Comparison of Principles

	International Framework, *Good Governance in the Public Sector*	*Good Governance Standard for Public Service Organisations*	*Six Dimensions of Governance Measured by Worldwide Governance Indicators*	*Actionable Governance Indicators*[1]	*Governance in the Public Sector: a Governing Body Perspective*[2]	*King Report on Corporate Governance for South Africa*	*OECD Guidelines on Corporate Governance of State-Owned Enterprises*	*Evaluating and Improving Governance in Organizations*	*The Role of Auditing in Public Sector Governance*	*Protocol on Corporate Governance in the Public Sector*
	CIPFA / IFAC	Independent Commission on Good Governance	World Bank	World Bank	IFAC	Institute of Directors in Southern Africa		IFAC	Institute of Internal Auditors	Department of Public Enterprises South Africa?
Preconditions for acting in the public interest are: (International Framework principles A and B)										
A.	Strong commitment to integrity, ethical values, and the rule of law	Good governance means promoting values for the whole organization and demonstrating the values of good governance through behavior.	Rule of law		Standards of behavior	The board should provide effective leadership based on an ethical foundation. + Ethical leadership and corporate citizenship	The boards of state-owned enterprises (SOEs) should act with integrity.	Principle F. The governing body should establish a set of fundamental values by which the organization operates. All those participating in governance should embrace these fundamental values.	Instilling ethics and integrity + Probity + Equity	SOEs and their officers maintain the highest standards of integrity, accountability, and responsibility.
A.1	Demonstrating integrity	Individual governors behaving in ways that uphold and	Control of corruption	Design institutional arrangements—formal/informal	Integrity	The board should appreciate that stakeholders'	The board of SOEs should be required to develop,	Reference in text of guidance	Reference in text of guidance	See above

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[1] Focusing on specific and narrowly defined aspects of governance.

[2] See also *Corporate Governance for Public Bodies : A Basic Framework* (HKICPA), which has drawn from the IFAC study.

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		exemplify effective governance.		rules governing the operation of agents.		perceptions affect the company's reputation.	implement, and communicate compliance programs for internal codes of ethics.			
A.2	Strong commitment to ethical values	Putting organizational values into practice			Reference in text of guidance	Ethical leadership and corporate citizenship	Reference in text of guidance	Reference in text of guidance	Reference in text of guidance	SOEs should implement a code of ethics.
A.3	Strong commitment to the rule of law	Reference in text of guidance	Rule of law	See above	Reference in text of guidance	The board should ensure the company complies with applicable laws and considers adherence to non-binding rules, codes, and standards	Reference in text of guidance		Reference in text of guidance	Reference in text of guidance — role of the board
B.	Openness and stakeholder engagement	Good governance means engaging stakeholders and making accountability real. Good	Voice and accountability		Openness and accountability	Transparent and effective communication with stakeholders is essential for building and maintaining trust and	SOEs should develop an active policy of communication with all shareholders.	Good governance should appropriately balance the interests of stakeholders.		Reference in text of guidance – board and shareholder relationship

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		governance also means being clear about the relationships between governors and the public.				confidence.				
B.1	Openness	Reference in text of guidance			Commitment to openness	See above	SOEs should observe a high degree of transparency toward all shareholders.	Reference in text of guidance	Transparency	Reference in text of guidance – keeping the shareholder informed
B.2	Engaging individual citizens and service users effectively	Taking an active and planned approach to dialogue with, and accountability to, the public.			Communication with stakeholders	The board should oversee the establishment of mechanisms and processes that support stakeholders in constructive engagement with the company.	Relations with stakeholders	Reference in text of guidance – stakeholders should be encouraged to express their legitimate interests and concerns.		Reference in text of guidance
B.3	Engaging comprehensively with institutional stakeholders	Engaging effectively with institutional stakeholders + Understanding			Reference in text of guidance	The board should delegate to management proactively dealing with stakeholder relationships.	SOEs should develop an active policy of communication and consultation with shareholders.	Reference in text of guidance	Reference in text of guidance	Required standards of disclosure should be satisfied and, in particular, timely disclosure is to be made by SOEs of

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	formal and informal accountability relationships								information, which may affect the shareholder value or which may influence government decisions in relation to the SOE.
Achieving good governance in the public sector also requires : (International Framework principles C to G)									
C.	Defining good governance in terms of sustainable economic, social, and environmental benefits	Good governance means Being clear about the organization's purpose and its intended outcomes for citizens and service users	Government effectiveness		Reference in text of guidance	The board should ensure that the company is, and is seen to be, a responsible corporate citizen.	Reference in text of guidance	Principle A. The creation and optimization of sustainable value should be the objective of governance	Setting direction	Executive authority should exercise policy control over SOEs consistent with their accountability to Parliament and the public.
C.1	Defining outcomes	Good governance means focusing on the organization's purpose and on outcomes for citizens and service users.			Setting direction	Reference in text of guidance	Reference in text of guidance	Reference in text of guidance	Reference in text of guidance	Reference in text of guidance— executive authority should set clear objectives

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C.2	Sustainable economic, social, and environmental benefits					Reference in text of guidance		Reference in text of guidance – sustainable stakeholder value creation	Reference in text of guidance	
D.	Determining the interventions necessary to optimize achievement of intended outcomes	Good governance means taking informed, transparent decisions and managing risk	Government effectiveness		Roles and responsibilities	Reference in text of guidance	Ensuring an effective legal and regulatory framework for SOEs		Setting direction	
D.1	Robust decision making mechanisms	Good governance means being rigorous and transparent about how decisions are taken			See above	Reference in text of guidance	Reference in text of guidance		Reference in text of guidance	Reference in text of guidance—role of the board
		Good governance means having and using good quality information, advice and			Training, skills, information and advice					

