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Departement van Finansies

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Ref : DOF 13/4/4

PROVINCIAL TREASURY CIRCULAR NO. 15 OF 2015

TO:-

THE ACCOUNTING OFFICER: GERT SIBANDE DISTRICT MUNICIPALITY: (MR C HABILE)
THE ACCOUNTING OFFICER: NKANGALA DISTRICT MUNICIPALITY: (MS M SKOSANA)
THE ACCOUNTING OFFICER: EHLANZENI DISTRICT MUNICIPALITY: (ADV H MBATHA)
THE ACCOUNTING OFFICER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY: (MR VN MPILA)
THE ACCOUNTING OFFICER: DIPALESENG LOCAL MUNICIPALITY: (MR VD NGCOBO)
THE ACCOUNTING OFFICER: GOVAN MBEKI LOCAL MUNICIPALITY: (MR MF MAHLANGU)
THE ACTING-ACCOUNTING OFFICER: MKHONDO LOCAL MUNICIPALITY: (MR MJS MABUZA)
THE ACCOUNTING OFFICER: MSUKALIGWA LOCAL MUNICIPALITY: (MR ZT SHONGWE)
THE ACCOUNTING OFFICER: DR PIXLEY ISAKA SEME LOCAL MUNICIPALITY:
(MR PB MALEBYE)
THE ACCOUNTING OFFICER: DR JS MOROKA LOCAL MUNICIPALITY: (MR BS MAHLANGU)
THE ACTING ACCOUNTING OFFICER: EMAKHAZENI LOCAL MUNICIPALITY:
(MS EK TSHABALALA)
THE ADMINISTRATOR: EMALAHLENI LOCAL MUNICIPALITY: (MR T VAN VUUREN)
THE ACTING ACCOUNTING OFFICER: STEVE TSHWETE LOCAL MUNICIPALITY:
(MR SM MNGUNI)
THE ACTING ACCOUNTING OFFICER: THEMBSILE HANI LOCAL MUNICIPALITY:
(MR ON NKOSI)
THE ACTING ACCOUNTING OFFICER: VICTOR KHANYE LOCAL MUNICIPALITY: (MR BSS RIBA)
THE ACCOUNTING OFFICER: BUSHBUCKRIDGE LOCAL MUNICIPALITY: (MR C LISA)
THE ACCOUNTING OFFICER: MBOMBELA LOCAL MUNICIPALITY: (MR N SEANEGO)
THE ACCOUNTING OFFICER: NKOMAZI LOCAL MUNICIPALITY: (MR MD NGWENYA)
THE ACCOUNTING OFFICER: THABA CHWEU LOCAL MUNICIPALITY: (MR S MAEBELA)
THE ACCOUNTING OFFICER: UMJINDI LOCAL MUNICIPALITY: (MR DP MSIBI)

THE HEAD OF DEPARTMENT: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
(MR CM CHUNDA)
THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE: DEPARTMENT OF FINANCE
(MS J BEZUIDENHOUT)
THE ACTING CHIEF DIRECTOR: ASSETS AND LIABILITIES MANAGEMENT:
DEPARTMENT OF FINANCE (MS E VISSER)
THE ACTING CHIEF DIRECTOR: SUSTAINABLE RESOURCE MANAGEMENT:
DEPARTMENT OF FINANCE (MR MADIKE)
THE ACTING-COORDINATOR OF PROGRAMME 5: DEPARTMENT OF FINANCE (MS B GUNQISA)

**SUBJECT: ANNUAL SUBMISSION OF STRATEGIC RISK ASSESSMENT REPORTS FOR
EVALUATION AND CONSOLIDATION**

This circular is issued to request all Municipalities to submit their Draft Strategic Risk Assessment reports to the Provincial Treasury on or before 31 May annually and an approved version before 30 June annually for evaluation and consolidation respectively. The evaluation is aimed to monitor the implementation of the Provincial Risk Management Framework and the adequacy of the Risk Assessment processes. The consolidation is for formulation of a single Provincial Risk Register which will comprise of 10 top high priority Risk Areas for Mpumalanga Provincial Government with the intention of presenting it to the Premier's Coordinating Forum (PCF).

Provincial Treasury is mandated as per section 5 of the Municipal Financial Management Act, No.56 of 2003 to monitor and assess the implementation of Risk Management within the Local government to improve and enhance the establishment and sustainability of corporate governance.

1. **LEGAL MANDATES AND THE RESPONSIBILITIES AND EXPECTATIONS OF ACCOUNTING OFFICERS WITH REGARD TO RISK MANAGEMENT**

1.1 The general responsibilities of the Accounting Officer with regard to the risk management process is clearly stipulated in section 62 (1) (c) (i) of Municipal Finance Management Act, No. 56 of 2003. The aforesaid piece of legislation is supported by the Public Sector Risk Management Framework which serves as a source of reference with regard to Risk Management processes in the Public Sector, be it Municipalities including the application of King III Report and the framework on Committee of Sponsoring Organizations of the Treadway Commission (COSO), both of which are aimed at enhancing good corporate governance.

2. **THE PROCEDURE FOR EVALUATION OF THE STRATEGIC RISK ASSESSMENT REPORTS AND CONSOLIDATION OF THE TOP TEN HIGH PRIORITY RISKS AREAS**

2.1 Provincial Treasury in consultation with the Auditor General South Africa developed a checklist for monitoring the adequacy and effectiveness of the Risk Assessment processes. The Risk Assessment reports will be evaluated using the checklist and feedback reports will be issued to Accounting Officers with recommendations for implementation prior to approval.


2.2 The consolidation process will be informed by the magnitude of residual ratings which are the ratings that remain after the controls or strategies were applied to mitigate the risks, and the level and extent of intervention expected.

2.3 It will be aimed at enabling and ensuring a common approach to the consolidated top 10 high priority risk areas that may hamper the operations and possibly lead to the deviation from the intended objectives of the Province. This exercise is not therefore aimed at taking over or replacing the responsibilities of Municipalities on risk management matters, but aimed at strengthening and adding value to service delivery.

NBThis circular should be brought to the attention of all the Chief Risk Officers and Chief Audit Executives where there is no Chief Risk Officers as a matter of urgency and the submissions should be made to FMShitlh@mpg.gov.za on or before 31 May (Draft Report) and 30 June (Approved version) annually.**

Your co-operation is appreciated.

Kind Regards,


MS NZ NKAMBA
HEAD OF DEPARTMENT
DATE 6/5 /2015