

MAGARENG LOCAL MUNICIPALITY



**OFFICE OF THE MUNICIPAL MANAGER
RISK MANAGEMENT SUPPORT UNIT**

ANNUAL FRAUD RISK ASSESSMENT REPORT
2024/25 Financial Year

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1. INTRODUCTION

In terms of the risk assessment, my role has been more on facilitating and providing guidance regarding risk identification, evaluation and identifying existing mitigating controls. To a certain extent we also ensured that the exercise is also an information sharing session.

In view of the paragraph, implementation of risk management and embedment thereof into organizational daily activities remains the responsibility of management. As per the risk profile, there are risks that will need action plans to further reduce the likelihood of such risks to occur as well as to develop contingency plans where applicable to demonstrate the Municipality's readiness to deal with the impact in the event the risks manifest.

With on-going support and monitoring of risk registers, the following benefits are among others anticipated to be reaped out of implementation of risk management:

- ✓ An increased likelihood of achieving the aims, objectives, and priorities,
- ✓ Prioritizing the allocation of resources,
- ✓ Improved service delivery,
- ✓ Giving an early warning of potential problems,
- ✓ Economic, effective, and efficient use of resources,
- ✓ Fraud prevention; and
- ✓ Improved audit outcomes.

2. OBJECTIVES

The objective of this report is to put Executive Management and APRC abreast of the developments about the implementation of risk management plan and to bring to their attention matters requiring their immediate attention.

The primary objectives were as follows:

- ✓ To develop a comprehensive risk, register for the municipality,
- ✓ Review and update risk and fraud management documents for approval by council; This will ensure that policies and strategies remain relevant to municipal operations,
- ✓ To identify new or emerging risks and prioritize them within each focus area that has the highest potential to impact (positively or negatively) on the achievement of the municipal strategic and operational objectives as set out in the IDP,
- ✓ To produce appropriate reports to enable Internal Audit Function to develop a risk based internal audit strategy and audit coverage plans and,
- ✓ To support management in developing risk mitigation strategies to address the risk of exceeding tolerable levels.

3. PROCESS FOLLOWED / METHODOLOGY

The process followed in completing the risk assessment consisted of the following key phases: (graphical presentation is set in **figure 1** below)

Figure 1

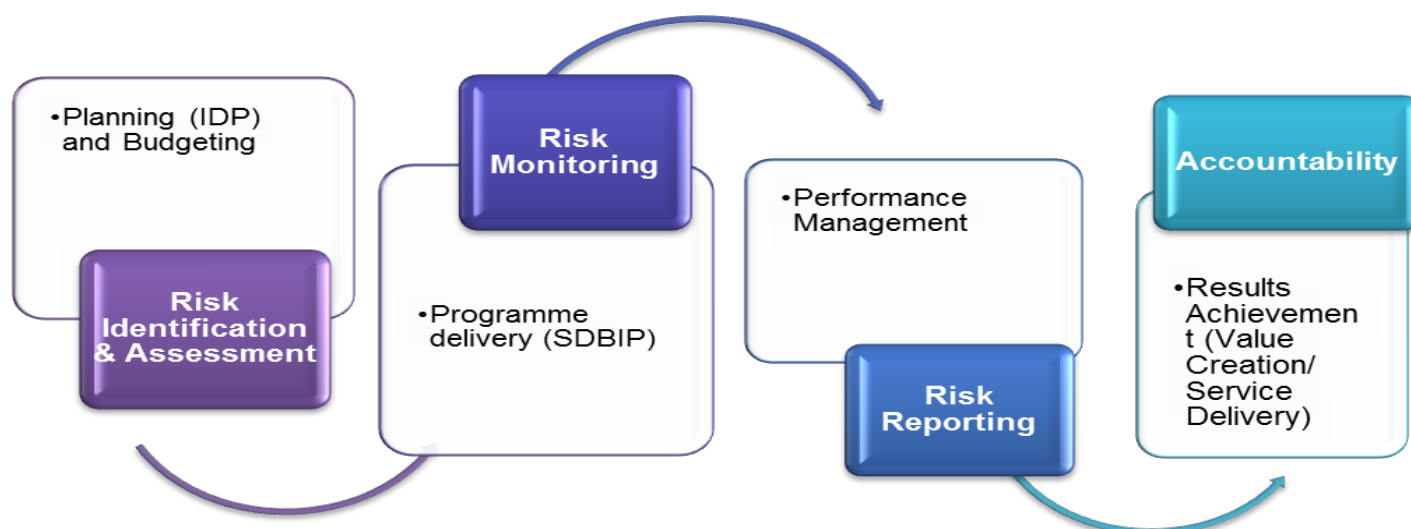


- ✓ A meeting was held with the APRC to agree on the scope of the risk assessment considering other Adhoc activities which might take place during the financial year,
- ✓ Relevant information (e.g., IDP & SDBIP) was obtained to get an understanding of the municipal's operations,
- ✓ Training on the fundamentals of risk management was provided to management,
- ✓ Workshops and interviews were conducted with management to identify and document the key risks, the impact, likelihood, root causes; existing key controls currently in place to mitigate the risks; risk response and action plan with responsible risk owners and timeframes,
- ✓ The risk registers for different components were compiled and presented to the APRC quarterly as per risk assessment held and,
- ✓ Amendments to the risk registers were affected, and feedback was provided to the risk owners.

4. INTEGRATING RISK MANAGEMENT PLANNING PROCESS

The planning process is outlined, in detail, in the Risk Management Implementation Plan. The developed risk management planning process includes a sequence of activities that will occur every year. The risk management planning process is a limited but focused set of strategic objectives that inform the risk management planning process. The planning process links risk management with the day-to-day activities of Units within Municipality. This can be depicted in a diagram below:

Figure 2



The risk assessment was conducted in the form of workshops and interviews with unit managers. Based on the prior year information as baseline of where to start, the CRO did some groundwork, gathering old risk registers, incident reports, risk from reports by Internal Audit & Office of Auditor General and preliminary list of risks compiled which was part of the brainstorming sessions. Participants, as business process owners provided their inputs and additional information that was finally used to develop risk registers.

5. RISK IMPLEMENTATION PLAN

The primary objective of risk management implementation plan is to facilitate the execution of risk management activities across MLM and other local municipalities. The risk management implementation plan for MLM was prepared to give effect to the implementation of the risk management policy and strategy and sets out all risk management activities planned for the financial year.

The development of the risk management implementation plan has taken into consideration:

- the risk management policy.
- the risk management strategy.
- available resources.
- urgency, quick wins, and sustainability.
- activities to be performed (e.g. awareness, monitoring, reporting, training, risk assessments, etc.)

In addition to providing leadership for the risk management plan, senior management must commit resources to the various tasks and activities. Structures and forums can be created where risk management matters can be aired and managed in a constructive climate.

The risk implementation plan has been developed separately from the risk management strategy and addresses the execution of the strategy in detail.

6. EMERGING RISKS

The discipline for addressing emerging risks by means of event identification has become part of MLM strategic planning, business execution, and performance evaluation and reward structure.

Event identification involves not only capturing known emerging risks but also performing historic and forward-looking analysis to uncover potential exposures (early warning signs) relative to MLM objectives.

Embedding this capability into day-to-day processes requires awareness, training, and dedicated focus on such risks across MLM, to the extent that unknown risks are reduced and MLM can focus its efforts on managing currently known risks and preparing for those that are unknowable.

7. MONITORING & REVIEW

Ongoing monitoring is built into the normal, recurring operating activities of a municipality, is performed on a real-time basis and reacts dynamically to changing conditions and is ingrained in the municipality. As a result, it is more effective than separate evaluations. Since separate evaluations take place after the fact, problems often will be identified more quickly by ongoing monitoring routines. Many entities with sound ongoing monitoring activities nonetheless conduct separate evaluations of risk management. Monitoring can be done in two ways: through ongoing activities or separate evaluations. This will ensure that risk management continues to be applied at all levels and across the municipality.

The frequency of separate evaluations is a matter of management's judgment. In making that determination, consideration is given to the nature and degree of changes, from both internal and external events, and their associated risks, the competence and experience of the personnel implementing risk management strategies and related controls and the results of the ongoing monitoring. Usually, some combination of ongoing monitoring and separate evaluations will ensure that risk management maintains its effectiveness over time.

8. RISK RATING GUIDE

The risk rating guide below was used as for purposes of rating risks:

Risk rating:

High	
Medium	
Low	

Risk mapping that department will use to plot risks:

LIKEHOOD	Almost Certain					
	Likely					
	Moderate					
	Unlikely					
	Rare					
		Insignificant	Minor	Moderate	Major	Catastrophic
		IMPACT				

Impact criteria that will be used by department to rate risks:

Rating	Assessment	Definition
5	Critical	The risk will have a significant impact on the achievement of objectives
4	Major	The risk will have a high impact on the achievement of objectives
3	Moderate	The risk will have a moderate impact on the achievement of objectives
2	Minor	The risk will have a minimal impact on the achievement of objectives
1	Insignificant	The risk will have a negligible impact on the achievement of objectives

Likelihood criteria that will be used by department to rate risks:

Rating	Assessment	Definition
1	Rare	The risk is conceivable but is only likely to occur in extreme circumstances
2	Unlikely	The risk occurs infrequently and is unlikely to occur within the next 3 years
3	Moderate	There is an above average chance that the risk will occur at least once in the next 3 years
4	Likely	The risk could easily occur, and is likely to occur at least once within the next 12 months
5	Common	The risk is already occurring, or is likely to occur more than once within the next 12 months

Inherent risk exposure (impact x likelihood) and refer to risk mapping above:

Risk rating	Inherent risk magnitude	Response
15 - 25	High	Unacceptable level of risk – High level of control intervention required to achieve an acceptable level of residual risk
8 – 14	Medium	Unacceptable level of risk, except under unique circumstances or conditions – Moderate level of control intervention required to achieve an acceptable level of residual risk
1 - 7	Low	Mostly acceptable – Low level of control intervention required, if any.

Residual risk exposure (impact x likelihood) and refer to risk mapping above:

Risk rating	Residual risk magnitude	Response
15 - 25	High	Unacceptable level of residual risk – Implies that the controls are either fundamentally inadequate (poor design) or ineffective (poor implementation). Controls require substantial redesign, or a greater emphasis on proper implementation.
8 – 14	Medium	Unacceptable level of residual risk – Implies that the controls are either inadequate (poor design) or ineffective (poor implementation). Controls require some redesign, or a more emphasis on proper implementation.
1 - 7	Low	Mostly acceptable level of residual risk – Requires minimal control improvements.

9. RISK MANAGEMENT SHARED SERVICES

To provide efficient and effective risk management services, a signed Memorandum of Agreement for Risk Management Shared Services has been signed with FBDM.

9.1 RISK IMPLEMENTATION PLAN (OPERATIONAL PLAN ACTIVITIES)

In line with the operational plan, the following risk management activities were planned to be performed for the financial year 2023/24 in Magareng Local Municipality:

- ✓ Development of risk governance documents (Implementation Plan, Policy, and Strategy).
- ✓ Fraud and corruption management (Implementation Plan, Policy, and Strategy).
- ✓ Review of strategic risk register; and
- ✓ Development of operational risk registers.

10. RESULTS OF THE RISK ASSESSMENT

As per the risk assessment, Magareng Local Municipality is a **medium** risk municipality which implies that the risk profile is at a moderate level. It must be noted that in the event where adequate/effective monitoring does not take place, the risks will materialize resulting in an adverse impact towards attainment of objectives.

10.1 OVERVIEW OF TOP STRATEGIC RISKS




The strategic and operational risk registers are continuously updated through the involvement of managers. Emerging risks are identified during day-to-day operations and are reported to the Chief Risk Officer to include in the risk register.

10.2 ANALYSIS OF STRATEGIC RISKS

It is essential that the Council receive the appropriate information to ensure effective oversight and monitoring of Magareng Local Municipality operations and its ability to achieve strategic objectives. The Risk management dashboard has been updated with the following:

- ✓ New emerging risks.
- ✓ Changes (increase or decrease) in residual risk ratings.
- ✓ Risk movements since the previous report i.e. risks removed from the risk register and risks added.
- ✓ Major incidents and the effect thereof on the risk profile.

LEGENDS:

Symbol	Title	Description	Required Action
	Unchanged	No change in residual risk exposure	Intervention may be required if residual risk exposure is higher than risk tolerance levels
	Improvement	Increase in residual risk exposure	Intervention is required to design and implement appropriate controls
	Regression	Decrease in residual risk exposure	Additional intervention is still required if the residual risk exposure is still above the risk tolerance level.
Risk Rating		Description	
IR (Inherent Risk)		The Inherent Risk rating (is a risk before taking into consideration existing key internal control to minimize the likelihood of occurrence or the impact.)	

RR (Residual Risk)

The **Residual Risk** rating (is a risk remaining after management has indicated measures in place to minimize the likelihood of occurrence or the impact in the event the risk materializes.)

