

**PORTFOLIO COMMITTEE :  
MANAGEMENT SERVICES**

**Chairperson :**

**Ald P Appelgrein**

**Committee Members :**

**Cllrs J Kloppers-Lourens, M Andrews,  
M Sapepa & C Mandindi**

**PORTEFEULJEKOMITEE :**

**BESTUURSDIENSTE**

**Voorsitter :**

**Rdh P Appelgrein**

**Komiteelede :**

**Rdle J Kloppers-Lourens, M Andrews,  
M Sapepa & C Mandindi**

**MANAGEMENT SERVICES PORTFOLIO COMMITTEE**

**BESTUURSDIENSTE PORTEFEULJEKOMITEE**

**17 MAY 2016**

**I N D E X**

**ITEM**

**PAGE  
NUMBER**

**APPLICATIONS FOR LEAVE OF ABSENCE**

**STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE  
CHAIRPERSON**

- |           |  |           |
|-----------|--|-----------|
| <b>1.</b> | <b>APPROVAL OF RISK MANAGEMENT IMPLEMENTATION PLAN</b> | <b>1</b>  |
| <b>2.</b> | <b>DRAFT PUBLIC PARTICIPATION POLICY</b>               | <b>13</b> |

**AGENDA of the  
Portfolio Committee : Management Services  
17 May 2016  
(Also the agenda for the Mayoral Committee Meeting : 25 May 2016)**

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**1.  
APPROVAL OF RISK MANAGEMENT IMPLEMENTATION PLAN**

**2/B**

**A Riddles**

**(028) 313 8001**

**Corporate Head Office**

**19 APRIL 2016**

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**1. Executive Summary**

To obtain Council's approval for the Risk Management Implementation Plan for 2015/2016

**2. Service Delivery and Budget Implementation Plan - IGNITE**

Directorate: Management Services

**3. Compliance with Strategic Priority**

Provision of democratic, accountable and ethical governance

**4. Delegated Authority**

None

**5. Legal Requirements**

None. "Based on Best Practice"

**6. Background/Discussion/Evaluation/Conclusion**

**Background**

In terms of the Risk Management Strategy the municipality must develop an implementation plan that must be approved by the Municipal Manager and Council.

A combined implementation plan was developed for the Overberg Risk Management Shared Services, which includes the implementation activities of the Overstrand Municipality. The implementation plan was approved by all the Municipal Managers at DCFTech on the 26 February 2016.

The implementation plan was discussed at the Risk Management Committee meeting held on 15 April 2016 and was recommended to Council for final approval.

**AGENDA of the  
Portfolio Committee : Management Services  
17 May 2016  
(Also the agenda for the Mayoral Committee Meeting : 25 May 2016)**

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**7. Financial Implications**

None

**8. Staff Implications**

None

**9. Comments from other Departments, Divisions and Administrations**

None

**10. Annexures**

Annexure A: Risk Management Implementation Plan

**RECOMMENDATION TO THE COUNCIL:**

that the Risk Management Implementation Plan for 2015/2016, **be approved.**

**RESPONSIBLE OFFICIAL :**

**A RIDDLES**

**TARGET DATE FOR IMPLEMENTATION :**

**MAY 2016**





**Theewaterskloof**  
Municipality



+27(0)28 313 8000



**Overberg District Municipality**



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# OVERBERG DISTRICT RISK IMPLEMENTATION PLAN 2015-2016

COMPILED BY: CHIEF RISK OFFICER (SHARED SERVICES)

RISK MANAGEMENT AND IMPLEMENTATION PLAN 2015-2016

RISK MANAGEMENT IMPLEMENTATION PLAN  
2015-2016

SHARED SERVICES

## 1. PURPOSE OF THIS DOCUMENT

This document sets out the annual risk management implementation plan. To illustrate the importance of this document it must be underlined that this Risk Management Implementation Plan was compiled in adherence to the guidelines of National Treasury and in support of good governance principles.

## 2. INTRODUCTION

The Risk Management Implementation Plan forms part of the Risk Management Framework (Strategy) and describes how the Strategy is to be implemented during the 2015/2016 financial year.

