

**PORTFOLIO COMMITTEE :**

**MANAGEMENT SERVICES**

**Chairperson :**

**Cllr R de Coning**

**Committee Members :**

**Ald M Sapepa, Cllrs J Kloppers-Lourens,  
M Opperman & N Nqinata**

**PORTEFEULJEKOMITEE :**

**BESTUURSDIENSTE**

**Voorsitter :**

**Rdl R de Coning**

**Komiteelede :**

**Rdh M Sapepa, Rdle J Kloppers-Lourens,  
M Opperman & N Nqinata**

**MANAGEMENT SERVICES PORTFOLIO COMMITTEE**

**BESTUURSDIENSTE PORTEFEULJEKOMITEE**

**22 August 2017**

**I N D E X**

**ITEM**

**PAGE  
NUMBER**

**APPLICATIONS FOR LEAVE OF ABSENCE**

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

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**AGENDA of the  
Portfolio Committee : Management Services  
22 August 2017  
(Also the agenda for the Mayoral Committee Meeting : 30 August 2017)**

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**1.  
RISK MANAGEMENT IMPLEMENTATION PLAN 2017/2018**

**2/B**

**A Riddles**

**(028) 313 5044**

**Corporate Head Office**

**24 July 2017**

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**1. Executive Summary**

To obtain Council's approval for the Risk Management Implementation Plan for 2017/2018.

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

Directorate: Management Services  
Risk Management Unit

**3. Compliance with Strategic Priority**

Provision of democratic, accountable and ethical governance

**4. Delegated Authority**

None

**5. Legal Requirements**

None

**6. Background**

In terms of the Risk Management Strategy for 2017/2018, 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 Centre, which includes the implementation activities of Overstrand Municipality. The implementation plan was approved by all the Municipal Managers of the DCFTech on 9 June 2017.

The implementation plan was discussed at the Risk Management Committee meeting held on 23 June 2017 and was recommended to Council for final approval.

**AGENDA of the  
Portfolio Committee : Management Services  
22 August 2017  
(Also the agenda for the Mayoral Committee Meeting : 30 August 2017)**

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**7. Financial Implications**

No additional financial implications. The implementation will be funded from the budget of the Overberg Risk Management Shared Services Centre and operational budgets of municipal departments.

**8. Staff Implications**

None

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

None

**10. Annexures**

Annexure A: Overberg District Risk Management Implementation Plan  
2017/2018

**RECOMMENDATION TO THE COUNCIL:**

that the Overberg District Risk Management Implementation Plan for 2017/2018  
**be approved.**

**RESPONSIBLE OFFICIAL :**

**A RIDDLES**

**TARGET DATE FOR IMPLEMENTATION :**

**31 AUGUST 2017**

**AGENDA of the  
Portfolio Committee : Management Services  
22 August 2017  
(Also the agenda for the Mayoral Committee Meeting : 30 August 2017)**

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**1.  
RISK MANAGEMENT IMPLEMENTATION PLAN 2017/2018**

**2/B  
A Riddles  
24 July 2017**

**(028) 313 5044**

**Corporate Head Office**

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**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON  
22 AUGUST 2017, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

**RECOMMENDATION TO THE COUNCIL:**

that the Overberg District Risk Management Implementation Plan for 2017/2018 **be approved.**

**RESPONSIBLE OFFICIAL :** **A RIDDLES**

**TARGET DATE FOR IMPLEMENTATION :** **31 AUGUST 2017**



Overberg District Municipality



# Overberg Risk Management Shared Services Centre

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CAPE AGULHAS MUNICIPALITY  
U MANTLA WASEKAP AGULHAS

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**OVERBERG DISTRICT  
RISK MANAGEMENT IMPLEMENTATION PLAN  
2017-2018**

**COMPILED BY: CHIEF RISK OFFICER (SHARED SERVICES)**

## **RISK MANAGEMENT IMPLEMENTATION PLAN 2017-2018**

### **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 2017/2018 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 standardised 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 (ODM)
- Cape Agulhas Municipality (CAM)
- Theewaterskloof Municipality (TWK)
- Overstrand Municipality (OVE)
- Swellendam Municipality (SWD)

### 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 2017/2018 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 Implementation Plan is included on the pages that follow.

