NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE

QUALIFICATION: POST GRADUATE DIPLOMA IN DEVELOPMENT FINANCE	
QUALIFICATION CODE: 08PGDD	**LEVEL:** 8
COURSE CODE: CGR810S	**COURSE NAME:** CORPORATE GOVERNANCE AND RISK MANAGEMENT
SESSION: JUNE 2025	**PAPER:** THEORY AND APPLICATION
DURATION: 3 HOURS	**MARKS:** 100

FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINERS	Ms. Saima Ashipala
MODERATOR	Prof Mario Labuschagne

INSTRUCTIONS

1. This question paper consists of FIVE (5) questions.
2. Answer ALL FIVE (5) questions in blue or black ink only. **NO PENCIL and TIPEX,**
3. Start each question on a separate (new) page and number the answers correctly and clearly.
4. Case study questions are application of knowledge.
5. Questions relating to this examination paper may be raised in the initial 30 minutes after the start of the examination. Thereafter, candidates must use their initiative to interpret any perceived error or ambiguities, and any assumptions made by the candidate MUST be clearly stated for consideration.

PERMISSIBLE MATERIALS

1. None

THIS QUESTION PAPER CONSISTS OF _6_ PAGES (including this front page)

QUESTION 1 **[15 MARKS]**

The application regime for King IV is "apply and explain."

All principles of the King Code are phrased as aspirations and ideals that organizations should strive for in their journey towards good governance and realising the achievement of governance outcomes. The principles are basic and fundamental to good governance, and their application thereof is assumed. An explanation should be provided in the form of a narrative account, with reference to practices (actions) that demonstrate application of these principles. The explanation should address which recommended or other practices have been implemented, and how these achieve or affect the principle.

REQUIRED:		**MARKS**
a)	What should be disclosed on the application of King IV?	**5**
b)	Where should the King IV disclosure be made, and how often should the King IV be updated?	**4**
c)	Principle 1: The governing body should lead ethically and effectively. The recommended practices require that members of the governing body exhibit six (6) practices in their leadership conduct. List the 6 governing body practices stated under principle 1 of the King's Code.	**6**

QUESTION 2 **[16 MARKS]**

Risk assurance and reporting

Leaders must know what risks will affect their area of responsibility and who is ultimately accountable for managing those risks. However, a lack of coordination among risk assurance functions and a lack of consensus on what matters most in the provision of risk assurance has the potential to undermine many efforts to develop an integrated view. Often, the challenges are that complex risks overlap and accountability for them either sits with too many individuals or no one at all. Below is a diagram of the key functions (roles) in an organization that should reach a consensus on risk matters to allow for the development of an integrated view.



REQUIRED:	MARKS
Every organization has a unique set of value drivers, each of which will have unique ways of defining, assessing, tracking, and addressing risks, and processes for providing assurance. What is the ultimate responsibility and accountability of these roles in creating and preserving organizational value through the management of risk?	16

QUESTION 3 **[34 MARKS]**

Below is a case study that highlights risk management excellence in practice. **You are required to** answer questions 3a, b, and c based on the case study information and risk management best practice knowledge and guidance.
SashDada Technology is a company known for its exemplary risk management practices. Founded in 2001 by an SME visionary, Lameck Odada. The company began as a small start-up in the tech industry, funded by the Development Bank of Namibia. It specializes in software development and IT consulting services. Over the years, under Odada's leadership, the company expanded its offerings and diversified into various sectors, including cloud computing, cybersecurity solutions, and

artificial intelligence. The company's risk appetite is limited and however due to the industry in which it operates needs to be innovative to grow, this means that they are risk savvy. Today, SashDada Technology is a prominent player in the Namibian technology market, serving clients ranging from small businesses to big enterprises.

