###### National Assembly

###### Question Number: 3547

**3547. Mr H B Groenewald (DA) to ask the Minister of Transport:**

(a) How is the performance of the boards of entities that report to him measured, (b) what sanction takes place should the performance targets not be met, (c) how did each board of each entity that report to him perform against set targets and measurables in the past three financial years and (d) who monitors the performance of boards? NW3975E

REPLY

1. At the beginning of the financial year each entiy is required to submit a Shareholders compact. The shareholders compact, documents the mandated key performance measures and indicators to be achieved by the entities as agreed by the Accounting Authority and Executive Authority. The Executive Authority monitors the extent to which the Board as a whole, achieves the objectives and specific performamce targets. Procedures have been established where all the Accounting Authorities in SOE’s reports to the Executive Authority on a quarterly basis for monitoring and evaluation purposes.
2. In instances where an entity has not met its performance targets, careful consideration must be given, taking into account the reasons provided by the entities for non-achievement. Where it is found that Board members are lacking in certain skills sets they will be recommended for skills training or equipping programmes relevant to requirements. Sanctions would only become applicable where an entity has deliberately and knowingly acted negligently with state funds or resources or where supply chain processes were overlooked. In such instances, investigations are undertaken, followed by disciplinary action(s) where applicable or necessary.
3. Boards’ performance for the past three (3) financial years has been satisfactory, with other entities performing exceptionally well.
4. Board performance is monitored by the Corporate Governance Section within the Department. In addition, Boards also undergo Board evaluations, these can be done by an independent company or alternatively Board members can evaluate each other. Board evaluations conducted by Board members evaluating each other are usually done on a confidential basis. During these evaluations Board members are required to evaluate not only the positives but the negatives of each Board member over the course of the financial period under review. The outcomes of these Board evaluation reports are submitted to the Shareholder on an annual basis.