**RISK MANAGEMENT IMPLEMENTATION PLAN 2017-2018**

**Abbreviations:**

MM	Municipal Manager
CRO	Chief Risk Officer
RMC	Risk Management Committee
FARMCO	Fraud and Risk Management Committee
RMU	Risk Management Unit
AC	Audit Committee
IA	Internal Auditors
EMT	Mayco & Top Management (Directors) Team
Risk Forum	Risk Owners, Risk Champions & Risk Action Owners
PT	Provincial Treasury
DCFTech	District Coordinating Forum (Technical - Municipal Managers)

**FIRST QUARTER (JULY - SEPTEMBER 2017)**

<b>ACTION</b>	<b>MUNICIPALITY</b>	<b>FREQUENCY</b>	<b>DUE DATE</b>	<b>RESPONSIBLE PERSON(S)</b>
Year-end risk carry over process (Final year-end reports and capture carry-over risks for new financial year)	SWD TWK CAM OVE ODM	Annually	14-JUL-17	CRO / RMU
Formulation of Risk Actions for 2017/2018. Facilitated by RMU and with the participation of Risk Action Owners & Risk Champions.	SWD TWK CAM OVE ODM	Annually	31-JUL-17	RMU / Risk Action Owners / Risk Champions
Contribute towards internal control processes of compiling Annual Financial Statements and Annual Reports	SWD TWK CAM OVE ODM	Annually	31-AUG-17	CRO
Monitor risk focus areas with the implementation and application of MSCOA	SWD TWK CAM OVE ODM	Monthly	Ongoing	CRO

ACTION	MUNICIPALITY	FREQUENCY	DUE DATE	RESPONSIBLE PERSON(S)
Formally appoint Risk Champions and Risk Management Committee members (RMC) / Fraud and Risk Management Committee members (FARMCO)	SWD TWK CAM OVE ODM	Annually	30-Sep-17	CRO / MM
Identify and arrange training for Risk Forums (Risk Owners, Risk Champions and Risk Action owners)	SWD TWK CAM OVE ODM	Annually	Ongoing	CRO / RMC & FARMCO
Facilitated Monthly Operational & Project Risk Assessments	CAM	Bi-Annual	30-Sep-17	CRO / RMU
Preparation for first engagements of Business Continuity Structures	SWD TWK CAM OVE	Quarterly	30-Sep-17	CRO / Risk Champions
Monthly monitoring of Risk Action Plans and identification of emanating risks	SWD TWK CAM OVE ODM	Monthly	30-Sep-17	CRO / RMU
Identification and treatment of unforeseen risks (Incident and Emerging risk reporting)	SWD TWK CAM OVE ODM	Monthly	30-Sep-17	CRO / RMC / FARMCO

ACTION	MUNICIPALITY	FREQUENCY	DUE DATE	RESPONSIBLE PERSON(S)
Attend and participate in quarterly District Risk and Internal Audit Forum and Bi-annual Provincial Risk and Internal Audit Forum	SWD TWK CAM OVE ODM	Quarterly	30-Sep-17	CRO / RMU / IA / PT
Attend quarterly risk management meetings (In terms of the adopted Terms of reference / Charters)	SWD TWK CAM OVE ODM	Quarterly	30-Sep-17	CRO / RMC / FARMCO
Code of Ethics awareness campaign (Phase 1)	TWK CAM OVE ODM	Continuously	30-Sep-17	CRO / Risk Champions
Attend and participate in District -, Provincial -, National Training and Workshops	SWD TWK CAM OVE ODM	As Requested	30-Sep-17	CRO / Risk Champions
Submit the minutes of RMC / FARMCO meetings to the Audit Committee.	SWD TWK CAM OVE ODM	Quarterly	30-Sep-17	CRO / AC / RMC / FARMCO / IA
Submit a quarterly progress report to DCFTech with regards to risk management on the Shared Services Business Model	SWD TWK CAM OVE ODM	Quarterly	30-Sep-17	CRO / DCFTech