Top 9 (Nine) key risks of the municipality were isolated for determining how well these risks were managed. This revealed that the key risks were not adequately managed as depicted by the table below:

Ref. No.	II	RR	Strategic Objectives	Risk Description	KING IV Combined Assurance Model					2021/22	2022/23	2023/24
					Risk Management	Management & Compliance	Internal Audit	External Audit	Oversight Committees			
SR 1.	20	9	Improved organizational cohesion and effectiveness (KPA 2)	Instability at top management level which might lead to poor leadership & administration	✓	✓	✓	✓	✓	⬅	⬅	⬅
SR 2.	20	12	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems (KPA 4)	Adverse cashflow which might affect future budgets and non-compliance with section 136 of MFMA (liquidity or going concern risk due to possible cease or municipality be placed under administration).	✓	✓	✓	✓	✓	⬅	⬅	⬅
SR 3.	16	16	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems (KPA 4)	Non enforcement of policies and procedures which led to poor internal control environment.	✓	✓	✓	✓	✓	⬇	⬅	⬅
SR 4.	25	9	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems (KPA 4)	Incompetent service providers or contractors might be hired by the municipality	✓	✓	✓	✓	✓	⬅	⬅	⬅
SR 5.	25	12	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and	Ineffective monitoring of overtime which might impact municipal budget negatively (fictitious overtime)	✓	✓	✓	✓	✓	⬅	⬅	⬅

Ref. No.	II	RR	Strategic Objectives	Risk Description	KING IV Combined Assurance Model					2021/22	2022/23	2023/24
					Risk Management	Management & Compliance	Internal Audit	External Audit	Oversight Committees			
			systems (KPA 4)									
SR 6.	25	12	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems (KPA 4)	High incidents of irregular expenditure which have a high impact on compliance and ultimately lead to poor audit outcomes.	√	√	√	√	√	🔍	🔍	🔍
SR 7.	25	15	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems (KPA 4)	Inadequate reporting of performance information which might lead to adverse audit outcomes	√	√	√	√	√	🔍	🔍	🔍
SR 8.	25	25	To promote a culture of participatory and good governance (KPA 5)	Incidents of fraud & corruption.	√	√	√	√	√	🔴	🔍	🔍
SR 9.	25	25	To promote a culture of participatory and good governance (KPA 5)	Non-attendance of Audit Committee Meeting by management	√	√	√	√	√	🔴	🔍	🔍

The strategic and operational risk registers are continuously updated through the involvement of managers. Emerging risks are identified during day-to-day operations and are reported to the Chief Risk Officer to include in the risk register. The top 9 (Nine) key risks of the municipality were isolated for the purpose of determining how well these risks were managed. This revealed that the key risks were averagely managed as depicted by the table and graph below:

Above outlined strategic risks were identified and documented in the strategic risk register and is referenced as an **Annexure A** of this report.

10.3 ANALYSIS OF OPERATIONAL RISKS

In total 5 departments and council administration were assessed at operational level in both inherent and residual risk. Below is an analysis on how municipality is progressing towards reaching its risk maturity. Operational risks are continually being monitored at the quarterly basis by unit managers and the risk registers of respective units are updated continuously.

Operational risks were identified and documented in the risk registers of respective departments as outlined below and referenced as an **Annexure B** of this report.

✓ **Analysis of operational risks are reported as follows:**

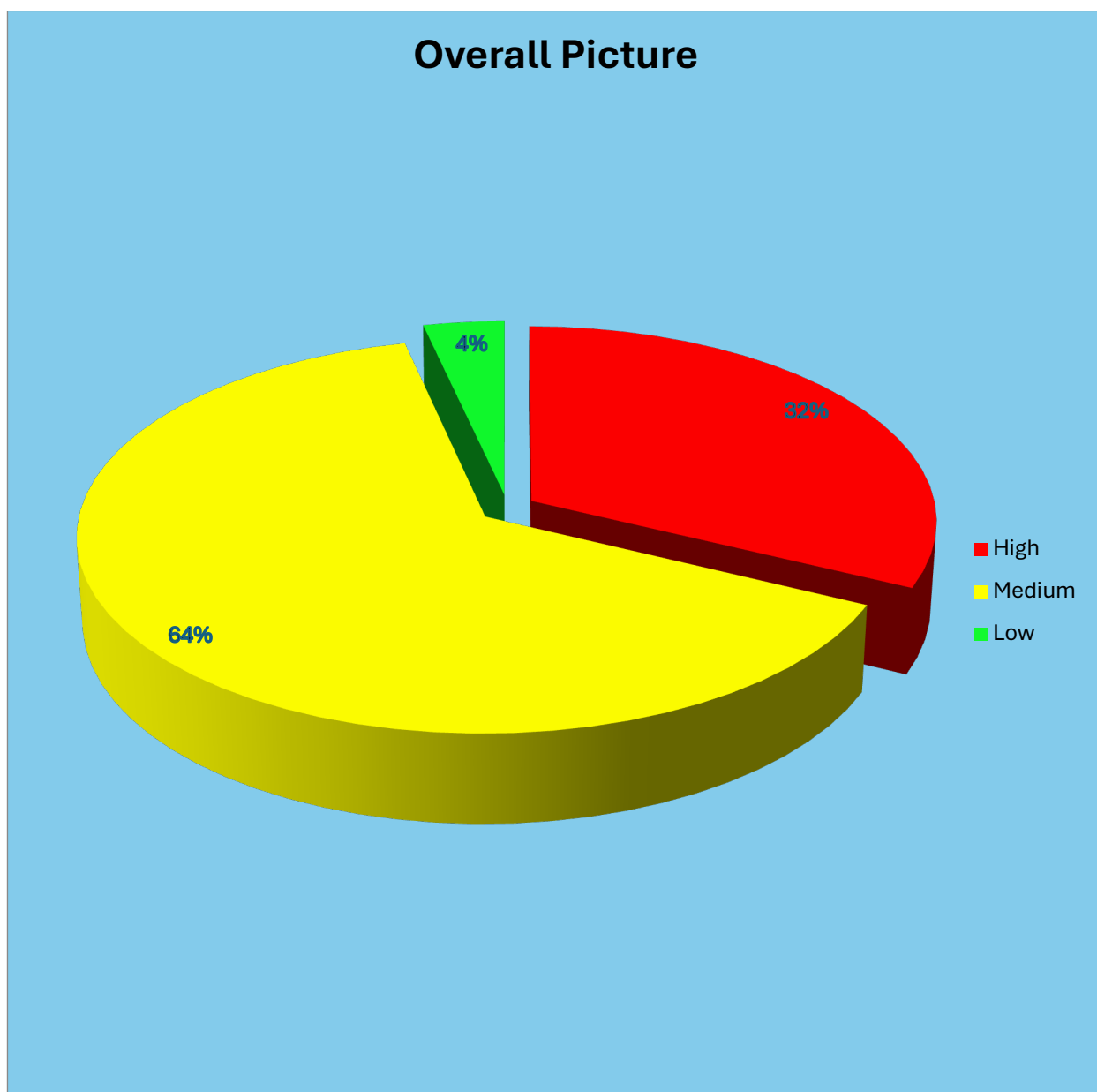
- Overall risk exposure (*refer to paragraph 10.3.1*)
- Risk exposure per department (*refer to paragraph 10.3.2*)

10.3.1 OVERALL RISK EXPOSURE

Interpretation of the charts demonstrated below:

I would like to bring to the attention of APRC, senior management, line management and staff in general that the results of the risk assessment revealed that the Municipality is rated as a **medium** risk organisation as reflected in paragraph 4 above and this graph give an overview of management of risks.

Figure 4



10.3.2 RISK EXPOSURE PER DEPARTMENT

Below is the high-level progress on operational risk in realising municipal risk maturity:

Legends:
Low
Medium
High

The **table 1** below represents the risk profile of Magareng LM will be used for the purpose of compiling a **Risk Based Internal Audit Plan for 2025/26 financial year**.

No.	Department	Page Nr.	High (9)	Medium (18)	Low (1)
Corporate Services					
1.	Legal Services	25		√	
2.	Records and Registry Management	27		√	
3.	Information Technology	30		√	
4.	Human Resource Management	33		√	
5.	Security Management	39	√		
Technical Services					
6.	Water Services	40	√		
7.	Electricity Services	42	√		
8.	Refuse and Sanitation	45		√	
9.	Call Centre Services	47		√	
10.	Road and Storm Water	48	√		
11.	Parks and Cemeteries	49	√		
12.	Housing, Town Planning and Land Use	51		√	
13.	Project Management	53	√		
Finance Department					
14.	Revenue Management	55		√	
15.	Budget Office	60		√	
16.	Supply Chain Management	63		√	
17.	Assets Management	70			√
18.	Accounting Service, Expenditure & Payroll	75		√	
Municipal Manager's Department					

No.	Department	Page Nr.	High (9)	Medium (18)	Low (1)
19.	Integrated Development Plan (IDP)	81	√		
20.	Performance Management Systems (PMS)	82		√	
21.	Communication Services	85		√	
22.	Council Administration and Auxiliary Services	87		√	
23.	Tourism and Local Economic Development (LED)	90		√	
24.	Traffic Services	93	√		
25.	Library Services	94		√	
Office of the Mayor					
26.	Youth Development	95	√		
27.	Special Programmes	97		√	

11. LEVEL OF RISK MATURITY

The risk maturity level for Magareng LM as guided by Public Sector Risk Management Framework is as follows:

No	Levels	Description	Maturity Level
1.	Start-up Level	This is the level when risk management framework (policy, strategy, implementation plan, structure, etc.) is not in place. Risk management practices follow ad-hoc and unsystematic patterns.	
2.	Developmental Level	This is the stage where an approved risk management framework (incorporating a policy and implementation strategy) is in place and has been communicated throughout the institution. Implementation, although at a low level at this stage, is in line with the framework.	
3.	Control Level	Here is when institutions'-wide risk assessments have been completed and the necessary institutional capacity and structures to support risk management are in place. Risk management processes, practices and systems satisfy all legislative requirements at this stage but have limited influence on the control environment.	
4.	Information Level	At this stage risk management is firmly embedded in the municipality. Metrics to measure the value-added of risk management are in place. Aggregated risk management information is circulated to relevant officials and oversight structures as a matter of routine	
5.	Managed Level	Risk tolerance parameters have been established for all major categories of risk. Management of risk is subjected to close monitoring to ensure prudent risk taking. Risk management has a significant influence on the control environment at this stage.	
6.	Optimising Level	<p>The Municipality has reached a state where the risks taken are consistent with its risk tolerance. The focus of the Municipality has shifted firmly to employing risk management to optimise effectiveness, efficiency, and economy within its operations.</p> <p>The level of risk maturity will be monitored by National Treasury through Financial Management Capability Maturity Model (FMCMM) once a year and improvement plan will be developed by the municipality in areas where deficiencies were identified.</p>	

12. FRAUD AND CORRUPTION MANAGEMENT

No incidents of fraud or corrupt activities have been reported to risk management for the entire financial period. No alleged cases have been brought to the attention of risk management or internal audit and consequently, no investigations were carried out.

13. ACKNOWLEDGEMENTS

There is a serious commitment to robust risk management by Executive Management and Staff as it has been witnessed by an improvement in internal controls including a reduction in risks identified. All Managers took responsibility in proactive identifying and managing the risks to which they are exposed to in their respective fields.

This initiative would assist the Council and Executive Management in having foresight in managing the risks for Magareng LM through effective utilisation of resources to ensure that possible crises are averted, and the correct decision-making process is embedded.

Ultimately, the successful implementation of the risk management process across Magareng LM will increase the probability of achieving objectives.

I would like to thank the Senior Management and all staff for their commitment, support and outstanding cooperation during the risk assessment and monitoring sessions.

14. CONCLUSION

Risks have been identified and assessed, action plans have been developed to further mitigate risks, the real risk management is to implement these action plans and embed management of risks into day-to-day activities of the Magareng LM.

I would like to thank the Senior Management and all staff for their commitment, support, and outstanding cooperation during the risk assessment sessions.

