



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## Public Sector Risk Management Framework

# Guidelines for Risk Champions

## 1. Purpose

The purpose of this guideline is to assist the Risk Champions in discharging their responsibility for **risk management**.

A Risk Champion is defined as:

- A person who by virtue of his/ her expertise or authority champions a particular aspect of the risk management process, but who is not the risk owner.

This is usually (not exclusively) an existing member of the management corps within the institution. Risk Champions support the risk management process in specific allocated areas or functions. A Risk Champion has sufficient authority to drive risk management as required by the institution's risk management policy and strategy.

Amongst other, a risk champion advocates for executive support to legitimize and sanction implementation of risk management. The Risk Champion should be able to show how risk management will help management meet the institution's objectives and better position the institution for the future, as well as how to communicate these benefits.

## 2. Application

The guideline is designed to:

- Provide the Risk Champions with information to enable them to fully understand the roles and responsibilities of their office in terms of risk management;
- Provide templates to assist the Risk Champions to effectively discharge such roles and responsibilities.

## 3. 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 the Risk Champion in risk management (Section 5)

- High level responsibilities of a Risk Champion (Section 6)
- Evaluation criteria (Section 7)
- Additional reading / reference (Section 8)

#### **4. Legal mandate and corporate governance**

##### **4.1 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 Risk Champions are bound by the legislation applicable to "Other Officials", as set out below.

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

##### **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 Entity**

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

##### **4.2 Corporate Governance**

The institution can draw guidance from the following:

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

#### **5. Strategic value of the Risk Champion in risk management**

The Risk Champion is a person with the skills, knowledge, leadership qualities and power of office required to champion a particular aspect of risk management.

A key part of the Risk Champion's responsibility should involve intervening in and escalating instances where the risk management efforts are being hampered, for example, by the lack of co-operation by Management and other officials and the lack of institutional skills and expertise.

The Risk Champion also adds value to the risk management process by providing guidance and support to manage "problematic" risks and risks of a transversal nature that require a multiple participant approach.

## **6. High level responsibilities of the Risk Champion**

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

The Risk Champion acts as a change agent in the risk management process and is distinguished from risk owners in that champions are trouble shooters that facilitate resolution of risk related problems. The Risk Champion should not assume the role of the Risk Owner but should assist the Risk Owner to resolve problems.

In order to be an effective and efficient Risk Champion, he / she should possess:

- A good understanding of risk management concepts, principles and processes;
- Knowledge to support integrated risk management.
- Good analytical skills to assist with the analysis of root causes to risk problems;
- Expert power
- Strong leadership and motivational qualities; and
- Good communication skills.

## **7. Evaluation**

Clear objectives and key performance indicators should be set for the Risk Champion in respect of risk management. These indicators must be able to measure the Risk Champion's effectiveness in the institution's ERM in contributing to the institution's goals and objectives. Possible key performance indicators for the Risk Champion could include:

- Resolution of delegated problems.

## **8. Additional reading / reference**

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

[Guidelines: Additional reading / reference](#)