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**NAMAKWA**  
**DISTRIKSMUNISIPALITEIT**  
**DISTRICT MUNICIPALITY**



**RISIKOBESTUUR BELEID**  
**RISK MANAGEMENT POLICY**  
**2022/2023**

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## **1. INLEIDING/INTRODUCTION**

Risikobestuur is die proses waardeur die Rekenpligtige Beampte, Hoof Finansiële Beampte en die ander senior bestuur van 'n Munisipaliteit proaktief doelgerig en gereeld, maar ten minste jaarliks, huidige sowel as opkomende sake, finansiële en operasionele, identifiseer en omskryf. Risiko's en identifiseer gepaste, besigheids- en koste-effektiewe metodes om hierdie risiko's binne die Munisipaliteit te bestuur, sowel as die risiko vir die belanghebbendes.

The management of risk is the process by which the Accounting Officer, Chief Financial Officer, and the other senior management of a Municipality will proactively purposefully and regularly, but at least annually, identify and define current as well as emerging business, financial and operational risks and identify appropriate, business and cost-effective methods of managing these risks within the Municipality, as well as the risk to the stakeholders.

## **2. OMVANG EN TOEPASSING/SCOPE AND APPLICATION**

Hierdie beleid sal van toepassing wees regdeur die munisipaliteit in sover dit Risikobestuur aangaan. Die beleid spreek belangrike elemente van die risiko bestuursraamwerk aan wat deur die Munisipaliteit geïmplementeer en onderhou word, wat die bestuur van risiko's binne die omskrewe risiko/opbrengs parameters, risiko-aptyt en verdraagsaamheid asook risikobestuur standarde sal toelaat. As sodanig bied dit 'n raamwerk vir die effektiewe identifisering, evaluering, bestuur, meting en rapportering van die munisipaliteit se risiko's.

Die risiko bestuursraamwerk en hierdie beleid aanvaar 'n definisie van risiko in soos volg:

- Die kans dat 'n gebeurtenis plaasvind wat 'n impak (bedreiging of geleentheid) op die bereiking van die munisipaliteit se besigheidsdoelwitte sal hê.

Risiko word dikwels geskep deur:

- Veranderinge wat binne die Munisipaliteit plaasvind (dit wil sê mense, stelsels, prosesse, tegnologie, wetgewing en regulasies);
- Eksterne invloede (d.w.s. ekonomie, beskikbaarheid van menslike hulpbronne en skadevergoeding);
- Bedryf en kompleksiteit van prosesse;
- Deel van aktiwiteite binne 'n munisipaliteit; en
- Die aard van die beheer omgewing.

Deur risiko te definieer ten opsigte van die bereiking van daardie besigheidsdoelwitte, moet die Munisipaliteit se risiko bestuursraamwerk die behoefte erken om risiko te bestuur sodat die Munisipaliteit volhoubaar en in staat is om sy verpligtinge aan sy breër belanghebbendes tydelik te voldoen (dit wil sê die gemeenskap, finansierders en diensverskaffers).

Die konsep van risiko sluit in risiko-gebeurtenisse in al die volgende kategorieë:

- Operasioneel;
- Strategies;
- Ekstern;
- Fisies; en
- Finansiële

Die primêre doelwitte van die Munisipaliteit se Risiko bestuursprogram is om die oorkoepelende missie van die Munisipaliteit te ondersteun deur:

- Ondersteunende balansstaat beskerming.
- Ondersteuning van besigheids kontinuïteit.
- Ondersteunende reputasie risiko.
- Om risikobestuur rolle en verantwoordelikhede binne die Munisipaliteit te definieer en om prosedures uiteen te sit om risiko's te versag, ten einde 'n dinamiese en aantoonbare proses te verseker waaraan verantwoordelikheid berus by lynbestuur met algehele verantwoordelikheid wat by die Rekenpligtige Beampte gevestig is. Die Rekenpligtige Beampte mag egter na die volgende vlak van gesag delegeer in terme van die bestuurstruktuur van die Namakwa Distriksmunisipaliteit.
- Verseker proaktiewe, konsekwente, geïntegreerde en aanvaarbare risikobestuur dwarsdeur die Munisipaliteit.
- Om 'n verslaggewing raamwerk te definieer om gereelde kommunikasie van voorafbepaalde risiko bestuursinligting aan die Raad, Ouditkomitee en Uitvoerende Burgemeester, Rekenpligtige Beampte, senior bestuur en amptenare wat betrokke is by risiko bestuursaktiwiteite te verseker.
- Om buigsaam te bly om die veranderende risikoprofiel en bestuur behoeftes van die Munisipaliteit te akkommodeer, terwyl beheer oor die algehele risiko posisie gehandhaaf word.
- Dokumenteer die goedgekeurde metodologie vir risiko meting.

