

## **Ntabankulu Local Municipality**

**2023/2024**

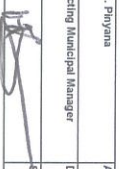
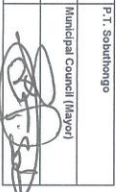
### **Strategic Risk Registers**

**COUNCIL RESOLUTION EXTRACT NO: OCM/9/23/007.2.2**

Key Strategic Area	Objective Statement	Annual Target	Risk Number	Risk Description	Root Causes	Risk Impact	Probability	Inherent Risk Value	Risk Rating	Control	Control Effectiveness	Risk Rating	Risk Owner	Control Improvement	Action Owner	Time Scale
FINANCIAL VIABILITY	To increase net revenue (R20 000 000.00) by June 2027	Increased net revenue by collecting R20 000 000.00 by 30 June 2024	1	1. Inaccuracy of annual financial statements on time to pay their accounts 2. Inability to provide adequate infrastructure	1. Lack of awareness on ERP planning for property distribution 2. Donating economy and 3. Limited funding	Catastroph 5	Unlikely	4	20	1. Credit control policy 2. General and supplementary valuation 3. SFUAMA 4. SFUAMA 5. Property rates policy 6. Billing for collection 7. Debt collector 8. Land Use Management Scheme(LMS)	Satisfactor 50%	Falling	MM	1. Data cleansing 2. Adequate awareness on general and supplementary valuation 3. Timely billing of rates and distribution 4. Timely relations with the rate payers 5. Implementation of incentive programmes for rate payers	CFO	01-Jul-23
			2	1. Nonstatement of annual financial statements on time to AG and Provincial Treasury 2. Nonstatement of interim financial statements on time to internal audit for high level review	1. Poor planning non-adherence to AFS plan 2. Unreliable power supply	Catastroph 5	Unlikely	2	10	1. AFS & IFS plans 2. MFMA section 122 3. Cashware licence 4. Financial system 5. Audit action plans	Satisfactor 50%	Monitor	MM	1. Enforce adherence to the AFS & IFS plan (urgent dated) 2. Weekly meeting during IFS & AFS preparations 3. Strengthening of Operation Clean Audit committee	CFO	01-Jul-23
	To implement processes and systems of managing Municipal finances by June 2027	Produced 12 monthly expenditure reports prepared and circulated to all directorate within ten working days after the end of each month	3	1. System glitches	1. Unreliable Network 2. Unreliable power supply	Catastroph 4	Likely	4	16	1. SCM policy 2. HR manual 3. MFMA policy 4. Expenditure SOP 5. Internal correspondence 6. Centralised register	Good 30%	Monitor	MM	1. Role in ICT related matters 2. Backup 3. Migration of VIP to cloud	CHICT	1. Monthly 2. 31 December 2023
			4	1. Noncompliant GRAP fixed asset register	1. Inadequate information 2. Incomplete records over movement of asset 3. Incomplete records of municipal properties 4. Non movement of asset management when receiving assets by other departments	Catastroph 5	Likely	4	20	1. Fixed asset register 2. GRAP standards 3. Asset management policy 4. Asset movement forms 5. Asset verification sheet 6. Insurance register	Satisfactor 50%	Falling	MM	1. Asset verification annually by internal and external verifiers 2. Conductors of awareness for municipal employees and contractors 3. Circulation of memorandums to department to dilate asset movement forms when moving assets 5. Involving asset 6. Implement central receiving point	CFO	31 September 2023
Local Economic Development	To create work through EMPWP by June 2027	Report on 388 work opportunities created by June 2024	5	1. Inadequate planning	1. Financial constraint	Catastroph 5	Likely	5	25	1. EMPWP policy	Weak 70%	Falling	MM	1. Full implementation of the EMPWP policy 2. Augment the current staff complement	AI/Directors	28-Feb-24
			6	1. Inaccurate land use management 2. non availability of municipal maps for future developments and infrastructure provision 3. Lack of awareness on land use management system in place	1. Inability to update land use on GIS system 2. Inability to produce accurate mapping of the CBD area for service provision 3. Lack of awareness on land use management system	Moderate 3	Likely	4	12	1. LMS 2. LUP 3. Municipal bylaws	Satisfactor 50%	Falling	MM	1. Request ANDM for shared access to GIS system 2. Provide adequate mapping for the CBD area	Manager SP&HS	Ongoing
Institutional Development and Organisational Transformation	To promote ICT good governance for improved business continuity and social responsibility by June 2027	1. Procure email security license 5 received. Licenses (Microsoft Office, Avast, Acron, Cisco, STEMS) & 100% of submitted information uploaded on the website in line with MFMA Section 75 by June 2024	7	1. Inability to procure desired license 2. Non renewal of licenses 3. Non-statement of information to be updated on the website	1. Slow SCM Processes 2. Non-adherence to MFMA section 75	Catastroph 5	Likely	4	20	Budget License Register Procurement Plan MFMA	Satisfactor 50%	Falling	MM	Engage SCIT to enable the procurement of Licenses. Remind to directors to submit compliance documents to be uploaded on the website as per MFMA section 75	Director Computer Services & CFO	Dec-23



