



RISK MANAGEMENT POLICY

2025 - 2030



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
HEALTH





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Foreword by the HOD of Limpopo Department of Health

Since February 2001 South Africa has had legislation which protects employees in the public and private sector from occupational detriment, should they blow the whistle. As it potentially affects you and everyone who works with you, I do hope you find the time to read this policy.

The Department encourages risk management culture which is intended at promoting good *corporate* governance, effective and clear communication.

The understanding and effective application of this policy will help everyone to identify and manage risks and also protect the reputation of the public service. A key part of the national strategy to fight corruption in the public sector is to encourage ethical individuals within the service to raise their concerns in a responsible manner.

I assure you that the entire top management of the Department of Health is willing to co-operate in this venture in order to promote an ethical organizational culture introduced on openness and accountability.

We trust that this policy will assist the Department in the identification of risks, fraudulent and corrupt activities.

Dr. Ndwamato N.N
Acting HOD: Department of Health

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1. PREAMBLE

Risk is inherent in all the departmental activities; as a result, in providing the Health services to the people of Limpopo, risks are continuously managed. Formal and systematic approaches to managing risk have been implemented and continuously improved in the Limpopo Department of Health since the establishment of the unit in 2002. Risk management is regarded by the Department as a sound business practice, which enhances decision-making, performance and accountability.

The Limpopo Department of Health undertakes to continuously update its Risk Management Strategy to reflect recent released International Standard on Risk Management, and incorporates recent improvements in the Provincial Risk Management Framework. This policy must be read together with the Risk Management Strategy, as it has detailed information.

2. LEGISLATIVE MANDATE

The following are some of the legislative mandates that govern enterprise risk management:

- King Reports
- Public Finance Management Act, 1999 (Act 1 of 1999)
- Treasury Regulations (1999)
- The Public Service Act (1999), as amended
- Public Service Regulations, 2001
- The Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004)
- The Protected Disclosure Act, 2000 (Act 20 of 2000)
- Promotion of Access to Information Act, 2000 (Act no 2 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)
- The Labour Relations Act, 1995 (Act 66 of 1995)
- National Archives and Records Services Act, 1996 (Act 43 of 1996)
- The Minimum Information Security Standards, 4 December 1999
- The National Anti-Corruption Strategy, 2002
- The Constitution of Republic of South Africa, Act 108 of 1996
- Public Sector Risk Management Framework
- Provincial Risk Management Framework

3. STRATEGIC OVERVIEW

3.1 VISION

A long and healthy life for the people in Limpopo

3.2 MISSION

The Limpopo Department of Health is committed to provide quality health care service that is accessible, comprehensive, integrated, sustainable and affordable.

3.3 VALUES

The Limpopo Department of Health adheres to the following values and ethics that uphold the Constitution of the Republic of South Africa:

- Honesty
- Integrity
- Fairness
- Equity
- Respect
- Dignity
- Caring

4. POLICY STATEMENT

4.1 The Department of Health Limpopo is collectively committed to a systematic and comprehensive approach to sound risk management that will give effect to the provincial vision and strategy. The Enterprise Risk Management (ERM) policy statement, together with the ERM framework and methodology constitutes the ERM policy of the department.

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

4.3 Risk management is recognized as an integral part of responsible management and the Department therefore adopts a comprehensive approach outlined in the Department's Risk Management Strategy. It is expected that all sub directorates, Support Branches and the Health Branch (core function), will be subject to the risk management strategy. It is the intention that these components will work together in a consistent and integrated manner, with the overall objective of reducing risk, as far as reasonably practicable.

- 4.4 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.
- 4.5 The Enterprise wide risk management will be fully integrated with the Provincial and departmental strategic and annual planning processes, and regular performance reviews to ensure that the risk management journey matures and cements sound organizational practices where managers and staff skillfully identify, assess, treat, and monitor risk in the normal course of organizational activities. The realization of our strategic plan depends on the Department being able to take calculated risks in a way that does not jeopardize the direct interests of stakeholders. Sound management of risk will enable the Department to anticipate and respond to changes in the service delivery environment, as well as make informed decisions under conditions of uncertainty.
- 4.6 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 minimizing risks and costs in the interest of all stakeholders;
 - Education and training of 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.
- 4.7 An enterprise-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 Department's systems and processes, ensuring that the department's 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.
- 4.8 Every employee has part to play in this important endeavor and the specific roles will be detailed in the Risk Management Strategy.

5. PURPOSE OF THIS POLICY

- 5.1 The purpose of this policy is to articulate the department's risk management philosophy and to support the implementation of the Public Sector Risk Management Framework (PSRMF) which provides the following:

5.1.1 Regulation of procedures and guidelines governing risk management in order to ensure consistency and fairness across the department;

5.1.2 Put into effect Public Service Risk Management prescripts such as PFMA & PSRMF and Batho-Pele principles.

6. OBJECTIVES

6.1 The objectives of the policy are to:

- Promote and maintain risk management culture within the department.
- Effectively manage specific risks within the department.
- Optimize the Department’s compliance with legislation, policies and regulatory prescripts.
- Provide a sound basis for integrated risk management and internal control.
- Prevent and minimize recurring of main risks.