The Risk Management function in the Overberg District operates under a Shared Services Charter. The primary goal of this agreement is to provide standardized competitive integration between people, processes and technology with the aim of continuously improving risk management services.

The municipalities that receive the benefit of this Shared Services Charter are:

- Overberg District Municipality
- Cape Agulhas Municipality
- Theewaterskloof Municipality
- Overstrand Municipality
- Swellendam Municipality

## 3. OBJECTIVE

The Risk Management Implementation plan for the Overberg District was prepared to give effect to the implementation of the Risk Management Framework of each of the municipalities within the district and sets out all the risk management activities planned for the 2015/2016 financial year.

## 4. APPROACH

With the development and compilation of the Risk Management Implementation Plan, the following was taken into consideration:

- The Risk Management Strategies within the Overberg District
- The Risk Management Policies within the Overberg District
- The Fraud Prevention Policies & Plans within the Overberg District
- Available Resources

## 5. DETAILED RISK MANAGEMENT IMPLEMENTATION PLAN

The detailed Risk Management plan is included below:

### RISK MANAGEMENT AND IMPLEMENTATION PLAN 2015-2016

**RISK MANAGEMENT AND IMPLEMENTATION PLAN 2015-2016**

<b>FIRST QUARTER</b>				
<b>No</b>	<b>Objective / Outcome</b>	<b>Action Plans</b>	<b>Due Date</b>	<b>Responsible Person/s</b>
1.	Appointment of Chief Risk Officer (CRO)	1. Appointed on 11 August 2015	11 August 2015	Shared Services Implementation Team
2.	Office setup and Institutional Arrangements	1. Based at Overberg District Municipality (ODM) Head-Office in Bredasdorp  2. Office Equipment, Printing and Stationary in Shared Services Offices is assets registered under ODM  3. The laptops and all IT related hardware and Software is assets registered under ODM  4. The ODM's Human Resource Department was responsible for overall induction and Institutional arrangements	August 2015	ODM's Asset - , IT - & HR divisions
3.	Meeting with Shared Services Implementation Team	1. SLA Agreement - Focus on Finalisation of Annexure A 2. Monthly Billing - Costs of Shared Service for each Municipality  3. Performance Expectations for CRO  4. Prioritising of Service - Key focus on Overstrand Municipality  5. Risk Management Software Solution - Different Procurement Options  6. Support from Cape Agulhas Municipality (CAM) - Availing a student to be utilised by Shared Services  7. Status reports on current documents, processes and protocol  8. Training - different training options for CRO	September 2015	Shared Services Implementation Team

<b>SECOND QUARTER</b>				
<b>No</b>	<b>Objective / Outcome</b>	<b>Action Plans</b>	<b>Due Date</b>	<b>Responsible Person/s</b>
4.	The CRO - Getting Acquainted with all Role-Players at each Municipality	<ol style="list-style-type: none"> <li>1. Introduction and Short Meetings with Municipal Managers and Top Management</li> <li>2. Attendance and Introductions at Risk Management Committee Meetings (FARMCO), Audit and Audit Performance Committee, Special Council Meetings / workshops etc.</li> <li>3. Presentations and future predictions if required.</li> </ol>	From October 2015 till December 2015	Chief Risk Officer
5.	Setting out a work-program for students / interns	<ol style="list-style-type: none"> <li>1. ODM has assigned one Intern till end-of-April 2016; Overstrand Municipality has assigned one Intern till June 2016 and CAM has assigned one Student till June 2016</li> <li>2. Each of them had to complete National Treasury's certified online Risk Assessment modules</li> <li>3. Do their own comparisons and evaluations between selected risk management strategies and - policies in Local Government</li> <li>4. Will receive direct instructions from CRO concerning various risk management functions throughout their duration in this unit</li> </ol>	October 2015	Chief Risk Officer
6.	Workshop of SLA Agreement - Annexure A	<ol style="list-style-type: none"> <li>1. Workshop to Complete Annexure A.</li> <li>2. Focus on - Service Offering, Service and Response Times, Availability requirements, Quality Measures and Reporting requirements</li> </ol>	October 2015	Shared Services Implementation Team
7.	Presenting SLA and Ignite Software Proposal at DCFTech	<ol style="list-style-type: none"> <li>1. SLA as finalised per Workshop</li> <li>2. Ignite Software Proposal - As an Extension on the Swellendam Municipality contract with Ignite</li> <li>3. CRO informed that Status Report shall be standing item on DCFTech</li> </ol>	November 2015	CRO/ District Coordinating Forum - Technical (DCFTech)

