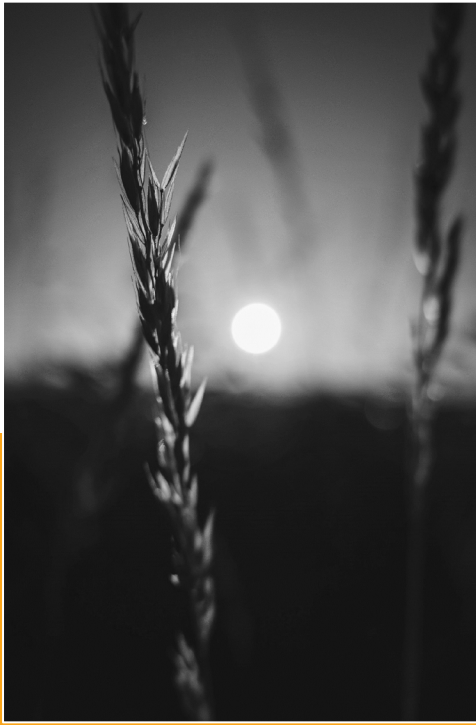




CASE STUDY

VKB Agriculture (Pty) Ltd

Improving Organisation-Wide Risk
Management From A Single Platform



TO MOST PEOPLE
IT'S JUST DIRT
TO A FARMER, IT'S
POTENTIAL

ABOUT VKB

The VKB Group is a modern, dynamic agricultural enterprise that has, since its establishment in 1919, continuously focused on accomplishing solutions for the changing and diverse needs of agricultural producers and related stakeholders. The group consist of 29 entities throughout the Eastern Free State and Limpopo as well as in parts of Mpumalanga, Gauteng and KwaZulu-Natal.

The Group has a unique incentive model for agricultural producers who are shareholders within VKB Beleggings, the holding company. This model, according to which a substantial portion of each year's income from the agricultural business is awarded to VKB Landbou's stakeholders as incentive discounts, makes the business a supplier of choice in its service area. In addition to that, VKB Beleggings declares dividends annually from the profits generated by the industries (VKB Agri Processors Group), as well as the other agricultural entities.

Over time the business model was extended to integrate further in the value chain by incorporating industries as part of the Group's strategy, and to invest where it made business sense. The focus of this strategy is to add value to the products produced in VKB's service area, with the aim to take the product through the most effective market channels to the consumer and to win and grow the consumer's trust through quality and established, trustworthy trademarks. The industries in VKB Agri Processors include a broiler abattoir, animal feed plants, white maize mills, a soya bean crushing plant, a wheat mill and bakeries.

STRONGER RISK MANAGEMENT

Inspiring Other Entities In The Same Landscape

VKB has a strong Corporate Governance culture, but the group have significantly expanded in the last couple of years.

Transforming the current manual systems in place, CURA provided VKB with a single multi-solution platform to be able to assess Risks within the organisation.

VKB Executive and Board have always had a big focus on Risk Management. With the group expanding, the risk profile becoming more diverse, and an ever-changing risk landscape, also arose the need to streamline the process in order to assist executive management to focus on high-risk items and be able to interactively monitor progress.

WHAT HAS THE INITIATIVE ACCOMPLISHED?

An electronic combined platform that makes the assessment of risk more:

- Streamlined (less paperwork)
- Easily assessable (authorised users have access to the most up-to-date versions of documents)
- Consistency (all entities within the group follow the same methodology and use the same risk library)
- Interactive dashboards (ability to give feedback, monitor progress, assign tasks, deadlines and schedule reminders)
- Easier document management and version control (audit trail of the most relevant version of documents)
- One single, transparent system (all incidents being investigated, physical security incidents logged, internal audits done, and new risks identified)





STRONGER RISK MANAGEMENT

CONTINUED

The Agricultural environment in SA is a very closely connected environment. VKB has a very good relationship with the other entities in the same landscape and thus the platform is used to have an impact on other entities. See examples below:

AGRICULTURAL FORUM

VKB started an initiative in 2019 to get all the Executive Audit/Risk Managers of Agricultural entities together for a yearly 2-day discussion forum to share ideas and trends regarding the management of risks.

This initiative was very positively received by the rest of the Agricultural community, and it was decided to have the forum as a yearly initiative.

AGRICULTURAL BUSINESS CHAMBER

VKB assisted AgBiz (Agricultural Business Chamber of South Africa) to implement a risk register and continue to assist in keeping the risk register updated base on management input.

OTHER AGRICULTURAL ENTITIES INVOLVED WITH

BKB: A merger between VKB and BKB Ltd's commercial and financial services divisions was approved by the competition tribunal. The discussion with their audit committee already took place regarding the possibility to implement the same Risk approach and Methodology.

GWK: There is also discussion regarding the investigation into a potential collaboration at an operational level between VKB and GWK regarding synergies.

