

# Molemole Municipality

## **RISK MANAGEMENT IMPLEMENTATION PLAN 2021/22**

**MOLEMOLE LOCAL MUNICIPALITY RISK MANAGEMENT IMPLEMENTATION PLAN 2021/22**

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## **1. MANDATE AND PURPOSE**

Molemole 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 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 Institution 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 2020/21 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 RISK MANAGEMENT OFFICER**

- 4.1 Develop risk management implementation plan of the Municipality;
- 4.2 Works with senior management to develop the overall enterprise risk management vision, strategy, policy, as well as 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 institution;
- 4.4 Continuously driving the risk management process towards best practice;

- 4.5 Developing a common risk assessment methodology that is aligned with the institution'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.

## **5. DETAILS RISK MANAGEMENT IMPLEMENTATION PLAN**

The details risk management plan is included below:

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Planned Action	Detailed Actions	Outcomes	Responsible person and due date	Progress to date
Development of detailed Risk Management Implementation Plan	Present Risk Management Implementation Plan to Risk Management Committee (RMC) to review the plan.	An approved and signed Risk Management Implementation Plan for the 2020/21 financial year.	<b>Responsible Person:</b> Risk Officer  <b>Due Date:</b> 30 July 2021	
Appoint members for Risk Management Committee for the 2020 / 21 financial year.	Draft and send appointment letters to all Risk Management Committee members.  File appointment letters of all Risk Management Committee members.	Functional Risk Management Committee.	<b>Responsible Person:</b> Risk Officer  <b>Due Date:</b> 30 July 2021	

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Planned Action	Detailed Actions	Outcomes	Responsible person and due date	Progress to date
Review terms of reference for the Risk Management Committee.	<p>Arrange a meeting with the Risk Management Committee members to review the existing RMC's Terms of Reference and align to the RM Strategy.</p> <p>Prepare and File the below mentioned documents:</p> <ul style="list-style-type: none"> <li>&gt; Agenda of the meeting.</li> <li>&gt; Attendance Register of the meeting.</li> <li>&gt; Minutes of the meeting.</li> </ul>	An approved / adopted Risk Management Committee Charter.	<p><b>Responsible Person:</b> Risk Management Committee</p> <p><b>Due Date:</b> 30 July 2021</p>	
Develop/review risk management methodologies and processes	Development of a risk assessment protocol which include risk quantification and risk rating. Conduct research and benchmark with latest developments in RM(best practice)	Approved risk assessment methodologies and processes in Risk Management Strategy	<p><b>Responsible person:</b> Risk Management Officer</p> <p><b>Due Date:</b> 11 June 2021</p>	

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Planned Action	Detailed Actions	Outcomes	Responsible person and due date	Progress to date
Development of risk response strategies	Drafting actions plan for all gaps identified in addressing to top risks.  Drafting of individual key risk indicators for the top 10 risks.	Action plans implemented per agreed milestones.  Analysis report of key risk indicators per agreed frequency	<b>Responsible Person:</b> Risk Owners  <b>Quarterly Dates:</b> 31 October 2021 31 January 2022  30 April 2022 31 July 2022	
Quarterly Risk Management and Fraud / Corruption Report.	Present quarterly Risk Management and Fraud or Corruption report to the Risk and Audit Committee.	Quarterly signed Risk Management and Fraud or Corruption report (Incident Register).	<b>Responsible Person:</b> Risk Officer  <b>Quarterly Dates:</b> 31 October 2021 31 January 2022  30 April 2022 31 July 2022	
Quarterly Compliance Report.	Present quarterly compliance report to the Risk and Audit Committee.	Quarterly signed compliance report.	<b>Responsible Person:</b> Risk Officer	

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Planned Action	Detailed Actions	Outcomes	Responsible person and due date	Progress to date
Assess risk controls effectiveness.	Assign assurance providers to assess the controls of medium and low risks identified (monitored risks)...	Combined assurance plan. Report on the risks controls	<b>Quarterly Dates:</b> 31 October 2021 31 January 2022 30 April 2021 31 July 2022  <b>Responsible Person:</b> Provincial Treasury  <b>Due Dates:</b> 20 December 2021	
Facilitate the execution of ERM processes and infrastructure.	Implement appropriate risk reporting to the Accounting Officer, Executive Authority, Audit Committee, RMC and Senior Management	Approved progress reports: present progress reports to various stakeholders at various intervals.	<b>Responsible Person:</b> Risk Officer  <b>Quarterly Dates:</b> 31 October 2021 31 January 2022 30 April 2022 31 July 2022	



