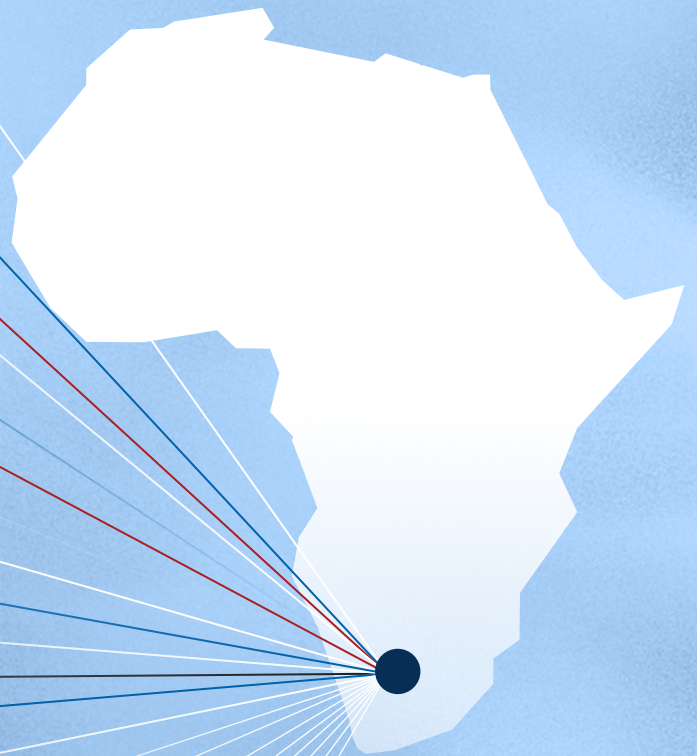




The Institute of Risk Management
SOUTH AFRICA



IRMSA RISK REPORT
SOUTH AFRICA RISKS 2022
8TH EDITION

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HOW TO READ THE IRMSA RISK REPORT SOUTH AFRICA RISKS 2022

In 2021, South Africa experienced the hard reality of long-standing risks materialising with devastating impact, such as the July 2021 unrest. The ruling party is losing its stronghold as citizens are running out of patience in their demand for a better reality. In this context, South African organisations must define their strategies to succeed in an ever increasingly difficult and complex environment. Integration of risk management with strategy setting has become a non-negotiable imperative. This report strives to demonstrate how this can be done at a country level and by extension, at an organisational level so that collectively, the country, its organisations and therefore citizens, can prosper.

The report sets the country risk context in Section 1, with industry leaders sharing their opinions on the current state of South Africa, followed by the most likely country scenarios in Section 2, indicating the specific flags to watch to determine which scenario is likely to materialise based on our collective actions as organisations and leaders. In Section 3, the report states the top risks to the achievement of the National Development Plan Vision 2030 goals and Economic Recovery and Reconstruction Plan targets, with an analysis, supported by subject matter expert insights, of the current context and future outlook, highlighting challenges, recommendations and opportunities. In order to enable the integration of risk management and strategy to effectively implement these recommendations and respond to the opportunities, the IRMSA call to action in Section 4 articulates the skills and competencies needed by leaders and specialists in organisations, in risk management functions as well as in related functions, to succeed.

<p>SECTION 1 SOUTH AFRICA RISK CONTEXT</p>  <p>MARK VICTOR</p>	<p>SECTION 2 SOUTH AFRICA SCENARIOS</p>  <p>CHRISTELLE MARAIS</p>	<p>SECTION 3 SOUTH AFRICA TOP RISKS</p>  <p>QINISO MTHEMBU AND TOTYELWA DODO</p>	<p>SECTION 4 IRMSA's CALL TO ACTION</p>  <p>CHRISTOPHER PALM</p>
<p>IN WHAT RISK CONTEXT MUST WE BUILD A BETTER SOUTH AFRICA?</p> <p>Six prominent South African leaders provide insight into the current risk context of South Africa. They share the risk response strategies that they consider necessary to create a better future.</p>	<p>HOW DO WE INFLUENCE THE FUTURE THROUGH BETTER RISK MANAGEMENT?</p> <p>Proactive risk management remains a key driver of our country's ability to create a future in which all citizens can prosper. The scenarios we face and the flags we must watch to inform us of the scenario playing out can assist organisations to align their efforts and resources more effectively to make the preferred scenario come true. We must work towards one future by understanding our current reality, the scenarios that may play out and how we can realise a preferred scenario.</p>	<p>WHICH RISKS DOES SOUTH AFRICA FACE AND HOW SHOULD WE MITIGATE THEM?</p> <p>The top risks for South Africa are identified and analysed against our National Development Plan Vision 2030 and Economic Recovery and Reconstruction Plan objectives. The risks are not new, however, they have significantly escalated since a year ago and urgent action is required to implement corrective measures to steer SA Inc's trajectory towards the achievement of the stated objectives. Our only option now as risk managers and leaders in organisations hoping to influence the future of South Africa positively, is to define and speedily implement risk mitigating strategies that will move the flags that influence the scenarios in the right direction. If we don't align our resources to influence the flags, we have no hope of avoiding a regression to the 'Perpetual hangover' scenario and by then we would have run out of the resources to recover before 2030.</p>	<p>WHICH SKILLS AND COMPETENCIES DO WE NEED TO DEPLOY URGENTLY?</p> <p>South Africa has to respond with risk intelligence and resilience to avoid the imminent consequences we face if the risks included in this report increase further or materialise. In addition, the complexity we face may bring new risks to the table in a very short time frame, while the existing risks remain. We must build and deliver the risk governance, risk management and risk leadership skills and competencies we need in the shortest time possible to prevent our future from slipping away from us for a very long time.</p>

“We need to work together to build the South Africa we want.”
Thuli Madonsela

DISCLAIMER



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This report highlights risks and other factors, which are not to be considered exhaustive. Participants contributing to this report operate in an ever-changing environment,

with new risks continually emerging. The report should therefore be read and used in this context.

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INSTITUTE OF RISK MANAGEMENT SOUTH AFRICA

The report and e-book are available on the IRMSA website

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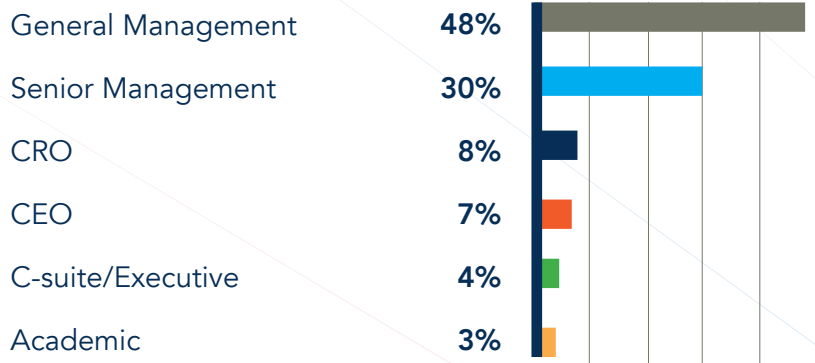
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IRMSA conducted a risk survey in the latter part of 2021. Below are some of the statistics from that survey:

RESPONDENTS



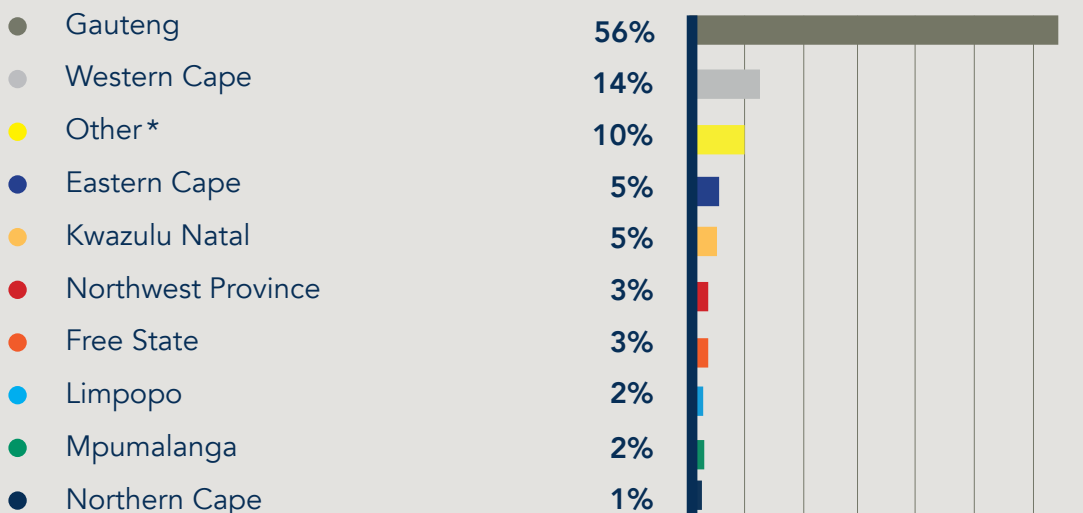
Role in the Organisation



Respondents Representing their Organisation



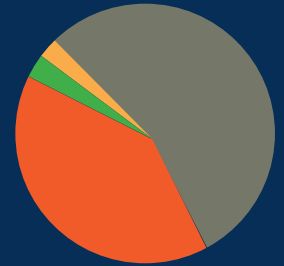
Representation by Province



* Eswatini, Ghana, Lesotho, Madagascar, Malawi, Namibia, Nigeria and Zimbabwe

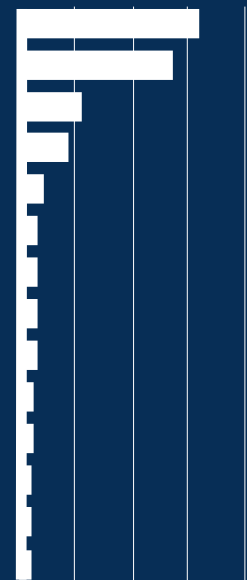
Representation by Sector

● Public	55%
● Private	40%
● Academic (university, business school etc.)	3%
● Professional Body (IRMSA, IODSA etc.)	2%



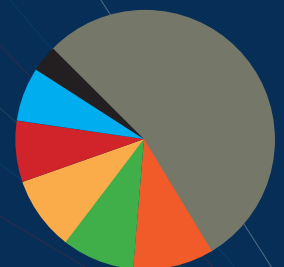
Industry Representation

Financial Services	31%
Government and Public Service	27%
Professional Services	11%
Other	9%
Education	4%
Healthcare	3%
Communications and Technology	3%
Mining, Engineering and Construction	3%
Energy, Water and Utilities	3%
Transport and Logistics	2%
Manufacturing	2%
Retail	1%
Hospitality	1%
Petrochemicals	1%



Frequency of interaction with risk management in the organisation

● Daily	54%
● 2-3 Times a Week	10%
● Once a Week	9%
● Once a Month	9%
● 2-3 Times a Month	8%
● Less than Once a Month	7%
● Never	3%



References and Abbreviations

BLSA	Business Leadership South Africa
bn	Billion
BUSA	Business Unity South Africa
CEO	Chief Executive Officer
COVID-19	Disease caused by the novel coronavirus SARS-CoV2; pandemic
CRO	Chief Risk Officer
ERRP	Economic Recovery and Reconstruction Plan
ESG	Environment, Social and Governance
ICASA	Independent Communications Authority of South Africa
IRMSA	Institute of Risk Management South Africa
m	Million
MTSF	Medium Term Strategy Framework (2019-2024)
NPA	National Prosecuting Authority
NDP	National Development Plan Vision 2030
PFMA	Public Finance management Act
POPIA	Protection of Personal Information Act
PPP	Public Private Partnership
SA	South Africa
SARB	South African Reserve Bank
SARS	South African Revenue Service
SAQA	South African Qualifications Authority
SME	Subject Matter Expert
SOC	State-Owned Company
SOE	State-Owned Entity
tn	Trillion
State Capture Report	Judicial Commission of Inquiry into State Capture Report



Executive Summary



Executive Summary



The key message of the 2022 Report is this:

Currently we are only just in the 'Fake it until we make it, or not?' scenario, which is where we have been for the past two years. What is encouraging is that recently we have been doing some things right, although not nearly enough. We now have to urgently overcome the current inertia to avoid a slip into the worst-case scenario of a 'Perpetual hangover'. The challenge is to avoid regressing on any of our recent efforts and losing the benefit of our gains so far. While we are barely in the 'Fake it until we make it, or not?' scenario, we now need to focus on sustained implementation of what we have started. We need to leverage the progress we have made and translate our efforts into tangible outcomes. The threat and opportunity landscape is challenging, but we believe we are on the right course. We now need to demonstrate our staying power as a country and organisation to succeed.

We need to leverage the progress we have made and translate our efforts into tangible outcomes.

A few years ago, very few people could have predicted the state that the world would find itself in now, largely due to the consequences of COVID-19. In addition, there are perennial threats that continue unabated and are likely to continue into the foreseeable future. In the SA context, the top risks remain similar to those of the past, albeit at an increased level, mainly due to our failure to decisively respond to them. The culmination of those risks continuing and worsening leads to the greater debate: will SA become a failed state – or is it already a failed state? Irrespectively, we are unlikely to meet the ambitious NDP objectives by 2030. Whether government's efforts to catalyse us back on target through the ERRP will succeed, remains to be seen.



"The trouble with our times is that the future is not what it used to be."

***Paul Valery, French Poet,
1871-1945***

This report sets the SA context, with opinion from leaders from different sectors of our economy. Since our last report, there has been significant change in our country. The lack of decisive, ethical, and courageous leadership translating into tangible and speedy delivery remains a key concern and emphasises the need to make decisions that are right for the country. Concerns include stunted GDP growth prospects, ongoing geo-political tensions compounded by local political uncertainty, very fragile social cohesion, supply-chain disruptions, cyber threats, organisational resilience, ESG, and climate change. However, adversity and crisis are often said to be the mother of invention, and opportunities have arisen amidst the disruption, particularly for organisations that have embraced technology and localisation strategies.

The external risk landscape is increasingly impacting SA. Strategic foresight is critically important and key issues must be addressed urgently, as we have run out of runway. Amongst other issues, SA must develop an environment that is more conducive to doing business if we are to take off from the runway in time. PPP is critical for the country to have any chance of even partially achieving the ERRP and NDP objectives. Organisational decision-makers, risk professionals and executors must add value to sustainable business and country strategies as they reinforce their strategic advisory roles in their organisations through the skills and competencies described in this report.

As in our past reports, we consider the three scenarios of 'Perpetual hangover'; 'Fake it until we make it, or not?'; and 'Owning our future' that we face as a country. We indicate the scenario we believe we are in, how that will affect our NDP and ERRP objectives and which of those scenarios will most likely materialise if we do not manage our risks. The outcome of our analysis is distressing. If SA remains unable to influence flags that will take us to the most likely scenario, we will not achieve our goals as a nation and will experience the 'Perpetual hangover' scenario for a very long time to come.

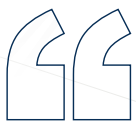
Based on the scenario analysis, the report provides an analysis of SA's top risks, underpinned by the ERRP, which aims to enable us to achieve the NDP objectives. 2030 remains a significant timeline. From a risk-response perspective, the time horizon to reap the benefits of execution is shortening alarmingly and many risks will likely materialise by 2024, unless drastic interventions are implemented. Despite progress in some areas, COVID-19 has caused notable regresses in critical areas, thus widening the gap between current and targeted performance.

Whilst it is critical to review the threats for what they are, and establish effective risk response strategies, it is also important to understand the opportunities that are presented. If we address the risks adequately and timeously, the threats can be

minimised and the opportunities can be leveraged so that we should be able to influence the flags to realise a scenario in which the country can prosper.

Our call to action requires ethical, visionary and courageous leadership by all leaders at all levels in government, corporates, unions and civil society; an enabling and applied risk-management approach; accountability; and skills. We absolutely must build a risk-intelligent country and economy, supported by leaders at the highest levels who embrace a pervasive culture of integrating scenario planning, strategy, risk and resilience. To do the right things, we need robust scenarios so that we know what we are dealing with. We need effective strategy, risk management and resilience, to protect against the downside and position for the upside.

The risks SA faces are so interrelated and interdependent that the materialisation of some of them may result in SA becoming a failed state (some commentators argue this may already be the case). If SA continues to experience a continued breakdown of ethical and legal principles, unmanageable societal unrest and breakdown of the rule of law, complete economic collapse becomes almost inevitable. This can only be avoided if we very quickly develop and activate the skills we need to avoid disruption due to unstable utility supply and digitally enabled economic activities, whilst retaining our relevance in Africa and respond to climate change risks.



"Equally, you may wish to be an activist by making your own individual contribution to improve the odds of a good scenario materialising in the world at large, while lowering the odds of a bad one."

Clem Sunter

THE TOP RISKS FACING SA ARE:

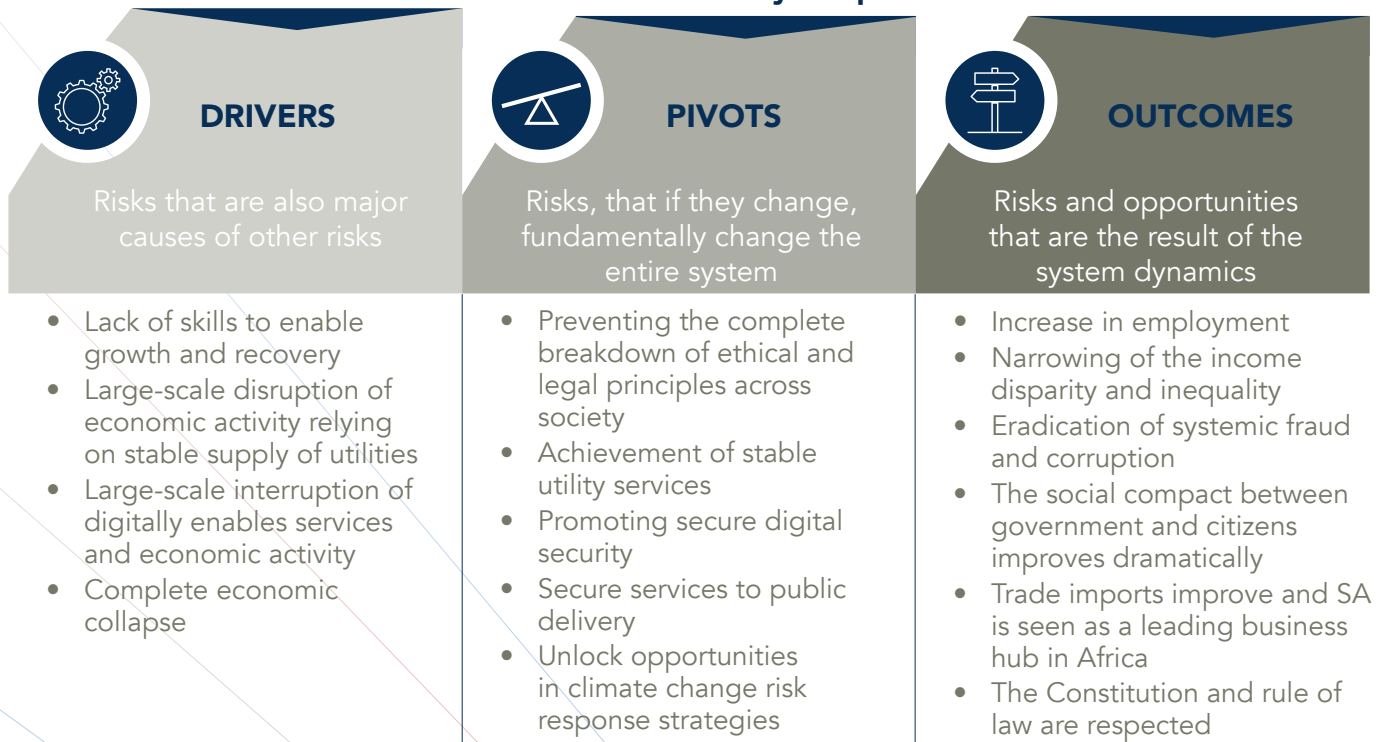


- South Africa becomes a failed state
- Complete breakdown of ethical and legal principles across society
- Unmanageable societal unrest and breakdown of the rule of law
- Complete economic collapse
- Lack of skills to enable economic growth and recovery
- Large scale disruption of economic activity relying on stable supply of utilities
- Large scale interruption of digitally enabled services and economic activity
- Debilitating loss of trade benefits through SA ports into Africa
- Inadequate response to current and future climate change impacts



“The essence of thinking the future is to understand the pattern of forces propelling the present into the future and to see where those forces can lead. In other words, don’t try to forecast what is unforecastable. Rather identify the forces changing the game, paint different narratives or scenarios of how the game can play out, pick the best flags to watch and weigh up the probabilities of the different outcomes as the future unfolds. That is as good as it gets.”
Clem Sunter

These risk-cause-consequence relationships determine the drivers that impact other risks, and where focus on certain mitigation actions will have the most beneficial outcome across our country risk profile.



HIGH VALUE RISK RESPONSES

Risk treatment options that, if implemented successfully, will have the highest impact across the drivers identified above.

- Implement consequence management:
 - for failure to execute governance responsibilities
 - for failure to execute performance responsibilities
- Implement effective control frameworks
- Raise effective public institutions to implement effective consequence management and to protect the citizens (whistleblowing)
- Restore, strengthen and legitimise law-enforcement agencies
- Normalise ethical behaviour with clear and visible action taken when necessary
- Appoint skilled and experienced members at Board, Exco and Accounting Authority levels by implementing PPP to bring in the required skills immediately
- Upskill education and training institution and educators, and encourage innovation
- Change governance structures to accommodate speed of change and encourage small business and entrepreneurs

The urgency of actual execution of risk mitigation actions cannot be overstressed, as SA is arguably as close to a failed state as it has been since the first democratic elections in 1994.

The future, now more than ever, is not what it used to be. It is in the hands of citizens, who are the leaders at every level in our society, to take the corrective and urgent action to make the 'Owning our Future' scenario come true. As Professor Bonang Mohale opined, "SA has an amazing ability to go to the precipice and pull back just in time. There is a deep resilience that allows it to endure trauma and come out on the other side. There is also an amazing sense of goodwill – most South Africans want SA to succeed." We fear that we may have pushed our luck too far this time. The scenario that will materialise will depend on our urgent and decisive action. Time is of the absolute essence.

Message from the IRMSA President



Thabile Nyaba
IRMSA President

In 2020, COVID-19 – a once-in-a-100-year event – caught the world off guard and amplified the effect of uncertainty on whatever we initially set out to achieve.

2021 was no different, as the uncertainty, complexity, volatility and rapidly changing environment continued unabatedly. In SA, we faced the July 2021 unrest, the continuing mutation of the coronavirus into new variants in 4 waves, intermittent loadshedding, surprising local government election results and coalitions forming in many municipalities, amongst other events.

Looking ahead into 2022, it is certain that this complexity and volatility will continue while national and organisational leadership is still expected to create, grow, and protect value for all stakeholders. Organisations will need to operate and execute their strategies while navigating through the minefields of crises and risks rapidly coming from all angles, internally and externally.



In these troubled, uncertain times, we don't need more command and control; we need better means to engage everyone's intelligence in solving challenges and crises as they arise."

Margaret J. Wheatley

SA will continue to face the familiar challenges of low economic growth, widening inequality (including the digital divide), increasing poverty, growing levels of unemployment and the consequential social discontent and unrest.

This risk report is calling on all individuals and organisations, regardless of whether they are private or public sector, to come together and collaborate in addressing these compounding risks. Risks are evolving and have multidimensional relation. They don't materialise in isolation, as they trigger other risks when they materialise. These risks need to be managed in an integrated manner whereby influential risks are identified, and the strength of the interconnections are determined to ensure that the appropriate level of risk response strategies is in place. If we do not take urgent action to address these risks at accumulation and aggregation levels, our analysis in this report shows that SA faces dire consequences whereby there will be no hope of dealing with SA's triple curse of PUI (poverty, unemployment and inequality), economic collapse and, ultimately, a failed state. We owe it to those before us, ourselves and our children to prevent this at all costs.

I see IRMSA's role as critical in rebuilding credibility and trust in our country, as well as rebuilding trust in our people and in our profession. I believe that the IRMSA Risk Reports are the catalyst for change and for measuring our real contribution in positively influencing our country and organisations.



Change comes through collaboration and cooperation

These reports encourage the shift to the actual management of risks and integrate strategic and business information. They enable the facilitation of discussions about alternative futures and opportunities. The real value of this Risk Report lies in it being assimilated into the risk management process, so that it may contribute to value adding strategy development and decision making. Risk management is at the heart of proactive business practices that are sustainable and driven by a principles-focused approach to ethical and bold leadership and good governance.

There is a recognition among many organisations' leadership that risk management is a system that must be conducted professionally throughout the organisation, from strategic development at board level through to operational processes. We are asking our risk professionals, members and leaders of private and public organisations to ensure that risk management is used as a tool to bring about positive change in our country.

COVID-19 made the risk conversation more prominent, showing the impact that proper management of risk has in all areas of everyday life. Conversations started to change and risk management went from something that is 'nice to have', to 'we need this, and we need it now!'. 2020 was a year where we felt the significant shift in our risk landscape. We watched as many have been hit hard by the pandemic, whether it be through the lack of organisational readiness and agility, lack of

effective business continuity plans or the absence of visionary and decisive leadership. This window of opportunity presented the risk-management profession with the opportunity to present the value proposition embedded in effective risk management.

We also find ourselves in a time of extraordinary opportunity, but only if we have the right mindset and attitude. Problem solvers thrive in chaotic and uncertain times because they act to change their future. Winners realise that, in a world of growing uncertainty, they need to resort to action. As South Africans, we need to weigh up opportunities in a tumultuous sea of uncertainty and find ways to navigate past obstacles.



