



Building No.4, No. 7 Government Boulevard, Riverside Park, Ext 2, Mbombela, 1200
Private Bag X 11205, Mbombela, 1200
Tel: 013 766 4572, Fax: 013 766 4604, Int: +27 (13) 766 4572, Int: +27 13 766 4604

SigcinaMafa SesiFundza

UmNyango weeMali ZesiFunda

Provinsiale Tesourie

Enquiries : Ms FM Shithelana @ Ext: 4425
Ref : DOF/13/4/4

PROVINCIAL TREASURY CIRCULAR NO 61 OF 2015

TO:

THE ACTING ACCOUNTING OFFICER: VOTE 1: OFFICE OF THE PREMIER (MR T MDAKANE)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MS NZ NKAMBA)
THE ACCOUNTING OFFICER: VOTE 4: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR CM CHUNDA)
THE ACCOUNTING OFFICER: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIROMENTAL AFFAIRS (MS SP XULU)
THE ACTING ACCOUNTING OFFICER: VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM (MR JS MGIDI)
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 ACCOUNTING OFFICER: VOTE 11: CULTURE, SPORT AND RECREATION (MR SW MNISI)
THE ACCOUNTING OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MS NL MLANGENI)
THE ACCOUNTING OFFICER: VOTE 13: HUMAN SETTLEMENT (MR K MASANGE)

THE ACCOUNTING AUTHORITY: MPUMALANGA ECONOMIC GROWTH AGENCY: (MR XGS SITHOLE)
THE ACCOUNTING AUTHORITY: MPUMALANGA GAMBLING BOARD: (MR BJ MLAMBO)
THE ACTING ACCOUNTING AUTHORITY: MPUMALANGA TOURISM AND PARKS AGENCY: (MR A SIBYA)
THE ACTING ACCOUNTING AUTHORITY: MPUMALANGA REGIONAL TRAINING TRUST: (MR R OOSTHUIZEN)

THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE: PROVINCIAL TREASURY (MS J BEZUIDENHOUT)
THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT: PROVINCIAL TREASURY (MS E VISSER)
THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT: PROVINCIAL TREASURY (MR MADIKE)

ANNUAL SUBMISSION OF THE RISK ASSESSMENT REPORTS FOR EVALUATION AND CONSOLIDATION

This Circular is issued to request all Provincial Departments and Public Entities to submit their Draft 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 the Public Finance Management Act (PFMA), No.1 of 1999 whereas Treasury Regulation 3.2.1 and 27.2.1 stipulate that the Accounting Officer / Authority 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 the 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 RISK ASSESSMENT REPORTS AND CONSOLIDATION OF THE TOP TEN HIGH PRIORITY RISK 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 / Authorities 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 implemented 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.

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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 28 February 2016 (Draft Report) and 31 March 2016 (Approved version) annually.**

Your co-operation is appreciated.

Kind Regards,



MS NZ NKAMBA
HEAD OFFICIAL: PROVINCIAL TREASURY
DATE: 22/12 /2015