**SECOND QUARTER (OCTOBER - DECEMBER 2017)**

Review strategic / operational residual risk exposures according to risk appetite and tolerance levels	SWD TWK CAM OVE ODM	Annually	30-Nov-17	CRO / RMU
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ACTION	MUNICIPALITY	FREQUENCY	DUE DATE	RESPONSIBLE PERSON(S)
Schedule first engagement with Business Continuity Structures	SWD TWK CAM OVE	Quarterly	30-Nov-17	CRO / Risk Champions
Facilitate the strategic risk identification and assessment workshops and generate an annual strategic risk report	SWD TWK CAM OVE ODM	Annually	30-Nov-17	CRO / Council / Senior Management
Alignment of strategic risks with IDP and SDBIP	SWD TWK CAM OVE ODM	Quarterly	31-Dec-17	CRO / Strategic Services / Risk Champions
Attend and participate in District -, Provincial -, National Training and Workshops	SWD TWK CAM OVE ODM	As Requested	31-Dec-17	CRO / RMU
Submit the minutes of RMC / FARMCO meetings to the Audit Committee.	SWD TWK CAM OVE ODM	Quarterly	31-Dec-17	CRO / AC / RMC / FARMCO / IA
Start the Review process of Risk Management Compliance Documents (Risk Management Strategy, Risk Management Policy, Risk Management Implementation Plan, Fraud Prevention and Anti-Corruption Strategy, Policy and Plan)	SWD TWK CAM OVE ODM	Annually	31-Dec-17	CRO / RMU / RMC / FARMCO
Facilitate orientation and training for Council and Audit Committees	SWD TWK CAM OVE ODM	Annually	31-Dec-17	CRO
Monitor risk focus areas with the implementation and application of MSCOA	SWD TWK CAM OVE ODM	Monthly	31-Dec-17	CRO

ACTION	MUNICIPALITY	FREQUENCY	DUE DATE	RESPONSIBLE PERSON(S)
Monthly monitoring of Risk Action Plans and identification of emanating risks	SWD TWK CAM OVE ODM	Monthly	31-Dec-17	CRO / RMU
Identification and treatment of unforeseen risks (Incident and Emerging risk reporting)	SWD TWK CAM OVE ODM	Monthly	31-Dec-17	CRO / RMC / FARMCO
Attend and participate in quarterly District Risk and Internal Audit Forum	SWD TWK CAM OVE ODM	Quarterly	31-Dec-17	CRO / RMU / IA / PT
Attend quarterly risk management meetings (in terms of the adopted Terms of reference / Charters)	SWD TWK CAM OVE ODM	Quarterly	31-Dec-17	CRO / RMC / FARMCO
Code of Ethics awareness campaign (Final Broadcasting Phase)	TWK CAM OVE ODM	Continuously	31-Dec-17	CRO / Risk Champions
Submit a quarterly progress report to DCFTech with regards to risk management on the Shared Services Business Model	SWD TWK CAM OVE ODM	Quarterly	31-Dec-17	CRO / DCFTech

**THIRD QUARTER (JANUARY - MARCH 2018)**

Facilitate operational and strategic risk assessments for 2018-2019 financial year	SWD TWK CAM OVE ODM	Annually	31-Mar-18	CRO / RMU / Risk Forum
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ACTION	MUNICIPALITY	FREQUENCY	DUE DATE	RESPONSIBLE PERSON(S)
Calculate the cost of control vs the cost of risk	SWD TWK CAM OVE ODM	Bi-annually	31-Mar-18	CRO / RMU / Risk Champions
Calculate the financial exposure of risks	SWD TWK CAM OVE ODM	Bi-annually	31-Mar-18	CRO / RMU / Risk Champions
Submit the recommendations of reviewed risk management related documents and strategic risk registers to RMC/FARMCO and Council for approval.	SWD TWK CAM OVE ODM	Annually	31-Mar-18	CRO / RMC / FARMCO / Council
Submit the minutes of RMC / FARMCO meetings to the Audit Committee.	SWD TWK CAM OVE ODM	Quarterly	31-Mar-18	CRO / AC / RMC / FARMCO / IA
Monitor risk focus areas with the implementation and application of MSCOA	SWD TWK CAM OVE ODM	Monthly	31-Mar-18	CRO
Monthly monitoring of Risk Action Plans and identification of emanating risks	SWD TWK CAM OVE ODM	Monthly	31-Mar-18	CRO / RMU
Identification and treatment of unforeseen risks (Incident and Emerging risk reporting)	SWD TWK CAM OVE ODM	Monthly	31-Mar-18	CRO / RMC / FARMCO

ACTION	MUNICIPALITY	FREQUENCY	DUE DATE	RESPONSIBLE PERSON(S)
Attend and participate in quarterly District Risk and Internal Audit Forum and Bi-annual Provincial Risk and Internal Audit Forum	SWD TWK CAM OVE ODM	Quarterly	31-Mar-18	CRO / RMU / IA / PT
Attend quarterly risk management meetings (in terms of the adopted Terms of reference / Charters)	SWD TWK CAM OVE ODM	Quarterly	31-Mar-18	CRO / RMC / FARMCO
Review Alignment of strategic risks with IDP and SDBIP	SWD TWK CAM OVE ODM	Quarterly	31-Mar-18	CRO / Strategic Services / Risk Champions
Submit a quarterly progress report to DCFTech with regards to risk management on the Shared Services Business Model	SWD TWK CAM OVE ODM	Quarterly	31-Mar-18	CRO / DCFTech

