

THULAMELA MUNICIPALITY



RISK MANAGEMENT IMPLEMENTATION PLAN

2022/2023

TABLE OF CONTENTS

1. MANDATE AND PURPOSE.....	3
2. OBJECTIVE.....	3
3. APPROACH.....	3
4. ROLES AND RESPONSIBILITIES OF THE CHIEF RISK OFFICER.....	3
5. DETAILED RISK MANAGEMENT IMPLEMENTATION PLAN.....	4
6. PERFORMANCE EVALUATION.....	9
7. REVIEW OF THE PLAN.....	9
8. APPROVAL OF THE PLAN.....	9

1. MANDATE AND PURPOSE

Thulamela Municipality has established a risk management unit, in the Office of the Municipal Manager, in accordance with section 62 (1) (c) of the Municipal Finance Management Act (MFMA) of 2003 which requires that the Accounting Officer of the Municipality ensures that the municipality / entity has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

This document, aligned to the National Treasury Risk Management Framework, sets out the annual risk management implementation plan for the municipality.

2. OBJECTIVE

The primary objective of risk management implementation plan is to facilitate the execution of risk management. The risk management implementation plan for the municipality was prepared to give effect to the implementation of the risk management policy and strategy and sets out all risk management activities planned for the 2021/2022 financial year.

3. APPROACH

The development of the risk management implementation plan has taken into consideration the approved risk management policy, the risk management strategy, available resources, urgency, quick wins and sustainability.

Within the risk management framework, risk prioritisation provides the link between risk assessment and risk control. Risks assessed as key risks will be introduced and managed within the control major-process.

Depending on the results of the risk analysis performed, risks will be prioritised for the municipality and per component.

The prioritised risks will inform both the scope of the audit committee and risk management committee. Both these support structures will primarily focus on the risks assessed as high, medium and low successively.

4. ROLES AND RESPONSIBILITIES OF THE CHIEF RISK OFFICER

- 4.1 Develop risk management implementation plan of the municipality;
- 4.2 Works with senior management to develop the overall enterprise risk management policy as well as strategy which will include risk appetite and tolerance levels for approval by the Accounting Officer;
- 4.3 Communicates the risk management policy, strategy and implementation plan to all stakeholders in the municipality by placing these documents on the municipal website and conducting awareness campaigns;

- 4.4 Continuously driving the risk management process towards best practice;
- 4.5 Implementing a common risk assessment methodology that is aligned with the municipality's objectives at strategic, tactical and operational levels for approval by the Accounting Officer;
- 4.6 Coordinating risk assessments within the Municipality/ component / sub-component as outlined in the policy;
- 4.7 Sensitising management timeously of the need to perform risk assessments for all major changes, capital expenditure, projects, Municipality's restructuring and similar events, and assist to ensure that the attendant processes, particularly reporting, are completed efficiently and timeously
- 4.8 Assisting management in developing and implementing risk responses for each identified material risk;
- 4.9 Participating in the development of the combined assurance plan for the institution, together with internal audit and management;
- 4.10 Ensuring effective information systems exist to facilitate overall risk management improvement within the institution;
- 4.11 Collates and consolidates the results of the various assessments within the institution,
- 4.12 Analyse the results of the assessment process to identify trends, within the risk and control profile, and develop the necessary high level control interventions to manage these trends;
- 4.13 Compiles the necessary reports to the Risk Management Committee;
- 4.14 Providing input into the development and subsequent review of the fraud prevention strategy, business continuity plans occupational health, safety and environmental policies and practices and disaster management plans; and
- 4.15 Report administratively to Accounting Officer and functionally to Risk Management Committee.
- 4.16 Assisting management in developing and implementing Business Continuity Planning and management.

5. DETAILED RISK MANAGEMENT IMPLEMENTATION PLAN

The detailed risk management plan is included below:

No.	Planned Action	Detailed Actions	Output	Responsible person and Time frame	Progress to date
1.	Develop or review a risk management policy	Risk Management Committee (RMC) to review the policy and recommend to the Audit Committee.	Approved risk management policy	Chief Risk Officer 30/06/2023	
2.	Develop or review an anti-fraud corruption policy	Risk Management Committee (RMC) to review the policy and recommend to the Audit Committee.	Approved anti-fraud corruption policy	Chief Risk Officer 30/06/2023	
3.	Develop or review a whistle blowing policy	Risk Management Committee (RMC) to review the policy and recommend to the Audit Committee.	Approved whistle blowing policy	Chief Risk Officer 30/06/2023	
4.	Develop or review an anti-fraud and corruption strategy	Risk Management Committee (RMC) to review the strategy and recommend to the Audit Committee.	Approved anti-fraud and corruption strategy	Chief Risk Officer 30/06/2023	
5.	Develop or review a fraud prevention plan	Risk Management Committee (RMC) to review the plan and recommend to the Audit Committee.	Approved fraud prevention plan	Chief Risk Officer 30/06/2023	
6.	Develop or review a risk management plan.	Risk Management Committee (RMC) to review the plan and recommend to the Audit Committee.	Approved risk management plan.	Chief Risk Officer 30/06/2023	
7.	Develop or review a risk management strategy	Develop guidelines on roles and responsibilities for risk management. (RMC) to review the strategy and recommend the Audit Committee.	Approved risk management strategy	Chief Risk Officer 30/06/2023	

