

Local News



Independent governance board, key to business success – Adamtey

The Chief Executive Officer of Leverage Microfinance Company Limited (LMC), Mr Gilbert K.N. Adamtey, has shared some insights into the continued existence and progress of their financial institution after operating for nine years.

The CEO of LMC has stated that after surviving the banking sector clean-up, LMC is still growing stronger through solid structures initiated and by involving its independent corporate governance board in some instances of make-or-break decisions.

"Experience has proven that corporate governance cannot be executed by an individual only but by people who are experts in diverse fields pertaining to the management of well-established businesses. That is why it is important to involve and blend people from the business sector, legal, accountants, among others, as your independent corporate governance board to help your business suc-

ceed," he said.

"This is a group made up of very independent-minded banking and finance advisors who will tell you in plain language when you are taking a wrong step or path, unlike other instances where what the CEO says is final. This is what has contributed to the progress of our company as we don't do anything without the board's consent; we always involve them in our business," he said.

The CEO of LMC made this known when he and his team appeared on Accra-based Kasapa FM breakfast show recently.

"If you don't understand the operations of a particular business, you have no business financing it, and not all loans are suitable to be managed by every finance institution. You can't be situated in Accra and finance a galamsey business in Tarkwa with the perception that the mining sector is a fat cash cow," the LMC boss added.

He indicated that the mi-

crofinance sector is one that is supporting a lot of businesses and livelihoods so people should be circumspect when setting up microfinance businesses by focusing on the core mandate.

"Before setting up such a financial service, there is the need to put in place checks, controls and competent independent corporate governance structure. It has been proven over time that we need to have localised businesses, and truly speaking, these localised indigenous businesses require most of us in the microfinance sector to help them progress and get to the top. The regulator has done its part with the financial sector clean-up, I would, therefore, like to assure customers that there is still hope in those of us left in the microfinance business," he said.

According to him, coming from a very familiar banking sector with richer experience gained, he was aware of most of the chal-

lenges so his outfit put in place a very competent independent corporate governance board from the onset, which has helped to shape the affairs and direction of Leverage Microfinance.

He went on to add that a lot of financial institutions, in their attempt to satisfy the regulator's requirements fix their friends and families on the business during the registration at the Registrar-General's Department as directors, and they end up collapsing because they take their own decisions and do things in ways they deem fit.

"Most of these financial institutions who were affected by the recent banking sector clean-up were as a result of these cronyism, family and friends business, where people approved loans, among others, for themselves. Nobody is allowed to put the CEO in check, and mostly these people do not involve their corporate governance board in what they do," Mr Gilbert K.N. Adamtey lamented.



Leverage Microfinance is assuring the general public of its readiness to assist individuals and other corporate bodies in acquiring loan facilities to meet their economic and other business or personal needs.

About Leverage Microfinance

Leverage Microfinance is a limited liability company legally registered under the Companies Act 1963 (Act 179) of Ghana as

a non-bank financial institution. LMC has obtained its full operating license from the central bank of Ghana to operate as a tier II financial institution.

Currently, its head office is located at Dansoman – Sakaman, Ave Maria Junction, Poultry Farm Avenue in Accra, providing financial solutions and services such as loans (business and personal), investments (student lever entrepreneurial investment plus) savings.

PIAC urges GNPC to decommission Saltpond oil field

The Public Interest and Accountability Committee (PIAC) has called on the Ghana National Petroleum Commission (GNPC) to make determinations to decommission the Saltpond Oil Field (SOF) in the Mfantseman Municipality of the Central Region.

The Committee believes the move will reduce huge cost of skeletal staff maintaining the rig that had become an economic drain on the State.

Mr Noble Wadzah, Chairman of PIAC, a constitutionally mandated body with the oversight responsibility on the prudent use and accountability of oil revenues noted that "the continued use of oil revenues to cater for an idle field did not reflect judicious use of the resources."

He made the appeal at a public forum on the management and use of Ghana's petroleum revenues held at Cape Coast on Tuesday.

The forum assembled key stakeholders including; representatives of the Central Regional Coordinating Council, PIAC member institutions, traditional and religious leaders, media and the public.

Mr Wadzah explained that the SOF which was the nation's oldest oil producing field did not produce any more oil hence the need to decommission to reduce unwarranted expenditures.

He indicated that commissioning a rig came with careful planning and so GNPC with the consent of the Ministry of Energy

had embarked on a two-phased programme to dismantle the premier oil producing field in Ghana.

The first phase of bringing down the rig involved preparation of a comprehensive decommissioning plan, while the second phase would actually kick-start the decommissioning operation.

Operation of the SOF was halted in June 2010 by the GNPC when it started incurring operational cost from a field that was producing next to nothing from two of its archive wells of six wells originally sunk when the field was operating in the 70s.

The PIAC chairman added that it was not financially viable for the GNPC to continue to use oil revenue to cater for the cost of maintaining the offshore production platform ahead of plans to decommission it.

He explained that the payment of the emoluments of skeletal staff and the maintenance of the non-functional oil production facility was heavily draining the country's oil revenues.

Mr. Nasir Alfa Mohammed, a member of PIAC bemoaned that notwithstanding the committee's statutory mandate and commitments to ensure efficient, transparent and accountable management of petroleum revenues and investments, it lacked the legal wherewithal to prosecute people who misappropriated funds of Ghana's oil revenue

allocations.

Against this backdrop, he reiterated the need and support for PIAC to have prosecutorial powers to effectively and efficiently control the misappropriation of oil revenues.

The PIAC member recommended that Parliament empowered the committee and rendered their unqualified support to forestall any further misappropriation of oil revenue to spark rapid national development.

That, he observed would promote accountability from people who were not performing their roles.

He assured that the committee would continue to execute its mandate with high integrity and remain independent of governmental dictatorship on the oil revenue



management.

The PIAC member representing the Ghana Bar Association reaffirmed the PIAC's determination to engage the media and other key stakeholders to keep track of oil revenue disbursement as means of promoting social auditing and accountability.

He urged the media and other strategic stakeholders to play their roles more effectively to ensure that oil revenues were better protected.

Osabarima Kwasi Atta II, Omanhen of Oguaa Traditional Area called for further engagements by PIAC to educate the public on their mandate and work towards galvanising support of all to prosecutorial powers.

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