nssa
A Lifelong promise

NATIONAL SOCIAL SECURITY AUTHORITY

BOARD CHARTER

(2023)

Preamble

The National Social Security Authority is established in terms of the NSSA Act [Chapter 17:04]. Section 5 of the NSSA Act provides that the operations of the Authority shall be controlled by a Board constituted in terms of the Act. In addition to the NSSA Act, the Public Entities Corporate Governance Act [Chapter 10:31], the Public Finance Management Act [Chapter 22: 1 9], the Corporate Governance Framework and other relevant statutes govern the authority of the Board. Section 26(2) (a) of the PECC Act read with 56 of the National Code on Corporate Governance Zimbabwe 2014 provide that every Board shall have a Board Charter. The Board has drawn up this Board Charter in accordance with these provisions. The Board shall be guided by the Charter or set regulations as outlined below to ensure that the Authority is properly structured and effectively administered in executing its duties and in fulfilling its mandate as stipulated by the Act of Parliament.

1. PURPOSE OF THE BOARD CHARTER

This Board Charter ("Charter") sets out the principles for the operation, roles, responsibilities, structure and processes of the Board members of the National Social Security Authority ("NSA"). Its main purpose is to describe the functions of the Board and to regulate Management in the discharge of their oversight functions so that the interests of NSSA are safeguarded.

The Board Charter, must set out:

a) The adoption of strategic plans
b) Monitoring of performance-based management
c) Determination of policy and processes to ensure effective risk management and internal control and communication policy, orientation and evaluation in pension and social insurance regularly and continuously.
d) Establish Investment Policies and Reserves for funds of NSSA.

2. OBJECTIVES OF THE BOARD MEMBERS

2.1 The objective of the Board is to maintain and build NSSA's capacity to generate value for stakeholders taking into account the interests of its employees, customers, supplies, Government regulators and members of the community in which NSSA operates.

2.2 The Board is to provide checks and balances on the performance and activities of Management by giving an independent and objective view to their decision making processes.

2.3 This Board Charter is not an "all inclusive" document and should be read as a broad expression of principles.

3. COMPOSITION OF BOARD

3.1 The Board composition shall be in accordance with the NSSA Act Section 6.
3.2 The composition of the Board shall take into consideration, the mix of skills and diversity which relate to experience, regional representation, age, gender and not least the responsibilities that it is vested with and the duties that it has to discharge and perform.

4. BOARD MEMBER RETIREMENT/ ROTATION/ TERMS OF OFFICE

4.1 Each member of the Board shall hold office for a period of four (4) years, renewable for only one further such term.

4.2 Board members shall not serve on more than two (2) Boards of public entities at the same time and this threshold to be exceeded only to the extent permitted by law and even then for good cause.

5. VACATION OF OFFICE

Vacation of office would be as provided for in the PECC Act read together with the NSSA Act.

6. ROLES AND RESPONSIBILITIES OF NSSA BOARD MEMBERS

The major roles and responsibilities of the Board members of NSSA are as follows:

6.1 The Board members are in a position of trusteeship, as the top organ (agency) for provisions of Social Security benefits to contributors and beneficiaries. The Board members are individually, collectively, severally and jointly liable for breach of any of their duties, whether arising statutorily or at common law. On acceptance of appointment as a Board member, one implies acceptance of a complex and onerous responsibility and that one has the requisite skill, care, capacity, diligence and time to devote to Social Security.

6.2 Board members are accountable to the Minister of Public Service, Labour and Social Welfare for the proper management of NSSA's business and affairs. This is to be undertaken in accordance with the duties and obligations imposed upon the Board by NSSA's constitution/ NSSA Act and by national laws governing the existence and operations of NSSA.

6.3 Ensure that management has adequate policies and systems in place that are aimed at improving NSSA's financial performance and ensuring fulfilment of NSSA's strategic plans.

6.4 Set up an effective internal audit department, staffed with qualified personnel to perform internal audit functions, covering the traditional function of financial audit as well as the function of management audit.

6.5 Produce budget estimates for each year for approval by the Minister of Public Service, Labour and Social Welfare (herein after referred to as Minister) and the concurrent approval of Minister of Finance and Economic Development for capital budgets.

6.6 The Board members are entrusted with the handling and investment of public funds. Consequently, the supervisory commitment required from them demands a higher degree of wisdom, prudence, good business judgment and competence than that of Board members of other types of companies.

6.7 Board members shall be guided by relevant International and Local regulatory instruments on Investment of Public Funds such as the Public Finance Management Act, International Labour Organisation Standards, International Social Security Association (ISSA) standards and all other instruments guiding the financial services of the Authority.

6.8 Commit sufficient time to be fully informed of the condition of the business, the direction they are steering the institution, and apply immediate remedial measures when the need arises.

