A Tale of Three Kings

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30 October 2009

http://louisey.files.wordpress.com/2009/08/emperor.jpg

Judge Mervyn King

King I
Code of Corporate Practices and Conduct

- The purpose of the King Report 1994 was to promote the highest standards of corporate governance in South Africa.
- Is in the interest of a wide range of stakeholders having regard to the fundamental principles of good financial, social, ethical and environmental practice.
- Accountability vs responsibility:
  - render an account when one is accountable
  - called to account when one is responsible

King II

“Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals...the aim is to align as nearly as possible the interests of individuals, corporations and society.”

Sir Adrian Cadbury
Corporate Governance Overview, 1999
World Bank Report

King II (ctd)

- To promote greater corporate (entity) accountability, transparency and stakeholder confidence.
- Organisations (must) report on a triple bottom line and not on financial performance only:
  Also report on:
  - to social,
  - economic
  - and environmental aspects.
King II (ctd)

- Non-financial issues such as human rights, ethics and Aids
- “successful governance in the world of the 21st century requires companies (entities) to adopt an inclusive approach that takes the community, its customers, its employees and its suppliers into consideration when developing the company strategy”.

King III

- IN EXERCISING THEIR DUTY OF CARE, DIRECTORS (LEADERSHIP) SHOULD ENSURE THAT PRUDENT AND REASONABLE STEPS HAVE BEEN TAKEN REGARDING INFORMATION TECHNOLOGY GOVERNANCE.

King III

- Why is IT governance important?
  - Pervasive nature, part of strategy, additional risks
  - Cost v.s. output
  - Enabled businesses (science and technology) to grow, reduce costs and improve performance
- Who is affected?
  - Private institutions, public service, parastatals
  - Roles must be clarified
  - “apply of explain”

King III

- What is the focus of IT Governance?
  - Any entity e.g. banks, NRF, MRC, NHLS, University, Blackboard, Statistics SA, DoH, etc.
  - The challenge is to address stakeholder expectations
  - Risk management (disaster, fraud)

Conclusion

- IT governance is “the effective and efficient management of IT resources to facilitate the achievement of corporate (entity) objectives”
- Voluntary code
- Applies to all entities