**FOURTH QUARTER (APRIL - JUNE 2018)**

Provide Internal Audit with the approved operational risk register for 2018-2019 for Risk Based Audit Plan	SWD TWK CAM OVE ODM	Annually	30-Apr-18	CRO / IA
Compile comparison report of generic-based risk register for district for 2017-2018	SWD TWK CAM OVE ODM	Annually	31-May-18	CRO
Compile risk management implementation plan for 2018-2019 to be approved by DCFTech	SWD TWK CAM OVE ODM	Annually	30-Jun-18	CRO / DCFTech

ACTION	MUNICIPALITY	FREQUENCY	DUE DATE	RESPONSIBLE PERSON(S)
Review year-end internal control procedures and demand management process (including performance)	SWD TWK CAM OVE ODM	Annually	30-Jun-18	CRO
Submit the minutes of RMC / FARMCO meetings to the Audit Committee.	SWD TWK CAM OVE ODM	Quarterly	30-Jun-18	CRO / AC / RMC / FARMCO / IA
Perform internal Risk Management maturity assessment on progress of all activities and determine risk profile for 2017-2018	SWD TWK CAM OVE ODM	Annually	30-Jun-18	CRO / RMU
Evaluate performance of RMC / FARMCO for the period 2017-2018	SWD TWK CAM OVE ODM	Annually	30-Jun-18	CRO / RMU / RMC / FARMCO
Monitor risk focus areas with the implementation and application of MSCOA	SWD TWK CAM OVE ODM	Monthly	30-Jun-18	CRO
Monthly monitoring of Risk Action Plans and identification of emanating risks	SWD TWK CAM OVE ODM	Monthly	30-Jun-18	CRO / RMU
Identification and treatment of unforeseen risks (Incident and Emerging risk reporting)	SWD TWK CAM OVE ODM	Monthly	30-Jun-18	CRO / RMC / FARMCO

ACTION	MUNICIPALITY	FREQUENCY	DUE DATE	RESPONSIBLE PERSON(S)
Attend and participate in quarterly District Risk and Internal Audit Forum and Bi-annual Provincial Risk and Internal Audit Forum	SWD TWK CAM OVE ODM	Quarterly	30-Jun-18	CRO / RMU / IA / PT
Attend quarterly risk management meetings (In terms of the adopted Terms of reference / Charters)	SWD TWK CAM OVE ODM	Quarterly	30-Jun-18	CRO / RMC / FARMCO
Submit a quarterly progress report to DCFTech with regards to risk management on the Shared Services Business Model	SWD TWK CAM OVE ODM	Quarterly	30-Jun-18	CRO / DCFTech
<ol style="list-style-type: none"> <li>1. Support of internal structures to determine responsibilities</li> <li>2. Provide Assurance on the risk management processes</li> <li>3. Monitoring of critical risks and its impact</li> <li>4. Evaluate risk ratings and tolerance levels and give best practice recommendations to Risk Management Committee's</li> <li>5. Training, Risk awareness culture, effective communication from risk owners to oversight committee's</li> <li>6. Monitoring of Control Effectiveness and Mitigating Action Plans</li> <li>7. Continuous risk assessment and reporting</li> <li>8. Liaison with municipalities</li> <li>9. Monitoring of risk management processes</li> <li>10. Maintenance of Risk Registers</li> <li>11. Facilitate the meetings and procedures regarding risk committees</li> <li>12. Advisory regarding risk management to municipalities</li> <li>13. Support to Internal Audit units regarding risk management</li> </ol>	SWD TWK CAM OVE ODM	Continuously	30-Jun-18	CRO / RMU

6. REVIEW OF RISK MANAGEMENT IMPLEMENTATION PLAN

The Risk Management Implementation Plan will be reviewed annually. (Last approved 30/09/2016 for 2016-2017 financial year)

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



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MUNICIPAL MANAGER  
THEEWATERSKLOOF MUNICIPALITY



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MUNICIPAL MANAGER  
OVERBERG DISTRICT MUNICIPALITY



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MUNICIPAL MANAGER  
OVERSTRAND MUNICIPALITY



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MUNICIPAL MANAGER  
SWELLENDAM MUNICIPALITY

9 JUNE 2017

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DATE SIGNED