



Republic of Mauritius

TREASURY

OFFICE CIRCULAR No.4 OF 2017

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From : Accountant-General

To : All Treasury Staff

Subject : **Treasury Operational Risk Management Framework**

As you are aware, the Treasury Risk Management Committee was set up with the following key objectives:

- (i) Identify, assess and analyse the risks of the Treasury;
- (ii) Develop the Risk Management Policy of the Treasury and review same as necessary;
- (iii) Ensure that risks, which threaten the achievement of Treasury's strategic objectives, are identified, assessed and included in the Treasury Risk Register, and are reviewed regularly;
- (iv) To monitor the achievement of the key performance indicators set out in the Treasury Strategic Plan; and
- (v) Ensure that there is appropriate communication with staff on risk, risk policy and controls.

2. Pursuant to the above, the Committee has developed an Operational Risk Management Framework (ORMF) including a Risk Matrix setting out the main risks relevant to the Treasury as well as the mitigation strategies/measures. A copy of the document is at Annex 1.

3. The Committee will meet on a regular basis to review/update the ORMF, to develop a plan for the testing of the mitigation strategies/measures identified and to monitor the implementation of the plan.

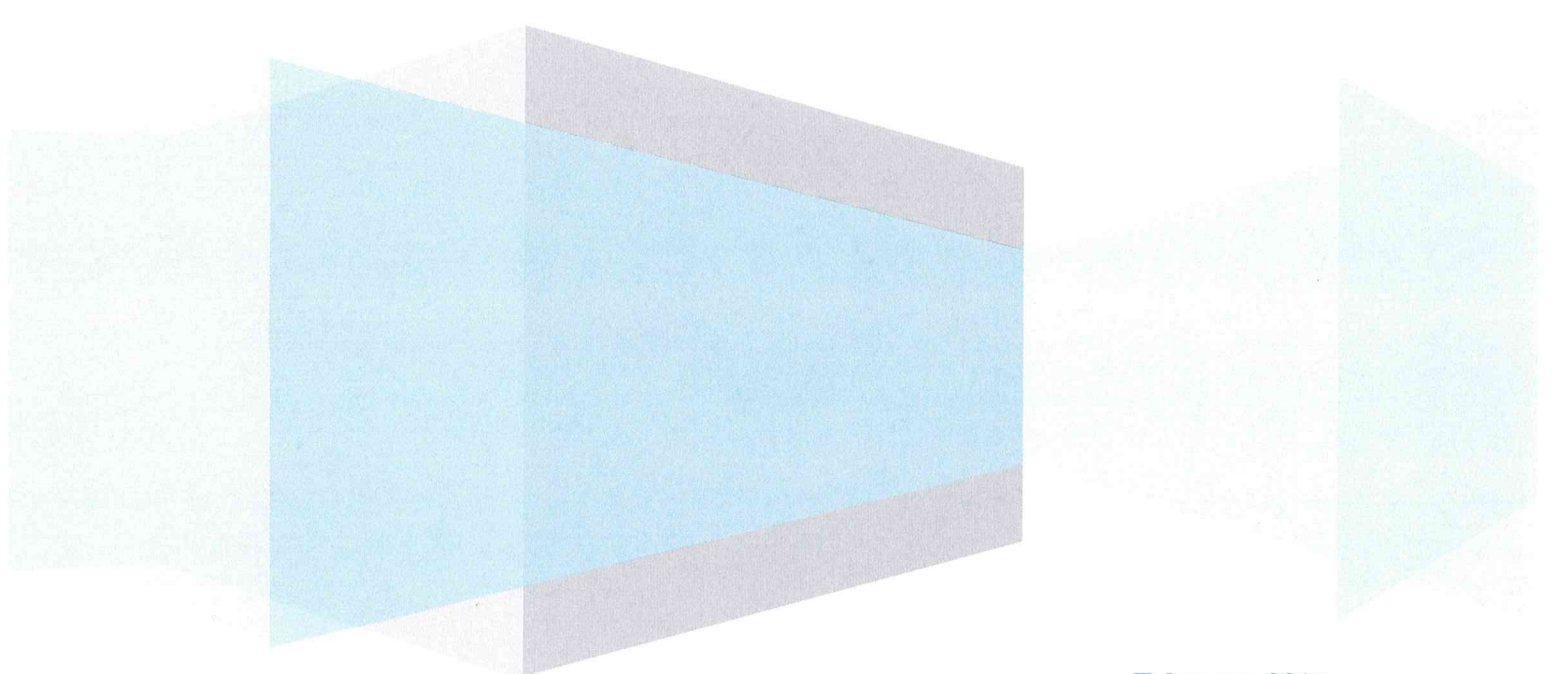
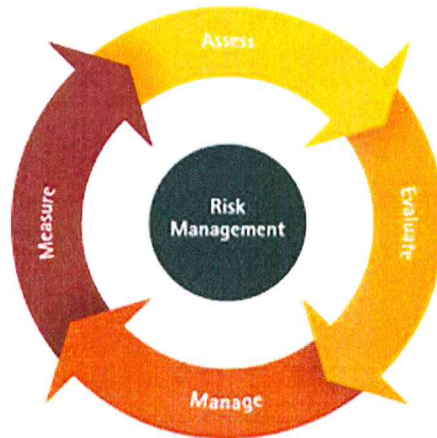
4. Treasury Supervisors (DAG and AAGs) and Head of Sections are kindly requested to bring the contents of this Office Circular to the attention of all staffs in their respective section.

