



PROVINCIAL TREASURY CIRCULAR NO. 6 OF 2023

TO:

**THE DIRECTOR-GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA:
MR M MAMPURU**

HEADS OF DEPARTMENTS

CEOS OF PUBLIC ENTITIES

CFOS OF DEPARTMENTS AND PUBLIC ENTITIES

CAES OF DEPARTMENTS AND PUBLIC ENTITIES

**THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT
THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT
THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE**

**MINIMUM STANDARDS FOR THE RISK MANAGEMENT COMMITTEE MEETINGS
AGENDA ITEMS**

The Provincial Treasury is mandated in terms of Section 18(2) of the Public Finance Management Act, No. 1 of 1999, to monitor, assess and enforce Provincial Norms and Standards. The aforesaid Section includes the responsibility by the Provincial Treasury to assist Provincial Departments and Public Entities in building capacity for efficient, effective and transparent financial management hence the evaluation of the effectiveness of the Risk Management Committees.

Section 38 and 51 of the Public Finance Management Act, No.1 of 1999, requires that the Accounting Officer must ensure that the Department / Public Entities has and maintains effective, efficient and transparent systems of financial, risk management and internal control.

It is against this background that the Accounting Officer / Authority must establish the Risk Management Committee, which is responsible to formulate, promote and review the institution's Enterprise Risk Management (ERM) objectives, strategy and policy and monitor the process at strategic, management and operational levels.

This Circular is issued to guide Risk Management Committees in Provincial Departments and Public Entities on standard minimum agenda items that must be discussed in the Risk Management Committee meetings to maximize the value created through Risk Management practices. The Risk Management Committee agenda must include but is not limited to the following:

- a) Progress on Key Significant Risks
- b) Emerging Risks for Consideration by the Committee and progress
- c) Progress Fraud Related Risks
- d) Information and Technology Risks
- e) Progress on key audit findings and recurring findings



- f) Progress on implementation of Provincial Treasury's Recommendations
- g) Incident and Accident Report
- h) Occupational Health and Safety Report
- i) Insurance Report
- j) Legal and Compliance Report
- k) Ethics Management Report
- l) Fraud and Whistle blowing incidents
- m) Business Continuity and Disaster Recovery
- n) Detailed Risk management Report including the progress on Risk Implementation Plan
- o) Assurance Provider's Report
- p) Matters to be referred to Accounting Officer and Executive Authority.

This circular will come into effect as from 1 April 2023 and therefore Provincial Treasury is hereby requesting Departments and Public Entities to include these items for discussion during their Risk management Committees.

NB**This Circular should be brought to the attention of all the Chief Risk Officers and Risk Officers within the Institution.

Your co-operation is appreciated.

Kind Regards,

MS GUGU MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: 28/02/2023

