

THE EASTERN CAPE
DEPARTMENT OF EDUCATION



ENTERPRISE RISK MANAGEMENT POLICY

Effective: 2024/ 2025

EASTERN CAPE DEPARTMENT OF EDUCATION
RISK MANAGEMENT POLICY

TABLE OF CONTENTS

	Page
1. INTRODUCTION	3
2. ENTERPRISE RISK MANAGEMENT	4
3. PURPOSE OF THE POLICY	5
4. SCOPE OF THE POLICY	6
5. THE POLICY	7
6. ROLE PLAYERS.....	8
7. POLICY REVIEW	11

EASTERN CAPE DEPARTMENT OF EDUCATION
RISK MANAGEMENT POLICY

1. INTRODUCTION

The Accounting Officer has committed Eastern Cape Department of Education to a process of enterprise risk management that is aligned to the principles of good corporate governance, as supported by the Public Finance Management Act (PFMA), Act 1 of 1999 as amended by Act 29 of 1999.

EASTERN CAPE DEPARTMENT OF EDUCATION
RISK MANAGEMENT POLICY

2. RISK AND ENTERPRISE RISK MANAGEMENT

Risk refers to an unwanted outcome, actual or potential, to the department's service delivery and other performance objectives, caused by the presence of risk factor(s). Some risk factor(s) also present upside potential, which Management must be aware of and be prepared to exploit. Such opportunities are encompassed in this definition of risk.

Enterprise Risk management is a systematic and formalised process instituted by the department to identify, assess, manage and monitor risks.

2.1 Benefits of Enterprise Risk Management

The Eastern Cape Department of Education implements and maintains effective, efficient and transparent systems of enterprise risk management and internal control. Enterprise risk management will assist the department to achieve, among other things, the following outcomes needed to underpin and enhance performance:

- more sustainable and reliable delivery of services;
- informed decisions underpinned by appropriate rigour and analysis;
- innovation;
- reduced waste;
- prevention of fraud and corruption;
- Better value for money through more efficient use of resources; and
- Better outputs and outcomes through improved project and programme management.

EASTERN CAPE DEPARTMENT OF EDUCATION
RISK MANAGEMENT POLICY

3. PURPOSE OF THE POLICY

The purpose of this Policy is to articulate the Eastern Cape Department of Education enterprise risk management philosophy. The Eastern Cape Department of Education recognizes that enterprise risk management is a systematic and formalized process to identify, assess, manage and monitor risks and therefore adopts a comprehensive approach to the management of risk.

EASTERN CAPE DEPARTMENT OF EDUCATION
RISK MANAGEMENT POLICY

4. SCOPE OF THE POLICY

This policy applies throughout the department in as far as enterprise risk management is concerned.

EASTERN CAPE DEPARTMENT OF EDUCATION
RISK MANAGEMENT POLICY

5. THE POLICY

The realisation of our strategic plan depends on us being able to take calculated risks in a way that does not jeopardise the direct interests of stakeholders. Sound management of risk will enable us to anticipate and respond to changes in our service delivery environment, as well as make informed decisions under conditions of uncertainty.

We subscribe to the fundamental principles that all resources will be applied economically to ensure:

- The highest standards of service delivery;
- A management system containing the appropriate elements aimed at minimising risks and costs in the interest of all stakeholders;
- Education and training of all our staff to ensure continuous improvement in knowledge, skills and capabilities which facilitate consistent conformance to the stakeholders' expectations; and
- Maintaining an environment, which promotes the right attitude and sensitivity towards internal and external stakeholder satisfaction.

An entity-wide approach to risk management i.e. enterprise risk management is adopted by the Eastern Cape Department of Education, which means that every key risk in each part of the department will be included in a structured and systematic process of enterprise risk management. It is expected that the enterprise risk management processes will become embedded into the department's systems and processes, ensuring that our responses to risks remain current and dynamic. All enterprise risk management efforts will be focused on supporting the departmental objectives. Equally, they must ensure compliance with relevant legislation, and fulfil the expectations of employees, communities and other stakeholders in terms of corporate governance.

EASTERN CAPE DEPARTMENT OF EDUCATION
RISK MANAGEMENT POLICY

6. ROLE PLAYERS

Every employee is responsible for executing enterprise risk management processes and adhering to enterprise risk management procedures laid down by the department management in their areas of responsibilities.

6.1 Risk Management Oversight

6.2 Provincial Treasury

The Provincial Treasury functions in accordance with the applicable legal framework: Amongst other responsibilities, the Provincial Treasury, in terms of its enterprise risk management responsibilities:

- Prescribes uniform enterprise risk management norms and standards;
- Monitors and assesses the Department's implementation of the PFMA;
- Assists the Department in building its capacity for efficient, effective and transparent enterprise risk management; and
- Enforces the PFMA by enforcing legislation and any other prescribed norms and standards for enterprise risk management in the Department.

