

Programme director

Fellow Council Members specifically Mrs Mokgatle (Chair of Audit, Enterprise and Risk Management Committee of Council)

Vice Chancellor, Professor Mandla Makhanya

Members of our Executive management

Ladies and Gentlemen

Reflection by the Chairperson of Council, Rre Simelane on the deteriorating governance texture within organisations, across our Continent and beyond, encompassing both the private and public sectors, affecting developed and emerging economies alike, is of concern. Also cases in the market, including how governance platforms such as Boards, Audit & Risk Committees, etc. contributed in one way or the other. Thoughts on the lessons learned and perhaps the best way forward.

My task is simple. I was tasked to welcome everyone to this important Council Environmental Scanning, AERMCoC and Council Risk workshop but unfortunately, I could not make it due to other commitments. Nevertheless, I decided to prepare this short message of support and to convey my views about this important task. It is indeed an important workshop for Unisa especially at these challenging times. In her letter dated 09 February 2018 written by the Chair of the Audit, Enterprise and Risk Management Committee to Council members she stated the following: “ the continual and vigilant assessment of an organization’s risk profile and appetite is a strategic

imperative that falls within the auspices of the organization's governing body (viz. Council). **I fully agree with her. Thanks once again Mme Mokgatle.**

The workshop comes at the time when the Higher education sector is faced with a number of challenges even though they vary from one period to another, ranging from transformational issues, social justice issues, fees, politics and so on. But the common theme to these challenges is that they are very complex with a number of interdependencies. They cannot be successfully managed without applying the principles of risk management.

Indications are that the higher education sector will continue to be faced with these challenges and the sector will be targeted by civil society to drive issues affecting the society as a whole. Institutions of higher learning are pushed to keep up with the pace of the changing environment and the demands of their main stakeholders. The questions then that we have to address are:

- 1) Are we prepared for these challenges? ;
  - 2) What is the role of risk management in these organisations?;
- and,

3) Where was risk management when issues of fees must fall, Rhodes must fall, insourcing issues, etc became a reality?

I believe we were all not prepared for all these challenges and today's session is meant to prepare us for these occasions. This workshop will allow us not only to tick the compliance boxes but rather to be prepared and also to achieve our objectives.

As an institution we prepare the APP on an annual basis and we project a year where we would achieve many targets, yet we find ourselves not meeting them as a result of one reason or the other. We definitely have reasons for not achieving them yet we have risk management that should have assisted us to manage these eventualities.

**Programme Director**, what I am trying to say is that Risk Management ought to be our way of daily management. The role of risk management in the organisation is becoming more complex and requires well prepared people as well as those individuals who understand the organisation and the sector at large and not necessarily the traditional finance risks, IT risks, Fraud, etc.

A few years ago while discussing Risk while I was serving as the Chair of Audit and Risk Management Committee of Council, I urged this university to not only teach risk management but to action or implement risk management within the organization. However, I believe we are still struggling to practice what we teach. If risk management is embedded in the organization, we will then be able to lead change by turning risks to opportunities. For example, students are looking for more cost effective ways to attend higher education and indeed they are using revolutionary strategies to get what they want. BUT as we respond to that, we should not only be looking at increasing our security to protect University property, but we should also be looking at innovative ways of reducing cost in higher education i.e. **turning risks into extra ordinary opportunities.**

I am sure you will be hearing much more about the definition and description of risk management during the day but I want to challenge you not to be stuck to the theoretical definitions but more to the strategic risks that prevent us from achieving our important business at Unisa.

In my experience, one of the single most important benefits of practicing good risk management as an element of corporate

governance, is that even when one makes a mistake – and we will make mistakes - if good corporate governance i.e. risk management has been practiced, a scandal can be avoided.

Talking about mistakes, we had a qualified audit two years ago whereas last year we had an unqualified report. This is good and must be sustained. However, we have an ICT system that is in a serious state of decay notwithstanding the expenditure of millions of rands, we have an applications and registrations system that has caused great consternation for students and has been a serious risk to Unisa's reputation – and I know that these did not just happen overnight. Therefore, a question with which we have to grapple is whether, given this state of affairs, where was risk management at Unisa.

Risk management is not limited to private sector organisations like banks and other companies. It is also very relevant to institutions of higher learning. Even though the challenge is to implement enterprise risk management in institutions with shared governance systems or apply a collective leadership approach in decision making such as the one found in Unisa.

I want to end this short message with this quote:

*“Nothing will ever be attempted if all possible objections must be first overcome.”*

--Samuel Johnson, English author  
(1700s)

In the higher education this quote is especially relevant as we attempt to strike a balance between exercising prudent risk management (and sometimes objecting to the activities of students/faculty/staff) versus not hindering academic freedom, long standing traditions, or the mission or objectives of the institution.

I want to wish you all Good Luck and offer my full support as you progress with this workshop.

Thank You