

Johannesburg
17 July 2019

NEW APPOINTMENT: CGF's GOVERNANCE SERVICES STRENGTHENED WITH APPOINTMENT OF TRAVERS CAPE (CA(SA), MBA)

CGF is delighted to welcome Travers Cape as a Lead Independent Consultant to our company. Travers has acquired a wealth of experience in senior financial management positions and fulfilled various strategic roles within multinational and local businesses.

Being adept at analysing facts, figures and similar detail, Travers will support our clients in the application and verification of their combined assurance processes, including the associated functions that are linked in their annual integrated reports.

The integrated report is a fundamental governance instrument used for keeping an organisation's stakeholders properly informed of its many enterprise activities, including the organisation's commitment to the protection of the environment, good corporate citizenship and value creation.

The Integrated Report is one of only a few organisational documents which is required to be made publicly available to stakeholders at large. As such, it is widely used by stakeholders to assess the performance and future sustainability of an organisation. It is therefore imperative that this report be transparent and accurate in its disclosure of information. Regrettably, there are too many instances where this critical governance feedback mechanism is compiled from a solely marketing perspective and is often "disconnected" from the actual strategic, governance and risk management realities experienced by the business. The fact of the matter is that only the financial statement section of the Integrated Report is actually subjected to external audit; the quality and adequacy of the rest of the information contained in the report is dependent on the board's willingness to transparently present all the matters which are relevant and which will enable stakeholders to hold the board accountable for their actions (or lack thereof).

In the listed environment, the Integrated Report may be scrutinized by the company's corporate sponsor for compliance with the disclosure requirements recommended by the King Report on Governance for South Africa 2016. However, this review does not extend to the verification and validation of any ESG information disclosed in this report.

The Tongaat Hullett governance debacle serves as the latest reminder of the effects and consequences of poor governance. Stakeholders play a pivotal role in the success and even in determining the legitimacy of modern business organisations. They are therefore entitled to know exactly how these organisations affect their lives, both at a personal and environmental level. As such, stakeholders are increasingly demanding more, relevant and meaningful information that can withstand external scrutiny.

To ensure a sustainable relationship with its material stakeholders, organisations have a moral obligation to ensure that their reporting (both internal and external) is accurate and complete so that it can facilitate informed decision-making.



Travers Cape (CA (SA), MBA) joins CGF Research Institute as a Lead Independent Consultant

It is imperative that:

- key stakeholders have an accurate understanding of the overall governance activities within an organisation, including the ethical principles of its leadership;
- timely, transparent and complete reporting is provided to the public at large, which is independently verified and made available via easily accessible platforms such as the organisation's website; and
- the Integrated Report clearly demonstrates *how* the organisation's activities are integrated so as to deliver value to the stakeholders, including outlining the ESG risks and opportunities facing the business.

With numerous corporate governance failures occurring in South Africa over the past few years, boards must pay more attention to the contents of the Integrated Report. The organisation's lines of defense must be secure and the various levels of assurance must have been properly implemented and tested so that the board can confidently approve the information contained in this important stakeholder communication mechanism.

CGF's team of experienced governance, risk and compliance ('GRC') professionals will assist clients in mapping and reporting all of the organisation's key governance elements found within its Corporate Governance Framework®. A properly defined and implemented governance framework will have a profound impact on the organisation's governance activities and reporting processes. Expectedly, the work emanating from this team of GRC professionals changes the traditional perspective and behaviour of the board, as well as internal and external audit. **ENDS**

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About CGF Research Institute (Pty) Ltd: Professional Services

CGF is a Proudly South African, Level 4 B-BBEE compliant company that specialises in corporate governance services and consulting. The company has developed numerous products and services that address governance, risk and compliance (GRC) matters, all designed to create a high-level awareness and understanding of GRC issues materially impacting the organisation.

Our professional consulting capabilities include the aggregation of local and international best of breed governance reporting and research services and include;

- strategic management consulting, business re-structuring, executive placements, executive coaching, board assessments and evaluation, out-sourced company secretarial functions, facilitation of corporate governance awareness workshops, IT governance through to Enterprise Risk Management (ERM) consulting.

CGF's services can be tailored to suit large corporates, small and medium-sized businesses as well as state-owned organisations.

To find out more about CGF, its Lead Independent Consultants and Patrons access www.cgf.co.za or www.corporate-governance.co.za or phone +27 (0)11 476 8264 / 1

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