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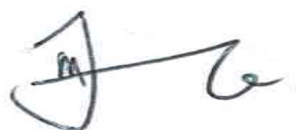


.....
Solomon Pitso

Chief Risk Officer

Date signed: 30 June 2025

✓
Approved / ~~Not Approved~~ by:



.....
Mr. Tumelo Thage

Acting Municipal Manager

Date signed: 30 June 2025

15. ANNEXURE A (DETAILED TOP 10 STRATEGIC RISKS)

Risk Nr.	Strategic Objective	Risk Description and its Consequence	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Mitigation Strategy or Treatment Plan	
												Actions to improve management of the risk	Progress on Implementation
SR1	Improved organisational cohesion and effectiveness (KPA 2)	Instability at top management level which might lead to poor leadership & administration	4	5	20	HIGH	<ul style="list-style-type: none"> - HR policy in place which administer recruitment processes. - Advertisement of post, shortlisting, interviews and recommendation to council. - Requesting council to appoint an Acting individual while recruitment process is underway. 	3	3	9	MEDIUM	<ul style="list-style-type: none"> - Re-advertisement of the position of HOD positions 	<ul style="list-style-type: none"> - The Position of the Municipal Manager is still vacant and Mr. Tumelo Tlhage, Technical Service Director, is acting as the Municipal Manager. - The Position of the CFO has been filled. - The position for the Director: Community Services is still vacant.
SR2	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems (KPA 4)	Adverse cashflow which might affect future budgets and non-compliance with section 136 of MFMA (liquidity or going concern risk due to possible cease or municipality be placed under administration).	4	5	20	HIGH	<ul style="list-style-type: none"> - Compliance with national treasury acts and regulations - Cost containment measures in place. - Cut offs at certain areas; - Community awareness campaigns by councillors. - Constant engagement with consumers up until all money is recovered. - Debt collection policy and by-laws are enforced. 	3	4	12	MEDIUM	<ul style="list-style-type: none"> - Legal Letters will be distributed to community at large to communicate payments of accounts. - Financial Recovery Plan will be developed - Finance Committee will sit on a monthly basis. - Fraud Prevention Policy, Strategy and Implementation Plan will be adopted by council. - Development of delegation of authority. - Development of technical maintenance plan for infrastructure to improve service delivery. - A monitoring system will be developed to track debtors who default payments. - Debtors policy will be enforced. - Debt collection section will ensure that debtors accounts are printed and delivered 	<ul style="list-style-type: none"> - Notices are sent to consumers in line with debtor and credit control policy. - Financial Recovery Plan has been developed, implemented and monitored on a quarterly. Needs to be reviewed with assistance from Provincial Treasury. - Finance Committee is sitting on a quarterly basis - Debtors policy has continuously been enforced by Revenue Unit. - Debtors accounts are being printed and delivered. - Some of the provincial departments are still owing the municipality. State Attorney is assisting with issuing demand letter. - Planning to procure services for data cleansing, property rates, and debt collection. - Indigent register is updated monthly.

Risk Nr.	Strategic Objective	Risk Description and its Consequence	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Mitigation Strategy or Treatment Plan	
												Actions to improve management of the risk	Progress on Implementation
												timeously. - Indigent register will be updated monthly - Debtors queries will be attended to within reasonable timeframes - Daily physical reconciliation of cash collection by cashiers and inside the drop box. - Implementation of prepaid water meter system. - The municipality will deduct any outstanding monies owed for a period 3 months by a councillor or official.	- The budget for 2024/25 was cut by about 50%. - Replacement of old meters with SMART prepaid meters. - In a process of establishing a revenue enhancement committee.
SR3	To promote a culture of participatory and good governance (KPA 5)	Outdated policies within community and technical department	5	4	20	HIGH	- Adherence to approved policies and municipal processes. - Adherence to National Treasury circulars and legislation.	4	4	20	HIGH	- acting MM to review and develop policies of community services and technical department.	- The unit is in a process of reviewing / developing policies

Risk Nr.	Strategic Objective	Risk Description and its Consequence	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Mitigation Strategy or Treatment Plan	
												Actions to improve management of the risk	Progress on Implementation
SR4	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems (KPA 4)	Ineffective monitoring of overtime which might impact municipal budget negatively (fictitious overtime)	5	5	25	HIGH	<ul style="list-style-type: none"> - Agreement was signed with Unions regarding overtime - Bargaining council collective agreement in place. - Agreement in government gazette in relation to overtime regulation. - Timesheets are submitted and monitored on monthly basis 	3	4	12	MEDIUM	<ul style="list-style-type: none"> - Overtime will be pre-approved by the MM or a delegated official. - Overtime worked will be supervised and verified by section managers. - Disciplinary measures will be taken for supervisors who authorised/condone fictitious overtime. - Collective Agreement by Bargaining Council will be enforced and monitored by managers. - The municipality will consider budgeting for biometric access control which will assist to monitor time, attendance, overtime and absenteeism. - Weekly or Monthly rosters will accompany overtime claim (valid reasons will be attached to overtime requests). - Manual overtime attendance registers will be introduced and maintained by the supervisors and senior managers 	<ul style="list-style-type: none"> - Not all overtime worked is preapproved by the Supervisors. Incidents are reactive hence overtime is not preapproved. - There are some inadequacies in monitoring overtime more especially work that has been executed after hours. - Monthly timesheets are being used to record overtime worked. - Monthly roster is prepared for officials who will be on standby and work overtime. - Overtime worked is limited to 40hours per month as per HR policy.

Risk Nr.	Strategic Objective	Risk Description and its Consequence	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Mitigation Strategy or Treatment Plan	
												Actions to improve management of the risk	Progress on Implementation
SR5	To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures and systems (KPA 4)	Emerging incidents of irregular expenditure which have a high impact on compliance and ultimately lead to poor audit outcomes.	5	5	25	HIGH	<ul style="list-style-type: none"> - UIF&W registers are developed and maintained and submitted to Provincial Treasury on a quarterly basis. - The SCM policy regulates reporting and treatment of irregular expenditure. - Established MPAC committee is functional and sitting on a quarterly basis. - UIF&W reduction strategy in place and is being implemented. 	3	4	12	MEDIUM	<ul style="list-style-type: none"> - A Checklist will be developed to monitor SCM requirements and processes to enhance compliance. - Irregular Expenditure will be investigated before being condoned / write-off. - An item should be prepared for irregular expenditure which was never been condoned / written off during the prior years to be condoned by council. - Once identified the Irregular Expenditure, Unauthorised, Fruitless & Wasteful will be reported to the Provincial Treasury, Mayor, Auditor General and MEC: COGHSTA. - MPAC to recommend remedial actions through consequence management 	<ul style="list-style-type: none"> - SCM has developed and implemented a checklist. - Irregular, Unauthorised, Fruitless and wasteful expenditure are being reported to Provincial Treasury. - The Unauthorised, Irregular, Fruitless and Wasteful Expenditure are submitted to MPAC for investigations. - MPAC has not yet investigated UIF&W cases for the past 3years. - Provincial Treasury assisted the MPAC twice with the training on investigating UIF&W including report writing skills. - Secretary is assisting in investigating UIF&W with the assistance of finance interns.
SR6	To promote a culture of participatory and good governance (KPA 5)	Inadequate reporting of performance information	5	5	25	HIGH	<ul style="list-style-type: none"> - Portfolio of evidence is scrutinised, verified and filed. - One on one interaction with all sectional managers who submitted performance information - PMS policy is being implemented - Audit Committee assist with the oversight role on monitoring of performance information. 	3	5	15	MEDIUM	<ul style="list-style-type: none"> - PMS unit should have quarterly workshops with managers to discuss performance information - Training should be provided to lower level staff in an effort to teach them importance of PMS - PMS unit should ensure that performance information is supported by Portfolio of Evidence. - PMS Policy will be reviewed - Managers will submit monthly plans and progress reports to the MM - Targets and indicators will 	<ul style="list-style-type: none"> - IDP/PMS manager request performance information and portfolio of evidence from the unit managers on quarterly basis. - Performance information is supported by portfolio of evidence which is being audited by internal audit FBDM. - PMS policy was reviewed. - Establishment of PMS committee with a recommendation to appoint FBDM PMS Manager as part of the committee. Appointment letters to follow in the 3rd

Risk Nr.	Strategic Objective	Risk Description and its Consequence	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Mitigation Strategy or Treatment Plan	
												Actions to improve management of the risk	Progress on Implementation
												be developed in such a way that are SMART. - Municipal performance information will be aligned with new IDP, SDBIP and Budget. - The following assessments will be performed: - Quarterly informal assessment between the MM and sectional managers. - Quarterly performance audit by Internal Audit	quarter. - Final PMS report is discussed at APRC Quarterly Meetings for recommendations.
SR7	To promote a culture of participatory and good governance (KPA 5)	Incidents of fraud & corruption.	5	5	25	HIGH	- Confirmation of banking details with third parties in done.	5	5	25	HIGH	- Chief Risk Officer to develop fraud governance documents (Plan, Policy & Strategy) including fraud awareness flyers - CRO to perform operational fraud risk assessment - Code of Conduct be enforced through induction process. - All officials who have businesses and working with government will disclose. - The Municipality will develop disclosure forms for declaration of interest by Officials and Councillors. - MM will institute consequence management through undertaking disciplinary process. - The municipality will develop a fraud prevention database for employees and service providers, including vetting of suppliers.	- Code of conduct was discussed with newly appointed officials during induction. - Fraud is reported to the MM and SARS when it occurs. - There is lack of capacity to investigate cases of fraud or corruption internally. - There will be an assessment for UIF&W which will give a determination regarding possible incidents of fraud or corruption. - National Treasury's list for service providers defaulted is used to monitor SCM procurement processes

Risk Nr.	Strategic Objective	Risk Description and its Consequence	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Mitigation Strategy or Treatment Plan	
												Actions to improve management of the risk	Progress on Implementation
												<ul style="list-style-type: none"> - Any fraud or corruption will be reported to the SAPS for further investigation. - Request Provincial Treasury will be requested to assist with the internal investigations. 	
SR8	To promote a culture of participatory and good governance (KPA 5)	- Inadequate office space and storage for files	5	4	20	HIGH	<ul style="list-style-type: none"> - Lockable steel cabinets - Files at Finance Section are kept in the containers - Sharing of office space with colleagues - Files are kept at registry 	3	5	15	MEDIUM	<ul style="list-style-type: none"> - Renovation of revenue section into an open plan set-up. - Renovation of offices in ikhutseng to create more office space. - To create more office space by building or extending existing main block at the backside. - Increase budget for corporate service for the refurbishment of municipal buildings 	- The acting MM have engaged with the Corporate Service to increase budget allocations for municipal buildings
SR9	To promote a culture of participatory and good governance (KPA 5)	Non-attendance of Audit Committee Meeting by management	5	5	25	HIGH	- Delegations of powers in place.	5	5	25	HIGH	<ul style="list-style-type: none"> - The Municipal Manager must delegate one top official who will act in his/her capacity in instances of absence to attend APRC meetings. - The Office of the MM must send a formal written apology to CAE in case of non-attendance of APRC meetings. 	<ul style="list-style-type: none"> - MM appoints one top official to attend APRC meetings if unavailable to attend the meeting(s). - The MM send an email to the CAE for non-attendance of APRC meetings. - HOD send apology to the CAE and appoint a manager to stand on their behalf.

16. ANNEXURE B (DETAILED OPERATIONAL RISKS)

16.1 CORPORATE SERVICES

16.1.1 LEGAL SERVICES

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: Promote Innovation Learning and Growth, Achieve Positive Employee Climate, Provide safe and clean environment														
LS 1	Litigation arising from non-compliance with contractual obligations.	- Possible incurrence of contingent liability due to legal actions been taken against the municipality	Compliance/Regulatory	- Inadequate contract management	4	4	16	HIGH	- Filling of contract supplier management plan - Internal circulars intervention of HOD's and Municipal Manager - Raising concerns at joint management meetings	4	3	12	MEDIUM	- Presentation to all managers on law of contract. - Updating contract register regularly and following up with managers on the implementation of contracts. - Improve communication with project managers from tendering processes.
LS 2	Possible failure to manage litigation successfully.	- Failure to request legal advice/or opinion on the application of legislation	Litigation	- Possible Litigation based on misapplication of the legislation and policies by management.	4	4	16	HIGH	- Internal consultation with responsible managers. - Internal consultations with affected department - Ensuring that supporting documents are adequate to support instructions on legal requests. - Reliance in FBDM for books and online publications. - Reliance on SAFLI and GOOGLE for drafting accurate legal opinions. - Internal memorandum and circulars on handling legally related matters. - Involvement of FBDM's Legal Service Unit.	4	3	12	MEDIUM	- Consultation with the Legal Manager at FBDM to seek assistance on legal opinions, interpretation of legislation & policies and to assist with the updating of contract registers.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
LS 3	Poor safeguarding of legal documentation such as requests, contracts, legal opinions, and reports might not be kept safely for audit purpose.	- Lack of safeguarding information might led to negative audit outcomes.	Processes	- HODs are not filing / archiving contracts at the registry. (No centralised filing system)	4	5	20	HIGH	- Legal documents kept in arch-lever files and cabinet at municipal registry.	2	3	6	LOW	N/A
LS 4	Inadequate implementation of contract management	- Service providers introduce contracts that are not in favour of the municipality.	Litigation	- Inadequate monitoring of contracts by project managers. - Service provider introduce contracts that are not in favour of the municipality.	4	5	20	HIGH	- Standard contracts are drafted and reviewed by the acting MM before approval. - Project Managers are responsible for ensuring implementation of signed SLA / agreements.	3	3	9	MEDIUM	- Legal Service Unit to monitor all signed SLA / agreements in conjunction with project managers and give report to the Municipal Managers.
LS 5	Strategic legal support might be rendered without an MOA entered between the municipality and the FBDM	- Poor consultation	Knowledge & Information Management	No program of action to alert local municipalities about the legal services offered by FBDM	4	5	20	HIGH	Regular engagements with the FBDM's Legal Services	2	3	6	LOW	- The Legal and Compliance Manager at FBDM will develop a program which will outline activities to be done for Magareng.
LS 6	By-laws might not be reviewed, approved, and implemented	- Possible financial loss due to non-implementation of fines. - Ungovernable communities - Hampering of service delivery - Ineffective implementation of municipal by-laws.	Compliance/Regulatory	- Lack of involvement of the FBDM's Legal Service - Financial implications (e.g. publication for public comments and gazetting) - Shortage of permanent staff.	4	5	20	HIGH	- Presentations at strategic planning - Spreading memorandums as far as possible by word of mouth - The municipality has appointed a permanent labour relations officer	3	3	9	MEDIUM	- Request the Legal Manager from FBDM to assist with the review of by-laws - Discuss the financial implications with the CFO and the FBDM's Legal Manager. - Distribute bylaws to local police and magistrate court, forum established, MM, police commissioner and the local magistrate, working to release enforce, judgement on the contravention of bylaws

