

KING IV Disclosures - PPECB Annual Report

The table below outlines the reports within the 2020/21 Annual Report where disclosures relating to King IV can be found.

PRINCIPLE	REPORT IN WHICH DISCLOSURE WAS MADE
<p>Principle 1 The governing body should lead ethically and effectively.</p>	<p>PPCB remains committed to ensuring the sustainability and longevity of the organisation by upholding the highest standards of ethics and corporate governance. The Operations report highlights some key arrangements undertaken in the year under review. The acting chief inspector initiative was successfully implemented for the second year with the dual purpose of improving operational oversight and developing supervisory capacity.</p> <p>The Corporate Governance Report outlines various arrangements undertaken by the PPECB to ensure ethical and effective leadership. The corporate governance framework enables the Board to fulfil its role and discharge its duties and responsibilities as required by legislation.</p> <p>The Chief Financial Officer's report read with the Financial statements details the organisations financial response to the challenges experienced due to COVID. The Board provided unwavering support, commitment, and good governance to the PPECB and led effectively amidst the year's challenges.</p> <p>The Audit Committee Report set outs the key activities performed by the Audit Committee in the year under review, an understanding of how management develops essential controls, applies effective accounting policies, and presents important financial information is a primary responsibility of the Audit Committee. The Audit committee appreciates the</p>

	<p>importance of the oversight role required on matters such as internal controls, financial stability, integrated reporting, and the maintenance of corporate governance standards.</p> <p>The Board report details the constitution and duties of the Board, and sets out the arrangements for ethical and effective leadership undertaken by the PPECB during the year under review.</p> <p>The PPECB's strategic plan and budget for the following year is tabled at the Agricultural Portfolio Committee in Parliament, ensuring oversight by the Portfolio Committee, which forms a part in the PPECB's overall governance.</p>
<p>Principle 2 The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	<p>The Corporate Governance Report outlines various arrangements undertaken by the PPECB for governing ethics. The PPECB Board endeavours to lead ethically, effectively and with integrity and has adopted a code of conduct. The PPECB has an independently managed fraud hotline to monitor and promote awareness of potentially unethical employee behaviour. The PPECB has both an employee and board member declaration of interests and gifts policy in order to ensure that the Board and employees act in good faith.</p> <p>Audit Committee Report further details arrangements such as whistleblowing, internal controls, and performance management.</p> <p>The Board report sets out the arrangements undertaken to ensure that the organisation is governed in a way that supports an ethical culture, such as compliance with legislation, significance and materiality framework, delegation of authority.</p> <p>The Strategic Plan outlines the key focus areas and planned areas of future focus that contribute to governing the organisation in a way that supports the establishment of an ethical culture.</p>
<p>Principle 3</p>	<p>The Operations Report outlines the response by the PPECB to COVID whereby the PPECB maintained its people-first policy, as well as the operational, digitisation, and other initiatives undertaken to ensure that the PPECB is and is seen to be a responsible corporate citizen.</p>

<p>The governing body should ensure that the organisation is, and is seen to be, a responsible corporate citizen.</p>	<p>Human Capital Report highlights the Key focus areas undertaken by the PPECB in terms of Corporate Citizenship and how principle 3 was applied within the PPECB. Also sets out the Corporate Social Investment initiatives undertaken during the year under review. Our transformation strategy focuses on building lasting partnerships with organisations already making a difference in our industry and consists of Smallholder farmer development; The SAGAP Programme; The Agri-Academy training programme and Corporate Social Investment.</p> <p>Both the Chairperson of the Board and the CEO's Report details the corporate social investment initiatives undertaken to empower our communities and our people, as well as the various training and transformation initiatives that also contribute to corporate citizenship.</p>
<p>Principle 4 The governing body should appreciate that the organisation's core purpose, its risk and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</p>	<p>Please visit https://ppecb.com/document-category/annual-reports/ for full corporate governance disclosures, integrated reports and annual financial statements and reports.</p>
<p>Principle 5 The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's</p>	<p>Please visit https://ppecb.com/document-category/annual-reports/ for full corporate governance disclosures, integrated reports and annual financial statements and reports.</p>