(C. Romooah)
Accountant-General



TREASURY

OPERATIONAL RISK MANAGEMENT FRAMEWORK



TREASURY

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PREFACE

Risk management is recognised as an essential contributor to business success, since it focuses on addressing uncertainties in a proactive manner in order to minimize threats, maximise opportunities, and optimise achievement of objectives.

In the current economic and financial context, the lack of an adequate approach to risk management is a real threat to the work of any public administration. Nowadays, work efficiency and effectiveness in the Public Sector are more important than ever before. It is of extreme importance that Public Sector do not rely solely on their intuition in dealing with risks, but use professional formalised risk management as an integral and ongoing part of their general management process.

In line with the Strategic Plan 2016 -2020, through the Treasury Risk Management Committee, the Treasury has developed an Operational Risk Management Framework (ORMF) which sets out the main risks relevant to the Treasury as well as the mitigation strategies/measures. The ORMF will enable the Treasury to be proactive in its approach to managing risks that could prevent or distract the achievement of its mission. I would like to thank the members of the Treasury Risk Management Committee who provided their valuable insights and suggestions in the production of the ORMF.

Risk management being a dynamic process, we have to make sure we manage risks proactively so as to minimize threats. The ORMF will be reviewed and updated periodically to keep up with new developments.



C.Romooah

Accountant-General

08th February 2017

TREASURY

OUR VISION

To be recognized as a modern organisation providing financial services of international standard

OUR MISSION

Supporting effective public financial management through the delivery of quality accounting, cash management and payment services

OUR CORE VALUES

Integrity

We value our role as an organisation providing an array of services and are committed to perform our duties in accordance with the highest standards of conduct and ethics

Customer Orientation

We consider our customers as partners in our mission and consistently strive to anticipate their needs and meet their expectations

Team Spirit

We foster continuous learning and believe that the best results stem from our collective talents and experiences

Innovation

We continuously improve our processes by embracing new and better ways of doing our work

Eco-friendly

We conduct our business in an environmentally responsible manner

KEY ROLES AND OBJECTIVES

- To maintain the accounts of government, to prepare annual financial statements and to ensure that accounting systems respond to government's needs for the proper processing, recording and accounting of financial transactions and for financial reporting.
- To monitor the cash flow positions of government and to ensure that adequate funds are available to meet government's payment obligations in the most cost-effective way.
- To manage the dispensing of loans and passage benefits to government employees, as well as the payment of public service pensions and other retiring allowances, in accordance with prescribed rules, laws and regulations.
- To operate as government's main payment centre and to ensure that all payments of government are executed efficiently and in a timely manner.

