

11 April 2005 Amended vide BR No 5 dated 2 June 2005.

TRANSPARENCY INTERNATIONAL PAKISTAN

5-C, 2nd Floor,

Khayaban-e-Ittehad,

Phase VII, DHA, Karachi, Pakistan

Tel: 92221-5390408-09 Fax: 9221-5390410

Web : www.transparency.org.pk

E- mail : ti.pakistan@gmail.com

GOVERNANCE MANUAL

I. Introduction

1.1. Transparency International Pakistan (hereinafter “TI-Pak”) is an independent, nongovernmental, non-partisan and non-profit organization with a **vision** of Pakistan in which government, politics, business, civil society and the daily lives of the people shall be free from corruption.

1.2. In the context of the international movement against corruption, TI-PAK is the national chapter in Pakistan of the Berlin-based Transparency International (TI), and accordingly, TI-PAK partners and cooperates with TI and its chapters worldwide.

1.3. TI-PAK is committed to **values** of democracy, justice, rule of law, transparency, accountability, integrity and impartiality.

1.4. TI-PAK’s **mission** is to catalyze and strengthen a participatory social movement to promote and develop institutions, laws and practices for combating corruption in Pakistan and establishing an efficient and transparent system of governance, politics and business.

1.5. This Governance Manual is based on the above vision, values and mission of TIPAK. It provides the framework of guiding principles and practices aimed at ensuring highest standards of efficiency, integrity, accountability and transparency in governance of TI-PAK. The Manual is a living document. Its practical value and importance lies in the ability and commitment of TI-PAK in applying these standards in its work.

1.6. Where the provisions of this Governance Manual are inconsistent with the laws of the land or the Trust Deed of TI-PAK, the provisions of law or Trust Deed, as applicable, shall prevail over provisions contained herein.

II. Board of Trustees

2.1. The Board of Trustees (hereinafter “Board”) of TI-PAK is the policy making

body of Transparency International Pakistan.. The Board defines the vision and mission of TI-PAK, and periodically reviews and updates the same. It provides the leadership and guidance to the work of the organization.

2.2. The Board shall approve TI-PAK's institutional and programmatic strategies, as well as management, administrative and financial regulations. Through periodic review of the same the Board shall ensure that work of TI-PAK meet the changing needs and priorities in the identified areas.

2.3. The Board shall ensure efficient and transparent governance of TI-PAK in accord with the vision, mission and values of the organization.

2.4. The Board shall ensure that TI-PAK has sufficient resources to satisfactorily fulfill its mission. It shall develop TI-PAK's fundraising strategy and take active part in implementing the same.

2.5. The Board shall also approve appointment of other staff, and develop a monitoring and evaluation system to ensure efficiency and effectiveness of programs and their outcome in conformity with the vision, mission and objectives of TI-PAK.

III. Composition, Election, Tenure, Turnover, Structure

3.1. The Board of Trustees shall be composed of eminent individuals with longstanding and commendable record of service to public, professional excellence in areas relevant to TI-PAK, impeccable integrity and credibility, who are fully committed to the values, vision and mission of TI-PAK. TI-PAK Board members shall be not only committed to the cause and objectives of TI-PAK, but also have a clear understanding of the issues involved and of the contributions they can make as a Trustee. They shall be aware of the range of roles, powers and responsibilities of a TIPAK Board member and prepared to voluntarily give the sufficient time and effort to discharge the same without any fear, bias or favour. The number of Trustees shall not be less than Four (4) nor more than Ten (10).

3.2. Trustees shall be elected in accordance with the procedure determined by the Trustees, subject to the following, which may be amended from time to time.

a) Trustees shall individually or collectively recommend name(s) for consideration of the Board at its regular meeting. The Board shall consider all nominations received and shall prepare a shortlist of nominees sufficient to fill vacancies as and when Board deems it appropriate. The election of Trustee(s) shall be made by the affirmative vote of at the majority of the Trustees present at the meeting of the Board in which such election shall take place.

b) Trustee(s) shall be elected for a term of three years, but shall be eligible for reelection at the discretion of the Board for another period of three years

c) Former Trustees can be re-elected after 3 years of stepping down provided vacancies exist, and any such re-election is then also subject to the same process of election and for two consecutive three-year terms.

d) In constituting the Board the Board shall have regard for diversity under such

criteria as gender, identity, profession, age, and geographic distribution.

e) All Trustees are associated with TI-PAK in their personal capacity.