16.1.2 RECORDS AND REGISTRY MANAGEMENT

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	L	I	IR	Risk Rating	Key Existing Controls	R L	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: To provide human resource administration and services to the staff and management of the municipality.														
RM 1	Missing original documents at registry (poor archiving of municipal records).	<ul style="list-style-type: none"> - Loss of information - Reputational risk - Non-Compliance with the records management policy. - Limitation of scope resulting in possible adverse audit outcome - No evidence is available during internal and external audits or internal investigations 	Processes	<ul style="list-style-type: none"> - Some of the records are not centralised and kept at the offices. - Finance Offices are not safe to keep and secure financial information - Inadequate office space at registry for storing municipal records. 	4	5	20	HIGH	<ul style="list-style-type: none"> - Records management policy in place to regulate archiving and registry of information. - There is photocopy machine at the registry which is used for scanning documents and preparation of council packs. - There control sheet (document tracing book) in place for signing outgoing and incoming records/information. - Records are referenced by the Principal Records Clerk when are being archived. - Finance personnel keeping files in their office. - Electronic format (records management system) of storing records is in place. - Records are scanned and store electronically (IMIS System) - Records that are more than 5years old are stored at Technical Services due to space challenges. 	3	3	9	MEDIUM	<ul style="list-style-type: none"> - Timeframe of 7 days will be implemented for returning of documents back to the registry. - Reconciliation of physical documents will be done on a monthly basis to trace all outgoing records/information. - Improve the internal controls in handling documents at registry - Documented procedures will be developed - The financial and operational information will be stored centrally at registry after the information being scanned. - Municipality consider procurement of electronic system (EDMS) - Enforce utilisation of electronic filing system by all officials in the main office

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	LI	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
RM 2	- Unauthorised disposal of records	Loss of confidential information.	Knowledge & Information Management	None.	4	5	20	HIGH	<ul style="list-style-type: none"> - Continuous refreshment training on records management - Induction to all new employees. - The old files needed to be disposed of are kept at off-site storage (technical department) - Before records are disposed of registry unit submits a letter to the Provincial Archives to request approval. - Letter are sent to Provincial Archives for AD7 records for disposal. - Shredder in control of the record management unit only. - Physical security measures at registry were improved (e.g. Burglar Doors/Lockable Cabinets, etc.). - Records Management Policy is being implemented. 	3	2	6	LOW	N/A
RM 3	- Unreferenced internal and external correspondences	<ul style="list-style-type: none"> - Information not admissible in court (authenticity). - non-retrieval of information. 	Knowledge & Information Management	<ul style="list-style-type: none"> - No induction/ training given to PAs, Secretaries and Middle Management on records management. - No awareness programs on the importance of implementing the file plan. 	4	4	16	HIGH	<ul style="list-style-type: none"> - Introduction of Electronic records management system to assist with the indexing and retrieval of information. - Approved file plan in place. - Training on the usage of File Plan. 	3	3	9	MEDIUM	<ul style="list-style-type: none"> - The unit is planning to train/induct the PA's, Middle Managers and Secretaries to enforce the usage of referencing of internal and external correspondences. - Planned roll-out on the usage of the approved file plan to all section / including amendment of the current file plan. - Awareness programs on the importance of the file plan. (archives week and international information week) - Regular awareness and training on electronic records management system to be performed by the service provider.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	LI	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
RM 4	- E-mails might not reach Registry Office for filling.	- Loss of Information/Audit Trail - non-retrieval of information.	Knowledge & Information Management	- Lack of knowledge of registry policies and procedures - Lack of involvement of FBDM records management	4	4	16	HIGH	- Introduction of Electronic records management system to assist with the indexing and retrieval of information. - Records management policy in place	3	3	9	MEDIUM	- Creating awareness of records management policy - Engagement with FBDM records management unit to assist with the challenges facing the municipality.
RM 5	Delay in processing / responding to urgent document including correspondence from external sources	- Delay in processing urgent document including appointment of service providers. - Hampering service delivery.	Knowledge & Information Management	- Non-adherence to records management policy - No document tracking system in place	4	4	16	HIGH	- Documents are registered by the MM's secretary through a tracking system and signed out for collection once approved. - IMIS in place and is used only by registry - Records Management Policy in place.	3	4	12	MEDIUM	- acting MM to consider implementation of 5 working days turnaround time to return documents back to the sender. - Implementation of IMIS records management system to track responses from officials.

16.1.3 INFORMATION TECHNOLOGY

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
IT 1	Possible cybercrimes and security breaches (e.g. hacking on municipal systems)	- Loss of municipal valuable information - Possible system crash	Fraud & Corruption	- Free anti-virus in place - Inadequate information security awareness performed.	4	5	20	HIGH	- Firewalls and anti-virus (free version) software in place. - Automatic daily updates of all IT software. - Inzalo cloud server in place.	3	4	12	MEDIUM	- A budget for 2024/25 is allocated for procurement of anti-virus software. - Conduct security information awareness campaigns
IT 2	Possible server crashes (e.g. e-mail server)	- Lack productivity (officials cannot access e-mails)	Technological Environment	- Loadshedding (Inadequate UPS) - Old server (server reached its lifespan)	4	5	20	HIGH	- E-mail hosting server in place. - IMIS storage server and a back-up cloud server with the service provider.	3	4	12	MEDIUM	- Procurement of UPS back-up - Upgrading of main server and migration to cloud services.
IT 3	Business continuity or disaster recovery plans might not be in place	- Cyber risks that could disrupt business continuity - Hampering of service delivery - Possible loss of municipal data - Unavailability of financial systems	Technological Environment	- Currently there is no BCP or DRP in place.	4	5	20	HIGH	- Good working relationship with FBDM in terms of support.	3	4	12	MEDIUM	- Development of BCP/DRP in conjunction with FBDM IT unit.
IT 4	Inadequate ICT infrastructure (outdated LAN) and oversight structure	- Unauthorised access to the switches - Possible sabotage from internal - Continuous disruption of internet connection. - Business continuity will be disrupted - Loss on municipality's data might be a concern.	Technological Environment	- No budget provision for the procurement of new ICT infrastructure - Lack of upgrading ICT infrastructure. - No IT steering committees	4	5	20	HIGH	- Old LAN infrastructure in place. - Each cabinet switches are stored in case of any faults identified. - There is a 24hours surveillance CCTV inside the server room. - Some of the cabinet switch rooms are locked. - Monitoring of the switches through the web console application.	3	4	12	MEDIUM	- Request for Budget to procure and upgrade LAN (CAT6 network cable) for financial year 2024/25 - Establishment of IT Steering Committee.
IT 5	IT back up tapes / server might be intentionally damaged or corrupted	- Loss of municipal valuable information - Possible system crash	Fraud & Corruption	- No encryption for back up tapes	4	4	16	HIGH	- Back up tapes are kept in the strong room and vault sites (metro files) - Automated security access control to the server is always enforced (e.g. key, passwords, biometric access, etc.)	3	3	9	MEDIUM	- Encryption of all back up tapes.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
									- Server keeps audit trail for all users accessing the servers.					
IT 6	Server room might not meet the minimum required standards.	- Loss of IT infrastructure - Loss of information	Technological Environment	- Server room is not one step up on the surface. - Inadequate ventilation - Old infrastructure which must be budgeted for.	4	5	20	HIGH	- Fire extinguisher in place. - Security enhanced and there are burglar doors. - There is 24hours surveillance CCTV installed inside the server room. - Physical security offices are next to the server room. - Switches are store inside the cabinet.	3	4	12	MEDIUM	- A budget will be requested for the financial period 2024/25 for the procurement of the following: - To increase a ventilation on server room by procuring additional aircons. - Appoint a service provider to lift a floor one step up to avoid the risk of possible water flooding.
IT 7	- No IT Help desk designed to log IT calls and queries	- Turn-around strategy in resolving logged calls from help desk might not be achieved. - Escalation procedures regarding problems might not exist.	Processes	- Help desk software not in place.	3	4	12	MEDIUM	- Acting ICT Help desk agent in place. - Form is used in logging the queries. - Monthly reports on help desk are prepared and submitted to the MM.	3	4	12	MEDIUM	- Budget for the acquisition of help desk solution.
IT 8	Inadequate storage management plan for end-users.	- Loss of confidential information - Financial loss resulting from the replacement of lost or stolen assets - Reputational Damage - Fines and civil penalties - Litigation/legal action - Loss of institutional memory	Service Delivery	- Service provider discontinued the storage servers for end-users.	4	5	20	HIGH	- No control in place except that user uses external hard drives and memory sticks.	3	4	12	MEDIUM	- Budget for the procurement of Microsoft OneDrive cloud server.
IT 9	Possible manipulation or	- Loss of municipal valuable	Fraud & Corruption	- No audit trail systems (segregation	4	4	16	HIGH	- Retrieval of loss Daily back up tapes.	3	4	12	MEDIUM	- Procurement of a cloud based-back-up system.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
	deletion of data stored in the server	information - Possible system crash		of duties is compromised).					- Log files in place					
IT 10	An IT Official(s) might take municipal software's home for copying and for profit-making business.	- Possible shortages of licences - Business continuity might be affected	Fraud & Corruption	None	4	4	16	HIGH	- All IT Licenses are linked per user and are managed by IT Unit online.	2	3	6	LOW	N/A
IT 11	Abuse of Internet for personal gain	- Low productivity.	Fraud & Corruption	None.	4	4	16	HIGH	- There is an ICT Governance Policy in place. - Implemented VNC software to monitor the abuse. - Firewall regulates network traffic to the municipality. - Unauthorised websites are blocked. - Daily/Weekly/Monthly internet usage report is generated by the system and is used for monitoring.	3	2	6	LOW	N/A
IT 12	Insufficient segregation of IT functions between the FBDM and Magareng LM.	- Hampering of service delivery	Processes	- Unclear definition regarding segregation of duties in the MOU.	4	4	16	HIGH	- Signed MOA in place.	3	4	12	MEDIUM	- Review of the Magareng MOU with FBDM.

16.1.4 HUMAN RESOURCE MANAGEMENT

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: To provide human resource administration and services to the staff and management of the municipality.														
HR Recruitment, Selection and Administration														
HR 1	- Inadequate leave management (Updated leave accruals records/register might not be accurate).	- Misstatement of the leave accruals at the financial statement level - Non-compliance with leave policy	Financial	- Payroll module is not live/utilised in the financial system as intended by management. - System does not automatically forfeit leave days. Roll over of leave days done manually. Annual leave not pre-authorised. Incomplete leave applications due to improper monitoring, lack of verifying leave forms for correctness	4	5	20	HIGH	- Only a manual leave book and the excel sheet to record the leave accruals for all employees are in place. - Reconciliation leave days on monthly basis. Leave management policy in place.	3	3	9	MEDIUM	- Ensuring that the payroll module is utilised as intended by management. - Awareness programmes on leave policy
HR 2	Municipal Officials might not have proper job descriptions due to inadequate job evaluation of task	- Poor accountability - Poor performance by employees - Employee performance disputes	Human Resource	None.	4	5	20	HIGH	- Officials are learning job as per supervisory instruction and through audit implementation plan. - Generic job descriptions in place. - Job evaluation committee in place.	3	2	6	LOW	N/A
HR 3	Failure by department to notify HR timeously regarding dismissal.	Possible incurrence of irregular and unauthorised expenditure	Processes	None.	4	5	20	HIGH	- Exit interviews are held on a basis of agreement with the outgoing official. It is not compulsory but on request if the official agreed.	2	3	6	LOW	N/A
HR 4	Inadequate Safeguarding and updated records of human resource	Existence and completeness assertion at the financial statement level	Knowledge & Information Management	- Employees records updated manually. - Electronic HR system not optimally utilized (Inzalo System) - System downtime, lack of training on electronic filing system. Lack of training for registry staff.	4	5	20	HIGH	- Manual filing system in place.	3	3	9	MEDIUM	- Acquisition of the record management system - Training to be conducted by Inzalo Service Provider.
HR 5	Confirmation of	- Poor staff morale	Knowledge &	- No strategy in place to	4	5	20	HIGH	- Safety Committee in place	3	3	9	MEDIUM	- Probation procedure

