

**AGENDA of the  
Portfolio Committee : Management Services  
22 November 2016  
(Also the agenda for the Mayoral Committee Meeting : 2 December 2016)**

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**2.  
RISK MANAGEMENT IMPLEMENTATION PLAN 2016/2017**

**2/B**

**A Riddles  
17 October 2016**

**(028) 313 5044**

**Corporate Head Office**

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**1. Executive Summary**

To obtain Council's approval for the Risk Management Implementation Plan for 2016/2017

**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. Based on Best Practice

**6. Background/Discussion**

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 30 September 2016.

The implementation plan was discussed at the Risk Management Committee meeting held on 2 September 2016. Although a recommendation from the Risk Management Committee to Council for final approval has not yet been obtained, the Municipal Manager, who is also the chairperson of the Risk Management Committee, approved the plan at DCFTech.

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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 2016/2017 **be approved.**

**RESPONSIBLE OFFICIAL :**

**A RIDDLES**

**TARGET DATE FOR IMPLEMENTATION :**

**DECEMBER 2016**

**AGENDA of the  
Portfolio Committee : Management Services  
22 November 2016  
(Also the agenda for the Mayoral Committee Meeting : 2 December 2016)**

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**2.  
RISK MANAGEMENT IMPLEMENTATION PLAN 2016/2017**

**2/B  
A Riddles (028) 313 5044 Corporate Head Office  
17 October 2016**

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**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON  
22 NOVEMBER 2016, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

**RECOMMENDATION TO THE COUNCIL:**

that the Risk Management Implementation Plan for 2016/2017 **be approved.**

**RESPONSIBLE OFFICIAL : A RIDDLES**

**TARGET DATE FOR IMPLEMENTATION : DECEMBER 2016**



Overberg District Municipality



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# Overberg Risk Management Shared Services Centre



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**OVERBERG DISTRICT  
RISK IMPLEMENTATION PLAN  
2016-2017**

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

## RISK MANAGEMENT AND IMPLEMENTATION PLAN 2016-2017

### 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 2016/2017 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 (ODM)
- Cape Agulhas Municipality (CAM)
- Theewaterskloof Municipality (TWK)
- Overstrand Municipality (OVE)
- Swellendam Municipality (SWD)

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### 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 2016/2017 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 on the pages that follow.

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**RISK MANAGEMENT IMPLEMENTATION PLAN 2016-2017**

**Abbreviations:**

MM	Municipal Manager
CRO	Chief Risk Officer
RMU	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 2016)**

ACTION	MUNICIPALITY	FREQUENCY	DUE DATE	RESPONSIBLE PERSON(S)
Year-end risk carry over process (Final year-end reports and capture carry-over risks for new financial year)	SWD	Annually	10-Jul-16	CRO / RMU
	TWK			
	CAM			
	OVE			
	ODM			
Contribute towards internal control processes of compiling Annual Financial Statements and Annual Reports	SWD	Annually	31-Aug-16	CRO
	TWK			
	CAM			
	OVE			
	ODM			
Monitor risk focus areas with the implementation of MSCOA (For ODM and OVE that is already live - And for CAM, TWK and SWD still in initial phases)	SWD	Monthly	30-Sep-16	CRO
	TWK			
	CAM			
	OVE			
	ODM			

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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-16	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
Review Risk Management Compliance Documents (Risk Management Strategy, Risk Management Policy, Risk Management Implementation Plan, Fraud Prevention and Anti-Corruption Strategy and Policy)	SWD TWK CAM OVE ODM	Annually	30-Sep-16	CRO / RMU / RMC / FARMCO
Conduct SCM Risk Assessments	SWD TWK CAM OVE ODM	Annually	30-Sep-16	CRO/Supply Chain Managers
Facilitated Annual Operational Risk Assessments	CAM	Bi-Annual	30-Sep-16	CRO/ RMU/ Risk Forum
Development of a Business Continuity Plan (Phase 1)	SWD TWK CAM OVE	Quarterly	30-Sep-16	CRO/ Risk Champions
Monthly monitoring of Risk Action Plans and identification of emanating risks	SWD TWK CAM OVE ODM	Monthly	30-Sep-16	CRO / RMU