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MAIN FUNCTIONS

The main functions of the Treasury are :-

Government Accounting & Reporting

- a) maintaining the accounting records of government;
- b) preparation of the annual Financial Statements of the government of the Republic of Mauritius as required under the Finance and Audit Act;
- c) ensuring that financial and accounting arrangements in all Ministries/Departments are adequate and effective;
- d) assisting Ministries/Departments in putting in place or in implementing computerised financial systems;

Public Service Benefits

- e) processing and payment of retiring allowances in accordance with the Pensions Act, the National Assembly (Retiring Allowances) Act, the President's Emoluments & Pension Act, and other legislations;
- f) processing and payment of motor vehicle loans and passage benefits to government employees and other eligible persons in accordance with prescribed rules;

Cash Flow Management, Receipts & Payments

- g) preparing cash flow forecasts for the government for the purpose of determining short term borrowing requirements;
- h) operating as government's main payment centre: executing payments on behalf of Ministries and Departments and effecting transfers of funds to banks for the purposes of government payments;
- i) monitoring the processing of monthly government payroll by Ministries and Departments and transferring funds to banks for that purpose;
- j) exercising general supervision over the receipts, expenditures and other disbursements of Government;
- k) collecting certain types of revenues of government;

Depository of Security

- l) operating as depository of security required to be deposited by attorneys, notaries, auctioneers, land surveyors, recruiting agents, and private security service providers under relevant Acts; and

Motor Vehicle Accidents Claims

- m) processing of claims in respect of accidents involving government vehicles.

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SECTIONS OF THE TREASURY

I. GOVERNMENT ACCOUNTING AND REPORTING

- 1. Accounts Section**
- 2. Treasury Accounting System (TAS) Section**
- 3. Projects Finance Unit**
- 4. Loans Section**
- 5. Records Section**

I.1 The **Accounts Section** is responsible for:-

- a) maintaining accounts in respect of revenues and expenditures of government;
- b) preparation of the annual Financial Statements of the government as required under the Finance and Audit Act*;
- c) preparation of financial statements of special funds; and
- d) recording and accounting of financial transactions and preparation of financial statements in respect of projects financed by International Organisations.

*Section 19 of the Finance and Audit Act requires that the Accountant General shall, within 6 months of the close of every fiscal year, sign and submit to the Director of Audit statements showing fully the financial position of the Republic of Mauritius on the last day of such fiscal year.

I.2 The **TAS Section** is responsible for:-

- a) ensuring that TAS is functioning properly and system controls are adequate and effective;
- b) facilitating the preparation of financial reports by users;
- c) ensuring that budget related data are properly recorded in TAS;
- d) providing guidance and assistance to all users on matters relating to TAS functionalities;
- e) training of staff of all Ministries/Departments on TAS; and
- f) managing user access to TAS.

I.3 The **Projects Finance Unit** is responsible for:-

- a) processing of drawdown requests to International Organizations; and
- b) recording and accounting of financial transactions and preparation of financial statements in respect of projects financed by International Organizations.

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I.4 The **Loans Section** is responsible for:-

- a) maintaining accounting records in respect of government loans to Statutory Bodies and other persons;
- b) processing of claims to Statutory Bodies and other persons ; and
- c) monitoring of loan repayments and interest charges.

I.5 The Records Section is responsible for:-

- a) maintaining receipt and payment vouchers and other accounting records of non self-accounting Ministries and Departments in Treasury Voucher Rooms; and
- b) facilitating access by authorised persons to vouchers and records.

II PUBLIC SERVICE BENEFITS

1. Pensions Section

2. Motor Vehicle Loans Section

3. Passage Benefits Section

II.1 The **Pensions Section** is responsible for the processing of:-

- a) end of service retiring benefits (gratuity);
- b) monthly pensions to retired Public Officers;
- c) death gratuity to heirs of Public Officers;
- d) retiring allowance to retired Members of the National Assembly;
- e) pension to retired President/Vice President;
- f) compensation/additional pension to injured officers;
- g) portable pension to Public Officers who resign from the Public Service;
- h) retiring benefits and other benefits to officers on permanent transfer to Approved Service;
- i) compassionate allowance/Ex-gratia gratuity ; and
- j) contract gratuity to advisers and Officers on Contract:

II.2 The **Motor Vehicle Loans Section** is responsible for the processing of motor vehicle (car, motorcycle and autocycle) loan applications from Public Officers.

