GUIDANCE NOTE

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KING V – APPLICATON TO PUBLIC HIGHER EDUCATION INSTITUTIONS

CONTENTS

INSTITUTE OF DIRECTORS SOUTH AFRICA

KINGV™

Introduction

This guidance applies to public higher education institutions (HEIs) established under the Higher Education Act (the Act) and governed by institutional statutes. It is primarily directed at the councils of these institutions, which are the highest governing bodies with fiduciary duties and responsible for strategic oversight and ensuring good governance in line with legislative and policy frameworks.

While the King V Code on Corporate Governance (the Code) is designed to apply across all organisation types, its application to HEIs requires contextual interpretation. HEIs operate in a unique governance ecosystem shaped by constitutional imperatives, public accountability, academic autonomy and complex stakeholder relationships. The governance framework for HEIs must also support transformation, academic excellence and sustainability in a rapidly evolving socio-political environment.

Good governance is essential in HEIs to safeguard institutional integrity, ensure ethical leadership, promote accountability in the use of public and third-party funds and foster stakeholder trust. HEI councils, as custodians of governance, play a critical role in maintaining this balance while upholding academic freedom and institutional autonomy.

This guidance paper provides a detailed interpretation of the Code as it applies to HEIs, outlining key nuances, points of emphasis and legislative considerations that affect the practical implementation of each King V principle. Where practices in the Code differ due to statutory provisions, this is clearly noted, and supplementary guidance is provided.

Terminology

Term used in King V	Relevant term for HEIs
Organisation	Public higher education institution, including public university, university of technology and comprehensive university.
Governing body	Council
Members of the governing body	Council members
Chief Executive Officer (CEO)	Vice-chancellor (VC) or principal
Executive Management	Executive management committee (typically includes VC, Deputy VCs, Registrar, chief financial officer (CFO), etc.)
Management	Academic and administrative leadership under the VC.

Shareholder	Accountability lies primarily with the state, exercised through the Minister of Higher Education, Science and Innovation and parliament, and more broadly to stakeholders.
Stakeholders	Students, academic and professional staff, other employees, government, alumni, donors and funders, industry partners and the broader community.
Company secretary	Registrar (acts as secretary to council and custodian of institutional records).
External audit	Auditor-General South Africa (AGSA) or audit firm appointed by the AGSA (depending on statutory requirement).
No direct equivalent in King V.	Chancellor Ceremonial head of the HEI who presides at graduations and confers degrees; not involved in governance or operations.
No direct equivalent in King V.	Senate Refers to the academic governing body of the HEI, responsible for regulating teaching, learning, research and academic functions. While it is not necessarily a Committee of Council, it plays a vital governance role and typically reports to Council on academic matters.
No direct equivalent in King V.	Institutional forum A statutory advisory body established to advise Council on matters affecting the institution including transformation, race and gender equity policies, selection of candidates for senior management, codes of conduct, and mediation in internal disputes
No direct equivalent in King V.	Executive committee or Exco Typically comprising the chair of council, chairs of various committees and executive management (VC, DVC, Registrar, CFO, etc.) who act on behalf of Council between meetings

Typical corporate governance application considerations

The recommended practices of the Code apply to HEIs, with the following areas of emphasis or nuance.

Principle 1: Leadership

Principle 1: The council leads ethically and effectively as the focal point of corporate governance in the higher education institution.

Characteristics and values (Recommended practices 1-2)

HEI councils are required to provide ethical and effective leadership and act as the apex governance structure of the institution. They are expected to uphold the highest ethical standards, ensuring integrity, fairness, accountability and transparency in their oversight and strategic direction. This includes respecting and safeguarding the independence of academic decision making, freedom of thought and the principles of academic freedom, while ensuring alignment with the institution's governance and strategic objectives.

Aligned to the recommended practices on governing body characteristics and values, section 27(7)(b) of the Act requires that every member of council must act in the best interests of the public higher education institution; act with fidelity, honesty, integrity and avoid conflict of interests.