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
	permanent appointment might not be done after the 6 months' probation period has ended.	since an employee might think that additional probation has been granted.	Information Management	track probation period of all newly appointed officials. - No confirmations from managers to confirm permanents appointments - Lack of training on the system to get probation notifications					to identify health and safety issues. - Surprise visits by the Department of Labour on health and safety inspection issues. - OHS Policy in place and is being implemented.					manual has been developed. - Quarterly performance reviews have been done by the managers/superiors and reports are submitted HR for confirmation of permanent appointment or extension of probation.
HR 6	Leave taken without prior approval by relevant managers	- Unauthorised leave may be taken - Possible allowing of ill-disciplined culture	Human Resource	None.	4	5	20	HIGH	- Budget for training is available; - Various training conducted; - Skills Development Plan (SDP) in place. - LGSETA mandatory grants ring-fenced. - Managers monitors leave according to submitted leave plan - HR Policies and Procedures in place - Clock cards assist to monitor attendance and leave taken - HR awareness on policies is done through workshops	3	3	6	LOW	N/A
HR 7	Ineffective Employee Wellness Programme (EWP)	- Non-compliance to HR Policy - Absenteeism - Low staff morale - Low productivity	Human Resource	- Inadequate budgeting - Officials are not referred for Employee wellness programme by managers / supervisors	4	5	20	HIGH	- Payroll unit conducts head count on the annually basis. - Attendance Registers and clock cards are used as a monitoring tool monthly.	3	3	9	MEDIUM	- HR unit will request additional budget at the strategic planning and to present the importance of EWP programme. - Supervisors and managers will be educated to encourage and recommend officials for EWP when the need arise.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
HR 8	Fictitious/Ghost employees might exist	- Municipality might be remunerating people who are not employed by the municipality. - Adverse impact on municipal cashflow	Human Resource	None.	4	5	20	HIGH	- There is a workplace skills plan in place. - Continuously researching the training programs identified in the WSP. - Application for LGSETA accreditation trainings. - Plan in place to conduct a skills audit - Monthly reconciliations are performed. - Head count is conducted annually. - Organogram has been reviewed, approved and implemented - Variance report reviewed, and signed off by senior personnel in Finance Unit.	3	2	6	LOW	N/A
HR 9	Senior Municipal officials might work without a signed performance contract	- Incurrence of irregular expenditure - Lack of accountability	Human Resource	None.	4	5	20	HIGH	- Performance agreements for middle managers are in place.	3	2	6	LOW	N/A
HR 10	Inadequate organisations staff establishment which does not compliment municipal functions.	- Poor of accountability - Poor service delivery	Human Resource	None	4	5	20	HIGH	Organisational structure has been properly aligned with strategic objectives, goals, and functions of the municipality.	2	3	6	LOW	N/A
HR 11	Poor filing of HR records	Loss of documents. Leaking of confidential information	Human Resource	None	4	5	20	HIGH	- Files kept at HR and others at registry - Electronic Filing System in place. - Physical filing cabinets are also used.	2	3	6	LOW	N/A

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
HR 13	Staff regulations might be inadequately implemented.	- Non-compliance with staff regulations and National Treasury, DPSA Circulars	Human Resource	- No staff regulations implementation committee in place. - No implementation plan with milestones - Inadequate training to implement staff regulations	4	5	20	HIGH	- Municipal training on staff regulations has been conducted by COGHSTA. - The milestones on the staff regulations are part of the financial recovery plan and SDBIP.	3	3	16	MEDIUM	- Staff regulations implementation committee to be established with approved terms of reference. - Develop a detailed staff regulations implementation plan with timeframes and responsibilities. Follow-up on implementation through monthly meetings. - Request SALGA to conduct training.
HR 14	Inadequate verification of qualifications	Inappropriate appointments, negative impact on service delivery	Human Resource	- None	4	5	20	HIGH	Verify qualification, review recruitment and selection policy Training was done on how to perform background checks	2	3	6	LOW	N/A
HR 15	Excessive Overtime (Ineffective management of overtime)	- Financial loss - Unauthorised expenditure - Overspending on overtime claims. - Hampering of service delivery. - Effect on achievement of KPI	Human Resource	- Inadequate implementation of HR policy on overtime - Inadequate pre-approval of overtime - Inadequate supervision of overtime - Overtime claims not verified for accuracy, no pre-approval for overtime, overtime not supported by clock forms, inadequate reconciliations performed - Ineffective clock card system	4	5	20	HIGH	- HR Policy regulates overtime. - Overtime is pre-approved (Pre-authorisation, overtime supporting by clock cards) - Overtime reconciliations are performed.	3	3	9	MEDIUM	- Enforcement of HR Policy. - All overtime will be pre-approved by managers and MM. - Stringent supervision will be enforced.
HR 16	Inadequate usage of exit interviews as a corrective measure based on the findings by interviews.	- Crucial findings not discussed or investigated which might result in more resignations	Knowledge & Information Management	- Lack of strategy in place to convert interview findings into corrective measures or improvement plan.	4	5	20	HIGH	- Permanent appointments are based on the assessments by managers/supervisors. - After 6 months' probation period passed, HR will write a memo to the official to confirm permanent appointment.	3	3	9	MEDIUM	- HR has developed a strategy which includes an improvement plan on how corrective action based on the interview will be implemented on a continuous basis. - HR will also do an analysis to do a survey of common reasons of resignations and

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
														establish means on how to address such challenges.
Occupational Health and Safety														
HR 17	OHS recommendations by the Department of Labour is not adhered to.	- Non-compliance with OHS Act.	Human Resource	- Non implementation of recommendations by safety committee due funding challenges	4	5	20	HIGH	- OHS committee in place - Safety action list is place and monitor - 1 st aid kits in place - Safety Reps	3	3	9	MEDIUM	- Management will implement recommendations by the safety committee
Labour Relations														
HR 18	Possible labour strikes	- Declined in basic service delivery - Low productivity - Low staff morale	Human Resource	None.	4	5	20	HIGH	- LIF Meetings taking place as scheduled - Placement Policy in place and implemented - LIF committee respond to all labour grievances timeously - Vacant posts are advertised, shortlisted and interviews are held.	3	2	6	LOW	N/A
HR 19	Incidents of labour relation cases.	- Dents municipal reputation - Possible litigations - Dismissals	Litigation	- Overriding of municipal policies - Inadequate implementation of consequence management	4	5	20	HIGH	- Approved municipal policies are being continuously implemented. - LIF Meetings taking place as scheduled	3	3	9	MEDIUM	- Review outdated policies and bylaws of the municipality and enforce implementation. - Implement consequence management through disciplinary procedures as outlined in the HR policies
HR 20	The grievances procedures might not be followed by the municipality when grievance is lodged.	- Transgression of Disciplinary Code and Grievance Procedure	Human Resource	None	4	5	20	HIGH	- Grievances lodged by the employee are addressed through a grievance form which must be handed over to the supervisor. - The supervisor/manager inform labour relations to be part of the hearing - Induction program to educate employees on Collective Agreement on Grievance Procedures.	3	2	6	LOW	N/A

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
HR 21	The supervisors might not respond to grievances within the stipulated timeframe	- Grievances may be elevated to CCMA resulting in an unnecessary court case between the municipality and the employee.	Human Resource	None.	4	5	20	HIGH	- Rigorous awareness on the importance of grievance including timeframes required to resolve a grievance. - Oversight and accountability by management when a grievance is lodged	3	2	6	LOW	N/A
Training and Skills Development														
HR 22	Inadequate capacity building programmes for officials	Poor service delivery, failure attain the set objectives - Employees might not be capacitated - Poor Staff morale - Poor productivity - Service delivery hampered	Knowledge & Information Management	- Inadequate consultation/minimal involvement of all stakeholders/employees. - Skills needs analysis not conducted. - Insufficient budget to cover all municipal training needs	4	5	20	HIGH	- Consultation with labour unions before submission of WSP to LGSETA - Training committee in place. - Workshops are conducted for all employees of the municipality. - Invite employees to HR Office on issues which needs clarity. - Hand out presentation slides at the workshops and copies of the Collective Agreement on Grievance Procedures. - Schedule of induction program on labour relation matters. - Bursary opportunities and study assistance policy	4	3	12	MEDIUM	- HR unit will request additional budget at the strategic planning and to present the importance of capacity building for officials. - Skills conducted will be performed once every financial period to update WSP - Increase training budget for 2025/26 to cover more staff training needs. - Development of training and development policy.
HR 23	Training might be conducted outside the approved annual training plan.	Poor service delivery, failure attain the set objectives	Knowledge & Information Management	Non prioritization of WSP. Non-alignment of training with sector departments	4	5	20	HIGH	- Consultation with labour unions before submission of WSP to LGSETA - WSP and training are aligned to the IDP	4	3	12	MEDIUM	Consultation with sector departments before planning.
HR 24	Impact of training might not be measured/evaluated.	Poor performance, negative impact on service delivery	Knowledge & Information Management	Supervisors/managers not aware of measuring/evaluating impact of training. Lack of resources to implement.	4	5	20	HIGH	Consultation with all supervisors	4	3	12	MEDIUM	Performance management system to be cascaded down to middle management and supervisors. Training on supervisory roles for supervisors.

16.1.5 SECURITY MANAGEMENT

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: To facilitate and promote local economic development through existing and shared partnerships.														
SM 1	-Municipality might be operating without security policies	- Possible unauthorised access to information and premises of the municipality. - Transgression of security procedures due to lack of having security policies.	Health & Safety	- Lack of development of security services.	5	5	25	HIGH	- Site instructions and SLA. - Monthly monitoring of the timesheets for security guards	4	4	16	HIGH	- Request assistance from FBDM / Provincial Treasury to assist with the development of security policies. - Development of security policies with the assistance of National Intelligence Agency.
SM 2	Possible security breaches within the municipality.	- Non-compliance with PSIRA	Political	None	5	5	25	HIGH	- Appointed permanent security officers - Security services are outsourced - SLA in place - Securities are complying with PSIRA requirements.	3	4	12	MEDIUM	N/A

16.2 TECHNICAL SERVICES

16.2.1 WATER SERVICES

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Objective: Eradicate backlogs to improve access to services and ensure that sustainable operations and maintenance of the existing water, sanitation, electricity, and roads infrastructure is achieved.														
WW 1	Water shortage and outages	<ul style="list-style-type: none"> - Loss water due to leakages of pipe, meters leaking, pipe burst, reticulation, negligence by communities - Loss of revenue - Unsustainable water supply - Intermittent water supply - Water debt. - Civil unrest due to poor basic service delivery - Service delivery and control environment collapse and sporadic service delivery protests 	Service Delivery	<ul style="list-style-type: none"> - Frequent pipe burst due to old infrastructure. - Inadequate implementation of water conservation / water demand management initiatives - Insufficient capacity of bulk water supply - Low levels of reservoirs (Due to evaporation) - Quality of the vaal water has deteriorated - Current water capacity not meeting with the population growth. - Deterioration in the quality of water in vaal river - Ward committees report not given proper consideration on service delivery matters. - During shutdowns higher area's water levels of the town struggles to get supply of water 	5	5	25	HIGH	<ul style="list-style-type: none"> - Reservoir levels are inspected frequently at the water treatment plant - Stock for water chemicals are reserved in the stores - Water pipes are fixed as soon as reported it and are guided by operational maintenance schedules. - Implementation of water restrictions. - Installation of valves - Operation and maintenance of infrastructure assistance from FBDM (Financially and Project Management) - Temporary arrangement for appointment of water trucks to supply water where outages are experience. 	3	3	9	MEDIUM	<ul style="list-style-type: none"> - Installation of new water pump stations, new booster pump with electricity, flocculation channels, sedimentation tanks, filtration system, additional elevated storage. - Installation of new residential water meters - Physical water loss reduction initiatives (installation of new reducing valves, bulk meters and zonal isolation of Water Distribution Systems) - Training of Ward Councillor, through SDF, on better ways to manage water loss effectively. - Involvement of ward committees in water challenges facing the municipality to discuss intervention strategies. - Workers to identify and record leakages for repairs (Water maintenance plan).Explore putting valves at main pipes. - Replacement and fixing of meters and pipes. - Increase source funding for capacity of bulk water supply. - Water maintenance plans to be implemented to curb water losses.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
WW 2	Municipality might not have medium to long term water planning frameworks	- Poor water planning - Reactive provisioning of water supply	Service Delivery	- Inadequate budget to replace aging water infrastructure - Inadequate maintenance plans - Outdated water master plan(s)	5	5	25	HIGH	- FBDM is assisting with funding on Operation and Maintenance. - Water master plan in place (outdated)	4	3	12	MEDIUM	- Reviewing of water master plan. - Development of reduction plan & strategy for management of water outages. - Soliciting funds from water agents. Submit application for business plan to Department of Water and Sanitation (DWS). - Development of maintenance plan, water safety plan, water and sanitation master plan, water service development plan and management plan to reduce non-revenue water.
WW 3	Possible water contamination (e.g. bacteria leading to cholera outbreaks, diarrhoea, intestinal and respiratory infections)	- Possible death and illness in the community - Possible litigation	Service Delivery	- Pollution of rivers by the other municipalities and mines. - Poor monitoring of rivers systems by the DWS. - Insufficient supervision at the water purification plant	5	5	25	HIGH	- FBDM assist the municipality with water testing through and SLA with a service provider (laboratory) - Through the analysis from the laboratories Magareng LM is informing the community if anything harmful (e.g. outbreak) is found in the water. - Security at Reservoirs. - Recruitment of qualified staff - Regular training of staff on water treatment and plant	3	4	12	MEDIUM	- Department of Water & Sanitation must intensify monitoring of the river systems. - Request FBDM to conduct community education on the importance keeping rivers and water reserve clean. - Technical service has requested the municipality to extend the scope of surveillance to the water plant and reservoirs.
WW 4	Inadequate trade specific skills in technical department to handle municipal water assets	- Excessive overtime which may result in financial loss.	Service Delivery	- Inadequate training programmes and upskill initiatives to capacitate trade specific skills - Current staff not adequately skilled on blue and green drop	5	5	25	HIGH	- Water Treatment Works capital assets are operated by general workers. - At the water treatment works there are operators (responsible for water quality), assistant operators, supervisor, electro-mechanical artisan (responsible for the functioning of the plan).	4	4	16	HIGH	- Involve Corporate Services to assist with suitable trade course to upskill and capacitate technical department. - Recruitment of suitable and qualified staff in the technical department - Skills development for staff (WSP) to include blue and green drop