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II.3 The **Passage Benefits Section** is responsible for the processing and payment of passage benefits to public officers, in respect of:-

- a) costs of air tickets;
- b) expenses incurred abroad (Pocket Money);
- c) expenses at inland hotels/recreational resorts;
- d) exam fees for SC/HSC for children of Public Officers; and
- e) for any purpose other than travel, cashed at the discounted rate of 90%.

III CASH MANAGEMENT, RECEIPTS AND PAYMENTS

III.1 *Cash Management Unit*

The **Cash Management Unit** is responsible for:-

- preparing cash flow forecasts for the Government;
- monitoring the cash flow position of Government;
- assisting the Ministry of Finance & Economic Development with the determination of the borrowing requirements of Government;
- providing funds to Self-Accounting Ministries/Departments;
- exercising general supervision over the receipts, expenditures and other disbursements of Government.

III.2 *Payments Centre*

- Chief Cashier's Office
- Payable Order Office
- Treasury Examination Section
- FX Payments Unit

The **Chief Cashier's Office** is responsible for:-

- a) effecting payments through bank transfers;
- b) effecting transfer of funds to banks i.r.o. –
 - (i) payments by self-accounting Ministries/Departments;
 - (ii) Government payroll.

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The **Payable Order Office** is responsible for:-

- a) effecting payments (in respect of expenditures of Ministries and Departments) through Payable Orders (cheques).

The **Treasury Examination Section** is responsible for:-

- a) checking of payment vouchers submitted by Ministries/Departments prior to disbursements.

The **FX Payments Unit** is responsible for:-

- a) effecting payments in foreign currencies on behalf of Ministries and Departments; and
- b) transmitting required documents to banks/overseas suppliers in respect of overseas purchases of government.

III.3 *Revenue Collection*

Chief Cashier's Office and Treasury's District Cash Offices collect the following revenues:-

- a) Rental of Government Property
- b) Compensation in respect of Government- owned vehicles damaged in accidents
- c) Licence fees for:-
 - private investigation;
 - fishmonger;
 - waste dumping; and
 - waste carrier.
- d) Registration fee, stamp duty and charges (NTA Lien) in respect of motor vehicles loan to public officers;
- e) Import permit fees.
- f) Reimbursement of car loan; and
- g) Motor Vehicle License (only at District Cash Office).

IV DEPOSITORY OF SECURITY

The Registry of the Treasury also operates as depository of security and is responsible for:-

- a) maintaining securities to be deposited by attorneys, notaries, auctioneers, land surveyors, recruiting agents and private security service providers under relevant Acts; and
- b) ensuring that documents deposited as security are valid and legally in order.

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V MOTOR VEHICLE ACCIDENT CLAIMS

The **Accident Claims Section** is responsible for:-

- a) processing of claims in respect of accidents involving government vehicles;
- b) initiating the process for legal recovery (through the State Law Office) of debts in respect of accident claims; and
- c) processing payments in accordance with Court determination, in respect of government liabilities resulting from accidents by government vehicles.

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TERMS OF REFERENCE OF TREASURY RISK MANAGEMENT COMMITTEE (TRMC)

1. OBJECTIVE

Develop and operate a comprehensive risk management framework for the Treasury.

2. TERMS OF REFERENCE OF TRMC

The principal functions of TRMC are to:

- (i) Identify, assess and analyse the risks of the Treasury;
- (ii) Develop the Risk Management Policy of the Treasury and review same as necessary;
- (iii) Ensure that risks, which threaten the achievement of Treasury's strategic objectives, are identified, assessed and included in the Treasury Risk Register, and are reviewed regularly;
- (iv) To monitor the achievement of the key performance indicators set out in the Treasury Strategic Plan; and
- (v) Ensure that there is appropriate communication with staff on risk, risk policy and controls.

