

**KEYNOTE ADDRESS BY PREMIER SUPRA OBAKENG
RAMOELETSI MAHUMAPELO AT THE BOKONE BOPHIRIMA
PROVINCIAL RISK MANAGEMENT INDABA ON THURSDAY 05
NOVEMBER 2015**

Members of Executive Council

Provincial Auditor General

Members of Audit Committees

Dikgosi

Director General

Heads of departments

Provincial Accountant General

Chief Executive Officers of Public Entities

Municipal Managers

Chief Financial Officers

Members of Mayoral Committee for Finance

All speakers

Ladies and Gentlemen

It gives me great pleasure to address this important gathering today on a subject which is very close to my heart, a subject of Risk Management. This indaba comes at an opportune time when every citizen of Bokone Bophirima is aware that last year we have pronounced important service delivery programmes namely Bua le Puso, Setsokotsane, Agriculture, Culture and Tourism (ACT) Pillars and Villages, Townships and Small Dorpies (VTSD) as key drivers of our provincial economy.

These programmes are aimed at fast-tracking the delivery of services to the people of this province coupled with a target to grow our economy by 6% by 2019.

Bagaetsho, through these pronouncements we target to reposition, rebrand and renew this beautiful Province of ours to a number one service delivery performing province in the country. And I assure you all that this is a target that we will meet when we all pull and work together.

Through the initiatives that I just mentioned, the provincial government has been in constant interaction with the people of Bokone Bophirima to address the underlying service delivery challenges and further come up with workable solutions to address these challenges.

The Setsokotsane programme has been roving around the province targeting remote areas that were perceived as forgotten communities. The three districts municipalities have been covered and currently Setsokotsane has started again in Ngaka Modiri Molema. We will be starting with Bojanala district the beginning of December.

We have resolved that all events should follow Setsokotsane, hence the event is held here. These programmes have been rolled out in Dr. Kenneth Kaunda, Dr. Ruth Segomotsi Mompati and we are now in Ngaka Modiri Molema district. The programmes are also going to be rolled out in Bojanala district and I hope that the support demonstrated during this event will be matched in other districts.

Ladies and Gentlemen, the fifth administration is very passionate about these programmes and it is my firm belief that we can all support the Province in its endeavour to rise from the negative publicity that has existed and restore it to a service delivery driven province that puts its community at the core of its services. We are repositioning this Province in line with the country's National Development Plan (NDP) and the Provincial Development Plan (PDP).

I wish to point out that we are beginning to see positive coverage of this Province, although this is just but a drop in the ocean. Bagaetsho, re santse re tlhoka go semelela thata.

If we look critically into Setsokotsane and Bua le Puso Programmes, they largely deal with risk management with the view of improving and delivering services to our people. This is where engagements with the communities take place to ensure that we respond to priority areas of our communities as envisaged in Batho-Pele principles.

Ladies and Gentleman, as the Premier of this Province, I have said in the past that gone are the days of public servants that are not people and service delivery centered.

The government of Bokone Bophirima is moving with speed in ensuring that 21 years of democracy begins to mean real, actual and tangible service delivery for our people. Sessions as this one must ensure that service delivery blockages are dealt with immediately otherwise there will be consequences.

The two days that have been set aside must translate into improvement of services, and that these services must be based on the needs of our people and not what we think our people needs. The collective here should come out with realistic improvement plans that will provide %back office support+ for the success of Setsokotsane, increase our financial investment in Villages, Townships and Small Dorpies (VTSD), propel Agriculture, Culture and Tourism (ACT) to be the true pillars of our targeted economic growth.

Ladies and gentleman your role should not just be a back office support only, by now it is my expectation that all present here have realigned their various responsibilities to the community outreach driven approach and are no longer working only from offices, because this is the only way that we will know what services to deliver to our people.

We are in the administration that needs and will only embrace public servants that fold their sleeves and put shoulder to the wheel. It is my belief and expectation that present here today are executive and senior

managers that have begun to ensure that they employ their time to change the tide of service delivery around.

