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Institute of
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“Designing the Future”

BOARD CHARTER



Harare Institute of Technology



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HARARE INSTITUTE OF TECHNOLOGY (HIT)

BOARD CHARTER

Preamble

Harare Institute of Technology (HIT) came into being through the promulgation of the HIT Act of 2005 (Chapter 25:26). Section 10 of the HIT Act provides that the operations of the Authority shall be controlled by a Board constituted in terms of the Act. Consequently, the Board shall be guided by the Charter/ set of regulations as outlined below to ensure that the Institute is properly structured and effectively administered to execute its duties properly and fulfil its mandate as stipulated by the Act of Parliament.

1. Purpose of the Board Charter

- 1.1 The HIT Act, Chapter 25:26 is HIT's key governance document. The Board must ensure that it complies with the provisions of the Act, and that the affairs of HIT are conducted in accordance with the Act, at all times.
- 1.2 This Board Charter sets out principles for the operation of the HIT Board Members. Its main purpose is to describe the functions of the Board and to regulate the Board Members in the discharge of their oversight functions so that the interests of the Institute are safeguarded.
- 1.3 This Charter explains HIT's commitment to corporate governance. It is not an "all inclusive" document and should be read as an expression of principle. The Board Charter sets out principles for the operation of the HIT Board Members.
- 1.4 The Board will review and update this Charter as and when necessary. Its main purpose is to describe the functions of the Board and to regulate the Board Members in the discharge of their oversight functions so that the interests of the Institute are safeguarded through the development and adoption of;
 - a. Strategic Plans;
 - b. monitoring of operations performance management;
 - c. determination of policy and progress to ensure effective risk management and internal controls

- d. communication policy,
- e. orientation and evaluation regularly and continuously;

2. Objectives of the Board Members

2.1. The objective of the Board is to maintain and build the Institute's capacity to generate value for stakeholders taking into account the interests of its employees, students, suppliers, government regulators and members of the community in which HIT operates.

2.2. The Board is to bring an independent and objective view to HIT's decisions and to oversee the performance and activities of management.

3. Functions of the Board

- a. The Board is a governing body that speaks with one voice or not at all
- b. The Vice Chancellor is accountable to the Board as a whole.
- c. The Board Members shall exercise leadership, enterprise, integrity and shrewd judgment in directing the Institute and shall always act in the best interest of the institution and nationally as a public institution, fostering and practicing the highest standards of development, growth and sustainability and investment.
- d. The Board Members shall advise the Minister of Higher Education & Technology, Science & Technology Development on all matters concerning establishment of new schemes, governance management and administration of any investment schemes and funds and on all matters concerning and incidental to the Institute.

4. Duties and Responsibilities

The major duties and responsibilities of the Board Members are as follows;

- a. To ensure that there are adequate policies and systems are in place that are aimed at improving HIT's financial performance and ensuring fulfilment of HIT's strategic plans
- b. 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.
- c. ensuring that appropriate and robust systems, processes and policies are designed to ensure that HIT's activities are subject to adequate and appropriate internal controls and that the risks associated with HIT's operations are identified, assessed and appropriately managed.
- d. Produce Budget Estimates for each year for approval by Minister and the concurrent approval of Minister of Finance for Capital Budget.
- e. Set up an independent Compliance Function and approve the HIT compliance policy, including a charter or other formal documents.
- f. At least once a year, the Board or a Committee of the Board, shall review the University's compliance policy and its ongoing implementation to assess the extent to which HIT is managing its compliance risk effectively.
- g. The Board Members individually and collectively, severally and jointly are liable for breach of any of their duty, 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 and capacity, diligence, time to devote to HIT.
- h. HIT directors are accountable to the Government of Zimbabwe (major shareholder) for the proper management of HIT's business and affairs. This is to be undertaken in accordance with the duties and obligations imposed upon the Board by the Institute's Act and by national laws governing the existence and operations of the Institute.

- i. The Board leads through Policy using a framework that defines four categories of Board Policy: Strategic Objectives, Governance Process, Board-Executive Relationships and Executive Limitations.
- j. The Board states the expected Strategic Objectives (goals or results) directing the Vice Chancellor to determine the “means” to achieve these objectives.
- k. When the Board approves Policy, the Vice Chancellor is empowered to make all further decisions.

5. Role of the Board on Investment

- a. The Board Members of HIT are entrusted with the handling and investment of the Institute’s funds. Consequently, the supervisory commitment required from them entails a higher degree of wisdom, prudence, good business judgment and competence.
- b. HIT Board Members shall be guided by relevant international and local regulatory instruments on investment of the Institute’s funds.
- c. 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. Board Member Retirement/ Rotation/ Terms of Office

HIT’s Act provides that elected Board Members shall retire after a three year service , but may stand for re-election. Board composition will also be reviewed periodically by the Human Resources Committee taking into account past performance and contribution of each Board Member. The review findings should be sent to the Minister for consideration and as a guideline to the re-election process.

