

Bill to empower minister to fire boards

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WINDHOEK – The Public Enterprises Governance Bill, introduced by Public Enterprises Minister Leon Jooste last month, seeks among others to give the portfolio minister power to remove public enterprises' board of directors who fail to achieve corporate governance targets.

Jooste revealed this while responding to questions and contributions raised by fellow lawmakers during discussions of the Bill.

He told legislators that the ministry will introduce an active performance management process to evaluate board and executive performance in line with the integrated strategic business plan.

"All Public Enterprises (PEs) will be compelled to implement performance through our own performance management system and the ministry will then monitor performance through our own performance management system," he explained to lawmakers last week.

He said the new performance agreements will be aligned to measurable key performance indicators of the approved integrated strategic business plans and will also include corporate governance targets.

"If a board fails to achieve the corporate governance targets, such board may be dismissed," he said.

Jooste said the ministry foresees a significant improvement in compliance as a result of this provision and looks forward to the day where long overdue audited financial statements and annual reports becomes a thing of the past.

Furthermore, Jooste said the remuneration of board members and managers of public enterprises will in future be performance-based and incentivised.

For board appointments, Jooste said a new system to select and appoint members of boards of public enterprises will be introduced next year with an entirely new 'transparent system'.

"The board selection for Air Namibia and TransNamib have already followed these guidelines by advertising in the media to invite members of the public to apply where after a nomination committee shortlists and interview panel that include expert members of the private sector conduct the interviews," he said.

He said the ministry has established an in-house database of potential board members and this database will soon be transformed into an electronic e-recruitment system to further enhance effectiveness.

Jooste explained that the size, composition and skills required for each board will always be approached on a case-by-case manner as each public enterprise and the situation it finds itself in will always be different at any given time.

"Board members must declare their interests and in cases where a potential conflict of interest cannot be managed, the person will be instructed to vacate the seat," Jooste said, adding that the Bill makes provision for an elevated level of accountability and there is legal provision for board members to be held personally liable for any form of reckless trading of maladministration.

"I have always said that the reform of our public enterprises will take time and we need to resist undue pressure in order to minimise risks," he said.

"I reiterate that the transformation of the Namibian economy will not be possible without the successful reform of our [public enterprises]. The role of these entities and Treasury's exposure through them is simply too immense to ignore, and it is now our collective responsibility to take bold but calculated decisions to cause the effect required," he said