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Planned Action	Detailed Actions	Outcomes	Responsible person and due date	Progress to date
<p>Review the below mentioned Risk Management Governance Documents:</p> <ul style="list-style-type: none"> <li>&gt; Risk Management Policy and Framework.</li> <li>&gt; Risk Management Strategy.</li> <li>&gt; Risk Management Committee Charter.</li> <li>&gt; Whistle Blowing Policy.</li> <li>&gt; Risk Management Implementation Plan.</li> <li>&gt; Anti - Corruption and Fraud Prevention Policy and Strategy.</li> </ul>	<p>Arrange Risk Management Committee meeting to review Risk Management Governance Documents and recommend to the Municipal Council for approval.</p> <p>Prepare and File the below mentioned documents:</p> <ul style="list-style-type: none"> <li>&gt; Agenda of the meeting</li> <li>&gt; Attendance Register of the meeting</li> <li>&gt; Minutes of the meeting</li> </ul>	<p>Reviewed and Recommended:</p> <ul style="list-style-type: none"> <li>&gt; Risk Management Policy and Framework.</li> <li>&gt; Risk Management Strategy.</li> <li>&gt; Risk Management Committee Charter.</li> <li>&gt; Whistle Blowing Policy.</li> <li>&gt; Risk Management Implementation Plan.</li> <li>&gt; Anti - Corruption and Fraud Prevention Policy and Strategy.</li> </ul>	<p><b>Responsible Person:</b>                      Risk Officer</p> <p><b>Due Date:</b>                      30 June 2021</p>	

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Planned Action	Detailed Actions	Outcomes	Responsible person and due date	Progress to date
<p>Present the below mentioned reviewed Risk Management Governance Documents to the Audit Committee for noting / further review:</p> <ul style="list-style-type: none"> <li>&gt; Risk Management Policy and Framework.</li> <li>&gt; Risk Management Strategy.</li> <li>&gt; Risk Management Committee Charter.</li> <li>&gt; Whistle Blowing Policy.</li> <li>&gt; Risk Management Implementation Plan.</li> <li>&gt; Anti - Corruption and Fraud Prevention Policy and Strategy.</li> </ul>	<p>Arrange Audit Committee meeting to note (further review) the Risk Management Governance Documents and recommend to the Municipal Council for approval.</p>	<p>Recommended:</p> <ul style="list-style-type: none"> <li>&gt; Risk Management Policy and Framework.</li> <li>&gt; Risk Management Strategy.</li> <li>&gt; Risk Management Committee Charter.</li> <li>&gt; Whistle Blowing Policy.</li> <li>&gt; Risk Management Implementation Plan.</li> <li>&gt; Anti - Corruption and Fraud Prevention Policy and Strategy.</li> </ul>	<p><b>Responsible Person:</b> Risk Officer</p> <p><b>Due Date:</b> 30 June 2021</p>	

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Planned Action	Detailed Actions	Outcomes	Responsible person and due date	Progress to date
<p>Submit the below mentioned reviewed Risk Management Governance Documents to the Municipal Council for approval / adoption:</p> <ul style="list-style-type: none"> <li>&gt; Risk Management Policy and Framework.</li> <li>&gt; Risk Management Strategy.</li> <li>&gt; Risk Management Committee Charter.</li> <li>&gt; Whistle Blowing Policy.</li> <li>&gt; Risk Management Implementation Plan.</li> <li>&gt; Anti - Corruption and Fraud Prevention Policy and Strategy.</li> </ul>	<p>Arrange Municipal Council meeting for the approval of Risk Management Governance Documents.</p>	<p>Approved / adopted:</p> <ul style="list-style-type: none"> <li>&gt; Risk Management Policy and Framework.</li> <li>&gt; Risk Management Strategy.</li> <li>&gt; Risk Management Committee Charter.</li> <li>&gt; Whistle Blowing Policy.</li> <li>&gt; Risk Management Implementation Plan.</li> <li>&gt; Anti - Corruption and Fraud Prevention Policy and Strategy.</li> </ul>	<p><b>Responsible Person:</b> Municipal Manager</p> <p><b>Due Date:</b> 30 June 2021</p>	

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Planned Action	Detailed Actions	Outcomes	Responsible person and due date	Progress to date
<p>Publications of the below mentioned Risk Management Governance Documents:                      &gt; Risk Management Policy and Framework.                      &gt; Risk Management Strategy.                      &gt; Risk Management Committee Charter.                      &gt; Whistle Blowing Policy.                      &gt; Risk Management Implementation Plan.                      &gt; Anti - Corruption and Fraud Prevention Policy and Strategy.</p>	<p>Publicize approved Risk Management Governance Documents to all officials of Molemole Local Municipality.                      Communicate approved Risk Management Governance to all officials within the Municipality.</p>	<p>Publicized and Communicated:                      &gt; Risk Management Policy and Framework.                      &gt; Risk Management Strategy.                      &gt; Risk Management Committee Charter.                      &gt; Whistle Blowing Policy.                      &gt; Risk Management Implementation Plan.                      &gt; Anti - Corruption and Fraud Prevention Policy and Strategy.</p>	<p><b>Responsible Person:</b> Risk Officer  <b>Due Date:</b> 30 June 2021</p>	
<p>Risk Officer to attend training on risk management practicalities.</p>	<p>Risk Officer to attend at least four (4) trainings with accredited institutions or professional body (Institute of Risk Management South Africa [IRMSA]) on risk</p>	<p>To keep abreast with the new developments of the profession and remains adequately skilled.</p>	<p><b>Responsible Person:</b> Risk Officer  <b>Due Date:</b> As per Risk Training Plan</p>	

