



GOVERNANCE: HOW TO **SELF-REGULATE**

SA Tissue Bank Association: Symposium.

5 October 2023



INTRODUCTION

- Overview

- Regulatory landscape

- Business Case – unpack how it has worked

- Conclusion



BACKGROUND WHAT IS SELF-REGULATION?

Self-regulation is the process whereby an organization monitors its own adherence to legal, ethical, or safety standards independent of influence by an external agency



REGULATORY LANDSCAPE

Enabling legislation

This gives authority to exist and delegation to take certain actions

- Certain provisions of enabling legislation not necessarily mandatory to NPOs

Governance standards

- King IV Report on Corporate Governance for South Africa 2016 (King IV) (voluntary)
- Provides guidance and principles for effective corporate governance practices
- Organisations to operate in a responsible, ethical and sustainable manner



WHY SELF-REGULATE

- Affords the opportunity to proactively manage operations, maintain public trust, adapt to changing circumstances
- Demonstrates the organisation's commitment to ethical and responsible practices.
- Allows adaptability to changing market conditions and societal expectation
- Helps protect the interests of consumers and other critical stakeholders
- Demonstrates social responsibility beyond legal requirements
- Preserves autonomy



BUSINESS CASE

HOW SELF- REGULATION HAS WORKED

BUSINESS CASE HOW SELF-REGULATION HAS WORKED (SANBS)

- A membership-based non-profit company (NPC) operating in accordance with inter-alia Schedule 1 of the Companies Act.
- Advocates a governance structure which supports leadership, sustainability and corporate citizenship.
- Established the governance structure and donor structure.
- The Board appoints the CEO and sets the terms of his/her employment.
- Board has established six committees which have delegated responsibility
- Each committee operating autonomously as approved by the Board.



Business case cont...



ITEM	RATIONALE
Governance Framework	Board Charter, committee terms of reference, Delegations of Authority, Policies, Combined Assurance Framework, Standard Operating Procedures, Code of Ethics, Disclosures, Audits, Business Plan, Approved Corporate Strategy & Plan
Membership Structure	Voting member - has at least one vote. These members are collectively referred to as the National Council Each member is elected for a 2 year term, subject to a maximum of 3 terms (6 years)
Donor & Board Structures	Divided into 7 donor zone Members of the National Council are donor representatives, appointed from Zones

Business case cont...



