



e - Quality Edge

bringing quality information to South Africans since 1996

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Welcome to the 2021 1st Quarter edition of our e Quality Edge



Paul Harding

We are pleased to bring you our online newsletter despite continued restrictions during the Covid 19 virus pandemic. We hope you are all keeping safe and well.

We have a variety of articles to share with you. We start with our international colleague Peter Fraser who asked the question – Should ISO be setting requirements or following demand? Another two international colleagues, Jayet Moon and Veronica Sphens, with support from our own Ed van den Heever look at risk management following South Africa's principle of Ubuntu.

Sticking to the theme of Risk Management, Eddie de Vries asks, Is Risk Management a friend or foe?

Jacques Snyders gives us feedback on the launch of SAQI's Food and Cosmetics Program.

Mike Smith then informs us of the Evolution of Internal Audit.

Our regular contributor Terry Booyse shares the Directors Sentiment Index Report and finally Richard Hayward shares thoughts on how children are coping in the time of lockdown.

SAQI are pleased to announce our updated Training programme for 2021 as well as the road map for our Development Programme

If any of you would like to contribute to future newsletters please contact us.

Feel free to pass on our newsletter to your network and we look forward to input from you for our next edition and stay safe.

Paul Harding

Paul Harding SAQI Chairman



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Quality:

helping South Africans live, learn and work better

TO SET OR TO FOLLOW: WHERE HAS ISO BEEN?

by Peter Fraser

DO THEY DO AS THEY SAY?

Do the authors of business management standards follow their own standards? Although ISO's publications on Business Management and Innovation amounted to only 0.2 % of its total output in 2019, ISO offered 56 "**published deliverables**" on the topic (according to its own website). Whilst the need for international standards for product design and safety, for example, is obvious for the sake of consumers, employees, the environment and a range of other stakeholders, the demand for business and management standards is perhaps slightly less compelling. There is a growing suspicion that this plethora of documents is driven more by internal marketing pressures than by customer demand.

The best-known ISO9001 (Quality management systems – Requirements) is heavily promoted as the most "popular" (ie widely used) management system standard. But did you realise that it has an incredible **twenty** (20) supporting ("guidance") standards, plus an additional **six** (6) sector-specific variations? Who did the market research to establish the customer need? Who assessed the market to see what else was available on each of the subjects chosen? What sales forecasts were used when they decided to go ahead? And what sales were actually achieved?

THE "CONTEXT OF THE ORGANISATION"

Some of the obvious challenges that face ISO are highlighted on its website: "*ISO is an independent, non-governmental international organization with a membership of **165 national standards bodies.***" How to co-ordinate all these points of view, apply suitable quality control and then produce outputs which can be translated into all the relevant languages without losing meaning and relevance is not easy. Which is all the more reason to assess the market thoroughly before starting to develop a new standard.

ISO's Strategy document (2016-2020) says that the aim is to produce standards:

"in a clear, understandable language, that are easy to read and user friendly"

"Increasing the uptake of standards as business performance tools"

and to "Develop high-quality standards ...".

Given these aims, you could reasonably expect that ISO would set and follow standards for the clarity, consistency and conciseness of these documents. Add to this the ongoing debate about some of the fundamental terminology used in these standards (for example, widely used terms such as "*process*" and "*management system*", and concepts and principles such as "*risk-based thinking*", "*process approach*" and "*PDCA (Plan Do Check Act)*" and the confusion grows. Too often, a standard contains a mixture of opinion, fact, notes, examples and random "advice". What is more, ISO, BSI and the CQI have all published conflicting guidance over the years which uses these terms in different and contradictory ways.

AT WHAT COST?

And then there are the costs that a customer is expected to pay for the standards. Have you seen some of the prices? Just taking a few

examples: *BS ISO 10018:2020 Quality management. Guidance for people engagement* costs **£130 for 20 pages**. *BS 76000:2015 Human resource. Valuing people. Management system. Requirements and guidance* gives you **44 pages for £214**. *BS ISO 10006:2017 Quality management systems - Guidelines for quality management in projects* is **95 pages for a breathtaking £278.20** [and I am not convinced that the professional bodies for project managers (the APM and the PMI) recommend it as a reference document...] An earlier version of *BS ISO 10018:2012 Quality management. Guidelines on people involvement and competence* was a mere **33 pages for £214**.

At least the initial proposals and drafts that preceded what is now **BS ISO 10018** have been pared down drastically from the early 83 pages and have had their many grammatical and presentational flaws corrected, but the 2012 version retained a number of extremely questionable statements which are typical of many of these documents:

Quotes from BS ISO 10018:2012	Comments
<i>"People should be involved in the process design"</i>	"People" - as opposed to what...?
<i>"Users of the purchased goods/ services should be involved in supplier selection"</i>	So (for example) all participants in a training course should vote on who is to give the course?
<i>"Purchasing information describes the product to be purchased"</i>	Really? Or... could it be the canteen menu? Maybe it is, by definition...
<i>"The organization's operational processes should be shown to the people in the supplier's design, development, operations, as well as to the sales team"</i>	How do you show a process? Shown to all these people? Why?
<i>"ensure (that) people are involved in creating their own work instructions to ensure understanding"</i>	In practice this does not often work, and there is no reason that it should.
<i>"A flow chart should be developed explaining the linkage of management review to measurement, corrective and preventive action and continual improvement"</i>	Why a flowchart? And how exactly would these links be shown?

AND WHERE IS ISO GOING?

PROCESSES, TASKS AND ACTIVITIES (BUT NOT NECESSARILY IN THAT ORDER...)

There is currently a proposal from ISO to develop a "**generic process reference model for organizational change management**" which would define "*the organizational change management processes*" – whatever they may be. The implication is that these exist, are generally known and can be defined. The document is in the "Quality management systems" category, which suggests that this may be followed by companion documents for Health and Safety, Environment, Information Security et al. Does it mean that the ISO standard for "*Innovation Management*" (which is obviously one type of change) is to be replaced? As is the case throughout much of the 9000 family of standards nowadays, the word "*process*"

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makes an appearance - this is a “process” reference model. Why can it not just be “Guidelines on what to do”?

