An Analysis of Human Capital Capabilities Placed in the Enterprise Risk Management Function of South Africa's Public Institutions

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ABSTRACT

Related literature on risk management has largely focused itself on the risk management processes and practices. Much of this literature has found that the risk management processes were inadequate and that the practices applied were ineffective and therefore, this had to be improved. This study analysed the capabilities of the human capital deployed in South Africa's public sector institutions in order to determine whether this had a role in impeding the effective risk management processes and practices.

The findings of the study are that the inadequate risk management processes and ineffective practices could be attributed to the capabilities of the human capital deployed in the enterprise risk management function. In this regard, the study found that part of the reason for the inadequate risk management processes and ineffective practices stemmed from the inadequate staffing of the enterprise risk management function, position not filled by candidates with adequate academic qualifications and experience, the duration it takes to fill a vacant position and inadequate budget allocations. It is then supposed that these are potentially one of the contributors to the high levels of irregular expenditure, fruitless and wasteful expenditure as well as the unauthorised expenditure seen in South Africa today.

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Keywords: Enterprise Risk Management, Human Capital, Public Sector.

1. INTRODUCTION

The Organisation of Economic Cooperation and Development (OECD, 2009) contended that the widespread failure of organisations to perform enterprise wide risk management by managing risks across their organisations contributed immensely to the 2007/8 global financial meltdown (financial crisis). Other studies such as Rossouw (2005); Vaughn and Ryan (2006), Abdo and Fisher (2007) and the International

Integrated Reporting Committee of South Africa [IRC] (2011) concur with this view where they recognise the inability of organisations to anticipate and react to risk as one of the main reasons for these corporate failures.

In response to the weaknesses in the risk management program, literature on risk management has tended to focus on the risk processes followed (Coetzee & Lubbe 2013; Domokos, Nyéki, Jakovác, Németh, & Hatvani, 2015), the practices applied (Braig, Gebre & Sellgren, 2011 & Vergotine 2012), the nature of risks faced by these institutions (Moloi, 2016a, Moloi 2016b & Siswana, 2007), as well as risk disclosures/ reporting (Ntim, Lindop & Thomas, 2013 & Raemaekers, 2014).

For a program to operate in a way in which it was intended for, it is stated here that three important pillars have to hold namely; systems, processes and people. In this regard, related literature on the reasons for the weaknesses in organisation's risk management program seem to have focused more on the adequacy of risk management processes and the risk management systems that are in place, thus discounting the role and the capacity of human capital.

This study provides a different approach by to the traditional approach of processes and practices. It analyses the capabilities of the human capital placed in the enterprise risk management function. This is done in the South African public service context. South Africa was chosen because the Auditor General of South Africa, in its previous reports had, on a consistent basis been lamenting the public sector for its inability to reign on irregular expenditure, fruitless and wasteful expenditure as well as the unauthorised expenditure (Auditor General South Africa (AGSA), 2016, AGSA, 2015 & AGSA, 2014).

In line with the previous studies, in these reports, the Auditor General of South Africa appear to be convinced that the irregular expenditure, fruitless and wasteful expenditure as well as the unauthorised expenditure are as a result of the weaknesses in the risk management processes and systems. This study aims at introducing and providing evidence that a third layer, which is human capital capabilities deployed in the control environment, which if they are not properly capacitated could hinder the ERM programme thus contributing to the weaknesses in the controls

The following section will review the related literature. This section will be followed by a section that outlines the research process. Further, the analysis and interpretation of findings will be conducted and finally the conclusion.

2. ASSOCIATED LITERATURE

Literature aiming at determining the reasons for the ineffectiveness in the risk management program has tended to focus on the risk processes followed (Coetzee & Lubbe 2013), the practices applied (Vergotine 2012), the nature of risks faced by these institutions (Moloi, 2016a, Moloi 2016b & Siswana, 2007), as well as risk disclosures/reporting (Ntim, Lindop & Thomas, 2013 & Raemaekers, 2014).

Moloi (2016a and 2016b) found that the mechanisms used for the purpose of accounting for risk management (Moloi, 2016a) and the risk management practices (Moloi, 2016b) could be improved. Siswana (2007) observed that the risks that were the main focus were not broad, as the legislation, the Public Finance Management Act (PFMA) (RSA, 1999), had put more emphasis on financial risks.

