

MPUMALANGA PROVINCIAL GOVERNMENT

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Department of Finance *Office of the HOD*

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UmNgango weZeemali

Departement van Finansies

Kgoro ya Matlotlo

Enquiries : Ms FM Shithelana X 4425
Ref No : DOF 13/9/1

PROVINCIAL TREASURY CIRCULAR NO 17 OF 2013

TO:

THE ACCOUNTING OFFICER: GERT SIBANDE DISTRICT MUNICIPALITY: (MR C HABILE)
THE ACTING-ACCOUNTING OFFICER: NKANGALA DISTRICT MUNICIPALITY: (MR AG ZIMBWA)
THE ACCOUNTING OFFICER: EHLANZENI DISTRICT MUNICIPALITY: (MR H MBATHA)
THE ACCOUNTING OFFICER: 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 ACCOUNTING OFFICER: MKHONDO LOCAL MUNICIPALITY: (MR AN MAHLANGU)
THE ACCOUNTING OFFICER: MSUKALIGWA LOCAL MUNICIPALITY: (MR TB DLAMINI)
THE ACCOUNTING OFFICER: PIXLEY KA SEME LOCAL MUNICIPALITY: (MR PB MALEBYE)
THE ACTING-ACCOUNTING OFFICER: DR JS MOROKA LOCAL MUNICIPALITY: (MR ZW MCINEKA)
THE ACTING-ACCOUNTING OFFICER: EMAKHAZENI LOCAL MUNICIPALITY: (MS TJ SHOBA)
THE ACCOUNTING OFFICER: EMALAHLENI LOCAL MUNICIPALITY: (MR G MTHIMUNYE)
THE ACCOUNTING OFFICER: STEVE TSHWETE LOCAL MUNICIPALITY: (MR WD FOUCHE)
THE ACCOUNTING OFFICER: THEMBSILE HANI LOCAL MUNICIPALITY: (MR J SINDANE)
THE ACCOUNTING OFFICER: VICTOR KHANYE LOCAL MUNICIPALITY: (MR RM MAREDI)
THE ACCOUNTING OFFICER: BUSHBUCKRIDGE LOCAL MUNICIPALITY: (MR D SHABANGU)
THE ACCOUNTING OFFICER: MBOMBELA LOCAL MUNICIPALITY: (MR X MZOBE)
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 P MUTSHIDE)

SUBJECT: SUBMISSION OF STRATEGIC RISK ASSESSMENT REPORTS FOR THE 2013/14 FINANCIAL YEAR FOR CONSOLIDATION

This circular is issued to request all District Municipalities and Local Municipalities to submit their Strategic Risk Assessment reports to the Provincial Treasury on or before 30 June 2013 for consolidation. This consolidation process is aimed at formulating a single Provincial Risk Register which will be comprised of 10 top high priority Risks Areas for Mpumalanga Provincial and Local Government with the intention of presenting them to the Provincial Management Committee.

Provincial Treasury is mandated as per section 5 (3) & (4) of the Municipal Financial Management Act (MFMA) to monitor and assess the implementation of Risk Management within the Province and municipalities 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 risk management process is clearly stipulated in section 62 (1) (c) (i) Municipal Finance Management Act (MFMA) whereas Treasury Regulations 3.2.1 stipulates that the Accounting Officer must ensure that a risk assessment is conducted regularly. The aforesaid pieces of legislation are 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 including the application of King III Report and the framework on Committee of Sponsoring Organizations of the Tread way Commission (COSO), both of which are aimed at enhancing good corporate governance.

2. **THE PROCEDURE TO CONSOLIDATE THE TOP TEN HIGH PRIORITY RISKS AREAS**

2.1 This procedure 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.

2.2 It will be aimed at enabling and ensuring a common approach to the supposed consolidated top ten high priority risks 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 the 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 non-existence of Chief Risk Officers as a matter of urgency and the submissions should be made to FMShitlh@mpg.gov.za on or before 30 June 2013.**

Your co-operation is appreciated

Regards



**MS NZ NKAMBA
HEAD OF DEPARTMENT
DEPARTMENT OF FINANCE
DATE: 20/5/2013**