16.2.2 ELECTRICITY SERVICES

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: Eradicate backlogs to improve access to services and ensure that sustainable operations and maintenance of the existing water, sanitation, electricity, and roads infrastructure is achieved.														
EM 1	Aging infrastructure resulting in inadequate electricity power supply and maintenance	<ul style="list-style-type: none"> - Service delivery and control environment collapse and sporadic service delivery protests - Loss of income - Non-payment of services affects billing and service delivery. - Increased crime statistics - Loss of assets due to vandalism and theft - High crime zones due to poor lighting during the night 	Service Delivery	<ul style="list-style-type: none"> - Insufficient budget for the maintenance of electricity infrastructure - Inadequate street lighting - Inadequate maintenance of streetlights - Theft of solar energy lights - Vandalism of street light due to inadequate community education - No electricity in most of informal settlement areas 	5	5	25	HIGH	Operation and maintenance of infrastructure assistance from FBDM (Financially and Project Management) - Technical department have budget for maintenance of electricity infrastructure, however, is not adequate to make significant impact.	4	4	16	HIGH	<ul style="list-style-type: none"> - Solicit budget from Provincial Treasury and Department of Energy Conditional Grant Application - Acquisition of new electricity infrastructure to ensure reliability of electricity - Upgrade of bulk electrical supply, internal reticulation, and service connections. - Installation of high mast lighting - Electricity Maintenance and Master Plans to be developed and implemented - Repairs ad maintenance of the high mast lights - Procurement of material for the repairs and maintenance.
EM 2	Illegal electricity connections	Electricity debt due to indigents and stealing of power	Service Delivery	<ul style="list-style-type: none"> - Inadequate systems to monitor usage and detect illegal connections - Outdated electricity meters 	5	4	20	HIGH	Operation and maintenance of infrastructure assistance from FBDM (Financially and Project Management)	4	4	16	HIGH	<ul style="list-style-type: none"> - Technical Unit will be conducting random spot checks to detect illegal connections through assessment of usage including people who do not buy electricity. - Illegal connections will be disconnected and fines will be levied by the municipality. - SMART meters to be installed
EM 3	Loadshedding, electricity outages / cuts	<ul style="list-style-type: none"> - Loss of income - Poor service delivery - Damage to electrical infrastructure 	Service Delivery	<ul style="list-style-type: none"> - National issue - municipality is not at fault. - Electricity outages are because of maintenance. 	5	5	25	HIGH	- Controlling power cuts in accordance with ESKOM stages	5	5	25	HIGH	<ul style="list-style-type: none"> - Engagements with ESKOM of better management of electricity outage, since it is a national problem.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
EM 4	Ineffective monitoring of overtime (cutting-across technical services)	<ul style="list-style-type: none"> - Excessive pressure on municipal budget - Possible incurrence of Irregular Expenditure - Possible loss of money - Incorrect budget estimates for forthcoming financial years - Fictitious overtime due to collusion between employees 	Financial	<ul style="list-style-type: none"> - Overtime is not pre-approved - Lack of verification of overtime worked - Supervisors condone overtime and collude with officials - Internal arrangement system in place instead of collective agreement issued by Bargaining Council. - Ineffective utilisation of Biometric (clocking card) system due to by-passes. - Backlogs regarding services (e.g. refuses) - Emergencies (e.g. storms which damaged electricity lines) - Weekly or Monthly rosters are not attached to overtime claims. - Non adherence to bargaining council collective agreement. 	5	5	25	HIGH	<ul style="list-style-type: none"> - Agreement was signed with Unions regarding overtime - Bargaining council collective agreement in place. - Agreement in government gazette in relation to overtime regulation. - Overtime is now preapproved by directors and acting MM 	5	3	15	MEDIUM	<ul style="list-style-type: none"> - Overtime will be pre-approved by the MM or a delegated official. - Overtime worked will be supervised and verified by section managers. - Disciplinary measures should be taken for supervisors who authorised/condone fictitious overtime. - Collective Agreement by Bargaining Council will be enforced and monitored by managers. - The damaged biometric access system will either be repaired or replaced by the clock card access system which will be enforced and monitored by HR. - Weekly or Monthly rosters will accompany overtime claim (valid reasons will be attached to overtime requests). - Manual overtime attendance registers will be introduced and maintained by the supervisors and senior managers
EM 5	Theft of electricity cables and materials	<ul style="list-style-type: none"> - Loss of revenue - Poor service delivery - Civil unrest & service delivery protests - Community vandalism 	Loss/Theft of Assets	<ul style="list-style-type: none"> - Inadequate security to guard municipal infrastructure. - Inadequate security and police raid scrap metals service providers - Criminal syndicate activities. - Bribes to municipal officials - Materials are not safeguarded on site. - Improper recording of outgoing materials. 	5	5	25	HIGH	<ul style="list-style-type: none"> - Manual monitoring metres and payments. - Routine checks - Copper Cables are not being used anymore 	5	5	25	HIGH	<ul style="list-style-type: none"> - Solicit budget to employ security company to monitor theft of cable in high-risk areas - Working with Police through establishment of Police Forum which will assist in reporting cable theft. Intervention with SAPS, scrap yards and community. - Spot checks and random visit for companies dealing in scrap metals - Penalty has been implemented.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
EM 6	Poor maintenance of municipal buildings	<ul style="list-style-type: none"> - Hampering of service delivery. - Negative impact on the image of the municipality. 	Loss/Theft of Assets	<ul style="list-style-type: none"> - Lack of maintenance plan - Delay in procurement process to appoint a service provider for maintenance of building. - Inadequate funds - Outdate policy. - Lack of reporting for repairs - Vandalization of municipal buildings - Inadequate Security 	5	5	25	HIGH	<ul style="list-style-type: none"> - Inspections to identify the buildings. - Maintenance budget in place - Maintenance policy in place 	5	5	25	HIGH	<ul style="list-style-type: none"> - Maintenance plan to be developed. - Review of the technical related policy in process. - Increase budget for municipal infrastructure. - Create employee awareness to report any damages or structural effects or health hazards that might be caused building defects.
EM 7	Misuse or abuse of municipal vehicles	<ul style="list-style-type: none"> - Financial implications, hampering of service delivery. - Negative impact on the image of the municipality 	Loss/Theft of Assets	<ul style="list-style-type: none"> - Improper monitoring mechanism - Unauthorised use of vehicles 	5	5	25	HIGH	<ul style="list-style-type: none"> - Netstar tracker system installed in municipal vehicles - Trip authority authorisation - Vehicle policy in place 	5	5	25	HIGH	<ul style="list-style-type: none"> - Enforce supervision of approved trips by approved personnel - Implement post and pre-inspection of cars - Centralization of municipal pool vehicles and enforcement of fleet business processes. - Review and enforce vigorous procedures on management of municipal vehicles.
EM 8	Huge electricity debt which might lead to electricity cut-offs	<ul style="list-style-type: none"> - Loss of revenue - Poor service delivery - Civil unrest & protests 	Service Delivery	<ul style="list-style-type: none"> - Non collection of debts from community, departments & private businesses - No intervention strategy to negotiate payment plan with ESKOM - No recovery of debts through legal means - People within ESKOM area don't pay municipal services 	5	5	25	HIGH	<ul style="list-style-type: none"> - There is debt arrangement by the CFO with ESKOM. - Credit control policy is being implemented. 	4	4	16	HIGH	<ul style="list-style-type: none"> - Finance to enforce debt collection through handing debts to debt collectors or implementing a credit control policy. - Letters to be issued to departments and businesses owing the municipality.

16.2.3 REFUSE AND SANITATION

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: Eradicate backlogs to improve access to services and ensure that sustainable operations and maintenance of the existing water, sanitation, electricity, and roads infrastructure is achieved.														
Refuse Services														
SR 1	Inadequate collection of refuse (Failure to remove refuse on specified weekdays)	<ul style="list-style-type: none"> - Hampering of service delivery, community protest, compromised health and safety - Overtime due to shortage of trucks. 	Service Delivery	<ul style="list-style-type: none"> - Inadequate maintenance of refuse trucks, resulting in regular need for repairs. - No back-up truck in place in case of mechanical breakdown of the refuse truck - Poor management of assets (trucks) - Shortage of vehicles and drivers, non-compliance with refuse removal schedules by staff and general workers 	5	5	25	HIGH	<ul style="list-style-type: none"> - Municipality have a refuse trucks (3 trucks) and skip truck - Refuse removal schedule and working overtime 	5	3	15	MEDIUM	<ul style="list-style-type: none"> - Increase budget for maintenance of refuse truck and ensure that it gets services regularly. - Financial plan to budget for the new truck, by soliciting funds from Provincial Treasury / FBDM / Sector Department. - Procurement of refuse truck services from a reliable service provider on a standby services over 3 years period. - The posts for general workers will be advertised internally in accordance with staff placement policy.
Sewerage Services														
SR 2	Spillages of sewer onto the road surfaces, Ervens, etc.	<ul style="list-style-type: none"> - Possible illness in the community - Possible lawsuits - Health hazards - Offensive odours - Contamination of underlying water 	Service Delivery	<ul style="list-style-type: none"> - Lack of community education and awareness to stop throwing pads, condoms, diapers, etc., in the toilets. - Lack of reporting when the septic tanks are full - Inadequate maintenance of sewer pump stations. 	5	5	25	HIGH	<ul style="list-style-type: none"> - Once the sewer spillage is reported, it is attended to by the technicians within 24 to 48 hours. - FBDM monitors and enforce compliance through issuing of compliance notices. - FBDM might sue the local municipality in an event where compliance is not adhered to. 	4	4	16	MEDIUM	<ul style="list-style-type: none"> - Community awareness on the impact of sewer pollution - Ensure that reported spillages are handled by technicians within 24 to 48 hours - Maintenance of pump stations - Development of sewer maintenance plans - Development of policies and by-laws.
SR 3	Inadequate protective clothing for general workers	<ul style="list-style-type: none"> - Non-compliance to labour act and condition of employment act - Possible lawsuit case in case of injuries/death in the workplace. - Injury on duty- - Compromised health and 	Health & Safety	<ul style="list-style-type: none"> - Insufficient budget allocated for protective clothing 	5	5	25	HIGH	<ul style="list-style-type: none"> - Some of workers do have protective clothing. - Health and safety committee in place. - Medical examination of practitioners every six months 	4	2	8	LOW	<ul style="list-style-type: none"> - Request additional budget for the procurement of protective clothing.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
		safety of officials. - Hamper service delivery and productivity												
Landfill Sites & Waste Management														
SR 4	Unlicensed landfill sites	- Non-compliance with regulations - Negative impact on image of the municipality, compromised health and safety of community. - Financial implications	Service Delivery	- Inadequate resources.	5	5	25	HIGH	- Consulting Engineers appointed for registering landfill sites	3	2	6	LOW	- Projects to fence and construct ablution block. Acquisition of TBL machine
SR 5	Poor maintenance of the landfill sites	- Non-compliance with regulations - Negative impact on image of the municipality, compromised health and safety of community.	Service Delivery	- Shortage of staff and equipment - Inadequate budget to procurement equipment - Fence has been stolen (poor security measures in place) - No record keeping on waste - No integrated waste management plan - No assets management plan and by-laws	5	5	25	HIGH	- Refuse and Sanitation supervisor has been appointed.	3	3	9	MEDIUM	- Procurement of landfill site and waste management equipment. - Increase budget to appoint general workers to operate sanitation trucks. - Appoint a service provider to re-install fencing and additional security measures. - Keep records for waste disposed monthly - Develop an integrated waste management plan. - Develop assets management plan and by-laws.
SR 6	Illegal dumping	- Compromised health and safety of the community. - Negative impact on image of the municipality and the environment	Service Delivery	- Shortage of vehicles and drivers' non-compliance with refuse removal schedules by staff. - Inadequate maintenance of the refuse trucks. - Inadequate awareness - Illegal dumping signs have been stolen. - No youth coordinators (DFFE)	5	5	25	HIGH	- Councillors informs the community not to litter. - Department of Fishery Forestry Environment (DFFE) assisted with the cleaning of town.	3	3	9	MEDIUM	- Acquisition of two trucks and three trailers in process - Increase budget for the maintenance of refuse trucks. - increased awareness and community education on illegal dumping. Request FBDM to assist with awareness campaigns, - Re-install illegal dumping signs and request community to report theft of signs. - Appoint youth coordinators

16.2.4 CALL CENTRE

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: Eradicate backlogs to improve access to services and ensure that sustainable operations and maintenance of the existing water, sanitation, electricity, and roads infrastructure is achieved.														
C1	Failure to log and attend to all community queries and enquires	- Hampering of service delivery - Unattended queries and enquiries	Service Delivery	- Outdated software for contact centre	5	5	25	HIGH	- Manual system in place to log calls and escalate to relevant departments	3	3	9	MEDIUM	- Acquisition of new software system. - Planned training for call centre agents. - Find a better office space for call centre.
C2	Call centre might not be working for 24 hours	- Dissatisfaction of community - Poor service delivery - Excessive overtime	Service Delivery	- There are no shift arrangements - Inadequate central call centre - Windsorton and Delportshoop needs one call centre agent each (Inadequate staff at satellite offices) - Falsification and manipulation of community members to report fictitious queries	5	5	25	HIGH	- There are agents working on weekends to supervise call centre - Calls are diverted to the supervisor after working hours. The Supervisor will inform relevant officials to deal with the queries. - WhatsApp community groups have been established and are functional. - Overtime is now being monitored and supervised. - Job cards are completed at the call centre by agents to report any queries - Supervisor prepare monthly report to submit to the director. - Customer care policy in place.	3	3	9	MEDIUM	- The acting MM to check within staff establishment which officials can be seconded as call centre agents. - The new system (Vodacom software) will be used as a centralised call centre helpdesk to capture community queries. - Request assistance from FBDM Communication's unit to assist with public awareness campaigns. - Engagement with the MM on expanding call centre to function for 24 hours. - Record keeping of all queries received by the call centre agents.