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SECTION

South Africa Risk Context

1



SECTION 1: South Africa Risk Context

1.1 Introduction

Despite many changes in SA's risk landscape since our 2021 report, many risks have remained and have become elevated.

Whilst most organisations were confident that they had appropriately responded to the impacts of COVID-19, many have been surprised at the size of those impacts, compelling them to a broader consideration of pandemic risk and its extended reach. There is strong consensus that the impact on strategic risks, the economy and longer-term organisational sustainability may still be harder felt by SA consumers. This is exacerbated by the sharp increase in unemployment and a breakdown in social cohesion.



Mike Brown, Chief Executive at Nedbank Group Limited

On the risks raised last year, the lack of leadership, including political leadership, remains a key concern, with the need to make decisions that are right for the country being of particular importance. SA has historically been given a lot of leeway, but since the March 2020 downgrade to junk status, we've run out of runway and now need to develop an environment that is more conducive to doing business.

From a global standpoint, "the recently released World Economic Forum Risk report highlights the severe impact that the pandemic has had on inequality, particularly in the developing markets," says Mike Brown, CEO of Nedbank. For SA, this increasing gap between the rich and the poor has been exacerbated by the loss in local tourism, whilst the relatively low vaccination levels compared to developed markets has also resulted in more stringent lockdown regulations (this also having a negative economic impact). Brown further highlights

the interlinked relationship between business and society, saying "It's extremely difficult to run a successful business in an unsuccessful society, and for society to be successful, greater equality levels are essential. The only sustainable way to change is through better education outcomes coupled with sustained growth, supported by strong leadership that actively combats corruption."

1.2 Stunted prospects for GDP growth

The protracted impact of COVID-19 has led to higher inflation levels globally, with central banks moving from reducing interest rates and loosening monetary policy to a tightening of policy and increasing interest rates. This is a key development for SA and other developing economies, as it will likely result in a reduction in capital flow and loss of investments.

A large part of the world experienced increased growth surpassing pre-COVID-19 levels, partly through pent-up demand, supply shortages and labour shortages in some markets. However, SA has not seen the same level of economic restoration. If we start to increase interest rates to control inflation or to maintain a stable currency, we will negatively impact our growth trajectory.



Andy Rayner, CRO at Discovery Health

"There is a very real risk that SA will stay in a low-growth environment for the next 5 to 10 years," says Andy Rayner, CRO at Discovery Health. We've experienced between zero and 1% growth. If we stay locked in the current global outlook, this will manifest in challenges to create jobs and result in increased unemployment. We are further challenged by a limited tax base, which

struggles to support both social payments and debt repayments.

Brown adds, "It is also critical to maintain a fiscal framework that enables the country to keep our sovereignty, with reducing reliance on external debt providers and global multi-lateral funding organisations."

1.3 Ongoing geo-political tensions compounded by local political uncertainty

Political tensions between China and the US, escalated during the Trump era and negatively impacting trade flows, have resulted in a broader impact on other countries like Taiwan. Other parties like the UK, Japan and Australia are entering the fray. The potential impact of increasing trade wars, as well as the pursuit of national interests, will almost certainly have a very negative impact on the global economy. "The rising tensions with Russia, Ukraine and Crimea also have the potential to impact energy supply to Europe," says Rayner. Unrest in Western (Ethiopia) and Northern Africa, as well as increasing terrorist activities in Mozambique, decrease stability in Africa. This negatively affects foreign investment and progress on an African free-trade agreement. 2022 marks the 20th anniversary of the African Union, and it must show progress on the long-running reforms planned for Africa, for example: stimulating economic growth, increasing stability and attracting foreign investment.

The recent local government elections have seen an increase in political coalitions. The declining ANC share of the vote may create an even greater demand for coalitions in the national elections, which has the potential to translate into a much weaker form of government in SA, one where the minority parties get a disproportionate share of power in those arrangements. Alternatively, if coalition partners can keep each other accountable, the natural competition may lead to increased service delivery to citizens.



Busisiwe Nomvalo, CEO of BLSA

1.4 Impact on social cohesion

According to Busisiwe Nomvalo, CEO of BLSA, "COVID-19 arrived with our social fabric badly framed. We have seen a widening gap in people's levels of trust, brought about by mismanagement of food parcels, organisations struggling to access government-relief loans, the PPE corruption scandals and the looting of the COVID-19 relief fund." These events have increased the trust deficit between government and society. Many businesses were not able to retain staff, and the level of trust between businesses and employees was broken because of retrenchments. These breaks in trust have led to very apparent behavioural change.

Nomvalo says, "The pandemic has highlighted the role that companies play in addressing systemic societal issues. It has also exposed the structural inequalities within our society, hence the need to strengthen safety nets and advance transformation by addressing the societal imbalance." We need to focus on reinforcing responsible business practices and promoting stakeholder-conscious capitalism. Business cannot thrive in a failing society, and responsible organisations understand that they are part of a broader ecosystem together with society and the environment.



"We have run out of time to wait for leaders from 'somewhere'. We are the leaders. South Africans HAVE to lead from where they are and rebuild our country. Parents, pastors, teachers, managers, supervisors, sport team captains, school prefects, student councillors, community bodies, and others must re-establish the values and work towards creating a sustainable future."
Christelle Marais, Risk Intelligence Committee Chair

SECTION 1: South Africa Risk Context continued



Colin Deiner, Chief Director responsible for Disaster Management in the Western Cape

Colin Deiner, Chief Director responsible for disaster management in the Western Cape, says: "The knock-on impact of COVID-19 has been an exponential increase in informal settlements, as people move to cities, trying to get closer to jobs. Although not a new trend, this has increased. With the eviction protection provided under COVID-19 regulations, settlements are encroaching on high-risk areas. [These include] railway lines, electricity servitudes and manufacturing plants, with increased safety risk." Government and organisations alike have increased their focus on business continuity and disaster management, gaining a deeper understanding of risks and resilience levels, as well as the need to be more innovative in responding to continuity risks.

According to Deiner, "The poverty quotient has changed dramatically, not only in the Western Cape, but across the country," increasing pressure on the fiscus. Organisations are increasingly impacted by pressure on consumers. They need to focus more on the impact of the breakdown in social cohesion, and the knock-on impact on their operations. They must reframe their social impact in local communities where they operate, to ensure that their investments achieve the desired impact and are recognised for making a real difference in communities' lives.

Nomvalo emphasises: "The countries that will experience better post-COVID-19 recovery are countries that have a diamond societal structure. This means 10% of the population in the upper class, 80% in the middle class and 10% in the

lower class, as it is the middle class that carries economies. In SA, we have a pyramid societal structure, which is 10% upper class, 35% middle class (shrinking by the day) and 55% lower class." This has a direct impact on consumer affordability: as the middle class increases, the more people can afford to buy products and services, which in turn leads to an increase in employment, economic recovery and growth. Business can no longer thrive while ignoring its role in the social economic transformation agenda, and there are increasing expectations on business to embrace stakeholder capitalism and responsible business practices.

The importance of stakeholder engagement has been highlighted, specifically in terms of understanding and regularly engaging with all organisational stakeholders to respond to their evolving expectations. COVID-19 showed that a greater level of demonstrated empathy must be displayed by organisations, reflecting a deeper understanding of stakeholder circumstances and being sensitive to these realities. Deiner emphasises the need for clear and consistent communication with all stakeholders and providing a clear rationale for decisions taken.

1.5 Supply chain disruption and the localisation opportunity

Increasing supply-chain disruptions have continued over the past year, with increased cost of global logistics and delays in delivery of key products to SA. Whilst experiencing disruptions to varying degrees, most organisations have been impacted by the fragility of supply chains and the reliance on global supply chains, including China, as a key supplier to Africa.

According to Nomvalo: "This has emphasised the need to accelerate localisation and cooperation efforts to extend Africa free trade. As the biggest contributor, SA is well positioned to benefit from an inter-continental market and must continue to play a key role in opening new corridors, for example: through the finalisation of the African free trade agreement, including unlocking trade between West, East and Southern Africa via sea, rail, and road corridors." A greater level of coordination and the alignment of localisation efforts within SA and across the broader continent is key to ensuring the sustainable localised supply of products, based on local demand, to sustainably mitigate supply-chain risk.



Kiren Maharaj, Managing Director at GIBB Power

1.6 Cyber threats and organisational resilience

In the context of the globalised marketplace, digital connectivity and the speed of digital transformation, the continuous reporting of cyber-attackers holding organisations to ransom and leaking sensitive data is only the tip of the iceberg. Globally, organisations experience hundreds of thousands of attacks, some of which they successfully repel. The attacks destroy value, as they effectively result in a tax on business having to build defences against such attacks. Organisations are reliant on their systems to do business, so the focus on cyber risk must be continuous and dynamic to maintain organisational resilience and continuity. Rayner contends that “we’ll never get to the point where they have fully mitigated the risk”.

1.7 Opportunities amidst the disruption – embracing technology

Whilst COVID-19 has posed ongoing downside risks, key opportunities have become apparent in globalisation and trade, as well as in new advances in technology and innovation. Nomvalo states: “Globalisation and trade is going to be defined by a re-engineering of the supply chain, as well as the re-engineering of the way products are manufactured.”

Of necessity, ways of working have been reshaped as organisations have had to adopt more technologies to better enable them to do business, for example: adopting hybrid ways of working and totally rethinking the necessity of physical offices. In future, the challenge will be about how they balance these new ways of working with maintaining a sense of community within their organisations. Going forward, leaders are increasingly recognising the need for increased focus on the mental-health impact on their employees and communities.

Digital transformation has changed the demands on organisations and the speed at which such demands change. This requires a different approach towards risk management. Frameworks for risk management must be more adaptive to keep up with the dynamically changing environment that organisations operate in.

1.8 The rise of ESG – focus on climate risk

Although COVID-19 response measures, such as lockdown and remote work, have somewhat mitigated humanity’s contribution to climate change, this is just a drop in the ocean. “Climate change is most certainly an increasing risk that we need to be concerned about. It may not have a significant impact in the next 12 months, but organisations need to start doing things now to change behaviours and the way we run our businesses,” says Rayner.

“So I think from what I’ve read and what I’ve seen, and I think this is enforced by a lot of the global research on risk, the climate change risk has now really gained impetus with the happenings at COP [26] and the commitments that have been made by various countries, including South Africa to undertake massive mitigation programs” says Kiren Maharaj, Managing Director of GIBB Power. The rest of the world has been accelerating the green agenda, which will result in SA attracting green taxes on its products in future. This is exacerbated by SA’s very dirty energy supply, which if not transitioned to green energy soon will impact on export revenues that the country is dependent on to keep the economy going. SA must also become more agile in realising opportunities speedily, such as investing in water infrastructure that would have allowed us to benefit from the recent increase in dam levels after heavy rains.



“Top executives run the risk of being absolutely consumed with the matters of the day, chasing the 90-day market reporting cycle. While this in a certain sense is responsible behaviour towards investors, analysts and the like, the dilemma is that it detracts from the longer-term responsibility that business leaders have to build long-term, sustainable organisations.”

Dr. Morne Mostert



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SECTION 1: South Africa Risk Context continued



Dr. Morne Mostert, at the Institute for Future Research, Stellenbosch University

The ESG mandate is a key topic of discussion on all board and executive agendas. As societal expectations increase regarding the role of business in society, organisations are recognising the need to become responsible by incorporating sustainability into their overall strategies. These strategies should fully consider the broader impact on the environment and society in which organisations operate. According to Dr. Morne Mostert at the Institute for Future Research, Stellenbosch University, "This includes how people get access to finance to make use of our goods and services. If we continue perpetuating the vast discrepancies and inequalities not only in SA, but all around the world, and then the broader economic role that we play to reframe our economic contribution, then companies face the prospect of becoming unsustainable." An increasing focus on broader stakeholder expectations, beyond shareholder expectations, is critical.

1.9 Critical importance of strategic foresight

The global crisis has reinforced the importance of organisations actively examining the future and having strategic foresight, to remain vigilant and agile in an ever-changing global risk landscape. Change and uncertainty is constant, and organisations should recognise that more than one future is always possible. To have the best chance of success, business leaders should investigate multiple possible futures or scenarios to inform their priorities as part of their strategies.

Traditional strategy development is focused on current state to set future ambition, but organisations should explore multiple futures to enhance their ability to remain relevant and resilient to potential market disruptions and uncertainties.

Understanding the past is key to identifying likely market trends and behaviours, but these insights need to be overlaid with an understanding of future strategic scenarios.

Mostert says: "When people look at the future, the way they think about the future changes – it's really quite bizarre." This reinforces the need for a greater focus on strategic foresight, providing risk and opportunity intelligence to executives so that they make more informed strategic decisions that are continually reviewed. Such foresight focuses beyond financial or profit considerations, to align organisations' purpose to the reality in which they operate, the communities they serve and their impact on the environment.

1.10 Closing remarks

Whilst many of the short-term risks materialising from COVID-19 have been managed, the longer-term systemic risk, impacting the heart of sustainable business strategy, continues to increase. The external risk landscape continues to increasingly impact organisational performance, pressing organisations to be more responsible and increase their impact on society and the environment – this whilst managing costs and resilience in a tough market environment, thus significantly pressurising revenues. To support informed decision making, organisational strategies must be more robust. They must take a forward-looking view of the potential scenarios that may play out over the next 5 to 10 years, and have a deeper understanding of the strategic risk landscape, key risk scenarios and their impact on strategy and performance.



The clarion call to risk managers is to reinforce their strategic advisory role within their organisations.



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JSE's Sustainability and Climate Change Disclosure Guidance

The awareness of sustainability issues has grown rapidly in line with the urgency and relevance of sustainability issues to society at large. Given the continuously evolving space in global sustainability standards and initiatives, as well as the significant recent increase in investor interest in sustainability and climate-related issues, the JSE is developing Sustainability Disclosure Guidance, along with a Climate Change Disclosure Guidance specifically tailored to the South African context.

For more information, contact sustainability@jse.co.za



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SECTION

South Africa Scenarios

2



SECTION 2: South Africa Scenarios

2.1 How do we create a future in which all citizens can prosper?

"Ground rush is a skydiving term used to denote what happens if you wait too long to pull the ripcord of your parachute. At first, you tumble serenely through a blue-green blur, but at an altitude of 400 meters or so, the earth clicks into focus and the ground comes rushing up to meet you. An instant later, you're dead... So here we are, then, hurtling towards the ground at terminal velocity. South Africa could pull out of its present dive and start growing strongly again at the end of this decade, but the intervening years are likely to be tough, and the risks daunting. It is late in the day and now more apparent than ever that those who told you there was nothing to fear have been wrong all along."

'The Rise or Fall of South Africa' by Frans Cronje, quoted in our 2021 Report

Yet, for some reason best known to us, we did not listen. We did not act. We did not pull the ripcord. We talked. We dwelled on the past.

We fought. We watched the risks materialise. And now the hole is deeper. The frog has been boiled. Our journey is so much more uphill. But we have no choice. We must stop talking. We must act in unison. We must turn the tide. We must build our own future, together.



In this 2022 report, as in our 2020 and 2021 reports, we re-affirm our unequivocal belief that proactive risk management is a key driver of our country's ability to create a future in which all citizens can prosper.

The need to drive a focused, coherent approach to scenario planning, strategy definition, strategy implementation, risk management and risk mitigation across all sectors of our economy remains absolutely imperative.

Our risk appetite frameworks must reflect our organisations' strategies and budgets, and must collectively be aligned to our country's objectives, to be a useful influencer of our joint future.

If we agree on the high-level scenarios we face as a country and define the more granular level scenarios that our organisations face, we can align our efforts and resources more effectively to make the preferred scenario come true for our organisations and our country.

We **MUST** work towards one future, by understanding our current reality, the scenarios that may play out and how we can make a preferred scenario come true. Risk managers must be empowered, enabled, and accountable to contribute to this process.



SCENARIO PLANNING IS THE STARTING POINT IN THE PROCESS OF CREATING OUR FUTURE AND HELPS US TO UNDERSTAND:

- The likely scenarios that may materialise for SA and for our organisations;
- How our individual strategies could contribute or detract from our collective, sustainable success;
- How risk appetite is the link between strategy and the scenarios we actively strive to influence;
- How we can implement risk response strategies (controls and actions) that would:
 - o influence a preferred scenario to materialise; and
 - o enable us to prosper if one, or a combination of, defined scenarios become our reality.



“South Africa’s history is a dire accusation of the failure of many of us (as citizens of, and organisations in, this beautiful country) to take charge of our own future, in a focused, coherent way.”
IRMSA Risk Report South Africa Risks 2021

2.2 IRMSA’s Scenarios for South Africa

“The perfect scenario is when you are living your dream, when you have found your gift and when you are working to bring it to perfection... The worst scenario is when you do not know the purpose of your day-to-day existence.” *Sunday Adelaja*



SECTION 2: South Africa Risk scenarios continued

In this context, we summarise the key scenarios we see for SA in 2022 in the following table:

SCENARIOS

IRMSA

Perpetual hangover

Short-termism, social bankruptcy, and distances between societal groups increase. We don't counter populism, racial polarisation, and short-sighted economic policies, and don't work towards a common purpose. We refuse to contemplate the ultimate implosion of the State as groups pursue their own goals to the exclusion of all others.

Fake it until we make it, or not?

We understand the results of a "Perpetual Hangover" and have lofty goals to rebuild our national assets. But we are not prepared or desperate enough to make the tough calls needed to turn the tide. We hope that things will eventually recover, we ignore the elephant in the room and continue to hope for the best.

Owning our future

We jealously protect our national well-being. We take individual and collective charge of our future. We work to eliminating the noise in the system that distracts us from our common purpose. We build national consensus to drive a resilient society. We optimise our limited resources to achieve a common goal across all sectors of our economy.

Inlulamithi

Gwara Gwara: A Floundering False Dawn

SA is a nation is that is torn between immobility and restless energy, a demoralised, disorderly, decaying land.

iSbhujwa: An Enclave Bourgeois Nation

We are a loose-limbed, jumpy, and frenetic nation, torn by deepening social divides and cynical self-interest.

Nayi le Walk: A Nation in Step with Itself

South Africans drive growing social cohesion, economic expansion, and a renewed sense of constitutionalism.

Frans Cronje

Fall of South Africa

The mood of the people and government policies are aligned with the National Democratic Revolution but sets in motion a negative socio-economic spiral from which is it impossible to recover, even in the medium-term.

Jump to the Left

The moderate majority loses sway. Government's liberalising reform efforts, in the face of impending bankruptcy, are rejected, triggering significant political changes. This causes the rise of a new leftist government leading the country into the 2030s.

Step to the Right

The State ignores the majority's reform calls to pursue populist policies. Civil liberties are curtailed, the economy shrinks and living standards decline. Irreconcilable tensions result in vast political shifts, and a centre-right political movement governs by 2030.

Rise of South Africa

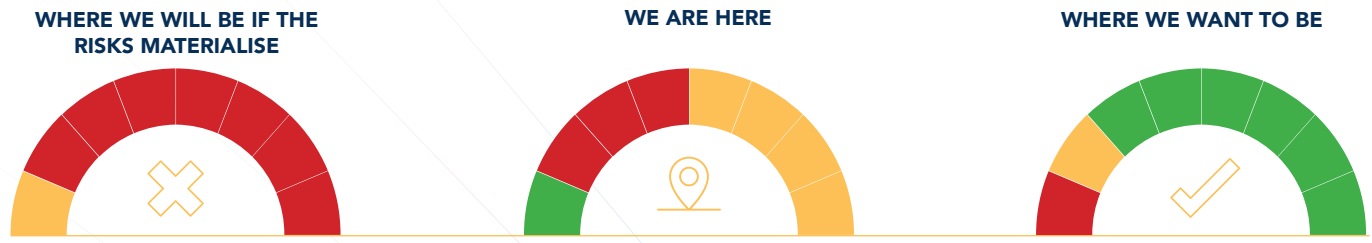
The State embraces deep structural reform, through policies aligned with the interests of people, resulting in a virtuous reform cycle. The economy recovers quickly, allowing sharply improved living standards. By the 2030s, SA is a leading emerging market.

Clem Sunter

A new variant or virus appears with acute regulations, economic disruption, and misery. Inflation and the cost of living accelerates, causing wide-spread anger, altering the general social and political dynamic. Anti-establishment feelings grow. WW III, the final war between democracy and autocracy, breaks out. Billions of immigrants move from countries uninhabitable due to extreme weather conditions to relatively unaffected countries as borders become porous. The international communication network is interrupted, in the absence of regulation of increased global space activity.

Omicron signals the end of COVID-19, creating global herd immunity and permanent lifestyle changes. The free enterprise system adapts to achieve a fairer outcome without deflating entrepreneurial activity. Modern communications technology and intense diplomacy prevent global military conflict. Nations share new technologies to make renewable energy cheaper than fossil fuel energy. Rich nations make substantial grants to poor nations to assist in funding the transition to a green economy. The UN takes action to ensure responsible international activity in space.

As part of setting the dynamic risk context for South Africa, IRMSA continuously scans the various scenarios defined for SA by eminent scenario builders based on social, national policy, economic and global trends.



Legend:

- Perpetual Hangover
- Fake it until we make it, or not?
- Owing our future

The IRMSA scenarios are influenced and informed by flags. These flags, depending on their performance, determine the scenario outcomes. There are ten flags to watch to determine which scenario we are in and the scenario most likely to be realised in future. They are:

1 Leadership	6 Service delivery
2 Institutional capacity	7 Inequality
3 Politics	8 Economy
4 Social cohesion	9 Global trends
5 National policy	10 Climate change

The table below depicts, based on the current performance of each flag, the most likely scenario SA is in. Each flag and the scenario it indicates, allows for a prediction on how the seven NDP objectives may be achieved. These objectives are;

- Building a capable, ethical and developmental state
- Economic transformation and job creation
- Education, skills and health


- Consolidating social wage through reliable, quality basic services
- Spatial integration, human settlements and local government
- Social cohesion and safe communities
- A better Africa and world

This assumes the current outcomes as achieved through our actions as a country, across each flag remains the same.

SECTION 2: South Africa Risk scenarios continued


Legend: Predicted achievement of NDP priorities for 2030.

Not affected Will likely achieve May achieve >50% May achieve <50% Will not achieve

 Perpetual Hangover  Fake it until we make it, or not?  Owning our future			Predicted achievement of NDP priorities for 2030	
Leadership capacity				
<p>There is no sense of leadership for sustainable prosperity across society. Proponents of sustainability and good governance are vilified as counter revolutionary. Populist leaders live in luxury while most people live in poverty.</p>	<p>The effectiveness and integrity of the national leadership across all economic sectors are increasing, along with promoting an inspirational vision that puts SA first, achieved through national consensus. However, outcomes are not yet materialised.</p>	<p>Strong leaders in the right positions in all economic sectors work together in cohesive structures to promote sustainable prosperity despite personal differences, by making tough decisions and embedding good governance in all spheres of society and the economy.</p>	1	Building a capable, ethical, and developmental state
			2	Economic transformation and job creation
			3	Education, skills, and health
			4	Consolidating social wage through reliable, quality basic services
			5	Spatial integration, human settlements, and local government
			6	Social cohesion and safe communities
			7	A better Africa and world
Institutional capacity				
<p>Government is weak and divided: fragmentation, factionalism, and confusion reign. No visible action against wrongdoers is evident. Government's austerity measures are stillborn. Education outcomes continues to weaken.</p>	<p>Idealistic and populist ideologies remain, but SOEs are strengthened – albeit too slowly to bring about definitive change by 2030. Education outcomes seem to improve, albeit too slowly to make a difference in the short term. While we struggle with our internal conflicts, a common enemy, such as a failed stated claims our future.</p>	<p>Senior leaders involved in corruption across the economy are prosecuted successfully. SA builds on pockets of excellence to improve poorly performing institutions. Appropriate privatisation of State-owned entities commences. The matric mathematics pass rate increases significantly.</p>	1	Building a capable, ethical, and developmental state
			2	Economic transformation and job creation
			3	Education, skills, and health
			4	Consolidating social wage through reliable, quality basic services
			5	Spatial integration, human settlements, and local government
			6	Social cohesion and safe communities
			7	A better Africa and world
Politics				
<p>Factions within the ANC deepens together with economic and social challenges. The ANC unites behind a corrupt leadership, drifts closer to the EFF, and becomes more introspective, excluding all else. SA returns to an era of corruption.</p>	<p>The ANC is unable to overcome its internal squabbles, internal conflict escalates, and its support weakens rapidly, with increasingly diminished national relevance. A viable opposition overthrows the ANC by 2030.</p>	<p>The ANC unites behind a reformist leadership or meets minds with other parties, based on stable support, around sensible economic reforms to labour laws, property rights, and the need for effective empowerment policies.</p>	1	Building a capable, ethical, and developmental state
			2	Economic transformation and job creation
			3	Education, skills, and health
			4	Consolidating social wage through reliable, quality basic services
			5	Spatial integration, human settlements, and local government
			6	Social cohesion and safe communities
			7	A better Africa and world

Legend: Predicted achievement of NDP priorities for 2030.

