



RISK MANAGEMENT IMPLEMENTATION PLAN

2015/16

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Acronyms

AO	Accounting Officer
CCR	Core Competency Requirements
CRO	Chief Risk Officer
CO	Compliance Officer
IAU	Internal Audit Unit
IDP	Integrated Development Plan
ISDF	Integrated Strategic Development Framework
IT	Information Technology
MM	Municipal Manager
RBAP	Risk Based Audit Plan
RMC	Risk Management Committee
RMP	Risk Management Plan
TOR	Term of Reference

Glossary

Action Owner	The individual assigned tasks related to the mitigation of a risk.
Likelihood	A qualitative description of probability of frequency.
Risk	The chance of something happening that will have an impact upon objectives. It is measured in terms of consequences and likelihood.
Risk Appetite	The amount of residual risk that the institution is willing to accept.
Risk Based Audit Plan	A three year internal audit plan developed by Internal Audit to address the key risks identified as part of risk management processes.
Risk Champion	A person with the skills, knowledge and leadership required to champion the risk management (Operational Managers)
Risk Management Committee	A Risk Management Committee is defined as a committee appointed by the Accounting Officer / Authority to review the Institution's system of risk management.
Risk Owner	An individual responsible for the management, monitoring and control of a risk including implementation of the selected mitigation processes. (Directors)
Risk Register	A Risk Register is a Risk Management tool commonly used in Project Management and organisational risk assessments. It acts as a central repository for all risks identified by the project or organisation and, for each risk, includes information such as risk probability, impact, counter-measures, risk owner and so on. (Wikipedia, 2011)
Risk Treatment	Selection and implementation of appropriate options for dealing with risk.

Introduction

Purpose of the Risk Management Plan

The Risk Management Plan is a management tool that defines how the various risk management strategies, policies and procedures are to be implemented to address risks faced by the municipality. It sets out how risk management activities will be performed, recorded, and monitored throughout the year.

In the compilation of the Risk Management Implementation Plan, the Langeberg Municipality adheres to the guidelines as suggested by the National and Provincial treasury.

Monitoring, Controlling and Reporting

The level of risk on a project will be tracked, monitored and reported throughout the implementation of the plan.

Monitoring

The Risk Management Committee has the overall responsibility to monitor the various components that make up the Risk Management Plan. Monitoring will include identification of any threats or opportunities that have the potential to impact the success of the plan.

Controlling

Control over the implementation of the plan will reside with the Internal Audit and Risk Management department who will update the Risk Management Committee during each Risk Management Committee meeting

Reporting

Quarterly reports on the implementation of the Risk Management Plan will be submitted to the Risk Management Committee.

Risk Management & Fraud Prevention Plan

Detailed Action	Outcome	Date	Responsible Person	Progress to Date
Incorporation of Risk Management KPI's in the performance contracts of risk owners	CO/MM/ RMC to identify the risk management KPI's	July 2015	CO/ RMC/ MM/ IAU	
Identifying of all risks (operational and Strategic risks for the 2015/16 financial year.	Email to be sent to the Risk Champions to identify new risks	August 2015	CO and Risk Champions	
Rating and assessment of all risks to identify the unacceptable and strategic risks that needs to be mitigated during the 2015/16 financial year	Compilation of the New risk register (operational and Strategic) for 2015/16 financial year	August 2015	CO/Risk Champions	
Review the Municipality's risk appetite	Discuss the risk appetite with the Risk management Committee and submit a report to the MM for consideration	August 2015	RMC, CO, MM	
Awareness on Risk Management	Article on Risk Management in the Langeberger and on inductions for new employees	October 2015/ on-going awareness on inductions	CO/ IAU	
Creating Awareness on Fraud Prevention Plan	Inform the Municipal Officials of fraud Prevention Plan via email, on inductions and at OMT level Article on Fraud in the Langeberger	November (International Fraud Awareness week 15-27)	CO/ Assistant internal Auditor	
Ensuring all role players understand their roles and responsibilities with regard to the mitigation of risks	Workshops/ meeting with the risk champions/ OMT to discuss the risks in their departments	October 2015	CO/ RMC/ MM/ IAU	

Compilation of Action Plans to mitigate the unacceptable risks for 2015/16 financial year	<p>Risk Champions to facilitate the process in departments to compile action plans and to mitigate strategic and unacceptable risks. Action plans to be submitted to the Compliance Officer/ IAU</p> <p>Tabling of proposed action plans before RMC for approval</p>	September 2015	Risk champions/ CO/ RMC	
Monitoring and evaluation of Unacceptable risks during 2015/16 financial year.	<p>Risk management to be a standing item on agenda for departmental meetings.</p> <p>Risk champions to rate risks and submit risk registers to Risk Owners.</p> <p>RMC to verify the risk ratings, standing Agenda item on Risk Management Committee meetings</p> <p>Internal Audit Unit to conduct audits and provide assurance/ advise the MM on risk management matters</p> <p>Internal Audit to submit reports to the Audit Committee on risk matters</p>	<p>Monthly</p> <p>Quarterly</p> <p>Quarterly</p> <p>On-going as per the RBAP</p> <p>Quarterly</p> <p>Quarterly</p>	Risk Owners/ Risk Champions/ Compliance Officer/ Risk Management Committee/ Audit Committee	
Review of the risk management documents for the new financial year	<p>Review the Risk Management Charter</p> <p>Review the Risk Management Strategy</p> <p>Review the Implementation Plan</p> <p>Review the risk ratings through risk assessments for the preparation of Risk Based Audit Plan</p>	<p>June 2016</p> <p>June 2016</p> <p>June 2016</p> <p>June 2016</p> <p>July 2016</p>		

	Identify the top 10 risks Approval of the documents by the MM			
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Conclusion

The Risk Management Policy and Fraud Prevention Plan were approved by the council in June 2014, **Report No A3012**

The Risk Management Plan, Strategy, and the Charter will be reviewed by the Risk Management Committee and approved by the Accounting Officer annually.

DRAFT

ACKNOWLEDGEMENT OF APPROVAL


Recommended by the Risk Management Committee:

Signature:

Name in Print:

Date:

Position:


J. W. WESTHUIZEN
18/08/15
Chairperson

Approved by the Accounting Officer:

Signature:

Name in Print:

Date:

Position:


S. A. MOKWENI
17/08/2015
Accounting Officer