SashDada Technology's risk management strategies and successes can be attributed to several key strategies and initiatives:

1. Comprehensive Risk Assessment: SashDada Technology conducts regular and thorough risk assessments to identify potential threats and vulnerabilities across its operations.
2. Investment in Technology and Innovation: SashDada Technology prioritizes investments in cutting-edge technologies such as AI-driven analytics, predictive modelling and threat intelligence solutions.
3. Customer-Centric Approach: SashDada Technology tailors its risk management solutions to meet specific needs and preferences. This fosters trust and long-term partnerships.
4. Current Cybersecurity Measures: The company has made cybersecurity a top priority.
5. SashDada Technology employs a multi-layered approach to cybersecurity to mitigate the risk of cyberattacks.
6. Continual Improvement and Adaptation: SashDada Technology fosters a culture of continual improvement and adaptation. The company encourages feedback and collaboration among employees at all levels so they can identify areas for improvement and implement solutions to mitigate risks effectively.

REQUIRED		**MARKS**
a)	How did SashDada Technology maintain operational continuity and minimize disruption?	**10**
b)	What are the key takeaways and best practices you can identify from the case study for implementation at your organization?	**4**
c)	What are the five best practices and strategies employed by SashDada Technology that any organization should adopt to cultivate a risk-aware culture and achieve recognition as a leader in risk management excellence	**20**

QUESTION 4 **[12 MARKS]**

The Development Bank of Namibia (DBN) has matured in its risk management excellence. However, like any other organization, challenges are inevitable, even for companies excelling in this domain.

Despite their proactive efforts, DBN has encountered obstacles that can impede its risk management practices due to operating in a complex and interconnected business environment. Rapidly evolving risks constrain resources, and new and emerging regulatory compliance requirements simultaneously burden the Bank.

You have been appointed as a Project Manager to review the following challenges and suggest possible mitigation strategies that DBN could adopt to address these challenges.

REQUIRED:		**MARKS**
a)	**Complexity and interconnectedness business environment challenges:** The modern business environment is increasingly complex and interconnected, making it challenging for DBN to anticipate and mitigate all potential risks comprehensively. What are **two** strategies that could be employed to overcome these challenges?	**3**
b)	**Rapidly evolving risks challenges:** Risks are constantly evolving due to technological advancements, regulatory changes and global events such as pandemics or geopolitical shifts. DBN may struggle to keep pace with emerging risks and adapt their risk management strategies accordingly. What are **two** strategies that could be employed to overcome these challenges?	**3**
c)	**Resource constraint challenges:** Limited resources, including budgetary constraints and staffing limitations, can hinder DBN's ability to invest adequately in risk management initiatives and tools. What are **two** strategies that could be employed to overcome these challenges?	**3**
d)	**Compliance and regulatory challenges:** Meeting regulatory requirements and compliance standards can be burdensome and complex. What are **two** strategies that could be employed to overcome these challenges?	**3**

QUESTION 5 **[23 MARKS]**

Ethics in business – an ethical Dilemma case study by *Srivastava et al (2017)*

Ethical dilemmas occur when there are conflicting moral principles or values, challenging the decision-making process. In the financial service sector, these dilemmas often arise from situations involving conflicts of interest, confidentiality breaches, and the pressure to meet financial targets.

"Money, both in the form of credit and investments, greatly impacts the world. Money is a means, not an end, but a powerful means to do things, and therefore, the evil use of money can create a considerably negative impact on our world". By facilitating money to others, financial institutions enact and empower the community. In our country, we are witnessing one financial scam after another.

Many people withhold investment from companies involved in alcoholic beverage distribution, the use of additives in food production, international arms trade, animal rights violations, and environmental pollution. When banks lend money to others, they may not do wrong alone; other entities might be engaged in wrongdoing. But it does not excuse these financial institutions from their moral responsibility.

Engaging in excessively speculative investments and irresponsible credit lending practices is morally unacceptable. Bankers and financial professionals should take a responsible approach in all investment and lending operations with their customers' money.

REQUIRED:		**MARKS**
a)	What effective strategies can financial institutions employ to address ethical issues and enhance their ethical standards?	**10**
b)	What are the measures that organizations can implement to resolve ethical dilemmas?	**13**

END OF EXAMINATION PAPER