It contains a reference to ISO/IEC TR 24774, the “**(Life cycle management) process standard for software engineering**”, with the implication that it is relevant for business management systems as well. I fear that this standard may suffer from the same type of bias as the old manufacturing bias in 9001. Reading further, we find more examples of the confusion over some of the fundamental terminology mentioned above.

To quote: “An increasing number of international, national and industry standards describe process models ... The terms and descriptions used in such models vary in format, content and level of prescription. ISO/IEC TR 24774:2010 presents guidelines for the elements used most frequently in describing a process: the **title, purpose, outcomes, activities, task and information item**. Whilst the primary purpose of ISO/IEC TR 24774:2010 is to encourage consistency in standard process reference models, the guidelines it provides can be applied to any process model developed for any purpose.” An admirable objective. But there is no acknowledgement of the concepts of a **trigger, inputs, resources required** (other than the strangely worded “information item”), influencing factors, outputs...

Note that we now have both tasks and activities in the various definitions in TR 24765 (the supporting “Systems and software engineering - Vocabulary” document):

an **activity** is a “**set of cohesive tasks of a process**”; and yet

a **task** is a “**set or sequence of activities required to achieve a given goal**”.

This is a circular definition – you can't define each term by using the other term.

And there is further confusion in ISO/IEC TR 24774...

“The distinction between a process and a procedure is a simple one. A procedure is a set of steps to be followed that, when completed, might or might not achieve the intended objective. This is similar to following a recipe when cooking. On the other hand, a process is executed with knowledge of the intended purpose and outcomes to achieve the desired result.”

“The tasks are specific actions that may be performed to achieve an activity. Multiple related tasks are often grouped within an activity.”

How often do the Notes and justifications in a standard serve to contradict and confuse rather than to clarify? This is another risk (in the commonly used sense rather than in the ISO definition!) of expanding the portfolio of standards while maintaining consistency of definition, explanation and usage throughout.

FROM GUIDANCE TO ASSESSMENT

Looking ahead, there has been a suggestion that ISO turn **ISO 9004:2018 Quality management - Quality of an organization - Guidance to achieve sustained success** into an assessment standard. You could reasonably expect that ISO will research the market and establish that there is a demand. Would this be yet another example of a “standard” being thought up by someone in ISO in response to customer demand(?) / marketing promotion(?) / lack of alternative sources of advice and best practice(?)...

The reason for developing 9001 at the outset was to avoid the expense of an organisation having to assess multiple suppliers, by having a standard certification of quality provided by a trusted third party. Or, turning that round, to enable a supplier to provide confidence to its customers. If 9004 were to be used in the same way, who would benefit? Shareholders, investors – or lawyers in the US who would inevitably get business from claims of unsuitable certification when a client lost money from an investment they claimed was based on the independent certification? And what qualifications would you require to be able to audit and certify a management system against this standard?

BEST PRACTICE?

Would MBA students welcome a document such as this? Or the busy directors of SMEs? Or senior management in large corporations? I do wonder where all these “guidance” standards appear from, why, and who buys them. How many sales do they get? Would readers stop buying established textbooks if they knew that they could instead spend several £100s with ISO to get the combined thoughts of random “experts”?

AND FINALLY...

The primary difference between ISO standards and text books is that standards are the result of agreement (or compromise?) by disparate “subject matter experts”, whereas text books are written by one or two authors who present their experience and opinions. A text book may run to several hundred pages and so provide more educational value. In most cases one can buy several and get a range of relevant views for less than the price of a single ISO standard. Which is better value for money?

How can you get to know easily which standards are available in a particular field of interest? Would a “Customer review” section on the ISO website be useful, so that a potential buyer can assess the value before they splash out? Does the entire ISO business management standards process need to be reassessed for the good of business – or even for good business?

PK Fraser

Process Principles

W: www.deethebusiness.co.uk/index_pp.htm



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Ubuntu, Quality and Risk Management

by Jayet Moon and Veronica Stephens
with inputs from Ed van den Heever

Africa Excellence Forum's Ubuntu Excellence Framework is unique amongst all global excellence models as it centers on sustainable excellence with a PEOPLE focus.

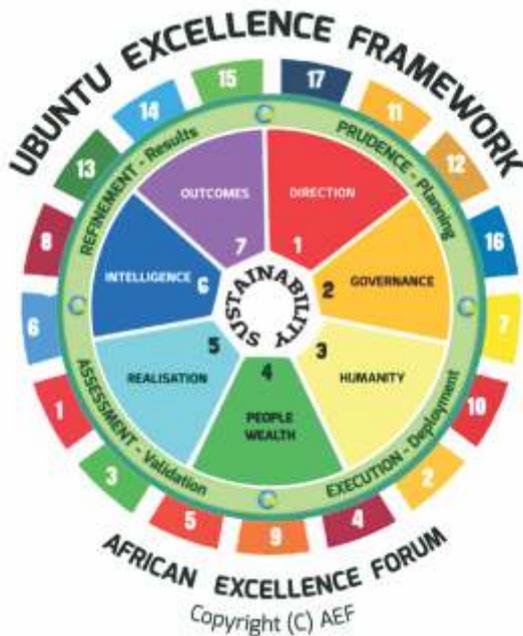


Figure 1 : Ubuntu Excellence Framework

The people centric approach has been implicit in some very successful cultures like those of Japan based Toyota Motor Corporation and U.S based Southwest Airlines. This approach is effective since it explicitly identifies and focuses on the most fundamental and important unit of an organizational system- the people. It must be analyzed then, in that context, how do people exercise prudence in decision making, in face of uncertainty, to ensure sustained continual delivery excellence?

