



RISK MANAGEMENT

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RISK CHAMPION CHARTER 2022/23

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Abbreviations

CFO	Chief Financial Officer
CRO	Chief Risk Officer
PFMA	Public Financial Management Act
PSRMF	Public Sector Risk Management Framework
RCSC	Risk Champions Steering Committee
RO	Risk Officer
TOR	terms of reference

1. PREAMBLE

The PFMA, King 3 report and Public Sector Risk Management Framework (PSRMF) prescribes that each Organization should appoint Departmental Risk Champions forum which is a platform for sharing ideas and information on how to address risk management related challenges. The PSRMF further prescribes that the forum must have terms of reference to guide its functionality. These terms of reference define the mandate and composition of the Departmental Risk Champions and sets out its purpose, authority and responsibilities.

2. OBJECTIVES

- 2.1 The risk management charter shall also seek to define the parameters including duties and responsibilities within which the Risk Champions shall operate in an endeavour to discharge their duties.
- 2.2 The Risk Champions will assist the Risk Owner to fulfil his/her risk management responsibilities in accordance with the requirements of the PFMA by reviewing the effectiveness of the institution's risk management systems, framework(s), practices and procedures, and providing recommendations for improvement.

3. MEMBERSHIP OF THE RISK CHAMPION FORUM

Permanent members of the forum shall be formally appointed by the Chief Director of the Chief Directorate. The members, as a collective, shall possess the blend of skills, expertise and knowledge of the Department, including familiarity with the concepts, principles and practice of risk management, such that they can contribute meaningfully to the advancement of risk management within the Department.

Risk champion forum shall consist of the following:

3.1. Technical Members

- 3.1.1. Chief Risk Officer (Head of Risk Management)
- 3.1.2. Risk Officer(s)
- 3.1.3. Deputy Director: Office of the CFO (Administration)
- 3.1.4. Deputy Director: Housing Needs, Research, Planning and Technical Services
- 3.1.5. Deputy Director: Housing Development
- 3.1.6. Deputy Director: Corporate Services (Administration)
- 3.1.7. Provincial Risk Management Support
- 3.1.8. Provincial Internal Audit

4. RISK MANAGEMENT FUNCTIONS OF OTHER OFFICIALS

- 4.1 Other officials are responsible for integrating risk management into their day-to-day activities.
- 4.2 High level responsibilities of other officials should include:
 - (a) Applying the risk management processes in their respective functions;
 - (b) Implementing the delegated action plans to address the identified risks;
 - (c) Informing their supervisors and/or the Risk Management Unit of new risks and significant changes in known risks;
 - (d) Co-operating with other role players in the risk management process and providing information as required.

4.1. Chief Risk Officer (CRO)

- 4.1.1 The CRO oversees the overall implementation of the risk management systems by the Risk Management Directorate (risk technical team) under the direction of the Accounting Officer
- 4.1.2 The CRO needs to direct and provide guidance over issues related to Corporate.
- 4.1.3 Governance including fraud prevention and anti-corruption measures that form part of the comprehensive Risk Management Strategy.
- 4.1.4 The CRO shall be the Chairperson of the RCSC

- 4.1.5 Other responsibilities of the CRO as outlined in the National Treasury framework are as follows:
- 4.1.6 Continuously driving the risk management process towards best practices;
- 4.1.7 Coordinating risk assessments within the department / division / business unit on a regular basis.
- 4.1.8 Assisting management in developing and implementing risk responses for each identified material risk strategic, operational or otherwise;
- 4.1.9 Participating in the development of risk based audit plans for the Department, together with Provincial Internal Audit and management;

4.2. Risk Officer

- 4.1.1 The RO assists in the development and maintenance, in consultation with the CRO the risk management infrastructure and systems that will help the Risk Champions to achieve its stated objectives.
- 4.1.2 The RO co-ordinates, facilitates and assists the Risk Champion in the execution of the risk management responsibilities but the accountability for the management of risks remains with the Accounting Officer.

4.2 Chief Directorate: Housing Needs, Research, Planning and Technical Services

- 4.2.1 The Chief Directorate is responsible for facilitation and undertaking housing delivery research, facilitate the development of policies/ frameworks and guidelines as well as to close gaps that are identified in the implementation of policies.
- 4.2.2 The program aims at evaluating the performance of the department for the optimum planned delivery.

4.3 Housing Development

The chief directorate ensures the development and the implementation of projects through prescribed housing programmes.

