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Ntabankulu Local Municipality

2024/2025 Strategic Risk Register

COUNCIL RESOLUTION EXTRACT NO: OCM/10/24/007.212

Stratopsis Risk Register

Key Strategic Objective	Objective Statement	Annual Target	Risk Number	Risk Description	Risk Causes	Risk Impact	Likelihood		Inherent Risk	Control Effectiveness		Risk Owner	Control Improvement	Action Owner	Time Scale		
							Probability	Issue		Rating	Perceived						
FINANCIAL VIABILITY	To increase own revenue collection to R120 000 000 for service delivery by June 2027	Increased own revenue collection by R22 000 000.00 by 30 June 2025	1	Inadequate accuracy of customer information collection	1. Inaccurate information collection 2. Late revenue 3. System glitches 4. Lack of awareness 5. Poor customer service 6. Incomplete information 7. Inconsistent data 8. Lack of staff training 9. Inadequate resources 10. Poor communication	Catastrophic	5	4	20	High	Satisfactory	50%	10	CFO	1. Data cleansing 2. Devise other means of communication with payers (SMS and Emails) 3. Focus billing 4. Facilitate crossing for transfer of properties 5. Devise other means of communication with payers (Standing statement with SMS and Emails)	Revenue Manager	Ongoing
			2	100% billed customers as per the valuation roll by 30th June 2025	1. System errors 2. Lack of staff training 3. Inadequate resources 4. Poor communication 5. Incomplete information 6. Inconsistent data 7. Lack of staff training 8. Inadequate resources 9. Poor communication 10. Incomplete information	Major	4	5	20	High	satisfactory	50%	10	MM, CFO	1. Credit Control Policy 2. Approved Tender 3. Property Valuation 4. Billing for collection 5. SPLUM A by-laws 6. Land use management scheme	Revenue Manager	Ongoing
			3	Updated section 52(6) and 72 reports (SCM implementation) by maintained deviations and regular expenditure by 30 June 2025.	1. Inadequate implementation 2. Delays in procurement 3. Delays in development 4. Delays in specific actions 5. Delays in appointing BID committee 6. Non-compliance 7. Delays in procurement 8. Delays in submission of budget and document	Catastrophic	5	3	15	High	Good	30%	5	MM	1. Review Standard Operating Procedures 2. Monthly monitoring of SCM implementation reports (Deviations, Contracts, Irregular expenditure, Commitments)	Manager: SCM, ICT	30-Sep-23
			4	Developed Institutional Procurement Plan and achieved 100% of value requisitions submitted to SCM by 30 June 2025.	1. Inadequate development and implementation of Procurement Plan 2. Delays in submission of requisitions 3. Delays in procurement 4. Delays in submission of budget and document	Major	4	4	15	High	Satisfactory	50%	5	MM, CFO	1. Appointment of Standing chairperson of Bid Evaluation Committees 2. Appointment of Bid Specification Committee 3. Siting of committees on weekly basis	Manager: SCM	Ongoing