The Ubuntu framework starts with a strategic setting of direction towards the eventual achievement of desired organizational outcomes. Through this spectrum, the organization is called upon (through its people decision makers) to traverse through situational uncertainty everyday and challenged to take the right decision across many levels of organizational hierarchy. In the execution of strategic imperatives and deployment of operational plans, it bodes us well to study the effect of uncertainty on:

1. Product/ Service or process related *objectives*
2. Operational *objectives*
3. Strategic *objectives*

This effect of uncertainty on objectives is defined as 'risk', per ISO 31000:2018. Quality risk is the effect of uncertainty on quality objectives through the planning-deployment- validation- results loop. These quality objectives can be at product/process/service

level, operational level or strategic level. Quality Guru, Dr. Joseph Juran was one of the first thought leaders to focus on Strategic Quality Management and its cascade through organizational functional levels (detailed in his book Juran on Quality Leadership). Juran's approach is summarized in Fig. 2. At every level of quality decision making, uncertainty abounds and correspondingly, risks exist as shown in outer loop of Fig.2.



Figure 2: Hierarchical Quality and Risk Management

The Ubuntu framework focuses on 'governance', which may include ethics, behavior and conduct underpinning governance of decision making systems like risk management systems. Governance in general refers to the system of management and controls exercised in stewardship of the organization (Baldrige 2020 definition) while Risk governance refers to the structural framework that governs the organizational risk management activities and related decision making.

Risk governance includes :

- Risk planning to ensure a systematic scheme or framework for realization of risk management activities
- Risk identification by analyzing the set of activities within the process and its critical points
- Risk analysis and prioritization to consider preventive mitigations or level of risk acceptance
- Risk monitoring and control to keep an eye out for pain points and emergent issues

The PDCA Approach, which is inherent in the Ubuntu framework, also forms the basis of proactive risk based thinking. We start by anticipating the risks to plan proactive mitigations and preventive controls for them in the Plan phase. In the Do phase, we launch the

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product, process, or service. In the Check phase, we determine if the design-based mitigations worked (monitoring) and if the residual risk was indeed as expected, if any alarm signals or risk warnings appeared, and if any unforeseen risks emerged. In the Act phase, we implement the learnings for the risks that occurred in the earlier phases by enabling better preventive controls in the system. We document the new risks and assess their impact on the system, which is then followed by new controls for the same.

In the U.S. Baldrige Excellence Framework (2020), the Operations category which can correspond to the Realization category in the Ubuntu framework speaks to pursuing intelligent risks which are strategic opportunities for which the potential gain outweighs the potential harm or loss to the organizations future success. To make this determination, a well-governed risk management structure is essential.

The Ubuntu framework stresses on use of information to build knowledge and proposes continual gathering of new information to enhance knowledge which informs intelligence. Knowledge is the collection of skills and information acquired through experience while Intelligence is the ability to apply knowledge. This concept of information- knowledge- intelligence is central to risk management. In industry 4.0, with the inherent connectedness of systems, there is no dearth of information. The challenge is to rank and filter them for provision of diagnostic and predictive analytics to enable inclusive decision making. On one side, risk management is a tool that can make sense of the pervading information and ensure visualization of the state of business (e.g. by ranking and filtering) to create knowledge. On the other side, risk management can help effect and manage the connectedness of the business footprint by exposing gaps and prioritizing actions through risk intelligence and wisdom.

The Ubuntu framework, and its Intelligence Criterion (6) not only is a natural companion for risk intelligent organizational processes but also challenges us to think about risk to sustainability, risks to the people and risks to society. Truly risk intelligent organizations will develop people as risk intelligent decision makers who can think holistically (through the Ubuntu framework) and effectively use forward looking risk concepts and tools in making risk based decisions with sustainability front and center.



References:

1. Foundations of Quality Risk Management, Jayet Moon, by ASQ Quality Press, Milwaukee, WI, USA, 2020
2. Baldrige Performance Excellence Criteria, 2020

About the authors:

Jayet Moon

The author has earned a master's degree in biomedical engineering from Drexel University in Philadelphia, PA, USA and is a Project Management Institute (PMI) Certified Risk Management Professional (PMI-RMP). Jayet is also a Chartered Quality Professional in the UK certified by the Chartered Quality Institute (CQI). The author's new book, 'Foundations of Quality Risk Management' was recently released by ASQ Quality Press, WI, USA He holds ASQ CQE, CQSP and CQIA certifications.

Veronica Stephens

The author is the Vice President of Quality and Risk Management solutions for the firm Auchincloss-Stephens. She is a Risk management SME with over two decades of experience in Fortune 500 companies across a range of industries including pharmaceuticals, food production, consumables, durables and medical devices.



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Risk Management “Friend or foe”

by Eddie de Vries

Risk management is in all probability the most important planning and management function that any organization can apply. But in highlighting this, it mostly becomes a task driven process in organizations. Lending itself towards periodic reviews rather than constantly and actively identifying and managing the organization's risks. This adds limited value and is generally seen as a compliance function. But risk management and the concept behind it is much more than just a task. It is a consistent review, evaluation and management of the potential events that could have a negative effect on the organization's objectives, but in the same effort identifying and capitalizing on opportunities.

To enhance the experience and value within your organization in terms of risk management, the need to understand the risk assessment process and utilize related tools are essential. Basically, the risk assessment process can be defined in the following steps as per ISO 31010:

1. Risk identification
2. Risk analysis
3. Controls Assessment
4. Consequence analysis
5. Likelihood analysis and probability estimation
6. Preliminary Analysis
7. Uncertainties and sensitivities
8. Risk evaluation

These steps are common in any risk assessment process. The tools and methods utilized during the respective process steps lends itself towards fulfillment of the respective steps. May it be for Strategic, Health & Safety, Environmental Management, Information Security, Quality Management or Business Continuity.

