



**Office of the Head of Department  
for Finance  
MPUMALANGA PROVINCE**

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UmNyango weZeemali

Departement van Finansies

Enquiries: Ms. FM Shitlhelana x4425  
Ref no: DOF/13/4/4

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**PROVINCIAL TREASURY CIRCULAR NO.37 OF 2014**

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**TO:**

**THE ACCOUNTING OFFICER: VOTE 1: OFFICE OF THE PREMIER (DR NONHLANHLA MKHIZE)**  
**THE ACCOUNTING OFFICER: VOTE 3: FINANCE (MS NZ NKAMBA)**  
**THE ACCOUNTING OFFICER: VOTE 4: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR CM CHUNDA)**  
**THE ACCOUNTING OFFICER: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIROMENTAL AFFAIRS (MS SP XULU)**  
**THE ACCOUNTING OFFICER: VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM (MR T MDAKANE)**  
**THE ACCOUNTING OFFICER: VOTE 7: EDUCATION (MS MOC MHLABANE)**  
**THE ACCOUNTING OFFICER: VOTE 8: PUBLIC WORKS, ROADS & TRANSPORT (MR KM MOHLASEDI)**  
**THE ACCOUNTING OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY AND LIASON (MR W MTHOMBOTHI)**  
**THE ACCOUNTING OFFICER: VOTE 10: HEALTH (DR AM MORAKE)**  
**THE ACTING-ACCOUNTING OFFICER: VOTE 11: CULTURE, SPORT AND RECREATION (MR W MNISI)**  
**THE ACCOUNTING OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MS N MLANGENI)**  
**THE ACCOUNTING OFFICER: VOTE 13: HUMAN SETTLEMENT (MR K MASANGE)**

**MPUMALANGA ECONOMIC GROWTH AGENCY (MEGA): MR TS NOBELA**  
**MPUMALANGA GAMBLING BOARD (MGB): MR B MLAMBO**  
**MPUMALANGA TOURISM AND PARKS AGENCY (MTPA): MS H THRUSH**  
**MPUMALANGA REGIONAL TRAINING TRUST (MRTT): MR ND MOROPANE**

**THE CHIEF DIRECTOR: SUSTAINABLE RESOURCE MANAGEMENT: DEPARTMENT OF FINANCE (MS G MILAZI)**  
**THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE: DEPARTMENT OF FINANCE (MS J BEZUIDENHOUT)**  
**THE CHIEF DIRECTOR: ASSET AND LIABILITIES MANAGEMENT: DEPARTMENT OF FINANCE (MR JB MBATHA)**

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

This circular is issued to request all Provincial Departments and Public Entities to submit their Draft Strategic Risk Assessment reports to the Provincial Treasury on or before 28 February annually and an approved version before 31 March 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 Provincial Management Committee.

Provincial Treasury is mandated as per section 18 (2) (b) of the Public Financial Management Act, No. 1 of 1999, to monitor and assess the implementation of Risk Management within the Province 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 38 (1) (a) (i) and section 51 (1) (a) (i) of Public Finance Management Act (PFMA), No.1 of 1999 whereas Treasury Regulation 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, be it the Provincial Departments and Public Entities 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 of the implementation of the Provincial Risk Management Framework and the adequacy 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.

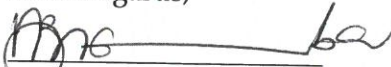
2.3 It will be aimed at enabling and ensuring a common approach to the consolidated top 10 high priority risk areas that may hamper the operations and possibly lead to the deviation from the intended objectives of the Province. This exercise is not therefore aimed at taking over or replacing the responsibilities of the Provincial Departments and

Public Entities on risk management matters, but aimed at strengthening and adding value to service delivery.

**NB\*\*This 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](mailto:FMShitlh@mpg.gov.za) on or before 28 February (Draft Report ) and 31 March (Approved version) annually.**

Your co-operation is appreciated.

Kind Regards,



**MS NZ NKAMBA**

**HEAD OF DEPARTMENT**

**DATE** 23/1/2015