

IKHEIS LOCAL MUNICIPALITY

**RISK MANAGEMENT
IMPLEMENTATION PLAN**

2015/2016

Contents

- 1 Purpose of this document
- 2 Objective
- 3 Approach
- 4 Detailed risk management implementation plan

1 Purpose of this document

This document sets out the annual risk management implementation plan for !Kheis Local 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 2015/ 2016 financial year.

3 Approach

The development of the risk management implementation plan has taken into consideration:

- the risk management policy;
- the risk management strategy;
- available resources;
- Urgency, quick wins and sustainability.

4 Detailed risk management implementation plan

The detailed risk management implementation plan is included below.

| Planned Action | Detailed Actions | Outputs | Due date and responsible person | Progress to date |
|--|---|--|------------------------------------|------------------|
| Review risk management policy | Risk Management Committee (RMC) to review the policy and recommend to the Accounting Officer / Authority for approval. | Approved risk management policy | Chief Risk Officer 27 May 2016 | |
| Risk orientation | | | | |
| Develop/ review risk management strategy | Develop ERM Implementation Framework Develop guidelines on roles and responsibilities for risk management Review Fraud Prevention Plan RMC to review the strategy and recommend to the Accounting Authority for approval | Approved risk management strategy | Chief Risk Officer 27 May 2016 | |
| Structures and responsibilities | The CRO to develop the risk management unit structure and present it to the RMC to review and recommend for approval by the Accounting Authority | Additional structure created and approved as required Appointment into approved positions and structure Formal delegation of | Accounting Officer October 2014 | |

| | | | | |
|---|---|--|--|--|
| | | responsibilities to existing personnel (via appointment letters and performance agreements) and structures (via charters) | | |
| Publication of Risk Management Policy | Publicize the policy on the intranet | Communicated risk management policy to all officials in the Institution | Chief Risk Officer February 2015 | |
| Raising awareness and risk management training | Develop and formalise detailed training programme/ plan for all officials and any cost implications. Develop risk orientation programme for new employees. | Completed orientation for all officials, RMC and Audit Committee members. All new employees orientated on risk management. Make presentations on risk management at management forums. | Chief Risk Officer Ongoing Ongoing | |
| Terms of reference for the Risk Management Committee | Review existing RMC's Terms of Reference and align to the RM strategy. | Approved risk management committee charter | Chief Risk Officer October 2014 | |
| Risk assessment | | | | |
| Develop/ review risk management methodologies and processes | Development of a risk assessment protocol which includes risk quantification and risk ranking. Conduct research and benchmark with latest developments in RM (best | Approved risk assessment methodologies and processes | Chief Risk Officer October 2014 | |


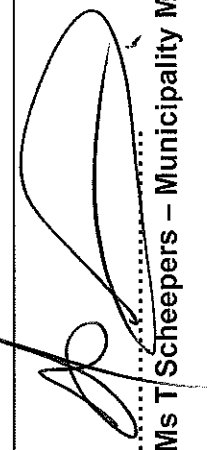
| | | | | |
|--|---|--|---|--|
| | practice). | | | |
| Facilitate enterprise-wide risk assessments. | Information gathering Facilitate risk identification and assessment sessions Analyse information and develop risk assessment reports. | Approved strategic risk register | Chief Risk Officer 07 – 09 October 2014 | |
| | | Approved operational risk registers (as per the agreed cycle) | Chief Risk Officer and operational manager 07 -09 October 2014 | |
| | | Approved and updated functional risk registers (as per the agreed cycle) | Chief Risk Officer and each functional manager Quarterly | |
| Risk response | | | | |
| Development of risk response strategies | Drafting action plans for all gaps identified in addressing the top risks. | Action plans implemented per agreed milestone | Risk Owner 07 – 09 October 2013 | |
| Risk monitoring | | | | |
| Assess risks controls effectiveness | Assign assurance providers to assess the controls of medium and low risks identified (monitored risks). | Combined assurance plan Report on risks controls assessed | Internal Audit | |
| Ensure risk management | Audit of risk management | Performance audit report | Internal / External | |

IKHEIS LOCAL MUNICIPALITY

Risk Management Implementation Plan

| processes and methodologies are reviewed independently. | effectiveness | Status reports on risk management implementation. | Audits |
|---|--|---|--|
| 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 to present progress reports to various stakeholders at various intervals. | Chief Risk Officer Quarterly Executive Authority report/ Audit Committee report/ RMC report |

APPROVAL

| | |
|--|--|
| Compiled in consultation with PT by: | Approved/ Not approved by: |
|  Mr. M.D Phillips – Risk Management Clerk |  Ms T Scheepers – Municipality Manager |
| Date | 30 May 2016 Date |



| |
|--|
| MUNICIPALITEIT IKHEIS Privaatsak / Private Bag X2 Groblershoop 8850 2016 -05- 30 Tel: 054 833 9500 Fax: 054 833 0690 MUNICIPALITY IKHEIS |
|--|