16.2.5 ROADS AND STORM WATER

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Risk Tolerance Level	Actions to improve management of the risk
Strategic Objective: Eradicate backlogs to improve access to services and ensure that sustainable operations and maintenance of the existing water, sanitation, electricity, and roads infrastructure is achieved.															
RS 1	Gravel and tar roads might not be maintained	<ul style="list-style-type: none"> - Undeveloped and unmaintained gravel roads - Accidents might occur and claim lives - Lawsuits against municipality - Excessive potholes - Deterioration of pavement structures in internal roads - Roads not rehabilitated 	Service Delivery	<ul style="list-style-type: none"> - No graders in place - Poor maintenance of roads (potholes) and pavements 	5	5	25	HIGH	- FBDM is assisting with funding and projection management on Operation and Maintenance.	4	4	16	HIGH	Unacceptable Level of Risk exposure which requires immediate corrective action to be taken.	<ul style="list-style-type: none"> - Appoint a service provider to assist municipality with the maintenance of roads - Re-gravelling and maintenance of gravel roads - Rehabilitation and reseal of the internal roads
RS 2	Flooding of roads due to inadequate storm water system	<ul style="list-style-type: none"> - Inadequate stormwater management - Excessive erosion and sedimentation 	Service Delivery	<ul style="list-style-type: none"> - Poor maintenance of storm water pipes - Additional tools and equipment are also needed (e.g. inlet cover, shovels with extended handles) 	4	5	20	HIGH	<ul style="list-style-type: none"> - FBDM is assisting with funding and projection management on Operation and Maintenance. - The municipality have a jet truck which is used for sewer and storm water pipes 	4	4	16	MEDIUM	Unacceptable Level of Risk exposure which requires immediate corrective action to be taken.	<ul style="list-style-type: none"> - Development of stormwater management plan. - Unblocking of storm water concrete pipes - Increase budget for the procurement of additional tools and equipment.

16.2.6 PARKS, CEMETRIES, AND RECREATION

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: Eradicate backlogs to improve access to services and ensure that sustainable operations and maintenance of the existing water, sanitation, electricity, and roads infrastructure is achieved.														
PR 1	Vandalization of community parks and cemeteries through theft and damaging property	<ul style="list-style-type: none"> - Property becomes the house of thugs, homeless people, and street kids where crime and illegal activities happens - Reduction of socio-economic place. - No place for recreational activities for youth and kids. - Negative impact on image of the municipality - Financial loss 	Natural Environment	<ul style="list-style-type: none"> - Poor security and law enforcement - No by-laws - No Parks and Recreation policy in place - Lack of community education - Inadequate fencing (fence vandalised in some areas) 	5	4	20	HIGH	<ul style="list-style-type: none"> - Fencing around parks and cemeteries - Supervisors at graveyard when there are funerals to ensure that gates are locked at the end of the day 	3	3	20	MEDIUM	<ul style="list-style-type: none"> - Establish alliance between SAPS, community, and municipality in combating crimes in relation to destroying parks. - Create youth activities at parks and awareness campaigns to safeguard the parks and recreational centres. - Promoting social-cohesion among youth. - Encouraging communities to report wrong doings at parks and recreational centres. - More community meetings with Ward Councillors to educate communities about importance of taking ownership of graves and to avoid vandalism - Increase budget for fencing entire graveyards.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
PR 2	Untidy community parks that might attract reptiles, rock monitor (likkewaan), and venomous insects which might be harmful to users	- Bitten by venomous creatures, resulting in serious injuries or death. (Loss of life) - Litigation	Natural Environment	- Inadequate maintenance and fencing of parks. - Insufficient budget to maintain the parks and recreational centres - No policies and by-laws on parks and recreations	5	4	20	HIGH	- Maintenance of parks / resorts by the municipality. - EPWP are requested to clean parks and cemeteries	4	5	20	MEDIUM	- Enforcement of maintaining parks through engagement with Department of Public Works by means of EPWP project. - Increase the budget for maintenance of park including capital expenditure for fencing and beautification of community parks. - Rigorous supervision on maintenance of parks. - Enforce regular cleaning of parks by municipal employees. - To enforce greenery of community parks through installation of irrigation systems or borehole or JoJo tanks.

16.2.7 HOUSING, TOWN PLANS, AND LAND USE

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: Eradicate backlogs to improve access to services and ensure that sustainable operations and maintenance of the existing water, sanitation, electricity, and roads infrastructure is achieved.														
HT 1	- Land disposal policy not sufficiently supporting the municipal environment	- Potential buyers might not be happy with the land disposal process resulting in negative influence from the community.	Service Delivery	- No review of the municipal land disposal policy by the council before adoption.	4	4	16	HIGH	- Town planner currently in discussion with the municipal manager with regards to the land disposal policy for review purposes.	3	3	9	MEDIUM	- The review of the land disposal policy by all stakeholders.
HT 2	- Poor administration of new beneficiaries for housing	- Hampering of service delivery in terms of basic service	Service Delivery	- Inadequate implementation of housing schemes - Outdated housing sector plans and policies - Inadequate processes and resources	4	4	16	HIGH	- Housing policies. - Approved of housing sector plans. - Town planning schemes in draft.	3	3	9	MEDIUM	- Development town planning regulations, i.e. SDF. - Reviewing of housing policy and sector plans.
HT 3	- Land grabbing due to inadequate access to land.	- Poor service delivery in form of housing projects and commercial land	Service Delivery	- Most of land is privately owned. - Delays in planning for land	4	4	16	HIGH	- SPLUMA act in place. - Housing policies in place - Tribunal Committee are being held on a quarterly basis	3	3	9	MEDIUM	- Plan to be developed on spatial planning for the current land owned by the municipality. - Municipality to develop a plan on how to get more access to land.
HT 4	- Lack of ownership and responsibilities by beneficiaries towards a property (RDP)	- Reputational damage. - non-achievement of targets. - Ill informed decisions. - Poor service delivery. - Needs of the community may not be adequately addressed. - Fruitless and wasteful expenditure because of damage to property.	Service Delivery	- Poor public participation and awareness programmes (Perceptions and expectations) - Complex and lengthy process (Dependency on other stakeholders)	4	3	12	MEDIUM	- Public participations forums are held. - Formalised procedures are implemented. - Dedicated FBDM officials assisting at LMs.	2	3	6	LOW	- Vigorous and continuous public participation and awareness programmes.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
HT 5	- Inadequate project related information (no project contract or appointment letters)	- Fruitless and wasteful expenditure - Project delay or non-completion of the project	Service Delivery	- Lack of capacity LMs - Poor filing system at LMs	5	5	25	HIGH	- Developed filing system is kept at FBDM offices. - Project related information is kept at registry. - Request the project file from COGHSTA and copy relevant information	3	4	12	MEDIUM	- Enforcement of SLA by District and FBDM. New council to be made aware of old service level agreement between the district and FBDM. - Development of a project pipeline (to be developed by housing development agency) - Request FBDM Office Support to assist LMs in establishing and maintenance of proper archiving - Recommendation letter from the district to encourage the LMs to fill in funded vacant positions. - Draft the letter and send to consultant to get additional information.
HT 6	- Failure to compile a report on Environmental Impact Assessment (EIA) at LMs	- Hampering of service delivery - Non-compliance with housing legislation - Poor project management	Service Delivery	- Lack of skills to conduct an EIA - Expensive and lengthy processed which must be outsourced - Inadequate Planning. - Dysfunctional Committees	5	5	25	HIGH	- Formalised Housing Codes, Breaking New Ground Strategy, Human Settlements, Planning and Design. - District implementation forums, Humans Settlements Planning and Alignment Forum, National Upgrading Support Programme, Regional Meetings, Technical Evaluation Meetings, Site Meetings, Project Steering Committee Meetings. - EIA Guideline document - Monitoring of the project by FBDM.	3	4	12	MEDIUM	- Development of a project pipeline (to be developed by housing development agency) - Vigorous training for LMs on the purpose of the Environmental Impact Assessment (facilitating the training in conjunction with DENC). - Meeting with LMs to resuscitate meetings of district implementation forums
HT 7	- Duplication of roles and responsibilities of role players with regards to implementation of projects.	- Fruitless & Wasteful Expenditure if the accreditation is not enforced - Redundant housing structure	Service Delivery	- Dependency on political office bearers - Lack of commitment by role players in implementing implementation protocol.	5	5	25	HIGH	- Housing frameworks and agreements. - Implementation protocols with COGHSTA. - Accreditation Framework and housing policies in place.	4	3	12	MEDIUM	- Enforcement of implementation protocol through meetings with relevant stakeholders. - Ensure that political office bearers are informed in writing in respect of projects within area of their jurisdiction. This can be done if information is received from COGSTA regarding projects within area of political office bearers.

16.2.8 PROJECT MANAGEMENT

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: Eradicate backlogs to improve access to services and ensure that sustainable operations and maintenance of the existing water, sanitation, electricity, and roads infrastructure is achieved.														
PR 1	Possible delays to commence or complete construction work	<ul style="list-style-type: none"> - Service delivery protest - Civil unrest 	Service Delivery	<ul style="list-style-type: none"> - No Project Steering Committee in place - Community interruptions due to recruitment of labourers - Material price escalations - Project involving specialised material or materials found only overseas. - Unrealistic timeframe allocated for project completions - Contractor declare insolvent during the project. - Inexperience consultants / contractors are appointed. - Delay in procurement processes. 	5	5	25	HIGH	<ul style="list-style-type: none"> - Most of construction jobs are done via tender processes. - Some of the smaller jobs are done directly by the municipality. - Tender terms of reference enforces of appointing capable and reputable service provider who has done similar projects. - Open communication between stakeholders in the project. - Appointment of relevant officials in the bid committees. 	5	5	25	MEDIUM	<ul style="list-style-type: none"> - The Manager will ensure that ward councillor and to include other relevant politicians are appointed as part of project steering committee. - Project steering committee to be established per project. - To minimise labour strikes a community liaison officer will be appointed and some of the community members, within the ward, shall be appointed for such construction projects. - FBDM project management support officials to ensure that there is sufficient supporting documentation before payment is released. - The municipality will ensure that quotations are valid for at least 60days to avoid price escalations since tender processes takes time. - Municipality will include unforeseen circumstances on the terms of reference due to challenge in getting specialised materials or equipment overseas. - Municipality must ensure that the contractors are paid timeously and the work is monitored, and that they are not paid entire tender amount. - Project consulting engineer will discuss all challenges faced by the contractor and include in his report to the municipality.
PR 2	Climatic conditions (like natural disasters) might delay construction implementation projects (e.g. rainy season or floods)	<ul style="list-style-type: none"> - Service delivery protest - Civil unrest 	Service Delivery	<ul style="list-style-type: none"> - SLA not inclusive of possibility of inclement weather and extension of construction time. 	5	5	25	HIGH	<ul style="list-style-type: none"> - Climatic conditions grace period is included as part of terms of reference for the tender. - SLA is in place and is implemented by the project manager. - Rain gauges are installed before construction project 	5	5	25	MEDIUM	<ul style="list-style-type: none"> - The consulting engineer will work with the project manager and ensure that during the drafting of terms of references all concerns relating to climatic conditions and extension of the projects are included as well as in the final SLA.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
									is commence.					
PR 3	Poor workmanship on construction projects because of hiring incompetent / inexperienced contractor	<ul style="list-style-type: none"> - Possible litigation - No accountability by the contractor 	Litigation	<ul style="list-style-type: none"> - Terms of reference not adequately covering project deliverables. - Inadequate reference checks on contractors during tender evaluation 	5	5	25	HIGH	<ul style="list-style-type: none"> - The municipality issued out a signed appointment letter which will be followed by a signed SLA (approved tender document). - Bid Committees (BSC, BEC & BAC) are in place and functional for each tender awarded. - Constant monitoring during construction project 	5	5	25	MEDIUM	<ul style="list-style-type: none"> - The Project Manager will ensure that SLA is signed with the contractor before commencement of project. - Technical Manager to ensure that bid specifications are correct before issuing out a tender advert and also to stress on quality materials to be used during construction process. - Reference check to be conducted with National Treasury, CIDB and reference letters from completed assignments and this will include experience that the contractor have towards the project to be awarded.