- Voorsien 'n stelsel of proses om die sentrale akkumulاسie van risiko data, soos die ontwikkeling en instandhouding van 'n risiko register, te akkommodeer, wat deel moet vorm van operasionele ondersteuning en prosedures.

This Policy shall apply throughout the Municipality as far as Risk Management is concerned. The Policy addresses key elements of the risk management framework to be implemented and maintained by the Municipality, which will allow for the management of risks within the defined risk/return parameters, risk appetite and tolerance, and risk management standards. It provides a framework for the effective identification, evaluation, management, measurement, and reporting of the Municipality's risks.

The risk management framework and this Policy adopt a definition of risk as:

- The chance of an event occurring that will impact (threat or opportunity) upon achieving the Municipality's Business Objectives.

Risk is often created by:

- Changes that take place within the Municipality (i.e., people, systems, processes, technology, legislation, and regulations);
- External influences (i.e., economics, availability of human resources and damages);
- Operations and complexity of processes;
- The volume of activities within a Municipality; and
- The nature of the control environment.

By defining risk in terms of an impact on the achievement of those business objectives, the Municipality's risk management framework should recognize the need to manage risk so that the Municipality is sustainable as well as able to timorously meet its obligations to its broader stakeholders (i.e., the community, financiers, and service providers).

The concept of risk includes risk events in all the following categories:

- Operational;
- Strategic;
- External;
- Physical; and
- Financial

The primary goals of the Municipality's Risk Management Program are to support the overall mission of the Municipality by:

- Supporting balance sheet protection.
- Supporting business continuity.
- Supporting reputation risk.
- Defining risk management roles and responsibilities within the Municipality and outlining procedures to mitigate risks to ensure a dynamic and demonstrable process in which responsibility rests with line management with overall responsibility vested in the Accounting Officer. However, the Accounting Officer may delegate to the next level of authority in terms of the management structure of the Namakwa District Municipality.
- Ensuring proactive, consistent, integrated, and acceptable management of the risk throughout the Municipality.
- Defining a reporting framework to ensure regular communication of predefine risk management information to Council, Audit Committee and Executive Mayor, Accounting Officer, senior management, and officials engaged in risk management activities.
- Remaining flexible to accommodate the changing risk profile and management needs of the Municipality while maintaining control of the overall risk position
- Document the approved methodology for risk measurement.
- Providing a system or process to accommodate the central accumulation of risk data, such as developing and maintaining a risk register, must form part of operational support and procedures.

### **3. DOEL VAN DIE BELEID/PURPOSE OF THE POLICY**

Die doel van die risikobeleid is om te verseker dat 'n strategiese plan ontwikkel word wat die volgende moet aanspreek:

- 'n Effektiewe risikobestuur argitektuur wat onder andere insluit –
  - Bevordering van 'n meer innoverende, minder risiko-afwykende kultuur waarin die neem van berekende risiko's in die strewe na geleenthede om die organisasie te bevoordeel, aanmoedig;
  - Voorsiening van 'n gesonde basis vir Geïntegreerde Risikobestuur en Interne Beheer as komponente van goeie korporatiewe bestuur;
  - 'n Verslagdoening stelsel om risiko-verslagdoening te fasiliteer; en
  - 'n Effektiewe kultuur van risiko-assessering.