Dimensions of governance obligations (Recommended practices 3-5)

The council should fulfil all dimensions of its governance obligations as provided in these recommended practices. Particularly important is having a charter that sets out the governance responsibilities of the council.

Performance evaluation of the council (Recommended practices 6-9)

To strengthen their effectiveness, councils are encouraged to conduct regular performance evaluations of council itself, its committees and individual members. These evaluations should include an assessment of skills, competencies, behaviour and contributions to the council's strategic and oversight responsibilities. Evaluations are seen as vital tools for continuous improvement and accountability.

Principle 2: Ethics

Principle 2: The council governs the ethics of the higher education institution in a way that enables an ethical culture and responsible corporate citizenship.

Organisational ethics (Recommended practices 10-14)

HEIs, as public institutions and knowledge hubs, have a moral responsibility to uphold and promote ethical behaviour. The council is ultimately accountable for fostering an ethical culture across all levels of the HEI and ensuring that ethical standards are clearly defined, institutionalised and monitored.

Ethics should be embedded in governance practices and should extend to shaping institutional policies, setting expectations for conduct, and overseeing adherence to codes of ethics or conduct for council members, management, staff and students. In a HEI environment, this would extend to research ethics and academic standards as well as the supply chain.

Responsible corporate citizenship (Recommended practices 15-18)

As corporate citizens, HEIs should conduct themselves in a manner that contributes positively to the communities and society they serve, guided by the recommended practices on corporate citizenship. This includes demonstrating social responsiveness, promoting inclusive and equitable access to higher education, and being environmentally responsible in their operations.

The council should ensure that institutional values such as academic freedom, integrity, inclusivity and public accountability are upheld, and that governance processes are aligned to these values. Responsible citizenship also requires vigilance against discrimination, corruption, maladministration and abuse of institutional resources.

In the case of some HEIs, they also serve as pivotal institutions in their communities, providing leadership and economic development. This responsibility must be recognised and acted upon.

Principle 3: Strategy, performance and sustainable value creation

Principle 3: The council ensures that the higher education institution's purpose, strategy and business model support performance that creates sustainable value within its economic, social and environmental context.

Strategy, performance and value creation (Recommended practices 19-22)

The council of a HEI plays a critical governance role in ensuring the institution delivers on its academic, social and financial mandates, so these recommended practices should be applied in that context.

According to the Guidelines on Good Governance for Councils of HEIs[1] (the Guidelines), the council is entrusted with setting "institutional mission and strategy", including "approval and evaluation of strategic plan, and other institutional plans; approval of budget to support of institutional plan, prioritisation of strategic issues…". This includes taking ultimate responsibility for "financial plans aimed at ensuring strategically oriented financial sustainability", while receiving assurance that "academic governance is effective".

[1] https://www.dhet.gov.za/Institutional%20Governance%20Policy%20Documents/Guidelines%20on%20Good%20Governance.pdf

Furthermore, the Act confirms the council's role in determining institutional policy and performing governance oversight. Section 27(1) specifically tasks the council to govern the public HEI.

Performance in the context of a HEI is multi-dimensional—it includes financial viability but extends to academic excellence, societal impact, transformation and ethical stewardship of resources. Councils should oversee and monitor these dimensions with a long-term view, balancing performance and sustainability in a way that supports the institution's public interest mandate.

Principle 4: Reporting

Principle 4: The council ensures that external reports issued by the higher education institution enable stakeholders to make informed assessments of how the higher education institution creates, preserves and erodes value within its economic, social and environmental context over the short, medium and long term.

Reporting (Recommended practices 23-27)

HEIs are required to produce an annual report to the Minister in terms of the Act, which must include information on the performance of its functions, as well as audited financial statements. This forms the basis of their public accountability.

