



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF AGRICULTURE

RISK MANAGEMENT POLICY

REF: 4/1/P

EFFECTIVE DATE: 01 APRIL 2009

DATE REVIEWED: JANUARY 2013

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1. Acronyms and Abbreviations

LDA	Limpopo Department Agriculture
HoD	Head of Department
COSO	Committee of Sponsoring Organizations
MEC	Member of executive Council
PFMA	Public Finance Management Act
CRO	Chief Risk Officer

2. Introduction

The Accounting Officer has committed Limpopo Department of Agriculture to a process of risk management that is aligned to the principles of good corporate governance, as supported by the Public Finance Management Act (PFMA), Act 1 of 1999 as amended by Act 29 of 1999.

3. Purpose and objectives of the policy

Risk management is recognised as an integral part of responsible management and the Institution therefore adopts a comprehensive approach to the management of risk. The features of this process are outlined in the Institution's Risk Management Strategy. It is expected that all branches/sub-branches/sections, operations and processes will be subject to the risk management strategy. It is the intention that these branches/sub-branches/sections will work together in a consistent and integrated manner, with the overall objective of reducing risk, as far as reasonably practicable.

Effective risk management is imperative to the department to fulfill its mandate, the service delivery expectations of the public and the performance expectations within the department.

4. Authority of the policy

Since 1999 Risk Management practice has been supported by the Public Finance Management Act which stipulates in Section 38 that the accounting officer must maintain effective, efficient and transparent systems of financial and risk management and internal control.

The extension of the general responsibilities, in terms of Section 45 of the PFMA, to all managers is a cornerstone in the institutionalization of risk management in the public service. It establishes responsibility for risk management at all levels of management, extending it beyond the roles of the Accounting Officer the internal audit units or the Audit Committee in this regard.

The roles and responsibilities for the implementation of a Risk Management strategy is contained in the treasury regulations published in terms of the PFMA. Section 3.2 of the regulations revolves around risk management and can be summarized as follows:

Impact: an assessment of the adverse effect of the risk occurring. Commonly used in risk analysis as one part of the assessment of a risk the other being Likelihood.

Likelihood: Likelihood is an assessment of the probability of a risk occurring. Used in Risk Analysis as one part of the assessment of a risk, the other being Impact.

Risk tolerance levels: the level of risk exposure that management is prepared to tolerate.

Risk appetite: is the degree of risk that an institution is willing to accept in pursuit of its objectives.

8. Policy pronouncements

We subscribe to the fundamental principles that all resources will be applied economically to ensure:

- The highest standards of service delivery;
- A management system containing the appropriate elements aimed at minimising risks and costs in the interest of all stakeholders;
- Education and training of all our staff to ensure continuous improvement in knowledge, skills and capabilities which facilitate consistent conformance to the stakeholders expectations; and
- Maintaining an environment, which promotes the right attitude and sensitivity towards internal and external stakeholder satisfaction.

9. Default

An entity-wide approach to risk management will be adopted by the department, which means that every key risk in each part of the department will be included in a structured and systematic process of risk management. It is expected that the risk management processes will become embedded into the Institution's systems and processes, ensuring that our responses to risk remain current and dynamic. All risk management efforts will be focused on supporting the department's objectives. Equally, they must ensure compliance with relevant legislation, and fulfill the expectations of employees, communities and other stakeholders in terms of corporate governance. Non-compliance to this policy will result in non-implementation of the risk mitigation measures which may have a negative impact on the achievement of the objectives of the department.

10. Inception of the policy

This policy was reviewed and approved with effect from the 1st August 2013. A policy will be reviewed by relevant directorate / branch at least every 24 months or as and when a need arises.

11. Termination and review conditions.

The risk policy statement shall be reviewed annually to reflect the current stance on risk management.

Every employee has a part to play in this important endeavour and we look forward to working with you in achieving these aims. Enquiries related to this policy should be directed to the Senior Manager: Risk Management.



DEPARTMENT OF AGRICULTURE

Ref: 2/2/2

Enquiries: Mashiane RL

Inception date: 15/07/2013

Risk Management Policy Framework Limpopo Department of Agriculture

Strategic Planning and Policy Coordination sub-branch hereby submit the Risk Management Policy which has been reviewed for alignment in line with the Departmental Policy Development Framework. The Policy was originally approved and being implemented, because of the gaps that were identified it had to be reworked for alignment hence an approval is sought.

Recommended by:


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Head of Department

2013/07/12.
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Date

Approved and signed by


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MEC for Agriculture

15/07/2013
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Date