3. MEMBERS OF TRMC

The members of the committee shall be as follows:

- (i) Accountant-General, as Chairperson;
- (ii) Mr S. Ramdeen, as Alternate Chairperson;
- (iii) Mr S. Annauth, as Member;
- (iv) Mr S. Ramparsad, as Member;
- (v) Mr N. Rambajun, as Member;
- (vi) Mr R. Kalleechurn, as Member;
- (vii) Mrs Z. Karreeman, as Member;
- (viii) Mr R. Bhurtun, as Member;
- (ix) Mr C. Gopal, as Member;
- (x) Mrs K. Boykunt, as Secretary.

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3. MEMBERS OF TRMC (CONT'D)

In attendance for specific items of discussions:

- (i) Representative(s) of ITSU;
- (ii) Representative(s) of CIB;
- (iii) Other public officers, including officers from other Ministries/Departments, may be required to attend as requested in relation to matters pertaining to their roles and responsibilities.

4. MEETINGS AND PROCEEDINGS

- (i) Meetings of the TRMC will be held as frequently as considered appropriate, but will normally meet not less than four times a year. Any member of the committee may request the Chairperson to call further meetings;
- (ii) The agenda shall be prepared by the Secretary in consultation with the Chairperson;
- (iii) Reasonable notice of meetings and the business to be conducted shall be given to the members of TRMC;
- (iv) The Secretary shall take minutes of the meetings. Such minutes shall be circulated to all members of the TRMC.

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OPERATIONAL RISK MATRIX

I. DEFINITION OF TERMS

1. Risk likelihood

The likelihood of a risk materialising in the future is determined on basis of past occurrence.

Scale	Likelihood definition
Low	<ul style="list-style-type: none">• Very unlikely but not negligible• Would require highly unusual circumstances• There are effective mitigation measures in place
Medium	<ul style="list-style-type: none">• Likely, and possible• There are mitigating measures in place but may not be completely effective and/or are not applied consistently
High	<ul style="list-style-type: none">• Very likely• Extensive precedents• No mitigation measures in place to prevent them

2. Risk impact

Risk Impact indicates the potential impact on service delivery, public funds or human resource allocation if risk materialises.

Scale	Impact definition
Low	<ul style="list-style-type: none">• Treasury capacity to carry out its functions or deliver its main services will not be affected• May result in a loss of public funds which can be recovered immediately• Impact on the time taken to obtain financial information
Medium	<ul style="list-style-type: none">• Require the deployment of additional resources for the Treasury to carry out its functions or deliver its main services efficiently and effectively• Treasury management is required to increase vigilance to ensure compliance with laws, regulations, procedures or any instructions• May result in a loss of public funds which may not be recovered immediately• Require the deployment of additional resources by the Treasury to maintain and provide financial information

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2. Risk impact (Cont'd)

Scale	Impact definition
High	<ul style="list-style-type: none"> Significantly impair the capacity of the Treasury to carry out its functions or deliver its main services Will put Treasury at a risk of non compliance with laws, regulations, procedures or any instructions May negatively impact on the reputation of the Treasury May result in a loss of public funds which may not be recovered without legal action May seriously undermine the reliability of financial information maintained by the Treasury

3. Risk Rating

Risk Rating indicates the severity of a risk. This is done by combining the likelihood and impact to estimate the overall risk rating.

Risk Rating = Likelihood x Impact				
Impact	HIGH	Medium	High	Critical
	MEDIUM	Low	Medium	High
	LOW	Irrelevant	Low	Medium
		LOW	MEDIUM	HIGH
		Likelihood		

4. Mitigation Strategies/Measures

Mitigation strategies/ measures involves the assessment of whether mitigation measures are in place to address a particular risk.

5. Priority Actions

This step involves the development of a prioritised list of actions whereby the more severe risks should be addressed first. Priority actions are identified by looking at both risk rating and mitigation strategies/measures.

