

<b>SCM /Tender Ref #:</b>	RFP 04 – 2022/23
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<b>Request for proposals for:</b>	<b>Evaluation of Effectiveness of Risk Management Committee &amp; Risk Management Unit</b>
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## **1. BACKGROUND / CONTEXT**

The Public Sector Risk Management Framework requires that performance evaluation of the risk management function, risk management committee and the department risk maturity be conducted periodically by qualified, independent evaluator or evaluation team from outside the department. The Risk Management function of the Department of Women, Youth and Person with Disabilities (DWYPD) was established in the 2011/12 financial year. Since its inception, no performance evaluation was conducted on the risk management function. The DWYPD risk management function consists of one staff member supported by the Director and the staff complement of DWYPD is 157 spread across four programmes.

## **2. PURPOSE**

To evaluate whether risk management function and risk management committee of the DWYPD complies with Public Finance Management Act sections 38(1)(a)(i) and 76(4)(e), guidance from the Public Sector Risk Management Framework, ISO 31000 standards, Institute of Risk Management South Africa (IRMSA) Guidelines and COSO Framework and recommend for improvement in order to maximise value created through risk management practices.

## **3. OBJECTIVES AND SCOPE OF PROJECT**

### **The objective of the Performance Evaluation is**

- a) To assess risk management function's compliance with the Public Finance Management Act and guidance from the Public Sector Risk Management Framework.
- b) To assess risk management committee's performance as per the guidance with the public sector risk management framework, ISO standards and risk management guidelines from IRMSA
- c) To identify opportunities for improvement in order to enhance the efficiency and effectiveness of the risk management function's systems, processes, and value add to its stakeholders.
- d) To review risk management structure and recommend the model that would be able to effectively support the department.
- e) Identify practices which the risk management function is performing well.
- f) To evaluate the current risk management maturity and recommend for a progressive risk management maturity.

#### 4. TEAM COMPOSITION

<b>Roles*</b>	<b>Qualifications</b>	<b>Experience</b>
Risk Management Evaluator	Minimum: <ul style="list-style-type: none"> <li>• Post graduate qualification in Risk Management, Financial Management, Business Management or related field</li> <li>• IRMSA membership</li> <li>• Added advantage Certified Risk Management Professional</li> </ul>	Minimum: 8 years' experience in the practice of Risk Management with application of standards in risk management of which five years' experience should be in the institutional performance/ monitoring and evaluation field and three years should be in the public sector.
Project manager	Minimum: <ul style="list-style-type: none"> <li>• Bachelor's degree in risk management /Internal Audit/ Accounting or relevant qualification</li> <li>• IRMSA membership</li> <li>• Added advantage Certified Risk Management Practitioner or Post graduate degree/MBA/PHD</li> </ul>	Minimum: 10 years' experience in the practice of Risk Management with application of standards in risk management. Must have managed at least two projects of R500 000 and above.
Evaluation team member(s)/ Researchers	Minimum: <ul style="list-style-type: none"> <li>• Bachelor's degree in risk management /Internal Audit/ Accounting or relevant qualification</li> </ul>	Minimum: At least 3 years total work experience as a researcher/risk analyst. 5 years Risk Management experience as a researcher will be an added advantage.

#### 5. PROPOSED METHODOLOGY / APPROACH

(Explain to the bidder how you expect them to approach the problem / question)

(1) The Public Sector Risk Management Framework (PSRMF) was approved and came into effect in April 2010. PSRMF, ISO 31000 standards, Institute of Risk Management South Africa (IRMSA) Guidelines and COSO Framework should be used as the basis for the Performance Evaluation. The mandatory elements of the PSRMF are:

- a) The results of the Risk Management Committee's own 360 degree assessment;
- b) The pace and quality of the implementation of the risk management framework;
- c) The Internal Audit report on the state of risk management;
- d) The Auditor-General's report on the effectiveness of the Risk Management Committee and Audit and Risk Committee;
- e) The quality and timeliness of the Risk Management Committee's and Audit and Risk Committee counsel and recommendations; and
- f) Standards for the Professional Practice of Risk Management.

## TERMS OF REFERENCE: ANNEXURE A

- (2) The service provider should: (1) review background information prepared by the Risk Management function at the team's request; (2) conduct interviews with selected key stakeholders, including the Risk Management Committee and Audit and Risk Committee, Director-General, selected Deputy Director-Generals, other Senior and Operational Managers of DWYPD, and Chief Risk Officer; (3) conduct and review surveys data from key stakeholders; (4) review a sample of risk management progress reports; and (5) prepare diagnostic tools consistent with the risk management methodology established for the evaluation risk management function as per the public sector risk management framework and Standards for the Professional Practice of Risk Management. (6) Preparation and discussion of the draft report with the CRO (7) Preparation and issuing of the final report.
- (3) Performance evaluation should cover the following elements of the DWYPD Risk Management function:
- Compliance with the Public Sector Risk Management Framework, Standards for the Professional Practice of Risk Management, IRMSA Code of Ethics, Risk Management Committee Charter, Plans, Policies, Procedures, Practices, and applicable legislative and regulatory requirements.
  - Expectations of the Risk Management function expressed by the Executive Authority, Risk Management Committee, Executive Leadership and Operational Managers.
  - Integration of the Risk Management function into the DWYPD's governance process, including the relationships between and amongst the key groups involved in that process.
  - Tools and techniques employed by the Risk Management function.
  - Mix of knowledge, experience, and disciplines of Risk Management staff and key stakeholders.
  - Determination as to whether or not the Risk Management function adds value and improves the DWYPD's operations.
  - Skill transfer after completion of the project.

## 6. DELIVERABLES AND TIME FRAMES

Description	Expected date	% of project (Payment)
Inception Report	31 June 2023	20
A draft assessment report issued and discussed with the CRO and any other relevant key stakeholders.	15 July 2023	20
A final approved assessment report issued with the recommendations and management comments by stakeholder to the CRO.	01 August 2023	60

## 7. PROJECT MANAGEMENT

- Detailed project plan which indicates all deliverables, completion date and cost of each deliverable.
- Communication of progress and challenges with the CRO during the course of the project