What does the King IV mean for compliance officers?

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The fourth edition of the King Report on Good Governance (King IV™), released late 2016, is the new benchmark for corporate governance in South Africa. Key changes in this fourth edition include fewer principles, clearer differentiation between principles, practices and outcomes, as well as the introduction of specific supplements for different sectors.

While King IV is a set of voluntary principles of good practices of corporate governance that holds no legal binding, its recommendations are held in high regard and are referenced by the courts in some cases.

King IV and compliance

With regard to compliance, the report recommends that organisational leaders "should ensure that compliance is understood, not only as an obligation, but as a source of rights and protection. A holistic view is needed on how applicable laws and non-binding rules, codes and standards relate to one another. This includes how corporate governance codes relate to applicable legislation." It goes on to recommend that "governing bodies ensure continual monitoring of the regulatory environment, and that developments are responded to as necessary."

As necessary as it is, the tedious task of continuously monitoring changes in South Africa's highly regulated legislative landscape is a burden to the compliance function. "We found that businesses want to spend the minimum amount of time, effort and budget on tracking changes. This leads to a reactive approach, which can create further burdens in the long-run," said Mark Andersen, operations manager for LexisNexis Compliance.

"Legislation and regulations change rapidly and you could suddenly find yourself non-compliant if caught unaware. This can have severe impacts like fines and penalties in addition to disruptions to the business, reduced productivity and other legal and non-legal matters."

Recognising that businesses needed help with remaining compliant, LexisNexis developed its compliance solution, LexisAssure as the perfect tool to track changes to legislation, hassle-free. It provides the information companies need to interpret emerging legislation and regulation and includes an early warning alert function.

An important benefit is that it is a customisable solution, enabling users to keep abreast of regulations and determine their compliance obligations within the context of their own industry.

The solution features daily email alerts, compliance calendars and practical advice and meaningful analysis from a team of experts. In addition, the LexisAssure alerts each have a risk-level and associated penalties that come with non-compliance to help compliance officers take action in order of priority.

LexisAssure is part of the Lexis Library portfolio of legal research and digital products. It also integrates with LexisNexis Practical Guidance to deliver a robust collection of case law commentaries, precedents and checklists. With a professional team of experts and its comprehensive database of subject matter, LexisAssure takes the pressure off seeking and interpreting information and helps ensure 100 percent compliance.

For more information, visit http://www.lexisnexis.co.za/lexisassure/.

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