Section 8: Risk Management

Effective risk management is integral to the company's objective of consistently adding value to the business. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and monitoring risks. The JPC policy and framework on risk is fully aligned to the CoJ group policies. The Audit and Risk Committee ensures that there is an effective risk management process in place and that the internal controls are effective and adequately reported on. The committee oversees the effectiveness of risk management through quarterly risk management reports that are prepared and presented by management to the committee.

JPC's Risk Management Unit, which is responsible for executing its risk management activities and for integrating risk management into the company's operational routines, is strategically placed in the office of the CEO. The unit is supported by risk champions who are responsible for coordinating and providing feedback on risk management activities in the different business units of JPC. Group Risk and Advisory Services plays an important support function to JPC's Risk Management unit in ensuring the implementation of group policies.

Enterprise risk management focuses on identifying those risks that are most significant to its ability to achieve and realise its core business strategy and objectives supporting value creation. JPC performs annual strategic risk assessments linked to the organisation's strategic objective and annual planned achievement in the form of the business scorecard. Management, with the assistance of GRAS, reviews the organisation's risk for the year. A strategic risk workshop is held with the Board to solicit their inputs prior to finalising the strategic risks. The strategic risks are approved by the Board and action plans to reduce the residual risk to acceptable levels are monitored quarterly. The design, implementation and operational effectiveness of the risk management process is assessed by the internal auditors prior to using the strategic risks in their risk-based internal audit plans.

The table below illustrates the top 10 strategic risks, the strategic objective that impacts each risk and the mitigation plans that are put in place to mitigate these risks. The Risk Management Unit has been tracking and reporting on the status of the risk rating and implementation of the mitigation plan on a quarterly basis.