Local Economic Development	To establish new investments, reinvest in existing businesses for sustainable economic growth by June 2027	Established ward Camakles structures ward 10, 11, 12, 13 and 14 and two workshops conducted in by June 2025.	5	Poor performance by service providers	1. Withdraw all from the SLA 2. Reassignment of staff to other zones and other services which are the obligation of the municipality.	Catastrophic 5	Unlikely 2	10	Moderate	1. Develop and sign SLA 2. Monitor performance of service provider	Good	70%	3	Acceptable	Director Development Planning	1. Development of a customized framework and SOP for Camakles development. 2. Facilitation of establishment of Camakles Structures.	Manager EPES	Jun-24
	Developed three Funding Proposals to funding agencies for SMMEs by 2025		6	1. Non alignment of deliverables in the SLA with actual work on site 2. Delays in approvals service providers as per SLA 3. Approvals from regional agencies	1. Poor estimation of time and resources required by a given project 2. Non-monitoring of service providers as per SLA 3. Approvals from regional agencies	Moderate 3	Moderate 3	9	Low	1. Implementation of amended SLA 2. Implementation of adopted SDF 2020-2025	Satisfactory	50%	5	Immediate action	Director Development Planning	1. Engagement of potential funders 2. Development of actual business plan for various funders 3. Develop standardised framework for proposals	Manager EPES	Ongoing
Institutional Development and Organisational Transformation	To promote ICT good governance for improved business continuity and social responsibility by June 2027	04 Licenses (Microsoft Office/Access, Cisco/EDMS & Customer Care/renewed, information uploaded on the website in line with MFMA Section 75 by June 2025.	7	Inability to procure desired Man Licenses Non-renewal of software licenses Non-compliance with MFMA section 75 Information to be uploaded on the website	1. Inability to procure desired Man Licenses Non-renewal of software licenses Non-compliance with MFMA section 75 Information to be uploaded on the website	Catastrophic 5	Likely 4	20	High	Budget License Register Procurement Plan MFMA	Satisfactory	50%	15	Action	MM	Facilitate Renewal of Licenses reminder to Directorate to submit compliance documents to be uploaded on the website as per MFMA Section 75.	Manager ICT	Jun-25
		03 employees provided with Tools of trade (4 Desktops & 6 Laptops) as per prioritised employees, by June 2024.	8	Inability to procure tools of trade Unavailability of specified technology tools of trade	1. Inability to procure tools of trade Unavailability of specified technology tools of trade	Major 4	Likely 4	16	High	Budget Laptop policy List of prioritised employees Specifics	Good	30%	5	Action	MM	Keep track with technological changes.	Director Corporate Services & CFO	Dec-23
Governance and Public Participation	To improve Municipal Performance Management Systems towards achieving service delivery objectives by June 2027	Coordinate development, monitoring and reduce 90% of 2022/2023 and 80% of 2023/2024 Audit findings by June 2025.	9	1. Failure to implement recommendations 2. Inadequate systems in place 3. Failure to implement	1. Failure to implement recommendations 2. Inadequate systems in place 3. Failure to implement	Major 4	Likely 4	16	High	1. 2021/2022 Management and Audit Report 2. Terms of	Satisfactory	50%	8	Action	MM	1. Strengthening of internal controls as per MFMA and AGSA 2. Continuous Operation Clean Audit Committee meetings 3. Continuous review of audit action plan by internal Audit.	Management Services Managers	Ongoing

	2024/2025 Risk based Internal Audit Plan developed, 2024/2025 renewed Internal Audit Charter and 20 audit reports produced by June 2025.	10	1. Departments present 2. Poor results are not identified for audit purposes and for compliance are late	Major	4	Likely	4	16	High	1	Approved Risk based Internal Audit Plan 2. Internal Audit Charter 3. Internal Audit Methodology 4. Assessment of Section 54 A and 55 on Migration and AG findings.	Satisfactory	50%	8	MM	1. Internal Audit Manager 2. Strategic Services Manager	Ongoing
Basic Service Delivery and Infrastructure Development	Implemented MWMP through waste collection, transportation, recycling, disposal and spot checks in urban and rural villages (Jaindi, Malkei, Yandala, Bova, Bakke, Upper Malankala, Mijla, Mincela and Mundisweni) and acquisition of 10 waste receptacles by June 2025.	11	1. Mechanical breakdown of fleet in the transport process to buy back center. 2. Poor response with a National Environmental management contract. 3. Inadequate procurement planning	Catastrophic	5	Likely	4	20	High	1	Integrate Waste Management Plan (WMP) 2. Work schedules 3. Complete truck & tractor 4. Waste management by law 5. Budget 6. Landfill site 7. Valid landfill licence	Satisfactory	50%	10	MM	1. Acquisition of specialised fleet subject to negotiation by Technical Services. 2. Follow up on requests.	Sep-24
To create work opportunities through ERWP by June 2027	Report on 383 work opportunities created by June 2024.	12	1. Inadequate financial planning constraint	Catastrophic	5	Almost Certain	5	25	Critical	1	ERWP policy	Weak	70%	18	Immediate action	All Directors	28-Feb-24
To increase the number of households with access to electricity to 26 192 households by June 2027	Installation of Electrification Infrastructure for 217 extensions & poles in various Trade and residential areas in Mafubu by June 2025.	13	1. Non-compliance with the project 2. Inadequate maintenance of the project	Major	4	Almost Certain	5	20	High	1	Procurement plan 2. Professional service providers appointed 3. Tools of trade (car allowance), SCM policy 4. Regular assessments 5. Monthly reporting of progress 6. Site visits	Satisfactory	50%	10	MM	1. Regular assessment and monitoring of the projects on monthly basis based on the programme of works and cashflows. 2. Adhoc visits within a month 3. Continuous Project Steering Committee Meetings. 4. Develop and implement PMBOK compliant SOPs.	Ongoing

