

The Slip-Ups of Corporate Governance in Botswana Public Enterprises

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Abstract: Public enterprises play a vital role in economic development, yet they suffer from various problems. Mismanagement, corruption, personal and political interest masquerade the role played by these state enterprises. Several cases of mismanagement and corruption have been reported in most public enterprises in Botswana. This paper uses a documentary analysis to unearth some of the problems and challenges faced by public enterprises in Botswana, in particular the paper uses Botswana Development Corporation and Botswana Railways as case studies. Corporate slip-ups continue to plague Botswana despite the adoption of the King Code of Governance. Corporate governance gaffes have happened in big public corporations like Botswana Development Corporation where government ended up being the biggest loser when the glass company plant materials were auctioned for a pittance. Other public enterprises such as Botswana Meat Commission, Botswana Railways, Air Botswana, have also been hard hit by bad governance. The paper uses literature on best practices of governance to interrogate how corporate governance is practiced in the public sector. Boards of directors are mandated to ensure proper governance based on principles of corporate governance. They should safeguard that decision making process is independent of government, injecting values of transparency and accountability, and guarantee shareholder (citizens) trust. If indeed a good system of corporate governance is executed, public enterprises can graduate from relying on government subsidies, and come to be profitable entities. However, a challenge remains in running public enterprises like businesses where tax payers and owners of means of production are treated as customers and spectators. Another challenge that remains before Public Enterprises Evaluation and Privatisation Agency (PEEPA) is to reposition itself so that public enterprises become relevant entities manned by Board of directors who are accountable.

Keywords: Corporate governance, Botswana Development Corporation, Botswana Railways, public enterprises, Board of Directors, Stakeholders

1. Introduction

Botswana has been hit hard by corporate scandals in the past. The majority of the scandals mainly happen in the public enterprises or the state owned enterprises (SOEs) or what is commonly known as parastatals in Botswana (Bulawa, 2017). Corporate governance has taken a centre stage as a major reform for the world especially after the collapse of Enron which demonstrated that even world class companies can become victims of bad corporate governance. Wu (2005:151) argues that after "the collapse of big companies like the corporate scandals of Enron, WorldCom, and Tyco, more and more countries have embarked on corporate governance reforms to better protect the interests of investors".

A study by Wu (2005) hypothesised that corruption would be lower in countries where corporate boards are more accountable to shareholders. In

order to try and answer the hypothesis Wu (2005) gave five reasons to support the hypothesis: a) an independent and competent corporate board that truly represents the interest of shareholders can help prevent the opportunistic behaviours of the managers (and/or inside shareholders); b) having strong corporate boards also makes it more credible for managers to commit to a "no bribe" policy when dealing with public officials who demand a bribe payment; c) having a strong corporate board helps deter the extortion demands from corrupt officials by increasing the risks they face, because there will be more people in the know and the chance of whistle-blowing from insiders will be increased; and d) increasing the accountability of corporate boards to shareholders can also help solve the problem of the coordination game by providing firms with a mechanism to signal to their competitors that they are unwilling to cope with demands from corrupt officials for bribe payments (Wu, 2005:158). If corporate governance is not well guarded by Boards of

Directors, "consequently, corporate governance will increasingly affect both a country's economic stability and its growth prospects" (Vaughn & Ryan, 2006).

Rwegasira (2000) traces the concept of corporate governance to the Greek word *kybernetikos* (good at steering) which has been translated to cybernetics in English and popularised by N. Weiner (1894-1964). According to Rwegasira (2000: 258) cybernetics, "refers to a feedback and control mechanism by which a system, and any system for that matter, keeps itself oriented towards the goals for which it was created". Therefore, corporate governance should be "concerned with structures within which a corporate entity or enterprise receives its basic orientation and direction" (Rwegasira 200:258). According to the OECD Corporate governance "refers to the private and public institutions, including laws, regulations and accepted business practices, which together govern the relationship, in a market economy, between corporate managers and entrepreneurs (corporate insiders) on one hand, and those who invest resources in corporations, on the other" (OECD, 2001: 13).