However, in general, it seems that the employee tasked with performing risk assessments only has one trick in terms of tools running the process. This is the dreaded “Risk Workshop”. Although there is a place for the workshop, it should not be the only tool. ISO 31010 explains clearly the different tools and concepts, as well as the utilization and applicability of these tools during the different stages of risk assessment.

Concluding, if we then agree that risk management is an essential part of managing well, it should also be agreed that the risk assessment is an integral part of the process. And how well we perform this process will essentially engage the organization, or drive the organization in performing compliance tasks.

Tools and techniques	Risk assessment process					See Annex
	Risk Identification	Risk analysis			Risk evaluation	
		Consequence	Probability	Level of risk		
Brainstorming	SA ¹⁾	NA ²⁾	NA	NA	NA	B 01
Structured or semi-structured interviews	SA	NA	NA	NA	NA	B 02
Delphi	SA	NA	NA	NA	NA	B 03
Check-lists	SA	NA	NA	NA	NA	B 04
Primary hazard analysis	SA	NA	NA	NA	NA	B 05
Hazard and operability studies (HAZOP)	SA	SA	A ³⁾	A	A	B 06
Hazard Analysis and Critical Control Points (HACCP)	SA	SA	NA	NA	SA	B 07
Environmental risk assessment	SA	SA	SA	SA	SA	B 08
Structure « What If? » (SWIFT)	SA	SA	SA	SA	SA	B 09
Scenario analysis	SA	SA	A	A	A	B 10
Business impact analysis	A	SA	A	A	A	B 11
Root cause analysis	NA	SA	SA	SA	SA	B 12
Failure mode effect analysis	SA	SA	SA	SA	SA	B 13
Fault tree analysis	A	NA	SA	A	A	B 14
Event tree analysis	A	SA	A	A	NA	B 15
Cause and consequence analysis	A	SA	SA	A	A	B 16
Cause-and-effect analysis	SA	SA	NA	NA	NA	B 17
Layer protection analysis (LOPA)	A	SA	A	A	NA	B 18
Decision tree	NA	SA	SA	A	A	B 19
Human reliability analysis	SA	SA	SA	SA	A	B 20
Bow tie analysis	NA	A	SA	SA	A	B 21
Reliability centred maintenance	SA	SA	SA	SA	SA	B 22
Sneak circuit analysis	A	NA	NA	NA	NA	B 23
Markov analysis	A	SA	NA	NA	NA	B 24
Monte Carlo simulation	NA	NA	NA	NA	SA	B 25
Bayesian statistics and Bayes Nets	NA	SA	NA	NA	SA	B 26
FN curves	A	SA	SA	A	SA	B 27
Risk indices	A	SA	SA	A	SA	B 28
Consequence/probability matrix	SA	SA	SA	SA	A	B 29
Cost/benefit analysis	A	SA	A	A	A	B 30
Multi-criteria decision analysis (MCDA)	A	SA	A	SA	A	B 31

1) Strongly applicable.
2) Not applicable.
3) Applicable.



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Food, Cosmetic & Essential oils Program Launch (FCO Program)

by Jacques Snyders (SAQI MD)

The 18th of February 2021, was yet another significant milestone for the SAQI team and its loyal members, with the official Launch of the new “Food, Cosmetic & Essential Oils” (FCO) Quality Professional Development Program. This followed various consultation workshops with industry representatives from the Food, Cosmetic & Essential oils industries, which led to a Pilot program in late 2019. The SAQI team has worked hard during the 2020 Covid lockdown period, to ensure that the FCO program is complete and ready for Launch in 2021. This program was originally set up at the request of the United Nations Industrial Development Organisation (UNIDO) in support of their Global Quality and Standard Program (GQSP) with assistance from the Swiss Government's State Secretariat for Economic Affairs (SECO). SAQI is supporting the program along with the Southern African Essential Oil Producers Association (SAEOPA) to promote the Essential Oil sector in South Africa.

The Official launch was held on the 18th of February 2021, at our offices on the CSIR Campus in Pretoria. Jacques Snyders, Managing Director of SAQI, introduced the SAQI team responsible for promoting Quality in the Food, Cosmetic & Essential Oils industry, which includes industry specialist and facilitators Mariana Du Toit and Thev Pather.



Both Mariana and Thev has vast experience in the Food as well and the Cosmetic industries, and will bring this knowledge to our SAQI members and industry members at large.

The program was not only designed to aid with the development of Quality Professionals in the areas of Quality Control (Level 2), Quality Assurance (Level 3) through to Quality Management (Level 4), but also contains a Level 1 program aimed at General awareness and SME development. SME development was a strong focus point during the consultative process with industry, with the aim of developing local SME's in these industries.

We wish the FCO team the best on the rollout of this exciting program, and hope our members and industry at large, will acknowledge and recognise this program as an essential part of the development of Quality Professionals in South Africa.



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The Evolution of Internal Audit

by Mike Smith & Norman Marks

The Evolution of Internal Audit

Now is an opportunity for internal audit leaders to pause, reflect and consider whether it is time to forget past practices - even if they have proven successful in the past - for a different approach to internal auditing.

Internal Audit Has a Choice

As was pointed out to Karen Kroll for her article, *"Reassessing Risk: What Matters Most Now?"*:

"Never has business changed so much, so fast"

"As the business is probably going to be run differently, shouldn't we be running internal audit differently?"

"Doing a traditional audit that takes weeks, if not longer, is not going to help business leaders run the business today."

Another recent article in Internal Audit 360, *"The Value Challenge in the Evolution of Internal Auditing"* stated, *"Recent macroeconomic developments emphasise changes that are already taking place. Remaining anchored to traditional and archaic conceptions of internal audit mandates exposes the profession to the highly probable and impactful risk of losing relevance, progressively emptying not only its perceived value, but the real content of the profession as well."*

We live in an epoch of change that demands a concomitant evolution of the internal audit profession. To paraphrase Darwin: *"If we as auditors can be more reactive to change, and can change pro-actively, we will not only survive, but also consolidate a competitive advantage. The alternative would lead the function to an inexorable, progressive decline."*

How Nimble Is Your Audit Team?

