

THE EASTERN CAPE
DEPARTMENT OF EDUCATION



CHIEF DIRECTORATE: EXECUTIVE SUPPORT & GOVERNANCE

RISK MANAGEMENT POLICY

Effective: 2025/2026

EASTERN CAPE DEPARTMENT OF EDUCATION
RISK MANAGEMENT POLICY

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1. INTRODUCTION

The Accounting Officer has committed Eastern Cape Department of Education to a process of 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.

2. RISK AND 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.

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

2.1 Benefits of Risk Management

The Eastern Cape Department of Education implements and maintains effective, efficient and transparent systems of risk management and internal control. The 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.

3. PURPOSE OF THE POLICY

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

4. SCOPE OF THE POLICY

This policy applies throughout the department insofar as risk management is concerned.

5. THE POLICY

The realisation of the department's strategic plan depends on the ability to take calculated risks in a manner that does not jeopardise the interests of the department and its stakeholders. Sound management of risk will enable the department to anticipate and respond adequately to changes in the service delivery environment, as well as make informed decisions under conditions of uncertainty.

The department subscribes to the fundamental principles that all resources will be applied economically to ensure:

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

Enterprise-wide approach to 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 risk management. It is expected that the risk management processes will become embedded into the department's systems and processes, ensuring that the department responses to risks remain current and dynamic. All risk management efforts will be focused on supporting the departmental objectives. Equally, they must ensure compliance with relevant legislation and fulfil the expectations of the shareholder and other stakeholders in terms of corporate governance.

6. ROLE PLAYERS

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

6.1 Risk Management Oversight

6.2 Provincial Treasury

The Provincial Treasury fulfils a dual role in risk management by providing both oversight and support to the Department. It operates in accordance with the relevant legal and regulatory framework.

. Amongst other responsibilities, in terms of its risk management responsibilities it:

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

6.2.1 Executive Authority

The Executive Authority takes an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of 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 performance financial management, internal controls, governance and risk management. The risk management responsibilities of the Audit Committee are formally defined in its charter. The Audit Committee provides an independent and objective view of the department's risk management effectiveness.

6.2.3 Risk Management Committee

The Risk Management Committee is appointed by the Accounting Officer to assist him/her in discharging her responsibilities for risk management. The Committee's role is to review the risk management progress and maturity of the department, the effectiveness of 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.

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

Managers are responsible for executing their responsibilities outlined in the risk management strategy and for integrating risk management into the operational routines.

6.3.3 Risk Co-ordinators

Risk Coordinators are officials with specific risk management support functions within a programme, sub-programme or unit. Their main risk management responsibility involves the maintenance of functional risk registers and assisting risk owners in ensuring adequate implementation of risk management processes as well as monitoring changes to the 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 a portfolio of evidence supporting the 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 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 Risk Management Strategy, and coordinator of risk management activities throughout the department. The primary responsibility of the Chief Risk Officer is to bring to bear his/her specialist expertise to assist the department to embed 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 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.

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6.5 Risk Management Assurance Providers

6.5.1 Internal Audit

The role of the Internal Auditing in risk management is to provide an independent, objective assurance on the effectiveness of the department's system of 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.

6.5.3 Combined Assurance

Combined Assurance contributes significantly to effective risk management by integrating and aligning assurance activities across the department. This approach offers a comprehensive and dependable view of risk and control effectiveness, optimizes the use of assurance resources, minimizes duplication, and supports informed decision-making.


7. POLICY REVIEW

This Policy shall be reviewed annually or as and when required whichever comes first. and take into consideration any changes in related legislation and prescripts.

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24 June 2025

Date

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07 July 2025

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