Not affected Will likely achieve **May achieve >50%** **May achieve <50%** **Will not achieve**

 Perpetual Hangover  Fake it until we make it , or not?  Owning our future			Predicted achievement of NDP priorities for 2030	
Social				
<p>Policy, economic and social failures are held as evidence of entrenched racism. Racial tensions, hysteria, and victimhood are intentionally amplified amid rising levels of violence. Resentment spirals into irreconcilable social differences.</p>	<p>Committed, competent individuals inspire SA through their competence, showing that real change is possible. General denunciation of racial incitement improves social cohesion, constitutionalism, and economic growth.</p>	<p>Racial and social tensions transition into genuine reconciliation, unity, and common purpose. South Africans emerge from self-imposed enclaves to live comfortably alongside one another, promoting common purpose and social cohesion.</p>	1	Building a capable, ethical, and developmental state
			2	Economic transformation and job creation
			3	Education, skills, and health
			4	Consolidating social wage through reliable, quality basic services
			5	Spatial integration, human settlements, and local government
			6	Social cohesion and safe communities
			7	A better Africa and world
National policy				
<p>Redistributionist socialist ideologies dogma , led by idealism and populism, takes the place of growth-focused reformist policy. Race-based policies are more strictly enforced. An assault is launched against democratic institutions, property rights, and critical or dissenting voices .</p>	<p>Policy remains contrvadiictory and confusing. People start ignoring the Government and the State. Resistance continues to grow, and Government quashes any dissent in its tracks.</p>	<p>Government deregulates aspects of the labour market, secures property rights (abandoning expropriation without compensation), repeals various aspects of race-based policies in favour of empowerment based on growth and employment, and works with the private sector to rebuild SA.</p>	1	Building a capable, ethical, and developmental state
			2	Economic transformation and job creation
			3	Education, skills, and health
			4	Consolidating social wage through reliable, quality basic services
			5	Spatial integration, human settlements, and local government
			6	Social cohesion and safe communities
			7	A better Africa and world
Service delivery				
<p>Protests increase dramatically, take on repugnant racial and ethnic undertones, and turns to violence and destruction of assets. The "moral underground" finds it increasingly difficult to function and faces existential challenges due to a dissolution of SA's social fabric.</p>	<p>A more coordinated State delivers better services. Protests give way to people taking charge of their destinies, with the State removing structural/regulatory barriers to self-support. Although less challenged, SA still relies heavily on the "moral underground."</p>	<p>Policy changes are effectively implemented. An impressive and efficient civil service arises, irrespective of the political party in power. SA is a country in which people do things for themselves, and the Government helps to create the conditions for them to do so.</p>	1	Building a capable, ethical, and developmental state
			2	Economic transformation and job creation
			3	Education, skills, and health
			4	Consolidating social wage through reliable, quality basic services
			5	Spatial integration, human settlements, and local government
			6	Social cohesion and safe communities
			7	A better Africa and world

SECTION 2: South Africa Risk scenarios continued

Legend: Predicted achievement of NDP priorities for 2030.

Not affected Will likely achieve May achieve >50% May achieve <50% Will not achieve

● Perpetual Hangover	● Fake it until we make it , or not?	● Owning our future	Consequence for NDP priorities for 2030	
Inequality				
Two classes of South Africans exist: one within the walls and one outside the walls, having little to do with each other. Unemployment continues to rise as South Africans fight over scarce jobs, exacerbated by an increase in xenophobic attacks and fake news.	A new model of authoritarian capitalism sees the erosion of democratic rights and freedoms but also an improvement in the material conditions of almost all South Africans.	An equitable land reform solution is found and high volume, quality agricultural products are produced. The economic rebounds and collaboration between the formal and informal sectors encourages entrepreneurial development, leading to improved living conditions.	1	Building a capable, ethical, and developmental state
			2	Economic transformation and job creation
			3	Education, skills, and health
			4	Consolidating social wage through reliable, quality basic services
			5	Spatial integration, human settlements, and local government
			6	Social cohesion and safe communities
			7	A better Africa and world
Economy				
The economy stagnates until recession hits. The State pursues reckless out-of-date socialist and market-unfriendly policies, leading to ratings downgrades and capital flight. Inflation, government debt, and interest rates soar, causing widespread public dejection. Prolonged/significant global contraction drives the domestic economic contraction.	The economy declines. Bilateral agreements stave off some impacts of foreign economic policy changes. Self-sufficiency increases as a survival mechanism driving entrepreneurship. Communities take care of their own education, health care, security, and other needs, across racial lines. SA is unable to avoid "junk status," or to improve its investment ratings sustainably.	The global economy recovers for the long-term. SA approaches a 5% growth rate. Local business confidence increases. Austerity measures arrests capital flight. foreign direct investment and investment ratings improve. SA, with a booming middle class, is Africa's leading economy. Mineral beneficiation and increased manufacturing make SA less reliant on superpowers.	1	Building a capable, ethical, and developmental state
			2	Economic transformation and job creation
			3	Education, skills, and health
			4	Consolidating social wage through reliable, quality basic services
			5	Spatial integration, human settlements, and local government
			6	Social cohesion and safe communities
			7	A better Africa and world

SECTION 2: South Africa Risk scenarios continued

Legend: Predicted achievement of NDP priorities for 2030.

Not affected Will likely achieve May achieve >50% May achieve <50% Will not achieve

● Perpetual Hangover ● Fake it until we make it , or not? ● Owning our future			Consequence for NDP priorities for 2030	
Global trends				
Anti-establishment feeling increases, aided by social media trends, with highly unpredictable outcomes. Unexpected wars break out between more than two protagonist countries (e.g. China and the US, with Japan and Australia) over existential resources, leading to affecting non-protagonist countries unpredictably in economic terms.	World markets deteriorate and fewer options are available to mitigate the deeper and longer lasting impacts on the global economy. Global economic policy changes negatively impact SA. Increased nationalism conflicts with African Unity initiatives.	The world remains deeply divided but no seriously dramatic events occur. Global economic growth rates remain subdued compared to the last century. Free trade, free movement of people, and the sharing of technology continue to decline for the foreseeable future.	1	Building a capable, ethical, and developmental state
			2	Economic transformation and job creation
			3	Education, skills, and health
			4	Consolidating social wage through reliable, quality basic services
			5	Spatial integration, human settlements, and local government
			6	Social cohesion and safe communities
			7	A better Africa and world
Climate change				
The link between climate change and human activity is denied with no coordinated solution for its dire humanitarian impacts. South Africans are so caught up in political/ social squabbles, that efforts to address climate change is seen as an unaffordable luxury, conflicting with the goal of greater prosperity for all.	The bailouts of State-owned companies and emerging market "survivalism" dictate SA's reaction to climate change. NGO and younger generation demands for more sustainable solutions to carbon emissions are ignored, or lip-service is paid to poorly thought-through targets.	International cooperation on climate change improves significantly. New products associated with clean energy is developed, on par with microelectronics and the internet. South African renewable energy and clean product economies contribute to national and regional energy security.	1	Building a capable, ethical, and developmental state
			2	Economic transformation and job creation
			3	Education, skills, and health
			4	Consolidating social wage through reliable, quality basic services
			5	Spatial integration, human settlements, and local government
			6	Social cohesion and safe communities
			7	A better Africa and world



"We should measure the prosperity of a nation not by the number of millionaires, but by the absence of poverty, the prevalence of health, the efficiency of the public schools, and the number of people who can and do read worthwhile books."

W. E. B. Du Bois

SECTION 2: South Africa Risk scenarios continued

2.3 Conclusion

The outcome of our analysis is distressing because if SA remains unable to exit the ‘perpetual hangover’ scenario and at least move solidly into the ‘Fake it until we make it, or not?’ scenario, we will not achieve our goals as a nation with the consequences vacillating between, economic collapse, social disruption and failed state.



“Where do I look for good and evil? Not to uncontrollable externals, but within myself to the choices that are my own.”

Epictetus

The table below demonstrates that all ten of the flags, except the ‘Global Trends’ flag will lead to a scenario where we cannot achieve our national objectives. Arguably, the reality is that all our problems are internal, meaning that they are within our control and should therefore be addressed without delay. We must collectively introspect and change our internal dialogue as a country, to prevent the risks that we face from triggering the flags that will make our worst-case scenario become our long-term reality.

Consequence for NDP Priorities (MTSF 2019-2024) and Vision 2030

Legend

Not affected **Will likely achieve** **May achieve >50%** **May achieve <50%** **Will not achieve**

Key Scenario Driver (Flag)	Perpetual Hangover	Fake It Until We Make It	Owning Our Future	Consequence for NDP Priorities 2030 (MTSF 2019-2024)						
				Building a capable, ethical, and developmental state	Economic transformation and job creation	Education, skills, and health	Consolidating a social wage through reliable, quality basic services	Spatial integration, human settlements and local government	Social cohesion and safe communities	A better Africa and world
Leadership capacity		X		May achieve >50%	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve
Institutional capacity		X		May achieve >50%	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve
Politics		X		May achieve >50%	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve
Social cohesion	X			Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve
National policy		X		Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve
Service delivery	X			Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve
Inequality	X			Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve
Economy		X		May achieve >50%	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will likely achieve	Will not achieve
Global trends			X	May achieve >50%	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve
Climate change		X		Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve	Will not achieve

Table 1: IRMSA scenarios – 10 flags (key drivers) impact on country objectives – Summary.

SECTION 2: South Africa Risk scenarios continued

The State's ERRP is intended to bring the country back on course towards the targets set in the NDP (Vision 2030).

It includes specific short, medium, and long-term interventions required to strengthen key sectors of the economy, including the following:

- Growing the economy at a rate of 5,4%
- Reducing the unemployment rate to 6%
- Increasing investment as a share of GDP to 30%
- Reducing inequality as measured by the Gini Coefficient to 0.60
- Total eradication of poverty

In our view, these targets are ambitious, but necessary. We **MUST** manage the risks to these targets relentlessly, understanding the future we face if we don't.

The impact of each of the country risks on the above ERRP targets is unpacked in detail in Section 3 of this report.

Sources:

We fully acknowledge the rights and intellectual property of the scenarios quoted, referred to, adapted from and/or discussed in this report. Any oversight will be corrected upon receiving communication to such effect from the rightful owner.

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5. Clem Sunter's Flags for 2022 <https://www.biznews.com/undictated/2022/01/09/clem-sunter-world-2022-flags>
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The challenges faced by all organisations over the last two years have revealed many previously undetected vulnerabilities. Organisations across the trade, finance, health and education sectors took a massive knock with multiple lockdowns put in place globally.

Some of the world's largest organisations became victims of cybercrime as their activities moved to a remote environment and many new vulnerabilities became present.

The supply chain industry, in particular, faced incredible economic strains and challenges with resilience, with the vast majority of companies reporting that they were not prepared for the pandemic and placed visibility and resiliency as their top priorities.

Although we are moving out of the harshest phase of the pandemic, the threats to businesses remain, and cybercrime is an ever-increasing threat.

RUBIQ is a structured advisory assisted service that helps organisations identify and implement the correct strategy. Our services are focused not only on GRC technology but also on our expertise in consulting, advisory and guidance, providing a customised approach that is in line with the context of each unique organisation.

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SECTION

South Africa Top Risks

3



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SECTION 3: South Africa Top Risks

The top 9 risks for SA have been identified and analysed against top global risks as well as views of SMEs and more than 600 risk management practitioners, who participated in our survey. Underpinning the risk identification is the ERRP which aims to stimulate equitable and inclusive growth in the short term, whilst enabling us to make significant advances towards achieving our NDP objectives in the medium to long-term. In this way, the journey to 2030 is still a significant timeline (as was in the past Risk Reports), however, from a risk-mitigation perspective, the time horizon for the implementation of the mitigation plans is now significantly shorter. The compounding factor is that whilst there has been some progress made in certain areas, COVID-19 has resulted in notable regresses in critical areas thus widening the gap between current and targeted performance.

Some key themes worth noting in the discussion of each of the risks include the capacity of the state and the need to address the skills deficit in government in order to improve service delivery. This is noteworthy as a Capable State is also identified as a key enabler to the effective implementation of the ERRP. Another notable point is the interdependency and/or pervasive nature of most of the risks.

Depending on how well we do in implementing the identified risk mitigants, this could be good or bad. Good, because if we address the most significant risks, we potentially reduce the likelihood and/or impact of the other risks materialising. However, if we fail in the implementation and allow the risk factors to rise together, the reinforcing loops could trigger a downward spiral from which SA would struggle to recover.

This section has been put together in a manner that unpacks each of the risks with a focus on the implications for SA Inc. should the risks materialise or deteriorate further. Risk mitigations are proposed to help shape the manifestation of the most desirable scenario where we own our future and meet our 2030 objectives as a country.

The scenarios described in section 2 are descriptions of how the future may unfold.

Taking account of these is a vital first step in the process of creating our future. We reiterate that, in steering SA to a more certain future, leaders of all organisations, in all sectors of the economy, must clearly understand:

- The most likely scenarios that may materialise in the world and in SA.
- How the strategies that we adopt could contribute, or detract, from our sustainable success.
- How risk appetite is the link between strategy and the scenarios that may materialise.
- How we can implement risk mitigating strategies that would:
 - influence a preferred scenario to materialise; and
 - enable us to prosper if one, or a combination of, defined scenarios become our reality.



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HISTORY AND BACKGROUND

JGL Forensic Services was found in 2001 to meet the growing demand for specialised forensic accounting and financial investigative services in South Africa and further abroad. Our multidisciplinary forensic team consists of experienced professionals with decades of experience in their fields, who all place specific attention and care to the application of scientific methods in the field of forensic accounting and investigation.

Our head office is located in Bloemfontein, South Africa, with regional offices located in Pretoria and greater Port Elizabeth areas. We have several partner offices in regions outside these areas, to service other parts of the country where we do not have a physical presence.

OUR MISSION

At JGL Forensic Services, we have five core values that form part of our mission.

INTEGRITY / PERFORMANCE / INNOVATION / COLLABORATION / ACCESSIBILITY

Our values closely relate to our mission, but we believe that our company is personified through our slogan, "Integrity, Passion, and Commitment." We strongly believe in the rule of law and scientific methods as they apply to forensic accounting and investigation, and it is this passion for our profession that drives us to provide the highest standard of work to our clients.

OUR VISION

Our vision for JGL Forensic Services is an internationally recognised forensic service company which delivers superior quality services. We have been consistent in our approach to our investigations, and we recognise that our multidisciplinary approach, which constantly evolves to meet the new legal and technological landscape of the day, is the best fit for us and our clients.

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JGL Forensic Services offers three core service offerings, which each have multiple sub-disciplines that fall into the scope of our abilities. We cover:

- Investigation of Economic Crimes
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- Prevention and Deterrence

We approach fighting economic crime as a collective activity, and view the active sharing of information and guidance as critical components to continuously and successfully address and prevent economic crime.

We're proud to celebrate the recent achievements of RUBIQ, one of JGL Forensic Services' valued partners. They were recognised by the Institute of Risk Management (IRMSA) in its 2020 award presentations, winning the award for Risk Management Information System Provider.

RUBIQ is an all-encompassing, cloud-based, SaaS (Software as a Service) Governance, Risk and Compliance (GRC) Solution, further supported by advisory and managed services. This innovative platform uses the very latest technologies to deliver a unique, comprehensive and dynamic GRC management system.

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These principles and the relationships between them are depicted graphically below.

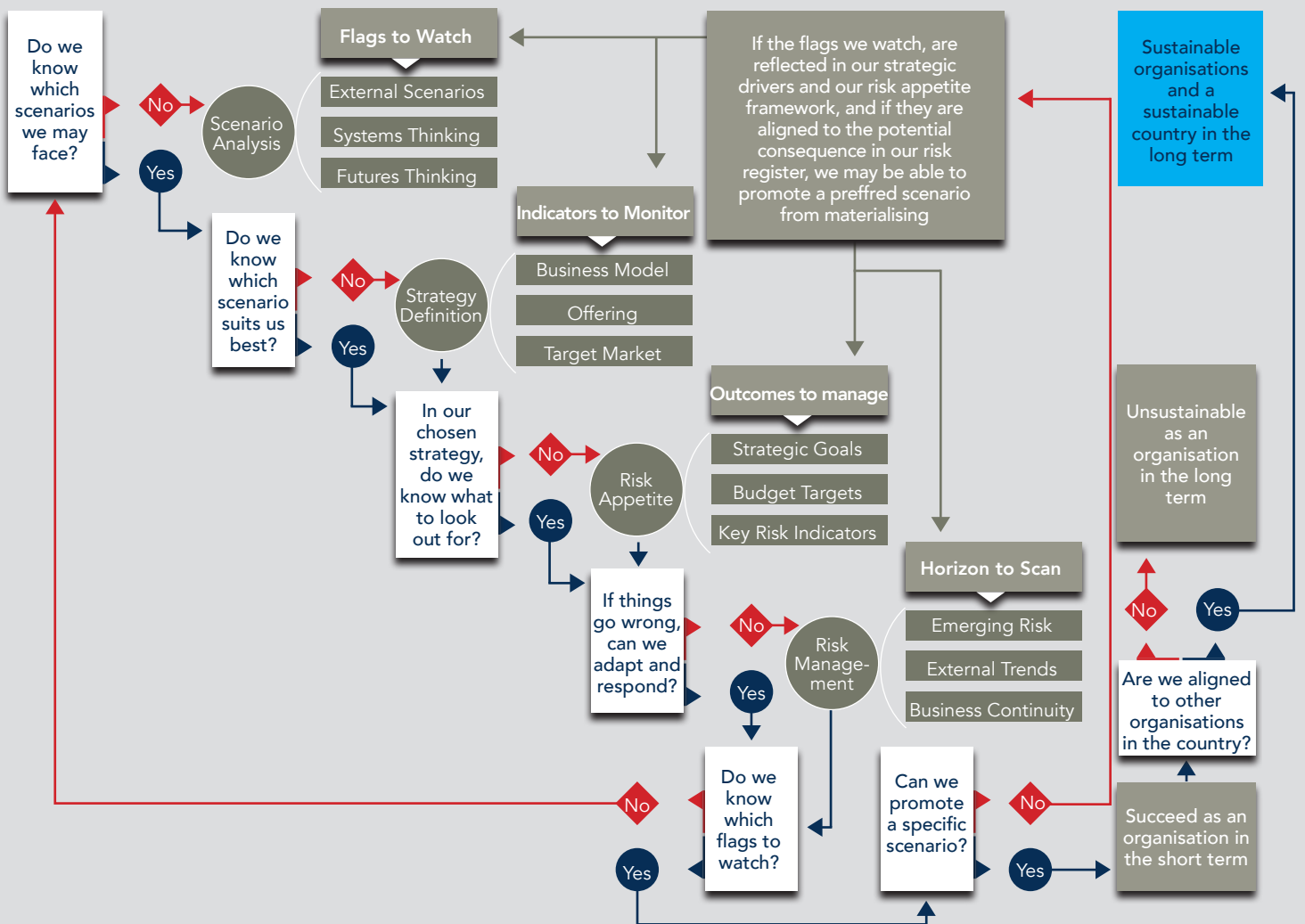


Figure 1: Relationship between scenarios, strategy, risk appetite and risk management.

In considering the top nine risks that SA faces, one should align the materialisation of those risks to the potential scenario it leads to. The top risks in this report on which SMEs provide their opinions are listed below:

- South Africa becomes a failed state
- Complete breakdown of ethical and legal principles across society
- Unmanageable societal unrest and breakdown of the rule of law
- Complete economic collapse
- Lack of skills to enable economic growth and recovery
- Large scale disruption of economic activity relying on stable supply of utilities
- Large scale interruption of digitally enabled services and economic activity
- Debilitating loss of trade benefits through SA ports into Africa
- Inadequate response to current and future climate change impacts

Based on the interviews with SMEs it is clear that SA faces the risk of becoming a failed state, driven by a breakdown of ethical and legal principles, social unrest and failure of the rule of law, resulting in complete economic collapse. This can only be turned around if we address the skills risk to help us avoid disruption due to unstable utility supply and digitally enabled economic activities, retain our relevance to Africa and address climate change risks.

SECTION 3: South Africa Top Risks continued

3.1 SOUTH AFRICA BECOMES A FAILED STATE

Due to a continued lack of inclusive socio-economic growth, sustainability of energy supply and government capacity, as well as continued state capture and increasing unemployment, SA becomes a failed state. This results in a future characterised by a direct threat to our democracy, capital flight, hyper-inflation, social unrest and currency collapse, which will not be turned around within the ERRP and NDP timeframe.

SCENARIOS	FLAGS		SUCCESS STORY	
	C	F		
OWNING OUR FUTURE FAKE IT UNTIL WE MAKE IT, OR NOT PERPETUAL HANGOVER	LEADERSHIP	●	●	BUSA supports the State Capture Report. An individual or organisation named in the State Capture Report should be investigated and prosecuted if there are grounds to do so. BUSA is absolutely determined to make politicians and business accountable! We are frustrated by the collective trauma that we have suffered as constitutionally appointed individuals have stood by and watched the unlawful and dishonest events before their own eyes. SA has an amazing ability to go to the precipice and pull back just in time. There is a deep resilience that allows it to endure trauma and come out on the other side. There is also an amazing sense of goodwill, most South Africans want SA to succeed.
	INSTITUTIONAL CAPACITY	●	●	
	POLITICS	●	●	
	SOCIAL COHESION	●	●	
	NATIONAL POLICY	●	●	
	SERVICE DELIVERY	●	●	
	INEQUALITY	●	●	
	ECONOMY	●	●	
	GLOBAL TRENDS	●	NA	
	CLIMATE CHANGE	●	●	

SA reached a particularly low point in 2021. The ruling party of the country became more polarised, there was continued large scale looting due to cadre deployment, inequality continued to rise, racism was at an all-time high, black graduates found it very difficult to find employment, the public schools were failing, the national health service was failing the poor and vulnerable, critical infrastructure stood in decay and the July 2021 unrest, or insurrection, revealed the general lawlessness in the country. The publicised procurement of personal protection equipment relating to COVID-19 scandals further eroded any public trust in government's ability to deliver in an honest and transparent way. The State Capture Report characterises the almost total failure of the ANC led government by the state's failure to prosecute corruption cases involving violations of the PFMA. The way forward calls for definitive and urgent action not only by the government but by private business and South African citizens.

TOP 5 CHALLENGES TO ACHIEVING TARGETS

1. Lack of inclusive social economic growth
2. Continued state capture
3. Unemployment rate increases or stays the same
4. Lack of access to reliable affordable energy supply
5. Lack of government capacity



TOP 5 RISK TREATMENT OPTIONS AND OPPORTUNITIES

1. Provide a nurturing environment for small, micro, and medium enterprises, especially black and women owned businesses, and incentivise the private sector to support them.
2. Investigate and, if appropriate, prosecute allegations in the State Capture Report through a fully resourced anti-corruption unit, and take appropriate and visible action.
3. Incentivise investment in 3 relevant areas to create jobs: (i) information revolution, (ii) mining sector revival through business-friendly policy/regulation, and (iii) green energy.
4. Leverage SPVs to invest in 100MW power generation and 100 mega litres/day municipal utility and desalination plants.
5. Second professionals from private to public sector to build capacity in government (e.g. NPA) to support the ERRP; introduce career jobs at local, provincial, and national levels based on skills and qualifications; retain experienced civil servants regardless of which government is in power.

FACTS AND FIGURES

Factors contributing to a failed state;

- SA's unemployment rate hit a new record of 34.9% in 2021 resulting in even more people becoming dependent on the state to survive
- Durban Harbour ranked as the third slowest port out of 351 in the world
- South Africa has one of the highest failure rates for SMMEs, with five out of seven of them failing within the first year.
- SA has one of the highest Gini coefficient ratings making it one of the most unequal societies in the world, with a Gini coefficient of 0.625. The richest 10% hold 71% of the wealth, while the poorest 60% hold just 7% of the wealth. As of September 2021, the SA Depression and Anxiety Group is reporting 23 known suicide cases per day.

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5. Mail and Guardian, Charlotte Motsoari, 5 Oct 2021

EXPERT OPINION



Prof. Bonang Mohale
President, BUSA



Adv. Andy Mothibi
Head, Special Investigating Unit



Qiniso Mthembu
Risk Intelligence Committee Member, IRMSA



Michael Davies
Co-opted to IRMSA Risk Intelligence Committee

If a pragmatic lens were applied, many would agree that SA is already a failed state. There have been nine wasted years of state capture. Our COVID-19 vaccine rollout is woefully behind our targeted vaccination rate of 67% municipal service delivery is in disarray, loadshedding, availability of water resources potholes etc. are clear indicators of state failure. Economic growth for the country is dependent on these things being reliable and supportive of business and the community. Thus, the current situation makes it impossible to meet the lofty targets of government's ERRP, and worse still, government is failing to meet its basic commitments to the citizens of SA.

When fishermen can't go to sea, they mend their nets
(Nabil Sabio Azadi)

SA has had more than 650 days in lock down since COVID-19 started in the country. This was a missed opportunity to build the resilience of the country. As we move into 2022, we need to address and execute on the State Capture Report findings and illustrate that SA is a country that understands the importance of the rule of law and is open for business. The country needs regulatory stability to encourage business. Business must put money aside to help, because in functioning democracies business is the trusted advisor and partner of choice to do everything possible to ensure the ruling party can govern which must be fronted by domestic direct investment.

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SECTION 3: South Africa Top Risks continued

The child who is not embraced by the village will burn it down to feel its warmth.

The failed state risk has been widely discussed, including in government itself. The State President has, on several occasions indicated the need to drive towards a capable state. When defining this risk, we should consider the three arms of government as espoused in the Constitution, namely, the Executive (Cabinet), Legislative (Parliament) and Judiciary (Courts of law). All arms are critical to a capable state and of course, in sustaining our democracy. The responsibilities and powers of each of the arms of state are well documented in the Constitution, the most paramount of which is delivery of services to the people. In this regard, we have seen several failures in ensuring service delivery. In several where delivery has been hampered, corruption, poor governance and maladministration have been found to be a key contributing factor. A key feature of a capable state is execution, i.e., all of the arms of government execute and execute well and where there are failures, these are promptly addressed. Failures typically include leadership, corruption, cadre employment, poor governance, and inefficient execution. These must be addressed as soon as they are identified. If left unattended they engender mistrust and may lead to the society taking the law into their own hands, organised crime as well as civil unrest. The July 2021 unrest is a classic example of the latter.

