

PRACTICAL CHALLENGES IN EMBEDDING RISK MANAGEMENT

DELOITTE AND BARNOWL BREAKFAST

Totyelwa Nonco
National Treasury



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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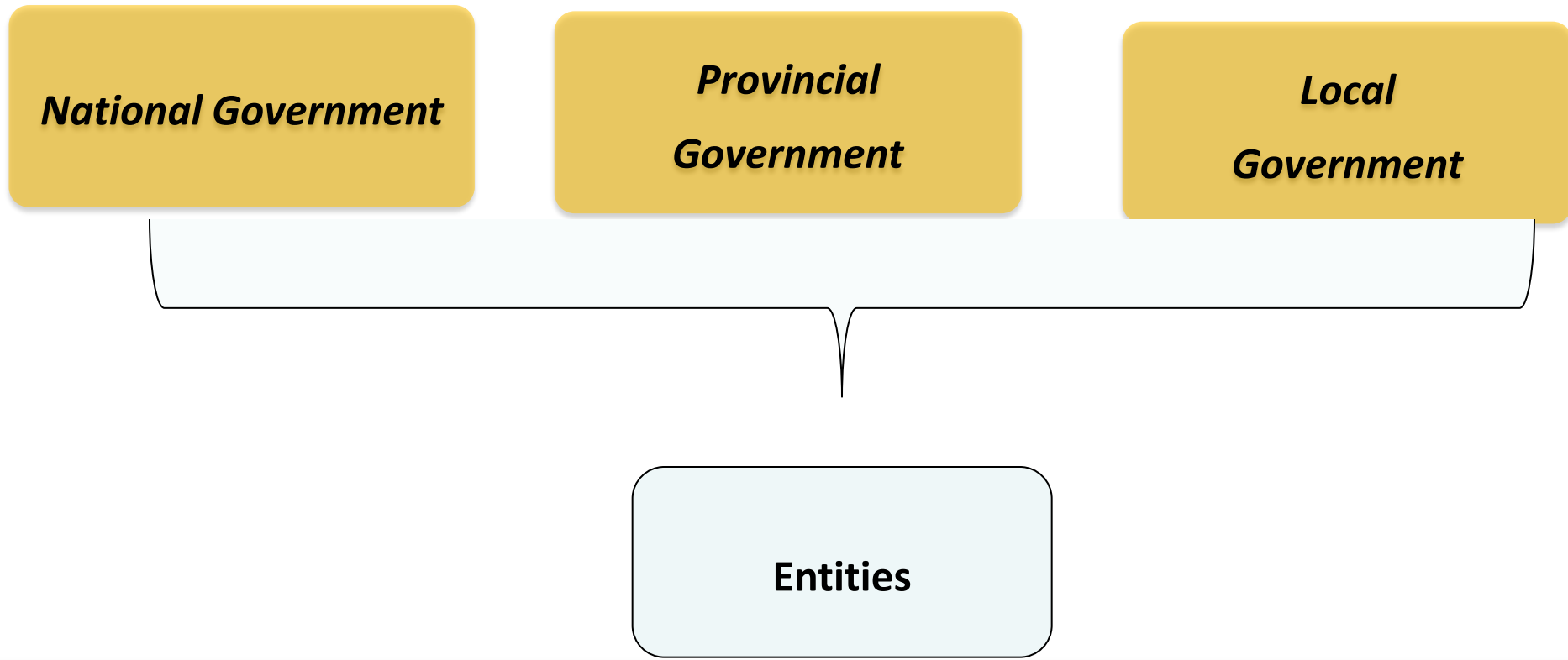
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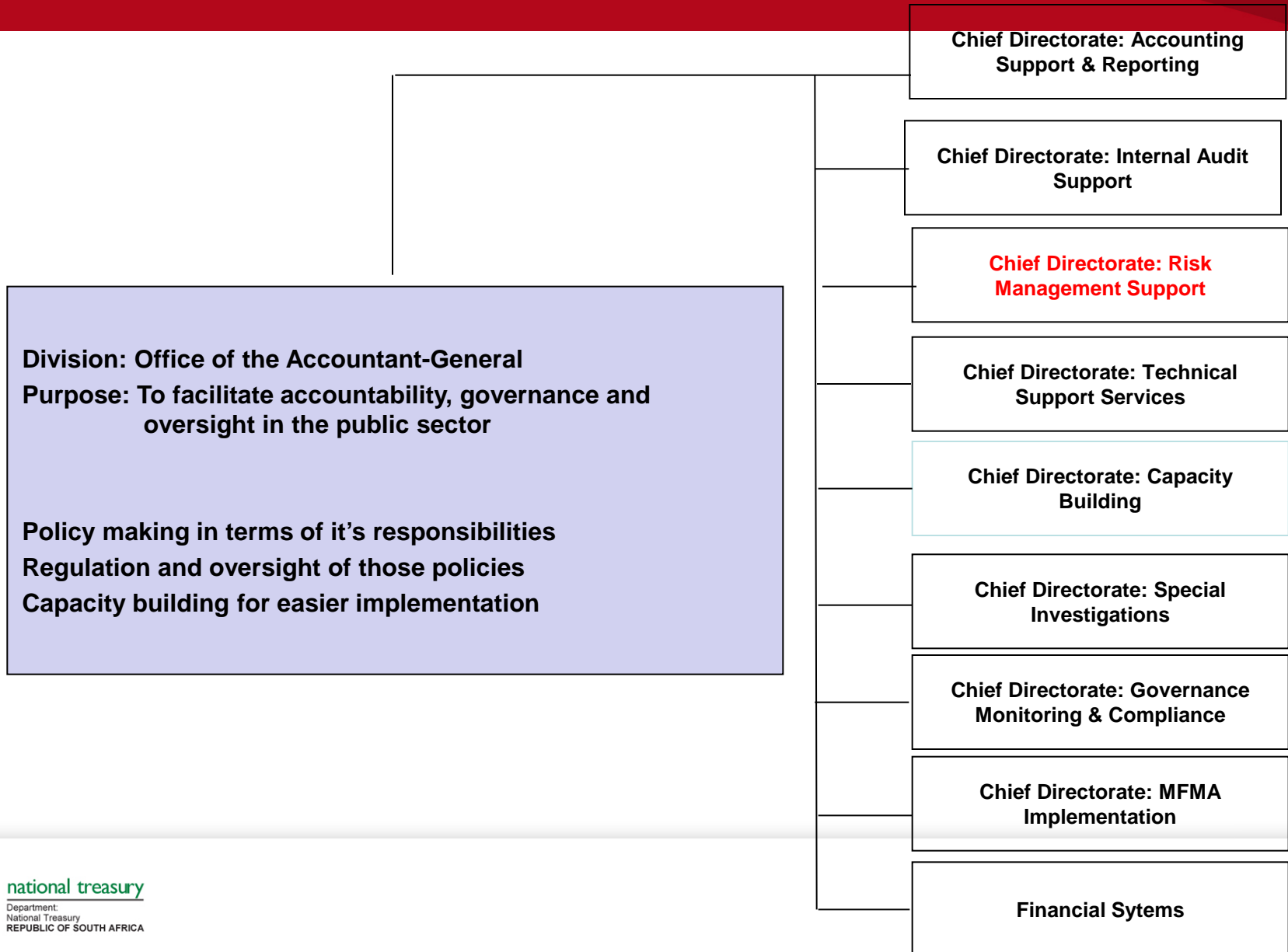
5. DESIRED STATE