On their part, Coetzee and Lubbe (2013) utilised a risk maturity scorecard in order to assess how comprehensive the risk management strategy is within their selected organisations. Their findings were that the risk management processes were not as matured in the public sector compared to the private sector. Vergotine (2012) responded to the perceived absence of risk management instrument in the state owned enterprises by constructing and evaluating risk management instrument for these.

In their study that sought to examine whether the quality of a firm's level corporate governance has any impact on the firm's quality and extent of corporate risk-disclosures in the South African context, Ntim *et al.* (2013) found that even though there was a general increase in corporate risk-disclosures, this had not yet matured and that standardisation was still and issue.

Using the information primarily based on the governance of risk Chapter of the King III Report on Corporate Governance (IoD, 2009) in order to construct a risk disclosure matrix, Raemaekers (2014) aimed at exploring the patterns and trends in risk-disclosure of South African firms with a primary listing on the JSE following the introduction of King-III in March 2010. In this study, Raemaekers (2014) found that there had been an ' an increase in the quantum of risk-disclosure and an increased awareness of the importance of complementing traditional financial reporting with a more comprehensive review of organisations' key risks and their sustainability in the short-, medium- and long-term'.

Elsewhere, studies aiming to determine the ineffectiveness of the risk management program are not necessarily different to the ones conducted in South Africa, for example; In Hungary, Domokos, Nyéki, Jakovác, Németh, and Hatvani (2015) focused on the risk management process of the Hungarian public service. The main finding in the Hungarian risk management process as observed by Domokos *et al.* (2015) is that there was poor risk management culture.

It is a similar case in the United States where Braig, Gebre and Sellgren (2011) examination of the risk management in the public sector focused on the 'lasting and robust risk management in public-sector institutions'. Following the examination of risk management in the United State public sector, Braig *et al.* (2011) recommended that the United State public sector institutions should

- Create transparency both internally and externally;

- Develop a "risk constitution";

- Initially focus on modifying a few core processes;

- Establish a dedicated risk-management organization; and

- Build a risk culture (Braig *et al.,* 2011).

From these recommendations, it is argued that the concept of Braig *et al.* (2011) study does not differ from other studies on risk management. The focus, as in many other studies on risk management across the globe is on the risk management practices and processes.

Contrary to the studies conducted before which tended to emphasise risk management processes and practices, this study attempts to understand the reasons behind the inadequate processes and poor practices. This is done through the process of analysis capabilities of the human capital placed in the enterprise risk management function.

3. RESEARCH PROCESS

To achieve the objective of analysing capabilities of the human capital placed in the enterprise risk management function, a joint research group was formed between the National Treasury, Office of Accountant-General and the University of Johannesburg.

The capabilities were defined as a function of various elements such as the qualifications of risk management human capital, years of experience in the risk management field, categories of employees, the number of employees engaged, whether there are vacant positions including the duration that the position has been vacant.

A detailed questionnaire consisting of various elements including elements on the human capital capabilities was developed. This paper reports on responses relating to the human capital placed in the enterprise risk management function section of the developed questionnaire.

Following the development of a detailed questionnaire, it was as administered through emails via the Office of Accountant General to National and Provincial Government Departments, Public Entities and Municipalities (Government Institutions).

To supplement the data collection process, the Office of Accountant General distributed the questionnaire for completion in the Chief Risk Officers forum which takes place biannually (i.e. Twice per annum for National and Provincial Government Departments and twice per annum for Public Entities).

One hundred questionnaires (100) were received back from responded. All the questionnaires received were deemed valid for processing as all questions had been answered by respondents. The Statistical Package for the Social Sciences (SPSS) was used to analysed the obtained questionnaires with the ultimate aim being to understand and interpret the results of research. The results of this process are outlined in the research findings and interpretation section below.

4. RESEARCH FINDINGS AND INTERPRETATION

Respondents were asked to indicate the number of employees in the ERM function excluding the CRO. Eighty eight (88) respondents answered the question. As a minimum, NGDs have one (1) employee in the ERM department and a maximum of five (5). On their side, Public Entities have a minimum of one (1) employee in the ERM function and a maximum of fifteen (15) employees. PGDs have a minimum of one (1) employee in the ERM function and a maximum of twenty (20) employees. Whilst municipalities have a minimum of one (1) employee in the ERM function and a maximum of five (5) employees.