Expected Personal and Professional Characteristics of Board Members

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

- 6.1 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.
- 6.2 Judgment: Board Members must demonstrate to the satisfaction of the Minister, a capacity to provide sound advice on a broad range of health, financial, social, industry and community issues.
- 6.3 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 HIT.
- 6.4 Teamwork: Board Members must demonstrate the ability to cooperate with the other board members to optimize the effectiveness of the Board.
- 6.5 Communication: Board Members must demonstrate willingness to listen as well as to communicate their opinions openly and in a respectful manner.
- 6.6 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.

Knowledge of the provisions of the HIT Act and Corporate Governance Frameworks:

It shall be the duty of each and every Board Member to ensure that they familiarize themselves with the requirements of the HIT Act, Corporate Governance Framework for State Enterprises and Parastatals, Health and Safety Policies and other regulatory instruments affecting HIT.

Every public entity employee / executive shall adhere to and implement the principles of sound corporate governance policies, procedures and practices.

7. HIT Board Appointments

- a. The Board Members of HIT shall comprise of technically competent persons with integrity and a strong sense of professionalism as dictated by the HIT Act.
- b. In general the Board shall be composed as outlined in Section 10 of the HIT Act.

Chairman

The Board shall appoint one (1) member as Chairman of the Board and another member as the deputy Chairman of the Board, and both the Chairman and the Deputy Chairman should be considered by the Board to be independent. The Deputy Chairman shall exercise the functions for the Chairman during any period that the Chairman is unable to do so.

8. Role of the Chairman

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; Actively participating in the selection of Board Members (in consultation with employer and employee agencies), and overseeing a formal succession plan for the board, Vice Chancellor and certain senior management appointments (Finance Director, Registrar e.t c).

Setting the ethical tone for the Board and the Institute by determining and formulating (in conjunction with the Vice Chancellor and Board 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;

Building and maintaining stakeholders' trust and confidence in the Institute.

9. Role of Vice Chancellor

The Vice Chancellor plays a critical and strategic role in the operations and success of the Institute's business. The Vice Chancellor should consistently strive to achieve the Institute's financial and operating goals and objectives, and ensure that the day-to-day business affairs of the Institute are appropriately managed.

The Vice Chancellor should ensure that the long-term strategy and vision of the Institute and its management are developed and recommended to the Board to generate satisfactory levels of shareholder value and positive relations with stakeholders.

The Vice Chancellor should ensure that a positive and ethical work climate is maintained which is conducive to attracting, retaining and motivating employees at all levels in the Institute.

The Vice Chancellor should foster a corporate culture that promotes sustainable ethical practices, encourages individual integrity and fulfils social responsibility objectives and imperatives.

Recommending or appointing the executive team and ensuring proper succession planning and performance appraisals;

10. Secretary to the Board

The Board should be assisted by a competent Secretary as recommended in regulations for State Enterprises and Parastatals. The Institute's Registrar shall be the Secretary to the Board.

Outlined below are some of the expectations from the Board Secretary :

Must ensure that proper compilation of Board papers and minutes of Board and Board committee meetings are circulated to the Board Members in a timely manner, after the approval of the Chairman of the relevant Board committee.

Must assist the Chairperson and the Vice Chancellor in developing an Annual Board Plan and other strategic issues of an administrative nature that affect the Board.

Shall report to the Chairman and shall be accountable to the Board as a whole.

Shall have a pivotal role to play in terms of Corporate Governance in the University, advice issues and guidance to Board Members individually and collectively of their duties and responsibilities.

Should be tasked with the obligation of eliciting appropriate responses, feedback and input to specific agenda items in Board and Board committee deliberations. The Board Secretary's role should also be to raise matters that may warrant the attention of the Board.

11. Individual Board Member Evaluation

Board Members' contribution and reporting to the Board should be measured against their duties.

Formal evaluations should be led by the Chairman or an independent service provider. The Chairman should ensure that Board Members know that they will be subject to review, know the criteria used for evaluation, and know the procedures that will be followed. A series of evaluation questions, including questions for evaluating the Chairman, should be distributed in time for Board Members to complete prior to any meeting with the Chairman.

Should a deficiency in a Board Member's performance be identified, a plan should be developed and implemented for the Board Member to acquire the necessary skills or develop appropriate behavioural patterns.

The action plan arising out of the evaluation should be reported and discussed and a consolidated summary of the whole process should be reported to the full Board. Evaluation of the Chairman- The Board should appoint an independent non-executive Board Member from within its ranks to lead the process of the evaluation of the Chairman's performance.

12. Board Performance Review

The Board will review its performance annually and consider changes to improve the effectiveness of the Board and its committees. The Chairman should know Board Members' strengths and weaknesses and should meet with individual Board Members once a year regarding evaluation of their performance.

