



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Public Sector Risk Management Framework

Guidelines for Other Officials

1. Purpose

The purpose of this guideline is to assist Other Officials in discharging their responsibility for **risk management**.

Other Official means:

- An official other than the Accounting Officer / Authority, Management, Chief Risk Officer and his/her staff.
- The guideline is designed to:
- Provide Other Officials with sufficient information to enable them to fully understand the roles and responsibilities of their office in terms of risk management.

2. How to navigate the guideline

The guideline has been structured according to the sections noted below. Each of the sections contains underlying information that can be accessed by clicking on the title.

- Legal mandate (Section 4)
- Strategic value of Other Personnel in risk management (Section 5)
- High level responsibilities of Other Officials (Section 6)
- Evaluation criteria (Section 7)
- Additional reading / reference (Section 8)

3. Legal mandate and corporate governance

3.1 Legal mandate

Legislating the implementation of risk management in public sector institutions is part of a macro strategy of Government towards ensuring the achievement of national goals and objectives.

The following legislative instruments provide the legal foundation for Other Officials responsibility for risk management:

National Departments

- Section 45 of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999) (PFMA).

Constitutional Institutions

- Section 45 of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999) (PFMA).

Provincial Departments

- Section 45 of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999) (PFMA).

Public Entity

- Section 57 of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999) (PFMA).

Provincial Entity

- Section 57 of the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999) (PFMA).

Municipalities

- Section 78 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA).

Municipal Entities

- Section 105 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA).

3.2 Corporate Governance

The institution can draw guidance from the following:

- [King III Report on Corporate Governance](#);
- [Batho Pele principles](#).

4. Strategic value of Other Officials in risk management

Other Officials are accountable to their management for implementing and monitoring the process of risk management and integrating it into their day-to-day activities.

5. High level responsibilities of Other Officials

To derive optimal benefits, risk management ought to be conducted in a systematic manner, using proven methodologies, tools and techniques.

Other Officials are responsible for integrating risk management into their day-to-day activities.

Responsibilities of other officials should include:

- applying the risk management processes in their respective functions;
- implementing the delegated action plans to address the identified risks;
- informing their supervisors and/or the Risk Management Unit of new risks and significant changes in known risks;

- co-operating with other role players in the risk management process and providing information as required;
- familiarity with the overall risk management vision, risk management strategy, fraud risk management policy and risk management policy;
- acting within the risk appetite and tolerance levels set by the business unit;
- adhering to the code of conduct for the institution;
- maintaining the functioning of the control environment, information and communication as well as the monitoring systems within their delegated responsibility;
- participation in risk identification and risk assessment within their business unit;
- reporting inefficient, unnecessary or unworkable controls; and
- reporting suspicion of fraud and corruption to their respective institutions.

6. Evaluation

Everyone in the Institution has a part to play in achieving and sustaining vibrant systems of risk management and to that extent should function within a framework of responsibilities and performance indicators. Clear objectives and key performance indicators should be set for Other Officials in respect of risk management.

Management should evaluate the performance of their staff through the following and other relevant indicators:

- implementation of risk management action plans; and
- quality and frequency of monitoring, responding to and reporting on risks.

7. Additional reading / reference

A catalogue of additional resources is included below to assist Other Officials to facilitate implementation of risk management. Click on the relevant link to access these documents.

[Guidelines: Additional reading / reference](#)