According to Okeahalam and Akinboade (2003:3) "Corporate governance is concerned with the processes, systems, practices and procedures as well as the formal and informal rules that govern institutions, the manner in which these rules and regulations are applied and followed, the relationships that these rules and regulations determine or create, and the nature of those relationships". Corporate governance should be viewed as a tripartite relationship between shareholders, board of directors and management. That being said, there are other secondary players like workers, government, creditors, customers and society at large (Rwegasira, 2000). Though there are other stakeholders, the focus of corporate governance is on effectiveness board of directors in policing the organisation. The objective of this paper is to discuss corporate governance in Botswana using two case studies of the Botswana Development Corporation and the Botswana Railways. The paper starts with an introduction followed by a discussion on the different Codes of Corporate Governance and then the theories of corporate governance. The next section discusses the literature on corporate governance in state owned enterprises, followed by methodology used in the paper. The paper provides two case studies of state owned enterprises

in Botswana that have encountered governance challenges. The final section includes recommendations and conclusions.

2. Different Codes of Corporate Governance

In order to protect shareholder interest, several countries have developed Corporate Governance Code of Practice. Before the early 1990's, the "big four" that is United States of America (U.S), United Kingdom (UK), Germany and Japan were believed to have the 'best' systems of corporate governance in the world, with Japan having best corporate governance than the U.S. (Denis & McConnell, 2003). Different countries also started developing their own codes of Governance. The purpose of this section is to discuss different threads across these Codes.

2.1 Cadbury Committee, 1992

The principles of the governance according to the Cadbury report are: openness, integrity and accountability (Cadbury report 1992: para 3.2). These principles are supposed to be followed by Board of directors and executive management.

2.2 King I-IV Code Reports (1994; 2002; 2009 and 2016)

There are four different types of the King reports in South Africa. The purpose of King I of 1994 was to promote the highest standards of corporate governance in South Africa (Executive Summary of the King Report, 2002). King III's sets out the principles relating to integrated reporting (IODSA, 2014). King III also came up with the emerging governance trends which are alternative disputes resolutions, risk based internal audit, shareholders and remuneration and evaluation of board and directors' performance. New issues included in the King III are information technology governance, business rescue and fundamental and affected transactions.

Table 1 on the following page summarises all the King Codes and what they emphasise.

2.3 Commonwealth Association of Corporate Governance Principles (CACG) (1999)

The CACG principles of governance includes the following: leadership, board appointments strategy

Table 1: King Codes of Corporate Governance

<i>King I 1994</i>	<i>King II 2002</i>	<i>King III 2009-</i>	<i>King IV 2016</i>
Board of directors' makeup and mandate	Directors and their responsibility	Leadership	Leadership, ethics and corporate citizenship
Appointments to the board	Risk management	Sustainability	Strategy, performance and reporting
Director's remuneration	Internal audit	Corporate citizenship	Governing structures and delegation
Board meeting frequency	Integrated sustainability reporting	IT governance	Governance functional areas
Balanced annual reporting	Accounting and auditing	Business Rescue	Stakeholder relationships
The requirement for effective auditing		Director's responsibilities during mergers, acquisitions and amalgamations	
Affirmative action programs		IT governance	
The company's code of ethics		Business Rescue	

Source: Authors compilations from King I – IV.

and values, company performance, compliance, communication, accountability to shareholders, relationships with stakeholders, balance of powers, internal procedures, board performance assessment, management appointments and development, technology, risk management and annual review of future solvency.

2.4 UK Combined Code (2003)

The combined principles of good governance and code of best practice according to the UK combined code are as follows: directors, directors' remuneration, relations with shareholders, accountability and audit, and institutional investors. These are explained in detail within the code.

2.5 Organisation of Economic Cooperation and Development (OECD) Principles of Corporate Governance (2004) Revised and Endorsed by the G20 in 2015

OECD principles are used as a template for good governance around the world. According to OECD good governance is not an end in itself, but that it creates market confidence and business integrity (Smith, 2017). The following are the revised principles of corporate governance approved G20/OECD in 2015: ensuring the basis for an effective

corporate governance framework; the rights and equitable treatment of shareholders and key ownership functions; institutional investors, stock markets, and other intermediaries, the role of stakeholders in corporate governance; disclosure and transparency; and the responsibilities of the board.

2.6 Botswana Code of Corporate Governance (BCCG) (2013)

Botswana has traditionally adopted other codes of practice from other countries. Botswana has benefitted from all the above discussed Codes of Practice in order to try and steer corporate governance in state owned enterprises. With the advent of Botswana Stock Exchange (BSE), a code of practice was developed referred to as The BSE Code of Best Practice on Corporate Governance. The code acknowledges the Code of Best Practice on Corporate Governance of the Institute of Chartered Accountants of Sri Lanka and the Executive Summary of the King Report 2002 for its development (The BSE Code of Best Practice on Corporate Governance, 2013:1). The major contents of the code are more biased towards Board of Directors of the stock Exchange listed companies. In actual fact, one would say there is no code of Corporate governance in Botswana as this Code is mainly a

Board Charter for BSE. One fundamental aspect of this code is that it emphasises the importance of adequacy of compensation in relation to time, demands and responsibilities of Board of Directors (The BSE Code of Best Practice on Corporate Governance, 2013:9).

