

# Eskom has a new board

The tempestuous saga of the country's power utility may be entering calmer waters with the appointment of Eskom's new board.



The members of which will serve a three-year term subject to an annual review. Having been approved by Cabinet, the new board comprises (current interim board members): chairperson, Zethembe Khoza; Dr Pat Naidoo, Giovanni Leonardi, Dr Pulane Molokwane, Simphiwe Dingaan, Dr Banothile Makhubela, Sathiaseelan Gounden, (and new board members) Professor Malegapuru Makgoba and Professor Tshepo Mongalo.

## New members

Makgoba is a public health advocate, and is the current health ombud of South Africa. He is a former principal of the University of KwaZulu-Natal and is the current deputy chair of the National Planning Commission. He is highly regarded as a transformation and ethics authority, and well versed in government policy, corporate governance and human resources.

Legal practitioner and academic, Mongalo specialises in company law and familiar with the environment within which state owned Companies operate. He served as vice-chairperson of the Department of Trade and Industry's Specialist Committee on Company Law.

An additional candidate, who has business strategy expertise and was approved by Cabinet, ultimately declined his nomination citing the highly-charged environment in which Eskom is operating. This situation reflects the difficulty the minister has faced in putting together a strong Board including people of the necessary calibre and leadership gravitas.

## Vetting process

In terms of the memorandum of incorporation (MOI) read together with the board appointment framework, public enterprises minister, Lynne Brown is required to test the eligibility of directors through consideration of best practice – which includes a proper balance of skills, demographics, generation mix and tenure.

The process of vetting board candidates, including the verification of qualifications, criminal and directorship checks, takes up to four weeks to complete. Thereafter, the internal administrative process is initiated that leads to a shortlist.

The power utility has had a rather chequered history with what appears to be a revolving door on the CEO's office. This year alone there have been five incumbents (if you count Brian Molefe twice) "I will be instructing the board that the appointment of a new group chief executive is an absolute priority," Brown said.

The board must deal decisively, among others, in addressing the audit qualification to avoid a repeat, ensuing investigations and the suspensions at Exco level must be prioritised and finalised expeditiously. These issues must be addressed to improve the Eskom brand, investor confidence and performance of the company at all levels. The Board and Management must take strides, within its control, to address the internal control deficiencies and the finalisation of Eskom's own internal investigations.

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