

**PROVINSIALE TESOURIE • PROVINCIAL TREASURY •  
UNONDYEBO WEPHONDO**



Verwysing  
Reference  
Isalathiso

PT 7/2/3

Navrae  
Enquiries  
Imibuzo

Mr AD Thomas

**TREASURY CIRCULAR NO. 19/2006**

THE PREMIER

THE MINISTER OF AGRICULTURE  
THE MINISTER OF COMMUNITY SAFETY  
THE MINISTER OF CULTURAL AFFAIRS, SPORT AND RECREATION  
THE MINISTER OF EDUCATION  
THE MINISTER OF ENVIRONMENT, PLANNING AND ECONOMIC DEVELOPMENT  
THE MINISTER OF FINANCE AND TOURISM  
THE MINISTER OF HEALTH  
THE MINISTER OF LOCAL GOVERNMENT AND HOUSING  
THE MINISTER OF SOCIAL SERVICES AND POVERTY ALLEVIATION  
THE MINISTER OF TRANSPORT AND PUBLIC WORKS

THE SPEAKER: PROVINCIAL PARLIAMENT  
THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

ALL OTHER MEMBERS OF PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (DR GA LAWRENCE)  
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R HINDLEY) (ACTING)  
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (DR JC STEGMANN)  
THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (MR M DELIWE)  
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR RB SWARTZ)  
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (PROF KG HOUSEHAM)  
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL SERVICES AND POVERTY ALLEVIATION (MS K LUBELWANA) (ACTING)  
THE ACCOUNTING OFFICER: VOTE 8: LOCAL GOVERNMENT AND HOUSING (MS S MAJIET)  
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T TOLMAY)  
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR T MANYATHI)  
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)  
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (DR H FAST) (ACTING)  
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR MN LINDIE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR H ARENDSE)  
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS A SMIT) (ACTING)  
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR A GILDENHUYS)  
THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M MACIKAMA) (ACTING)  
THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)  
THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR A VAN NIEKERK)  
THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL SERVICES AND POVERTY ALLEVIATION (MR JO SMITH)  
THE CHIEF FINANCIAL OFFICER: VOTE 8: LOCAL GOVERNMENT AND HOUSING (MR PAE BREDEKAMP)  
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR AA GAFFOOR)  
THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MR CR ISMAY)  
THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)  
THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)  
THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR A ASSIM)

THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)  
THE HEAD: RESOURCE MANAGEMENT (MS SMA ROBINSON)  
THE HEAD: ASSET MANAGEMENT (MR TD PILLAY)  
THE HEAD: FINANCIAL GOVERNANCE (MR TC ARENDSE)  
THE HEAD: PUBLIC FINANCE (MR H MALILA)  
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUYS)  
THE SENIOR MANAGER: HUMAN RESOURCE MANAGEMENT (MS C PAUL)  
THE SENIOR MANAGER: ACCOUNTING (MR A REDDY)  
THE SENIOR MANAGER: NORMATIVE FINANCIAL MANAGEMENT (MR F JACOBS) (ACTING)  
THE SENIOR MANAGER: RISK MANAGEMENT AND GOVERNANCE SYSTEMS (MR L NENE)  
THE CHIEF AUDIT EXECUTIVE (MS R JAFTHA)  
THE SENIOR MANAGER: ECONOMIC ANALYSIS (MS B BOQWANA)  
THE SENIOR MANAGER: FISCAL POLICY (MR A PHILLIPS)  
THE SENIOR MANAGER: BUDGET OFFICE (MS AJ HICKEY) (ACTING)  
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MR DG BASSON)  
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (MR G PAULSE)  
THE SENIOR MANAGER: PHYSICAL (FIXED) ASSETS AND PPPs (MR NB LANGENHOVEN)  
THE SENIOR MANAGER: SUPPLY CHAIN MANAGEMENT (MR L MUNSAMY)  
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)  
THE ACTING HEAD: OFFICE OF THE MINISTRY (MR G GESWINDT)

THE PROVINCIAL AUDITOR

For information

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KAAPSTAD 8000  
Telefoon (021) 483-4169  
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**DEPARTMENTAL ENTERPRISE RISK MANAGEMENT STRUCTURES****1. PURPOSE**

- 1.1 To determine the progress made within Departments regarding the creation and filling of the posts in respect of enterprise risk management as approved by Cabinet per minute 70/2006 on 22 March 2006.

**2. BACKGROUND**


- 2.1. Section 38.1 (a)(i) of the PFMA requires Accounting Officers to ensure that his/her Department maintains an effective, efficient and transparent system of risk management. Risks are defined as events that could negatively influence the achievement of outputs. Both the Public Finance Management Act (PFMA) and the King II report on Good Corporate Governance places accountability for risk management and internal control in the hands of the relevant Accounting Officer and management. The lack of risk ownership in Departments could lead to ineffective service delivery. At present the risk management function is not performed in a coherent fashion by the various departments, and different departments are applying different methods. In order to ensure uniformity and provide guidance on the way the function should be performed, the Provincial Treasury, as central financial authority in the Province, has taken the initiative of facilitating the creation of risk management units at the various departments. The Directorate Organisation Development from the Department of the Premier assisted them in this regard.
- 2.2. A submission was made to Cabinet regarding the approval for the creation of a total of 44 posts in respect of enterprise risk management on the establishments of the various Departments, and was approved by Cabinet per minute 70/2006 on 22 March 2006.
- 2.3 To assist Departments further, the Provincial Treasury issued a centralized advertisement in respect of the filling of the required posts as identified by the various Departments. The closing date for these posts was 19 June 2006.

### 3. REQUIRED ACTIONS

- 3.1 Departments are hereby requested to confirm that the approved enterprise risk management structures have been created on the establishments of their departments. Should such structures not have been created, an indication of the planned action in this regard is required.
- 3.2 It is furthermore requested that departments indicate the progress made regarding the filling of the approved posts. The following issues should be covered:
- 3.2.1 The number of posts and levels for which posts were advertised. If posts were advertised outside of the consolidated advert an indication should be given if the adverts were aligned with the approved job descriptions as determined by the Provincial Treasury and the Directorate Organisation Development from the Department of the Premier.
- 3.2.2 The number of posts and levels filled by the absorbing of current personnel and whether their job descriptions are in line with the approved job descriptions as determined by the Provincial Treasury and the Directorate Organisation Development from the Department of the Premier.
- 3.2.3 The number and levels of the remaining posts and the planned actions to fill these posts. Should problems be experienced with the filling of the posts an indication in this regard would be appreciated.
- 3.2.4 For those departments that have staff in positions of enterprise risk management or converted Internal Control staff to risk management staff, it is requested that training needs for such are communicated to this office. The training needs should be addressed under the following areas:
- Risk Management Framework
  - Process and Control Mapping
  - Event identification and risk assessment
  - Other (please specify)

This information will assist this office in the timeous preparation of the required training initiatives.

4. The required information should be forwarded to the Head: Risk Management Systems (For attention: Mr. AD Thomas), Room 1-14, 4 Dorp Street, Cape Town before or on 11 August 2006.

A handwritten signature in dark ink, consisting of a large initial 'D' followed by several loops and a long diagonal stroke.

**HEAD: RISK MANAGEMENT AND GOVERNANCE SYSTEMS**

**DATE:** 24 - 07 - 2006