A growing number of internal audit departments are moving from a static annual audit plan (or worse) to a dynamic one that is based on a continuous understanding of how the business and its environment is changing. (Some call that risk assessment, but it's really more than that).

The internal audit function needs to **continuously monitor** the business and be able to **dynamically update** the audit plan in order for it to be able to address what's important to organisational leaders **now**, and in the **near future**. But there is more to being agile. Think of the navy: Do its commanders send in a fleet every time there is an issue? No!

They recognise the need for agile, fast and mobile forces that are capable of acting quickly to achieve their mission in addition to the more traditional use of overpowering force. Internal audit needs to have similar capabilities.

Sometimes a fleet of auditors may need to be sent in to attack an issue, but such a fleet requires time to plan, mobilise and execute. It may also require time to consolidate, consider, evaluate and report its findings.

Can the organisation afford to wait that long? Don't they need information on significant risks now, rather than later?

The modern internal audit team needs to be as agile as its audit planning. It needs the ability to send in a one- or two-person team that will get in and out rapidly, with the information needed by leaders of the organisation. They need to be able to audit at the speed of risk and the business, providing management and the board with the assurance, insight, and advice they need, when they need it, and in a readily actionable form - i.e. not waiting weeks for a formal report.

In most internal audit departments, an audit typically involves one or possibly two people for a week or two, focussing mainly on a few risks at a specific location, or a particular business process that had the potential to be significant if not effectively controlled.

If you spy an enemy risk on the horizon, you need to evaluate and respond at top speed, not wait until the fleet arrives.

How agile is your internal audit team? Do you have speedboats, or only battleships?

Is your average audit 200 hours or more? If so, are you auditing areas where, even if there were problems, they wouldn't rise to the level needed to facilitate CEO or board action. Why? Are you taking too long to provide management and the board with essential assurance, advice and insight?

Audit with focus, and be agile about it.

About the Authors

Norman Marks, CPA, CRMA is an evangelist for "better run business," corporate governance, risk management, internal audit, enterprise performance the value of information.

Norman is also a mentor to individuals and organisations around the world, the author of *World-Class Risk Management*, and publishes regularly on his own blog.

Mike Smith is a highly experienced Business Management Systems Consultant whose portfolio includes having worked with CEOs, management, engineers, consultants and staff at all levels across a broad range of disciplines in a variety of industry sectors.

Mike is currently engaged by Rifle-Shot Performance Holdings as the lead consultant for SoftExpert Excellence Suite.

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DIRECTORS' SENTIMENT INDEX™ REPORT: 5TH EDITION

CGF's observations from a governance perspective

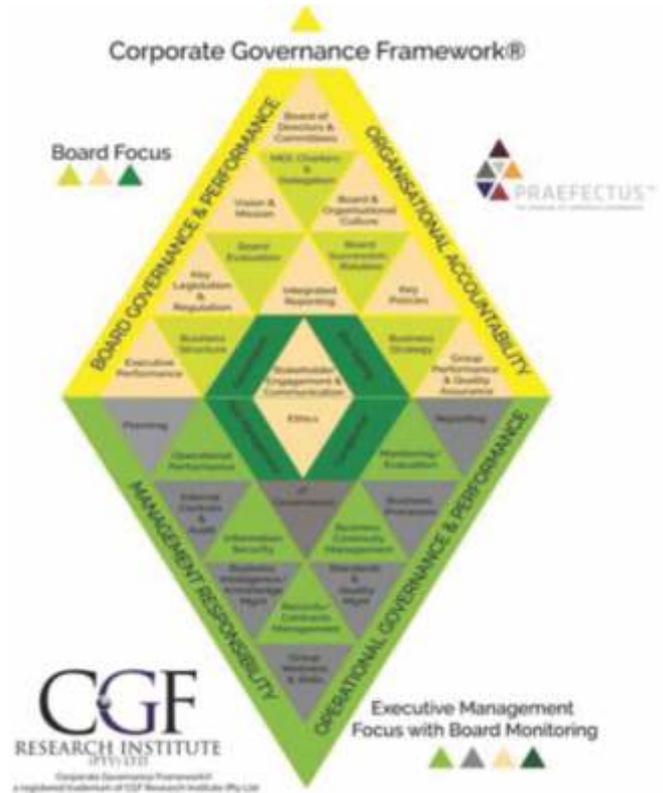
by Glen Talbot (CA) SA and Terrance Booyesen and peer reviewed by Jene' Palmer CA(SA)

A review of the Institute of Directors in South Africa ('IoDSA')'s recently released report for 2020 raises some interesting observations from a governance perspective. It should be noted that the study was concluded prior to the nation-wide lockdown and national state of disaster due to the Corona virus ('Covid-19') pandemic. It is likely that the sentiments expressed by respondents may have been significantly more pessimistic had the study been concluded in the second half of 2020.

The findings of the report illustrate the views of 454 South African directors and track the changes in business sentiment over the past 5 years across various categories, comprising Economic, Business, Governance and Directorship factors.

The Governance category, although ranked highest of the 4 categories, shows a steady downward trend from a score of 3.6 in 2014 to 3.3 in 2020, out of a possible maximum score of 5. Responses to the question in the Governance sector: "What do you consider to be the three main governance challenges currently facing your business?" included a variety of responses by some of the respondents which is provided in the table below.

As a recognised thought leader and governance solutions provider in South Africa, CGF has reviewed these questions and their related responses from the perspective of having implemented a Corporate Governance Framework® for various organisations.