Most concerning is the pace at which we should be dealing with effecting consequence management on the part of those who continue to perpetuate corruption. Cabinet has approved the National Anti-Corruption Strategy and what remains now is execution. The Strategy contains several pillars which include the strengthening of anti-corruption agencies, ethical leadership, professionalisation of the public service, strengthening the judiciary and proactiveness in the fight against corruption.

Some key indicators of how this risk may play out in the future are as follows:-

- (i) Corruption continues unabated, perpetrators are not brought to book and we become complacent and accept this as the status quo.
- (ii) Level of maladministration and poor quality of governance in all sectors continue.
- (iii) Lack of an integrated plan on how to address these aspects.

- (iv) Democratic order. There is ample evidence that the July 2021 unrest was well orchestrated, and it manipulated the environment and the vulnerable. Whilst we managed to quell it, it remains a ticking bomb and we could still see uprisings in future.
- (v) Local government performance. Although the November elections demonstrated democracy at work, coalitions have failed to kick-off successfully

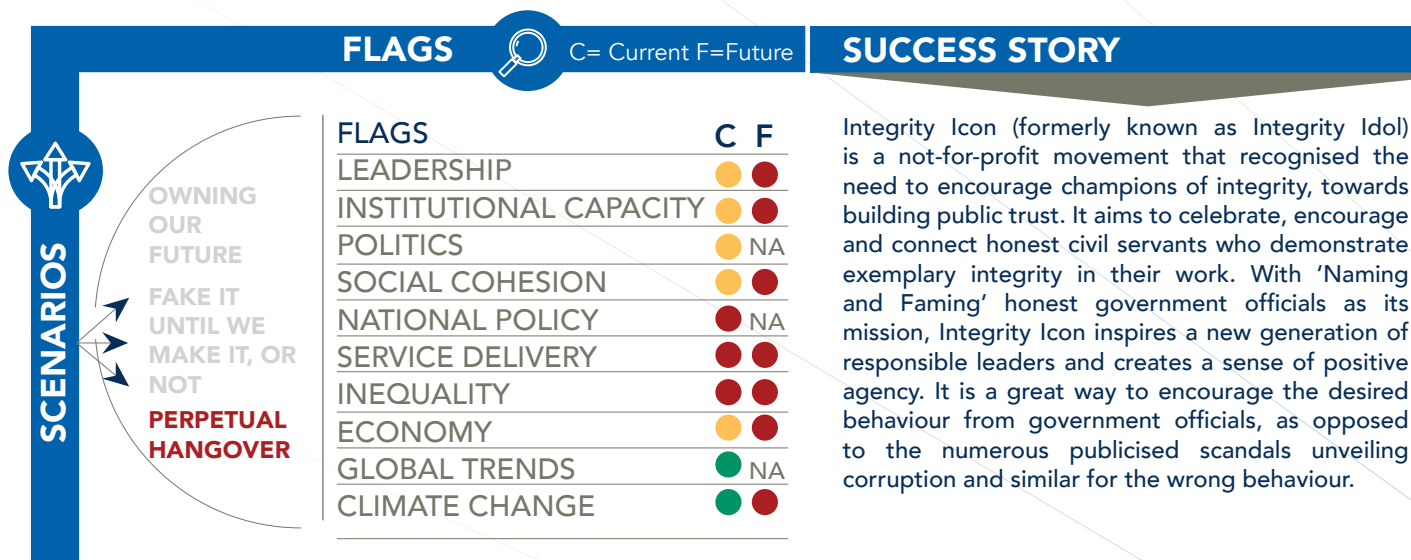
It should be acknowledged that some progress has been registered in bringing some perpetrators of corruption to account, e.g. in the VBS scandal, Steinhoff, PPE scandal, however, the pace of progress and the fact that these have led to few arrests is disconcerting.

In conclusion, while we have these challenges that beset us and while the risk of a failed state is a reality, there are a number of opportunities available to turn this around. Ethical, courageous leadership, eliminating cadre employment and appointing technocrats at all levels of government, dealing head on with corrupt officials, improving governance, dealing with conflict of interest, improving supply chain processes are some of the key steps that the ruling party should concentrate on. We must now see this as our rallying point and use the same level of effort as we used to rally in the fight against apartheid to now rally around the build towards a capable state.

SECTION 3: South Africa Top Risks continued

3.2 COMPLETE BREAKDOWN OF ETHICAL AND LEGAL PRINCIPLES ACROSS SOCIETY

Due to general insensitivity to, and tolerance of, ethical and legal failures, poor accountability mechanisms and compromised leaders, SA experiences a complete breakdown of moral and legal principles. This leads to a collapse in access to services and participation in the economy, contributing to the materialisation of the risk of a failed state.



This risk is still relevant in the face of the State Capture Report, recently released to the President. State organs such as the NPA have made slow progress, whilst the recent elections and subsequent challenges in forming 'coalitions' are clear indicators that ethical behaviour is still at a low point. Key areas of concern are corrupt procurement practices, as well as the corruption involved in people entering the job market and having to pay for jobs. Public-sector positions not being held on merit/cadre deployment leads to continued poor service delivery by the public sector and SOEs.

TOP 5 CHALLENGES TO ACHIEVING TARGETS

1. South Africans have become desensitised to the breakdown of ethical and legal principles.
2. The accountability mechanisms in place are challenged. The law-enforcement system has been captured and needs to be reformed.
3. Leadership commitment remains challenging and crimes are perpetuated.
4. South Africans seem more willing than other nations to tolerate breaches of ethical standards.
5. Tolerating unethical and illegal practises increases the cost of doing business and makes SA less attractive as investment destination.



TOP 5 RISK TREATMENT OPTIONS AND OPPORTUNITIES

1. Call out and be vocal about unethical behaviour to counter complacency.
2. Restore accountability and acknowledge those who do the right thing. Implement strong consequence management in response to unethical behaviour.
3. Normalise proper ethical behaviour and set the right tone at the top.
4. Focus organisational ethics management programmes on creating an ethical culture and accountability to the Social and Ethics Committee of the Board.
5. Restore, strengthen and legitimise law-enforcement agencies, for example: whistle-blowing practices should be benchmarked (e.g. protection, reward).

FACTS AND FIGURES

- A total of 150 individuals and 200 government officials respectively are expected to be convicted in 2020/2021 according to the NPA Annual Performance Plan 2021/2022 briefing to the Portfolio Committee on Justice and Correctional services (7 May 2021).
- South African companies tend to outperform their peers when it comes to the formal aspects of ethics management programmes (like codes, leadership commitment and safe reporting mechanisms). However, South African companies remains more tolerant of unethical practices compared to their international peers.

SOURCES

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 The 2021 Ethics at Work Survey (<https://www.ibe.org.uk/ethicsatwork2021.html>)

EXPERT OPINION



Cynthia Stimpel
Author, Whistle-blower and
Motivational Speaker



Prof. Deon Rossouw
CEO, The Ethics Institute



Michael Davies
Co-opted to IRMSA Risk
Intelligence Committee

Whilst the portfolio committee has been presented with a plan to step up convictions, accountability is still not spoken about enough at every level. There should be an increased awareness of citizens that are doing good work – think the Gift of the Givers Foundation, Corruption Watch and OUTA. If there is a shift to more ethical behaviour resulting in fewer prosecutions, there is the possibility to channel those funds currently paid for legal services for better use towards hospitals, education and municipal services.

Organisations with strong moral and legal principles are those that create awareness. These organisations train people and include ethical behaviour criteria in their performance-management systems. The ethical behaviour score may even override other bonus criteria. SOEs are improving their behaviour by assessing their ethics risks and adopting measurements within their ethical culture. It requires strong leadership to correct issues in the public sector, this because of the current low staff morale and political interference. An improvement in overall ethical behaviour by the public sector will lead to the restoration of pride amongst civil servants.

Whistleblowing has largely failed as a mechanism to stop corrupt, criminal or fraudulent activities. There are several reasons why it is failing. The first is that less than 5% of people report corrupt, criminal or fraudulent activities through formal whistleblowing mechanisms. Most employees report suspected misconduct directly to their supervisors or managers, who frequently are not competent to deal with it (or complicit in some cases), thus resulting in a severely negative outcome for all. Also, as illustrated by the media, whistle-blowers may not feel safe, which is then exacerbated by the fact that nothing happens in most

reported cases. To remedy this, organisations should assess their ethics risk. All too often, leaders have the misconception that they know what is going on at all levels of the organisation when, in fact, they do not. Boards' Social and Ethics Committees have the power to identify inadequacies at a systemic and systems level. Leaders of business and the political world need to build strong ethical cultures and set the right tone at the top. Eradication of poor legal principles will assist citizens in having fair access to services and participating in all economic activity.

Overall, corruption is neither getting better or worse, and appears to have been arrested at this stage as a result of the State Capture Enquiry. More recently, the alleged sabotage at Eskom by internal and external parties has received a lot of media attention due to the intermittent increase in loadshedding. The outcome of this year's local government elections and dwindling support for the ANC may well increase the pressure on improving the current moral and legal situation in SA. The longer-term view is more positive, as the current radical reform flowing through the National Prosecuting Agency, Hawks and SARS – with the appointment of key people in critical positions – should drive an ethical principle resurgence.

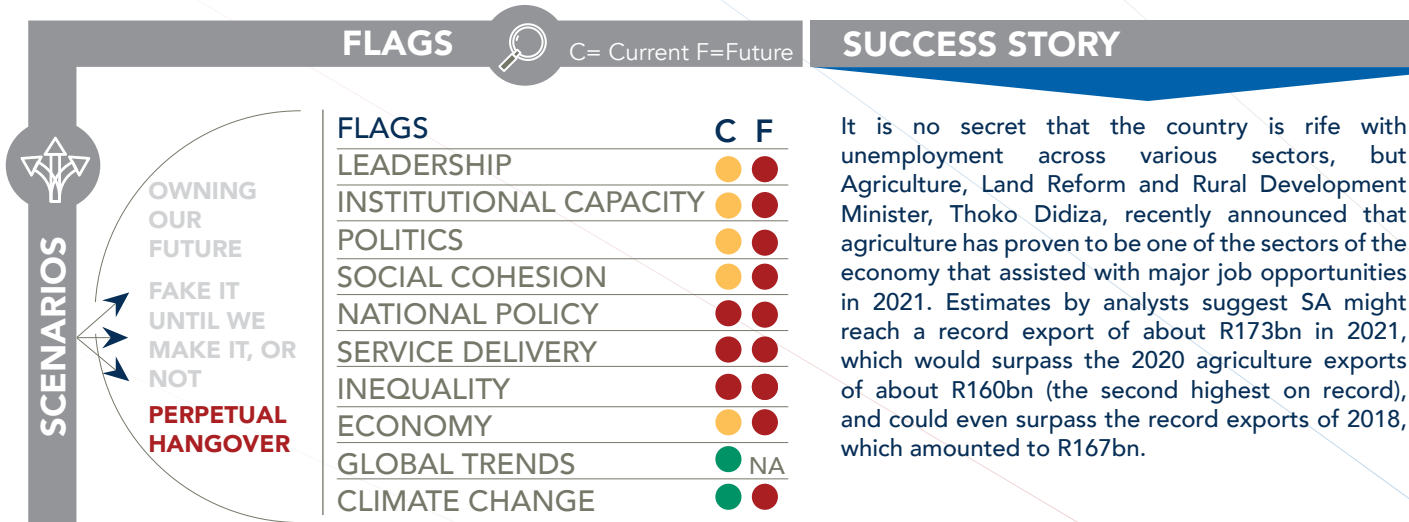
A general misconception is that the issue can be corrected by punitive measures and compliance programmes alone. Ethical organisations are not built by focusing on what you don't want. Focus should rather be on what you do want. This is the difference between a competent and a corruption-free state. Mature, strong ethical cultures are not grown overnight.

It is about doing the right thing even when nobody is watching!

SECTION 3: South Africa Top Risks continued

3.3 UNMANAGEABLE SOCIETAL UNREST AND BREAKDOWN OF THE RULE OF LAW

Due to an increase in economically inactive citizens, policy and regulatory uncertainty affecting employment, poor service delivery and overall trust deficit between the State and its citizens, SA deteriorates into unmanageable societal unrest and breakdown of the rule of law, from which it will be extremely difficult to recover, leading to further spiralling into an ultimate failed state.



The historical social architecture in SA remains the key source for its position as the world's most unequal society. Attempts by Government to turn this around have failed to narrow the imbalance between the rich and poor. COVID-19 has further exposed structural fault lines, such as extreme inequality, poverty, and unemployment. Society has been growing increasingly more frustrated by poor service delivery, endemic corruption and a failing educational system. In recent years, protests have become more violent and disruptive in reaction to years of waiting for promises to be fulfilled. If these structural fault lines persist and worsen, the disruptive unrest that has already been witnessed, is likely to rise to unmanageable levels with increased lawlessness and eventual anarchy.

TOP 5 CHALLENGES TO ACHIEVING TARGETS

1. Economically inactive parts of the population continue to grow beyond society's ability to fund them.
2. Policy and regulatory uncertainty to drive and fast track industrialisation and job creation.
3. Lack of trust in government and organs of the state along with endemic corruption which results in resources reserved for community development being used for personal gain by corrupt officials.
4. Poor service delivery and generally ineffective and poorly resourced municipalities exacerbate inadequate funding and ineffective coalitions.
5. Lack of viable PPPs for socio economic development. Generally poor educational outcomes that do not meet the needs of the country as demonstrated by the large number of graduates without jobs and who simply cannot fit in the job market.



TOP 5 RISK TREATMENT OPTIONS AND OPPORTUNITIES

1. Assess the effectiveness of the policy framework for social grants and develop frameworks to ensure that beneficiaries only qualify for grants through appropriate community service that enables respect, productivity, and independence in the long term.
2. Support the industrialisation investment drive, job creation and faster economic growth through policy and regulatory certainty.
3. Consistently apply the law and implementation of programs, enforce the national anti-corruption strategy, and take swift action against those involved in corruption.
4. Urgently implement a local coalition government policy framework for municipalities to drive effective service delivery and incentivise private business to avail expert skills at local government level.
5. Create opportunities for commercial development and exploitation of opportunities for growth, e.g. rural and agrarian growth to stop or reverse rapid urbanisation, by aligning educational curricula to provide modern skills for rural development.

FACTS AND FIGURES

- SA has world-leading levels of inequality, with a Gini coefficient for income distribution of 0.7.
- Wealth is unequally distributed with the wealthiest 1% of the population owning half of all wealth, while the top 10% own 90–95%.
- SA spends R303bn annually to service debt, which could increase to R1tn over the next 3 years, crowding out spend on service delivery.
- A 2020 survey on benchmarking the quality of education within 76 countries ranked SA as 2nd last in the world.
- 13.8m people in SA live below the food poverty line reported by Statistics SA on 9 Sept. 2021
- The highest ever unemployment rate since 2008 (34.9%) was reported in 2021 (which could be 45% including discouraged jobseekers).
- >18m people are dependent on financial assistance from Government (before COVID-19), outweighing 14.9m employed people.
- Hung councils for the 2021 local elections more than doubled and increased to 66, compared to the 2016 local elections.

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 ATHANASIOS ARVANITIS: Foreign Direct Investment in South Africa: Why Has It Been So Low?

EXPERT OPINION



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As the Economically inactive parts of the population grow beyond society's ability to fund them, the risk of social instability is a reality. It is a ticking time bomb due to deep-seated unhappiness resulting from the socioeconomic order, which is closely linked to food insecurity. The World Bank Humanitarian Index 2020 indicates that SA is the most unequal society as shown by the world's highest Gini co-efficient of 63%. According to the UN report, South Africans live in extreme poverty surviving on USD1.90/day (about R28/ day).

While the government budgeted R205bn for the Department of Social Development, of which 95% is spent on social grants to assist the unemployed (the other 5% on administration of the SASSA and NDA programs), the increasing budget is unsustainable in the long term. In addition, many jobs were lost due to COVID-19 adding to the unemployment burden, which was 30% and is now fast approaching 40%. Investment is also necessary for other infrastructure such as housing, schools, hospitals, roads to support the needy, unemployed and the rest of the citizens and residents.

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SECTION 3: South Africa Top Risks continued

The generational gap between political leaders and the general citizenry is another compounding factor. Whilst this risk is delicately poised, active citizenry is one important balancing force and there are early signs of an awakening citizenry in SA. The masses are growing impatient as is noted by the ruling party being pushed out of power in many cities and towns in recent local government elections, sometimes in favour of political parties that are not viewed as supportive to the economically inactive. The middle class is increasingly strained by the difficult economic circumstances and may also be hard-pressed into instigating unrest.

The unequal society results in breakdown of the rule of law and makes it easier for citizens to engage in unlawful acts hiding behind fighting an unjust system. In addition, the inconsistency in application of the law and biases in decisions, by government and organs of the state, feeds into the political narrative to fuel the belief that arms of state are biased and ineffective. This erodes the confidence in the courts / judiciary impartiality disabling their ability to serve the nation.

Social transformation by changing the mode of thinking is also required. Angry communities destroying infrastructure such as clinics, schools, libraries are a sad but common sight and leaves communities in a worse position than before. In addition, the education system needs to change. It is unjust to make students pass with 33% because their readiness for the job of the future is insufficient. Additionally, the qualifications which tertiary centres offer need to cater for the new world where certain jobs are getting redundant, and others are becoming more prevalent to prevent the problem of growing unemployment.

Local government is unable to provide basic services due to ageing infrastructure, which can be avoided with better planning. The problem is further exacerbated by corrupt officials who benefit from poor infrastructure by running private ventures which provide interim services for their personal gain. Closer management and supervision as well as appropriate and consistent consequent management must be implemented to put an end to the rot.

SA needs to revisit its desirable future. Factionalism and COVID-19 have led to extreme short-termism. An appealing vision for the future of SA is desperately needed. In addition to business, academia also has a critical role to play, specifically for a scientific approach to policymaking. The other key player is the media, which must insist on the freedoms enshrined in the constitution.

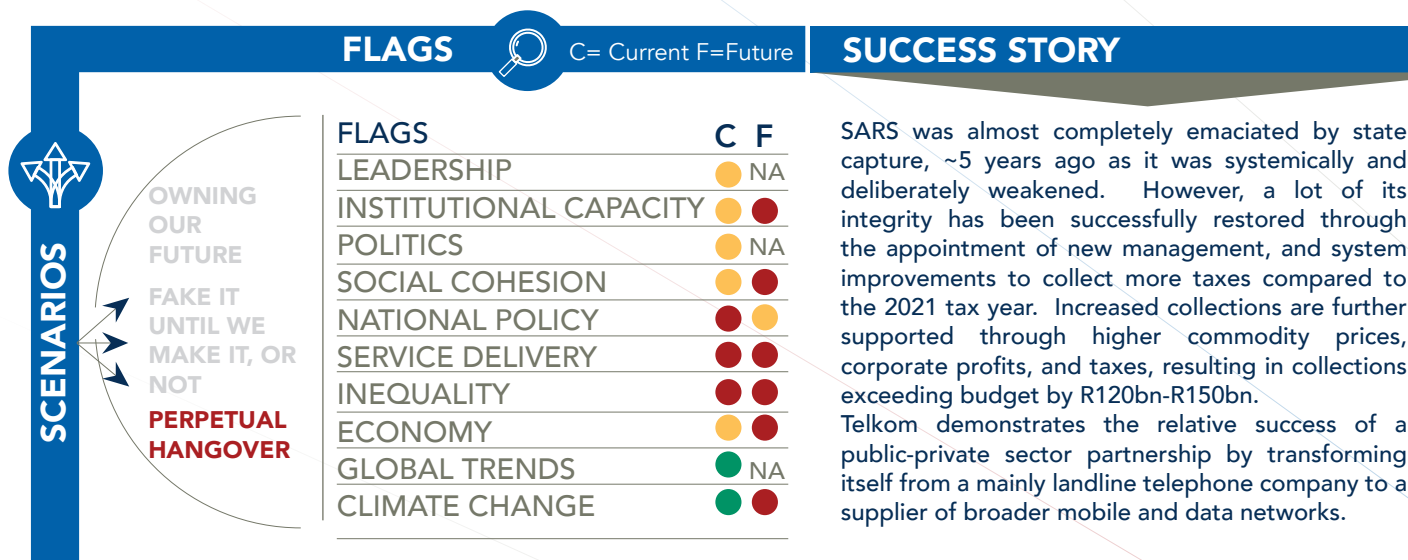
A concerted push for policy certainty will mean greater attractiveness for investors which in turn will bring more income for the fiscus and greater opportunities for employment for the uneconomically active. Christie Viljoen, PwC Strategy& economist says: "Foreign investors look to a number of macro factors when considering FDI. These not only relate to the economic outlook for a particular country but also policy decisions taken by a government. Investors also tend to be wary of any economic and political uncertainty. In SA, recent political and economic uncertainty, including the perception of corruption, have clouded investor sentiment."

In conclusion, there is need for greater cooperation between private and public sector to enable the economy to develop. The private sector must be given incentives to assist in developing the economically inactive members of the communities in which they operate. Organs of government need to have appropriate incentives to be able to attract individuals with the right skills and experience. Political parties also need to work together to better the country. There is a general mistrust and unwillingness to cooperate, which causes a change in political rulership in a community, resulting in complete change in strategy and discontinuation of previous initiatives. This is a cost which the country can no longer afford to bear.

SECTION 3: South Africa Top Risks continued

3.4 COMPLETE ECONOMIC COLLAPSE

Due to longstanding structural impediments, execution failures, failing SOEs, poor basic education outcomes and high unemployment, SA declines into complete economic collapse, creating a spiral of poverty and debt from which it is unlikely to recover in the next decade.



The ERRP (with its sectorial targets) aims to stimulate equitable and inclusive economic growth, after COVID-19 impacted inequality, unemployment, and poverty in a depressed economy, to bring SA back on course to achieve the NDP goals. Economic growth has declined since 2010, averaging 1.7% between 2011 and 2018. The 2019 recession (3rd since 1994) was precipitated by a global financial crisis, declining commodity prices, deindustrialisation, state capture, budget cuts, restrictive macroeconomic policies, reduced investment, insufficient electricity supply and resultant blackouts. Economic crises fuelled political crises, exacerbated by factionalism in the ANC, resulting in social unrest due to ineffective service delivery and deteriorating social cohesion. Concerns around key economic infrastructure (electricity, roads, water, rails), endemic corruption, local municipal failures, rising debt and poor basic education, lead to a fast-approaching perfect storm.

TOP 5 CHALLENGES TO ACHIEVING TARGETS

1. Long-standing structural impediments, with slow and ineffective implementation strategies/policies aimed at economic and political transformation.
2. Lack of service delivery at local government fuelled by ineffective coalitions, endemic corruption, and austerity measures (attempting to reduce debt levels and appease credit ratings agencies).
3. Failing SOEs, with significant debt burdens, are unable to generate cash from operations and rely on debt to finance operations, leaving little room for capital investment and impacting the availability/ performance of critical economic infrastructure.
4. Poor basic education outcomes that contribute to high unemployment, inequality and poverty, disabling the creation of future-fit skills.
5. Continuously deteriorating GDP per capita.

TOP 5 RISK TREATMENT OPTIONS AND OPPORTUNITIES

1. Invest in a capable state where highly skilled and expert technocrats develop and implement policy, as opposed to cadre deployment.
2. Implement Coalition Government Framework. Local government partners MUST keep each other accountable and generate increased efficiency instead of allowing political agendas to get sabotage the public interest.
3. Implement private strategic partnerships unrelentingly and invest in neutralising trade unions' delaying tactics.
4. Review the schooling curriculum to make it suitable for a developing country, informed by the 15% top performing schools' models to generate rapid improvement in basic education outcomes.
5. Implement structural reforms immediately to boost confidence and private sector investment through its signalling effect. Reform fiscal policy to be more countercyclical and support economic and social outcomes, while supporting macroeconomic stability. Utilise favourable global environments to take important decisions and make difficult policy choices when global recovery supports the country's growth.

FACTS AND FIGURES

- SA has fallen behind its peers as measured in GDP per capita 1999-2020 with the Gini coefficient for income distribution at 0.7.
- The wealthiest 15 of the population own 50% of all wealth, while the top 10% own at least 90–95%.
- The ratio of fixed capital formation to GDP has declined to an all-time low of 13%, 17% below the NDP target of 30% of GDP.
- R1 of every R5 raised by SA goes towards government debt; SA spends R303bn p.a. to service debt (could increase to R1tr in 3 years).
- Average profitability of SOEs, measured by return on equity is -7.9%, due to weak revenue growth, high costs and debt-service costs.
- Loadshedding causes lost economic output of ~R700mn per stage per day (direct cost reduces economic growth by ~2% per year).
- Loadshedding is estimated to have contributed to over 1m job opportunities lost.
- SA growth rate has been suboptimal but more resilient than expected, due to pockets of excellence in the public and private sectors.

