

Response of the IIA SA to King IV Sector Supplements

The responses below should be read in conjunction with the general comments on the King IV Draft Report previously submitted.

The IIA SA agrees that the issue of sector specific supplements will enable the application of King IV in sectors where there are different governance structures have been established, such as municipalities. In addition, changes to legislation and regulation in the relevant sectors could be dealt with by enhancing the sector supplements and thus increase the longevity of the main report. The concern would be that the volume of supplements becomes untenable as there are many other specific sectors which could be recommended for supplements, such as Higher Education Institutions, SETA's etc.

The principle of proportionality remains relevant in all the sector supplements.

Comments on the Supplement for Municipalities

Confirmation of the terminology relating King IV to municipalities (Section 3) should be agreed upon with organisations such as the Department of Cooperative Governance and Traditional Affairs, the South African Local Government Association etc. to ensure there is a common understanding of terminology utilised in the supplement.

Comments on the Supplement for SOE's

No comment

Comments on the Supplement for Retirement Funds

No comment

Comments on the Supplement for SMEs

No comment

Comments on the Supplement for NPOs

No comment

Survey Questions (range of options: strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, I don't know)

- 1. The Sector Supplements provide adequate guidance and explanation of how the recommended practices in the Code could be customised to meet the situational specifics of the various sectors**

Agree

The supplements help to contextualise the implications of the King IV Principles for different types of organisations. The concern would be that the volume of supplements becomes untenable as there are many other specific sectors which could be recommended for supplements.

- 2. The supplements illustrate the general approach to the application and interpretation of the Code in such a way that it enables users to formulate their own sound solutions to corporate governance challenges**

Agree

- 3. The King IV Sector Supplements connect and reconcile the King IV Code and legislation applicable in the particular sectors**

Agree

The supplements serve as a bridge between the King IV code and terminology specific to the sector. The code, being voluntary, may be adopted in varying degrees by organisations in the relevant sectors due to the leadership focus on meeting regulatory requirements rather than recommended governance practices.

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