To strengthen internal controls, systems and procedures in line with municipal legislative prescripts to achieve clean governance and maximise service delivery by June 2027	Monthly monitored performance of Departments Service Providers in line with contract register as per set deliverables by June 2025	14	Inability to impose penalties to the service providers internal control deficiencies is in the SAs	Catastrophic	5	Moderate	3	15	High	Subsatisfactory	50%	8	Director Development Planning	1. Review of contracts for any gaps 2. Continuous monitoring of performance of service providers	Corporate Services Director	Ongoing
To improve Municipal Performance Management Systems towards achieving service delivery objectives by June 2027	100% 2024/2025 signed Performance Agreements for employees below Senior Managers and 2 Performance Evaluation Sessions coordinated by June 2025	15	Performance evaluation may not be concluded on time	Catastrophic	5	Almost Certain	5	25	Critical	Weak	30%	8	Director Corporate Services	Development of schedule for signing of contracts and evaluation of performance for all offices with the department and monitor the schedule.	Corporate Services Director	Ongoing

Prepared by: Designation Signature	I. Sihulu-Nkwenana Municipal Manager	Approved by: Designation Signature	P.T. Sabelangiso Municipal Council (Mayor)
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NTABANKULU LOCAL MUNICIPALITY

Factors used in Risk Analysis

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

Potential Loss / Impact

Severity Ranking	Assessment	Factor
Catastrophic	Negative outcomes or missed opportunities that are of critical importance to the achievement of objectives	5
Major	Negative outcomes or missed opportunities that are likely to have a relatively substantial impact on the ability to meet objectives	4
Moderate	Negative outcomes or missed opportunities that are likely to have a relatively moderate impact on the ability to meet objectives	3
Minor	Negative outcomes or missed opportunities that are likely to have a relatively low impact on the ability to meet objectives	2
Insignificant	Negative outcomes or missed opportunities that are likely to have a relatively negligible impact on the ability to meet objectives	1

Likelihood

Likelihood category	Category definition	Factor
Almost Certain	The risk is already occurring, or is likely to occur more than once within the next 12 months	5
Likely	The risk could easily occur, and is likely to occur at least once within the next 12 months	4
Moderate	There is an above average chance that the risk will occur at least once in the next three years	3
Unlikely	The risk occurs infrequently and is unlikely to occur within the next three years	2
Rare / Remote	The risk is conceivable but is only likely to occur in extreme circumstances	1

Perceived control effectiveness

Effectiveness category	Category definition	Factor
Excellent	Risk exposure is effectively controlled and managed 90%	90.00%
Good	Majority of risk exposure is effectively controlled and managed 70%	70.00%
Satisfactory	There is room for some improvement 50%	50.00%
Weak	Some of the risk exposure appears to be controlled, but there are major deficiencies 30%	30.00%
Unsatisfactory	Control measures are ineffective 10%	10.00%

Inherent risk exposure

Inherent risk exposure	Factor
Critical	>20
High	⁵ 15 < 20
Moderate	³ 10 < 15
Low	³ 5 < 10
Minimum	< 5

Residual risk exposure

Residual risk exposure	Factor
Immediate Action	³ 10
Action	³ 7.5 < 10
Monitor	³ 5 < 7.5
Acceptable	³ 2.5 < 5
Excellent	< 2.5