Magang and Magang (2016) observed that in Botswana board of directors do not concern themselves with the issue of remuneration of the members. This is due to the fact that most of the SOE's/ parastatals are governed by an Act of Parliament which gives the Minister the powers to approve the boards' remuneration contrary to King Code (2002) that seeks for the establishment of the Remuneration Committee that decides on matters pertaining to remuneration of directors. Procedurally, the Minister is not the final approver of the remuneration as government through the Ministry of Finance issues directives on the amount of money that should be paid to board members.

In summary, there are so many commonalities between the different codes and principles of governance. The earlier reports were brief but the later ones have been expanded to include recent and current trends that should be governed in the world. The main themes focus around the role of directors, stakeholders, ethics disclosure and transparency and others. Should all the principles in the above codes be followed, companies and organisations will be governed with integrity. Overall as espoused by Cadbury report (1992: para 4.10) "the calibre of the nonexecutive members of the board is of special importance in setting and maintaining standards of corporate governance".

3. Theories of Corporate Governance

There are several theories of corporate governance. For the purpose of this paper, only four theories will be discussed, which are stewardship theory, stakeholder theory, agency theory and the Liberal Model of corporate governance.

3.1 Stewardship Theory

The stewardship theory asserts that managers when left alone will safeguard the properties that they control in an organisation (Yusoff and Alhaji, 2012). In this theory the CEO has a dual role of

being an organisation leader and Chairperson of the same organisation. According to Donaldson and Davis (1991:52), the dual role of the CEO, as "chair and CEO, will enhance effectiveness and produce, as a result, superior returns to shareholders than separation of the roles of chair and CEO". The dual role of the CEO has been criticised by both practitioners and scholars. While that may be the case, Larcker and Tayan (2016) found that private companies still prefer to have a dual role CEO and this affects both small and large companies. Leblanc and Pick (2011:1) conclude from their academic literature review that "board effectiveness is affected by the chairman's industry knowledge, leadership skills, and influence on board process rather than by the particular leadership structure chosen". Bickley, Coles and Jarrell (1997) found that corporations go through that route because the costs of separating the roles are larger than the benefits for most companies. The Institute for Enterprise Ethics (2004:6) agrees that separation of the two roles is a "very complex and dynamic problem".

3.2 Stakeholder Theory

Proponents of the shareholder theory contend that it focuses on issues that concern the stakeholders in an organisation. Propounded by Abrams (1951) the theory specifies that the aim of a corporate entity is to try and bring together the interest of all the shareholders in an organisation. Taken from this view, the theory seems to be too simplistic due to its concern with shareholders only (Coleman, 2008). Coleman (2008:4) however, trusts that the stakeholder theory is better in explaining the role of corporate governance than the agency theory by highlighting different constituents of a firm.

3.3 Agency Theory

The agency theory seeks to understand the relationship between the company owners (Principals) who have been separated from the control of the company and the managers of the company (agents) (Eisenhardt, 1989). Managers in an organisation are responsible for ensuring that the company runs well and that it can be profitable. Principals (company owners) interests are to ensure that their businesses are operated professionally and that they can make profits (Jensen and Meckling, 1976). But since the principals are now removed

for directly managing the organisations, for them to guarantee proper governance is followed and that their assets are protected, they engage board of directors to be guardians of their investments. The responsibilities of the board of directors to shareholders are direction, executive action, supervision and accountability (Reinecke, 1996:11). As espoused by Berle and Means (1932), agency theory maintains that the interests of the agent and those of the principal never converge.

3.4 Liberal Model of Corporate Governance

The liberal model (also known as the Anglo-American) as a corporate governance model is seen as a system that finances through equity, with dispersed ownership and believes in active markets for corporate control (Aguilera & Jackson, 2003). The model gives priority to shareholders. The model is believed to encourage radical innovation and cost competition. Aguilera and Jackson (2003) believe that models of corporate governance differ according to the nature of the capitalist system within which they operate.

4. Methodology

The paper has utilised secondary research also known as the desk top research. In this method the research summarises and collates existing research. The sources of desktop research information used for this paper are: reports; newspapers, journals, books, industry statistics; online data bases and the internet. Secondary research allows a researcher to collect information at any time.