Hierdie plan moet die proses insluit om huidige sowel as opkomende risiko's en die verwante reaksie strategie te identifiseer om hierdie risiko's te bestuur of te verminder. Risiko's moet per besigheids funksie binne die Munisipaliteit geïdentifiseer word, maar ook die ander aktiwiteite in ag neem om optimale bestuur en resultate te verseker. Elk van hierdie risiko's moet geassesseer word en die waarskynlikheid en die frekwensie van die oorsaak van die risiko wat voorkom en die gevolglike impak van die risiko op die funksies en volhoubaarheid van die Munisipaliteit, moet deur die Rekenpligtige Beampte en Hoof Finansiële Beampte gedokumenteer en oorweeg word.

The objective of the risk policy is to ensure that a strategic plan is developed that should address the following:

- An effective risk management architecture which will include inter alia –
  - Promotion of a more innovative, less risk-averse culture in which the taking of calculated risks in pursuit of opportunities to benefit the organization is encouraged;
  - Provision of a sound basis for Integrated Risk Management and Internal Control as components of good Corporate Governance;
  - A reporting system to facilitate risk reporting; and
  - An effective culture of risk assessment.

This plan should include the process to identify current and emerging risks and the related response strategy to manage and mitigate against or minimize these risks. Risks must be identified per business function within the Municipality and take the other activities into account to ensure optimal management and results. Each of these risks must be assessed, and the likelihood and the frequency of the cause of the risk occurring and the resulting impact severity of the risk on the functions and sustainability of the Municipality must be documented and considered by the Accounting Officer and Chief Financial Officer.

#### **4. IMPLEMENTERING EN MONITERING/IMPLEMENTATION AND MONITORING**

- Die beleid sal geïmplementeer word en effektief wees van wanneer dit deur die Plaaslike Werksplek Forum aanbeveel en deur die Raad goedgekeur is.
- Die implementering van die beleid sal reguleer word deur 'n SOP.
- The Policy will be implemented and be effective once recommended by the Local Labour Forum and approved by Council.
- An SOP will regulate the implementation of the Policy.

## **5. KOMMUNIKASIE/COMMUNICATION**

Die beleid sal met alle Werknemers en Raadslede van die Munisipaliteit gekommunikeer word deur gebruik te maak van alle kommunikasie metodes wat beskikbaar is vir die Munisipaliteit.

The Policy will be communicated to all Municipal employees and Councillors using the full range of communication methods available to the Municipality.

## **6. BELEID HERSIENING/POLICY REVIEW**

Die beleid sal jaarlikse hersien word en aangepas word indien nodig.

The Policy will be reviewed annually and revised as necessary.

## **7. BEGROTING EN HULPBRONNE/BUDGET AND RESOURCES**

Die finansiële implikasies en hulpbronne wat verband hou met die implementering van die beleid, moet gekwalifiseer en gekwantifiseer word.

The financial implications and resources related to the implementation of the Policy must be qualified and quantified.

## **8. ROLLE EN VERANTWOORDELIKHEDE/ROLES AND RESPONSIBILITIES**

Departementshoofde en die Munisipale Bestuurder sal verantwoordelik wees vir die implementering en monitering van die beleid. Die res van die verantwoordelikhede sal vervat word in die handves.

Heads of the Department and the Municipal Manager will be responsible for the implementation and monitoring of the Policy. The rest of the responsibilities will be captured in the charter.

## **9. SANKSIES/SANCTIONS**

Nie nakoming van die stipulasies soos vervat in die beleid sal beskou word as 'n oortreding/misdryf en daar sal met hulle gehandel word soos vervat in die Dissiplinêre Kode.

Non-compliance with the stipulations as in the Policy will be regarded as an offence and will be dealt with according to the Disciplinary Code.



## **10. DISPUUT OPLOSSING/DISPUTE RESOLUTION**

Enige dispuut wat voortspruit uit hierdie beleid as gevolg van bewoording of frases, moet na die Plaaslike Werkplek forum en ander relevante strukture verwys word. Besluite geneem by die Plaaslike Werkplek forum moet geïnkorporeer word in die beleid.

Any dispute arising out of this Policy due to wording or phrases must be forwarded to the LLF and other relevant structures. Resolutions taken at the LLF must be incorporated into this Policy.