Table 1
Number of Employees in the ERM Function Excluding the CRO

Type of Institution	Mean	Median	Minimum	Maximum	Std. Deviation	N
National Government Departments	2.27	2.00	1	5	1.489	11
Public Entities	2.94	2.00	1	15	3.023	36
Provincial Departments	3.12	2.00	1	20	3.648	26
Municipalities	1.67	1.00	1	5	1.397	15
Total	2.69	2.00	1	20	2.890	88

With regard to the maximum of twenty (20) employees in the PGDs, the reason for such a high number is because of the shared services. The maximum of fifteen (15) employees in the Public Entities is driven by larger entities.

Table 2
Categories of Employees in the ERM Function

Type of Institution		Deputy Directors (Risk Managers)	Assistant Directors (Senior Risk Practitioners)	Risk Assistants
National government departments	Mean	1.10	.50	.75
	Median	1.00	1.00	.50
	Minimum	1	1	1
	Maximum	3	2	2
	Std. Deviation	.738	.756	.886
	N	10	8	8
Public entities	Mean	1.41	.81	1.17
	Median	1.00	1.00	1.00
	Minimum	1	1	1
	Maximum	7	5	8
	Std. Deviation	1.635	1.497	1.605
	N	34	26	29
Provincial departments	Mean	1.29	1.61	1.21
	Median	1.00	1.00	1.00
	Minimum	1	1	1
	Maximum	6	6	4
	Std. Deviation	1.334	1.340	1.032
	N	24	23	19
Municipalities	Mean	1.63	.43	1.38
	Median	1.00	1.00	1.00
	Minimum	1	1	1
	Maximum	5	1	5
	Std. Deviation	2.134	.535	1.506
	N	8	7	8
Total	Mean	1.36	1.02	1.16
	Median	1.00	1.00	1.00
	Minimum	0	0	0
	Maximum	7	6	8
	Std. Deviation	1.494	1.351	1.348
	N	76	64	64

Respondents were requested to indicate the categories of positions held by employees in the ERM function. NGDs have a maximum of three (3) employees categorised as Deputy Directors (Risk Managers) and two (2) employees categorised as Assistant Directors (Senior Risk Practitioners) and Risk Assistants respectively.

Public Entities have a maximum of seven (7) employees categorised as Deputy Directors (Risk Managers), five (5) employees categorised as Assistant Directors (Senior Risk Practitioners) and eight (8) employees categorised as Risk Assistants.

PGDs have a maximum of six (6) employees categorised as Deputy Directors (Risk Managers), six (6) employees categorised as Assistant Directors (Senior Risk Practitioners) and four (4) employees categorised as Risk Assistants respectively. Municipalities have a maximum of five (5) employees categorised as Deputy Directors (Risk Managers), one (1) employees categorised as Assistant Directors (Senior Risk Practitioners) and five (5) employees categorised as Risk Assistants.

Table 3
Ideal Number of Employees in the ERM Function

Type of Institution	*Mean*	*Median*	*Minimum*	*Maximum*	*Std. Deviation*	*N*
National government departments	8.00	5.50	2.00	24.00	6.769	12
Public entities	5.40	4.00	1.00	16.00	4.272	40
Provincial departments	6.22	5.00	2.00	25.00	4.582	23
Municipalities	3.17	2.00	1.00	9.00	2.167	12
Total	5.67	4.00	1.00	25.00	4.675	87

Here, respondents were requested to indicate the ideal number of employees they would prefer to have in the ERM function. Eighty seven (87) respondents answered the question. NGDs would prefer to have a minimum of two (2) employees in the ERM function excluding the CRO and a maximum of twenty four (24) employees excluding the CRO.

Public Entities would prefer to have a minimum of one (1) employee in the ERM function excluding the CRO and a maximum of sixteen (16) employees excluding the CRO. PGDs would prefer to have a minimum of two (2) employees in the ERM function excluding the CRO and a maximum of twenty five (25) employees excluding the CRO. Municipalities would prefer to have a minimum of one (1) employees in the ERM function excluding the CRO and a maximum of nine (9) employees excluding the CRO.