6.9 Determine the manner in which public resources shall be accounted for in terms of Public Procurement and Disposal of Public Assets Act (Chapter 22:23); and exercise a general direction and control over public resources in collaboration with the state treasury.

6.10 Exercise leadership and shrewd judgment with integrity in directing the Authority. It shall act in the best interest of the Authority and nationally as a Public Social Security body, fostering and practising the highest standards of Social Insurance and Social Protection.

6.11 Advise the Minister of Public Service, Labour and Social Welfare on all matters concerning establishment of new schemes, governance management and administration of any social schemes and funds and on all matters concerning and incidental to social security operations and social security generally.

6.12 Act as the focal point for and custodian of corporate governance by managing its relationship with management and other stakeholders of NSSA along sound corporate governance principles.

6.13 Act in the best interests of NSSA by ensuring that individual Board members;

6.13.1 Adhere to legal standards of conduct;

6.13.2 Are permitted to take independent professional advice at NSSA's expense in connection with their duties following an agreed procedure

6.13.3 Disclose real or perceived conflicts to the Board and deal with them accordingly; and

6.13.4 Deal in securities only in accordance with the policy adopted by the Board.

6.14 Regularly review processes and procedures to ensure the effectiveness of NSSA's internal systems of control, so that its decision-making capacity and accuracy of its reporting is maintained at a high level at all times.

6.15 Define levels of materiality, reserving specific powers to itself and delegating other matters with the necessary written authority to management.

6.16 Review NSSA's internal and external audit reports.

6.17 Review the performance of, necessity for and composition of Board Committees.

6.18 Review risk assessment policies and controls, including compliance with legal and regulatory requirements.

6.19 Put in place NSSA's Code of Conduct and ethical standards.

7. EXPECTED PERSONAL AND PROFESSIONAL CHARACTERISTICS OF BOARD MEMBERS

The following characteristics and traits outline the framework for the conduct of Board members:

7.13 Conduct and accountability: Board members must demonstrate high ethical standards and conduct in their personal and professional lives and be accountable for their decisions in their capacity as Board members.

7.14 Financial literacy: Board members must demonstrate a sound level of financial literacy including the ability to understand financial statements to evaluate the financial health and performance of NSSA.

7.15 Teamwork: Board members must demonstrate the ability to cooperate with one another so as to optimize the effectiveness of the Board.

7.16 Communication: Board members must demonstrate willingness to listen as well as to communicate their opinions openly and in a respectful manner.

7.17 Experience: Board members must demonstrate a high level of achievement in their personal and professional lives that reflects high standards of personal and professional conduct.

8. KNOWLEDGE OF THE PROVISIONS OF THE PECG ACT, NSSA ACT, PUBLIC FINANCE MANAGEMENT ACT, RELEVANT STATUTES, STATE ENTERPRISES AND PARASTATALS FRAMEWORK AND NATIONAL CORPORATE GOVERNANCE CODE.

8.13 It shall be the duty of each and every Board member to ensure that they familiarize themselves with the requirements of the PECC Act, NSSA Act, the Public Finance Management Act, National Corporate Governance Code, State Enterprises and Parastatals Framework, Health and Safety Policies and other regulatory instruments affecting NSSA.

8.14 Every Member of the NSSA Board shall adhere to and implement sound corporate governance policies, procedures and practices.

9. CHAIRMAN

The Minister shall appoint one member as Chairman of the Board and another member as the Deputy Chairman of the Board, and both the Chairman and the Deputy Chairman shall be independent and non-executive Directors. The Deputy Chairman shall exercise the functions for the Chairman during any period that the Chairman is unable to do so.

10. ROLE OF THE CHAIRMAN

The Chairman is responsible for:

1 0.1 Providing overall leadership to the Board without limiting the principle of collective responsibility for Board decisions, but at the same time being aware of individual responsibility of Board members, unless specifically provided otherwise by legislation.

10.2 Actively participating in the selection of Board Committee members and overseeing a formal succession plan for the General Manager and certain senior management appointments.

10.3 In appointing members of committees the Chairman shall take into account the skills, expertise and the tripartite nature of the Board.

10.4 Setting the ethical tone for the Board and the Authority by determining and formulating (in conjunction with the General Manager and Secretary) the annual work plan for the Board against agreed objectives and goals and playing an active part in setting the agenda for Board meetings.

10.5 Building and maintaining stakeholders' trust and confidence in the Authority.

10.6 Ensuring the integrity and effectiveness of the governance processes of the Board.

10.7 Maintaining regular dialogue with the General Manager over all operational matters and will consult with members of the Board promptly over any matter that gives him or her cause for major concern.

10.8 Representing the Board to stakeholders and communicates the Board's position.

10.9 The Chairman will act as facilitator at meetings of the Board to ensure that no member, whether executive or non-executive dominates discussion, that appropriate discussion takes place and that relevant opinion among members is forthcoming.