Priority Actions = Risk Rating x Mitigation strategies/measures						
Mitigation measures	NO	No action	Medium priority	High priority	High priority	Critical
	YES	No action	Low priority	Medium priority	Medium priority	High priority
		IRRELEVANT	LOW	MEDIUM	HIGH	CRITICAL
		Risk Rating				

Operational Risk Management Framework

II. RISK MATRIX

Sub Category	Risk Description	Management Focus	Likelihood	Impact	Risk Rating	Mitigation Strategies/Measures	Priority Actions
Risk Category 1: IT Systems							
1.1 TAS	1.1.1 Payments cannot be processed due to breakdown (malfunctioning) of AP Module	System Maintenance	Low	High	Medium	Yes: <ul style="list-style-type: none"> • Payments can be effected off-TAS through manual system • Application backup with regular drill test performed 	Medium
	1.1.2 Receipts cannot be processed due to breakdown (malfunctioning) of AR Module	System Maintenance	Low	Medium	Low	Yes: <ul style="list-style-type: none"> • # Off-TAS records • # ABF 9A • Application backup with regular drill test performed 	Low
	1.1.3 Other transactions cannot be processed due to system failure	System Maintenance	Low	Medium	Low	Yes: <ul style="list-style-type: none"> • Off -TAS Records can be maintained • Application backup with regular drill test performed 	Low
	1.1.4 Financial reports (including Financial Statements) cannot be generated due to system breakdown	System Maintenance	Low	Medium	Low	Yes: <ul style="list-style-type: none"> • Off-TAS financial reports/statements will be generated • Application backup with regular drill test performed 	Low
1.2 Pensions System	1.2.1 Pensions Payroll cannot be processed due to breakdown of Pensions System	System Maintenance	Low	High	Medium	Yes: <ul style="list-style-type: none"> • Off-system payroll will be generated • Application backup with regular drill test performed 	Medium

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Operational Risk Management Framework

Sub Category	Risk Description	Management Focus	Likelihood	Impact	Risk Rating	Mitigation Strategies/Measures	Priority Actions
1.3 Passages System	1.3.1 Payment of passage benefits cannot be effected due to breakdown of Passage Benefits System	System Maintenance	Low	Medium	Low	Yes: <ul style="list-style-type: none"> Payment Vouchers for the payment of passage benefits can be prepared on the basis of Form xx and processed in the normal manner Application backup with regular drill test performed 	Low
1.4 MACSS	1.4.1 Online transfers cannot be effected due to MACSS failure	BOM issue	Low	Medium	Low	Yes: Payment instructions can be sent to banks through letters	Low
1.5 Connectivity – Applications used by Treasury	1.5.1 Applications cannot be accessed due to: <ul style="list-style-type: none"> Specific line failure Operator failure 	System Maintenance	Low	High	Medium	Yes: <ul style="list-style-type: none"> Redundant line for essential services Use of two lines from two operators concurrently with the ease to switch lines with minimal disruption through proper configuration of routers 	Medium
Risk Category 2: Human Resource							
2.1 Key Staff	2.1.1 Operations/main services/ strategic objectives are affected due to absence/transfer of key staff for the following departments:	(i) Staffing (ii) Leave management (iii) Work flow management (iv) MOFED Rotation Plan					
	- Accounting and Reporting		Medium	Medium	Medium		Medium
	- Project finance operations		Medium	High	High	• Yes:	Medium

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Operational Risk Management Framework