5. State Owned Public Enterprises Governance Worldwide

In a report to the World Bank, Shirley (1989:6) defines a state owned enterprise as "publicly owned entity with a separate legal personality and separate accounts that earns the bulk of its revenue from the sale of its goods and services". Bozec (2005:1922) views State Owned Enterprises (SOEs) or parastatal organisations, as "arm's length corporate entities established to pursue public policy and commercial objectives". Magang and Magang (2016:1042) contend that SOEs may be wholly owned by federal government or provincial government and are similar to private firms in the way they operate and function".

SOE's have been created by governments as monopolies in the services that they offer to the public, something that has been found to be problematic for governments because if SOE's are not profitable, governments pump lot of money into their operations at the expense of other developmental objectives (Ayogu, 2001). The state partially or wholly funds them and the state acts as a guarantor if they get funding from outside organisations like the World Bank, African Development Bank, Chinese Government or any funder who has some interests in the proposed project.

Kauzya (2005) maintains that there are some ambiguities in the naming of public enterprises. Some of the names used are as follows: Public Enterprises (PEs) (Kaul 1990; Ramaphane, 2011; Vhaghnes & Das, 2015), State Owned enterprises (SOEs) (Stan, Peng &

Table 2: Difference between Private and Public Enterprises

Basis of difference	Private sector enterprises	Public sector enterprises
1. Objective	Maximisation of profit	Maximise social welfare and ensure balanced economic development
2. Ownership	Owned by individuals	Owned by Government
3. Management	Managed by owner and professional managers	Managed by Government
4. Capital	Raised by owners through loans, private sources and public issues	Raised from Government funds and sometimes through public issues
5. Area of operations	Operates in all areas with adequate return on investment	Operates in basic and public utility sectors

Source: Public sector enterprises. (Available at: <http://download.nos.org/srsec319new/319EL8.pdf>)

Bruton, 2014; Bruton, Peng, Ahlstrom, Stan, Xu, 2015; Liang, Ren & Sun, 2015), Parastatals (McCorriston & MacLaren, 2016), Public Companies (Cicero, Wintoki & Yang, 2013) and Public Corporations (Quiggin, 2014; Pepper, 2015). These different names confuse the authors and other people outside the country where that nomenclature is not used. For the purpose of this paper, the terms State Owned enterprises (SOEs)/ Parastatals are the most commonly used in Botswana and worldwide. It will be good to pause at this stage to differentiate between private and public enterprises, which can be seen in Table 2 on the previous page.

6. Corporate Governance in Botswana Public Enterprises

Magang and Magang (2016:1042) make allegations to the effect that researchers have found that in Botswana 'the ability of boards of directors of state owned enterprises ("SEOs")/parastatal organisations to effectively discharge their oversight functions is severely compromised'. The majority SOE's/ parastatals in Botswana are created through an Act of the Parliament. Ramaphane (2016: para 3) alludes to the fact that local media debates that "focused on specific instances of apparent poor corporate governance practices in local public corporations have highlighted certain weaknesses in the overall standard of corporate governance in Botswana". Ramaphane (2016: para 6) goes on to mention that there are different players in "corporate governance sphere in Botswana including sector regulatory bodies such as the Bank of Botswana, Botswana Stock Exchange, Registrar of Companies, Registrar of Insurance, Pensions and Provident Funds, Botswana Public Officers Pension Fund (BPOPF), Non-Banking Financial Institutions Regulatory Authority (NBFIRA) and the Botswana Telecommunications Authority".

According to him, the sectorial regulators need to play a greater role in entrenching corporate governance amongst other responsibilities in the institutions they oversee. The Director Institute of Botswana also has to take a leading role in encouraging and enforcing the adherence to governance principles by SOE's/ parastatals in Botswana. Ramaphane (2016: para 11) goes on to say that "the current global emphasis on effective corporate governance by both private and public companies is borne out of a strong and understandable desire by governments and shareholders to prevent or

at the minimum to reduce the risks of corporate failures due to inadequate transparency over the management of some of some of these concerns". Botswana is believed to follow the Liberal Model of corporate governance which gives priority to the shareholders (Ramaphane, 2016). Board of directors in Botswana derives their authority from the "Shareholder Compacts which is an agreement between the shareholder and Board as regards performance expectations by the shareholder and the parameters of the Board's operations and vice versa" (Ramaphane, 2016: para 16).