10.10 The Chairman will ensure that discussions result in logical and understandable outcomes.

11. ROLE OF THE GENERAL MANAGER

The General Manager plays a critical and strategic role in the policy direction of the operations and Success of the Authority's business. The General Manager shall consistently strive to achieve the Authority's financial and operating goals and objectives, and ensure that the day-to-day business affairs of the Authority are appropriately managed. The General Manager shall be an ex-officio member of the Board. The General Manager shall be responsible for:

1 1.1 Ensuring that the long-term strategy and vision of the Authority and its management are developed and recommended to the Board to generate satisfactory levels of stakeholder value and positive relations with stakeholders.

1 1.2 Ensuring that a positive and ethical work climate is maintained which is conducive to attracting, retaining and motivating employees at all levels in the Authority.

11.3 Fostering a corporate culture that promotes sustainable ethical practices, encourages individual integrity and fulfils social responsibility objectives and imperatives.

1 1.4 Appointing the executive team in consultation with the Board and ensuring proper succession planning and performance appraisals.

11.5 Bringing material and other relevant matters to the attention of the Board in an accurate and timely manner.

12. SECRETARY

The Board shall be assisted by a competent Secretary. All members shall have access to the advice and services of the Secretary for the purposes of the Board's affairs and the business. The Secretary shall be responsible for:

12.1 Ensuring compilation of Board papers and minutes of Board and Board Committee meetings. Minutes must be circulated to the directors in a timely manner, after the approval of the Chairman of the relevant Board Committee.

12.2 Assisting the Chairman and the General Manager in developing an annual Board plan and other strategic issues of an administrative nature that affect the Board.

12.3 Reporting functionally to the Chairman and administratively to the General Manager and shall be accountable to the Board as a whole.

12.4 Shall have a pivotal role to play in terms of Corporate Governance in the Authority, providing guidance to Board members on their duties and responsibilities.

12.5 Co-ordinating all Board business, including agendas.

12.6 Ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

12.7 Keeping appropriate records of all meetings of the Board as well as minutes of the proceedings and all resolutions made.

13. BOARD MEMBER EVALUATION

13.1 Board members' contribution and reporting to the Board shall be measured against their duties.

13.2 Formal evaluations should be led by the Chairman or an independent service provider. The Chairman should ensure that Board members know that their conduct and performance will be subject to review; they are aware of the criteria to be used for evaluation, and they know the procedures that will be followed. A series of evaluation questions, including those for evaluating the Chairman, shall be distributed in time for directors to complete prior to any evaluation meetings.

13.3 Sh0Uld a deficiency in a Board member's performance be identified, a plan may be developed and implemented for the Board member to acquire the necessary skills or develop appropriate behavioural patterns.

13.4 The action plan arising out of the evaluation shall be reported and discussed and a consolidated summary of the whole process shall be reported to the full Board.

13.5 Evaluation of the Chairman - The Deputy Chairman should lead the process of the evaluation of the Chairman's performance.

14. BOARD PERFORMANCE REVIEW

14.1 The Board will undertake ongoing assessment and review of the performance of the Board and its Committees annually and consider changes to improve the effectiveness of the Board and its committees. The Chairman must know Board members' strengths and weaknesses and should meet with individual Directors once a year regarding evaluation of their performance.

14.2 The Board should carefully consider whether the evaluations of performance should be done in-house or conducted professionally by independent service providers, subject to legislative requirements. Evaluation results should be reviewed by the Corporate Governance and Strategy Committee or such similar committee of the Board.

14.3 A review of the performance of the General Manager shall be conducted at least once every six months.

15.BOARD MEMBER DEVELOPMENT

15.1 The Board should establish a formal orientation programme to familiarise incoming directors with the Authority's operations, its business environment, and its senior management; and to induct them into their fiduciary duties and responsibilities.

15.2. The Chairman should promote mentoring to enhance Board members' confidence (especially those new to the role) through a Board induction/orientation process. An appropriate introduction programme should meet the specific needs of both NSSA and the individual and should enable any new Board member to give maximum contribution as quickly as possible.

16. INDEPENDENT ADVICE

The Board is free to take independent professional advice on matters pertaining to their roles and responsibilities as Board members of NSSA with the approval of the Chairperson. NSSA shall pay reasonable legal costs incurred by the Board in seeking independent advice.

17. TRANSACTION OF BUSINESS OF AN URGENT NATURE

If it is not practicable to hold a meeting of the Board for the transaction of business of an urgent nature, the Chairman, after consulting other members as are available in the circumstances, may deal with the business himself and, as soon as practicable thereafter, shall give to the Board full particulars of the nature and extent of the urgency of the business, the circumstances in which the urgency arose and the action taken by him in the matter.