National Treasury Mandate

Ensure transparency, accountability, and sound financial control in the management of the country's public finance



Office of the Accountant-General



Risk Management Support

- Develop and maintain government's Risk Management Framework
- Provide technical support & guidance
- Capacity building
- Leveraging shared learning
- Monitor, assess and enforce regulations
- Report to oversight structures

Government ERM framework

- **The Constitution of the RSA**
- *“Efficient, economic and effective use of resources must be promoted*

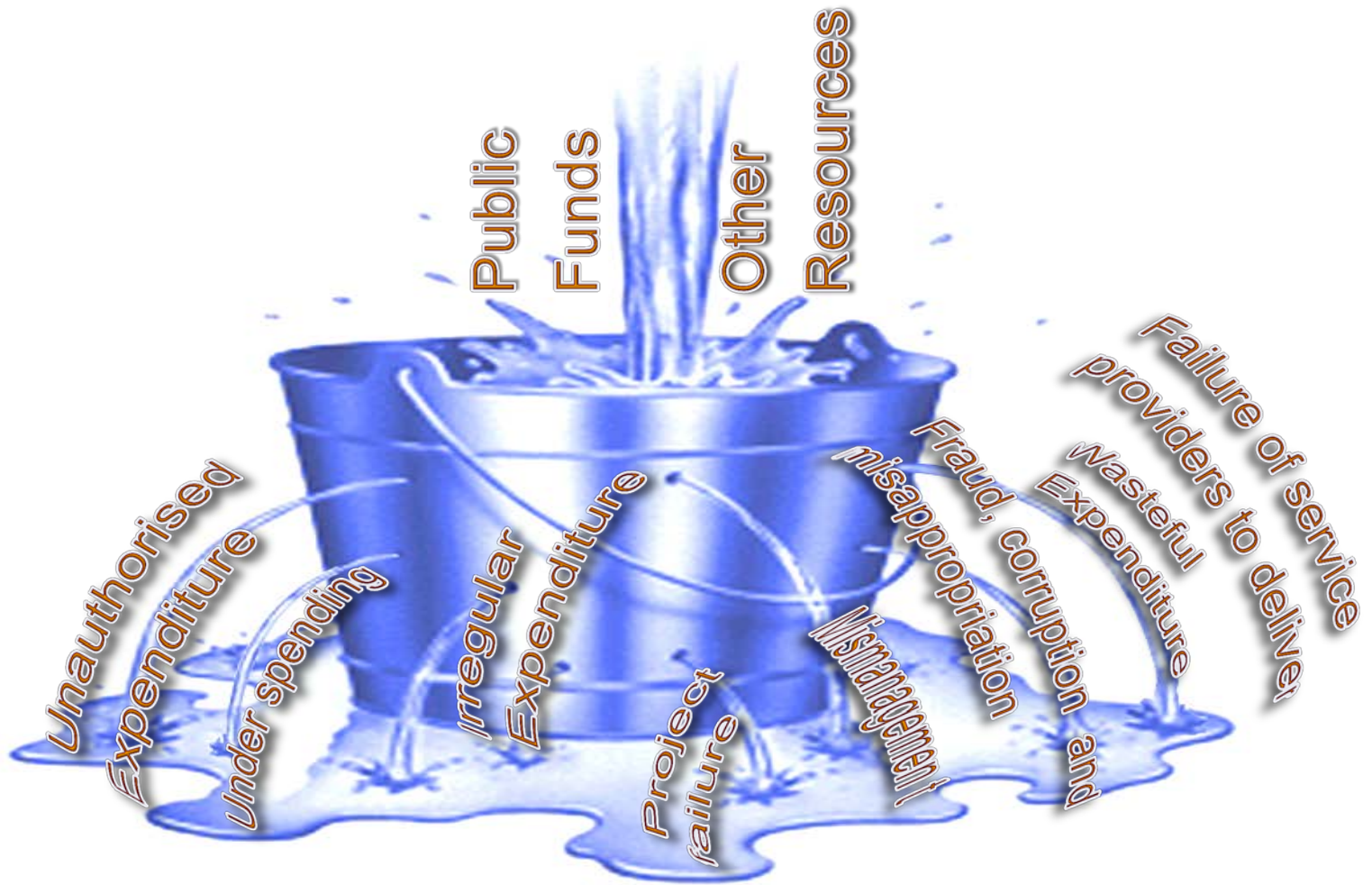
- **PFMA & MFMA**
- *“The Accounting Officer must ensure that the (Institution) has and maintains an effective, efficient and transparent system of financial and risk management and internal control*

- **Public Sector Risk Management Framework (PSRMF)**
- *Implementation Framework issued in terms of PFMA & MFMA*

- **Guidelines**
- *Detailed Guidance – expands the PSRMF*

- **Tools & Templates**
- *Simplifies implementation, facilitates uniformity and reduces duplication*

CURRENT STATE



GEN. CHALLENGES (DEMO)

“Naganela-pele: Think ahead”

CHALLENGES

- Low buy-in from top management (translated into a lack of institutional sponsorship)
- The link between risk management and institutional performance was not always visible
- Insufficient risk management expertise in the economy as a whole
- Insufficient external pressure on institutions to manage risks
- RM experts (CROs\RM) not always having desired impact...little influence on improving the management of risks