THESE ENGAGEMENTS WERE ENHANCED BY A SINGLE PLATFORM SYSTEM IMPLEMENTED THROUGH CURA AND ALSO HIGHLIGHT THE NEED FOR THE INDUSTRY TO ADOPT MORE STREAMLINED APPROACHES TO MANAGING RISK.

VKB is leading the way through utilising technology platforms (in this instance, CURA) to show how an integrated platform is able to provide multi-level benefits across governance, risk and compliance within an organisation and in the agricultural industry as a whole.

HOW HAS THE RISK MANAGEMENT STRATEGY BEEN IMPROVED?

INTERNAL AUDIT

- Could view other modules (e.g., risk and controls) and adapt audit approach accordingly
- Both audit teams (Limpopo + Free State follow same methodology)
- System descriptions, procedures, and findings, developed by one team, could be used by other team (reduce time and consistent approach)

INCIDENT MANAGEMENT (PHYSICAL SECURITY)

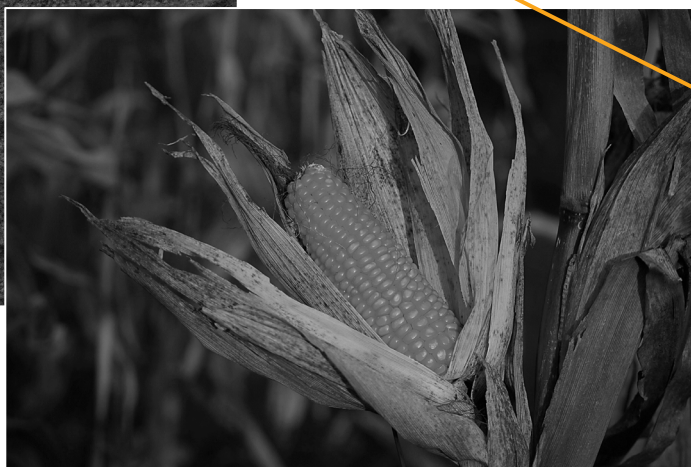
- Could capture information in one central place
- Reduced time spent on administration (excel spreadsheets and emails to reconcile)
- Generate system report regarding, e.g., report on break-ins and based on risk methodology (highlight if controls are effective or not and where weaknesses are, that need to be addressed)

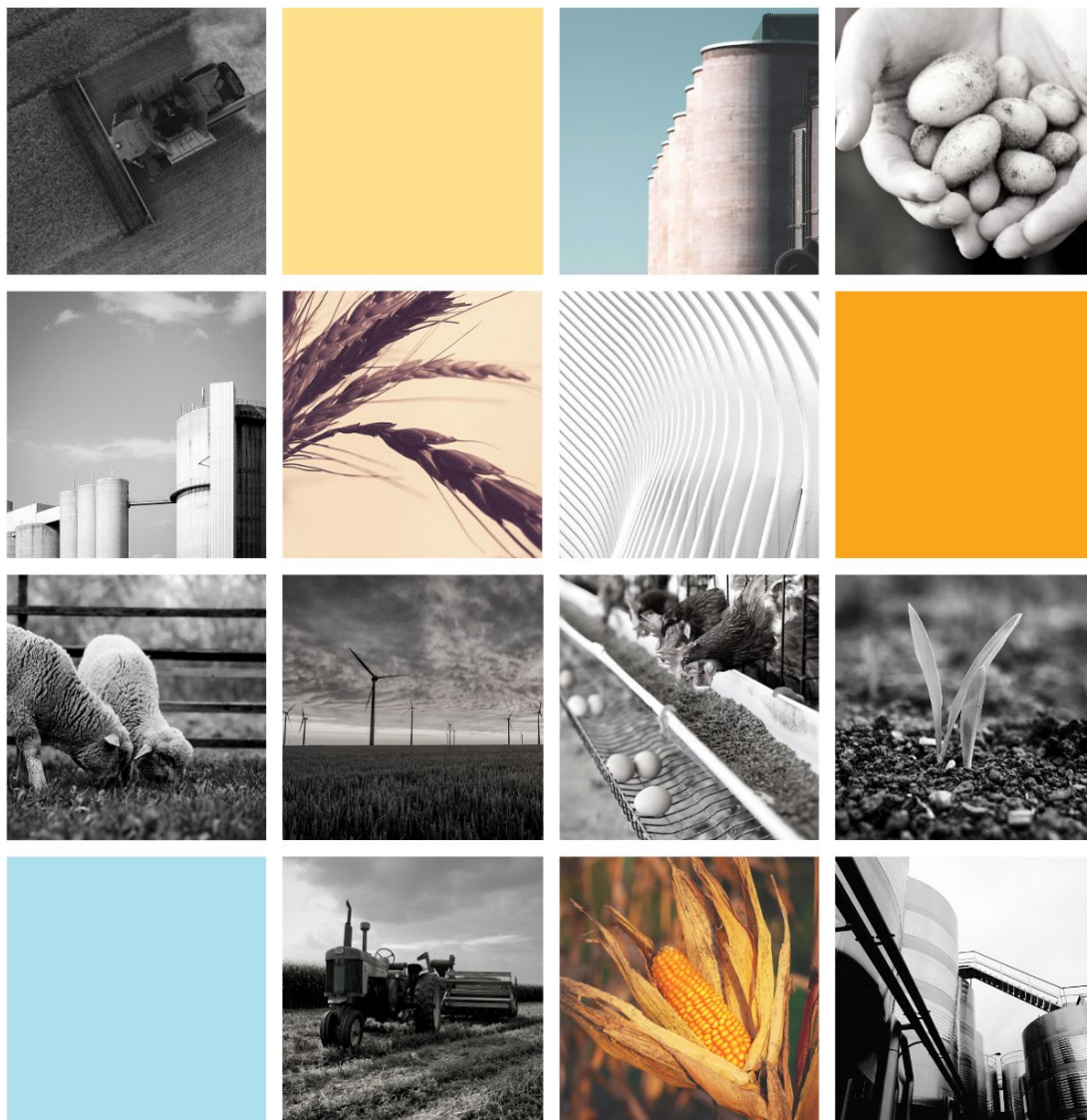
INCIDENT MANAGEMENT (FORENSIC)

