

# MPUMALANGA PROVINCIAL GOVERNMENT

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## Department of Finance *Office of the HOD*

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Litiko LeteTimali	UmNgango weZeemali	Departement van Finansies	Kgoro ya Matlotlo
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Enquiries : Ms FM Shitlhelana x4425  
Ref No : DOF 13/4/4

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### PROVINCIAL TREASURY CIRCULAR NO 41 OF 2013

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#### TO:-ACCOUNTING OFFICERS:-

THE ACCOUNTING OFFICER: VOTE 1: OFFICE OF THE PREMIER (DR N MKHIZE)  
THE ACTING - ACCOUNTING OFFICER: VOTE 2: PROVINCIAL LEGISLATURE (MR JB SILINDA)  
THE ACCOUNTING OFFICER: VOTE 3: FINANCE (MS NZ NKAMBA)  
THE ACCOUNTING OFFICER: VOTE 4: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR D MAHLOBO)  
THE ACCOUNTING OFFICER: VOTE 5: AGRICULTURE, RURAL DEV & LAND ADMINISTRATION (MS NL SITHOLE)  
THE ACCOUNTING OFFICER: VOTE 6: ECONOMIC DEVELOPMENT, ENVIRONMENT & TOURISM (DR V DLAMINI)  
THE ACCOUNTING OFFICER: VOTE 7: EDUCATION (MS MOC MHLABANE)  
THE ACCOUNTING OFFICER: VOTE 8: PUBLIC WORKS, ROADS & TRANSPORT (MR K MOHLASEDI)  
THE ACTING - ACCOUNTING OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY AND LIASON (MR W MTHOMBOTHI)  
THE ACTING - ACCOUNTING OFFICER: VOTE 10: HEALTH (DR JV DHLAMINI)  
THE ACCOUNTING OFFICER: VOTE 11: CULTURE, SPORTS AND RECREATION (MS SP MJWARA)  
THE ACCOUNTING OFFICER: VOTE 12: SOCIAL (MS N MLANGENI)  
THE ACCOUNTING OFFICER: VOTE 13: HUMAN SETTLEMENTS (MR SM MTSWENI)

#### CHIEF EXECUTIVE OFFICERS OF PUBLIC ENTITIES:-

MPUMALANGA ECONOMIC GROWTH AGENCY (MEGA): ADV. B MKHIZE  
MPUMALANGA GAMBLING BOARD (MGB): MR B MLAMBO  
MPUMALANGA TOURISM AND PARKS AGENCY (MTPA): MR BJ MODIPANE  
MPUMALANGA REGIONAL TRAINING TRUST (MRTT): MR ND MOROPANE

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#### **SUBJECT: SUBMISSION OF STRATEGIC RISK ASSESSMENT REPORTS FOR THE 2014/15 FINANCIAL YEAR 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 2014 and an approved version before 31 March 2014 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 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) 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 delegated 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 check list 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 supposed 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 of 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 2014 for the draft and 31 March 2014 for the approved version.

Your co-operation is appreciated.

Kind Regards,

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MS NZ NKAMBA  
HEAD OF DEPARTMENT  
DEPARTMENT OF FINANCE  
DATE: 11/12/2013