No	Objective / Outcome	Action Plans	Due Date	Responsible Person/s
8.	Transition from Microsoft Excel to Ignite Risk Software (Swellendam Municipality was already using the Ignite Risk Software)	<ol style="list-style-type: none"> <li>1. Loading risk assist model on each of the municipality's action assist profiles</li> <li>2. Provide Ignite Technicians with user access details and access control parameters plus system setup for each of the municipality</li> <li>3. Training / workshop at ODM, CAM, Overstrand &amp; Theewaterskloof (2.5 hours per workshop)</li> </ol>	November 2015	CRO / Ignite Technician / Risk Management Interns
9.	Performance Contract of CRO	<ol style="list-style-type: none"> <li>1. Performance Contract was compiled by ODM's performance division</li> <li>2. Key Performance Areas: a) Report Quarterly to Risk Committee's b) Annually review risk management policies c) Coordinate Risk Assessments d) Report Quarterly to the DCF Tech e) Continuous risk assessments and reporting</li> </ol>	November 2015	CRO / ODM's Performance Division
10.	Progress reports presented at DCF and DCF Tech	<ol style="list-style-type: none"> <li>1. Quarterly progress / status reports presented</li> </ol>	November 2015	CRO / Shared Services Chairman / DCF / DCF Tech
11.	MGRO Validation Visit	<ol style="list-style-type: none"> <li>1. Preparation and delivering on requests of provincial government's delegates with regards to MGRO processes for Risk Management</li> </ol>	December 2015	CRO / Provincial Government Officials
12.	Meeting with Shared Services Implementation Team	<ol style="list-style-type: none"> <li>1. Feedback on previous minutes. Resolutions that were implemented.</li> <li>2. Progress Reports (CRO and Shared Services Charter)</li> <li>3. New Business Matters</li> <li>4. Agenda and Minutes of these quarterly meetings are recorded in detail</li> </ol>	December 2015	Shared Services Implementation Team

No	Objective / Outcome	Action Plans	Due Date	Responsible Person/s
13.	Development of risk management Implementation Plan	<ol style="list-style-type: none"> <li>1. Draft Implementation Plan for 2015/2016</li> <li>2. Present the draft to Shared Services Implementation Team (SSIT) for their perusal</li> <li>3. Upon recommendation of SSIT table this document for approval by the DCFTech</li> </ol>	December 2015	CRO / Shared Services Implementation Team / DCF / DCFTech
14.	Load existing risk registers onto the Ignite Risk Software	<ol style="list-style-type: none"> <li>1. The current risk registers of each municipality within the district captured on Ignite's Risk Assist Module</li> </ol>	December 2015	CRO / Risk Management Interns

<b>THIRD QUARTER</b>				
15.	Present the risk management Implementation Plan	<ol style="list-style-type: none"> <li>1. This document must be signed by DCFTech</li> <li>2. Signing of the pledge by the Municipal Managers as a commitment to support the risk management activities</li> <li>3. The Signed Implementation Plan must be circulated to all risk officials to plan accordingly</li> </ol>	January 2016	CRO / DCFTech
16.	Compile a uniform Enterprise risk management (ERM) framework for 2016/2017	<ol style="list-style-type: none"> <li>1. This document must be signed by DCFTech</li> <li>2. The most important components of the framework are the mission, objectives and risk management processes that need to be followed</li> <li>3. The framework (Strategy) will also illustrate in detail the following: Legal Mandate, Policy, Structures and Responsibilities, Coaching and Training, ERM Process, ERM Information System, ERM Reporting, ERM Methodologies, Internal Controls, Monitoring and Reviews</li> </ol>	January 2016	CRO / DCFTech
17.	Formulation of Standards and Risk Management Methodology	<ol style="list-style-type: none"> <li>1. Investigate risk management best practices and develop/update risk management procedures</li> <li>2. Develop criteria to be used to evaluate impact and likelihood and update policy document</li> </ol>	January 2016	Chief Risk Officer