We all know that risks can be social, political, environmental, legal etc. and as the ~~People's~~ Province of Bokone Bophirima+ we have experienced negative and positive management of all of these risk factors in the past. These risks have greatly affected the pace of service delivery and at times made us to re-prioritise and refocus resources because we are forced to be in a reactive mode. This mode of operation ladies and gentlemen must change from today onwards.

As we all know, risk management, in a lay-man's term, are those challenges that can make us not achieve our objectives of delivering services to the people of Bokone Bophirima. These risks, must keep us on our toes and manage them before they have a negative impact in the achievement of our goals or objectives.

Bokone Bophirima is moving in a direction of being responsive to our people's needs, hence Setsokotsane and Bua Le Puso. By visiting all the municipalities through the two programmes, we want to have our pulse on the beat and our eyes on the ball because through these engagements we are in a position to identify, analyse, evaluate and respond to risks in both internal and external service delivery environments.

I am therefore optimistic that the two days that we will spend here, will allow us to engage robustly, examine the environment of service delivery

in the Province in order to be more responsive to a people driven and people centered developmental government.

At the center of these robust debates should how we practically come up with solutions to the empowerment of businesses in the Villages, Townships and Small Dorpies (VTSD) initiatives. Ga go re tswela mosola go lela re re bagaetsho ga ba na bokgoni. These are the people we aim to empower and we should come up with strategies that will ensure that they are empowered.

Programme Director, the Administration of the Peoples Province of Bokone Bophirima must be in a position from today onwards to fully take charge of the risks that we have in our environment. The intention is that we be at a position where we collectively avert service delivery protests that might be brought as a result of poor management of risks. By convening together here for this Indaba, we are in a position to collectively come up with the best strategies to deal effectively with risk in the provincial administration.

It is through this Indaba as one of the programmes that we will be able to take our people along to Renew, Reposition and Rebrand Bokone Bophirima because together we can and will surely move this province forward.

Programme Director, Accounting Officers of departments, Accounting Authorities of Public Entities and Municipal Managers of municipalities have the responsibility to effective, efficient and transparent systems of financial and risk management and internal controls in terms of Section 38 and 51 of the Public Finance Management Act (PFMA); and for Municipalities in terms of Section 62 of Municipal Finance Management Act (MFMA).

The Accounting Officer of a municipality is responsible for managing financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective and transparent system of financial and risk management and internal control.

Treasury Regulations, paragraph 3.2.1, stipulates that the Accounting Officer must facilitate a risk assessment to determine the material risks to which the Institution may be exposed and to implement strategy for managing these risks. Such strategy must include a fraud prevention plan. The strategy must be used to direct internal audit effort and priority, and to determine the skills required to manage these risks.

King III report on Corporate Governance states that the key responsibility of the internal audit is to the board, its committee, or both, in discharging in responsibility and as a minimum perform these functions; evaluating governance processes including ethics, especially the tone at the top; and performing an objective assessment of the effectiveness of risk management and the internal control framework.

It is important that we reflect on the provisions of the PFMA and MFMA. These legislations are important as in setting the tone with managers that are entrusted with the management of risks in the entire administration of this province.

We all know that the fish starts to rot at the top. If managers are not exemplary and ethical in our conduct, then we cannot expect our subordinates to adhere and comply with risk management policies and strategies.

If managers do not lead by example, then I am afraid we would experience the rot and chaos as the public service would be used as a home for individuals that do not have service delivery at heart.

Be that as it may, risk management is the responsibility of everyone in government and all employees should be made aware of their role in risk management. Importantly, managers present here today need to understand their role in management of risks and what they do towards implementation of last year's resolutions of our Indaba.

All present today must be aware that the first line of defence is management. Managers establish and implement the controls to ensure that the objectives of government are achieved. Much as government must deliver services there is also corresponding risks which need to be managed. Management must develop strategies in line with the vision and mission of the Institution.

Finance has a legal responsibility in terms of section 18 of the PFMA to guide the effective implementation of risk management in the Provincial Departments, Provincial Legislature, Public Entities and Municipalities. Provincial Risk Management and Municipal Finance Management Units within the Department of Finance therefore have a responsibility to build risk management capacity, enforce the Public Finance Management Act (PFMA) and Municipal Finance Management Act (MFMA) by implementing specific prescripts pertaining to risk management and to monitor and assess the implementation of risk management in these institutions.

