

**Sarah Baartman**

**DISTRICT MUNICIPALITY**

*Province of the Eastern Cape*

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**Previously Cacadu District Municipality**

**RISK MANAGEMENT  
POLICY**

**May 2015**

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# **1 Introduction**

The Accounting Authority / Officer has committed the Sarah Baartman District Municipality (SBDM) to a process of risk management that is aligned to the principles of good corporate governance, as supported by the Municipal Finance Management Act (MFMA), Act no 56 of 2003.

Risk management is recognised as an integral part of responsible management and the SBDM therefore adopts a comprehensive approach to the management of risk. The features of this process are outlined in the SBDM's Risk Management Strategy. It is expected that all departments / sections, operations and processes will be subject to the risk management strategy. It is the intention that these departments / 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 SBDM to fulfill its mandate, the service delivery expectations of the public and the performance expectations within the municipality.

The realisation of our strategic plan depends on the municipality being able to take calculated risks in a way that does not jeopardise the direct interests of stakeholders. Sound management of risk will enable the municipality to anticipate and respond to changes in the municipal service delivery environment, as well as take informed decisions under conditions of uncertainty.

# **2 CDM's Risk Management Approach**

The municipality subscribes 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.

An entity-wide approach to risk management will be adopted by the SBDM, which means that every key risk in each part of the municipality 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 municipality's systems and processes, ensuring that our responses to risk remain current and dynamic. All risk management efforts will be focused on supporting the municipality'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.

### **3 Review and approval**

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