No	Objective / Outcome	Action Plans	Due Date	Responsible Person/s
18.	Review all strategies and policies for 2016/2017 according to the approved ERM Framework	<ol style="list-style-type: none"> <li>1. Each Municipality within the district has up-until-now had their own strategy and policy</li> <li>2. One of the objectives of Shared Services is to uniform and benchmark best practice solution throughout the district</li> <li>3. Each municipality will conform to the structure of the newly approved ERM Framework but still customise the detail of their operations to their available resources and needs</li> </ol>	January 2016	Chief Risk Officer
19.	Present draft reviewed risk management strategy and - policy for 2016/2017	<ol style="list-style-type: none"> <li>1. The draft risk management strategy and - policy (Includes Policy Statement) for each municipality are presented</li> <li>2. Each municipality must table these documents at their first Risk Management Committee Meetings</li> <li>3. Upon recommendation of the Risk Committee the documents may then be tabled at Council for final Approval.</li> </ol>	January 2016	Chief Risk Officer
20.	Review of all existing risks identified that includes ratings and assessment of all risks	<ol style="list-style-type: none"> <li>1. Complete Operational Risk Assessment Review for all municipalities within the district</li> <li>2. One-on-One Group Sessions as well as workshops with all role-players</li> <li>3. Each Session may take approximately 2 hours per division and will be adapted if needed</li> <li>4. Ensuring that all role-players understand their role and responsibilities with regards to the identification, rating and mitigation of risk (Action Plans)</li> <li>5. Through these Sessions also highlight strategic risks that has been identified as operational or vice versa</li> </ol>	<u>ODM:</u> 01 February 2016 & 02 February 2016 <u>TWK:</u> 04 February 2016 & 05 February 2016 <u>OVERSTRAND:</u> 15 February 2016 - 17 February 2016 <u>SWELLENDAM:</u> 18 February 2016 - 19 February 2016 <u>CAM:</u> 24 February 2016 - 26 February 2016	CRO / Risk Management Interns / Risk Champions

No	Objective / Outcome	Action Plans	Due Date	Responsible Person/s
21.	Identification of Strategic and Project Risks (Can also give attention to emerging risks)	<ol style="list-style-type: none"> <li>1. Strategic Risk Analysis workshop</li> <li>2. This strategic session is with Council and Top Management</li> <li>3. Each Session may take approximately 2 to 3 hours per Council per Municipality</li> <li>4. Compilation of action plans to mitigate unacceptable and strategic risks for 2016/2017</li> <li>5. Through these Sessions also highlight operational risks that has been identified as strategic or vice versa</li> </ol>	<u>ODM:</u> 03 February 2016 <u>TWK:</u> 08 February 2016 <u>SWELLENDAM:</u> 10 February 2016 <u>OVERSTRAND:</u> 17 February 2016 <u>CAM:</u> 23 February 2016	CRO / Top Management / Council
22.	IDP and Budget Processes	<ol style="list-style-type: none"> <li>1. Integration of risk management processes and key risks with the IDP and budget</li> </ol>	February 2016	Chief Risk Officer
23.	Compilation of a Consolidated Risk Register	<ol style="list-style-type: none"> <li>1. Preparation of a consolidated risk register for municipalities in order to benchmark and identify best practices</li> </ol>	March 2016	Chief Risk Officer
24.	Meeting with Shared Services Implementation Team	<ol style="list-style-type: none"> <li>1. Feedback on previous minutes. Resolutions that were implemented.</li> <li>2. Progress Reports (CRO and Shared Services Charter)</li> <li>3. New Business Matters</li> <li>4. Risk Assessment Review</li> </ol>	March 2016	Shared Services Implementation Team
25.	Present Finalised Risk Registers to Risk Management Committee's	<ol style="list-style-type: none"> <li>1. The reviewed risk assessment will produce final risk registers for 2016/2017</li> <li>2. These risk registers will be tabled at each Risk Committee for their cognizance</li> </ol>	March 2016	CRO / Risk Management Committees (FARMCO)
26.	Progress reports DCF & DCFTech	<ol style="list-style-type: none"> <li>1. Quarterly progress / status reports presented</li> </ol>	March 2016	CRO / DCF / DCFTech
<b>FOURTH QUARTER</b>				
27.	Provide 2016/2017 Risk Registers to Internal Auditors for Audit Plan	<ol style="list-style-type: none"> <li>1. Audit Plan is directly linked to the updated risk registers</li> <li>2. Internal Audit must also evaluate the Effectiveness of risk management processes</li> <li>3. This is an annual process between Internal Audit and Risk Management</li> </ol>	April 2016	CRO / Internal Auditors
28.	Annual Report to Council	<ol style="list-style-type: none"> <li>1. One progress report will be generated from the CRO to each Council within the District</li> <li>2. The report will outline the critical risk areas separately for each municipality</li> </ol>	April 2016	Chief Risk Officer