ACTION	MUNICIPALITY	FREQUENCY	DUE DATE	RESPONSIBLE PERSON(S)
Identification and treatment of unforeseen risks (Incident and Emerging risk reporting)	SWD TWK CAM OVE ODM	Monthly	30-Sep-16	CRO / RMC / FARMCO
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-16	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-16	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-Sep-16	CRO / DCFTech

**SECOND QUARTER (OCTOBER - DECEMBER 2016)**

Coordinate a district Risk Appetite Workshop	SWD TWK CAM OVE ODM	Annually	05-Oct-16	CRO / RMU / Risk Forum
Review departmental / operational residual risk exposures according to risk appetite workshop application	SWD TWK CAM OVE ODM	Annually	30-Nov-16	CRO / RMU / Risk Forum

ACTION	MUNICIPALITY	FREQUENCY	DUE DATE	RESPONSIBLE PERSON(S)
Development of a Business Continuity Plan (Phase 2)	SWD TWK CAM OVE	Quarterly	30-Sep-16	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-16	CRO / EMT
Attend and participate in District -, Provincial -, National Training and Workshops	SWD TWK CAM OVE ODM	As Requested	31-Dec-16	CRO
Submit the minutes of the risk management committee meetings to the Audit Committee.	SWD TWK CAM OVE ODM	Quarterly	31-Dec-16	CRO /AC / RMC / FARMCO / IA
Submit the departmental / operational reviewed risk registers to the Municipal Manager for approval.	SWD TWK CAM OVE ODM	Annually	31-Dec-16	CRO / RMU
Submit the recommendations of reviewed risk management related documents and strategic risk registers to Council for approval.	SWD TWK CAM OVE ODM	Annually	31-Dec-16	CRO / MM / Council
Monitor risk focus areas with the implementation of MSCOA. (For ODM and OVE that is already live - And for CAM, TWK and SWD still in initial phases)	SWD TWK CAM OVE ODM	Monthly	31-Dec-16	CRO

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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-16	CRO / RMU
Identification and treatment of unforeseen risks (Incident and Emerging risk reporting)	SWD TWK CAM OVE ODM	Monthly	31-Dec-16	CRO / RMC / FARMCO
Attend and participate in quarterly District Risk and Internal Audit Forum	SWD TWK CAM OVE ODM	Quarterly	31-Dec-16	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-16	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	31-Dec-16	CRO / DCFTech

**THIRD QUARTER (JANUARY - MARCH 2017)**

Facilitate operational and strategic risk assessments for 2017-2018 financial year	SWD TWK CAM OVE ODM	Annually	31-Mar-17	CRO / RMU / Risk Forum
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ACTION	MUNICIPALITY	FREQUENCY	DUE DATE	RESPONSIBLE PERSON(S)
Coordinate and facilitate Ethics Risk Management Workshop	SWD TWK CAM OVE ODM	Annually	31-Mar-17	CRO / RMU / Risk Forum
Facilitate orientation and training for Risk Forums	SWD TWK CAM OVE ODM	Annually	31-Mar-17	CRO
Development of a Business Continuity Plan (Final phase) and submit draft document to risk management committees for recommendation to Council	SWD TWK CAM OVE	Quarterly	31-Mar-17	CRO/RMC / FAMCO / EMT
Submit the minutes of the risk management committee meetings to the Audit Committee.	SWD TWK CAM OVE ODM	Quarterly	31-Mar-17	CRO /AC / RMC / FARMCO / IA
Monitor risk focus areas with the implementation of MSCOA (For ODM and OVE that is already live - And for CAM, TWK and SWD still in initial phases)	SWD TWK CAM OVE ODM	Monthly	31-Mar-17	CRO
Monthly monitoring of Risk Action Plans and identification of emanating risks	SWD TWK CAM OVE ODM	Monthly	31-Mar-17	CRO / RMU
Identification and treatment of unforeseen risks (Incident and Emerging risk reporting)	SWD TWK CAM OVE ODM	Monthly	31-Mar-17	CRO / RMC / FARMCO