CURRENT & FUTURE INITIATIVES

- Strengthening the Treasury Regulations to bring risk management more into the mainstream of public financial management
- Disclosures in the annual report & validation of these annual disclosures
- Capacity building strategies for building pipelines\channels of public sector in RM
- Review and update of the Public Sector Risk Management Framework
- Advocacy targeted at senior management's responsibility and accountability for RM
- Consolidation and reporting of government risks
- Analysis of the effectiveness of ERM

CURRENT STATE

Level 6_Optimising

Level 5_Managed

Level 4_Information

Level 3_Control

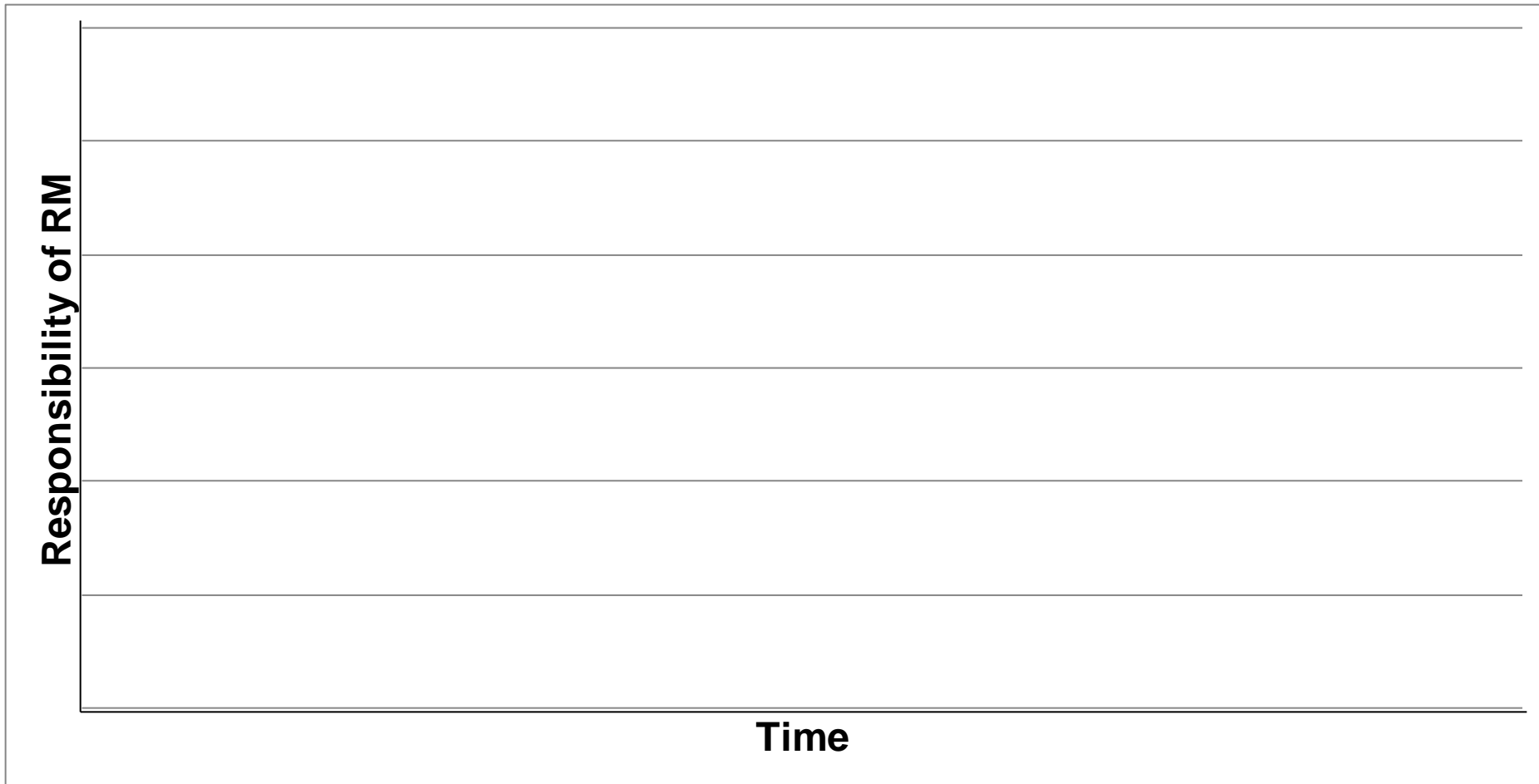
Level 2_Development

Level 1_Start up

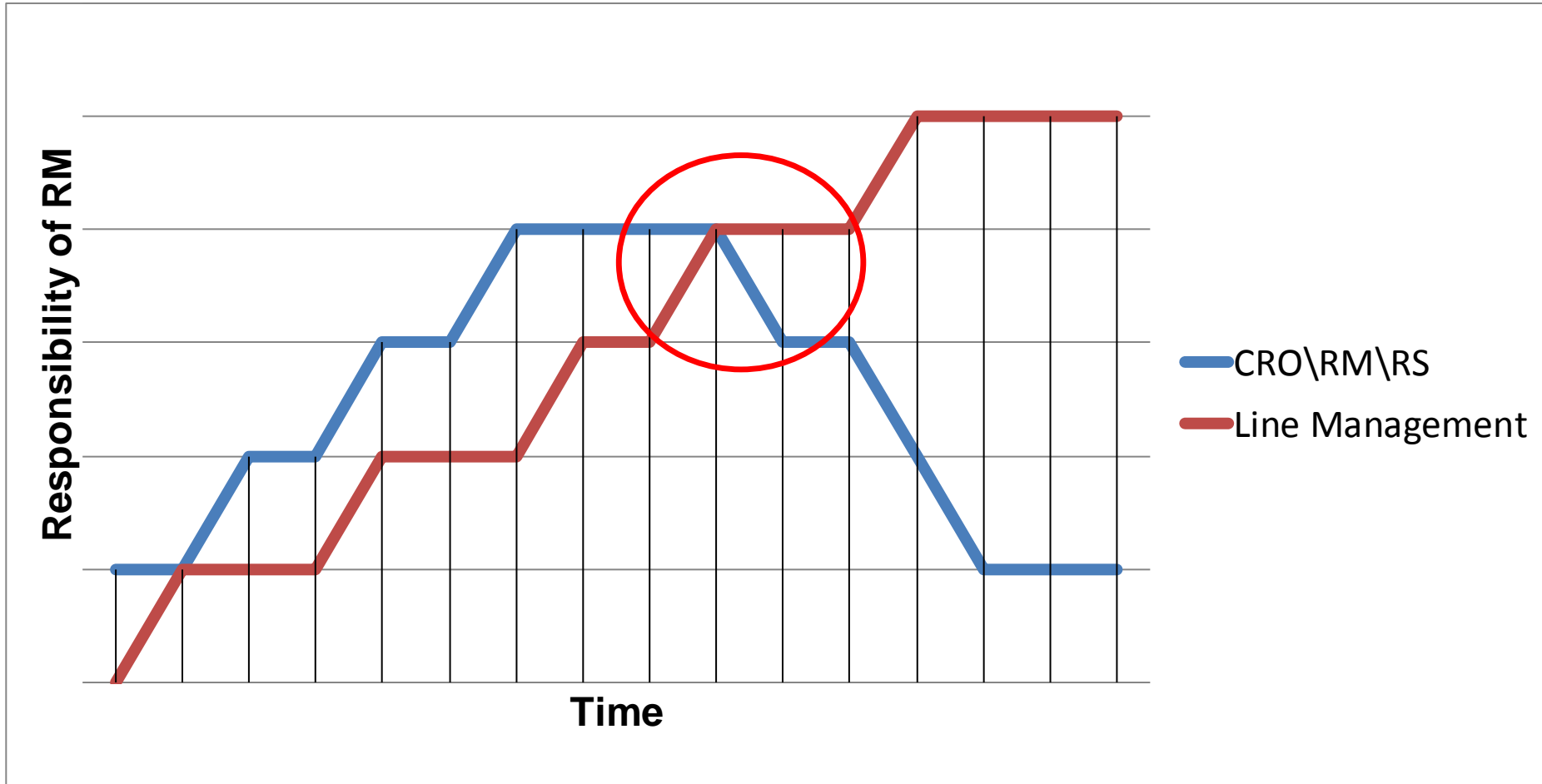
DESIRED STATE

- Sustainable and reliable service delivery to underpin economic & developmental growth ambitions
- Informed decisions underpinned by appropriate rigour and analysis
- Better value for money through more efficient use of resources against the backdrop of service delivery and infrastructure backlogs
- Better outputs and outcomes through improved project and programme management
- Insulation from external shocks
- Innovation
- Bring fraud and corruption under control

DESIRED STATE



DESIRED STATE





THANK YOU

“Naganela-pele: Think ahead”