No.	Planned Action	Detailed Actions	Output	Responsible person and Time frame	Progress to date
8.	Develop or review a risk management committee charter	Develop guidelines on roles and responsibilities for risk management committee to the Audit Committee.	Approved risk management committee charter	Chief Risk Officer 30/06/2023	
9.	Structures and responsibilities	The RO to review the risk management structure and present it to the RMC for review and recommendation for approval by the Accounting Officer / Authority	Structure reviewed and approved as required. Formal delegation of responsibilities to existing personnel (via appointment letters and performance agreements) and structures (via charters)	Council 30/06/2023	
10.	Publication of Risk Management Policies / Strategies	Publicize the policy / strategy on the website	Communicated risk management policy / strategy to officials in the municipality.	Chief Risk Officer Three months after approval of documents	
11.	Raising awareness and risk management training	Develop and formalise detailed training programme / plan for all officials directly involved in risk management.	Completed orientation for all officials. All new employees orientated on risk management. Make presentations on risk management at management forums and IDP forums.	Chief Risk Officer As per the approved schedule	

No.	Planned Action	Detailed Actions	Output	Responsible person and Time frame	Progress to date
12.	Terms of reference for the Risk Management Committee	Review existing RMC's Terms of Reference and align to the RM strategy	Approved Risk Management Committee Charter	Chief Risk Officer 30/06/2023	
13.	Develop or review risk management methodologies and processes	Development of a risk assessment protocol which includes risk quantification and risk rating. Conduct research and benchmark with latest developments in RM (best practice)	Approved risk assessment methodologies and processes in the Risk Management Strategy	Chief Risk Officer 30/06/2023	
14.	Facilitate enterprise-wide risk assessments	Information gathering	Approved strategic risk register	Chief Risk Officer 31/05/2023	
		Facilitate risk identification and assessment sessions.	Approved departmental operational risk registers	Chief Risk Officer 31/05/2023	
		Analyse information and develop risk assessment reports	Approved projects' risk register	Chief Risk Officer 31/05/2023	
			Approved fraud and ethics risk register	Chief Risk Officer 31/05/2023	
			Approved Information Technology risk register	Chief Risk Officer 31/05/2023	
15.	Assist risk owners with the development of risk response strategies	Drafting actions plans for all gaps identified in addressing the top risks.	Action plans implemented per agreed milestones	Risk Owners As per the action plan in the risk registers	
		Drafting of individual key risk indicators for the top 10 risks	Analysis report of key risk indicators per agreed frequency	Chief Risk Officer Quarterly	

No.	Planned Action	Detailed Actions	Output	Responsible person and Time frame	Progress to date
16.	Assess risks controls effectiveness	Assign assurance providers to assess the controls of medium and low risks identified (monitored risk)	Combined assurance plan Report on the risks' controls.	Internal Audit Quarterly	
17.	Ensure risk management processes and methodologies are reviewed independently	Audit of risk management effectiveness	Performance audit report Status report on risk management implementation	Internal / External Audits Annually	
18.	Facilitate the execution of ERM processes and infrastructure	Implement appropriate risk reporting to the Senior Management, Accounting Officer, RMC, and Audit Committee.	Approved progress reports: present progress reports to various stakeholders at various intervals.	Chief Risk Officer Quarterly	
19.	Coordination of RMC meetings.	Prepare meeting packs and send out invitations	Invitation, Agenda and Minutes of the RMC	Chief Risk Officer Quarterly	
20.	Reporting to RMC and Audit Committee.	Prepare reports and present them to the RMC and Audit Committee.	Risk Management Reports	Chief Risk Officer Quarterly	
21.	Manage and oversee the security function in the municipality.	Prepare plans for the division and monitor implementation of service level agreements.	Roosters, projects' certificates, and occurrence books.	Chief Risk Officer Monthly	
22.	Support ICT on the municipal Business Continuity Planning.	Participate in the approved Business Continuity Plan.	Business Continuity Plan.	Chief Risk Officer Monthly	
23.	Support the combined assurance model	Participate in the approved combined assurance model.	Combined assurance strategy	Chief Risk Officer Monthly	

6. PERFORMAMCE EVALUATION

The Risk Management Committee will not annually undertake assessment of the Chief Risk Officer's performance. The assessment process is currently not regulated by SALGA and the bargaining council. Performance Management System at Thulamela has not been cascaded to levels below Municipal Manager and Senior Managers.

7. REVIEW OF THE PLAN

The Risk Management Committee will annually review the plan to ensure that it remains relevant with the Committee's purpose, authority, objectives, and responsibilities. All changes or amendments to the plan will be discussed and approved by the Accounting Officer.

8. APPROVAL OF THE PLAN

THIS PLAN HAS BEEN REVIEWED AND IS RECOMMENDED FOR APPROVAL BY CHIEF RISK OFFICER:

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DAVHANA LG

CHIEF RISK OFFICER

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DATE

RECOMMENDED FOR APPROVAL BY THE RISK MANAGEMENT COMMITTEE CHAIRPERSON

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CHAIRPERSON: RISK MANAGEMENT COMMITTEE

DATE

APPROVAL BY THE ACCOUNTING OFFICER

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MAKUMULE MT

ACTING MUNICIPAL MANAGER

.....

DATE