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EXPERT OPINION



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SA's economic growth has been in decline since 2007. After the ANC's 2008 conference, one faction took over governing SA from another faction. The ruling faction's state capture project saw corruption levels rise, and resources diverted to a small, well-connected section of society, preventing the development and upliftment of the general population. The collapse in growth and concomitant rise in unemployment contributed to the July 2021 unrest. The further unemployment increase due to COVID-19 highlighted the structural economic decline. The change in SA leadership in

2018 led to hope that the economic decline trajectory would be reversed, but it has been slow in coming. In October 2020, the ERRP was launched with intended socio-economic interventions, the success of which in remain to be seen. There has been a concerted effort by the judicial system to reverse the economic decline attributable to state capture, however, it is too slow to prevent even greater economic decline.

A key focus should be on promoting infrastructural investment as a means of speeding up job creation.



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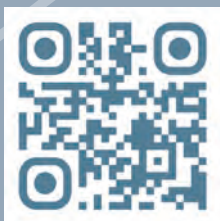
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SECTION 3: South Africa Top Risks continued

The reality is that infrastructural investment has been dealt a significant further blow by COVID-19 and the resultant loss of confidence in the business community and society at large. The ratio of fixed capital formation to GDP has since declined to an all-time low of 13%. The original objective of the NDP was to raise the ratio of capital formation to GDP to 30% of GDP. A significant gap exists between what has taken place in terms of capital formation and infrastructural investment to what the intentions of the Government were in the first place.

One of SA's biggest challenges yet is execution. In October 2020, the President announced 51 infrastructure projects worth R340bn which were to be undertaken in partnership with the private sector. More than a year later a third of these projects have yet to get underway. In a further announcement in the medium-term budget policy statement in 2021, there was an additional pledge to embark upon another 55 such infrastructural projects worth R595bn. Thus, the 2 sets of projects combined would have resulted in infrastructural investment worth over R900bn. The capacity to execute these projects poses a critical impediment to economic growth.

The public service is occupied by people in management and decision-making positions, on account of their proximity to the ANC and not their qualifications and competence. This is particularly acute at municipalities which have collapsed leading to the heavy ANC losses suffered during November 2021 local government elections (with coalition governments in 25% of all municipalities and >50% of the main metro municipalities). It is unclear whether this will lead to improved performance or a decline in performance due to unstable leadership. If local government partners keep each other accountable, the competition itself may, theoretically, generate increased efficiency.

The trade union stronghold on the labour market makes it extremely unattractive for business to employ people fulltime and contributes to rising unemployment resulting in businesses prefer capital-intensive rather than labour-intensive techniques.

Global economic events have a major impact on SA. In 2021, SA avoided the declining trend of the past decade, with growth possibly reaching 5% for the first time in 15 years. But this is primarily due to increased global commodity prices arising from an earlier than expected vaccine roll out which has enabled the world economy to return to a semblance of normality faster

than anticipated. That process has been accelerated by unprecedented, massive fiscal and monetary stimulus by leading industrialised countries.

The rise in commodity prices has enabled SA's strong export performance, boosting economic growth. However, the boom is not sustainable. It is critical that the world economy remains buoyant for SA to rely on the processing of its resource endowments in agriculture and minerals to overcome some of the domestic structural challenges. The massive amount of global fiscal and monetary stimuli has led to unprecedented public debt levels, inducing central banks to keep interests as low as possible for as long as possible, leading to increased global inflation requiring central banks to raise interest rates. Other international risks to be confronted, include more infectious diseases and the resultant damages to the world economy, climate change and enormous funding needed for greener technologies.

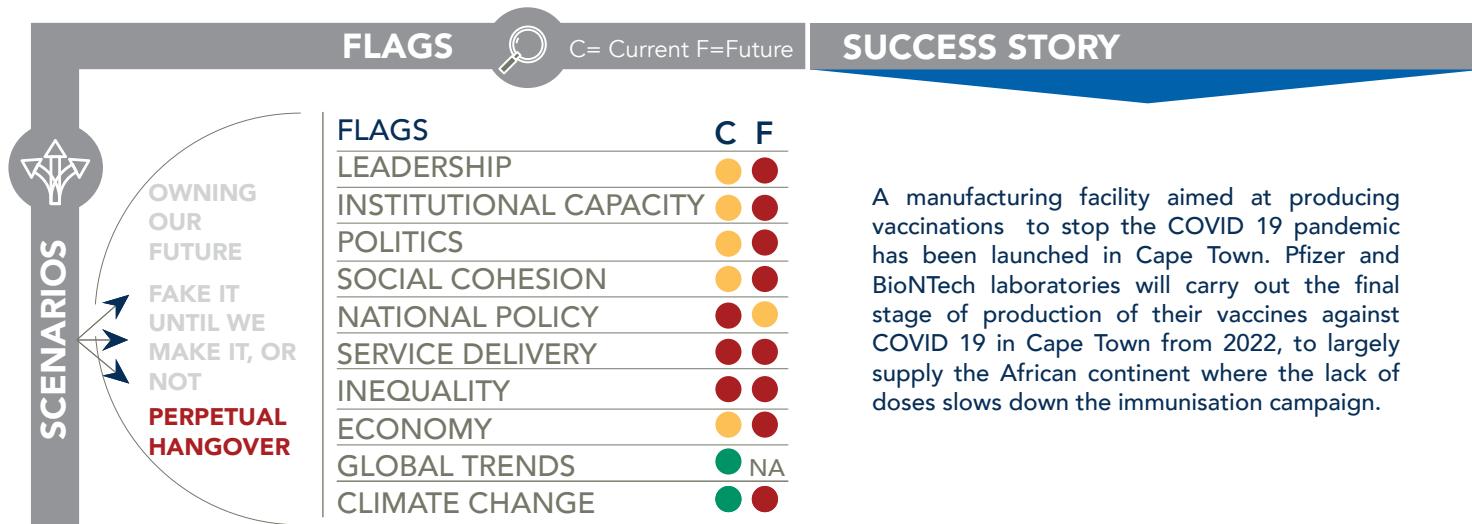
Together with deliberate efforts to address existing challenges, the following pockets of excellence must be leveraged:

- Microbiological research has been at the forefront of development technologies to fighting COVID-19.
- SA financial markets are comparatively more advanced than most countries, with a very liquid, but volatile currency, which acts as a shock absorber: when the economy deteriorates the currency depreciates, enhancing export revenues, preventing severe downturns.
- 90% of government debt is owed to domestic financial institutions, an enormous strength compared to many other emerging markets.
- The strong stock exchange (compared to other emerging markets) provides financial strength and ensure continued foreign investment.
- Institutions such as the judiciary, South African Revenue Service, the National Treasury and the South African Reserve Bank remain the country's crown jewels and models of excellence that must be replicated throughout.

SECTION 3: South Africa Top Risks continued

3.5 LACK OF SKILLS TO ENABLE ECONOMIC GROWTH AND RECOVERY

Due to national policy and curriculum misalignments, limited focus on skills that are and will be in demand and poor adoption of digitalisation, SA does not have the skills it needs at the time that it needs them. It fails to correct the structural challenges in the economy and to grow the economy with the potential consequence of further economic decline and ultimately complete economic collapse.



Education deficits mean that SA lags in its transformation to a knowledge-based and innovation economy. It is as important for business leaders to grasp, collectively, as it is for educators, managers and all types of workers and students. Business schools must play their vitally important role in shaping the kind of leaders SA will need to enable economic recovery and inspire the growth SA needs to sustain that. Global digital education, is rapidly becoming pervasive and accessible, providing an important opportunity that is imperative to SA's future. Employability (the ability of workers to meet the needs of the labour force) is critical and requires the continuous upgrading of skills, especially in sectors that experience rapid technological and organisational change to avoid obsolescence of human capital. Skills should be acquire based on a specific skill set that is in demand as well as personality, preferences and relevance to the field of work.

TOP 5 CHALLENGES TO ACHIEVING TARGETS

1. Misaligned Curricula: skills mismatched for current vacancies and future jobs; and irrelevance to the existing and future economy.
2. SA's inability to develop and sustain an agreed common agenda on specific national issues and a minimum programme to address same.
3. Digital divide: access to technology and innovative private institutions.
4. General limitations to modelling occupational demand and specific issue with the methods used to construct the list of occupations in high demand.
5. Severe capacity constraints and lack of universities vs inadequate utilisation of TVET Colleges.



TOP 5 RISK TREATMENT OPTIONS AND OPPORTUNITIES

1. Upskill education and training institutions and educators, and innovate, including benchmarks with successful countries. Adopt a culture of lifelong learning and re-learning.
2. Reduce dependence on social grants and creating an environment for self-sustenance and facilitating local economic development.
3. Increase the use of global digital education by providing free / affordable internet access. Support effective change and transformation initiatives, through effective policy implementation and community involvement.
4. Deploy effective methodologies to identify and develop scarce and relevant skills to the economy in the shortest timeframe possible.
5. Build additional universities and re-invent TVET Colleges in line with the best in the world e.g., Switzerland or New Zealand

FACTS AND FIGURES

- Poverty and inequality continue to be transferrable thus perpetuating an inability to foster a culture of human rights and equality.
- The aggregate rate of unemployed graduates in SA is 9.3%, 40.3% of which are below 24 years of age, 15.5% are aged between 25 and 34, and 5.4% are aged between 35 and 64.
- From a class of 100 matriculants in 2022, only 6 will graduate from university in six years.
- 68% of municipalities lack skills and 30% lack skills while vacancies remain unfilled.

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EXPERT OPINION



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Rapid changes require continuous human resources capacity and capability-building to manage public resources effectively and economically. Sufficient and relevant skills can exist if there are adequate resources to fund their development and maintenance. The current situation in SA and across the world points to ongoing incapacity and the inability to develop capable states with sufficient and relevant skills to address an ongoing economic decline, respond to rapid change and to restore sustainable economic growth and recovery – particularly following the various global and regional based disasters, natural and otherwise. COVID-19, which almost brought the world economy to a standstill, is the clearest example of the global lack of sufficient and relevant skills to respond timeously, effectively and meaningfully to potential calamities – those that impact on economic stability, growth and recovery.

In SA, do we have the skills to power our economy now and into the future? The brutal, numerical truth suggests we don't. Of 100 matriculants in the Class of 2022, only 60 will write their exams in November. Of those, only 37 will pass. 12 will eventually go onto higher education, but only six will graduate within six years. Those that do graduate will probably be swamped in student debt – and still jobless in a country where youth unemployment is already one of the highest in the world. By the time they graduate, at least a quarter of the jobs that existed when they started studying will not exist anymore. They will be replaced by jobs that most of us haven't even envisaged yet. Our students will have graduated straight into obsolescence. It is not their fault. We live in a world of unparalleled volatility, uncertainty, chaos and ambiguity. COVID-19 has been the greatest disruptor we have ever known in a world that is becoming exponentially more diverse and more complex. The true worry is that they are our future leaders – and they cannot get jobs. They're the ones we will be pinning our hopes on to build back better and power an economic recovery premised on creating prosperity for everyone, not just the shareholders.

Modern learning is based on qualifications, credentialisation and lifelong learning. Qualifications traditionally open the door to jobs, but what jobs? It once took 15 to 20 years for the technical skills you learnt to become obsolete. Now that has been cut to 2 to 5 years. There's also the high barrier to entry in terms of both cost and geography to universities and universities of technology. Credentialisation is the learning you do at work, getting new skills to adapt to new systems and ways of work, while lifelong learning is something that must be adopted by all of us if we are to

remain relevant amidst the only certainty: change. But it is nigh on impossible if you cannot find a job in the first place.

Legacy institutions like universities are geared to only providing qualifications, not credentials, and certainly not encouraging lifelong learning. But there are other institutions that do. If we are to embrace this era of learning, unlearning, and relearning, we need to turn to our TVET sector as Switzerland, New Zealand, Russia, China, and Finland have all done. Our TVET sector might be a source of derision because of its general dysfunction, but there is nothing fake nor laughable about the amount of funding it receives every year – R800m – nor its footprint of 50 colleges. "There's a far better chance at getting employed and even starting your own business if you learn a trade. It is counter-intuitive, but it is really the law of demand: far too many people think white-collar jobs are the way to go, meaning that far fewer youth are choosing blue-collar careers. Qualified tradespeople are in far greater demand than ever before – and can charge more because of it. It's also easier to access vocational training because of the incredible network of TVET colleges and the nation – and it's cheaper." (Staff reporter: 'It's time for South Africans to get their hands dirty if we are going to radically transform our country', Saturday Star).

We are no longer in a knowledge-based economy, but an innovation economy, and that is as important for the business leaders to grasp as it is for the workers on the tools and on the shop floor. Business schools play an incredibly important role in shaping the kind of leaders we will need to help us enable the economic recovery – and inspire the growth we need to sustain that. At Henley Africa, we pride ourselves on building the leaders who will build the businesses that will build Africa. It starts with applying our unique ladder of learning programme to reduce structural barriers to education, this coupled with our philosophy of earning while learning. Thanks to COVID-19 and the lockdown that followed, we have decolonised our campus, bringing education to the remotest parts of the country, virtually and asynchronously.

Education is the key to breaking out of the cycle of poverty that underpins our Gini coefficient, which is one of the worst in the world. SA does have the skills to power our reset after this great disruption – the problem is we don't have enough. We need to massify the right education to unlock the potential that lies in every single one of us. There is a plan. We just need leaders with the will to implement it.

SECTION 3: South Africa Top Risks continued

3.6 LARGE SCALE DISRUPTION OF ECONOMIC ACTIVITY RELYING ON STABLE SUPPLY OF UTILITIES

Due to SOEs' debt burdens, low productivity levels/plant availability, slow progress on unbundling/privatisation, high cost of alternatives and poor capacity/competencies, SA experiences a complete implosion of the infrastructure required to keep the economy going at a rate required to fund the rebuilding of the country, resulting in further declines in economic growth, service delivery and social cohesion.

SCENARIOS	FLAGS	C= Current F=Future		SUCCESS STORY
	OWNING OUR FUTURE	LEADERSHIP	C	F
FAKE IT UNTIL WE MAKE IT, OR NOT	INSTITUTIONAL CAPACITY	●	NA	
PERPETUAL HANGOVER	POLITICS	●	NA	
	SOCIAL COHESION	●	●	
	NATIONAL POLICY	●	NA	
	SERVICE DELIVERY	●	●	
	INEQUALITY	●	●	
	ECONOMY	●	●	
	GLOBAL TRENDS	●	NA	
	CLIMATE CHANGE	●	●	

The stable supply of utilities such as water and electricity are essential for all entities to contribute effectively to the economy. If these are disrupted on a large scale and consistently, then SA will fail to secure much needed job-creation and economic growth-based investments SA has experienced an increasing number of disruptions of essential services such as water and electricity over the last decade. Despite increased leadership attention, these disruptions continue to occur and, in some cases, accelerate. The impact of this on investor certainty is significant as is the ability of business and other essential services to operate. Lack of an integrated policy framework and parochial interests hamper progress.

TOP 5 CHALLENGES TO ACHIEVING TARGETS

1. High levels of existing debt and non-payment which hampers the ability of government and SOEs to maintain and expand.
2. The constant hubris that desalination is costly and ecologically undesirable.
3. Slow progress on unbundling and introducing private sector players.
4. Low levels of plant availability.
5. Cadre deployment that has eroded the entire technical foundation of all tiers of government.

TOP 5 RISK TREATMENT OPTIONS AND OPPORTUNITIES

1. Fast-track unbundling of incumbent utilities to increase transparency and bring in new market players.
2. Consider utility scale desalination (bigger than 100 Mega litre per day plant) at municipal level in all major coastal cities to restore confidence and be favourably considered as SPVs with an appetite for private investment
3. Accelerate nationwide, adequately funded water and energy efficiency campaigns. Accelerate the 100MW self-generation initiative
4. Have country level plans for new technologies that have the potential to being localised and spur economic growth through projects such as green hydrogen and storage.
5. Step up PPPs that include the transfer of skills from Private to Public. Incentivise and/or bring back retired and emigrated experienced skills to assist.

FACTS AND FIGURES

- An update on the 2002 data in National Water Resource Strategy, that is still the foundation of all planning, showed that 98% of all surface water had been allocated, with some basins 120% over-allocated.
- The energy availability factor (EAF) of Eskom power stations has declined significantly over the last 20 years and this hampers the ability to do routine maintenance or increases loadshedding.
- In 2020, the Department of Water and Sanitation estimated R898bn was needed to fix SA's water and sanitation infrastructure and that there were fewer people receiving reliable water services than in 1994.

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EXPERT OPINION



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The risk to SA is that the current situation of large-scale disruptions of electricity or loadshedding, will further deteriorate over the short to medium term (1-3 years). At present we have the lowest energy availability factor ever recorded, and this will get worse in 2022 when Koeberg, (one of the system's best performers) will lose one of its units for nearly a year, if everything goes to plan. Due to a lack of maintenance and low performance at new plant such as Kusile and Medupi, Eskom will struggle to meet demand.

Many risks materialise as the number of large-scale interruptions to utilities grow. We need to learn from other countries that have struggled with these types of issues, driven by several different causes from ineffective policy to climate change and extreme weather risks. As the energy and water systems grow and change, they become more complex with many more interfaces, all of which can cause disruptions. We have a good understanding of the causes in SA, and they include inadequate skills, parochial interests, misaligned policy, grid constraints and revenue collection. SANEA produces an annual Energy Risk Report for SA and many of these issues have been identified as drivers of uncertainty and risk in SA. A framework of recommendations around implementation, innovation, impact and integration with people at the centre has been developed and many of these recommendations apply to the problem of large-scale interruptions.

What we do know, is that while market reform is a necessary step, it will not fix the problem of large-scale interruptions in the short term, and as we have learnt from many international examples, we may not be able to avoid them in the longer term either. We must have a dual approach that not only addresses the short-term burning platform in electricity and water but builds resilience to these system shocks, whilst addressing the market structure

and rules in parallel. Both require attention and focus. Resilience can be built by the different elements of the systems (Eskom, municipalities etc) working together, building skills and even bringing back retired skills to help in the shorter term. High level discussions that set the strategic direction need to be managed at the national level. Some of the future risks to resilience include further plant damage because of loadshedding, cyber risks, sabotage and lack of coordination or alignment in implementing any new plans or strategies.

Opportunities include grid strengthening, long duration storage, green hydrogen and driving a just transition to fund new jobs and skills. In addition, a laser focus on energy efficiency is needed on a national scale with associated investments and further encouraging own power generation or storage and banks with appropriate financing.

It is acknowledged that as this is a problem the straddles more than one sector, government may need to consider some innovative approaches to ensure that our limited resources are managed for the optimal benefit of our citizens. This will require a review of the NDP. Shallow change is happening in numerous areas, rather than deep, sustainable change in a select few areas and without a long-term energy vision for the country, integrated infrastructure plans are not in place, meaning that sector coupling, is not being prioritised.

There is no silver bullet here, progress can only be made with sustained and capable focus that looks at the issues with a SA Inc lens and is continually adapting and changing as the world around us shifts. A very positive move was the new green finance deal for SA recently announced at COP 26. What we need now is innovative approaches that recognise the lessons learnt elsewhere but acknowledge our unique national circumstances.

SECTION 3: South Africa Top Risks continued

3.7 LARGE SCALE INTERRUPTION OF DIGITALLY ENABLED SERVICES AND ECONOMIC ACTIVITY

Due to inadequate national policies, lack of skills and increasing cyber-crimes SA suffers large scale interruption of digitally enabled services with resultant interruption of economic activity with dire social and economic consequences.

SCENARIOS	FLAGS	C= Current F=Future		SUCCESS STORY
	FLAGS	C	F	
	LEADERSHIP	●	NA	National policy developments on digital transformation highlights the State's imperative to support SA's digital agenda, including the establishment of the interdisciplinary Fourth Industrial Revolution (4IR) Commission, with business, academia, and civil society to assist in creating enablers to exploit the opportunities presented by 4IR. Pillars identified include infrastructure development, funding, human capital investment and technology direction. The National Digital & Future Skills Strategy of the Department of Communications and Digital Technologies identifies and provides a prioritisation framework for digital skills required in SA.
	INSTITUTIONAL CAPACITY	●	●	
	POLITICS	●	NA	
	SOCIAL COHESION	●	●	
	NATIONAL POLICY	●	NA	
	SERVICE DELIVERY	●	●	
	INEQUALITY	●	●	
	ECONOMY	●	●	
	GLOBAL TRENDS	●	NA	
	CLIMATE CHANGE	●	●	

Digitalisation of services has been accelerated by COVID-19 with many organisations forced to adopt digital processes to survive and continue servicing their customers, thereby amplifying the importance of digitalisation as an enabler for economic growth. As the adoption of digital services increases, large scale interruption of digitally enabled services (outages, cyber-attacks, disasters) is an increasing threat to economic activity. For many industries, digital channels became their primary service channels. However, in the same period, some of the worst large-scale interruptions to digitally enabled services were experienced, resulting in significant financial losses and the erosion of trust in the growing digital economy. Building a successful and sustainable digital economy requires a sound policy framework. New timelines communicated by the ICASA regarding the allocation of spectrum shows promise that infrastructure development will soon be unlocked and enable the roll out of high speed, high capacity 5G networks that are crucial for providing advanced digital services and reducing the costs of access. The new Cyber Crimes Act codifies cybercrimes and imposes heavy penalties for offences. The Act deters cyber criminals and empower law officials to swiftly respond to cybercrimes. This will also bolster investor confidence and consumer trust.

TOP 5 CHALLENGES TO ACHIEVING TARGETS

1. Restrictive or inadequate policies that do not promote investment and support innovation, e.g. the delayed spectrum allocation.
2. Inability or inertia of public and private sector leadership to develop and execute digital transition strategies.
3. Failure to develop local specialist digital skills that are required to support business objectives, e.g. security, data analytics, programming skills etc.
4. Failure to adequately respond to cybercrimes and crimes to critical infrastructure, e.g. online scams, digital extortion, theft of power cables and theft of cell-phone tower batteries.
5. Increased willingness of organisations to meet demands of cyber criminals, e.g. paying ransom.



TOP 5 RISK TREATMENT OPTIONS AND OPPORTUNITIES

1. Accelerate spectrum allocation to increase access to digital services. Review, amend or create new policies to support digital transformation, including IP laws, investment incentives and increased private sector participation in infrastructure services such as energy and broadband.
2. Exercise increased pressure (by boards and shareholders) for organisational management to develop and execute digital strategies.
3. Increase partnerships with educational institutions and the private sector to identify and develop required skills with a clear focus on science, technology, and research. Adopt a Pan-African approach to upskilling regulators and policymakers on digitisation and its impact.
4. Take clear and visible action (by regulators) for cyber and technology related crimes, and increase multi-sector collaboration to better respond to threats, e.g. intelligence centres.
5. Increase investment in security, data protection and business resilience, and adopt a multi-layered security strategy.

FACTS AND FIGURES

- The average total cost of a data breach in SA is estimated at R50m and can take up to 8 months to identify and remediate.
- The average remediation cost of a ransomware attack in SA is estimated at R6.4m.
- Global regulators have imposed fines as high as €746m on e-commerce giants for failing to take due care when processing information.
- Battery theft and base station vandalism are a major contributor to mobile internet connectivity outages and service degradation. A single Service Provider can experience as many as 700 incidents per month.
- 2020 saw e-commerce in SA grow by 66% reaching R30,2bn with COVID-19 accelerating the adoption of digital services.
- The POPIA and the Cyber Crimes Act attract penalties as high as R10m or up to 15-years imprisonment.

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EXPERT OPINION



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Many organisations are still grappling with the initial transition to digital and have yet to fully appreciate the accompanying risks and how large-scale interruptions to digital services may affect their organisations. These interruptions include service outages, service degradation and data breaches. The consequences which may be catastrophic include:

- Non-compliance to legislation or breach of contractual obligations: Fines, penalties, and prison sentences.
- Financial losses: Interruptions result in a loss of productivity, loss of sales revenue, cost of resilience (e.g. power generators) and the cost of recovery.
- Reputational damage: A heavy premium paid for service interruptions is the loss of confidence by users and investors.

Facebook's global outage of 2021 dropped its stock by almost 5% in a few hours citing market sentiment about the incident.

- Failure to acquire critical services: Digital channels have become the primary method to acquire basic services such as information, communications and e-government services. A recent cyber-attack on a SA SOE ground to a halt the delivery of imports and exports, resulting a devastating effect to many businesses and people.

The prodigious effects are driven by the interconnected nature of the internet, and outages in key platforms affect many linked systems and services – A reminder that the internet is not too big to fail.

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SECTION 3: South Africa Top Risks continued

The biggest culprits to interruptions are:

- **Cybersecurity breaches:** As technology becomes more pervasive and the cost of computing declines, there is an increase in highly organised, sponsored and sophisticated cyber-attacks. These Advanced Persistent Threats continue to be a major cause of outages and methods of attack include ransomware, phishing and, increasingly, coin mining. Other cyber security threats that are compromising digital services include Shadow IT within organisations and security threats from 3rd parties.
- **Connectivity outages:** Infrastructure underpins reliable digital services. Major contributors remain loadshedding, internet outages and quality degradation. Services outages are compounded by the concentration of a few large 'invisible' intermediaries that provide most internet services. These platform providers, cost leaders due their scale, are increasingly becoming the internet's biggest threat.
- **People factors:** Despite the increased introduction of technologies such as robotics and automation, most outages are due to human errors. Misconfigurations remain the leading cause, but lack of skills, lack of cyber threat awareness and keyman risk as a result of poor knowledge management also contributes.

Government accelerates digital adoption by promoting favourable policies and increasing investment in infrastructure to ensure that more people are connected. But this alone will not be enough. Simply being connected will not guarantee quality or reliable services. Similarly, misdirected large spend to 'security' solutions will not guarantee better results. Building a successful and sustainable digital economy requires a sound policy framework.