<p><b>Basic Service Delivery and Infrastructure Development</b></p>	<p>To increase the number of households with access to electricity to 28 195 households by June 2027</p>	<p>Installation of Electrification Infrastructure for 429 extensions &amp; lifts in all wards by June 2024</p>	<p>17</p> <p>1. No completion of project on time 2. Inadequate monitoring of the project</p>	<p>1. Financial constraints 2. Limited site visits by Municipal officials and Professional Service Providers</p>	<p>Major</p> <p>4</p> <p>4</p> <p>Almost Certain</p> <p>5</p> <p>20</p>	<p>1. Procurement plan 2. Professional service providers appointed 3. Tolls of funds (air allowance) 4. Risk policy 5. Regular assessment 6. Monthly reporting of progress 7. Site visits</p>	<p>Satisfactor 50%</p>	<p>10</p>	<p>MM</p>	<p>1. Regular assessment and monitoring of the projects on monthly basis based on the programme of works and cashflows 2. Advice visits within a month.</p>	<p>Director Technical Service</p>	<p>1. Monthly</p>
<p>To promote public safety through installation of 24 LED Street Lights and 4 high mast lights by June 2027</p>	<p>Facilitate procurement of service provider and monitor up to completion.</p>	<p>18</p> <p>1. Not completion of project on time 2. Late appointment of contractors 3. Inadequate monitoring of the project</p>	<p>1. Financial constraints 2. Delays in submission of specifications to SCM 3. Limited site visits by Municipal officials and Professional Service Providers</p>	<p>Major</p> <p>4</p> <p>Almost Certain</p> <p>5</p> <p>20</p>	<p>1. Procurement plan 2. Professional service providers appointed 3. Tolls of funds (air allowance) 4. SCM policy 5. Regular assessment 6. Monthly reporting of progress 7. Site visits</p>	<p>Satisfactor 50%</p>	<p>10</p>	<p>MM</p>	<p>1. Submission of project specification before the commencement of financial 2. Regular assessment and monitoring of the projects on monthly basis based on the programme of works and cashflows 3. Advice visits within a month.</p>	<p>Director Technical Service</p>	<p>1. Monthly</p>	

Prepared by:	M. Phiyana	Approved by:	P. T. Sathurange
Designation	Acting Municipal Manager	Designation	Municipal Council (Mayor)
Signature		Signature	

# NTABANKULLU LOCAL MUNICIPALITY

## Factors used in Risk Analysis

Each risk is evaluated in terms of potential loss, likelihood of occurrence and the effectiveness of controls in place to manage the risks according to the criteria set out below

## Potential Loss / Impact

Severity R Assessment		Factor	
Catastroph	Major	5	Negative outcomes or missed opportunities that are of critical importance to the achievement of objectives
		4	Negative outcomes or missed opportunities that are likely to have a relatively substantial impact on the ability to meet objectives
		3	Negative outcomes or missed opportunities that are likely to have a relatively moderate impact on the ability to meet objectives
		2	Negative outcomes or missed opportunities that are likely to have a relatively low impact on the ability to meet objectives
		1	Negative outcomes or missed opportunities that are likely to have a relatively negligible impact on the ability to meet objectives
Likelihood	Insignificant	5	The risk is already occurring, or is likely to occur more than once within the next 12 months
		4	The risk could easily occur, and is likely to occur at least once within the next 12 months
		3	There is an above average chance that the risk will occur at least once in the next three years
		2	The risk occurs infrequently and is unlikely to occur within the next three years
		1	

Likelihood Category definition		Factor	
Likelihood	Almost Certain	5	The risk is already occurring, or is likely to occur more than once within the next 12 months
		4	The risk could easily occur, and is likely to occur at least once within the next 12 months
		3	There is an above average chance that the risk will occur at least once in the next three years
		2	The risk occurs infrequently and is unlikely to occur within the next three years
		1	

Rare / Ren	The risk is conceivable but is only likely to occur in extreme circumstances	1
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### Perceived control effectiveness

Effectiveness Category definition		Factor
Excellent	Risk exposure is effectively controlled and managed 90%	10
Good	Majority of risk exposure is effectively controlled and managed 70%	30
Satisfactor	There is room for some improvement 50%	50
Weak	Some of the risk exposure appears to be controlled, but there are major deficiencies 30%	70
Unsatisfac	Control measures are ineffective 10%	90

### Inherent risk exposure

Inherent ri.Factor		
Critical	>20	20
High	$\geq 15 < 20$	15
Moderate	$\geq 10 < 15$	10
Low	$\geq 5 < 10$	5
Minimum	< 5	5

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### Residual risk exp

Residual ri.Factor		
Immediate	$\geq 10$	10
Action	$\geq 7.5 < 10$	7.5
Monitor	$\geq 5 < 7.5$	5
Acceptable	$\geq 2.5 < 5$	2.5
Excellent	< 2.5	2.5