Table 4
Ideal Categories of Employees in the ERM Function

Type of Institution		*Deputy Directors (Risk Managers)*	*Assistant Directors (Senior Risk Practitioners)*	*Risk Assistants*
National government departments	Mean	2.27	3.55	2.40
	Median	2.00	2.00	1.50
	Minimum	1	1	1
	Maximum	4	12	7
	Std. Deviation	1.104	3.532	2.119
	N	11	11	10
Public entities	Mean	1.53	3.40	1.71
	Median	1.00	1.00	1.50
	Minimum	1	1	1
	Maximum	7	51	6
	Std. Deviation	1.576	8.503	1.548
	N	36	35	34

Type of Institution		Deputy Directors (Risk Managers)	Assistant Directors (Senior Risk Practitioners)	Risk Assistants
Provincial departments	Mean	1.40	2.45	3.08
	Median	1.00	2.00	2.00
	Minimum	1	1	1
	Maximum	6	6	21
	Std. Deviation	1.041	1.270	3.877
	N	25	29	26
Municipalities	Mean	.92	1.18	2.17
	Median	1.00	1.00	1.50
	Minimum	1	1	1
	Maximum	1	2	6
	Std. Deviation	.289	.751	1.642
	N	12	11	12
Total	Mean	1.50	2.81	2.29
	Median	1.00	2.00	2.00
	Minimum	1	1	1
	Maximum	7	51	21
	Std. Deviation	1.285	5.620	2.613
	N	84	86	82

Respondents were requested to indicate the ideal categories of positions they would prefer to have in the ERM function. Ideally, NGDs would prefer to have a maximum of three (4) Deputy Directors (Risk Managers), twelve (12) Assistant Directors (Senior Risk Practitioners) and seven (7) Risk Assistants. Public Entities would prefer to have a maximum of seven (7) Deputy Directors (Risk Managers), fifty one (51) Assistant Directors (Senior Risk Practitioners) and six (6) Risk Assistants.

PGDs would prefer to have a maximum of six (6) Deputy Directors (Risk Managers), six (6) Assistant Directors (Senior Risk Practitioners) and twenty one (21) Risk Assistants. Municipalities would prefer to have a one (1) Deputy Director (Risk Manager), two (2) Assistant Directors (Senior Risk Practitioners) and six (6) Risk Assistants.

Table 5
Ideal Qualifications for Deputy Directors

Qualification	National government departments	Public entities	Provincial departments	Municipalities	Total
Grade 12/Matric	0	0	0	1	1
National diploma	0	3	8	3	14
Bachelor's degree/B Tech	9	22	23	6	60
Honours degree	4	19	4	7	34
Master's degree/MBA	0	6	2	0	8

Respondents were requested to indicate the ideal level of qualification they would prefer for a Deputy Directors (Risk Managers) position in the ERM function. Ideally, nine (9) NGDs would prefer to have Deputy Directors (Risk Managers) with Bachelor's degree/B Tech and four (4) NGDs indicated that they

would prefer to have Deputy Directors (Risk Managers) with an Honours degree. Twenty two (22) Public Entities would prefer to have Deputy Directors (Risk Managers) with Bachelor's degree/B Tech, nineteen (19) Public Entities would prefer to have Deputy Directors (Risk Managers) with an Honours degree, six (6) would prefer to have Deputy Directors (Risk Managers) with an Master's degree/MBA, whilst three (3) Public Entities would prefer to have Deputy Directors (Risk Managers) with a National diploma.

Twenty three (23) PGDs would prefer to have Deputy Directors (Risk Managers) with Bachelor's degree/B Tech, eight (8) have Deputy Directors (Risk Managers) with a National diploma, four (4) would prefer to have Deputy Directors (Risk Managers) with an Honours degree and two (2) would prefer to have Deputy Directors (Risk Managers) with an Master's degree/MBA.

Seven (7) municipalities would prefer to have Deputy Directors (Risk Managers) with an Honours degree, six (6) would prefer to have Deputy Directors (Risk Managers) with Bachelor's degree/B Tech, three (3) would prefer to have Deputy Directors (Risk Managers) with a National diploma and one (1) municipality would prefer to have Deputy Directors (Risk Managers) with matric.