In addition to this statutory obligation, councils are encouraged to consider the suite of reports recommended in the Code as appropriate to the institution's size, complexity and public interest role:

- Integrated report: HEIs are moving towards integrated reporting, especially those with a high public profile. While not mandated, integrated reporting aligns with good governance and reflects the institution's holistic value creation across academic, financial, societal and environmental dimensions.
- Sustainability report: HEIs are encouraged to report on their environmental stewardship, community engagement and social development initiatives. This may be done through a standalone sustainability report or integrated into broader institutional reporting, such as the annual or integrated report, depending on the institution's capacity and reporting approach. This aligns with their public purpose and contribution to societal advancement, particularly through research, education and partnerships that promote sustainability and transformation.
- Corporate governance disclosures: Any HEI that wishes to claim application of King V must disclose its implementation using the King V Disclosure Framework.

- Remuneration reports: Although not always as detailed as those in the private sector, information on executive remuneration is increasingly expected as part of transparency and accountability, and such information may form part of the annual report.
- Social and ethics committee report: While not mandatory, where HEIs have voluntarily constituted a social and ethics committee as recommended in the Code, a summary of its work should be included in the reporting suite.

Principle 5: Composition of the council

> **Principle 5: The council ensure that its composition is balanced with respect to the mix of competencies, diversity and independence that enables it to discharge its obligations objectively and effectively.**

Composition (Recommended practices 28-33)

According to the Guidelines, "council must consist of not more than 30 members, and at least 60% of the members must be persons who are not employed by or students of the institution concerned". The Act sets out specific categories of individuals to be represented on council. According to the Act the "number of persons…" in certain of these categories "must be determined by the institutional statute". The institutional statute can loosely be equated to the founding document of an organisation, which in this case is unique to each HEI and sets out key aspects of the institution's governance. These recommended practices should be applied in this unique context.

Succession planning and staggered rotation present unique challenges in HEIs. Council members are appointed through processes defined in the Act and institutional statutes, often with fixed terms and limited flexibility for staggered rotation. This can result in simultaneous replacement of council members which risks the loss of institutional memory and continuity. Where possible, institutions should encourage the appointing bodies to consider staggering their nominations to strengthen continuity.

Nomination, election and development of council members (Recommended practices 34-37)

The nomination and appointment process for council members should be transparent, formal, skills-based and free from political or other undue influence. The Guidelines refer to a "list of competencies" needed on council" which should inform the nominations process. Appointing bodies, including the Minister, donors, alumni and institutional constituencies, are encouraged to select representatives who can contribute meaningfully to governance, irrespective of their affiliation.

It is further advised that the council maintains a nominations committee or equivalent mechanism (typically Exco in a HEI context) to coordinate the nominations process and assess proposed candidates against defined criteria such as integrity, governance experience, financial literacy, transformation awareness, sector experience and independence. This approach helps ensure that the council as a whole has the balance of skills and diversity needed to fulfil its responsibilities effectively and objectively.

According to the Guidelines, “institutional statute should contain clear provisions on” the “nomination, selection and appointment of council members...”. The Code’s recommended practices on nomination and election should be used as a basis for this.

Given the complexity of university governance and the diverse backgrounds of council members, induction and ongoing development programmes for members are essential. New members should receive structured induction covering the Act, the institutional statute and the role of council. Regular development sessions should then be provided to ensure members remain up to date with governance practices, higher education policy developments and sector-specific risks.

Independence and conflicts (Recommended practices 38-44)

Councils must balance representation (e.g. of staff, students, donors, and government appointees) with the need for independence and objectivity. The Guidelines stress that council members must at all times function in the best interest of the institution and that at least 60% of the council members must be independent and that conflicts of interest must be managed. This echoes the Code’s emphasis on independence of mind and proper conflict disclosure and management mechanisms.

Chairperson and lead independent member of the council (Recommended practices 45-50)

In HEIs, the chairperson of the council plays a vital leadership and oversight role. In line with the Code, the chairperson should be an independent, non-executive member of council who is not involved in the daily operations of the HEI.

The appointment of a lead independent member of the council is not common in HEIs. A deputy chairperson would typically play the role envisaged of a lead independent member; thus, care should be taken to properly define and expand this role in line with the recommended practices in the Code.

The chancellor is a unique feature of HEI structures and ceremonial in nature. According to section 26(1) of the Act: “Every public HEI may appoint a chancellor as its titular head”. While not part of the governance decision-making structure, the chancellor symbolises the institution's public stature and legitimacy. This role is distinct from that of the council chairperson or executive leadership.

