




 Nokuthula Simelane Building, No 7 Government Boulevard, Riverside Park Extension 2, MBOMBELA 1200
 Private Bag x11205, MBOMBELA 1200
 013 766 4437

SigcinaMafa SesiFundza

UmNyango weeMali ZesiFunda

Provinsiale Tesourie

Enquiries : MS. F.M. SHITLHELANA Ext 4425

Ref 13/4/R

PROVINCIAL TREASURY CIRCULAR NO. 15 OF 2026

TO:

**THE DIRECTOR-GENERAL: OFFICE OF THE PREMIER: MS MM SKOSANA
HEADS OF DEPARTMENTS
CEOS OF PUBLIC ENTITIES**

**SUBJECT: SUBMISSION OF STRATEGIC RISK ASSESSMENT REPORTS FOR 2026/27
FINANCIAL YEAR**

1. BACKGROUND

Provincial Treasury is mandated as per section 18 (2) (b) of the Public Finance 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.

This Circular is issued to request all Provincial Departments and Public Entities to submit their draft by 10 March 2026 and approved Risk Assessment Reports by 31 March 2026 annually for evaluation, analysis and and to enable Provincial Treasury to provide Feedback reports respectively. **The evaluation is aimed to monitor the implementation of the Provincial Risk Management Framework to ensure adequacy and effectiveness of the Risk Identification and Assessment Processes in the Province.**

The above mentioned Section also includes the responsibility by Provincial Treasury to assist the Provincial Departments and Public Entities in building capacity for efficient, effective and transparent financial management hence the **evaluation of the effectiveness and functionality of the Risk Management Committee, which include monitoring progress on implementation of the mitigating strategies to address the identified risks.**

Provincial Treasury is hereby requesting Departments and Public Entities to submit the **quarterly progress reports on implementation of mitigating strategies for both Strategic and Operational risks** to monitor and satisfy itself with the progress made by the Provincial Departments and Public Entities and for the purpose of updating the significant risks profile of the Province.

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

The general responsibilities of the Accounting Officer with regard to the risk management processes 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 Identification and Assessment is conducted regularly.

Treasury Regulations 27.2.1 in terms of the Public Entities stipulates that the Accounting Authority must ensure that a Risk Assessment is conducted regularly so as to identify emerging risks of the Public Entity.

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 V Report and the Framework on Committee of Sponsoring Organizations of the Treadway Commission (COSO), both of which are aimed at enhancing good corporate governance.

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

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 Identification and Assessment Processes. The Risk Assessment reports will be evaluated using the checklist and feedback reports will be issued to Accounting Officers with recommendations and interventions in order to improve the Risk Identification and Assessment Processes for implementation prior to approval of the reports.

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 effectively, efficiently and economically.

4. THE PROCEDURE FOR MONITORING AND ANALYZING PROGRESS MADE ON IMPLEMENTATION OF MITIGATING STRATEGIES TO ADDRESS THE IDENTIFIED RISKS

The submitted progress reports will be analysed to identify improvement made, short comings and compile a report on gaps identified.

The report will be then issued to the relevant Accounting Officer with recommendations for implementation to improve governance.

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 FMShith@mpg.gov.za, rngomane@mpg.gov.za and Cc mngunimm@mpg.gov.za on **10 March 2026 (draft version)** and **31 March 2026 (Approved version)** annually in order to enable the Chief Audit Executives (Internal Audit Function) sufficient time to compile a risk-based audit plans.

Your co-operation is appreciated.



MS. GUGU MASHITENG
HEAD OF DEPARTMENT
DATE: 26-02-2026