Table 6
Ideal Qualifications for Assistant Directors

Qualifications	National government departments	Public entities	Provincial departments	Municipalities	Total
Grade 12/Matric	0	0	1	1	2
Diploma	0	1	1	0	2
National diploma	6	15	17	6	44
Bachelor's degree/B Tech	4	21	13	9	47
Honours degree	1	10	2	1	14
Master's degree/MBA	1	1	0	0	2

Respondents were requested to indicate the ideal level of qualification they would prefer for Assistant Directors position in the ERM function. Ideally, four (4) NGDs would prefer to have Assistant Directors with Bachelor's degree/B Tech, one NGD indicated that it would prefer its Assistant Directors to hold an Honours degree and a Master degree/MBA and six (6) NGDs indicated that they would prefer to have Assistant Directors with a National diploma. Twenty one (21) Public Entities would prefer to have Assistant Directors with Bachelor's degree/B Tech, ten (10) Public Entities would prefer to have Assistant Directors with an Honours degree, one (1) Public Entity would prefer to have Assistant Director with an Master's degree/MBA, whilst fifteen (15) Public Entities would prefer to have Assistant Directors with a National diploma and one (1) Public Entity would prefer to have Assistant Director with a Diploma.

Thirteen (13) PGDs would prefer to have Assistant Directors with Bachelor's degree/B Tech, two (2) PGDs would prefer to have Assistant Directors with an Honours degree, one (1) PGDs would prefer to have Assistant Director with Matric, whilst seventeen (17) PGDs would prefer to have Assistant Directors with a National diploma and one (1) PGD would prefer to have Assistant Director with a Diploma. Nine (9) municipalities would prefer to have Assistant Directors with Bachelor's degree/B Tech, whilst six (6) PGDs would prefer to have Assistant Directors with a National diploma and one (1) municipality would prefer to have Assistant Director with an Honours degree and Matric respectively.

Table 7
Ideal Qualifications for Risk Assistants

Qualifications	National government departments	Public Entities	Provincial departments	Municipalities	Total
Grade 12/Matric	0	2	2	1	5
Diploma	3	7	9	4	23
National diploma	8	23	17	9	57
Bachelor's degree/B Tech	1	14	7	4	26
Honours degree	0	1	0	0	1

Respondents were requested to indicate the ideal level of qualification they would prefer for Assistant Directors position in the ERM function. Ideally, one (1) NGDs would prefer to have a Risk Assistant with Bachelor's degree/B Tech, eight NGD indicated that they would prefer Risk Assistants to hold a National diploma and three (3) NGDs indicated that they would prefer to have Risk Assistants with a Diploma. Twenty three (23) Public Entities would prefer to have Risk Assistants with National diplomas, fourteen (14) Public Entities would prefer to have Risk Assistants with Bachelor's degree/B Tech, one (1) Public Entity would prefer to have a Risk Assistant with an Honours degree, whilst seven (7) Public Entities would prefer to have Risk Assistants Directors with a Diploma and two (2) Public Entity would prefer to have Risk Assistants with a Grade 12/Matric.

Seven (7) PGDs would prefer to have Risk Assistants with Bachelor's degree/B Tech, whilst seventeen (17) PGDs would prefer to have Risk Assistants with a National diploma and nine (9) PGDs would prefer to have Risk Assistants with a Diploma and two (2) PGDs would prefer to have Risk Assistants with Matric/Grade 12. Four (4) municipalities would prefer to have Risk Assistants with Bachelor's degree/B Tech, whilst nine (9) municipalities would prefer to have Risk Assistants with a National diploma and four (4) municipalities would prefer to have Risk Assistants with a Diploma and one (1) municipality would prefer to have Risk Assistant with Grade 12/Matric.