3.3. There shall be a Chair, a Secretary and a Treasurer of TI-PAK who shall be elected by the Trustees from amongst themselves and shall hold office as such for a maximum of two successive terms of three years each, provided that upon any reelection as a Trustee, such Trustee shall not automatically be, nor be deemed to be the Chair, Secretary or Treasurer unless also elected as such.

3.4. The Chair or other office-bearers or members of the Board shall not take any executive responsibility unless authorized by the Board to assume such responsibility. However, the tenure of such assignment shall not exceed three months.

3.5. A person shall be disqualified for election as a Trustee of TI-PAK who:

- a) is declared by a competent court to be of unsound mind;
- b) is an undischarged insolvent;
- c) has been, on conviction for a criminal offence involving moral turpitude;
- d) is a public servant not enjoying any special status granted by law enabling participation in the conduct of and management of a public agency;
- e) is a member of a political party;
- f) is guilty of any default of any public dues determined by a court of law;
- g) is an immediate family member of fulltime member of the staff

3.6. In case any of the Trustees is proven to be a person of the categories described in paragraph 3.5 above she or he shall cease to be a Trustee of TI-PAK, and shall never again be eligible for election as a Trustee.

3.7. In case and so often as a Trustee ceases to be a Trustee, or shall die or desire to resign, retire or become incapable to act as a Trustee, the Board shall elect a new Trustee. Tenure of every new Trustee elected in place of an outgoing Trustee whether retiring or elected to fill a casual vacancy caused by death, resignation or otherwise of a Trustee shall be for the remainder of the Trustee's tenure in whose place the new Trustee is elected, provided that she or he may be eligible for a renewable second term of three years

IV. Power, Rules & Function

4.1. Without prejudice to the generality of the powers and responsibilities conferred elsewhere in this document, the Board of Trustees shall have the following powers and roles:

- a) Articulate and determine the vision, values, mission and objects of TI-PAK and determine the policy framework and strategies for achieving the same;
- b) Provide prudent and effective leadership to TI-PAK, regularly analyze outcomes of its work, impacts and risks, develop risk management strategies, promote and protect the interests of TI-PAK;
- c) Regularly monitor and assess relations with government, donors, various stakeholders, and other external affecting the work of TI-PAK;

- d) Approve plans and programs designed by management and supervise execution there of;
- e) Lay down administrative, financial and management guidelines and ensure accountable and efficient governance of TI-PAK;
- f) Approve budgets, determine resource mobilization, financial management and investment policies in order to achieve sustainability and safeguard the financial position of TI-PAK;
- g) Receive donations, contributions, grants, gifts, and undertake other means of raising funds from persons or institutions the Board may deem appropriate only in the interest of meeting the objective of TI-PAK;
- h) Elect new Board members, elect office bearers of the Board and from time to time review provisions of the Governance Manual of TI-PAK;
- i) Appoint the Executive Director and senior staff up to the level of Manager, and determine terms and conditions of such appointment. The Board shall approve appointments made by Executive Director and or committees delegated by the Board.
- j) Determine and approve, and from time to time review the staff salary and benefit structure for the members of TI-PAK staff to ensure effective implementation of projects and other activities undertaken for furtherance of the objects of TI-PAK;
- k) Set up, approve regularly update guidelines for financial management so as to ensure that integrity of the financial information, financial control and systems of risk management are robust and credible;
- l) Design, approve and from time to time review the membership policy of TI-PAK, and approve new members; and
- m) Undertake any other responsibility as the Board considers necessary and suitable in providing the strategic vision and policy direction in meeting objects of TI-PAK.
- n) The Trustees may from time to time make rules for the work/business of the trust and may frame additional/supplementary rules and regulations and/or alter and amend the existing rules, carry out additions, alterations, amendments and modifications to this deed, declaration of Trust including rules and regulations as may be considered and deemed necessary and expedient in the interest of the Trust and to ensure a proper, smooth and efficient working of the trust for the purpose of attaining the objects of the trust. and regulations subject to approval of the majority of trustees at a meeting of the Board of Trustees.

