 categories in order to get into a detailed analysis of corporate governance disclosures by the entities.

These, ladies and gentle, this is just an overview of how the Excellence in Corporate Governance Awards are conducted. Detailed analysis and other information is contained in the Information Brochure that you were given. You will also get an electronic copy as well.

To those that will receive Awards today, Makorokoto, congratulations. Please walk the talk for sustainable economic Growth.

Thank you.