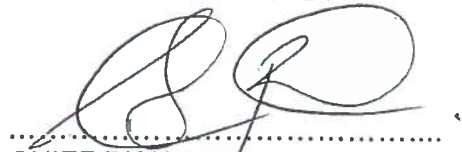
29.	Meeting with Shared Services Implementation Team	1. Feedback on previous minutes. Resolutions that were implemented. 2. Progress Reports (CRO and Shared Services Charter) 3. New Business Matters 4. Risk Assessment Review	May 2016	Shared Services Implementation Team
30.	Final Risk Management Committee meetings	1. Progress Reports and presentations 2. Review Risk management processes with Risk Register	May 2016 / June 2016	CRO / Risk Management Committees (FARMCO)
31.	Progress reports DCF and DCFTech	1. Quarterly progress / status reports presented	May 2016 / June 2016	CRO / Shared Services Chairman / DCF / DCFTech

<b>CONTINUOUS OPERATIONS</b>				
32.	Monitoring and Evaluation 2015/2016	1. Support of internal structures to determine responsibilities 2. Provide Assurance on the risk management processes 3. Monitoring of critical risks and its impact 4. Evaluate risk ratings and tolerance levels and give best practice recommendations to Risk Management Committee's 5. Training, Risk awareness culture, effective communication from risk owners to oversight committee's 6. Monitoring of Control Effectiveness and Mitigating Action Plans 7. Continuous risk assessment and reporting 8. Liaison with municipalities 9. Monitoring of risk management processes 10. Maintenance of Risk Registers 11. Facilitate the meetings and procedures regarding risk committees 12. Advisory regarding risk management to municipalities 13. Support to Internal Audit units regarding risk management 14. Maintenance of a loss control system and procedures	Ongoing Support Quarterly Monthly Quarterly Daily Monthly Monthly On request Monthly Monthly Quarterly On request According to Risk Based Audit Plan Quarterly	Chief Risk Officer

6. REVIEW OF THE RISK MANAGEMENT IMPLEMENTATION PLAN

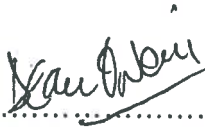
The Risk Management Implementation Plan will be reviewed annually.

7. RECOMMENDED BY:



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CHIEF RISK OFFICER – (SHARED SERVICES)


8. APPROVED BY DCFTech:



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MUNICIPAL MANAGER  
CAPE AGULHAS MUNICIPALITY



.....  
MUNICIPAL MANAGER  
THEEWATERSKLOOF MUNICIPALITY



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MUNICIPAL MANAGER  
OVERSTRAND MUNICIPALITY



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MUNICIPAL MANAGER  
SWELLENDAM MUNICIPALITY



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MUNICIPAL MANAGER  
OVERBERG DISTRICT MUNICIPALITY

26.2.2016

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DATE SIGNED