<p>performance and its short-, medium- and long-term prospects.</p>	
<p>Principle 6 The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p>	<p>The number of Board meetings held during the year under review is set out in the Board and sub-committee meetings Table on page 20 of the Annual Report.</p> <p>The Chairperson of the Board and the Audit Committee was satisfied that it has fulfilled its duties and responsibilities for the reporting period as evidenced in their respective reports, as well as the Corporate Governance Report.</p>
<p>Principle 7 The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p>	<p>The Board's composition is set out Board and Sub-Committees tables on pages 16 -20 of the Annual Report 2020/2021 and reflects the appropriate mix of knowledge, skills, experience, and diversity as evidenced by the qualifications and interests of each Board member is set out in the Board Qualifications Table. The members of the Board cannot be considered independent as recommended by this principle, as detailed in the Corporate Governance and Audit Committee reports.</p>
<p>Principle 8 The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.</p>	<p>The Board and sub-Committees meets at least 4 times per annum, or as circumstances necessitate and follow a formal agenda to ensure that all substantive matters are addressed.</p> <p>The roles and responsibilities of the Board is disclosed in the Board and Sub-Committees Table on pages 16 – 17 of the Annual Report 2020/2021 and addressed in more detail in the Corporate Governance Report. The satisfaction of the Audit Committee in relation to the independence, appointment, and performance of the external auditors is set out in the Audit Committee report and the Financial Statements.</p>

<p>Principle 9 The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members supports continued improvement in its performance effectiveness.</p>	<p>The Chairperson evaluated the performance of the CEO as detailed in the Corporate Governance Report. The Audit Committee reviewed the in-year performance reports and results reported by management and considered them appropriate. The relevance and measurement of the indicators and that of the performance reports are compliant with the PFMA, Treasury Regulations and other regulatory requirements. The Audit Committee evaluated the performance of the CFO and the finance functions, as set out in more detail in the Audit Committee Report. The areas of future focus for institutional performance is contained in the Strategic Plan.</p>
<p>Principle 10 The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.</p>	<p>The delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities, as detailed in the corporate Governance Report and the Board- and Audit Committee reports. To discharge its duties more effectively, the Board has approved and delegated authority on specific matters.</p> <p>The notice period of the CEO, other professional commitments held by him, and succession planning is detailed in the Corporate governance report.</p> <p>All legal, company secretarial and corporate governance matter are managed in terms of the arrangements in place for accessing professional corporate governance services as is disclosed in the Corporate Governance Report.</p>
<p>Principle 11 The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<p>Key activities performed by the Audit committee during the year under review include monitoring the effectiveness of the PPECB's risk management and internal control system, with a specific focus on ICT risks (in line with Principle 12 below).</p> <p>The nature and extent of risks and opportunities of the organisation and the arrangements for governing and managing such risks, and the key areas of focus during the reporting period, as well as the future areas of focus is disclosed across various reports, namely;</p> <ul style="list-style-type: none"> - Chairperson's report;

	<ul style="list-style-type: none"> - Operations Report; - Strategic Plan; - Corporate Governance Report; - Audit Committee Report; and - Financial Statements
<p>Principle 12 The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p>	<p>The COVID pandemic catapulted the PPECB's digital journey as the transformation to modern workplace was adopted at rapid pace without the need for robust change management and training interventions normally applied. The PPECB's infrastructure proved resilient to meet the demands of the business. The PPECB progressed towards digitisation during the year under review and as such the following reports detail the arrangements for governing and managing information and technology;</p> <ul style="list-style-type: none"> - CEO's Foreword; - Operations Report; - ICT Report; and - Strategic Plan. <p>Due to COVID the PPECB maintained its people first policy and adopted a hybrid approach to remote working, which resulted in a greater reliance on ICT systems. The CIO reports directly to the Board in respect of all matters relating to information and technology.</p>
<p>Principle 13 The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the</p>	<p>An essential characteristic of the PPECB's culture is compliance with applicable legislation and during the year under review the Board approved a Legal Compliance Risk Register to ensure that the PPECB remains focused on complying with relevant legislation.</p> <p>The arrangements for governing and managing compliance, actions taken to monitor the effectiveness of compliance management, and planned areas of future focus are detailed in the following reports;</p> <ul style="list-style-type: none"> - Operations Report;

<p>organisation being ethical and a good corporate citizen.</p>	<ul style="list-style-type: none"> - Human Capital Report; - ICT Report; - Corporate Governance Report; - Audit Committee Report; - Materiality Framework; and - Financial Statements.
<p>Principle 14 The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p>	<p>The relevant disclosures with regards to information on remuneration are set out in the Human Capital Report and the Financial Statements.</p>
<p>Principle 15 The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and of the organisation's external reports.</p>	<p>The Audit Committee was satisfied that the entity has optimised the assurance coverage obtained from management, as well as internal and external assurance providers, in accordance with an appropriate combined assurance model. The Audit Committee Report and the Financial Statements disclose information about the types of assurance processes applied to reporting.</p>
<p>Principle 16</p>	<p>The PPECB achieved an 84% customer satisfaction rating in the year under review, individual areas of potential service improvement were noted and addressed where possible. During the year under review the PPECB also focused on</p>

In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

empowering our communities through corporate social investment; socio-economic transformation in our industry; and staff development for our people. The following reports provide more details on the disclosures;

- Operations Report;
- Human Capital Report;
- Strategic Plan;
- CEO's Report; and
- ICT Report.