

Johannesburg  
21 October 2019

### **CGF ANNOUNCES A STRATEGIC ALLIANCE AGREEMENT: JGL FORENSIC SERVICES**

We are excited to announce the signing of a Strategic Alliance Agreement with JGL Forensic Services (Pty) Ltd, which was concluded with CGF Research Institute (Pty) Ltd earlier this month. The alliance between the two companies presents unique opportunities for CGF and JGL, and through this partnership, their respective clients are expected to gain better and deeper insights of their business risk operations which enhances future growth and sustainability.

In the business context, when an organisation conducts a forensic investigation or forensic audit; this is usually associated with areas of the business where its employees have by-passed the organisation's internal control systems and procedures such that the organisation and or its key stakeholders have suffered some form of damage or loss. In almost all cases, once the organisation has discovered the damage or loss, it is usually bound by legislation and or its internal policies to call upon outside forensic experts to uncover *where* and *how* the breaches may have occurred, including those involved.

Indeed, these investigations are conducted *after* the event, and the long-term damages are usually far worse than the *initial* discovery itself. For example, assuming a large sum of money was misappropriated by an employee, whilst the initial loss may represent a certain value, the actual loss must include the combination of the organisation's compromised security systems, not least also the necessary system remedies, legal actions and likely reputational damages which may have occurred at various levels once the matter has been exposed. This being said, there may also be employees who were unwittingly involved -- who were pivotal to the criminal mastermind's plan -- and their role in the grand scheme of events must also be considered in order to determine the possible consequences of their actions, or inactions which eventually led to the damages.

From a corporate governance perspective, in order to avoid system breaches which lend itself to any form of damages against the organisation, it is vital therefore that the board and management have proper oversight and controls in place in order to protect the organisation and its interests. Whilst the real-time reporting functions of the digital Corporate Governance Framework® has notably enhanced the manner in which an organisation's board and the executive assess their GRC (governance, risk and compliance) position, with the introduction of JGL's forensic services, organisation's will have an added advantage over their competitors that will allow them to 'stress-test' numerous GRC areas of their business to determine unsuspected and or likely areas of future vulnerability.

Given that boards of directors are legally obliged to ensure that their organisation's internal controls are adequately protecting the interests of the organisation, the joint services provided by JGL and CGF will go a long way to assure the organisation's key stakeholders -- but especially its vested shareholders -- that the lines of defense protection mechanisms found in the King IV™ Report on Corporate Governance for South Africa for 2016 (King IV™) have been adequately addressed. Anything short of this position will lead to inevitable governance failures such as those found within the likes of SAA, Eskom, PRASA, SABC, Steinhoff and Tongaat Hulett debacles.

**ENDS**

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### **About CGF Research Institute (Pty) Ltd**

CGF began its business in March 2004 and the company is grounded upon delivering a variety of professional corporate governance consulting services, ultimately aimed for addressing and improving the leadership of organisations and their governance practices.

To find out more about CGF, our patrons and our associated services, access [www.cgf.co.za](http://www.cgf.co.za) or [www.corporate-governance.co.za](http://www.corporate-governance.co.za) Contact CGF on: Tel: +27 (0) 11 476 8264

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### **About JGL Forensic Services (Pty) Ltd**

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. The company's 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.

JGL's values closely relate to their mission, and they believe the company is personified through its slogan, "Integrity, Professionalism and Quality." As a company, they strongly believe in the rule of law and the scientific method as it applies to forensic auditing and investigation, and it is this passion that drives them to provide the highest standard of work to their clients.