

April 2017



IN THIS ISSUE

1. Message from the President
2. Featured articles
3. IRMSA News
4. IRMSA Events
5. What's New at IRMSA
6. IRMSA Training

FEATURED ARTICLE

Counting the cost of
poor governance
and reputational risk



Counting the cost of poor governance and reputational risk

By Jonathan Crisp, Director: BarnOwl GRC and Audit software

I suppose that by now we are all tired and worn out by all the bad news of the ratings downgrade and the strange decisions that have and continue to be made by the government that seem to defy all logic. Whether the real reasons for the cabinet reshuffle are related to power, money, corruption, cronyism, radical transformation (transformation to what one may ask?) or fear of Russia's Rosatom State Energy Corporation or all of the above, we don't really know however there is no doubt that huge damage has been done to the reputation of 'South Africa Inc' resulting in our credit ratings downgrade which comes at a huge cost.

[▶ READ MORE](#)

MESSAGE FROM THE PRESIDENT



Sheralee Morland
IRMSA President

Dear IRMSA members

This month as I greet you it is with a smile but also with a tinge of sadness.

It's always easier dealing with the things that make us smile so I will start with that.

I have a daughter studying in the Cape... she is a twin. After 22 years they were suddenly separated when her twin decided at short notice to complete her studies elsewhere. The twin in Cape Town thought she came up with the perfect way of replacing the loss of her sisters fulltime companionship with a puppy... she tells me this on 1 April...

so I giggle and think... these daughters of mine catch me every year... no way am I being fooled this year.. I reply with a "ha-ha...you thought you got me with your April fools trick!..." . " No mommy," she replies " it's true"... she proceeds to tell me it's so good; prompts her to be let out onto the grass (to stretch her legs); and hardly cries at all... so I am thinking how will this little puppy cope all day?... her owner is at university all day 5 days a week... the property does not have a suitable enclosure to protect the little one from what we hope will be the usual Cape Town torrential winter rains while she is at university and of course students like their freedom to pop away for the weekend (no pets in tow) etc... Really!? I think... ok so if she is not pulling an April fool's joke on me ... she should send me a photo of the pup.... and oh dear... next text message in... a pic of the tiniest little puppy I have ever seen...

In the discussions that follow I am told of course that I am not a risk manager for nothing... And that I am inclined to see the downside rather than the opportunity... anyway long story short after a healthy debate and consideration of all factors... the little one was returned to the breeder...

Now the event that was almost perfectly timed with annual April fools pranks is the one that saddened me somewhat. I remember waking up shortly after midnight and reading about the cabinet reshuffle. I then had to, in my half-awake state, wonder if it was already 1 April and if what I was reading was possible or was it really just associated with the shenanigans of this time of the year...

But sadly no... it was real.
And so too were the consequences of this event...

The risk of a South Africa sovereign ratings downgrade became a reality following the reshuffle on 30 March 2017 and the dismissal of the Minister of Finance, when Standard & Poor's, closely followed by Fitch, downgraded South Africa foreign debt and as a consequence major banks to 'junk', however importantly Standard and Poor's retained the domestic currency rating at investment grade. This must however be contrasted with the fact that the South Africa banking system is rated second in the world by the World Economic Forum in the 'Safety and Soundness of Banks' category (albeit noting the banks can't be rated higher than the sovereign).

Market reaction did see a weakening of the Rand, which lost 11% of its value in 7 days. By Tuesday 4 April 2017, 6 of South Africa's banks had collectively lost in excess of R100bn in market value and since mid-March 2017 the banks index has plunged in excess of 14%. Although the market reaction was negative as expected, key local indicators did not move as dramatically as observed during the Nenegate period end December 2015 and beginning January 2016, as the recent adverse event was most likely already, at least partly priced in.

Integrating
renewable energy
into the power mix
enhances energy
security



Integrating renewable energy into the power mix enhances energy security

By Ogi Williams - Senior Research Analyst, In On Africa

How energy is consumed has become more and more of a focal topic in the last two decades. With the advent of renewable energy developments across the world, enterprises have sought to increasingly include such energy sources as part of their consumption needs. In countries like South Africa this has not only been implemented with an aim to ensure green energy use, but to also provide alternative energy sources for critical operations in times of power outages.

[> READ MORE](#)

IRMSA EVENTS

Public Sector Breakfast Presentation: Series 2

09 May 2017 Johannesburg

[> BOOK NOW](#)

11 May 2017 Cape Town

[> BOOK NOW](#)

25 May 2017 Durban

[> BOOK NOW](#)

SAVE THE DATE

So as we take in, understand, evaluate and respond to all the events, consequences and implications.....where does this leave us as risk managers?

There are several questions we need to be asking...

Can your organisation continue to successfully operate in the now worse macro-economic environment being predicted? Sadly there are factors like further downgrades that could move this to what will be considered significantly more adverse or into a 'severe' stress scenario.

Does your organisation's Business Plan, which may have already been based on a difficult macro environment, require of executive management to assess if current business plans and/or risk appetites, require any further amendment? Does your organisation believe that their strategies are already conservative and well positioned to adapt to the changing environment?

Do your business plans need to be considered in detail i.e. - what may need to change and why, or, if no changes are required to explain why this is the case?

Will your organisation carefully consider this and economic views/updated forecasts as flow through to strategic planning sessions ?

Is close monitoring and reporting of this done through existing governance processes?

When all is said and done, it is important for us to stay positive... important for us to seek out the opportunities that the present times present...