QUESTION: "What do you consider to be the three main governance challenges currently facing your business?"	
RESPONSE	CGF's RESPONSE
None. My business is not challenged by any governance factors	<p>It is interesting to note that 34% of respondents indicated that their business is not challenged by any governance factors. Based on CGF's interactions with directors over recent years, a response of this nature may be a case of "you don't know what you don't know".</p> <p>When organisations have been asked by CGF what their organisation's governance framework entails, many would offer their organogram, board charter, delegation of authority or company secretary's job description as a response.</p> <p>From these responses it is clear that these organisations do not have a thorough understanding of the GRC status for every area of their business. As such, the Board of Directors (and therefore the organisation) will be unnecessarily exposed to unforeseen and unanticipated risks. A well implemented Corporate Governance Framework® can assist the Board in ensuring that the organisation has identified and is mitigating important "governance factors" well beyond the aforementioned documents.</p>
Lack of sustainable thinking	<p>Visionary leaders appreciate the importance of the Corporate Governance Framework® in nurturing organisational sustainability by driving values-based decision-making to "play the long game".</p> <p>The framework helps to break down siloed thinking and promotes decision making which is aligned to the organisation's corporate vision.</p> <p>It is important to ensure that the organisation's Corporate Governance Framework® addresses sustainability issues and highlights the effective and efficient deployment of all resources, as contemplated under the 6 capitals model, on a balanced and coordinated basis. In this way, integrated thinking is promoted such that the longer term impact of the organisation's actions can be carefully considered and monitored.</p>

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QUESTION: "What do you consider to be the three main governance challenges currently facing your business?"

RESPONSE	CGF's RESPONSE
<i>Too cumbersome and time consuming</i>	Too many organisations (and indeed directors) view governance as just an additional layer of bureaucracy, not truly appreciating that governance speaks to the way in which an organisation is directed and controlled. The Corporate Governance Framework® is a useful management tool which supports strategic value by strengthening performance and optimising the governance of the organisation's people and processes. The objective is to improve efficiencies and productivity in the long term interests of the legitimate stakeholders.
<i>Lack of understanding (King IV™)</i>	The Corporate Governance Framework® should be aligned to the legislation, rules, policies and codes of best practice applicable and relevant to the organisation. As such, it provides a meaningful and practical understanding of how and where the organisation either meets or falls short of the applicable local and/or international GRC prescripts, including the requirements of King IV™ as may be necessary.
<i>Unethical behaviour (bribery and corruption)</i>	The implementation of a Corporate Governance Framework® strengthens the organisation's combined assurance approach in that it introduces thirty-two lines of defence supported (or not) by organisational evidence. The segregation of duties in performing governance assessments in the framework while recognising the inter-connectivity between different areas of the business further underpins the usefulness of this tool in driving transparent and ethical behaviour. Moreover, ethics as an organisational discipline lies at the heart of the Corporate Governance Framework®. As such, the framework assists business leaders (management and the board) in assessing whether a rules-based mentality permeates the organisation or whether a culture of accountability and "speaking up" is being inculcated within the organisation.
<i>Lack of understanding the overall benefits</i>	Based on interactions with directors over the years, CGF can attest to this response highlighted by the survey. Against the backdrop of a complex and evolving business environment, the implementation of a Corporate Governance Framework® enables boards to become more purposeful and agile in their decision-making while better appreciating the risks facing the organisation. Moreover, a real-time GRC dashboard provided by a Corporate Governance Framework® promotes a common understanding of the organisation's GRC maturity and assists in prioritising areas for improvement.
<i>Too costly or the perception of being too costly</i>	This response begs the question: can the organisation afford the cost of failed governance? The evidence and dire outcomes of failed governance processes are very evident in the South African public and private sectors. The cost of such failed governance is yet to be determined. CGF would argue that the benefits of implementing and maintaining a Corporate Governance Framework® far outweigh the costs. The implementation of a Corporate Governance Framework® drives organisational resilience by supporting evidence-based decision-making to drive accelerated strategy implementation. The business intelligence gained from performing the governance assessments required by the framework leads to a more engaged workforce, integrated thinking, increased productivity and quicker execution. The return on investment is evident.

The above highlighted outcomes of the IOD's Directors' Sentiments Index, underline CGF's concerns about the general lack of understanding of governance and the critical role it plays in ensuring that an organisation is able to sustainably and responsibly deliver on its strategic mandate.

The board's ability to direct and control an organisation can be simplified by implementing a Corporate Governance Framework®. In this way, the board will truly understand that good governance is a business enabler, rather than a business inhibitor.



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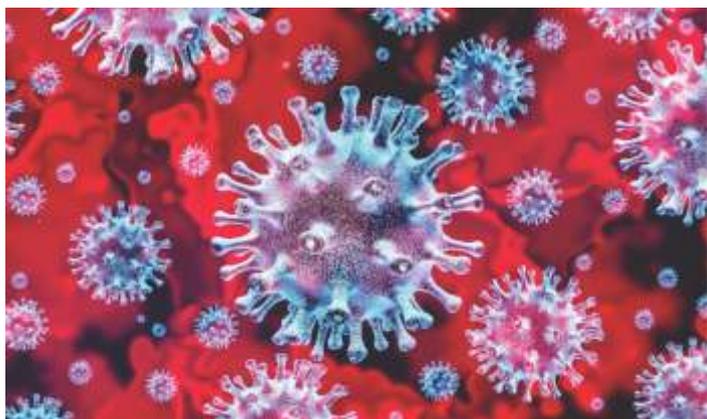
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Quality in Schools

Many of our readers are parents themselves or interact often with children. We have asked our education editor, a retired headmaster, to share thoughts on how to get Quality principles and practices instilled in young people.

By Dr Richard Hayward

Children in the time of lockdown



As the Covid-19 pandemic spread across the world, President Ramaphosa announced a South African lockdown. The lockdown was intended to be for three weeks. Then it was extended for another fortnight. At the time of the writing of this article, it had been extended indefinitely. What impact has the lockdown had on children?