The proposed changes as aforesaid, if any , shall be duly communicated to the Trustees in advance. However, no change in the declaration-deed of trust or rules shall be permissible and/or made if the effect of such changes will operated to defeat the purpose and objects of the trust or be in derogation thereof.

V. Delegation of Authority and Responsibility; Supervision and Monitoring

5.1. Without prejudice to the generality of the powers and responsibilities conferred elsewhere in this document, the Board of Trustees shall:

- a) Delegate full authority and responsibility to Executive Director to implement and plans of work approved by the Board;
- b) Delegate full authority to the Executive Director to appoint the necessary staff below the level of Managers within the resources available;
- c) Authorize the Executive Director to ensure efficient, effective, transparent and accountable management of work of TI-PAK for furtherance of objects of TI-PAK ensuring compliance with applicable laws and regulations.
- d) Authorize the Executive Director to ensure that resources at the disposal of TIPAK are transparently used meeting highest financial and accounting standards and that funds are other resources are used for programs and projects developed in conformity with the mission and objectives of TI-PAK.
- e) Delegate full authority and responsibility to the Executive Director to preserve on behalf of the Board all records, title deeds, books of accounts, reports, files and other documents and/or publications in both hard and electronic versions;
- f) Establish a reimbursable petty cash account, with Rs 20,000 for day to expenses for running of secretariat.;
- g) Authorize the Executive Director to ensure that internal financial controls, transparency and accountability are applied to international standards and to that end appoint on behalf of the Board external auditors and tax and other consultants for such durations as the Trustees deem fit. Board also reviews such appointments from time to time;
- h) Assign the responsibility to the Executive Director to prepare and submit report on activities held between every two meetings of the Board, annual reports, and all other reports that may be required to be produced;
- i) Identify and clearly lay out long term goals to be achieved and evaluate the capacity and effectiveness of TI-PAK;
- j) Set targets for implementation by the management and criteria for monitoring progress towards, and achievement of, those targets;
- k) Establish, review and update other appropriate mechanisms for monitoring and evaluating the work of the Executive Director and through her/him that of other members of the staff;
- l) Besides monitoring and evaluating the Executive Director, other staff and the management as such, shall from time to time review and evaluate its own work and effectiveness in view of TI-PAK's mission and mandate; and

m) Periodically review and update the above provisions to ensure efficient and effective implementation of projects and programs of TI-PAK in line with the missions and objectives of TI-PAK.

n) All Employees of TI-PAK shall not be less than 18 years nor more than 65 years age. Board in exceptional cases is empowered to grant exemption.

VI. Meetings & Rules of Business

6.1. Meetings of Board of Trustees, convened by the Chair, with arrangements made by the Executive Director on his/her behalf, shall be held normally once in every four months, or as frequently as the Trustees decide to. Meetings shall be held in TIPAK premises except under exceptional circumstances when the Chair may decide otherwise.

6.2. Board meetings shall be presided over by the Chair, in whose absence the Secretary shall preside. In case of absence of both Chair and Secretary, the Treasurer shall preside. If the Chair, Secretary and Treasurer are absent the Board meeting shall be presided over by a senior member duly proposed and seconded by members present.

6.3. The Chair shall set the agenda of the meeting to be circulated by Executive Director on behalf of the Chair. Papers related to agenda items shall be circulated at least six working days before the meeting.

6.4. Proceedings and decisions of the Board Meeting shall be minuted and circulated not later than two weeks after the meeting. The Executive Director shall be invited to attend the Board Meeting, who shall function as Ex-officio Member of the Board, and shall be responsible for preparing the draft minutes and other documentation on behalf of the Board. In the absence of the Executive Director the Board shall appoint another person to carry out the said functions.

6.5. Presence of at least 1/2 of the members of the Board, on the designated day of the meeting shall be necessary to constitute the quorum for Board meetings. All decisions of the Board shall be on the basis of the opinion of the majority, and in the case of a tie, the casting vote of the Chair shall prevail and be binding and conclusive.

6.6. A resolution passed by circulation without a meeting of the Trustees and evidenced by writing under the hands of the majority of the Trustees shall be as valid and effectual as a resolution duly passed at a meeting of the Trustees held in accordance with provisions described above, except for financial matters which incur liability on Trustees and which require discussion for approval and appointments other than those delegated to Executive Director.