Principle 6: Committees of the council

Principle 6: The council ensures that arrangements for delegation to committees and individuals within its own structures promote the objective and effective discharge of its obligations.

Committees of the council (Recommended practices 51-75)

According to the Guidelines, "The Regulations [to the Act] lists the following committees of council as a requirement":

- Remuneration committee: to evaluate and recommend executive and council compensation, although in smaller institutions this may be combined with the HR committee.
- Audit committee: for overseeing financial reporting integrity, internal and external audit effectiveness, compliance with legislation and governance codes, the adequacy of internal controls and risk management and the ethical conduct of the institution.
- Finance committee: to oversee budgeting, financial planning and investment oversight.
- Planning and resources committee: concerned with medium and long term strategic plans, working closely with the finance committee.
- Council membership committee: considers nominations for vacancies in the Council membership, similar to a nominations committee (may also be fulfilled by Exco in some HEIs).
- Risk committee: to oversee risk management (may be combined with audit committee or finance committee).
- IT governance committee: to oversee IT governance.

In addition, some HEIs establish the following standing committees of council:

- Human resources (HR) committee: to cover strategic staffing issues, policies and executive-level appointments.
- Governance committee: sometimes responsible for evaluating council performance, overseeing compliance with governance requirements and maintaining the institutional statute (may also be played by Exco in some HEIs).
- Executive committee (Exco): a common feature of HEIs which typically comprise the chairperson of council, the chairpersons of key council committees and members of the executive management team (e.g. VC, deputy VC, registrar, CFO). In the HEI context, Exco generally acts on behalf of

council between scheduled meetings and can provide advice and continuity in urgent or time-sensitive matters. However, it is important to ensure that Exco's authority is clearly defined within the framework of the Act, the institution's statute and the council's delegation of authority framework. Exco should not usurp the decision-making powers reserved for the full council and should report regularly to the council on its activities to maintain accountability and transparency.

Certain committees recommended in the Code may not be directly applicable in the HEI context. For example, a social and ethics committee is not a statutory requirement for HEIs, and some of its functions are often subsumed under other council or senate structures such as the institutional forum.

Regardless of structure, the council should ensure that delegation to committees enhances focus on key governance areas and supports its ability to discharge oversight responsibilities effectively.

Principle 7: Appointment and delegation to management

Principle 7: The council ensures that the appointment and delegation to management promote operational effectiveness and that the respective roles and decision-making powers of the council and management are clearly defined.

CEO appointment and role (Recommended practices 76-80)

The VC is the HEI's CEO and accounting officer, appointed by the council. In accordance with the Act, the council must appoint the VC after consultation with the senate, ensuring transparency and alignment with institutional processes. The VC is responsible for the day-to-day management of the HEI and is accountable to the council for the implementation of strategy, policies and council decisions.

Delegation to management (Recommended practices 81-83)

The council of a HEI is responsible for ensuring that the institution is properly governed and managed, and that clear delineation of authority is in place between governance and management. It is essential that this delegation is documented through formal delegations of authority, outlining clear roles, limits of authority and accountability mechanisms. The institutional statute and other internal governance instruments typically define these delegations. Where an Exco exists to act on behalf of council between meetings, its scope of authority should also be clearly set out in the delegation framework to ensure it does not exceed the powers reserved for the full council.

Professional corporate governance services to the council (Recommended practices 84-90)

The registrar serves as the equivalent of a company secretary in the HEI setting. The registrar plays a critical governance support role, ensuring that council and senate processes are properly administered and that records, policies and procedures are maintained in line with statutory and institutional requirements. This function is important for supporting the integrity of governance processes, even if not formally titled company secretary. Where this support role is not adequately defined or resourced, HEIs should consider strengthening the governance secretariat capability to ensure effective functioning of the council and its committees.