18. BOARD COMMITTEES

18.1 In accordance with the NSSA regulations and for the better exercise of its functions, the Board shall establish Committees vested with such powers (not exceeding its own) as the Board may determine, from time to time. The standing Board Committees are:

18.1.1 Audit and Risk Committee

18.1.2 Investments, ICT, Finance and Procurement Committee

18.1.3 Actuarial, Contributions, Benefits and Occupational Health and Safety Committee

18.1.4. Human Resources Remuneration and Nomination, Marketing, Communications, Public Relations and Corporate Social Responsibility Committee;

18.1.5 Legal & Litigation and Appeals Committee.

18.2 The Board will determine the membership and composition of Board Committees, Having regard to workload, skills and experience, and any regulatory requirements.

18.3 The Board may establish ad hoc and Special Board Committees, from time to time to consider matters of special importance or to exercise the delegated authority of the Board.

18.4 The Board should delegate certain functions to well-structured committees without abdicating its own responsibility.

18.5 Board committees with formally established terms of reference, criteria for appointment, life span, role and function constitute an important element of the governance process and should be established with clearly agreed reporting procedures and a written scope of authority.

18.6 Committees should be appropriately constituted, taking into account any relevant legislation and the objectives of the Authority. The composition of Board committees should be disclosed in an integrated report.

18.7 Board committees will comprise of members of the Board. External parties, such as paid advisors, may be present at committee meetings by invitation.

19. BOARD COMMITTEES' COMPOSITION GUIDELINES

19.1 The Chairman should not be a member of any Committee.

NOTE:

- A Board member may be entitled to attend committee meetings for the purpose of gaining information relating to NSSA and its business. However, unless the Board member is a member of the committee, the Board member will not be entitled to participate in the proceedings without the consent of the Chairman and will not have a vote.
- Board members who wish to attend the meetings in these circumstances should be by invitation of the Committee's Chairperson.

20. QUORUM

The Quorum at Board meetings shall be five (5) Board members personally present, inclusive of the General Manager or anyone acting in such capacity. The Chairman of the Board shall preside at all Board meetings and in his absence the Deputy Chairman shall preside. In the absence of the Chairman or Deputy Chairman, any Board member chosen by Board members present shall preside over the meeting.

21. MEETINGS AND MATERIALS

21.1 The Board shall meet at least once every three months, provided that the Chairman can convene a Special Board Meeting to transact any special business of the Authority. Directors should ordinarily receive Board papers and related material not less than 5 working days prior to the relevant meeting.

21.2 The Board shall convene an annual general meeting as prescribed by the Public Entities Corporate Governance Act section 33(3) to discuss the entity's

operations and conduct during the previous year and its plans for the next financial year, and any other matters of mutual interest.

22. CONFLICT OF INTERESTS

22. 1 Board members are expected to avoid any action, position or interest that conflicts with an interest of the Authority, or gives the appearance of a conflict

22.2 A Board member that has a material personal interest in a matter that relates to the affairs of the Authority must give the other Board members notice of such interest.

22.3 The Secretary will maintain a register of dealings in declarations of interest by Board members and report them to the Board in the case of Board Committees.

23. REMUNERATION

The process of determining remuneration for the Board members shall be transparent, disclosed and approved by the responsible Minister after consultation with the Minister of Finance and Economic Development.

24. COMMUNICATIONS WITHIN THE BOARD

24.1 Communication within the Board on substantive matters should be with all Board members, not selected members, and not with the Chairman alone.

24.2 As part of a Board code of conduct policy, Management and Board members must refrain from forwarding or blind copying unsanctioned correspondence, any e-mail communication either within the organization or from the organization to persons outside.

24.3 Matters to be brought before the Board must not be concluded through discussions outside the formal committee and board meetings, by individual board members with one another; with Management; or with persons outside the Authority and must not be brought before Management before a resolution is made.

24.4 Stakeholders and other interested parties desiring to communicate with the Board should direct their enquiries and communication to the General Manager.

25 COMMUNICATIONS WITH THE MINISTER

25.1 The Board shall produce annual report and audited accounts within six (6) months after each year-end for submission to the Minister. Financial statements to comply with International Financial Reporting Standards (IFRS).

25.2 The Board Chairman will report directly to the Minister of Public Service, Labour and Social Services. The General Manager will report directly to the Permanent Secretary Ministry of Public Service, Labour and Social Welfare.

26. COMMUNICATION WITH MANAGEMENT

Directors may generally have access to members of management and employees through the office of the General Manager and Board Chairman, unless the matter relates to the operations of Board Committees or duties of the Secretary, in which case Board members shall have direct access to the Chairman of the Board Committee in question and the Secretary, respectively.

Board Members shall conduct themselves in accordance with the Code of Ethics.

27. REVIEW OF BOARD CHARTER

The Board Charter will be reviewed every year or as required and may be amended at any time.