On a positive note, the new timelines communicated by the ICASA regarding the allocation of spectrum shows promise that infrastructure development will soon be unlocked and enable the roll out of high speed, high capacity 5G networks that are crucial for providing advanced digital services and further reducing the costs of access.

The new Cyber Crimes Act codifies cybercrimes and imposes heavy penalties for offences. The Act should deter cyber criminals and empower law officials to swiftly respond to cybercrimes. This will also bolster investor confidence and consumer trust.

Organisations must also adopt a pragmatic risk-based approach, informed by a service criticality framework, which must contain key indicators (e.g. type of data, revenue impact, customer impact, regulatory requirements, and the speed of impact).

The outcomes must be used to inform business resiliency planning. In addition, organisations must understand the interconnectedness of their services, including who their service providers are. Security control assurance must be extended to this wider network.

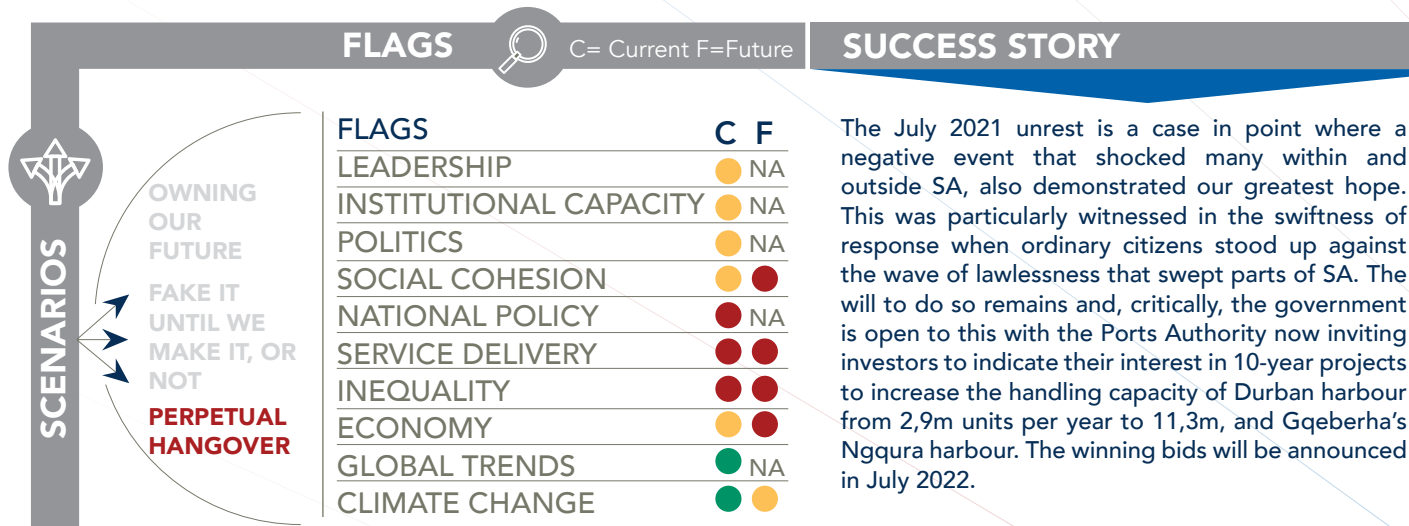
Lastly, a deliberate focus on development of human capital to deal with digital risks is key (e.g. security, programming, advanced networking). This must be accompanied by strong retention programmes to ensure talent stays within organisation and the continent.

For Africa, the digital revolution presents many opportunities, but it is only organisations that are secure and resilient by design that will have the advantage and thrive in a digital world.

SECTION 3: South Africa Top Risks continued

3.8 DEBILITATING LOSS OF AFRICAN TRADE BENEFITS THROUGH SA PORTS INTO AFRICA

Due to deteriorating infrastructure, rampant and violent crime, protests, unrests, and strikes, SA loses most of the benefits it obtains through its status as 'Gateway into Africa', resulting in further economic irrelevance, loss of foreign investment and revenue earning capability.



SA is rapidly losing its place as the preferred gateway to Africa. SA's port, railway and road infrastructure has deteriorated significantly in the past 10-15 years. Although we still have one of the best financial systems in the world, rampant and violent crime, protests, unrests and strikes have damaged our reputation as the preferred destination to set up regional or global offices or manufacturing plants. SA is now behind other African countries in the 'ease of doing business' index and the risk of SA becoming irrelevant to Africa is ever increasing. The complete shutdown of the Durban port during the July 2021 unrest highlighted the vulnerability of SA's commercial harbours. Durban, which handles 60% of SA's import and exports, was closed for almost a week, affecting critically important fuel supplies for SA's economic heartland. Shortly afterwards, Transnet, the SOE which runs the ports was hacked in a cyber-attack further jeopardising SA's seaward access points. Cape Town is the second largest container port after Durban and a vital hub for the export of fresh fruit and wine. In March 2021, as the Ever Green blocked the Suez Canal for weeks, attention turned to Cape Town as an option between east and west, albeit at a cost of a 10 000km detour per voyage and a delay of weeks rather than days. There was huge concern about the lack of infrastructure and possible further delays once docked. Richards Bay, SA's newest port, has had to be closed twice in 2021, once during the insurrection and then after a fire broke out in October.

TOP 5 CHALLENGES TO MITIGATING THIS RISK

1. Instability, such as the July 2021 unrest, impacting the viability of South African ports.
2. Crippling effect on the economy of undependable ports.
3. Undermining effect of disruption on the social welfare of the nation.
4. Many foreigners fall prey to crime in our country and this impacts trade and tourism and ultimately, our economy.
5. Weak safety and security controls resulting in increased international criminal opportunities in SA.



TOP 5 RISK TREATMENT OPTIONS AND OPPORTUNITIES

1. Improve SA's main ports by investing in infrastructure and technology, specifically aimed at reducing the time that ships are anchored at our harbours.
2. Stimulate exports through growing produce, manufacturing cars, mining and shipping minerals, etc.
3. Step up efforts to bring the July 2021 unrest disruptors to book and increase safety and security intelligence to proactively prevent future disruptions.
4. Government to take a stronger stance on protecting foreign trade and investors' interest as well as tourists.
5. Better international policing and monitoring of global syndicates and new criminal undertakings such as scams.

FACTS AND FIGURES

- The World Bank report published in May 2021 ranked SA's major ports at the bottom globally and Durban as 349th in a survey of 351.
- Total port hours per ship per call (a key metrics of the Container Port Performance Index) measured in the time it takes a ship to load/unload a container in SA is 3,6 minutes (compare Yokohama in Japan at 1,1 minutes).
- Ease of Doing Business Report 2021 ranks SA 82nd while Rwanda and Kenya ranked 34th and 58th respectively.

SOURCES

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EXPERT OPINION



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Richards Bay, South Africa's newest port, had to be closed twice in 2021, once during the insurrection and the second time after a fire broke out in October. The nature and extent of the more recent events which have had a negative impact on the ports have become more regular, and therefore the risk has increased.

The complete shutdown of the Port of Durban, during the unprecedented insurrection in July 2021, highlighted the vulnerability of South Africa's commercial harbours. Durban, which handles 60% of the country's import and exports, was forced to close for almost a week, affecting critically important fuel supplies for the country's economic heartland. Shortly afterwards, Transnet, the SOE which runs the ports, was hacked in a cyber-attack, further jeopardising the country's seaward access points.

To reduce this risk, a major change is required. Transnet needs to be overhauled and the National Ports Authority needs to be empowered. President Cyril Ramaphosa has made a commitment to this effect. However, as with other undertakings made on interventions at other SOEs, we should be concerned about the actual execution and/or the pace of execution. All risk-mitigation strategies must be implemented within a time horizon when they are likely to yield the most effective results. A further constraint is that there needs to be political will to implement these kinds of reforms. Currently, the state President does not have the requisite level of support within the ruling ANC. A reshuffle of the cabinet to provide leaders with a track record of accountability is the best chance at securing change at government level and within SOEs, towards encouraging trade for the country.

Rampant and violent crime is a key element negatively impacting South Africa's reputation as the gateway to Africa. To regain this reputation, radical steps need to be taken to reduce or even eradicate specifically violent crimes and the risk of further insurrections.

The good news is that there are organisations and individuals who try to improve the current situation and work with the South African Police Service, politicians and government to build better societies. More of these initiatives should be introduced and formalised with endorsement from the government.

POPUP is a self-dependent people upliftment programme under Doxa Deo. Similar programmes must be introduced formally, with the appropriate financial support, to start equipping people to find dignity again as productive role-players in the economy.

The impetus for change must be led by the President and Cabinet, who should visibly endorse positive steps to root out crime and protect all citizens of the country. Proper vetting of members of parliament to eradicate criminal activity would be beneficial. Punishment appropriate to the crime committed will also serve as a deterrent. All citizens should be able to own land where they live and have a record thereof. All citizens should also have fair access to employment and pay taxes to build the backbone of the country. The fundamental structure within the country to remove corruption and criminality will improve foreign sentiment and increase trade through SA.

SECTION 3: South Africa Top Risks continued

3.9 INADEQUATE RESPONSE TO CURRENT AND FUTURE CLIMATE CHANGE IMPACTS

Due to political, social and economic challenges, SA does not respond timeously and/or adequately to the impacts of current and future climate change impacts, leading to increased inequality, deterioration in social cohesion and further marginalisation of the most vulnerable members of society.

SCENARIOS	FLAGS		SUCCESS STORY	
	C	F		
<p>OWNING OUR FUTURE</p> <p>FAKE IT UNTIL WE MAKE IT, OR NOT</p> <p>PERPETUAL HANGOVER</p>	LEADERSHIP	● NA	<p>The South African Forestry Company SOC Limited (SAFCOL) has responded well to SA's focus on greening the construction industry, e.g. through construction timber as a renewable material, and researching trees adapted to changing climatic conditions. SAFCOL's subsidiary, Komatiland Forests SOC Ltd (KLF), has been certified by the Forest Stewardship Council® (FSC®) (FSC® - C013832 – Forest Management and FSC®- C007806 – Chain of Custody) for 24 consecutive years, assuring customers that its forests are managed according to responsible social, economic and environmental standards. SAFCOL's Climate Change Response Strategy and Just Transition Plan are further being developed to support the national climate change agenda.</p>	
	INSTITUTIONAL CAPACITY	● ●		
	POLITICS	● NA		
	SOCIAL COHESION	● ●		
	NATIONAL POLICY	● ●		
	SERVICE DELIVERY	● ●		
	INEQUALITY	● ●		
	ECONOMY	● ●		
	GLOBAL TRENDS	● NA		
	CLIMATE CHANGE	● ●		

Climate risk and corresponding extreme weather events affect government, business, and all levels of society, particularly affecting SA's socio-economic realities. With increasingly negative effects of climate change globally, SA is at a tipping point, being particularly vulnerable due to its inherent arid geography, complex socio-economic fabric, and slow, inadequate response (adaptation and mitigation), which will cause ever-increasing and adverse economic, environmental, and social consequences. The public and private sectors face a common enemy, requiring collaborative efforts to adapt and mitigate climate change impacts.

TOP 5 CHALLENGES TO MITIGATING THIS RISK

1. Competing priorities and a lack of financial resources to implement large capital-intensive mitigation measures.
2. A siloed approach to managing climate impacts together with missed opportunities to collaborate on large scale interventions.
3. Poverty, inequality, and unemployment coupled with the important role of 'carbon-heavy' industries to narrow the socio-economic gap.
4. Increasing pressure on the agriculture sector, food production and food security.
5. SA's high reliance for economic activity on carbon intensive technologies and resultant high carbon emissions.



TOP 5 RISK TREATMENT OPTIONS AND OPPORTUNITIES

1. Align on and coordinate public and private sector stakeholders on unified climate risk mitigation goals and targets.
2. Set more science-based and ambitious targets for net zero emissions, and temperature rise minimisation.
3. Public and private sector leadership to drive objectives to reduce climate change risk.
4. Raise awareness of climate risk effects due to recent and ongoing events, increasing the pressure on sustainability targets and goals.
5. Enable and incentivise sustainable practices and green industries such as construction, retail, etc., beyond the changes required in notoriously 'dirty' sectors.

FACTS AND FIGURES

- SA is ranked globally as the 12th largest greenhouse gas emitter, with one of the highest per capita CO² emissions globally.
- Wildfires, drought, and other impacts have already had a significant effect on SA's weather patterns (e.g., record temperatures reached in 2021/22 summer).
- R131bn for South Africa supported pledged by EU, Germany, France, UK, and US over the next 3 to 5 years.

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EXPERT OPINION



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Climate change means different things to different people, with a corresponding impact on efforts to mitigate the impacts. Although Government has made solid efforts to deal with adaptation, e.g. through public studies, the National Climate Change Adaptation Strategy, and well-funded research with good quality information, SA's commitments are unambitious, and more radical changes are needed. For SA to unify on this issue, we must overcome the notion that the discomforts of the present should exceed the discomforts of making the change before we act. In addition, 'adaptation' was not adequately resolved at COP26, so it is anticipated to be high on the COP27 agenda.

Extreme weather events show that climatic risks are increasing, and they raise awareness of the fact that SA is particularly vulnerable to changing weather patterns, socio-economic vulnerability, biodiversity loss, and high levels of pollution per capita. Considering SA's current position and the global pace of change, we should be particularly concerned as temperatures in SA increase faster than in other parts of the world. This fundamentally impacts organisations' operating conditions, e.g. plants operating outside of specifications, potable and industrial water availability/constraints, higher heat and evaporation, lower water quality and purity, all leading to increased operating and maintenance expenditure, upgrading of assets (asset hardening), and costly adjustment of operational philosophies.

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SECTION 3: South Africa Top Risks continued

In addition, people's health is affected (e.g. fatigue, fitness to work), leading to an increased safety risk, with negative impacts on future employment and living conditions.

Business resilience is becoming a mainstay for organisations, while finding solutions for future operating conditions and avoiding the potential inability to operate at all.

A key challenge includes the lack of financial resources to implement interventions at scale. We understand the risk profile and have good plans, but their implementation is dependent on adequate capital investment, which competes with poverty alleviation and addressing inequality. For example, delivering these projects is affected negatively by a lack of local resources (e.g., people, funding) while using international resources does not always work.

The R131bn pledged to SA by developed nations is welcome but unfortunately not nearly enough to fund the required projects. The reality is that so-called 'dirty industries', happen to employ a significant part of the population (coupled with a sizeable contribution to the economy); and therefore investment to ensure a just transition is paramount, to avoid worsening the other pillars of sustainability, i.e. social and governance, whilst focusing on the environment.

Government is doing its best to channel funds, but it should focus on funding the specific interventions that will have the best possible impact in terms of curbing climate change risk. The specific risks must be mainstreamed, to promote more collaboration between the public and private sectors which ultimately affect both sectors and broader society at a local geographic level.

An opportunity exists to invest in ongoing research to understand the risk implications and consider augmentation measures that yield net positive impacts to get ahead of the curve.

Agriculture is a good example, where knowledge of future climatic conditions can inform steps now to invest in crops that thrive under the projected climate change realities.

The National Business Initiative (NBI), a voluntary coalition of South African and multinational companies working towards sustainable growth and development in SA, is a great example of an entity dealing with this pervasive risk particularly well, in a manner that is both instructive and exemplary. The NBI's purpose is to drive broad business participation in an economic transition and social transformation to enable sustainable growth.

Their approach is centred on collaboration with their Adaptation Programme whereby they cluster businesses with similar issues to enable a common platform and incentive to solve a common challenge.

They focus on the following three core areas: (i) provision of strategic thought leadership which helps to uncover areas of shared risks and opportunities, which then form the basis for designing collective action programmes and understanding implementation approaches; (ii) building the capacity of all stakeholders, with a focus on business, to engage in potential collective action programmes; and (iii) designing and implementing collective actions that lead to business-led solutions that unlock developmental outcomes and drive sustainable growth.

Organisations across SA do exceptional work to better understand climate change, its adaptation measures, and the need for future abatement, however we are often working in silos. The result is a lack of information sharing which could be used to enhance the knowledge pool and collaboration drive.

Globally, the major challenge is how to juggle competing priorities so that climate change risk is at the top of the list to enable poverty alleviation and economic prosperity in the long-term. The risks that keep us up at night are already overwhelming and the magnitude of the impact of climate change seems huge. We must synthesise knowledge, promote small scale wins, fail fast if something does not work, learn and move on.



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SECTION

IRMSA's Call to Action

4



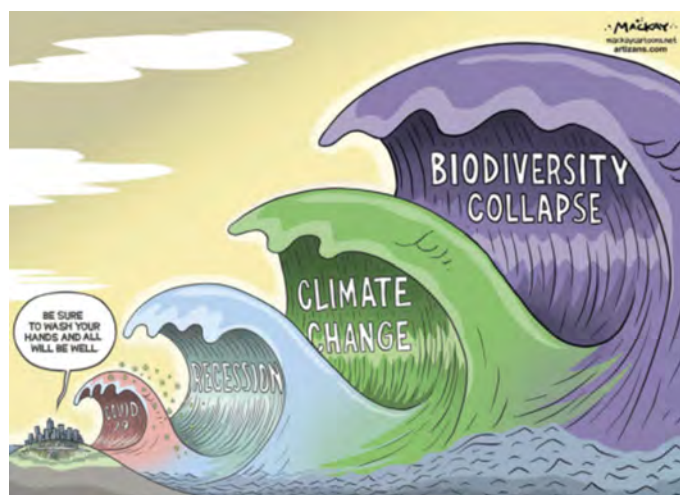
SECTION 4: IRMSA's Call to Action

4.1 Introduction

In the 2021 South Africa Risk Report, IRMSA highlighted that our country had to become risk intelligent and resilient to recover from corruption, unemployment, and a flailing economy, as well as the other risks. The absolute reasons for this are the speed of change, the systemic nature of the identified threats and the necessity for excellent decision making to navigate the country to own its future. This view is amplified in 2022, as the world continuously changes, and not just because of COVID-19.

The pandemic just highlighted the weaknesses in public and private leadership responses to it. In addition to the obvious challenges of the past year, organisations still need to manage exponential growth of information, adoption of new technologies with accelerated digital transformation, industry disruption and global crises such as the political issues facing the United States, Russia, and China.

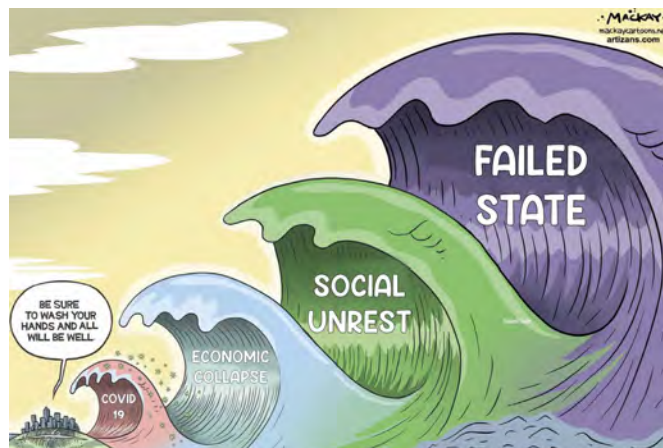
This is, again, emphasised in the 2022 Report because this is not the last or the only driver of change that we will experience. This point is best made by a graphic by Graeme McKay, Artizans Entertainment Inc.



Source: Adapted from "Collapsing biodiversity is another looming wave of destruction" by Graeme McKay, Artizans Entertainment Inc.

Our learnings from some years back, which also became the founding reason for the IRMSA Risk Reports, is that global risks or waves of destruction, do not necessarily always reflect the threats and opportunities that South Africa deals with, at least not within the South African context.

Whilst developed countries are focusing on risks such as climate change and harm to the biodiversity, the adapted tidal-wave graphic for South Africa, as reflected below, illustrates the more immediate risk landscape that South Africans are facing.



Source: Adapted from 'Collapsing biodiversity is another looming wave of destruction' by Graeme McKay, Artizans Entertainment Inc.

So, for us to respond adequately to the next disruptor, and the ones to undoubtedly follow, IRMSA identified the following focus areas at national, organisational and risk professional levels.

- Make clear sense of uncertainty and the risks it introduces, allowing for proactive identification of threats and opportunities.
- Leadership identifies these threats and opportunities proactively in collaboration with the strategy, risk and resilience professionals.
- Continuously interrogate the global, continental and national contexts, as an opportunity to inform the relevant and timeous development of robust and resilient risk response strategies at country level.
- Build competence in understanding complexity. Think and design alternative futures and responses to potential threats and opportunities – in advance and based on future thinking and scenario planning.
- Develop and deliver risk response strategies that support timeous, risk-informed and robust decision making and action.
- Ensure that planning, execution, monitoring and learning form part of the integrated thinking process and result in a resilient leadership culture supporting timeous but urgent action.

- Hold leadership accountable through robust performance and consequence management.
- Continuously learn to increase resilience at all levels.

4.2 Competency Profile

Emerging from the pandemic and striving to become a nation that owns its future will require urgent action. We know by now what needs to be done – that we need ethical and visionary leadership to get it done – and that we need to hold people responsible for their performance. That performance must be linked to consequence management.

What does this mean from a risk competency point of view? The following competencies are required to remain and grow as a future-fit risk professional:

- Strategic and innovative leadership from the risk professional's office, projecting courage, accountability and continuous learning and education.
- An enabling and applied risk-management approach and delivery.
- Scenario planning and the crafting of alternative futures for one's organisation, resulting in options available enabling speedy and quality decisions that lead to timeous action.
- Adopting and adapting to the strategic and operational benefits of digital transformation in the enterprise risk management space, enabling timely and effective response strategies to threats and opportunities; near real-time reporting; and faster, quality decisions.
- Integrated strategic thinking to make sense of uncertainty; understanding the big issues that can significantly threaten or benefit the organisation; contributing to the debate inside and outside the organisation; guiding decision making; and ensuring strategic objectives are achieved.
- Implementing a continuous cycle of learning from mistakes, recalibrating and redesigning of strategies to ensure that risk response strategies reflect the unfolding situation and the building of a resilient culture.

4.3 Benefits of building the risk management competency profile

The outcomes of building the suggested IRMSA risk management competency/capacity profile are:

- Improved governance through accountability management and quality decision making, guided by the IRMSA Integrated Strategy, Risk, and Resilience Guideline.
- An increase in risk practitioners' competency in risk and resilience, through applied risk-management skills building, support programmes, risk-management training, and risk-leader mentorship interventions.
- Support of boards, oversight bodies, executive management and line management in the comprehension of the value of risk management and realising the benefits of an effective risk-management capability to support them in quality decision making.

4.4 Delivering the risk management competency profile

IRMSA, as the only professional body for risk management in SA as recognised by the SAQA, promotes and develops credible risk professionals. This is done by providing the following professional support in both the public and private sector:

- Complete range of training covering strategy, risk and resilience for risk professionals and organisational leadership in both the private and public sectors
- Full learnership services from student selection, planning, project management, training, mentorship, and support, to work placement and follow-up support.
- Internships and work-integrated learning opportunities
- Mentorships and coaching
- Competency assessments
- Blended learning solutions
- Providing board exams to acquire the risk-management designations (CRM Practitioner and CRM Professional) – the two most important risk-management designations registered with SAQA.

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IRMSA would like to thank all the respondents that took part in the survey, which greatly contributed to making the 2022 IRMSA Risk Report a high-quality, credible report. This project would not have been successful had it not been for our strategic partners, the IRMSA Risk Intelligence Committee, the IRMSA Executive Committee and the subject-matter experts who provided their inputs. We would like to especially thank the Risk Report Working Group and contributors who gave considerable time to the project.

Risk Intelligence Committee Members:



Andrey Bogdanov
Principal, Risk Insights

Andrey Bogdanov is a Principal and Interim CEO of Risk Insights. His professional career spans around the globe, working in the banking space in Russia during Perestroika, to a Fortune 500 multinational company as a senior executive responsible for finance and treasury in various regions and continents. A few years ago Andrey joined Risk Insights – a family owned business. Risk Insights is Data Science boutique with key a focus on ESG. Among other sustainable products Risk Insights recently launched the first ESG rating model (aka ESG GPS™) for Africa using its proprietary Artificial Intelligence – powered XXI century approach. All listed companies at Nairobi Securities Exchange, Johannesburg Stock Exchange, Nigerian Exchange Limited have been rated using ESG GSP™ methodology and ratings are available at www.riskinsights.co.za. Highly scalable ESG GPS™ tool is being stratified across various markets on the continent and beyond. Mr Bogdanov is co-Chair of the World Economic Forum New Champions Board S Africa Chapter. He is Trium EMBA graduate, Int'l Directors Program by INSEAD, Certified Management Accountant by Institute of Management Accountants USA, Member of the Association of Financial Professionals USA, Certified Treasury Professional by AFP USA, Fellow Member of the Institute of Directors SA. Jonathan Crisp has a BSc Honours in Computer Science, as well a Risk-Based Internal Auditing certification.



Jonathan Crisp
Director, BarnOwl

Jonathan Crisp has a BSc Honours in Computer Science, as well a Risk-Based Internal Auditing certification. Jonathan has over 30 years' experience in the IT industry and is one of the founding directors of IDI Technology

Solutions, who are the owners and software developers of the BarnOwl GRC and Audit software solution. Jonathan is an active member of the Risk Intelligence Committee at IRMSA and is a member of the IIA (Institute of Internal Audit SA).