- Confidentiality built into system (permission), to ensure confidential information is not accessible by anybody except those authorised to.
- Could raise control weaknesses (that integrate with Internal audit module/methodology)
- Combined assurance

ENTERPRISE RISK MANAGEMENT

- Once users saw the functionality of the system they wanted more (e.g., when looked at Strategic risk they requested to use the same methodology for Operational Risk – thus buy in was established)
- Pulling consolidated reports - Less time consuming
- More user-friendly reports (heatmaps etc.)
- Integrated reporting – If an item is on Incident report (based on classification), could determine if it should be raised as a risk or not





IMPACT OF SYSTEM

DESCRIPTION	BEFORE SYSTEM	AFTER SYSTEM	% REDUCED
Number of risks - standardised	281	240	15%
Number of controls - standardised	1,251	941	25%
Insurance (type of risk)	42	1	98%
Responsible persons	294	149	49%
Risk scale	10	5	50%

NUMBER OF ITEMS IMPACTED

DESCRIPTION	NUMBER	MODULES USED FOR
Operating points	237	Internal Audit + Incident Management
Individual Risk registers	41	Enterprise Risk Management
Consolidated risk registers	8	Enterprise Risk Management

Before implementing CURA, VKB ran risk management activities on excel spreadsheets. There was no way to track how similar risks performed in different parts of the business, making it difficult to gauge a holistic picture of risk. Different naming conventions were used for the same risk and there was limited standardisation. Now VKB have a risk library inside the CURA platform that everyone works from, but they can customise the description/ context of the risk, allowing VKB to evaluate the same risk across various businesses. The system also minimises the duplication of effort across controls as they are standardised in the system. The risk rating scale has also been standardised inside the CURA system where ratings can easily and programmatically be translated from one business to another to enable further contextualisation of risk.

The use of the CURA system has been extensive. There has been substantial progress within the tool, with 157 Audit assessments, 177 Physical Security assessments, and 746 Special Investigation and Whistle Blowing assessments.

INDUSTRY

Agriculture

CURA SOLUTIONS

- Enterprise Risk Management
- Internal Audit
- Incident Management

BUSINESS CHALLENGE

- Automisation and standardization of manual systems
- Integration of different systems
- High-risk auditing and controls management testing

BUSINESS IMPACT

- Risk-alignment to strategy and objectives
- Transparent and streamlined processes
- Organisation-wide risk reporting
- Continuous evaluation of controls to improve effectiveness



Objectives

- Same methodology used for Strategic and Operational Risk registers
- Monitoring tools in place for efficient and more effective information management
- Electronic combined platform making risk assessment and monitoring easier

Solution

- Implementation of Enterprise Risk Management
- Implementation of an Internal Audit system
- Implementation of Incident Management

Benefits

- ✓ Executive management allowed to focus on high-risk items and be able to interactively monitor progress or update risks
- ✓ A single entry point providing real-time updates
- ✓ Reduced time spent on administrative tasks
- ✓ Integrating reporting
- ✓ User-friendly, adaptable approach

ABOUT

CURA Software


CURA Software Solutions is a leading provider of Governance, Risk, Compliance and Risk-based Audit software solutions, implemented across more than 250 enterprise customers globally. These solutions offer a clear picture of risk across the organisation 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 a multi-award winner, at the cutting edge of technology, solutions, systems and innovation.

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