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		support								
D.2	Planning interventions	Good governance means taking an active and planned approach to dialogue with and accountability to the public	Regulatory quality		Organizational structures and processes	The board should oversee the establishment of mechanisms and processes that support stakeholders in constructive engagement with the company.	SOEs should develop and active policy of communication and consultation with shareholders.	Principle J. Resource allocation should align with strategic direction.	Setting direction	Reference in text of guidance – role of the board
D.3	Optimizing achievement of intended outcomes	Good governance means making sure that users receive a high quality service

Good governance means making sure taxpayers receive value for money | | | Reference in text of guidance | The board and directors should act in the best interest of the company. | Reference in text of guidance | The creation and optimization of sustainable stakeholder value. | Overseeing results | As above |
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| E. | Developing the capacity of the entity, including | Good governance means | Government effectiveness | Design institutional | Training, skills, information, and | Boards and directors | The responsibilities of | Principle G. The governing body should understand | | Reference in text of guidance – the board should |

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	the capabilities of leadership and individuals	developing the capacity and capability of the governing body to be effective.		arrangements	advice		boards of SOEs	the organization's business model, its operating environment, and how sustainable stakeholder value is created and optimized.		ensure there are appropriate and effective induction, education and training programs offered to new and existing board members
E.1	Developing the capacity of the entity	Good governance means making sure that appointed and elected governors have the skills, knowledge and experience they need to perform well		Organizational capacity	See above	The induction and on-going training and development of directors should be conducted through formal processes.	Establishing well-structured and transparent board nomination processes	Principle E. The governing body should be properly constituted and structured to achieve an appropriate balance between performance and conformance.		See above
E.2	Developing the entity's leadership	Good governance means performing effectively in clearly defined functions and roles		Organizational capacity	Structures and processes	The evaluation of the board, its committees, and the individual directors should be performed every year.	Reference in text of guidance	Reference in text of guidance		Reference in text of guidance – boards and directors – performance assessment
		Good governance means striking a balance, in the			Roles and responsibilities					

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		membership of the governing body, between continuity and renewal								
E.3	Developing the capability of individuals within the entity	Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group		See above	Structures and processes	The induction of and on-going training of directors should be conducted through formal processes.	Reference in text of guidance			Reference in text of guidance—the board should ensure there are appropriate and effective induction, education, and training programs offered to new and existing board members.
		Good governance means being clear about the responsibilities of non-executives and the executive, and making sure that those responsibilities are carried out								
F.	Managing risks and performance	Good governance means making		Governance system	Control	Reference in text of guidance			Reference in text of guidance	Reference in text of guidance—risk

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	through robust control and strong public financial management	informed, transparent decisions and managing risk.		performance						management
F.1	Managing risk	Good governance means making informed, transparent decisions and managing risk.			Risk management	The board should be responsible for the governance of risk.		Principle I. Effective and efficient enterprise risk management should form an integral part of an organization's governance system.	Reference in text of guidance	See above
F.2	Managing performance	Good governance means being clear about the functions of the governing body			Performance measures	The board should oversee the establishment of mechanisms and processes that support stakeholders in constructive engagement with the company.	Responsibilities of the boards of SOEs	Principle H. The governing body should provide strategic direction and oversight in both the performance and conformance dimensions.	Correcting course	SOEs are managed in the best interests of the SOEs, shareholders, and other stakeholders.
F.3	Robust internal control	Good governance means making sure that an effective risk management system is in operation			Internal control	The board should report on the effectiveness of the company's system of internal controls.		Reference in text of guidance	Reference in text of guidance	Reference in text of guidance

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F.4	Strong public financial management	Good governance means being clear about the functions of the governing body		Example of application—Actionable Governance Indicators (AGIs): Public Expenditure and Financial Accountability (PEFA) Indicators	Budgeting, financial management, and staff training	The board should appreciate that strategy, risk, performance, and sustainability are inseparable.	The boards of SOEs should be assigned a clear mandate and responsibility for the company's performance.	Principle H. The governing body should provide strategic direction and oversight in both the performance and conformance dimensions. + Principle K. The governing body should periodically measure and evaluate the organization's strategic direction and business operations, and follow up with appropriate actions to ensure appropriate progress and continued alignment with objectives.	Overseeing results Correcting course	Reference in text of guidance—subject to the South African Public Finance Management Act
G.	Implementing good practices in	Good governance	Voice and accountability		Accountability for public money	The board should ensure	Transparency and disclosure	Principle L. The governing body	Accountability	Reference in text of guidance—

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	transparency and reporting to deliver effective accountability	means engaging stakeholders and making accountability real			External reporting	the integrity of the company's integrated report.		should ensure that reasonable demands from stakeholders for information are met and that information provided is relevant, understandable, and reliable.		reports on operations and financial statements
G.1	Implementing good practices in transparency	Reference in text of guidance			Communication with stakeholders	Reference in text of guidance	Transparency and disclosure	Reference in text of guidance	Transparency	Reference in text of guidance
G.2	Implementing good practices in reporting	Reference in text of guidance			Annual reporting

Use of appropriate accounting standards. | Sustainability reporting and disclosure should be independently assured. | Transparency and disclosure | Reference in text of guidance | Accountability reports | Reference in text of guidance—reports on operations and financial statements |