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Planned Action	Detailed Actions	Outcomes	Responsible person and due date	Progress to date
Risk Management and Anti - Corruption & Fraud and Ethics Awareness Campaigns.	management practicalities. The below training to be attended: 1) Risk Management for risk champions training; 2) Project risks assessment training; 3) Risk facilitation training and 4) Business continuity management training.	Municipal Officials and Councillors will understand the reporting channels of fraud and corruptions within municipality.	<b>Responsible Person:</b> Risk Officer  <b>Due Dates:</b> 30 November 2021  30 April 2022	

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Planned Action	Detailed Actions	Outcomes	Responsible person and due date	Progress to date
MSCOA Awareness Campaigns	Conduct Mscoa awareness Campaigns to Municipal Officials and Councillors.	Awareness will outline progress to date on Mscoa and when will municipality will be ready to go parallel and live.	<b>Responsible Person:</b> Risk Officer and CFO  <b>Due Date:</b> To be confirmed	
Quarterly monitoring of risks report.	Present quarterly monitoring of risks report to the Risk Management and Audit Committees.	Quarterly signed monitoring of risks report.	<b>Responsible Person:</b> Risk Officer  <b>Quarterly Dates:</b> 31 October 2021 31 January 2022  30 April 2022 31 July 2022	
Quarterly Occupational Health & Safety, Insurance, Security and Legal, Incidents and Emerging Risks reports.	Present quarterly Occupational Health & Safety, Insurance, Security and Legal reports to the Risk Management and Audit Committees.	Quarterly signed Occupational Health & Safety, Insurance, Security and Legal, Incidents and Emerging Risks reports.	<b>Responsible Person:</b> Occupational Health & Safety (OHS) Officer/ Disaster Management Officer	

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Planned Action	Detailed Actions	Outcomes	Responsible person and due date	Progress to date
Facilitate Enterprise-Wide Risk Assessments for 2020/ 21 financial year.	<p>Information gathering</p> <p>Facilitate risk identification and assessment sessions</p> <p>Analyse information and develop risk assessment reports.</p>	<p>Approved strategic risk register.</p> <p>Approved operational risk registers.</p> <p>Approved Project risk register.</p> <p>Approved Information Technology risk assessment.</p> <p>Approved Fraud risk assessment.</p>	<p>Legal Advisor / Manager</p> <p>Corporate Services</p> <p>Risk Officer</p> <p><b>Quarterly Dates:</b></p> <p>31 October 2021</p> <p>31 January 2022</p> <p>30 April 2022</p> <p>31 July 2022</p> <p><b>Responsible Person:</b></p> <p>Risk Officer</p> <p><b>Due Dates:</b></p> <p>30 June 2021</p>	

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Planned Action	Detailed Actions	Outcomes	Responsible person and due date	Progress to date
Review risk management governance documents for 2020 / 21 financial year.	<p>Arrange Risk Management Committee meeting to review Risk Management Governance Documents and recommend to the Municipal Council for approval.</p> <p>Prepare and File the below mentioned documents:</p> <ul style="list-style-type: none"> <li>&gt; Agenda of the meeting.</li> <li>&gt; Attendance Register of the meeting.</li> <li>&gt; Minutes of the meeting.</li> </ul>	Approved and adopted risk management governance documents for 2020/ 21 financial year.	<p><b>Responsible Person:</b> Risk Management Committee.</p> <p><b>Due Dates:</b> 30 June 2021</p>	
An annual quality assurance review of risk management performance.	Provincial Treasury to provide assurance on the effectiveness of ERM	Enterprise Risk Management (ERM) progress review Status reports on risk management implementation	<p><b>Responsible Person:</b> Provincial Treasury / District Municipality</p> <p><b>Due Date:</b> 30 December 2021</p>	



## 6. PERFORMANCE EVALUATION

The Risk Management Committee will annually undertake assessment of the Risk Officer performance. The assessment will include training needs for officials in the Risk Management Unit.

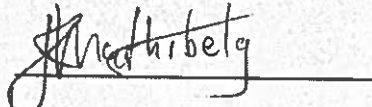
## 7. REVIEW OF THE PLAN

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 / Authority.

## 8. APPROVAL OF THE PLAN

PLAN REVIEWED AND APPROVED BY THE ACCOUNTING OFFICER:

RECOMMENDED BY



**KM Mathibela**

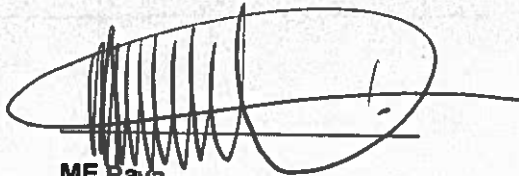
**Chairperson Risk Management Committee**

01/07/2021

Date

/

APPROVAL BY



**ME Paya**

**Mayor**

01/07/2021

Date