To date, children have largely been spared the tragedy of the virus. This can largely be explained by the likelihood of their lack of comorbidity. There is less likelihood of them having illnesses such as diabetes, heart illnesses and renal failure. Sadly, the most at risk are adults and especially the elderly.

At the start of the lockdown, millions of children looked forward to an extended holiday period. That happiness was short-lived for those children attending quality schools. Teachers compiled learning programmes that could be done at home. Learner packs for the different subjects were quickly compiled and printed.

The small number of South African schools that had online teaching resources – estimated to be about 10% of the 36, 000 schools in the country – designed and implemented daily interactive lesson sessions. Not a single teaching day was lost. One such school was a Johannesburg primary school. At the start of their first day of the new school term, the children attended a 'virtual' Assembly. They were told to wear their correct school uniform. No bunking allowed!

In spite of the trauma of the lockdown, there were many unexpected positive outcomes. As one mother-of-three noted, "My kids have just become a little more caring. They truly love their granny but maybe in an off-hand kind of way. She lives in a

retirement home. Now they've personally experienced what it's like to have to stay in one place most of the time. During the lockdown granny has been getting daily WhatsApp calls. She also been getting far more photos of what they're doing every day."

The lockdown has challenged children about their own character and values. Their teachers have set them daily school work. Assignments and projects have been given. If the children have been unable to submit their work online, they've been told to bring it to school on the first day back in the classroom. That new style of learning has further developed the children's level of diligence. It has encouraged self-discipline. School work has to be done even when there's no teacher hovering in the background.

At home there are the daily chores. Often these have been done by parents and sometimes domestic staff. Now everybody in the family is expected to do their bit. The children are becoming more aware and hopefully appreciative of all that's done for them around the home.

One value that has definitely come to the fore during this pandemic is compassion. Our television screens show heart-wrenching scenes of the level of destitution across the country. Hunger, not the pandemic, might cause such people to die of starvation. As a result, so many children have opened their hearts. Piggy banks and saving accounts have been depleted to help them. Children have spontaneously donated parcels of food, clothes and toys.

This particular pandemic will one day become history. Yet in the midst of it all, there has been a surge across the world of values such as care, compassion and kindness. The children have been responsive to the plight of others. They've opened their hearts by 'walking the talk' of such values. May we continue to nurture such values in the children and, of course, in ourselves too.



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SAQI Development programme Roadmap

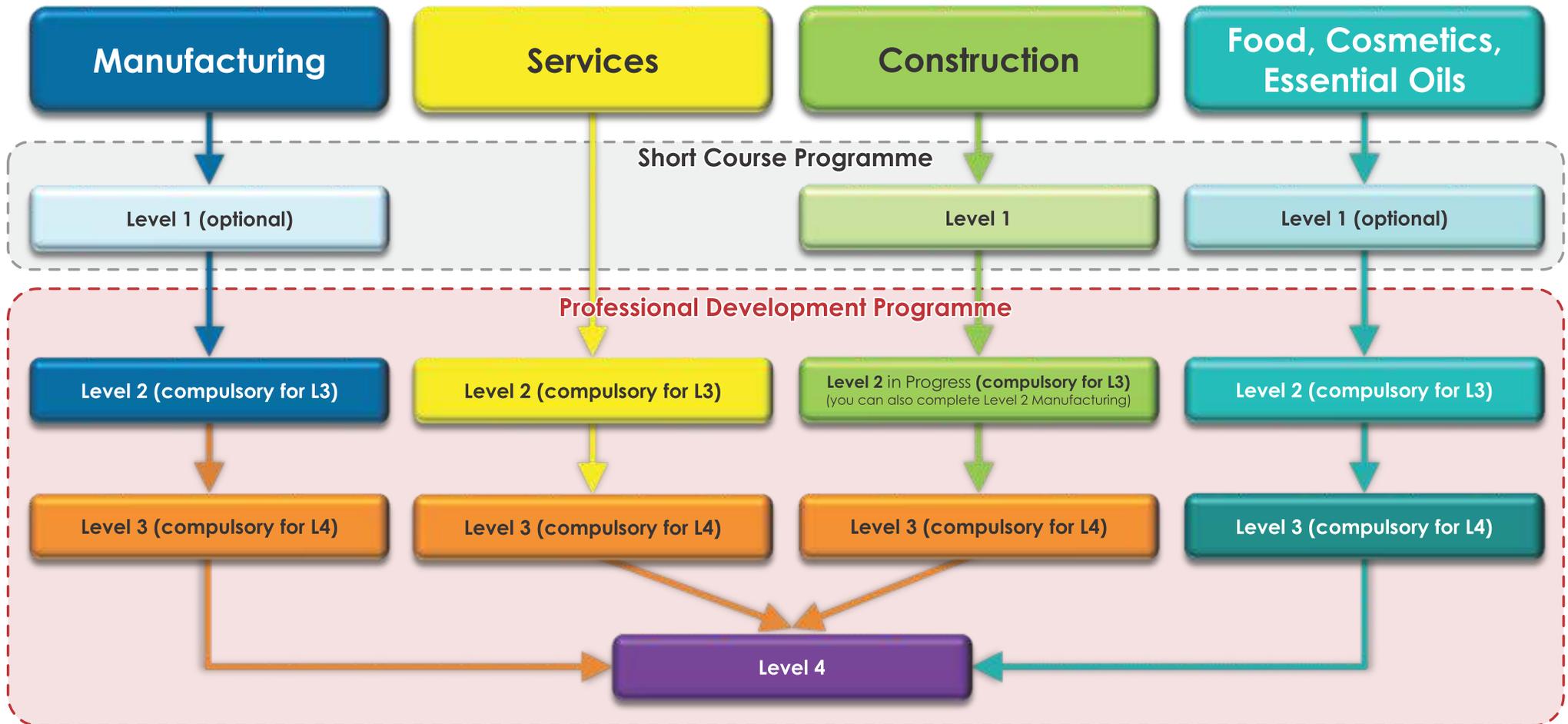
This roadmap will help you determine where to start and the process to follow to reach your ultimate development destination.

