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## 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 TI-PAK. 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 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 TI-PAK 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 Fifteen (15)

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 re-election 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 for the second consecutive three-year terms. Former trustees may be re-elected for subsequent further term/terms if the majority of the BOT consider it necessary and/or appropriate to have the Trustee on the Board due to his expertise.
- 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. 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.

3.4. 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 declared insolvent;
- c) has been convicted 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 an office bearer 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 a fulltime member of the staff

3.5. In case any of the Trustees is proven to be a person of the categories described in paragraph 3.4 above she or he shall cease to be a Trustee of TI-PAK.

3.6. 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 annual 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) 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;

- g) Elect new Board members, elect office bearers of the Board and from time to time review provisions of the Governance Manual of TI-PAK;
- h) 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 committees delegated by the Board.
- i) 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;
- j) Design, approve and from time to time review the membership policy of TI-PAK, and approve new members; and
- k) 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.
- l) 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 operate 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 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 TI-PAK are transparently used meeting highest financial and accounting standards and that funds and 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.

## **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.

6.2. Board meetings shall be presided over by the Chair, in whose absence 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 meeting.

## **VII. Individual Members.**

7.1 Individual Members have a formal role in TI- Pakistan. Individual Members contribute diverse experience and expertise to the Transparency International Pakistan. Individual Members are entitled to attend the Annual General Members Meeting and participate in other activities.

7.2 Requirements of being an Individual Member:

- a) Completing an application form along with a biography or CV.
- b) Proven record of integrity in the respective field.
- c) Worked closely with the TI Pakistan/reputed civil society organizations, in any of its activities or projects or served on any of the steering committees
- d) Confirm in writing that they agree to uphold the Vision, Values and Guiding Principles of Transparency International Pakistan and adhere to its code of ethics.
- e) Members shall not enjoy any office of profit or draw any kind of pecuniary gain in return to the service they offer to the activities or programmes undertaken by TI Pakistan.
- f) Members shall not solicit or accept gifts, goods, or any form of gratification for services provided or to be provided by virtue of his/her position in or association with TI Pakistan.
- g) Members shall not, directly or indirectly, use or allow the use of official information obtained through or in connection with the organization, for the purpose of furthering a private interest.
- h) Members shall not make public statements involving specific allegations of corruption, in his/her capacity as a member of TI Pakistan.
- i) Members must immediately notify the Executive Committee of a summon or other legal document which would involve them in court proceeding, related to corruption charges.
- j) Violation of the code of conduct by a member could lead to disciplinary action by TI Pakistan

7.3 TI Pakistan, may in its sole discretion, grant Membership to any exceptional individual who has excelled in his or her field and who has demonstrated exceptional commitment to fight corruption in Pakistan, provided such person is willing to abide by guiding principles of TI Pakistan. Such members will enjoy all rights and privileges of ordinary member.

7.4 The mandate of Annual General Meeting shall be to:

- a) Review and confirm minutes of the previous meeting;
- b) Adoption of externally audited financial statements of TI Pakistan;
- c) Approve the Annual Report of the Executive Director and TI Pakistan Secretariat presented at the AMM

#### **VIII. Advisory Committee**

8.1. 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 II above. The Advisory Committee shall advise the Board on such matters as may be requested by the Board.

#### **IX. Subcommittees**

9.1 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 timeframe to be determined by the Board.

#### **X. Compensation**

10.1. 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.

10.2. 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.

#### **XI. Conflict of Interest**

11.1. 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 TI-PAK be guided by interest of any third parties.

11.2. 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.

11.3. 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.

11.4. 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.

11.5. Trustee interest e.g. in other organizations, 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.

## **XII. Effective Date & Amendment**

12.1. 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 has been amended as per decision of the Board.