The Former BNPC Director Mr Lebang at his farewell party launched a scathing attack on the poor state of corporate governance in Botswana. (Mosinyi, 2009). He postulated that it was high time "the right people" were selected to serve as directors on boards in areas "they are passionate about" instead of "appointing public servants as ex-officials of boards of directors because we are punishing the poor souls" (Mosinyi, 2009: para 3). Lebang reiterated that "besides the tendency to put public servants, mostly permanent secretaries, in the wrong boards, there are also no corresponding incentives" (Mosinyi, 2009: para 4). This as alluded to in the section that discusses the King Code of Practice, does not incentivise the directors as opposed to their counterparts in South Africa where they are paid millions of Rands as sitting allowances. Lebang was emphatic in his speech and reiterated that "if we think we still have people who will sacrifice or continue to sacrifice their time and energy for free, we are wrong" (Mosinyi: Para 6). Botswana is *lagging behind*, hence board positions are taken as *voluntary work (italicised words are the writers emphasis)* (Mosinyi, 2009). As a result, ex-officio board members' busy schedules and primary duties result in them often finding it unprofitable to attend scheduled board meetings. Mosinyi (2009: para 8) continued to say that Lebang's view was that "putting wrong people in business they don't buy,... stifles efficiency and effectiveness in organisations that critically need their undivided loyalty and dedicated service".

7. Botswana Case Studies

7.1 Fengyue Glass Manufacturing Plant Chronology of Events

Piet (2016) was able to trace the chronology of the events that lead to the rise and fall of Fengyue

Glass manufacturing plant as shown in Table 3 below.

According to Piet (2016) "the project stirred controversy after it emerged that the Chinese company that was in partnership with BDC was a shelf company with no experience whatsoever in glass manufacturing". There was also confusion as to which company was in the project between Fengyue China and Fengyue of Cayman Islands.

From Piet (2016) chronology of the events it is evident that the BOD was just a mere shadow of the politicians. Corporate governance was non-existent, and the so called-joint venture between government and Fengyue China or Fengyue of Cayman Islands was done in loose manner. According to the Botswana Press Agency (BOPA) (2013), "the Palapye glass manufacturing project was bound to fail as it was premised on poor diligence, doubtful partner selection and a litany of project implementation violations" as observed by Abram Kesupile who chaired the Parliamentary Special Select Committee of inquiry into the Botswana Development Corporation (BDC). The inquiry actually unearthed the fact that two Botswana women who came up with idea were "robbed after presenting their glass manufacturing idea to BDC" (BOPA, 2013) who shunned and looked for a joint venture with Chinese Shanghai Fengyue Glass Company.

In the whole process according to Kesupile's report, the Board was side-lined. It is clear that the Boards cannot be effective when the executive management commit companies to ventures behind their backs. According to the Codes of Governance discussed above for different parts of the world, Board of directors creates market confidence and business integrity (Smith, 2017). If in the process of procuring major ventures like the glass company they are left out, disasters like these are likely to happen and where millions of taxpayer's monies are wasted. According to Bulawa (2017:9) there is a "worrying trend of scandals pertaining to corruption in which billions of public funds are investigated and alleged to have been unaccounted for" in companies like Botswana Meat Commission, Fengyue Glass Project and Moruple B plant. Fengyue Glass Manufacturing was originally supposed to cost P309 million but the costs escalated to P500 million (BOPA, 2013; Bulawa, 2017) while the project never took off. Corporate governance requires somebody to take responsibility for the failure of the project that wasted taxpayer's money. Due to lack of clear and firm corporate governance regime in Botswana, scandals such as for Fengyue Glass Manufacturing are bound to happen and left neither unchecked nor investigated.

BDC management appointed G4 Consulting Engineers to monitor project implementation but

Table 3: Chronology of Events

Year	Action taken
2007	The concept of a glass project is discussed between BDC and Ministry of Finance and Development Planning.
2008	A delegation is sent to China to identify and meet with potential partners for the project.
2009	A plot is set aside for the project in Palapye and meetings are held between the partners – BDC and Fengyue Glass company.
2010	Finances are availed for the project and the contractor mobilises to the site to start construction works.
2011	Newspaper reports indicate that things are not going well with the glass project. November 2011: The National Assembly sets up a special select committee to investigate the allegations of corruption at the glass project.
2012	The Parliamentary Report is released and BDC applies for liquidation of the project.
2013	The liquidator reveals that the project was in a mess and that there were no records whatsoever of what was going on.
2015	The liquidator announces that there are prospects of new owners taking over the company.

