

APPENDIX M ANALYSIS OF VGOLD BOARD MEMBERS THOUGHTS

ABOUT THEIR LEVEL OF RISK READINESS

FRIEDMANS RANK TEST: NONPARAMETRIC ANALYSIS FOR THE RANDOMIZED BLOCK DESIGN

Questions	Willo		Mike		Gilbert		ΣF _j	ΣF _j ²
	Score	Rank	Score	Rank	Score	Rank		
1 To what extent has the risk and complexity of your business increased over the past 5 years	8	22.5	9	24.5	6	9.5	56.5	3192.3
2 To what extent has your business faced an operational surprise in the past 5 years	10	26	3	10.5	7	14.5	51	2601.0
3 What is the level of maturity of your organisations approach to a fully functioning ERM King III process	8	22.5	4	13.5	7	14.5	50.5	2550.3
4 How has the level of reporting and disclosure on risk issues increased over the past year	6	12	7	19	7	14.5	45.5	2070.3
5 Are you confident that the overall risks the organisation faces are being effectively managed	6	12	5	15	7	14.5	41.5	1722.3
6 Does the company maintain any risk inventories to counter supply line/ industrial disruption	7	19	6	16.5	7	14.5	50	2500.0
7 To what extent does the company formally assess supply side risks	5	8	3	10.5	7	14.5	33	1089.0
8 To what extent are top risk exposures formally discussed when the Board meets to discuss existing strategic plans	6	12	3	10.5	8	22.5	45	2025.0
9 Indicate extent to which existing risk exposures are considered when evaluation new strategies	7	19	2	5	8	22.5	46.5	2162.3
10 Indicate extent to which company has articulated its appetite for risks in the context of strategic planning	7	19	7	19	8	22.5	60.5	3660.3
11 Indicate extent to which organisation has carried out a formal assessment of market risk	6	12	1	1	5	4.5	17.5	306.3
12 Indicate extent to which organisation has carried out a formal assessment of industry risk	4	4.5	2	5	5	4.5	14	196.0
13 Indicate extent to which organisation has carried out a formal assessment of political risk	5	8	2	5	9	26	39	1521.0
14 Indicate extent to which organisation has carried out a formal assessment of regulatory/legal risk	5	8	8	21.5	8	22.5	52	2704.0
15 Indicate extent to which organisation has carried out a formal assessment of IT risk	4	4.5	6	16.5	7	14.5	35.5	1260.3
16 Indicate extent to which organisation uses qualitative means to assess risk	7	19	2	5	8	22.5	46.5	2162.3
17 Indicate extent to which organisation uses quantitative means to assess risk	4	4.5	2	5	6	9.5	19	361.0
18 In assessing risk issues to what extent does the Board actively consider risk probabilities	7	19	7	19	8	22.5	60.5	3660.3
19 Indicate extent to which Board believes existing compensation arrangements contribute to excessive risk by management	2	1	4	13.5	3	1	15.5	240.3
20 Indicate extent to which risk exposures are considered when making capital allocations to functional units	7	19	9	24.5	8	22.5	66	4356.0
21 How would you describe your companies attitude to strategic risk (corporate activitiy, M and A etc) (1=intolerant)	9	24.5	3	10.5	7	14.5	49.5	2450.3
22 How would you describe your companies attitude to operational risk (1=intolerant)	4	4.5	2	5	5	4.5	14	196.0
23 How would you describe your companies attitude to financial risk (1=intolerant)	3	2	2	5	5	4.5	11.5	132.3
24 How would you describe your companies attitude to market risk (1=intolerant)	6	12	8	21.5	5	4.5	38	1444.0
25 Does your company become more risk seeking when the company achieves its targets/budgets	6	12	9	24.5	5	4.5	41	1681.0
26 Does your company become more risk averse when the company underperforms its targets/budgets	9	24.5	9	24.5	5	4.5	53.5	2862.3
Total		351		351		351	1053	49105.5
					Check	rc(c+1)/2	1053	
						r=	3	
						c=	26	
						FR=	36.80	