As always, the vital role of a risk manager is once again accentuated... let's make the contribution our organisations expect of us!

I wish you well with your endeavours.

Sheralee Morland

President Institute of Risk Management of South Africa

IRMSA NEWS



IRMSA Membership

2017/2018 IRMSA MEMBERSHIP CERTIFICATE

Members, remember that you are able to download your membership certificate directly from your online profile via

SAVE THE DATE



IRMSA Annual General Meeting:

27 June 2017

Cruywagen-IRMSA Risk Laboratory:

12 & 13 July 2017 - Johannesburg

19 & 20 July 2017 - Cape Town

03 & 04 August 2017 - Durban

Annual IRMSA Conference and Masterclass:

27-28 September 2017 and 29 September 2017

Johannesburg

Annual Awards and Gala Dinner:

03 November 2017

Johannesburg

PROFESSIONALISATION

BOARD EXAM 1
Certified Risk Practitioner



Registration Now Open

BOARD EXAM 2
Certified Risk Professional



Registration Now Open

IRMSA TRAINING

Join us for some insightful training sessions in April

Risk Identification

15 & 16 May 2017

Johannesburg

Facilitator : Steven Abrahams

the IRMSA website.

You will require your log in details in order to proceed.

Please log in using your username and password via the IRMSA website www.irmsa.org.za and follow the steps below to access your certificate:

- From the Manage Profile page, navigate to Information and Settings
- Click on Membership Card
- A new window will open, this is your membership certificate that can be saved or printed accordingly

Should you require log in details for your profile or require assistance with downloading your certificate, please request this from ntombim@irmsa.org.za

Please log in using your username and password via the IRMSA website www.irmsa.org.za and follow the steps below to access your certificate:

- From the Manage Profile page, navigate to Information and Settings
- Click on Membership Card
- A new window will open, this is your membership certificate that can be saved or printed accordingly

Please note that a valid certificate for 2017 will reflect the expiry date of 1 March 2018.

IRMSA Individual and Corporate Membership RENEWAL NOTICE 2017/18

Membership with IRMSA is due for renewal on the 1st of March 2017 and members have been emailed their invoices. In order to maintain an active membership, please ensure to make payment accordingly.

PAYMENT:

Please use the invoice number as payment reference and email proof of payment to finance@irmsa.org.za

CREDIT CARD PAYMENTS:

You can also pay for your membership by credit card (MasterCard or VISA) via your online IRMSA profile on our website. (Please ensure that your card is 3D enabled in order to make use of this service).

If your card is not 3D enabled, you can still pay by credit card (MasterCard or VISA) - please request a manual credit card authorisation form from membership@irmsa.org.za



Integrating Strategy, Governance and Risk

23 & 24 May 2017

Johannesburg

Facilitator : Walter Ehrlich



Business Continuity Management

29 & 30 May 2017

Johannesburg

Facilitator : Lynn Jackson



External/ In-Company Training

Did you know that IRMSA can offer Risk Management Training to your specific organisation either at your own office or at a venue of your choice including the IRMSA training centre.

We can tailor-make an offering for your specific training needs and requirements.

Talk to us about how we can provide you with this service today!

Contact Nazlee nazleek@irmsa.org.za or Nthabiseng nthabim@irmsa.org.za or call us on 011 555 1800

T&Cs apply.

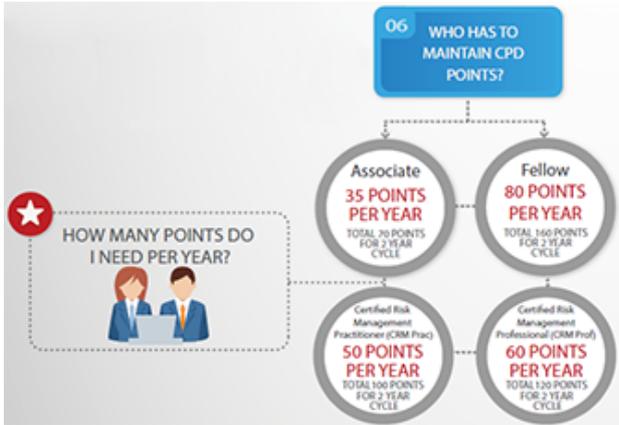
WHAT'S NEW AT IRMSA

IRMSA Technical Library is now accessible.



Have you joined the IRMSA Technical Library group to access the material?

CPD FAST FACTS



[Click here to view the full CPD Infographic.](#)

For any assistance please contact portias@irmsa.org.za

[Click here to visit the Technical Library on the IRMSA Website.](#)

*Note: You need to be signed in to access the Technical Library documentation.

For more information about the technical library or if you require any assistance please do not hesitate to contact kobusd@irmsa.org.za.

IRMSA YouTube Channel

Keep an eye out for newly released risk related content on our YouTube channel.



[Click here to subscribe to IRMSA Insight on YouTube.](#)

Should you wish to contribute to this newsflash, please contact the IRMSA Team at events@irmsa.org.za

Contact IRMSA

Tel: 011 555 1800 | Fax: 086 647 6191 | Email: communications@irmsa.org.za

1st Floor, Block A, Grayston Ridge Office Park, 144 Katherine Street, Sandton, 2196

To unsubscribe click [here](#)

This email was sent to '@@email@@' from The Institute of Risk Management South Africa. If you wish to stop receiving email from us, you can simply remove yourself by visiting: @@unsubscribe_url@@