Level 1: Quality Awareness

Level 2: Quality Control

Level 3: Quality Assurance

Level 4: Quality Management



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SAQI TRAINING PROGRAMME 2021



All courses offered by the South African Quality Institute are presented in association with other course providers and are available to all organisations and individuals. SAQI can assist with the training of a company's workforce and all training packages can be run in-house at cheaper rates to 10 or more delegates. A special discount applies to SAQI members. For more information or to register contact Angel Chiloane on 012 349 5006 or info@saqi.co.za

1. SAQI reserves the right to **change details** of the programme without prior notice.
2. All training takes place at the **SAQI offices** on the CSIR campus in Pretoria.
3. The courses listed below form part of a specific Certificate and **all modules** should be successfully completed to qualify for the Certificate.
4. ALL delegates will **start at level 2**.
5. All courses completed previously will receive **credit** when proof of successful completion is received – please submit **copy of certificate and exam results**.
6. All prices include VAT @ 15%.

MANUFACTURING OR SERVICES

- ✓ If you are currently working in the **manufacturing** industry you will start your development programme with Level 2 (blue). After successful completion you can move on to Level 3 (orange).
- ✓ If you are currently working in the **services** industry you will start your development programme with Level 2 (yellow). After successful completion you can move on to Level 3 (orange).

Code	Course	Days	Cost	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
L1	Short courses for Manufacturing			Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
B80	Welding Inspector	2	5640-00		8-9			21-22			6-7		
B81	Mechanical Inspector	2	5640-00		11-12			24-25			9-10		
B82	ISO 3834 Welding Standard	1	3240-00										
L2	Certificate in Quality Control for Manufacturing	10	24,880-00	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
B41	Introduction to Quality Control	2	5640-00	8-9			17-18					25-26	
B90	Introduction to Statistical Techniques	3	6800-00	10-12			19-21					27-29	
B91	Introduction to Statistical Process Control (SPC)	3	6800-00		1-3			7-9					15-17
B79	A3 Problem Solving	2	5640-00		4-5			10-11					18-19
L2	Certificate in Quality Control for Services	9	23,720-00	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
B30	Introduction to Quality Control	2	5640-00	22-23					12-13				
B31	Introduction to Statistical Techniques	3	6800-00	24-26					14-16				
B33	Introduction to Quality Circles	2	5640-00		15-16					2-3			
B34	A3 Problem Solving	2	5640-00		17-18					4-5			
L3	SAQI Certificate in Quality Assurance*	13	31,680-00	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
B48	ISO Requirements 9001:2015	3	6800-00		29-31						20-22		
B24	Knowledge Management	2	5640-00			12-13						11-12	
B16	Internal Quality Auditing	3	6800-00			14-16						13-15	
B92	Advanced Quality Techniques	3	6800-00				3-5						1-3
B77	Advanced Product Quality Planning (APQP)	2	5640-00				6-7						4-5
L4	SAQI Certificate in Quality Management*	14	38,520-00	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
B38	Development of a QMS	4	10,800-00					1-4					
B01	Cost of Quality	2	5640-00						1-2				
B93	Policy Deployment (Hoshin Kanri)	2	5640-00						19-20				
B58	Operational Excellence	2	5640-00						21-22				
B74	Lean for Manufacturing/Service Industries	4	10,800-00								31 Aug - 3 Sept		

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FOOD, COSMETICS AND ESSENTIAL OILS

Code	Course	Days	Cost	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
L1	Food, Cosmetics and Oils			Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
B50	Food Safety and Quality Awareness	1		INHOUSE TRAINING									
B51	HACCP Awareness	1		INHOUSE TRAINING									
B52	SANS 10049 PRP & SANS 10330 HACCP Combination Course	4	10,800-00					28 Jun - 1 July			4-7		
L2	Food, Cosmetics and Oils		22,560-00	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
B60	Introduction to Quality Control	2	5640-00		23-24				26-27				
B61	Introduction to Statistical Techniques	2	5640-00		25-26				28-29				
B62	Introduction to Statistical Process Control (SPC)	2	5640-00			19-20				16-17			
B63	A3 Problem Solving	2	5640-00			21-22				18-19			
L3	Food, Cosmetics and Oils			Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
B64	ISO 9001 Overview	2	5640-00								13-14		
B65	ISO 19011 Internal Auditing	2	5640-00								15-16		
	Food or Oils Industry selective												
B67	ISO/FSSC 22000 Short (Prerequisite B52)	2	3000-00									21-22	
B67	ISO/FSSC 22000 Full (Incl. SANS10049/10330)	5	11,900-00									18-22	
B68	Food Legislation Overview	1	2820-00									8	
	Cosmetic or Oils Industry selective												
B69	ISO 22716	3	6800-00									18-20	
B70	Product certification	2	5640-00									21-22	
L4	SAQI Certificate in Quality Management*	14	38,520-00	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
B38	Development of a QMS	4	10,800-00					1-4					
B01	Cost of Quality	2	5640-00						1-2				
B93	Policy Deployment (Hoshin Kanri)	2	5640-00						19-20				
B58	Operational Excellence	2	5640-00						21-22				
B74	Lean for Manufacturing/Service Industries	4	10,800-00							31 Aug - 3 Sept			

CONSTRUCTION

Code	Course	Days	Cost	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
L1	Construction	2	5640-00	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
B101	Construction Quality Control Awareness	2	5640-00										
L2	Construction			Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
	Under Development												

For more information or to arrange a meeting to discuss your construction training requirements, please contact nicola@saqi.co.za



For a list of specialised quality related courses, or for inhouse training, please enquire from vanessa@saqi.co.za

SAQI is constantly striving to write new industry specific courses. All new courses will be published here, make sure you check back regularly!

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