6.7. All Board members will make every effort to attend all Board meetings.

6.8. There shall be an Executive Committee composed of the Chairman, Secretary and Treasurer, who shall oversee the discharge of authority and responsibility delegated to the Executive Director in accord with paragraph V of this document.

VII. Advisory Committee

7.1. There shall be an Advisory Committee of TI-PAK who shall advise the Board of Trustees in realizing the objects of TI-PAK. The Advisory Committee shall consist of 3-5 members to be invited by the Board of Trustees from highly reputed individuals who have made laudable contributions in areas of work or profession relevant to objects of TI-PAK. The composition, election, tenure, turnover and structure will be governed by the same principles as under item III above. The Advisory Committee shall advise the Board on such matters as may be requested by the Board.

7.2. One person representing TI-PAK members shall be invited by the Board to become a member of the Advisory Committee for a maximum of two successive terms of one year a slate of 3 candidates to be proposed by TI-PAK members during their Annual General Meeting. Another member of the committee shall be drawn in the same process from among groups of citizens at local levels such as Committees of Concerned Citizens with which TI-PAK shall work towards fulfilling its objects. However, to qualify for such invitation CCC representatives must become members of TI-PAK. After the expiry of the tenure Advisory Committee members of both these categories shall step down to make room for election of replacement members in the same process.

VIII. Subcommittees

8.1 The Board of Trustees shall form subcommittees consisting of as many members of the Board and those from outside as the Board may deem appropriate to assist the Board in realizing objects of TI-PAK with specific mandate and for specific time frame to be determined by the Board.

IX. Compensation

9.1. TI-PAK Board members are involved in TI-PAK on a voluntary basis, and therefore not entitled to any form of salary, honoraria or compensation. Trustees may be reimbursed reasonable and necessary expenses connected with their contribution as Board members such as attending Board meetings in case the member lives out of Karachi or in connection with other events related to the work of TI-PAK to which Trustee(s) may participate with the consent of the Board. Such reimbursement shall be on actual cost basis and may include, where applicable, airfare or other travels, accommodation, meals, local transportation, out of pocket expenses and costs of work undertaken at the request of the Board.

9.2. No portion of the assets, income or any other funds of TI-PAK shall inure to the private or personal benefit of any Trustee or any immediate family member thereof, who shall also not be entitled to any form of gainful employment in TI-PAK.

X. Conflict of Interest

10.1. TI-PAK Trustees shall act in the best interest of TI-PAK's beneficiaries – all citizens of Pakistan on whose behalf TI-PAK holds all of its assets as a Trust – with full due regard to the overriding interests of the society as a whole. There should be no personal or vested interest nor should Trustees be influenced in their work for TIPAK

be guided by interest of any third parties.

10.2. Board members are firmly committed to take all possible measures to prevent actual, potential or perceived conflict of interest that could affect the integrity, fairness, transparency and accountability of the TI-PAK.

10.3. Board should not be comprised of immediate family members of any full-time member of the staff. Immediate family members of the Board members - a spouse, parent, child, in-laws or sibling - or organizations or individuals with whom member(s) of Board of Trustees or their immediate family members are associated shall not be eligible for any assignments contracted out by TI-PAK against a fee, or any paid employment in TI-PAK.

10.4. TI-PAK Board members should not sit on the board of more than 3 other similar organizations – Trusts, NGOs, Societies and Non-Profit organizations - at the same time. However, members who are retired from active service or other professions and totally committed to serve on the Board of TI-PAK and similar organizations, and are not involved in any other form of employment may simultaneously sit on no more than 5 such organizations .

10.5. Trustee interest e.g. in other organisations, paid jobs, shares etc should be declared in advance, Should conflict of interest arise between personal or any other interests and that of TI-PAK, the Trustees shall disclose such conflict fully and transparently before the Board, and in the interest of TI-PAK shall accept any decision that may be taken by the Board to resolve the same.

XI. Effective Date & Amendment

11.1. This Governance Manual is approved by the Board of Trustees of TI-PAK on 11 April, 2005 at the 3rd Board meeting of TI-PAK, and shall be in force with immediate effect, provided that the same or any part thereof may be altered, modified, omitted or added to by the Board at any point of time.