Sub Category	Risk Description	Management Focus	Likelihood	Impact	Risk Rating	Mitigation Strategies/Measures	Priority Actions
	- TAS operations		Medium	High	High	<ul style="list-style-type: none"> At least two officers fully familiar with each critical task Key staff in a Treasury Section are normally not authorised to proceed on leave during same period Posting of staff in critical positions to be planned in the light of MOFED rotation plan Critical positions to be held by staff on the establishment of the Treasury 	Medium
	- Cash Management		Medium	High	High		Medium
	- FX Payments		Medium	High	High		Medium
	- Processing of payments – Chief Cashier’s Office		Medium	High	High		Medium
	- Processing of payments – Payable Order’s Section		Medium	High	High		Medium
	- Processing of payments – Examinations Section		Medium	Medium	Medium		Medium
	- Pensions		Medium	High	High		Medium
	- Passage Benefits		Medium	Medium	Medium		Medium
	- Car Loan		Medium	Medium	Medium		Medium
	- Registry of security bonds		Medium	High	High		Medium
	- Treasury Registry		Medium	Medium	Medium		Medium
	- Records Section		Medium	Medium	Medium		Medium
	- HR Section		Medium	Medium	Medium		Medium
	- Finance Section		Medium	Medium	Medium		Medium
	- Procurement and Supply Section		Medium	High	High		Medium
2.2 Safety and Health	Safety and Health of employees and customers is threatened as a result of operations or physical environment conditions	Security Management	Low	High	Medium		Yes: Safety and Health Committee/ MCSAR assesses risks and ensures necessary measures are taken as and when required
Risk Category 3: Assets							
3.1 Physical Assets	3.1.1 Loss of assets:						
	- IT equipment – servers and line printers	(i) Assets Management Back up and Business Continuity Plan	Low	High	Medium	<ul style="list-style-type: none"> Yes: Main TAS server located at GOC Servers at Treasury are secured and physical access strictly controlled 	Medium

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Operational Risk Management Framework

Sub Category	Risk Description	Management Focus	Likelihood	Impact	Risk Rating	Mitigation Strategies/Measures	Priority Actions
						<ul style="list-style-type: none"> Treasury Officers are required to ensure security of assets under their control – as per Treasury Operating Rules and Policies 	
-	Other IT equipment – PCs etc	Asset Management	Low	Medium	Low	Yes: Treasury Officers are required to ensure security of assets under their control – as per Treasury Operating Rules and Policies	Low
-	Other physical assets	Asset Management	Low	Low	Irrelevant	Yes: Treasury Officers are required to ensure security of assets under their control – as per Treasury Operating Rules and Policies	No action
3.1.2	Breakdown/destruction of assets that impairs operations:						
-	IT equipment – servers, routers and line printers	Asset Management - System Failure	Medium	High	High	Yes: <ul style="list-style-type: none"> Maintenance Contracts Off system processing Redundant server Disaster recovery Preventive maintenance 	Medium
-	Other IT equipment – PCs and other peripherals	Asset Management - System Failure	Medium	Low	Low	Yes: <ul style="list-style-type: none"> Maintenance Contracts Off system processing Redundant server Disaster recovery Preventive maintenance 	Low

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Operational Risk Management Framework

Sub Category	Risk Description	Management Focus	Likelihood	Impact	Risk Rating	Mitigation Strategies/Measures	Priority Actions
-	Other physical assets	Asset Management - System Failure	Low	Low	Irrelevant	Yes: Treasury Officers are required to ensure security of assets under their control – as per Treasury Operating Rules and Policies	No action
3.2 Financial Assets	3.2.1 Overpayments by Treasury in respect of:						
-	Pensions	Internal Control Systems	Low	High	Medium		Medium
-	Passage Benefits	Internal Control Systems	Low	Medium	Low		Low
-	MV Loans	Internal Control Systems	Low	Medium	Low	Yes: Work Flow provides for proper checks and approval before disbursement of money	Low
-	Salaries and allowances to employees	Internal Control Systems	Low	Medium	Low		Low
-	Other payments under Treasury Budget	Internal Control Systems	Low	High	Medium		Low
3.2.2	Bank Accounts of Treasury wrongly debited by banks	Internal Control Systems	Low	High	Medium	Yes: Bank Statements of the Treasury are checked for debits on a daily basis	Medium
3.2.3	Bank Accounts of Treasury debited through fraudulent actions by outside parties	Internal Control Systems	Low	High	Medium	Yes: Bank Statements of the Treasury are checked for debits on a daily basis	Medium
3.2.4	Loss of cash kept at Treasury	Asset Management	Low	Medium	Low	<ul style="list-style-type: none"> • Yes: • Officers are required to secure cash under their custody as per Financial Procedures • Money is kept in safes • Building well guarded • Insurance cover for cash in transit 	Low