Principle 8: Risk

> **Principle 8: The council governs risk in a way that enables the higher education institution to sustain and optimise its strategy and objectives.**

Risk (*Recommended practices 91-94)*

The council is responsible for governing risk in a manner that enables the HEI to achieve its strategic objectives while safeguarding its academic integrity, financial sustainability and institutional reputation. According to the Guidelines, the function of council includes “governance of institutional risk management”.

The council is expected to approve the HEI’s risk management policy, oversee its implementation (integration and embedding into the decision-making processes), and receive regular reporting on risk matters, including risk appetite and tolerance levels.

Risk in a HEI context covers strategic, financial, operational, reputational, and compliance-related dimensions, as well as academic and research risks. Risks may also arise from student protests, cybersecurity, health and safety as well as political and social pressures. The council should ensure that such risks are regularly identified, assessed and appropriately mitigated, without encroaching on the operational domain of management.

The responsibility for day-to-day risk management rests with the VC and the executive team, but oversight of the risk management system lies with the council, which should consider requiring periodic assurance on the effectiveness of the institution’s risk management framework.

Principle 9: Compliance

Principle 9: The council governs compliance with applicable laws and adopted policies, non-binding rules, codes and standards in a way that promotes ethics and responsible corporate citizenship.

Compliance (Recommended practices 95-99)

HEIs operate within a complex and evolving regulatory framework that includes statutory, regulatory and policy requirements at both national and institutional levels. Council is ultimately accountable for ensuring that the HEI complies with all applicable laws and regulations, as well as with adopted policies, non-binding rules, codes and standards. Council should ensure that it approves the HEI's compliance framework and receives regular reports on material compliance matters.

The HEI's compliance function may be decentralised or assigned to a designated compliance officer or internal unit. The council must ensure that the compliance function is adequately resourced and integrated into broader risk governance processes.

Principle 10: Data, information and technology

Principle 10: The council governs data, information and technology in a way that enables the higher education institution to sustain and optimise its strategy and objectives.

Data, information and technology (Recommended practices 100-110)

Data, information and technology is integral to the functioning of HEIs, underpinning teaching, learning, research, administration, data management and security. The council is responsible for governing the HEI's data, information and technology systems in a manner that supports the achievement of strategic objectives and the responsible use of institutional resources.

In the HEI context, this may include oversight of matters such as:

- Cybersecurity and data privacy.
- Business continuity and disaster recovery.
- Adequacy and modernisation of infrastructure.
- Digital transformation and innovation in teaching methods and administration.
- Data, information and technology related risks and ethical considerations.

Although day-to-day management of data, information and technology is typically the role of management, the council should receive reports directly or via an IT committee on strategy, investment, risks and incidents. HEIs may also benefit from having policies to formalise roles, responsibilities and decision-making authority, aligned with the recommended practices on data, information and technology.

Principle 11: Remuneration

> **Principle 11: The council ensures that the higher education institution remunerates fairly, responsibly and transparently to promote the sustainable value creation by the higher education institution within its economic, social and environmental context.**

Remuneration (Recommended practices 111-118)

Remuneration governance in HEIs is shaped by the public interest nature of HEIs, their dependence on public funding, and their responsibility to attract and retain qualified leadership and academic talent.

In line with good governance practice, the council must ensure that the institution remunerates fairly, responsibly and transparently to promote sustainable performance and institutional legitimacy.

According to the Guidelines “approval of conditions of employment of staff including remuneration adjustments” is a function of the council.

The council should oversee remuneration matters in the broader institutional context, including:

- Academic and support staff salary structures.
- Incentive schemes (if applicable).
- Annual salary review processes.
- Compliance with regulatory frameworks and collective agreements where relevant.

Remuneration disclosure is governed by the Regulations to the Act, which requires remuneration to senior management to be disclosed.

Principle 12: Assurance

> **Principle 12: The council ensures that assurance functions and services promote an effective internal control environment and safeguard the integrity of external reports issued by the higher education institution.**

Assurance (Recommended practices 119-131)

HEIs are expected to maintain a robust assurance framework to support effective governance, financial oversight and stakeholder confidence. While the terminology of combined assurance may not always be used explicitly, the concept is reflected in the layered assurance model employed in HEIs.