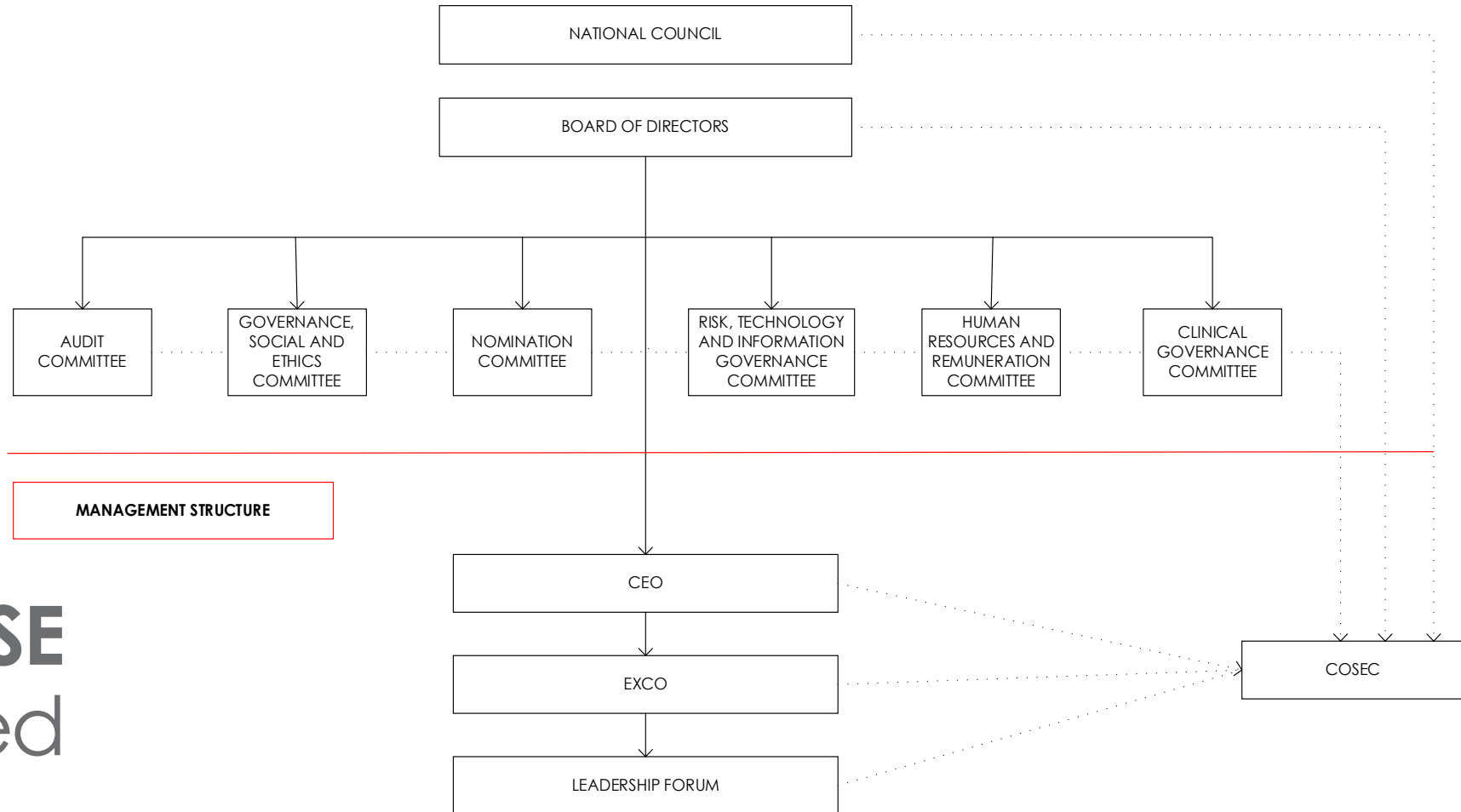
Regulatory

Regulatory Universe, Compliance Programme, Compliance Risk Management plans

Reporting &
Disclosure

SANBS reports the material results of its performance internally and external stakeholders.
Haemovigilance reports are submitted to the Clinical Governance Committee.
The Integrated Report is also used as a channel for reporting on organisational performance to all key stakeholders.

SANBS GOVERNANCE STRUCTURE



Solid arrows – delegation of authority
 Dotted arrows – Administrative support and governance advice

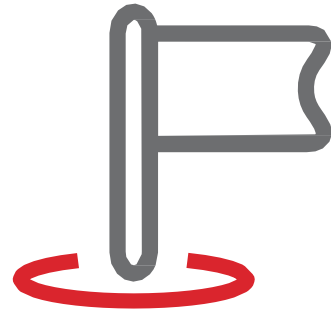
BUSINESS CASE continued

STEPS TO CONSIDER TO IMPLEMENT SELF-REGULATION

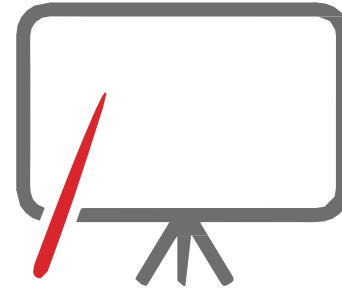
Considerations – THE HOW



**DEFINE
ETHICAL
STANDARDS**



**ESTABLISH
INTERNAL
POLICIES**



**TRAINING
AND
EDUCATION**



**AUDITS
AND
MONITORING**

Considerations cont



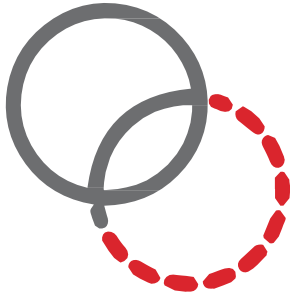
**EXTERNAL
STANDARDS &
CERTIFICATIONS**



**ESTABLISH
FEEDBACK
MECHANISMS**



**CONTINUOUS
IMPROVEMENT**



**TRANSPARENCY
AND
REPORTING**

LIMITATIONS TO SELF-REGULATION

- It is not a one-size fits all solution and may not be appropriate or effective in all circumstances.
- Inadequate enforcement – tendencies to “mark your own homework” – may undermine the credibility of self-regulatory initiatives.
- Limited accountability – fewer consequences for non-compliance or unethical behaviour which can erode stakeholder trust and confidence.
- Lack of uniformity across industries.

CONCLUSION

- Good corporate governance principles are the foundation upon which the trust of stakeholders is built and the governance good practice endorses the primary characteristics that should be demonstrated by organisations
- A balanced approach that combines self-regulation with appropriate government oversight can foster a business environment that promotes responsible practices while protecting public interest.