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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-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-Mar-17	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	31-Mar-17	CRO / DCFTech

**FOURTH QUARTER (APRIL - JUNE 2017)**

Provide Internal Audit with the approved operational risk register for Risk Based Audit Plan	SWD TWK CAM OVE ODM	Annually	30-Apr-17	CRO / IA
Compile comparison report of generic-based risk register for district	SWD TWK CAM OVE ODM	Annually	31-Mei-17	CRO
Compile risk management implementation plan for 2017-2018 to be approved by DCFTech	SWD TWK CAM OVE ODM	Annually	30-Jun-17	CRO / DCFTech

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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-17	CRO
Development of a Business Continuity Plan (Final phase) plus reviewed ODM plan and submit draft documents for approval to Council	SWD TWK CAM OVE ODM	Quarterly	30-Jun-17	CRO / EMT / Council
Submit the minutes of the risk management committee meetings to the Audit Committee.	SWD TWK CAM OVE ODM	Quarterly	30-Jun-17	CRO / AC / RMC / FARMCO / IA
Monitor risk focus areas with the implementation of MSCOA (For ODM and OVE that is already live - And for CAM, TWK and SWD still in initial phases)	SWD TWK CAM OVE ODM	Monthly	30-Jun-17	CRO
Monthly monitoring of Risk Action Plans and identification of emanating risks	SWD TWK CAM OVE ODM	Monthly	30-Jun-17	CRO / RMU
Identification and treatment of unforeseen risks (Incident and Emerging risk reporting)	SWD TWK CAM OVE ODM	Monthly	30-Jun-17	CRO / RMC / FARMCO
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-17	CRO / RMU / IA / PT

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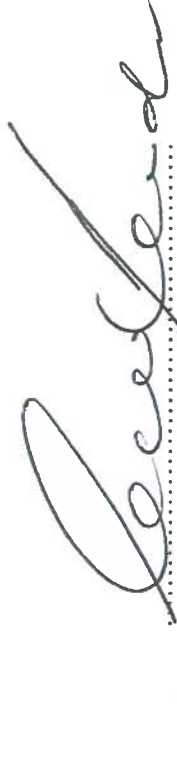
ACTION	MUNICIPALITY	FREQUENCY	DUE DATE	RESPONSIBLE PERSON(S)
Attend quarterly risk management meetings (In terms of the adopted Terms of reference / Charters)	SWD TWK CAM OVE ODM	Quarterly	30-Jun-17	CRO / RMC / FARMCO
Submit a quarterly progress report to DCFTech with regards to risk management on the Shared Services Business Model	SWD TWK CAM OVE ODM	Quarterly	30-Jun-17	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 Committees</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> <li>14. Maintenance of a loss control system and procedures</li> </ol>	SWD TWK CAM OVE ODM	Continuously	30-Jun-17	CRO / RMU

6. REVIEW OF THE RISK MANAGEMENT IMPLEMENTATION PLAN

The Risk Management Implementation Plan will be reviewed annually. (Last approved 26/02/2016 for 2015-2016 financial year)

7. RECOMMENDED BY:  
  
.....  
CHIEF RISK OFFICER – (SHARED SERVICES)

8. APPROVED BY DCFTech:  
  
Van Onsem  
.....  
MUNICIPAL MANAGER  
CAPE AGULHAS MUNICIPALITY  
  
A. Maenweel  
.....  
MUNICIPAL MANAGER  
OVERSTRAND MUNICIPALITY  
  
A. Bell  
.....  
MUNICIPAL MANAGER  
OVERBERG DISTRICT MUNICIPALITY

  
.....  
MUNICIPAL MANAGER  
THEEWATERSKLOOF MUNICIPALITY  
  
E. Maphahle  
.....  
MUNICIPAL MANAGER  
SWELLENDAM MUNICIPALITY

30 September 2016  
.....  
DATE SIGNED