To fulfil this responsibility, HEIs typically employ a combination of internal and external assurance providers, including internal audit, external audit, management assurance and regulatory oversight.

The Act requires that all public HEIs submit audited annual financial statements to the Minister. These audits are typically conducted by the AGSA or an audit firm approved by the AGSA, in accordance with the Public Audit Act.

Most HEIs also maintain an internal audit function, which provides independent assurance on the effectiveness of governance, risk management and internal controls. The internal audit function typically reports functionally to the audit committee and (if in-house) administratively to a designated senior executive, such as the VC.

Where appropriate, other sources of assurance—such as external reviews, regulatory inspections, or specialist evaluations—may supplement the core assurance functions to ensure a comprehensive view of the institutional internal control framework and risk exposure.

This layered approach reflects the principle of combined assurance as outlined in the Code; whereby various assurance providers work in a coordinated manner to avoid duplication and ensure effective coverage of key risks.

Principle 13: Stakeholders

> **Principle 13*: The council adopts a stakeholder-inclusive approach in the execution of its duties in the long-term best interests of the higher education institution within its economic, social and environmental context.***

Stakeholder relationships (Recommended practices 132-136)

HEIs operate within a diverse stakeholder environment that includes students, academic and professional staff, other employees, government, alumni, donors, funders, industry partners and the broader community. Effective governance of stakeholder relationships is thus essential to preserve legitimacy, strengthen accountability and advance the institution's public purpose.

The Act and related Regulations place significant emphasis on participatory governance. For example, the Act requires HEIs to include in their institutional statute provisions for an institutional forum—a structure through which stakeholders such as staff and student representatives can engage on matters affecting the institution.

Councils are ultimately accountable for stakeholder relationship governance and should ensure that mechanisms exist for managing institutional reputation, stakeholder expectations and social impact. The complexity and visibility of HEIs as public institutions demand particular sensitivity to public perception, especially in periods of transformation, student activism or political scrutiny. The council must therefore play an active role in protecting the institution's reputation while enabling constructive stakeholder dialogue.

In alignment with the Code, HEIs should strive to integrate stakeholder perspectives into strategic planning, performance assessments and reporting, recognising that trust and legitimacy are essential to their long-term sustainability and impact.

Shareholder engagement (Recommended practices 137-144)

Public HEIs do not have shareholders in the traditional corporate sense. Instead, their key accountability is to the state (through the Department of Higher Education and Training). Thus, shareholder engagement, as contemplated in the Code should, in HEI context, be interpreted as referring to the relationship with the Minister.

HEIs do not hold annual general meetings. Instead, accountability is demonstrated through annual reports submitted to the relevant minister and tabled in parliament, as well as through statutory forums and stakeholder engagement mechanisms within the institution.

Relationships within groups of organisations (Recommended practices 145-150)

While HEIs are typically stand-alone entities, some may have affiliated structures such as foundations, research institutes or commercial entities. In such cases, these recommended practices apply and the council should oversee the governance arrangements across the group to ensure alignment of purpose, strategy and values while preserving the autonomy of each entity in so far as they are separate legal persons. Oversight of group relationships should be formalised through a group governance framework with appropriate reporting lines and delegation frameworks.

Conclusion

HEIs play a critical role in the social, intellectual and economic development of South Africa. As public institutions, they are entrusted with advancing knowledge, promoting academic freedom and contributing to societal transformation. These obligations require high standards of governance.

While HEIs operate within a unique legal, academic and stakeholder context, the principles and practices of King V provide a valuable framework for reinforcing good governance practices. This document provides guidance on how the recommended practices in King V can be interpreted and applied within the higher education sector, taking into account relevant legislation such as the Act, institutional statutes, and established academic governance structures.

Councils, as the highest decision-making structures in HEIs, are responsible for ensuring that governance arrangements support the institution's public purpose, financial sustainability, academic integrity and stakeholder legitimacy. As the sector continues to evolve amid increasing complexity, constrained resources and heightened public scrutiny, strong governance remains essential to enabling HEIs to not only remain relevant but to thrive and also fulfil their constitutional and developmental mandates.