The Provincial Treasury plays dual roles in terms of enterprise risk management, as oversight and support for the Department.

6.2.1 Executive Authority

The Executive Authority takes an interest in enterprise risk management to the extent necessary to obtain comfort that properly established and functioning systems of enterprise risk management are in place to protect the department against significant risks.

6.2.2 Audit Committee

The Audit Committee is an independent committee responsible for oversight of the department's control, governance and enterprise risk management. The responsibilities of the Audit Committee with regard to risk management are formally defined in its charter. The Audit Committee provides an independent and objective view of the department's enterprise risk management effectiveness.

6.2.3 Risk Management Committee

The Risk Management Committee is appointed by the Accounting Officer / Authority to assist them to discharge their responsibilities for enterprise risk management. The Committee's role is to review the enterprise risk management progress and maturity of the department, the effectiveness of enterprise risk management activities, the key risks facing the department, and the responses to address these key risks. The responsibilities of the Risk Management Committee are formally defined in its charter.

EASTERN CAPE DEPARTMENT OF EDUCATION
RISK MANAGEMENT POLICY

6.3 Risk Management Implementers

6.3.1 Accounting Officer

The Accounting Officer is the ultimate Chief Risk Officer of the department and is accountable for the department's overall governance of risk. By setting the tone at the top, the Accounting Officer promotes accountability, integrity and other factors that will create a positive control environment.

6.3.2 Management

Management is responsible for executing their responsibilities outlined in the risk management strategy and for integrating enterprise risk management into the operational routines.

6.3.3 Risk Co-ordinators

They are members of the staff with specific risk management support functions within a programme, sub-programme or unit. Their main enterprise risk management responsibility involves maintenance of functional risk register and assisting risk owners in ensuring adequate implementation of risk management processes and monitoring risk registers quarterly.

Monitoring activities should focus on evaluating whether:

- Allocated responsibilities are being executed effectively;
- Response strategies are producing the desired result of mitigating risks or exploiting opportunities; and
- A positive correlation exists between improvements in the system of risk management and Institutional performance.

Results of quarterly monitoring should be presented at quarterly directorate meetings. Minutes of these meetings and portfolio of evidence supporting implementation of response strategies should be maintained by all directorates.

6.3.4 Other Officials

Other officials are responsible for integrating risk management into their day-to-day activities. They must ensure that their delegated enterprise risk management responsibilities are executed and continuously report on progress.

6.4 Risk Management Support

6.4.1 Chief Risk Officer

The Chief Risk Officer is the custodian of the Enterprise Risk Management Framework, and coordinator of enterprise risk management activities throughout the department. The primary

EASTERN CAPE DEPARTMENT OF EDUCATION
RISK MANAGEMENT POLICY

responsibility of the Chief Risk Officer is to bring to bear his/her specialist expertise to assist the department to embed enterprise risk management and leverage its benefits to enhance performance.

6.4.2 Risk Champion

The Risk Champion's responsibility involves intervening in instances where the enterprise risk management efforts are being hampered, for example, by the lack of co-operation by Management and other officials and the lack of departmental skills and expertise.

6.5 Risk Management Assurance Providers

6.5.1 Internal Audit

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

6.5.2 External Audit

The external auditor (Auditor-General) provides an independent opinion on the effectiveness of risk management.

An entity-wide approach to risk management i.e. enterprise risk management will be adopted by the Institution, which means that every key risk in each part of the Institution will be included in a structured and systematic process of risk management. It is expected that the enterprise risk management processes will become embedded into the Institution's systems and processes, ensuring that our responses to risk remain current and dynamic. All enterprise risk management efforts will be focused on supporting the Institution's objectives. Equally, they must ensure compliance with relevant legislation, and fulfil the expectations of employees, communities and other stakeholders in terms of corporate governance.

EASTERN CAPE DEPARTMENT OF EDUCATION
RISK MANAGEMENT POLICY

7. POLICY REVIEW

This Policy shall be reviewed annually to reflect the current stance on enterprise risk management.

Compiled by:
Ms B Ndabambi

Reviewed by:



Mr S. Govind
Acting Director: Enterprise Risk and Integrity Management

10 June 2024

Date

Recommended by:

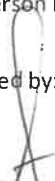


Ms FN Kobo
Chairperson Risk Committee

12 June 2024

Date

Approved by:



Ms SA Maasdorp
Acting Accounting Officer
Eastern Cape Department of Education

19/06/2024

Date