Totyelwa Dodo
Acting Director of Risk Management Support, Office of the Accountant-General, National Treasury

Totyelwa is the acting Director of Risk Management Support at the Office of the Accountant-General within the National Treasury. She is responsible for the development of risk-management norms and standards for the public sector institutions, as well as supporting, monitoring and enhancing the risk management maturity within these public sector institutions. She has over 15 years of experience in risk management, internal audit, compliance and business continuity, and serves on various audit committees, risk-management committees and business-continuity management committees. Totyelwa is also a member of the Institute of Risk Management South Africa, and serves on two of their sub-committees: the Public Sector Committee and the Risk Intelligent Committee. Totyelwa has worked with a vast group of people, including CROs, CEOs, Directors-General and Executive Authority, on various public administration projects, including leading the risk-management implementation on institutions under Section 100 of Constitution.

Acknowledgements continued



Walter Ehrlich
Director, Retlaw Fox

Walter is a Chartered Director CD(SA) and Certified Risk Management Professional (CRM PROF) specialising in strategy, governance, risk and resilience, with a passion for building better boards and leadership teams in the private, public and non-profit sectors. He has extensive regional and international experience in developing and implementing strategy, developing markets, managing operations, risk management and implementing GRC. His career spans 25 years in the oil industry, 5 years in the consulting industry and 7 years in the public sector. He is the Founder of Retlaw Fox Associates, which specialises in risk management training for boards, directors, executives, senior managers and risk professionals. Walter has a BA (Law) degree from Rhodes University and an MBA from Henley Business School at Reading University (UK). His MBA specialised in Strategy and Change Management and concluded with a dissertation in Enterprise Risk Management. Walter is a Non-Executive Director of World Vision SA and a member of the IRMSA Risk Intelligence Committee. He is part of the Operations Enabling and Production Planning leadership team at SARS.



Chandu Kashiram
Principal Associate,
Lucidum (Pty) Ltd

Chandu is a Principal Associate at Lucidum (Pty) Ltd, providing consulting services related to risk management, compliance and ethics, corporate governance and business optimisation, as well as internal control and financial management. He served as the Audit Committee Chair of the CHIETA (Chemical and Energy Industry) SETA as well as Black Top Holdings (Pty) Ltd and worked as an independent consultant to the SA Heart Association. Chandu is a Member of the IRMSA Risk Intelligence Committee. Prior to retiring from Sasol, Chandu was the Executive Assistant to Sasol's Executive Director and Executive Vice President: Strategy and Sustainability. During his time at Sasol, he was also Group Risk Manager, where his responsibilities, in addition to risk management, included the Group Compliance and the Group Ethics Office. A qualified Chartered Accountant and member of the South African Institute of Chartered Accountants (SAICA), Chandu also holds an MBA in Finance through Manchester Business School (UK).



Linda Jaka
Head of Governance
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Linda Jaka is currently Head of Governance Integration and Reporting for Non-Financial Risk at Standard Bank of South Africa Ltd. She has over 20 years experience in banking and risk management; having previously held roles in card business, market risk, risk assurance, operational risk governance and credit risk. Linda holds a BCom in Financial Management and an MBA. She is a member of IRMSA's Risk Intelligence Committee and co-chair of Risk Chat Working Group.



Dr. Arthur Linke
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Dr Arthur Linke is a research fellow and part-time faculty member of the University of Stellenbosch Business School (USB) where he lectures, supervises and researches on risk. His consultancy, Turricula Risk Advisory, delivers projects focused on risk management maturity and risk culture. He is a member of several professional bodies, including IRMSA, where he is on the Risk Intelligence Committee (RIC).



Christelle Marais
CRO, South African Forestry Company SOC Ltd (SAFCOL) and Director, Lucidum (Pty) Ltd

Christelle is an Executive and CRO at the SAFCOL Group, the third largest forestry company in SA, consisting of Komatiland Forests SOC Ltd, Abacus Forestries SOC Ltd, Kamhlabane Timber SOC Ltd and Industrias Florestais De Manica. SAFCOL is primarily involved in the forestry industry, with operations in Limpopo, Mpumalanga, KwaZulu-Natal and Mozambique's Manica and Sofala provinces. She serves on the Board of Amathole Forestry Company (Pty) Ltd and on the Enterprise Risk Management Committee of the National Department of Science and Innovation. She is the owner of Lucidum (Pty) Ltd, a consulting company specialising in governance, risk, ethics and compliance. She has more than 30 years' experience working in various national and multi-national entities in the public, private and non-profit sectors in SA and across Africa. Christelle is the Chair of IRMSA's Risk Intelligent Committee and formerly served as Vice President on the IRMSA Board, Audit and Finance Committee; Legal Compliance and Risk Committee; and Chair of the Africa Committee. She previously served as Independent Trustee on the Board of the Kathu Solar Community Trust. Christelle is a Certified Director (Cert. Dir) and Certified Risk Management Professional (CRM PROF) and holds a B Juris and MBA. She is a member of the Institute of Directors South Africa (IODSA), the Compliance Institute Southern Africa (CISA) and the (IRMSA).



Qiniso Mthembu
Senior Enterprise Risk Manager, Johannesburg Stock Exchange

In her career which spans a period of about 17 years, Qiniso has had exposure in both the public and private sector where she held numerous roles ranging from operations management to strategy, governance, risk and compliance functions. She currently works for the Johannesburg Stock Exchange as the Group's Senior Enterprise Risk Manager and is responsible for driving the Group's enterprise-wide risk management strategy. She is a Certified Risk Management Practitioner and volunteers her time and skills by serving in mainly boards of NPOs and is also a member of the Institute of Risk Management's Risk Intelligence Committee.



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Group Head, Enterprise Risk Management, Sasol

Risk expert with extensive senior leadership expertise providing a strategic and long-term perspective on enterprise risks.



Wilna Meiring
Managing Executive, Corporate Risk and Security – Group Risk, Vodacom

Wilna is an Executive in risk and has over 20 years' experience in risk management. She has also been part of the IRMSA Risk Intelligence Committee for the past 5 years. She is a Chartered Accountant but has specialised in risk management by completing her Masters Degree in Applied Risk Management at the University of the Northwest.

Acknowledgements continued



Simon Van Wyk
Partner, ERM

Simon van Wyk is a Partner at ERM based in the Capital Project Delivery Team and Account Manager for several Energy Majors across Africa. He is a Certified Risk Management Professional (CRM Prof.) with a Master's degree (Cum Laude) in Environmental Management with over 20 years of inter-continental expertise spanning Africa, Europe, Middle-East, Far East and Australasia. He is an active member of the national Risk Intelligence Committee of IRMSA. Key areas of expertise include Energy (low carbon economy transition – Solar, Wind, LNG, GreenH2, Nuclear), Transport Infrastructure (Railways, Tunnels, Public Transport, Gravel Road Networks, Ports and Terminals), Upstream Oil and Gas,

Mining and Resources, Skyscrapers/Buildings Mega-Infrastructure and Defence sectors. His affinity to seamlessly navigate uncertainty and integrate solutions to complex problems is his area of speciality for which he has become industry recognised. He is an avid keynote speaker and thought leadership advocate. Simon helps clients operationalise sustainability by connecting infrastructure and capital projects to strategy.



Nicola Comminos
CRO, Johannesburg
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Nicola Comminos is the Group CRO of the Johannesburg Stock Exchange (JSE). She chairs the JSE Pension Fund Board, JSE Executive Investment Committee and the CFA South Africa Society Risk, Governance & Audit Committee. She serves on various industry committees, including World Federation of Exchanges Risk Working Group vice-chair, IRMSA Board vice president and co-head of Women in ETFs South Africa chapter. With over 15 years' experience in financial markets, her previous roles include Managing Director of Nautilus Group, a Hedge Fund Platform; and head of various functions including Group Strategy, Sustainability, Equities and Equity Derivatives and Business Intelligence at the JSE. Previous industry roles include Investment Consulting and Life Investment Product Development. Nicola's qualifications include CFA Charterholder, B.Com Honours and B.Com Investment Management degrees (both Cum Laude). She was awarded IRMSA 2020 Risk Manager of the year, and her team was awarded the IRMSA industry specific risk initiative award in the Financial Services category in 2021. She is passionate about mentorship, financial inclusion and transformation.



Mark Victor
Partner, Deloitte
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Mark Victor is a director at Deloitte in Risk Advisory, focusing on governance, risk management, regulatory compliance and control consulting. He has provided a wide range of specialist financial advisory services to Southern African financial institutions and broader corporate entities. He also has extensive experience in providing co-sourced and out-sourced internal audit services to internal audit functions across a wide range of industries.



Christopher Palm
Chief Risk
Advisor, IRMSA

Christopher Palm is the Chief Risk Advisor at the IRMSA. His passion is to collaborate with risk professionals and other key role players both locally and globally to transform risk management into a key component of excellent decision-making. Christopher believes that a solid enterprise risk management capability within an entity, supported by a risk-mature leadership, will lead to decisions that will effectively respond to both threats and opportunities facing the business world today and well into the future. Christopher spent 27 years with a South African Power Utility, of which the last 18 were at senior executive level - from Group Audit Manager and Head of Forensics to

Head of Enterprise Risk where he established the Utility's integrated risk management capability in 2008. His most valuable experience throughout his time was the gaining of world class risk and resilience knowledge, experience and exposure and how it is challenged in practise. Christopher's educational background includes a Bachelor Degree - majoring in Accounting, Management Accounting, Commercial Law, Business Economics and Economics. He also obtained an Honours Degree in Business Economics and Management Accounting. He complemented the above by completing the Executive Leadership Development Programme at Wits Business School. As the founding Chairman of the IRMSA Risk Intelligence Committee, one highlight was the pioneering of the IRMSA Risk Intelligence Report for South Africa, first published in 2015 and now it is eighth edition. Currently Christopher focusses on working with risk practitioners, C-Suites and Boards to enhance risk maturity and address the more complex elements of risk management such as integrating strategy, risk and resilience and developing applied risk appetite frameworks. Also, the use of big data resulting in risk intelligence through predictive capabilities, systems thinking and scenario development and analysis.



Valerie Pillay
Events Lead, IRMSA

Valerie Pillay has worked at IRMSA since 2017 working in the Events, Marketing and Sponsorship portfolios. She currently leads the Events portfolio and has contributed to the Report through securing advertising and sponsorship for the project.



Kobus de Wet
Marketing and Communications Lead, IRMSA

Kobus is the Marketing and Communication Lead at IRMSA. He has been with IRMSA since 2014 where he worked in the training department. Whilst working in the training department, he was presented with the opportunity in 2016 to move to the marketing and communications team. He is on the working group that produces the IRMSA Risk Report and IRMSA Guideline.

Acknowledgements continued

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Michael Brown
Chief Executive,
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Mike Brown is Chief Executive of Nedbank Group Limited and Nedbank Limited. He was previously the Chief Financial Officer of Nedbank Group Limited and Nedbank Limited. Prior to that, he headed Property Finance at Nedbank after serving as an Executive Director of BoE Limited. After attending St John's College (Harare) and completing schooling at Maritzburg College, Mike graduated from Natal University (Pietermaritzburg) in 1987, where he received the Jack Armstrong award as the best final year student. Having passed his final qualifying examinations as a Chartered Accountant in 1988, Mike completed his articles at Deloitte & Touche (Durban) specialising in financial services. NBS was a major client. After articles, Mike worked for Deloitte & Touche in the USA and then spent a year working in London before returning to Deloitte & Touche Durban as an Audit Manager. Shortly thereafter, Mike left Deloitte to join NBS Treasury in the role of Manager: Special Projects. He later moved to NBS Corporate and was instrumental in setting up the Structured Finance and Private Equity divisions within NBS Corporate, which developed into significant profit contributors to the Group. Mike led the merger of NBS Corporate and the commercial industrial lending division of BoE Private Bank. He was appointed as Deputy Managing Director of BoE Corporate and then Managing Director of BoE Corporate, as well as a main Board Director of BoE Limited. Post the merger of BoE and Nedbank in 2002/2003, Mike was appointed to the role of Managing Director: Property & Asset Finance and oversaw the complex four-way merger of the commercial and industrial property divisions of BoE/Nedbank/NIB and Cape of Good Hope to create the market leading property-finance business in SA. In June 2004, Mike was appointed Chief Financial Officer (CFO) of Nedbank Group. He was an integral part of the team under Tom Boardman,

responsible for the design and execution of the successful turnaround of Nedbank Group. In March 2009, Mike was appointed Chief Executive (CE) designate, to succeed Tom Boardman, who retired from the Group in February 2010. On 1 March 2010, Mike assumed the role of Chief Executive of Nedbank Group Limited and Nedbank Limited. He concluded his two-year tenure as Chairman of The Banking Association of South Africa on 25 June 2020, and is currently the Deputy Chairman of Business Leadership South Africa.



Colin Deiner
Chief Director
of Disaster
Management
and Fire/Rescue
Services, Western
Cape Government

Colin Deiner started his career in emergency services in SA in 1984, when he joined the Pietersburg Fire Department as a trainee firefighter. In 1994 he was awarded the prestigious 'South African Firefighter of the Year' award by the Southern African Emergency Services Institute. During his 21 years of service in formal emergency services, Colin has visited numerous fire services in the United States, Europe and Australia, and has worked on many fire and rescue stations during these visits, including a training stint with the United States Air Force. In 1999, he was involved in the first foreign disaster operation by a South African Urban Search and Rescue team, which responded to the earthquake in Turkey in 1999. Since then, he has led the South African Search and Rescue teams to disaster-affected areas in India (2001), Algeria (2003), Iran (2003/2004), Pakistan (2005), Haiti (2010), Japan (2011) and Malawi (2015). In 2005, he was appointed to the position of Director: Disaster Management and Fire/Rescue Services in the Gauteng Provincial Government. Since then, he has been instrumental in establishing the Gauteng Provincial Disaster Management Centre. In 2008, Colin was appointed to the position of Chief Director, whereafter he played a leading role in the management of the first declared disaster in the Gauteng province, following the attacks on foreign nationals in May

Subject matter experts continued

2008. In 2010, he was appointed to the position of Chief Director: Disaster Management and Fire Brigade Services in the Western Cape Province. Colin has also served on numerous international disaster management advisories and regulatory bodies, including the United Nations International Search and Rescue Advisory Forum, the World Council for Rescue Organisations (Vice Chair), the South African Canine Search and Rescue Association and the South African National Vehicle Extrication Committee (Chairperson). Colin was responsible for the management of the Knysna Fire Disaster in 2017, the coordination of the drought disaster in the Western Cape in 2018/2019 and the COVID-19 provincial response since 2020.



Prof. Jonathan Foster-Pedley
Dean and Director,
Henley Business School

It takes a multi-talented leader, innovative businessperson and expert in curriculum design to direct Henley Business School SA. Dean and Director Jonathan Foster-Pedley has worked on six continents and has over thirty years of global business experience. He is a former airline pilot and senior executive in the European aerospace industry and has guided and facilitated cohesion and productivity in international and local multicultural sales and marketing and management teams. He is also an entrepreneur, a leading academic and coach (working as a visiting professor in Strategy, Creativity and Innovation), as well as a writer and blogger. He's the former Vice Chair for the SA Business Schools Association and a board member for the African Association of Business Schools. He is currently the Chairman of the British Chamber of Business for SA. Foster-Pedley's expertise in strategy, creativity, design, thinking and innovation are key features of the Henley MBA curriculum. He has developed hands-on programmes designed to stimulate innovative business thinking strategies, to increase productivity in the workplace and to develop self-confidence, self-belief, creativity, proactivity and out-of-the-box thinking. Foster-Pedley has the business acumen, academic prowess and social conscience to direct Henley students, so that they reach their full productive potential in every facet of their daily lives.



Mitch Ilbury
Director,
Mindofafox

Mitch Ilbury is a director of scenario-planning firm Mindofafox, and the founder of the education technology company Growing Foxes, which helps schools and other institutions teach futures-thinking. He holds an honours degree in philosophy from the University of Cape Town and a master's degree in intelligence and international security from King's College London. Mitch recently published a book with Clem Sunter, titled *Thinking the Future: New Perspectives from the Shoulders of Giants*, with Penguin Random House. He has facilitated strategy sessions in Africa, the UK and Australia.



Dr. Azar Jammine
Director and
Chief Economist,
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Dr Azar Jammine is Director and Chief Economist of Econometrix. He has been in his current position since December 1985 and has established a significant profile in SA as an analyst and commentator on domestic and international economic affairs. Dr Jammine has conducted approximately 4000 presentations to leading client corporations and other institutions, as well as at conferences dealing with the local and international economic environment. In this capacity, he has been invited over the years by several corporations to serve as independent Non-Executive Director. Dr Jammine is a member of the National Advisory Council on Innovation, a body of experts appointed by the Department of Science and Technology. Academically, Dr Jammine obtained a BSc (Hons) in Mathematical Statistics and a BA (Hons) in Economics at Wits, followed by an M.Sc in Economics from the LSE and a PhD at the London Business School.



Carlize Knoesen
Chief Registrar of Deeds, Department of Agriculture, Land Reform and Rural Development

Carlize Knoesen is the first woman in the history of SA to be appointed to the position of Chief Registrar of Deeds. The Deeds Registration aims to provide a world-class and secure land registration system and strives to provide security of title through the registration of real rights in land for all property owners. She is also a Deputy Director General in the Department of Agriculture, Land Reform and Rural Development and, as such, must offer strategic input in the country's policies and legislation relating to all land matters. As the Chief Registrar of Deeds, she is responsible for transformative and strategic management of the Branch: Deeds Registration, which includes eleven Deeds registries across the country, the Deeds ICT system, litigation matters, legislation, uniform application of Deeds practice and procedure and Deeds training of officials from RSA and its neighbouring countries. Carlize is also the Chairperson of the Sectional Title and Deeds Registries Regulatory boards, with power to make regulations on Deeds registration legislation.



Leo Long
Climate Change Specialist, South African Forestry Company SOC Ltd (SAFCOL)

Leo Long is a sustainability professional, with a demonstrated history of working in climate-change mitigation; sustainable forest management; broader natural resource management; community and business development; and education and training. Besides holding undergraduate and postgraduate qualifications in the fields of forestry and education, Leo is currently pursuing a PhD in Nature Conservation, as well as an MBA. Leo is a Climate Change Specialist at SAFCOL, exploring adaptation and mitigation strategies at the state-owned saw-timber company. He is a full member of the South African Institute of Forestry (SAIF),

a member of the dedicated Forestry South Africa (FSA) Climate Change Working Group, as well as Advisory Board member for the forestry programme at both Nelson Mandela University and Fort Cox Agriculture and Forestry Training Institute.



Kiren Maharaj
Managing Director, GIBB Power

Kiren is a dynamic leader with over 20 years' experience at strategic, operational and management level as an Executive in Africa's foremost utility, where she was involved in many game-changing initiatives – from setting up an energy trading and bidding system to allow for internal power-pool trading to leading a cost re-engineering project to identify cost savings and productivity and efficiency improvements in a multibillion-rand company. For around 6 years, Kiren was accountable for strategically directing, governing and overseeing the safe and effective production of electricity from over 14 000 Megawatts of coal fired power generation. She headed up a R40 bn division, accountable for the management of procurement, contracts, operations, logistics and the associated quality, technical and environmental issues of primary energy inputs for power generation. Kiren and other experienced South African professional women have founded Trenex (Pty) Ltd, an active power services and investment company. She is currently the Managing Director of GIBB Power (Pty) Ltd, an energy-and-power consulting engineering house, offering consulting engineering and power solutions services to the African continent. Kiren is also the Chairperson of the South African National Energy Association and a Non-Executive Director on several Boards, including being the Non-Executive Chairman of a large, locally owned independent power producer asset portfolio. Kiren was also recently appointed to the Energy Sector Gender Ministerial Advisory Council.

Subject matter experts continued



**Adv. Modidima
Mannya**
**Private Practice
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Adv. Modidima Manny is an Advocate of the High Court of South Africa, running a litigation practice that provides legal services in the fields of labour law, administrative law and commercial law related matters, along with public administration laws including PFMA and MFMA. He also appears in the CCMA, Labour Court and Land Claims Court High Courts, where he drafts legal opinions, pleadings, affidavits and contracts. He is the Executive Director of the University of South Africa, where he is responsible as the Chief Legal Advisor. He is a Legal Analyst for various media houses including Newzroom Afrika and City Press. He is a member of the Legal Practice Council of South Africa. Adv. Manny has extensive experience in public administration, in his roles as Director General: Education, Eastern Cape; Director General: Agriculture and Environment KwaZulu Natal, Special and Legal Advisor to Minister and a Premier.

to create effective dialogue with government and other stakeholders. Busisiwe is also a Non-Executive Director on the Board of Eskom, BUSA and Resultant Finance (a PIC investee company). She serves on the Human Resources Development Council (HRDC), the Advisory Committee of the Local Government Ethical Leadership Initiative (LGELI), the Alcohol Industry Advisory Council (TAIAC) and the Social Justice Council. Furthermore, Busisiwe is a Visiting Adjunct Professor at the Wits Business School (WBS). She was previously the Chief Operating Officer for BLSA. Prior to that, she was the Managing Director of the Black Management Forum (BMF), during which time she was responsible for driving the overall strategy of the organisation, including its representation at various public forums, at the request of the BMF President or Deputy President. Before assuming this role, Busisiwe served as the Chief Financial Officer and Operations Director of the BMF, having joined in May 2009. She started her career in Finance in 1995, and over the last 25 years has had experience in a range of industries, ranging from training, consulting and telecoms to the healthcare sector. Busisiwe is a member of the YPO (Young President's Organisation), the IoD and ACCA. She was awarded the 2020 Influencer of Influencers award by the Africa Brand Summit in October 2020.



Busisiwe Mavuso
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Busisiwe Mavuso is a Certified Chartered Accountant, qualified with the Association of Certified Chartered Accountants (ACCA – UK), and holds a Masters Degree in Business Leadership, a Postgraduate Qualification in Management from GIBS and a B. Compt in Accounting from the University of South Africa (UNISA). She is the CEO at BLSA, an independent association of the leaders of some of SA's biggest and most well-known organisations – a forum for engaging key players, including civil society and labour, to exchange ideas in the national interest, and



Adv. Boyce Mkhize
**Chief Ombud,
Community
Schemes Ombud
Service**

Advocate Boyce Mkhize is the current Chief Ombud of the Community Schemes Ombud Service (CSOS), an entity of the National Department of Human Settlements. Prior to joining CSOS, Adv. Mkhize was the Managing Director of KNB Consulting Pty Ltd, an entity specialising in forensic investigations, organisational strategy, development and legal support. He had also served as Director for Forensics at SekelaXabiso Auditing Firm. Prior to that, he served as CEO for the Mpumalanga Economic Growth Agency, the National Nuclear Regulator of South Africa and the Health Professions Council of South Africa. Adv. Mkhize also served in government in various capacities, as

Deputy Director for Transformation, Chief of Staff in the Office of the Minister for Public Service and Administration, Human Resources Director and Chief Legal Advisor and Company Secretary for the Nuclear Energy Corporation of South Africa. Adv. Mkhize has also served as a Non-Executive Director in several public and private entities. Adv Mkhize holds qualifications in law and business from the Universities of Zululand, UNISA and Stellenbosch.



Prof. Bonang Mohale
President, BUSA

Prof. Bonang Francis Mohale is the President of BUSA, Chancellor of the University of the Free State and Professor of Practice in the Johannesburg Business School (JBS) College of Business and Economics, as well as Chairman of both The Bidvest Group Limited and SBV Services. He is a highly respected South African businessman, who is known for his patriotism and active role in seeking to advance the country's interests. He is the author of the best-selling book *Lift As You Rise*, launched in November 2018 – a compilation of some of his spoken and written words, in which Mohale reveals the issues he is passionate about, among them leadership, transformation, people development, constructive collaboration and integrity.



Dr. Morne Mostert
Director, Institute for Futures Research at Stellenbosch University

Dr Mostert advises globally on Futures-based executive decision making and cognitive development for senior leaders, and has worked in Paris, London, Dubai, Madrid, Kuala Lumpur and several African countries. Subsequent to his PhD in the Management of Technology and Innovation, his areas of specialisation include futures thinking,

strategic thinking, systems thinking and creative innovation. He is the Chairman of media tech start-up Africa Business Radio. Dr Mostert is a regular keynote speaker and frequent guest on radio and television in the business media. He is the author of the influential book *Systemic Leadership Learning – Leadership Development in the Era of Complexity*, which has been the prescribed text for several international programmes on strategic leadership. He is a member of the ILO international panel of experts on the Future of Work and a full member of the Club of Rome.

Subject matter experts continued



Adv. Andy Mothibi
Head, Special Investigating Unit

Advocate Andy Mothibi is the current Head of the Special Investigating Unit (SIU), a position he assumed in May 2016. He started his career as public prosecutor in the Magistrate's and Regional Courts. He also served on the bench as a magistrate in the Johannesburg and Soweto Magistrate's Courts. In 1995, he was appointed Head of Employee Relations at the then Department of Finance. He was part of the project that led to the establishment of the SARS. At SARS, he also served as Head of Corporate Legal Services and Head of Governance. In 2005 he was appointed Head of Compliance at South African Airways (SAA). After completing the implementation of SAA's enterprise and compliance risk management framework, he was appointed Senior Manager: Enterprise Risk Management at Nedbank in 2007. Within six months he became General Manager: Group Operational Risk Management. After successfully completing the implementation of the Basel II Operational Risk Management Framework (Basel II ORMF) in 2012, he was appointed Head of Operational Risk for Standard Bank. After successful implementation of Basel II ORMF he became Head of Standard Bank Group Operational Risk Management. Basel II ORMF implementation entailed assessing operational risks, which included the development of anti-fraud and anti-money laundering scenarios. In October 2013 he was appointed as an Executive Director at Medscheme Holdings, a subsidiary of AfroCentric Health. His role at Medscheme was equivalent to that of a CRO, which provided for wider career growth. The role included leading group legal services, governance, risk and compliance. He was also responsible for the Medscheme Road Accident Fund business unit. At AfroCentric Group he championed the successful implementation of the AfroCentric enterprise risk management framework. One of the key initiatives was the reorganisation of the group forensic investigations business unit, which improved forensic investigations capability and recoveries.



Dr. Sizwe Mpofu-Walsh
Author, Lecturer and Activist

Dr. Sizwe Mpofu-Walsh is Lecturer in the Department of International Relations at Wits University and Research Fellow at the Wits Institute for Social and Economic Research (WiSER). He holds a DPhil in International Relations for the University of Oxford. His first book, *Democracy and Delusion: 10 Myths in South African Politics* (2017) won the City Press-Tafelberg Nonfiction Award. The book was accompanied by a rap album of the same name. His second book, *The New Apartheid*, was published in 2021 and has been one of the bestselling books in South Africa that year. Mpofu-Walsh has been described by author Mark Gevisser as "one of the finest writers of his generation".



Joe Phago
Chief Information Officer, National Treasury

Joe Phago is an ICT Executive with over 20 years of extensive executive management and technical management in both the private and public sectors. He has a track record of translating business strategy into IT strategy, creating and leading teams, managing programmes that promote client satisfaction, IT turnaround and increasing revenue or saving money for stakeholders. He also has extensive experience in managing service providers, institutionalizing IT governance structures, budgeting, financial planning and execution in compliance with applicable legislation including the PFMA and best practice standards.

He has been a Government Chief Information Officer (CIO) for over 10 years at the National Treasury and the Department of Agriculture, Rural Development and Land Reform. Before then he was the Public Sector Chief Technology Officer (CTO) for 3 years at Business Connexion. Before that he was a Senior Manager at Standard Bank for over 4 years.

He has a Masters in Business Administration from University of Pretoria GIBS, Management Advancement Program (MAP) from the University of the Witwatersrand Graduate School of Business (Wits GSB), BSc Computer Science from University of Limpopo and other extensive technical qualifications such as Managing Successful Programs and Prince 2 Project Management.



Dr. Storm Potts
Head of Global Climate Change and Policy, Sasol

Storm is an outgoing leader with a passion for establishing the business case for climate action and sustainability, and then translating this into actionable programmes. Experience gained working across her company's entire value-chain and interacting with diverse stakeholders has equipped Storm with a unique ability to tailor communication and simplify complex technical and business issues to garner support for various initiatives. Developing and maintaining strong partnerships both internally and externally is a priority to her. As the current Chair of the Industry Task Team on Climate Change, she looks forward to growing her knowledge and contributing positively to this fast-paced global issue of creating a sustainable future for all.



Andrew Rayner
CRO and Chief Actuary (Group), Discovery Limited

Andrew is a qualified actuary with over 30 years' experience in the insurance industry. For the past 8 years he has served as the Chief Risk Officer and Chief Actuary (Group) for Discovery Limited. In this role, he oversees the identification, management, aggregation and reporting of risk across the Group's life insurance, non-life insurance, health administration, investment, domestic and international vitality businesses, and has oversight of the work performed by the UK

CRO and Bank CRO. His work includes assessing the capital needs of the Discovery Group in light of the risks to which the group is exposed, as well as managing all group-related actuarial work such as embedded value reporting, the group capital and operating model and the funding needs of the group. Prior to joining Discovery, Andrew spent 15 years as a consulting actuary in the South African market, working with a variety of domestic and international clients – primarily in the life insurance arena – consulting on assignments such as financial reporting, mergers and acquisitions, new licence applications and business modelling. He was the National Leader of Deloitte's Actuarial Practice for 5 years prior to joining Discovery. Other roles included 9 years working for a with-profits mutual insurer in the UK and a year and a half at a global reinsurer. He is a Fellow of the Institute and Faculty of Actuaries and of the Actuarial Society of South Africa. He has contributed widely to the actuarial profession in SA, including convening the Professionalism Course Committee and serving as Chairman of the Life Assurance Committee. He is a member of Council and is currently a member of the Enterprise Risk Management Committee.



Craig Rosewarne
Managing Director, Wolfpack Risk

Craig Rosewarne is the MD of Wolfpack Information Risk – a South African firm established in 2011 that provides information risk & cybersecurity services to governments and organisations. He founded Alert Africa in 2015 to provide free awareness resources and assistance to victims of cybercrime or harassment. Craig has 20+ years management experience in the fields of information risk and cybersecurity. He is a frequent speaker and trainer at local and international events. He is proudly South African and an even prouder husband and father to three healthy cubs.

Subject matter experts continued



Prof. Deon Rossouw
CEO, The Ethics
Institute

Prof. Deon Rossouw is the CEO of The Ethics Institute (based in Pretoria) and an Extraordinary Professor in Philosophy at the University of Stellenbosch. Deon is an internationally recognised expert in Business Ethics and the Ethics of Corporate Governance and published several books as well as academic articles in leading international journals. He was the Founding President of the Business Ethics Network of Africa (BEN-Africa) and served as President of the International Society of Business, Economics and Ethics (ISBEE). Deon is a member of the King Committee for Corporate Governance in South Africa. He has been recognised as a Chartered Director by the Institute of Directors of South Africa. He chairs the Social and Ethics Committee Forum of the IoDSA.



Cynthia Stimpel
Author, Whistle-
blower and
Motivational
Speaker

Cynthia had a long career in banking (33). For the last 10 years she was at SAA, in the capacity of Financial Risk Manager, and the last 2 years as the Group Treasurer. Her highest qualification is an MBA. In 2019, she started a support group for whistleblowers in South Africa and is campaigning for the Rights and Plights for Whistle Blowers through her company, the Citizens of Conscience Foundation. She is also a motivational speaker, speaking on her story as a whistleblower and on 'making a difference where you are'. She is also a yoga instructor for adults and children. She is a board member on four Boards. She volunteers at Accountability Now and Radio Veritas and does community work. She bakes artisan baked bread called 'Granny's Bread', and is the author of Hijackers on Board, recently published on

the SAA saga. On 20 March 2019, she received the Citation of Integrity Award from the Airline Pilots Association of South Africa (APLA-SA), for having stood by her truth in the SAA deal.



Dr. Anthony Turton
Environmental
Advisor, Speaker
and Author

Dr. Turton is a specialist in the field of strategic risk assessment, with a current interest in understanding the risks associated with water as a foundation of the national economy. This is where his key skills lie in helping clients to understand the changing nature of risk arising from systemic failure of critical sub-systems. He is currently working with commercial real estate developers to mitigate their risk arising from failing infrastructure. The recipient of the SABMiller Nick Steele Memorial award for Top Environmentalist of the Year (2010), Anthony was recognised for his work on acid-mine drainage as a strategic problem. He was awarded the Habitat Council Conservation award in 2009 for his 'principled stance in defence of the public to be informed of the truth... and the courage displayed in publishing the state of our water resources, thereby refusing to compromise his scientific integrity'. He is past Vice President of the International Water Resource Association (IWRA) and is also a Professor at the Centre for Environmental Management at the University of Free State. Anthony is an author with many scientific publications to his name including an autobiography called Shaking Hands with Billy that documents the role he played working behind the scenes in ending the protracted conflict that had engulfed SA in the 1980s, which gave rise to the CODESA process and thus our new democratic dispensation. It is based on this book that he talks about leadership and complex problem solving under conditions of uncertainty, where no previous experience can be used to guide current decision making. Anthony has served in a leadership role at a number of international institutions including Founding Member and past President of the Universities Partnership for Transboundary Waters; Executive Director of the International

Water Resource Association; Deputy Governor of the World Water Council; Technical Advisor to the UNESCO Sixth International Hydrological Program (IHP6). He currently works as an editor for a number of journals in the sphere of water.



Johan van Graan
CRO, Vodacom

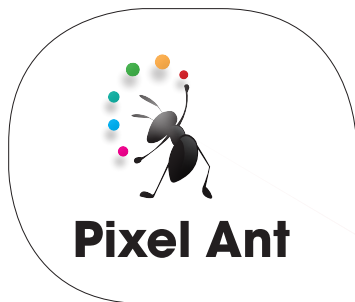
Johan van Graan is the Chief Risk Officer of Vodacom and is responsible for compliance, enterprise risk management, forensic services, business-continuity management, security and first-party insurance. He obtained his CA in 1989 and his CIA in 1994. He was born in Polokwane and is married with two daughters. He started working for Vodacom Group in 1997 after having spent time at PricewaterhouseCoopers as Senior Computer Audit Manager and at the University of Port Elizabeth as an Associate Professor in auditing. He has been presenting the Masters in Computer Audit at University of Johannesburg since 2002. He is a dive master who has done over 470 scuba dives so far. His other hobbies are computers, cricket, rugby and reading.



Chris Yelland
Managing Director,
EE Business
Intelligence

Chris Yelland obtained a Bachelor of Science degree in electrical engineering from the University of Natal in 1976 and was Founder and Managing Director at EE Publishers (Pty) Ltd, the publisher of EngineerIT, Energize, Vector and PositionIT magazines. After the closure of EE Publishers on 29 November 2019, Chris started a new company, EE Business Intelligence (Pty) Ltd, to focus on important strategic issues facing the electricity, energy and ICT sectors in SA and the region. In February 2020, Chris was appointed Associate Consultant for leading financial services and capital markets research group Intellidex, and Energy Advisor to OUTA (Organisation Undoing Tax Abuse). Chris was the winner of the 2002 South African Bureau of Standards Media award for an 'exceptional contribution to increasing the awareness of standardisation and related issues through the media'. In 2003, he won a merit award in the Energy category of the 2003 Siemens Profile Awards, 'recognising journalistic contribution to excellence in the field of science and technology'. At the 2004 ABB Excellence in Technology Reporting Awards, Chris received the ABB Technology Journalist of the Year Award for 2004. In 2009, Chris won the South African National Energy Association (SANEA) Journalism Award for 'special efforts within the field of journalism to promote greater understanding of energy and its role in sustaining human endeavours'. In 2018, Chris was awarded the prestigious South African Institute of Electrical Engineers (SAIEE) President's award 'in recognition of his outstanding contribution to the South African electrical engineering industry'. Chris is a Fellow of the SAIEE, a senior member of the IEEE (USA) and a member of the IET (UK). He is also a registered Chartered Engineer with the Engineering Council in the UK.

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**ABMI Research
Institute**

The result of a vision to build a research-centric risk and strategy advisory company, ABMI Research Institute is a specialised research, advisory and digital solutions group with specialised focus on integrated financial and performance reporting, financial risk management and corporate risk management, as well as geo-political risk and due diligence studies. The approach and solutions of ABMI Research Institute are originally intellectual property-based and arise from detailed research processes to ensure that solutions are relevant and value-adding. The Lead Researcher of the ABMI Research Institute is Terence Murasiki, a risk advisory and governance professional who has extensive experience in both governance, advisory and technical roles since 1995. Supported by a vibrant and technically competent team of advisors, ABMI Research Institute's solutions are competitive and transformative in their nature. Key to our service ethos is ensuring that we deliver value to our clients through a focused application of our knowledge and skills in areas where we are, in comparison to our peers, leading. We desire that, by applying our principles and solutions, organisations derive competitive advantage and the required business resilience to ensure sound performance and sustainability in an ever-changing business environment.



AIG

IG is a leading global insurance organisation with operations in approximately 80 countries and jurisdictions. AIG member companies worldwide provide a wide range of property casualty insurance, life insurance, retirement solutions, and other financial services.

We insure many of South Africa's top businesses and government organisations, and hundreds of mid-sized and smaller companies.

Over the past 50 years we have established a reputation built on trust, as a provider of innovative products with a very broad product range. We are able to leverage off international expertise to enhance our offerings both locally and into Sub-Saharan Africa.



Association of Chartered Certified Accountants (ACCA)

We're the world's most forward-thinking professional accountancy body.

We believe that accountancy is vital for economies to grow and prosper, which is why we work all over the world to build the profession and make society fairer and more transparent.

We have more than 233,000 fully qualified members and 536,000 future members worldwide. They're among the world's best-qualified and most highly sought-after accountants - and they work in every sector you can imagine.

Organisations know and trust our designation. We're out there every day, connecting with businesses large and small, governments, educational establishments, and opinion formers. We're on top of emerging trends, legislation, and legal requirements, helping to shape them.

Because of all this, we're able to create the innovative, strategic-thinking accountants our fast-changing world needs.



Association of Certified Fraud Examiners (ACFESA)

The Association of Certified Fraud Examiners (ACFE) is the world's largest anti-fraud and white-collar crime organisation and has more than 90 000 members worldwide. Our members are committed to reducing white-collar crime worldwide and inspiring public confidence and objectivity within the profession. The South African Chapter of the ACFE, also an NPO, has close to 6 000 members. It is a recognised South African professional body, representing and governing fraud examination professionals in South Africa. Being a registered professional body, recognised in more than 180 countries, we are governed by the South African National Qualifications Framework Act and the ACFE Chapter Bylaws.



BarnOwl

BarnOwl is a fully integrated governance, enterprise risk management, compliance and audit software solution used by over 200 organisations in Africa, Europe and the UK. BarnOwl supports best-practice risk management, compliance and audit frameworks (e.g. COSO, ISO31000, Compliance Institute's handbook, International Professional Practice Framework), whilst offering a highly flexible and configurable parameter-driven system allowing you to configure BarnOwl to meet your specific requirements. BarnOwl is the preferred enterprise risk management (ERM) software solution in the South African public sector, endorsed by the Office of the Accounting General (OAG). BarnOwl is developed, implemented and supported by IDI Technology Solutions (Pty) Limited (IDI). IDI is a well-established software development company based in Johannesburg, South Africa.



Compliance Institute Southern Africa

Established in 1995, the Compliance Institute Southern Africa encourages and promotes professional compliance and sets the standard for leading practice. It is the SAQA-recognised professional body for compliance officers, with members from a range of industries. The Institute is governed by a Board elected by the members and an independent Chairman. Various board committees have been delegated responsibility for key initiatives. In addition, the Institute has various industry focus groups. Our aims and objectives are to: encourage and promote compliance within the South African regulatory environment; alert members of new developments in and changes to legislation and the interpretation and application of such by the relevant authorities; promote the professional status, image and credibility of compliance officers, our members, by providing accreditation; identify, establish, maintain and promote leading compliance standards and practices; promote education and training in the field of compliance to its members and other

Partners continued

stakeholders; and encourage and facilitate forums for the exchange of information and ideas among members/other stakeholders. The Compliance Institute currently offers two professional designations: Compliance Practitioner: CPrac (SA) and Compliance Professional: CProf (SA). The Compliance Institute has developed an occupational qualification for compliance officers approved by both the QCTO and the SAQA and registered on the NQF at level 6. The Institute is one of the founding members of IFCA, together with compliance bodies in, amongst other countries, Australia, Ireland and the USA. The main objectives of this Federation are to standardise compliance methodology and portability of qualifications.



Cura Software

CURA Software Solutions is a leading provider of Governance, Risk, Compliance and Risk-based Audit software solutions, implemented across more than 350 enterprise customers globally. Our solutions offer a clear picture of governance, risk and compliance across the organization which leads to better decision-making and risk management. CURA enhances visibility into business activities and allows for information to be easily consumed and actioned, enabling better business performance and managing the uncertainty of risk.

CURA is known for its fast implementation, simple configurability, and true enterprise architecture, in turn, reducing implementation and support turnaround times. Our innovative technologies put the power of configuration in the hands of our customers, which is why CURA is used by Global and Mid-sized enterprises around the world.

CURA Software Solutions was the recipient of the 2019 IRMSA Award for Risk Management System Provider as well as multiple awards in 2019 and 2020 and 2021 from The DaVinci Business Innovation Awards Programme (TT100) for Excellence in the Management of Technology, Innovation, Systems, Sustainability and Overall Excellence. CURA also received the GRC 20/20 Risk Management Value Award in 2019.



Indwe Risk Services

Indwe Risk Services (Pty) Ltd is a leading personal, business and specialist risk and insurance advisory business. Indwe was founded in 2006 – the product of a merger between Thebe Risk Services and Prestasi Brokers. Both had a formidable history in the insurance industry. We do not sell 'off-the-shelf' insurance solutions – rather we find cost-effective solutions tailored to your risk-related needs and procure the most competitive terms to meet these needs. Indwe takes pride in being proactive and innovative to keep clients ahead of the curve. We stay abreast of new legislation and technology, as well as social and political changes, so that we can help our clients adapt their insurance to the constantly shifting business environment. With a century of experience as an insurance expert, we are the perfect partner to advise you on the best products and services available through South Africa's leading insurance companies, and how these can be tailored to your specific requirements. With us, you will always have someone to give you advice and assistance. Indwe's insurance packages are underwritten by South Africa's major insurers, covering the entire spectrum of your short-term insurance needs. When it comes to ensuring that your personal assets or business are fully protected against life's unexpected twists and turns, you want good service and the best products.



Insurance Institute South Africa (IISA)

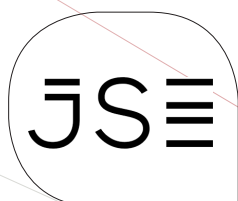
The IISA is a registered non-profit organisation established in 1966 by the industry to advance the insurance sector in South Africa and beyond. The primary responsibility of the institute to its members and the industry in general is to promote the advancement of knowledge and skills, the maintenance of the highest level of standards and ethics as well as the professional development within the insurance industry. As the premier knowledge and standards hub for insurance industry professionals in South Africa, IISA maintains close

links with local and international organisations with a similar mandate to ensure that the membership and other affiliates keep abreast of the latest global developments in the sector.



JGL Forensic Services

JGL Forensic Services was founded in 2001 to meet the growing demand for specialised forensic accounting and financial investigative services in South Africa and further abroad. Our multidisciplinary forensic team consists of experienced professionals with decades of experience in their fields, who all place specific attention and care to the application of scientific methods in the field of forensic accounting and auditing. Our values closely relate to our mission, but we believe that our company is personified through our slogan, 'Integrity, Professionalism and Quality'. We strongly believe in the rule of law and the scientific method as it applies to forensic auditing and investigation. It is this passion for our trade that drives us to provide the highest standard of work to our clients.



Johannesburg Stock Exchange

The JSE was formed in 1887, during the first South African gold rush. Following the first legislation covering financial markets in 1947, the JSE joined the World Federation of Exchanges in 1963 and upgraded to an electronic trading system in the early 1990s. The bourse demutualised and listed on its own exchange in 2005. In 2003, we launched an alternative exchange, AltX, for small and mid-sized listings, followed by Yield X for interest rate and currency instruments. The JSE then acquired the South African Futures Exchange (SAFEX) in 2001 and the Bond Exchange of South Africa (BESA) in 2009. Today, we offer five financial markets namely Equities and Bonds as well as Financial, Commodity and Interest Rate Derivatives.



Lexis Nexis

For over 85 years LexisNexis South Africa has been at the forefront of legal content and technology, driven by our commitment to the vision of 'Enhancing the Potential of the African Continent by Advancing the Rule of Law'. With our strong community of legal professionals, we advance the practice of law. Through our corporate solutions, we advance compliance with the law. Finally, we partner closely with government to advance the upholding of the law.

Today, LexisNexis South Africa provides the most trusted and credible legal and regulatory content and intelligent, digital platforms. Our corporate solutions guide clients to better decisions, grounded in the latest legislation and regulatory developments. LexisNexis prides itself on offering unmatched content accuracy together with superior technology. From e-signature to GRC, we equip today's organisation to protect against risk in the most robust way.



Marsh

With offices in more than 130 countries, Marsh is the world's leading insurance broker and risk advisor. We provide industry-focused brokerage, consulting, and claims advocacy services, leveraging data, technology, and analytics to help reduce our clients' total cost of risk.

With around 45,000 colleagues worldwide, we provide our commercial and individual clients with insights, advice, and support in the local markets in which they operate or where their business may face risks. We help you understand coverage nuances, regulatory developments, and risk trends. And we work together with you on placement, mitigating risk, and optimizing your risk spend.

Marsh is a business of Marsh & McLennan Companies (NYSE: MMC), the leading global professional services firm in the areas of risk, strategy and people.

Partners continued



Mondial Consultants

Mondial has a strong culture of client service and its management team, consultants and employees have been performing a range of enterprise and related risk management projects for local and international clients since 1995. These include major mining and mineral multinationals, parastatals, food and beverage multinationals, clients in the transportation and telecommunication sector, financial sector clients, water and power utilities, and clients in local and national spheres of government. We believe that we are in the position to offer innovative and pragmatic solutions to our clients, taking into account our unique experience in a range of risk, business continuity management, governance, compliance, sustainability and assurance-related disciplines. Through the provision of advisory, implementation, development of frameworks, solutions and processes, as well as the provision of training in large private and public organisations, we are able to assist our clients in achieving improved levels of resilience, efficiency, confidence, compliance and agility.



Ndalo Risk

Ndalo Risk Management is a niche risk advisory firm. Our main offering is developing enterprise risk management capabilities of client organisations.



Old Mutual

Our Group was established in Cape Town in 1845, as South Africa's first mutual life insurance company, offering financial security in uncertain times. Our purpose is to help our customers thrive by enabling them to achieve their lifetime financial goals, while investing their funds in ways that will create a positive future for them, their families, their communities and broader society. In this way, we

significantly contribute to improving the lives of our customers and their communities, while ensuring a sustainable future for our business. We now employ more than 30 000 people and operate in 14 countries across two regions in Africa (South Africa, Namibia, Botswana, Zimbabwe, Kenya, Malawi, Tanzania, Nigeria, Ghana, Uganda, Rwanda, South Sudan and eSwatini) and Asia (China). Our vision is to be our customers' most trusted lifetime partner, passionate about helping them achieve their lifetime financial goals. Following the listing of Old Mutual Limited in 2018, we unveiled a vibrant new brand identity to reflect our fresh, customer-led approach and stronger focus on Africa. Old Mutual's visual personality now draws on the optimism, vibrancy and seize-the-day spirit of the continent, reinforcing the message of 'Made in Africa for Africans'. We have re-imagined and strengthened our role and relevance in our customers' lives. Increasingly, customers tell us that what they need from their financial services provider is closer involvement and understanding, and practical, hands-on support. In short, we are cutting through the intimidating clutter of the financial sector, to serve more as coaches or partners, providing tools and motivation, and helping customers take the small steps that lead to great things.



Phinity Risk

Phinity Risk Solutions develops cloud applications for the information risk and governance market. The Phinity Risk Solutions platform integrates into your risk and compliance processes to help you decrease your risk exposure. Boost your risk management capability and manage your organisational risks, from identification through to remediation, with the help of our powerful solutions. Make informed decisions faster with our strong and relevant reporting based on your risk and compliance data.



RubiQ

RUBIQ is the product of over 15 years of GRC market participation, framework design, research and innovation by its founder Nicky Downing and the core management team. Our amazing and ever-growing team, building and supporting RUBIQ, works hard every day to ensure the platform delivers the latest technology and the most agile and relevant GRC solution in the market. We are excited about GRC and passionate about delivering a truly game-changing GRC platform for organisations in any industry anywhere in the world.



South African National Energy Association (SANEA)

SANEA is a not-for-profit company founded in 1924, formerly the South African Member Committee of the World Energy Council. SANEA represents a hub for objective thought leadership on energy and related matters. In so doing, SANEA stimulates original thinking to catalyse transformation of the South African Energy Sector.



South African Institute of Chartered Accountants (SAICA)

SAICA is the foremost accountancy body in SA and one of the leading Institutes in the world and provides support, advice and services to its CAs throughout their professional lives. Our purpose: Developing responsible leaders for a changing future.

Our main objectives:

- Promote the interests of SAICA members
- support the development of the South African economy and society

SAICA's strategy supports the achievement of its purpose and has six pillars:

- Continued relevance of the accountancy profession.
- Delivering better member value and offerings that will see our members remain relevant and in high demand in the marketplace.
- Growth and transformation of the accountancy profession in terms of race and gender and in line with the overarching national agenda.
- Growing the Institute's thought-leadership standing, both locally and internationally, through technical excellence and a more robust stakeholder engagement focus
- Making a quantifiable social contribution through nation-building initiatives, thereby contributing to the global Sustainable Development Goals (SDGs).
- Sustainability of the profession through the attraction and retention of new members.

Partners continued



The Ethics Institute (TEI)

The Ethics Institute is an independent public institute producing original thought leadership and offering a range of ethics-related services. Our vision is to build an ethically responsible society. We pursue our vision through thought leadership and an ethics-related offering, including training, advisory services, assessments, products and membership opportunities. We work with the public and private sectors and with professional associations.



The Institute of Internal Auditors South Africa (IIASA)

The Institute of Internal Auditors (IIA Inc.) is the leading professional body representing the interests of internal auditors worldwide. It is the internationally recognised authority, principal educator and acknowledged leader in certification, research and technological guidance for the profession. The Institute is creator and custodian of the International Standards for the Professional Practice of Internal Auditors and the Code of Ethics to which all members must adhere. A global institute with headquarters in Florida, USA, the IIA Inc. has a network of affiliates serving members in more than 160 countries, in the fields of internal auditing, risk management, governance, internal control, IT audit, education, security and management. The IIASA, as part of this international network, upholds and supports the profession by providing a wide range of services dedicated to the education and advancement of internal auditors and dynamically promoting and developing the profession in South Africa. The IIASA's objectives are to build the profession, its credibility and a thriving business environment in South Africa. The IIASA is the largest affiliate in the world after North America.



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