



CENTRAL BANK OF KENYA

**7TH INSTITUTE OF CERTIFIED PUBLIC SECRETARIES OF KENYA (ICPSK)
CHAMPIONS OF GOVERNANCE (COG) AWARDS GALA NIGHT**

The Intercontinental Hotel, Nairobi, Friday, 4th November 2016

Mr. Mohammed Nyaoga, Chairman of the Central Bank of Kenya Board of Directors

As Prepared for Delivery

**Mr. Tom Omariba – Chairman, Council of the Institute of Certified Public Secretaries
of Kenya (ICPSK);**

Members of the ICPSK Council;

Members of the Institute;

Distinguished Guests;

Ladies and Gentlemen:

I would first like to take this opportunity to thank the Institute of Certified Public Secretaries of Kenya (ICPSK) Council for inviting me to be the Chief Guest on this auspicious occasion. It is a great honor to mingle, celebrate and honour champions of corporate governance. I feel like a champion already.

I must, at this earliest opportunity, congratulate the Council for coming up with this motivating initiative of awarding excellence in good governance. It is not in dispute that members of this distinguished Institute contribute a great deal, both in public and private sectors, in instilling, promoting and maintaining good corporate governance practices in the institutions we serve or serve in. It is only fair that such tireless efforts are duly recognized and appreciated.

Public secretaries have the unenviable role of advising organizations' boards on compliance issues; ensure an organization is compliant with applicable laws, policies, procedures and generally to promote good corporate governance. Sitting at the centre of the board's operations, you are uniquely positioned to observe and influence the development of governance practices. For this reason, the company secretary has often been described as the "conscience of the company". This is a role that we need to continue performing par excellence. While doing so, and irrespective of our titles, whether as a company secretary, director, auditor, or regulator, we should never lose sight of the changes in the corporate governance landscape that continue to come up.

Sound and effective corporate governance cannot rely solely on the legislative framework, but rather requires self-discipline and the proper execution of duties by directors and managers of corporate organizations, checks and balances and the promotion of an ethical corporate culture. I believe that "tone at the top" is the key because it drives the behavior of the whole organization all the way from the chairman, the board and down to the front line. Good market conduct is driven by good behaviour, not by rules and regulations. As aptly put by Louis Gerstner, former IBM Chairman and CEO, "the real mechanism for corporate governance is the active involvement of the owners".

It is important to note, ladies and gentlemen, that any institution now seeking to become part of Kenya's banking sector will be joining an industry that is undergoing transformative changes which seek to enhance stability and integrity. These changes are anchored on what the Central Bank of Kenya (CBK) refers to as the "**new normal**" whose pillars are; strong corporate governance, enhanced transparency and resilient business models. This has been informed by the fact that in today's dynamic world, only those entities with the highest levels of professionalism and ethics will be able to make great strides in growing their businesses.

Integrity and professionalism improve the business brand and enhance both customers' experience and employees' job satisfaction, which in turn lead to higher returns for the institution. We at CBK are confident that institutions that would have undergone the rigorous vetting process under the new normal requirements will set and maintain high corporate governance standards in the financial sector.

While CBK is doing what it can on its part, I am alive to the fact that many public and private entities are taking deliberate efforts to develop robust corporate governance structures that espouse the key tenets I have alluded to herein. These efforts, quite to my gratitude and gratification, are championed by the distinguished members of the Institute here present. We are assembled here tonight to acknowledge and celebrate you as champions in this long journey. These awards to be given tonight should be an impetus to the present beneficiaries and future beneficiaries in their efforts towards enhanced innovations that support good governance and applications of these innovations in their day-to-day practice.

In closing, I commend you for your commitment and efforts in raising the high standards of corporate governance in Kenya and extend my congratulations once again to all the award winners tonight. You have shown great leadership in upholding high corporate governance standards, and I hope you will encourage and inspire many more to follow in your footsteps. I only see a brighter future for us as an Institute and for Kenya as a whole.

Thank you.