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Sub Category	Risk Description	Management Focus	Likelihood	Impact	Risk Rating	Mitigation Strategies/Measures	Priority Actions
Risk Category 4: Delivery of Key Services (Miscellaneous Functional Risks)							
4.1 Preparation of the annual financial statements of the Government	4.1.1 Annual financial statements of Government cannot be submitted to NAO by statutory deadline	Work Planning and Supervision	Low	High	Medium	<ul style="list-style-type: none"> • Yes: • Treasury Circular is issued to Supervising Officers • Treasury Office Instruction is issued to all Treasury staff concerned setting deadlines for preparation of statements 	Medium
	4.1.2 Financial Statements contain material errors	(i) Work Flow Management Internal Check System	Low	High	Medium	Yes: Work Flow provides for proper checks before submission to NAO	Medium
4.2 Preparation of other financial reports (TAS)	4.2.1 Financial reports required to be submitted to authorities cannot be prepared	Work Planning and Supervision	Low	High	Medium	Yes: Work Flow provides for proper checks before submission to NAO	Medium
4.3 Cash flow management	4.3.1 Payments of government cannot be effected due to inadequate cash	(i) Cash Flow Forecasting Methodology (ii) Availability of financing from sources other than Debt Instruments	Low	High	Medium	<ul style="list-style-type: none"> • Yes: • Cash Flow Forecasts are closely monitored at Treasury level as well as at SBRG Committee level • Advance from BOM as a last resort 	Medium
	4.3.2 Cash flow requirements of the government are significantly under/over estimated	Cash Flow Forecasting Methodology	Low	High	Medium	Yes: Cash Flow Forecasts are closely monitored at Treasury level as well as at SBRG	Medium
4.4 Payments	4.4.1 Payments cannot be processed	Payment System Resilience	Low	High	Medium	Yes: Payments can be effected off-TAS through manual system	Medium

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Operational Risk Management Framework

Sub Category	Risk Description	Management Focus	Likelihood	Impact	Risk Rating	Mitigation Strategies/Measures	Priority Actions
4.5 Public Service Benefits	4.4.5 Retirement benefits, MV Loans and Passage Benefits cannot be processed/paid	Work Flow Management	Low	High	Medium	Yes: Payments can be effected off-TAS through manual system	Medium
Risk Category 5: Delivery of Key Services (General Service Delivery Risks)							
5.1 Delivery of Key Services - Building Accessibility Risk	5.1.1 Main office cannot be accessed due to natural disasters or other causes	(i) Internal Control System (ii) Work Flow Management	Low	High	Medium	<ul style="list-style-type: none"> Yes: Arrangement with parent ministry to provide emergency service delivery points 	Medium
Risk Category 6: Compliance							
6.1 Compliance with laws, regulations and financial procedures	6.1.1 Treasury does not comply with any legal provision, regulation or financial procedure	(iii) Internal Control System (iv) Work Flow Management	Low	High	Medium	<ul style="list-style-type: none"> Yes: Compliance audit is one of priorities of Internal Auditors SOPMs highlight regulatory requirements in respect of each Treasury Section 	Medium
Risk Category 7: Budget Execution							
7.1 Key Performance Indicators and other budget measures	7.1.1 Treasury does not comply with any legal provision, regulation or financial procedure	Work Planning and Supervision	Medium	High	High	<ul style="list-style-type: none"> Yes: Constant budget monitoring and project management 	Medium
Risk Category 8: Strategic Plan							
8.1 Strategic Plan 2016 - 2020	8.1.1 Misalignment of financial resources with Strategic Plan: - Insufficient/ Inadequate financial resources for achievement of strategic goals	Work Planning and Supervision	Medium	Medium	Medium	<ul style="list-style-type: none"> Yes: Regular review of Strategic Plan and prioritisation of goals 	Medium

