



## 10. CORPORATE GOVERNANCE



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The NCR's Accounting Authority subscribes to principles of good corporate and business practices. The principles of honesty, fairness, integrity, responsibility, accountability and transparency guide all its decisions and activities. The Accounting Authority believes that the pillars of good governance should not be confined to the Accounting Authority, but should be the basis of all decisions made at all levels at the NCR.

The NCR strives to balance the pursuit and achievement of business objectives and compliance with the principles of good governance.

In determining good corporate governance and business practices, the Accounting Authority is guided by:

- government protocol and corporate governance
- the Public Finance Management Act No 1 of 1999 (PFMA) and supporting National Treasury Regulations
- the King II Report on Corporate Governance in South Africa.

### **Accounting Authority**

The Board of Directors which is appointed in terms of Section 19(1) of the NCA constitutes the NCR's Accounting Authority for purposes of the PFMA.

The NCA determines that the Cabinet Members responsible for Finance, Housing and Social Development may each appoint a member to the Board. The Minister of Trade and Industry appoints the Chairperson and Deputy Chairperson as well as a further six members.

The Accounting Authority is responsible for guiding the strategic direction which includes approving strategic plans, monitoring performance against strategic objectives and determining policies and procedures that ensure the integrity of the NCR's risk management and internal controls.

The Accounting Authority further ensures that the NCR implements and maintains financial records and systems as required by the PFMA and that the NCR complies with all applicable legislation and regulations.

The members, both collectively and individually, have a right to obtain external independent professional advice on matters pertaining to the NCR at the expense of the NCR.

### **Structure of the Accounting Authority**

To assist in performing its functions, the Accounting Authority has three committees – the Audit and Risk Management Committee, the Remuneration Committee and the Policy and Strategy Committee.

Each committee has a Terms of Reference that defines its responsibilities and has been approved by the Accounting Authority. The chairperson of the Accounting Authority is chairperson of the Remuneration Committee.

### **Audit and Risk Management Committee**

The Audit and Risk Management Committee is responsible for:

- internal and external audits
- financial reporting
- risk management
- compliance with the PFMA and National Treasury Regulations

The Committee is constituted in terms of sections 76 (4)(d) and 77 of the PFMA and regulation 27.1 of Treasury Regulations. It consists solely of non-executive members and is chaired by Ms Ramano, an independent person who is not a member of the Accounting Authority.

The NCR Chief Executive Officer, Chief Financial Officer and Chief Operating Officer are permanent invitees.

The internal auditors and the Auditor-General are invited to attend all meetings of the committee and they have unrestricted access to the chairperson and members of this committee.

#### **Remuneration Committee**

The Remuneration Committee consists of non-executive members of the Accounting Authority and is chaired by Adv P Tlakula. It deals with remuneration and benefits of NCR personnel, including the Chief Executive Officer and management.

#### **Remuneration and Human Resources Committee attendance**

	June 2007	November 2007	17 June 2008	18 November 2008	23 June 2009
Mr Tim Store	√	√	√	√	√
Mr Manie van Schalwyk	√	√	Apology	Apology	Apology
Ms Christine Glover	√	√			
Adv Pansy Tlakula			√	Apology	Apology
Mr Mandla Maleka				√	√

#### **Policy and Strategy Committee**

The Policy and Strategy Committee assists the Accounting Authority regarding the policy and strategy aspects of the duties and responsibilities of the Accounting Authority as set out in section 19 of the NCA.

The committee focuses on the duty of the Accounting Authority to guide the strategic development of the NCR (section 19(4) (a)) and oversees regulatory functions.

The committee is chaired by Mr Tim Store in an acting capacity. The nominated members for National Treasury and for Trade and Industry are permanent invitees and act as full members of the committee at all meetings they attend.

#### **Policy and Strategy Committee attendance**

	22 May 2008	7 August 2008	5 November 2008	5 February 2009
Mr Manie van Schalwyk	√	√	√	√
Mr Tim Store	√	√	√	√
Ms Yvonne Radinku (1)	Apology	√	Resigned	
Mr Fungai Sibanda (2)	√		Replaced	

#### **Notes**

- (1) Ms Yvonne Radinku has resigned.
- (2) Mr Fungai Sibanda has been replaced.

