

MPUMALANGA PROVINCIAL GOVERNMENT

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Department of Finance

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UmNyango weZeemali

Departement van Finansies

Kgoro ya Matlotlo

PROVINCIAL TREASURY CIRCULAR NO 14 OF 2010

THE PREMIER MPUMALANGA PROVINCE (MR DD MABUZA)

THE SPEAKER PROVINCIAL LEGISLATURE (MR SW LUBISI)

THE MEC FOR FINANCE (MS YN PHOSA)

THE MEC FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR MN MOKOENA)

THE CHAIRPERSON OF SELECT COMMITTEE ON HUMAN SETTLEMENT, COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS (MR SPD SKHOSANA)

OTHER MEMBERS OF PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: OFFICE OF THE PREMIER (MR JM RABODILA)

THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL LEGISLATURE (MR RM MOROPA)

THE ACCOUNTING OFFICER: VOTE 3: FINANCE (MR M MAZIBUKO)

THE ACCOUNTING OFFICER: VOTE 4: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR D MAHLOBO)

THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MR. C MAKOLA)

THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR. AJ ENGELBREGHT)

THE MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY (MR. FJ FOUCHE)

THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MR. O NKOSI)

THE MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY (MS. M MATHIBELA)

THE MUNICIPAL MANAGER: THEMBSILE HANI LOCAL MUNICIPALITY (MR. MA MAHLANGU)

THE MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY (MR. S WEBER)

THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR. MA NGCOBO)

THE MUNICIPAL MANAGER: PIXLEY KA SEME LOCAL MUNICIPALITY (MR. MPUNGOSE)

THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR. M KHOSA)

THE MUNICIPAL MANAGER: ALBERT LUTHULI LOCAL MUNICIPALITY (MR. VN MPILA)

THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MR. DV NGCOBO)

THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MR. J SINDANE)

THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR. PB MALEBYE)

THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (DR. LH MATHUNYANE)

THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (MR. H MBATHA)

THE MUNICIPAL MANAGER: MBOMBELA LOCAL MUNICIPALITY (MS. N MTHEMBU)

THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MR. C LISA)

THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR. MR MKHATSHWA)

THE MUNICIPAL MANAGER: UMJINDI LOCAL MUNICIPALITY (MS. SF MNISI)

THE MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY (MR. P MOKALE)

ESTABLISHING RISK MANAGEMENT FUNCTION

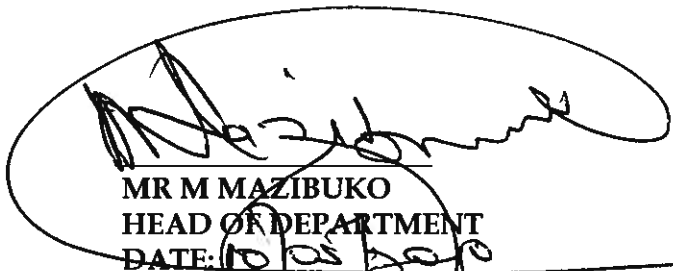
National Treasury has issued a Public Sector Risk Management Framework as a guide that represents the pre-eminent source of reference and guidance on risk management practices in the Public Sector. The framework aims to support objectives of public sector institutions through providing information and guidance that will enable implementation and maintenance of effective systems to identify and mitigate risks that threaten the attainment of service delivery and optimizing opportunities that enhance institutional performance.

King III Report on Corporate Governance puts more emphasises on importance of government positioning risk management as a central part of service delivery improvement. Such importance is further emphasized by various legislative frameworks such as the Municipal Finance Management Act, No. 56 of 2003 and White Paper of 1997 on the Batho Pele Principles. The Batho Pele Principles strive to instil a culture of accountability and caring by public servants.

Municipalities are encouraged to make provisions for appointment of Chief Risk Officer (CRO's)/Risk Managers. Structures such a Risk Management Committees need to be established internally in order to assist management in providing an oversight role over issues which are related to risk and risk management. These Committees are to be supplemented by appointment of Risk Champions who will spearhead the process of risk management in order to assist Chief Risk Officers/respective managers in properly discharging their responsibilities.

You are requested to utilise these guidelines together with Risk Management Methodology issued by the Provincial Treasury to effectively discharge your responsibilities in this regard.

Regards



MR M MAZIBUKO
HEAD OF DEPARTMENT
DATE: 10/05/2010