Table 8
Ideal Years of Risk Management Experience for Deputy Directors

Years	National government departments	Public entities	Provincial departments	Municipalities	Total
2-5 years	3	11	15	7	36
5-10 years	9	26	15	4	54
10-15 years	0	4	2	3	9
15-20 years	0	1	0	0	1

With regard to the years of experience that Deputy Directors should have in the Risk Management space, three (3) NGDs would prefer to have Deputy Directors with 2-5 years and nine (9) NGDs would prefer to have Deputy Directors with 5-10 years of experience in the Risk Management function. Eleven (11) Public Entities would prefer to have Deputy Directors with 2-5 years, twenty six (26) Public Entities would prefer to have Deputy Directors with 5-10 years of experience, four (4) Public Entities would prefer to have Deputy Directors with 10-15 years and one (1) Public Entity would prefer to have Deputy Directors with 15-20 years.

Fifteen (15) PGDs would prefer to have Deputy Directors with 2-5 years, another fifteen (15) PGDs would prefer to have Deputy Directors with 5-10 years of experience and two (2) PGDs would prefer to have Deputy Directors with 10-15 years of experience in the Risk Management function. With regard to the municipalities, seven (7) would prefer to have Deputy Directors with 2-5 years, four (4) municipalities would prefer to have Deputy Directors with 5-10 years of experience and three (3) municipalities would prefer to have Deputy Directors with 10-15 years of experience in the Risk Management function.

Table 9
Ideal Years of Risk Management Experience for Assistant Directors

Years	National government departments	Public entities	Provincial departments	Municipalities	Total
1-2 years	0	4	5	1	10
2-5 years	11	29	26	9	75
5-10 years	0	7	2	4	13
10-15 years	1	2	0	0	3

With regard to the years of experience that Assistant Directors should have in the Risk Management space, eleven (11) NGDs would prefer to have Assistant Directors with 2-5 years and one (1) NGD would prefer to have an Assistant Directors with 10-15 years of experience in the Risk Management function. Four (4) Public Entities would prefer to have Assistant Directors with 1-2 years, twenty nine (29) Public Entities would prefer to have Assistant Directors with 2-5 years of experience, seven (7) Public Entities would prefer to have Assistant Directors with 5-10 years and two (2) Public Entities would prefer to have Assistant Directors with 10-15 years.

Five (5) PGDs would prefer to have Assistant Directors with 1-2 years, twenty six (26) PGDs would prefer to have Assistant Directors with 2-5 years of experience and two (2) PGDs would prefer to have Assistant Directors with 5-10 years of experience in the Risk Management function. With regard to the municipalities, one (1) would prefer to have Assistant Directors with 1-2 years, nine (9) municipalities would prefer to have Assistant Directors with 2-5 years of experience and four (4) municipalities would prefer to have Assistant Directors with 5-10 years of experience in the Risk Management function

Table 10
Ideal Years of Risk Management Experience for Risk Assistants

Years	National government departments	Public entities	Provincial departments	Municipalities	Total
0-2 years	10	24	24	11	69
2-5 years	2	17	6	4	29
5-10 years	1	2	1	0	4

Respondents were required to indicate the ideal number of years in risk management they would prefer their Risk Assistants to have. Obtained results indicate that eleven (10) NGDs would prefer to have Risk Assistants with 0-2 years, two NGDs would prefer to have Risk Assistants with 2-5 years of experience and one (1) NGD would prefer to have a Risk Assistant with 5-10 years of experience in the Risk Management function. Twenty four (24) Public Entities would prefer to have Risk Assistants with 0-2 years, seventeen

(17) Public Entities would prefer to have Risk Assistants with 2-5 years of experience and two (2) Public Entities would prefer to have Risk Assistants with 5-10 years.

Further, obtained results indicate that twenty four (24) PGDs would prefer to have Risk Assistants with 0-2 years, six (6) PGDs would prefer to have Risk Assistants with 2-5 years of experience and one (1) PGD would prefer to have a Risk Assistant with 5-10 years of experience in the Risk Management function. With regard to the municipalities, eleven (11) would prefer to have Risk Assistants with 0-2 years and four (4) municipalities would prefer to have Risk Assistants with 2-5 years of experience in the Risk Management function

Table 11
Vacant Positions in the ERM Function

Is there a vacant position in the ERM unit/section?	*Option*	*National government departments*	*Public entities*	*Provincial departments*	*Municipalities*	*Total*
	Yes	4	17	20	8	49
	No	7	23	9	8	47

The results on Table 11, Table 12 and Table 13 are based on questions that were asked with the main aim of gauging vacancies in the ERM functions. For an organisation to operate efficiently it must manage its institutional memory and avoid the high turnover of staff members. It should also fill all vacant positions within a reasonable time to avoid hindrances in the performance of activities. In this regard, respondents were required to indicate the period in which positions have been vacant in the ERM function.

In Table 11 above, obtained results indicate that forty nine (49) positions were available in the ERM functions, four (4) in NGDs, seventeen (17) in Public Entities, twenty (20) in PGDs and eight (8) in municipalities. Table 12 and Table 13 below gauges the reasons for availability of these positions as well as the time span this positions have been available.

Table 12
Vacant Positions in the ERM Function

Reason for availability of vacant positions	*National government departments*	*Public entities*	*Provincial departments*	*Municipalities*	*Total*
Resignation	2	1	4	3	10
Budget	0	7	9	3	19
Restructuring	1	8	3	2	14
Moratorium on position	0	1	3	0	4
Difficulty finding suitable person	1	0	1	0	2

To understand the reasons for the availability of positions in the ERM function, respondents were required to indicate the reasons for the availability of the position. Analysis of obtained data reveals that the main reasons for the availability of positions in the ERM function were reported as resignations, insufficient headcount budgets, restructuring, moratorium on hiring new employees and difficulties in finding suitable candidates.

Table 13
Vacant Positions in the ERM Function

How long has the positions in the ERM function been vacant	*Period*	*National government departments*	*Public entities*	*Provincial departments*	*Municipalities*	*Total*
	Less than one year	1	9	6	3	19
	Between two and three years	0	3	3	1	7
	More than three years	3	4	7	3	17

The analysis of obtained data revealed that one (1) NGD reported that the position that it has had been vacant for less than a year and three (3) NGDs reported that they have had vacant positions in the ERM function for more than three (3) years. Nine (9) Public Entities indicated that the ERM positions that they have had been vacant for less than one (1) year, three (3) Public Entities indicated that the ERM positions that they have had been vacant for the period of two to three years and four (4) Public Entities indicated that the ERM positions that they have had been vacant for more than three (3) years.

Further, it was observed that six (6) PGDs indicated that the ERM positions that they have had been vacant for less than one (1) year, three (3) PGDs indicated that the ERM positions that they have had been vacant for the period of two to three years and seven (7) PGDs s indicated that the ERM positions that they have had been vacant for more than three (3) years. Three (3) municipalities indicated that the ERM positions that they have had been vacant for less than one (1) year, one (1) municipality indicated that the ERM positions that they have had been vacant for the period of two to three years and three (3) municipalities indicated that the ERM positions that they have had been vacant for more than three (3) years.

This section interpreted the results analysed using the Statistical Package for the Social Sciences (SPSS). The following section provide conclusion and it uses the results above to draw inferences that the capabilities of human capital deployed in the risk management space has an impact on the risk management programme.

5. CONCLUSION

The literature on risk management in general, but also specifically in the public sector has focused on the risk management processes and practices. Related literature has largely found that the risk management processes were inadequate and that the practices applied were ineffective, hence the recommendations from these studies that this has to be improved. Using the South African public service context, this study analysed the capabilities of the human capital deployed in order to determine whether this had no role in impeding the effective risk management processes and practices.

On aggregate, a gap was observed in the actual number of employees and the ideal number of employees that should be in the public sector's enterprise risk management function. The study observed that, when aggregated, there were two (2) employees deployed in the in the public sector's enterprise risk management function compared the ideal of four (4) employees.

In addition to the above, it was observed that respondents would ideally prefer to have highly academically qualified candidates, and highly experienced candidates filling various categories in enterprise

risk management function. Further, budget allocations and the duration it takes for the position to be filled in the enterprise risk management function were highlighted as a cause of concern.

In this regard, the inability to staff the control function such as the ERM with the ideal number of employees, the inability to staff with the candidates that possess required proficiencies as well as the inability to fill vacancies as they become available could hamstring such an important control environment function, potentially being one of the contributors to the high levels of irregular expenditure, fruitless and wasteful expenditure as well as the unauthorised expenditure seen in South Africa today.

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