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

13. Board Members Development

The Board should establish a formal orientation programme to familiarise incoming Board Members with the Institute's operations, senior management and its business environment, and to introduce them to their fiduciary duties and responsibilities.

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

14. Independent Advice

The Institute's Board is free to take independent professional advice on matters pertaining to their roles and responsibilities as Board Members of HIT.

HIT shall pay the reasonable legal costs incurred by a Board Member in doing so, provided that before seeking independent advice, the concerned Board Member discusses the requirement for the advice with the Chairman and gets the Chairman's approval.

15. Transaction of business of an urgent nature (Chairman's Action)

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 such of the 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.

16. Board Committees

In accordance to the HIT 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 Board should delegate certain functions to well-structured committees without abdicating its own responsibility.

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.

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

Board committees should only comprise members of the Board. External parties, such as paid advisers, may be present at committee meetings by invitation.

17. Board committees' composition guidelines

The Chairman should not be a member of the Audit Committee

The Vice Chancellor should not be a member of the Audit Committee

The Chair should be a member of the Human Resources Committee and may also be its Chairman.

He may also be a member of the Risk Committee but may not chair it.

The Audit and Finance Committees should be chaired by an independent nonexecutive Board Member.

The Human Resources Committee should comprise the Board Chairman and non-executive Board Members only, of whom the majority should be independent.

All members of the Finance Committee should be non-executive Board Members, of which the majority should be independent.

18. Vacation of office

A member shall vacate his office and his office shall become vacant —

- a. after giving the minister such period of notice of intention to resign as may be fixed in his conditions of appointment, or if no such period has been fixed after the expiry of 1 month after the date he gives notice in writing to the Minister of his intention to resign his office or after the expiration of such shorter period as he and the Minister may agree; or
- b. on the date he is sentenced by a court to imprisonment the term of which is not less than 6 months whether or not any portion has been suspended, imposed without the option of a fine in any country or
- c. if he becomes disqualified in terms of the Act
- d. has in terms of a law in force in any country been adjudged or otherwise declared insolvent or bankrupt and has not been rehabilitated or discharged or made an assignment to, or arrangement or composition with his creditors which has not been rescinded or set aside
- e. if he is required in terms of the HIT Act to vacate office
- f. if he is absent without permission of the Board from three (3) consecutive meetings of the Board,

19. Quorum

The Quorum at Board meetings shall be one half of the Board Members holding office at the time. The Chairman of the Board shall preside at all Board meetings and in his absence the Vice Chairman shall preside.

In the absence of the Chairman or Vice Chairman any Board Member chosen by Board Members present shall preside over the meeting.

20. Meetings and Materials

The Board shall meet at least four times a year, provided that the Chairman can convene a Special Board Meeting to transact any special business of the Institute.

Board Members should ordinarily receive board papers and related material not later than seven (7) working days prior to the relevant meeting.

Minutes of the meetings of the Board Members and resolutions of Board Members must be prepared by the Secretary within two weeks as required, approved by the Chairman, and circulated to all members of the Board.

- a) The Chairman shall preside at all meetings of the Board at which he is present.
- b) At meetings of the Board the Chairman shall have a deliberative vote and, in addition, in the event of an equality of votes, a casting vote.
- c) The Deputy Chairman shall preside at any meeting of the Board from which the Chairman is absent and shall at any such meeting have all the powers and discharge all the duties of the Chairman except that in the event of an equality of votes he/she shall not have a casting vote.
- d) The decision of the majority of the directors present at a meeting of the Board shall constitute the decision of the Board.

21. Conflict of interests

The duty of loyalty forbids Board Members and officers from participating in a competing enterprise unless a majority of the disinterested Board Members approve. Board Members and officers who have an interest in a transaction to which HIT is an actual potential party are required to disclose their interest to the Board.

22. Remuneration

The process of determining remuneration for the Board Members shall be transparent, disclosed and approved by the Responsible Minister in line with the principles of affordability, sustainability, competitiveness and reasonableness.

23. Communications within the Board

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

As part of a Board Code of Conduct Policy, executive Board and Board Members must refrain from forwarding or blind copying any e-mail communication either within the organization or from the organization to persons outside.

Individual Board Members should not e-mail other individual Board Members unless they e-mail all.

Matters brought before the Board must not be discussed with Management or persons outside the organisation.

Shareholders and other interested parties desiring to communicate with the Board should direct their enquiries and communication to The Chairman, HIT Board, c/o Board Secretary, Harare Institute of Technology, P Bag BE277 Belvedere, Harare.

Communications with the Minister

The Board shall produce Annual Report and audited accounts within six (6) months after end of each year for submission to the Minister. Financial statements and budgets to comply with generally accepted standards of accounting practice (Public Finance Act).

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