4.4 Corporate Services

The MISS Deputy Director will be responsible to assist the Department in terms of providing guidance and assistance on vetting, security reference checks and to recommend on contingency planning during adverse events and issues of extreme confident

4.5 Administration

The SCM Director will be responsible to assist the Department by providing guidance and direction on issues relating to tender and procurement fraud so as to enable the forum members to identify deal and address fraud risks arising in the SCM area.

4.6 Provincial Treasury Risk Management Support

- 4.6.1. Provincial Treasury Risk Management Support will also be an external observer with the goal of providing quality assurance, guidance.
- 4.6.2. Ensuring that Risk Champion functions are in line with Provincial and National Treasury frameworks.
- 4.6.3. Provincial Treasury will also share best practices at the Risk Management Forum to improve its functionality.

4.7 Provincial Internal Audit

The role of the Internal Audit in risk management is to provide an independent, objective assurance on the effectiveness of the Department's system of risk management. Internal Audit must evaluate the effectiveness of the entire system of risk management and provide recommendations for improvement where necessary.

5 MEETINGS AND PROCEEDINGS

- 5.1 The forum shall meet quarterly a year of which the schedule of the meeting dates will be determined by the Risk Management Unit.
- 5.2 Additional meetings may be called by any member through the chairperson of the forum.

- 5.3 Notice of meetings and documents relevant to the meeting shall be communicated to the members within no less than 5 working days.
- 5.4 The Directorate Risk Management will serve as the Secretariat for the forum. Minutes will be kept to record the proceedings of the meeting and decisions taken.
- 5.5 Recommendations and resolutions taken Risk Management Meetings or any other forum on risk issues shall be submitted to the Accounting Officer for actions.
- 5.6 The committee shall and can, when it deems it fit for the proceedings of the meeting, seek advice from managers within the department or external members such as the Provincial and National Treasury.
- 5.7 In every meeting of the Committee, progress reports from Programme Managers and Business Units shall be presented and decisions shall be taken and implemented in light of progress in the department.
- 5.8 Minutes of the previous meeting(s) shall be adopted in the meeting that follows and the adoption of the minutes can only be done if a quorum is formed.
- 5.9 The minutes shall be approved in signature by the Chairperson of the committee or a delegate thereof and signed off by the Accounting officer to confirm receipt of the proceedings. In the event of a delegate, the Chairperson and Accounting Officer shall both sign in acknowledgement of receipt of feedback.

6 ATTENDANCE AT MEETINGS

- 6.1 The quorum for any meeting of the forum meeting shall be 50% + 1 of members. Members in the context of forming a quorum.
- 6.2 The forum has the right to request the attendance of any member of the departmental management team and this can be done through the Chairperson of the Committee.
- 6.3 Only written apologies from members will be accepted as formal apologies at the meetings unless otherwise stated.

7 DUTIES AND RESPONSIBILITIES OF THE RISK CHAMPION

- 7.1 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.
- 7.2 A key part of the Risk Champion's responsibility should involve intervening in 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.
- 7.3 The Risk Champion should also add 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.
- 7.4 In order to fulfil his/her function, the Risk Champion should possess:
 - 7.4.1 A good understanding of risk management concepts, principles and processes;
 - 7.4.2 Good analytical skills;
 - 7.4.3 Expert power;
 - 7.4.4 Leadership and motivational qualities; and
 - 7.4.5 Good communication skills.
- 7.5 The Risk Champion should not assume the role of the Risk Owner but should assist the Risk Owner to resolve problems.

8 REPORTING

The forum members shall prepare and submit formal reports on its activities and recommendations to the Risk Management Unit and the Risk Management Committee with such recommendations as the Committee deem appropriate on a quarterly basis.

9 REVIEW OF THE CHARTER

This policy shall be reviewed annually or as and when the need arise.

10. POLICY APPROVAL

Policy Developer:



MS L THULO

DEPUTY DIRECTOR

31/03/2022

DATE:

Recommendation:

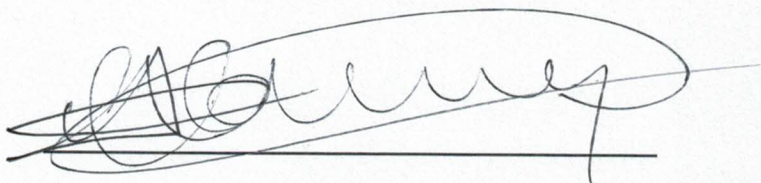


RISK MANAGEMENT COMMITTEE CHAIRPERSON

31/03/2022

DATE:

Approval:



HEAD OF DEPARTMENT

31/03/2022

DATE: