

## **CENTRAL BANK GOVERNOR'S MEETING WITH THE BOARD OF DIRECTORS OF THE MAURITIUS COMMERCIAL BANK LTD AND STATE BANK OF MAURITIUS LTD**

On 17 March 2003, the Governor of the Bank of Mauritius met the Board of Directors of The Mauritius Commercial Bank Ltd and the State Bank of Mauritius Ltd with a view to critically appraising their management practices and their compliance with the ethos of corporate governance as stipulated in the central bank's directives. Governor Basant Roi exhorted members of the Board of Directors to carry out a fundamental review of their organisational structure and, in particular, the top management, highlighting that with the rapid and significant expansion of their banking operations locally and abroad, the prevailing structure did not provide an effective internal control mechanism. He also stressed the need to review fundamentally the professional standards of bank officers and management staff as the banking sector has evolved into a level of sophistication requiring top professionals to fully undertake the banking duty of care and responsibility. Bankers should comply with the central bank's directives, and, in particular, adopt an uncompromising focus on the issue of corporate governance. The Governor urged the Board of Directors to ensure that their audit committees were operationally efficient and fully independent of the Office of the Chief Executive. They were reminded that the Management Report, prepared by the Bank of Mauritius' inspection team after each on-site inspection, was available for consultation by the directors of Category 1 banks.