Source: Piet (2016).

“the G4 inspections revealed a litany of violations by the contractor and produced a series of reports which went largely unheeded by the BDC management” (BOPA, 2013). In this particular case, tenets of the Agency and stakeholder Theories did not work as BDC management acted on their behalf without properly representing the other shareholders and stakeholders. While the executive management was busy trying to hide their impropriety the following whistleblowers: Ms Rosemary Mogorosi and three board members Mr Nightingale Kwele, Mr Odirile Merafhe and Mr Thuso Dikgaka decided to “expose the shenanigans at BDC” (BOPA, 2013). Consequently, Mogorosi was sacked from her job by BDC management and the three Board Members were sacked (see Tadu & Mukonya, 2016 on the consequences of whistleblowing & Vandekerckhove, 2016) by the Minister because by then Botswana did not have a Whistleblowers Act (Bill) but they had exposed malpractice and corruption (Motshegwa, Bodilenyane & Mooketsane 2016). But at the end, Fengyue glass Manufacturing was sold for as little as P10 million (Lute, 2016) after some struggle to get a buyer (Morula, 2015), where the country and the citizens became the biggest losers. Motubatse, Ngwakwe and Sebola (2016:91) contend that the “presence of an effective governance function is important for overseeing and ensuring clean administration”.

7.2 Botswana Railways

Botswana Railways (BR) started its operations from 1987 (Botswana Railway Rolling Stock Increase Project, 1999) after buying the Zimbabwe Railways Botswana-based sections. It is one of the parastatals in Botswana which are wholly and fully financed by the government of Botswana. A board of director was selected to oversee the governance of the Botswana railways but at inception, BR was not ready in terms of human resources required to operate the railways. In the interim, BR was able to train its employees to run the railways but in the late 1990's BR was faced with ageing carriages that needed to be replaced. The Board of Directors by 2008 appointed Deloitte Consultants to do a forensic audit that “found incidents of systematic weaknesses, conflict of interest and a terrible culture of poor corporate governance at the corporation” (Sunday Standard Reporter, 2008).

The control environment was weak, open to abuse and long-term sustainability of Botswana Railways was in doubt but for it to survive, shareholders

(government) should inject a lot of money. According to the Sunday Standard Reporter (2008), Botswana railways experienced financial losses that they could not even account for because there was no “fraud response plan, fraud prevention plan or ethics policy” tools that could have been used for good governance. The board of directors abdicated their responsibly, because their strategic plan (if at all available) lacked all the above mentioned key requirements. BR report shows clearly that there was lack of oversight from the BR Board of Directors.

In 2009 BR operations were stopped on order to revamp the old carriages and Transnet. A South African government owned company was tasked with manufacturing 37 passenger coaches (Kologwe, 2016) which failed upon commissioning in 2016. Members of the public were later informed that the failures were due to lack of training of operators who couldn't operate the air conditions in the new passenger coaches. Meanwhile the CEO of Botswana Railways refused to resign and the Board could not fire him immediately (Pitse, 2016).

8. Recommendations

The paper makes the following recommendations:

- Shareholders/ ministries should not interfere with the operations of the board when the Boards are carrying out their oversight role.
- The boards should be given powers to execute and implement decisions without fearing that they will be fired from the board.
- Board Charters clearly stipulate what the Board and its sub-committees should do and there should not be any interference in the execution of those decisions.
- Board of directors should ensure that there are policies in place that allow them to discharge their oversight role so that they can hold their executive team accountable.
- Whistle blowers, be they board members or employees, should be protected by companies and governing Acts.
- The public should request for accountability when their hard earned money in the form of taxes are wasted and not properly accounted for.

9. Conclusion

Botswana government has mandated the Public Enterprises Evaluation and Privatisation Agency (PEEPA) to ensure that people who are chosen to sit in Boards of directors should be of high quality and experienced enough to make decisions in the best interests of the organisation in their oversight role. The two cases discussed above indicate serious lapses of corporate governance on the part of Board Members. The paper had discussed the various Codes of practices that have been adopted by different countries and regions of the world but governance still seems to be a problem in Africa.

Board Members in Botswana should be empowered to fire CEOs whenever possible. Interference from Ministers normally makes Boards ineffective as in the case of the Botswana Railways. But typically in the case of the Botswana Development Corporation, the Minister went ahead and fired Board of Directors members who were bold enough to whistleblow on executive management "shenanigans".

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