I wish to implore upon the MEC for Finance, Economy and Enterprise Development to ensure that Finance begins to take the bull by the horns and occupy its space in the effective management of risk management which has a big impact in the provinces ability to achieve clean audit.

Programme Director, Finance has ensured that Provincial Risk Management Forum sessions with departments and public entities are convened. The purpose of the Forums is to provide risk practitioners with the opportunity to engage and network with other departments and public entities with regard to Risk Management issues and to provide guidance in terms of implementation of risk management in the Province.

The Department is also looking at the possibility of establishing the same forum for municipalities; however the challenge with municipalities is that most of them do not have risk management units.

It is worrisome that some municipalities do not have the risk management units. This is a challenge as municipalities are the coal face of service delivery. This status quo cannot be left unattended. It is therefore important that the MEC for Finance, Economy and Enterprise Development and MEC for Local Government and Human Settlement urgently put measures in place through the municipal support programmes in the two departments.

The resolutions taken in the forums are binding and one begins to wonder what happens to the municipalities as they do not have a platform to share ideas and come up with resolutions to improve their risk management maturity and to work towards effective risk management implementation.

The answer is simple; they are left behind when departments, entities and some municipalities implement key resolutions that assist in turning around service delivery.

This also means that the EXCO adopted the Public Sector Risk Management Framework and it is not implemented fully province wide. This framework cannot be seen as an implementation requirement for departments and entities, and just regarded as a guide at municipal level. This cannot be correct. It is such disjointed implementation of government strategies that leads to service protests and pushing government to be reactive.

Cognisant of the fact that the Treasury Regulations and the Public Sector Risk Management Framework are being reviewed and it is going to be a requirement for all government institutions to implement the framework.

I am pleased that as Bokone Bophirima we have long taken a conscious decision to adopt the framework as the provincial framework. Therefore we will not be affected much by it becoming a requirement as envisaged in the new Treasury Regulations. Let me take this opportunity to thank the Department of Finance for their visionary leadership and for this type of proactiveness.

Experience is the best teacher and we have learnt that being reactive is costly and causes our citizens unnecessary pain, therefore let us use this indaba to be pro-active and not wait for things to happen before we respond, we know what our citizens need.

We know what we need to do and we know the capacity we have in terms of delivering services, then why must we wait for community unrest before we deliver services or where we are not able to, engage the community before service delivery protests, this is a classic example of us government being re-active and which we must unlearn fast and start to be pro-active, as a caring government we are.

As we can see there is a lot of information on risk management, and clearly we cannot separate risk management from internal control, hence the participation of the Auditor General and Provincial Internal Audit in this Indaba.

It is important that we also need the independent view of our independent assurance providers who are Internal Audit and the Auditor-General hence the rationale of the Combined Assurance Model. The combined assurance model is a combination of the different assurance providers.

I pointed out earlier on in that first line of defence is management. Risk Management is the second line of defence, since it provides a proactive and systematic and formalised process to identify, manage and monitor risks that gives management reasonable assurance that the objective of the Institution will be met; hence management must identify, evaluate and manage strategic risks to ensure they are in a reasonable position to achieve their objectives.

The third line of defence is the assurance providers. The internal and external audit provides an independent assurance that the controls implemented by management are effective and that the institution is in a reasonable position to achieve their objectives.

Now the question we should be asking ourselves is, how we are going to interface the first, second and third level defence in the management of risks in moving Bokone Bophirima Forward.

Ladies and Gentleman, the Indaba is a platform to answer this question. I wish to assure all present that this platform for this collective to develop the strategies will move Bokone Bophirima forward.

I am appreciative of the theme of this Indaba which says “**Risk Management repositioning and fast-tracking service delivery in theBokone Bophirima**”as it encourages collective effort towards addressing the basic needs of our people. Motswana o rile sedikwa ke ntswapedi ga se thata. Let us take this opportunity to engage fruitfully.

Ke a leboga.