7. DEFINITIONS/ABBREVIATIONS

Concept/ Abbreviation	Meaning
Accounting Officer	A person as mentioned in section 36 of the PFMA
Chief Risk Officer (CRO)	An officer responsible for Enterprise-wide Risk Management in the Department;
CEO	A Chief Executive Officer of a hospital
CFO	The Chief Financial Officer of the Department
DEM	A District Executive Manager
Department	The Department of Health in Limpopo
DRMC	The District Risk Management Committee
ERM	Enterprise Risk Management
Employee	An employee as defined in the Labor Relations Act, 1995 (66 of 1995)
HOB’s	Heads of Branch
HOD	The Head of Department of Health in Limpopo
Institution	Hospitals, Health Centers and Vertical programs
MEC	The Member of Executive Council responsible for health services in Limpopo
Misconduct	Any conduct in contravention to the prescripts governing all Public Sector employees, including financial misconduct as defined in the PFMA.
PFMA	The Public Finance Management Act, 1999 (Act 1 of 1999)

Concept/ Abbreviation	Meaning
PRMC	The Provincial Risk Management Committee
Risk	An uncertainty of an event occurring that could have an adverse effect on the achievement of objectives.
Risk Appetite	The amount of residual risk the Department is willing to accept
Risk Champion	A person, other than the risk owner, who by virtue of his/her expertise or authority champions the risk management process;
Risk Management	It means a systematic and formalized process designed to identify, assess, manage and monitor risks
RMC	Risk Management Committee
Risk Owner	Person responsible for managing a particular risk
Risk Tolerance	Means the amount of risk, other than a risk appetite, that the Department is capable of bearing
Risk Management Unit	A division of the department, other than those of risk owners responsible for providing Enterprise-Wide Risk Management Services
SCOPA	The Standing Committee on Public Accounts providing oversight on public accounts
Vertical Program	The special health care programs within the Provincial Health Care System.

8. APPLICATION OF THE RISK MANAGEMENT POLICY

In order to directly support organizational objectives, a formal ERM Strategy and implementation plan will be developed. In addition, ERM will be implemented with the sustained involvement at all levels of the organization via adequately resourced plans with measurable timelines and objectives. The risk management journey as reflected in our framework will be aligned to the National Treasury Public Sector Risk Management Framework and supported by ongoing training, monitoring and evaluation.

9. PERFORMANCE

The effective management of risk can only take place within a framework that enables communication, good judgment and direction at all levels. Risk and control maturity will be realized through risk management reviews such as, ERM plans, departmental specific strategies, internal audit, oversight monitoring, individual

performance agreements, quality relation to the relevancy of the risk/s reflected in risk registers, risk profiles as well as the audit and ERM committee activities.

10. ACCEPTANCE CRITERIA

The emphasis of risk management is not so much about eliminating risk but about understanding, managing, and efficiently assigning risk. The process involves identifying and evaluating risk in a cost effective manner based on the likelihood that the risk may actually be realized (also referred to as the probability); and the impact/ effect the risk being realized would have on the objectives (also referred to as consequences). Prioritized and operational risks are monitored constantly to get assurance that mitigation measures put in place are effective.

11. DOCUMENTATION

Each stage of the risk management process, decisions and risk statement, is appropriately documented. Strategic (APP based) and operational (programme and/project) risk registers are maintained and recorded in the departmental risk database.

12. ROLE PLAYERS

Every employee is responsible for executing risk management processes and adhering to risk management procedures laid down by the department managers in their areas of responsibilities.

12.1 Risk management oversight

12.1.1 Internal Audit

The role of the Internal Auditing in risk management is to provide an independent, objective assurance on the effectiveness of the department's system of risk management. Internal Auditing must evaluate the effectiveness of the entire system of risk management and provide recommendations for improvement where necessary.

12.1.2 External Audit

The external auditor (Auditor-General) provides an independent opinion on the effectiveness of risk management.

12.1.3 Audit Committee

The Audit Committee is an independent committee responsible for oversight of the department's control, governance and risk management. The Audit Committee provides an independent and objective view of the department's risk management effectiveness.

12.1.4 Risk Management Committee

The Risk Management Committee is appointed by the Accounting Officer / Authority to assist him/her to discharge his/her responsibilities for risk management. The Committee's role is to review the risk management progress and maturity of the department, the effectiveness of risk management activities, the key risks facing the department, and the responses to address these key risks. The responsibilities of the Risk Management Committee are formally defined in its terms of reference.

12.2 Risk management implementers

12.2.1 Accounting Officer

The Accounting Officer is the ultimate Chief Risk Officer of the department and is accountable for the department's overall governance of risk. By setting the tone at the top, the Accounting Officer promotes accountability, integrity and other factors that will create a positive control environment.

12.2.2 Managers

Managers is responsible for executing their responsibilities outlined in the risk management strategy and for integrating risk management into the operational routines.

12.2.3 Other Officials

Other officials are responsible for integrating risk management into their day-to-day activities. They must ensure that their delegated risk management responsibilities are executed and continuously report on progress.

12.3 Risk Management Support

12.3.1 Chief Risk Officer

The Chief Risk Officer is the custodian of the Risk Management Strategy, and coordinator of risk management activities throughout the department. The primary responsibility of the Chief Risk Officer is to bring to bear his/her specialist expertise to assist the department to embed risk management and leverage its benefits to enhance performance.

12.3.2 Risk Champion

The Risk Champion's responsibility involves intervening in instances where the risk management efforts are being hampered, for example, by the lack of co-operation by Managers and other officials and the lack of departmental skills and expertise.

12.4 Risk Management Assurance Providers

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 department'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.

13. NON-COMPLIANCE WITH THE RISK MANAGEMENT POLICY

The Department shall take disciplinary action against any person who contravenes the provisions of this policy.

14. DATE OF EFFECT

This policy takes effect from the 1st April 2025 upon the approval by the Head of Department

15. REVIEW PERIOD

The policy is valid for the period of five years and it will be reviewed when need arises due to major legislative changes in risk management.

16. POLICY APPROVAL

Approved / ~~Not Approved~~

Comments/remarks by HOD:



DR. NDWAMATO N.N
ACTING HEAD OF DEPARTMENT

06/03/2025

DATE