16.3 FINANCIAL SERVICES

16.3.1 REVENUE MANAGEMENT

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Objective: To Improve revenue and debt collection.														
RM 1	Shortage of funds banked by satellite revenue collection units	<ul style="list-style-type: none"> - Loss of municipal revenue - Budget constraints because of shortage of income - Theft of money by officials - Possible heist - Possible fraud and corruption - Non-compliance in terms of MFMA - Accounts arrears 	Fraud & Corruption	<ul style="list-style-type: none"> - Weaknesses in the internal control system (access control; poor security systems, poor management of daily cash to be banked) - Municipality is on month-to-month contract with service provider and consequently they switch off the FMS. (Handwritten receipts are then issued) - Loss of receipts on the financial system (malicious virus suspicion because of absence of anti-virus system) - Money is not banked daily. - Cashiers (cleaner & sewer official) at Delportshoop are not cashed and there is no safe to store the money. (possible theft of money). - Daily cash reconciliation is performed. - No rotation of employees 	5	5	25	HIGH	<ul style="list-style-type: none"> - Money is collected by security company. - Internal disciplinary processes in place (Money recouped from pension fund contribution if officials are found guilty) - Cash is banked 3 times a weekly - Cashiers are cashed in and out in a daily basis 	3	2	6	LOW	<ul style="list-style-type: none"> - Security systems at all satellite offices will be improved. (Biometric access, Surveillance Cameras, physical and access security). - Officials at satellite offices will be vetted immediately. - Disciplinary measures will be enforced and adhered to at all times. - The municipality will engage with the service provider in an effort to resolve around the issues of FMS. - A proposal to be tabled before the management and council regarding hiring of drop box safe where the money will be collected once a week via security cash-in transit company. - Anti-Virus software will be procured and installed in all the computers within the municipality. - Revenue Manager will engage with the supervisor at Delportshoop in an effort to resolve all issues around cash takings and human resources.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
RM 2	Inadequate implementation of the financial recovery plan.	- Non implementation	Financial	<ul style="list-style-type: none"> - Failure to implement the revenue enhancement strategies as highlighted in the financial recovery plan - There is no steering committee in place to monitor the implementation. - Inadequate communication for Financial Recovery Plan. 	5	5	25	HIGH	- Partial implementation of financial recovery plan.	4	4	16	HIGH	<ul style="list-style-type: none"> - Financial Recovery Plan will be a standing item in management meetings. - Establishment of steering committee led by the CFO which will be responsible for monitoring implementation of Financial Recovery Plan. - Financial Recovery Plan will be communicated to all relevant officials.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
RM 3	Poor collection of revenue	<ul style="list-style-type: none"> - Good/Regular/Erratic debtors might withhold the money to pay for services or ended up refusing to pay. - Unhappy consumers might refuse paying for services. - Under-collection of revenue - Most of municipal customers are indigents due to high unemployment. - Non-compliance with MFMA Act. - Loss of income. - Non enforcement of the by-laws - Ageing infrastructure due to poor maintenance - Non prioritising of investment in old infrastructure - Non-compliance with policy to administer maintenance of infrastructure assets 	Financial	<ul style="list-style-type: none"> - Lack of monitoring system to detect decrease in debtors and reasons why. - Outdated credit control and collection policy and indigent policy. - Late receipt of accounts by debtors. - No data cleansing - Unresolved queries by debtors - Absence of SOPs - Indigent register not regularly updated. - Non-compliance to MFMA Act Schedule 1(12)A and 2(10). - There is no internet connectivity which hampers selling of electricity (router problems) - Councillors and officials are not paying municipal services or are in arrears with more than 3 months. 	5	5	25	HIGH	<ul style="list-style-type: none"> - Service provider do the meter reading on behalf of the municipality. - Principal Debt Controller updates the indigent register. - Collection rate is performed on a monthly basis. - Accounts delivered via Post Office, cut-off for collections, standard agreements with debtors. - Notices and reminders are issued by revenue management unit to community and business enterprises. - Adherence to the old credit control and collection policy. - Implementation of old indigent policy - The municipality is trying by all means to distribute debtors accounts themselves. 	3	3	9	MEDIUM	<ul style="list-style-type: none"> - Revenue Manager to generate monthly debtors reports and age analysis to determine reasons for decrease in debtors and follow up on non-payments of services. - Review of credit control and collection policy. - Revenue Manager to put controls in place to ensure that debtors accounts are distributed timeously. - Revenue Manager and his team to perform data cleansing with assistance from service provider. - Revenue Manager to verify that all readings captured on the system are as recorded in meter reading books. - Revenue Manager to follow up and resolve all queries relating to debtors. - Development of Standard Operating Procedure Manual for Revenue Management Services. - Regular Review / Updating of indigent register. - Follow up with accounts in arrears of Councillors and Employees and make payment arrangements.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
RM 4	Non-payment of municipal services by Provincial Departments (Health, Soc Dev, SAPS, Correctional Services, Education, Public Works, Defence Force)	<ul style="list-style-type: none"> - Bad reputation - Under collection of revenue - Non-compliance with MFMA act (organs of states not paying municipal services in 30 days in terms of section 64(3)) 	Financial	<ul style="list-style-type: none"> - Lack of follow up with the departments who are owing the municipality - Lack/Non-involvement of legal services to intervene with such departments - Overstatement of government debtors (Discrepancy between debt owed by provincial departments) 	5	5	25	HIGH	<ul style="list-style-type: none"> - The debt of provincial departments including top 20 businesses are strictly dealt by the CFO. - Issuing Letters to request payments were sent to different provincial departments. (All departments complied to the request except DPW). 	4	4	16	HIGH	<ul style="list-style-type: none"> - Follow-up to be done for the departments who owes the municipality. - Legal services from FBDM will be engaged to assist municipality to draft legal letters to department who owes the municipality. - Overstated government accounts will be investigated and corrected.
RM 5	Employees/councillors might reside in the municipal rented properties without a binding contract.	<ul style="list-style-type: none"> - Loss of revenue - Lack of accountability on municipal premises 	Financial	<ul style="list-style-type: none"> - Property contracts might not be signed with the residents utilising municipal rented property. - No payment of chalets/flats/houses. - Arrears accounts of those who are paying. 	4	5	20	HIGH	<ul style="list-style-type: none"> - No controls in place 	3	3	9	MEDIUM	<ul style="list-style-type: none"> - FBDM to be consulted with respect of drafting contracts for all tenants using municipal facilities. - The revenue manager to follow-up on arrears accounts. - The legal department to be consultant regarding issuing letters of demand to all tenants.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
RM 6	Inaccurate billing	<ul style="list-style-type: none"> - High debts or incorrect billing - Income forfeiture - Inaccurate data provided by officials - Inaccurate billing tariffs - (Consumer deposit (consumers, farmers, and business enterprises) for new installation of electricity and water might not be received and recorded in the FMS at the correct tariff charged by municipality) 	Financial	<ul style="list-style-type: none"> - Inadequate data cleansing - Tempering of meter boxes by community - Inadequate spot checks of electric meter boxes/coupons - Councillors and Officials accounts are not up to date. - Faulty meters - No prepaid water meters - Inaccurate readings based on estimates (debtors to bring their own readings if queries are raised) 	5	5	25	HIGH	<ul style="list-style-type: none"> - Municipality is responsible for maintenance of all electricity prepaid systems. (Installation, replacement, and spot checks). - Meter readers are responsible to take stock of all readings and submit to revenue section for capturing on the system. - There is a customer care system which is used to capture queries and water leakage reports. The Technical services follow up on the reports received. - There is electricity cut electrical department for conventional meters. - Debtors are issued with discontinuation letters - Through a tender the municipality procured electricity meters (3phase and single phase). - The System gives exception reports were there is inaccuracies in readings. 	3	3	9	MEDIUM	<ul style="list-style-type: none"> - Generate Audit Reports from the prepaid electricity and water meters system to check which customers are not buying and go perform physical inspections & check inaccurate readings based on estimates. - Engagement with the Technical Manager and the CFO to enforce monthly physical inspection of suspected or faulty electricity prepaid meters or any water leakage reports. - Reviewing of all tariff rates in line with applicable legislation. - Regular follow-up with meter readers on all meter readings which were not taken. - Engage with debt collection unit or legal services to assist with issuing debtors with discontinuation letters to cut services. - Investigation on all debtors accounts with credit balance / engage system administrator.

16.3.2 BUDGET MANAGEMENT

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Objective 1: To ensure compliance to all accounting and legislative reporting requirements.														
B 1	- Budget might not be funded	- Unrealistic budget - Deficit budget	Financial	- More outstanding creditors - Poor collection rate - non-implementation of by-laws pertaining to credit control. - Inadequate budget consultation with the managers. - Inaccurate budgeting of non-cash items.	4	4	16	HIGH	- Budget process is followed until the budget is approved. - Budget and credit control policy is adhered to. - Yearly updating of indigent register. - Equitable share grant.	3	4	12	MEDIUM	- Creditors reconciliation will be performed, and outstanding debts be processed for payment. - Recovery of municipal debt through legal means. - Enforce implementation of by-laws - Strengthen budget consultation with the unit managers. Consultation with revenue and expenditure units to submit financial information (e.g. credit listing, etc.) - Accurate budgeting of non-cash items (e.g. depreciation, debt impairment, contingent liabilities, etc.)
B 2	- Funds might be shifted without the Virement policy.	- Funds are not shifted legally	Financial	- None.	4	4	16	HIGH	- Approved budget policy includes virement procedure.	2	2	4	LOW	N/A

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
B 3	Under-spending on the approved budget	<ul style="list-style-type: none"> - Non-compliance with MFMA - Possible forfeiting to unspent grants to Provincial Departments (e.g. MIG grant) 	Financial	<ul style="list-style-type: none"> - No monthly meetings with unit managers to discuss budget issues. - No functional budget steering committee established with approved terms of reference. - Possible misalignment of mSCOA items - Insufficient budget not equivalent to the grant. 	4	4	16	HIGH	<ul style="list-style-type: none"> - Inspection of actual budget before requisition is approved. - Budget Management Policy is in place and is being implemented - Automated system controls to disallowed overspending - Budget Management Report is generated from the system which shows the units which has overspend on their budgets. - Submission of section 71 monthly reports to the Municipal Manager - System automated controls - System communicates budget status to all managers and supervisors 	4	3	12	MEDIUM	<ul style="list-style-type: none"> - Budget will be monitored through issuing monthly budget statements to unit managers. - Budget to be checked before procurement is affected. - Monthly budget steering committee meetings to be held for monitoring purposes including one on one meetings with the unit managers. - Project Managers will plan better by ensuring that tenders are advertised on time and the service providers starts with the projects timeously.
B 4	- Budget might be prepared without involvement or inputs of unit managers	<ul style="list-style-type: none"> - Possible under/over budgeting - Unit Managers complains about their budgets 	Financial	<ul style="list-style-type: none"> - Unavailability of unit managers during the budget consultation process - Unit Managers are not giving their inputs on the proposed budget estimates. - Procurement plan template is not adequately completed by the unit managers 	4	4	16	HIGH	<ul style="list-style-type: none"> - Budget is done through a desktop exercise and then the budget will be communicated to all unit managers for inputs. - Procurement Plan template is circulated to the unit managers for completion 	3	3	9	MEDIUM	<ul style="list-style-type: none"> - E-mails will be send to managers to provide inputs on budget. - One on one consultations will be done with managers. - One on one meetings with managers to ensure completion of procurement plan - Budget Officer will invite the MM and MMC: Finance during the budget meetings to consolidate inputs. - Consequence management to be implemented for unit managers who do not attend meetings nor submit budget inputs.
B 5	- Budget policy might not be developed/reviewed	- Non-compliance to legislation pertaining budget	Financial	- None	4	4	16	HIGH	- Budget policy approved on the 28 June 2023.	3	2	6	LOW	N/A

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
B 6	Insufficient money to run monthly activities of the municipality	<ul style="list-style-type: none"> - Insufficient funds to pay creditors - Possible litigation - Reputational risk 	Financial	- No monthly cashflow budget	4	4	16	HIGH	- Cash is made available monthly in accordance with monthly municipal obligations	3	3	9	MEDIUM	- Monthly cashflow budget to be developed and monitored in accordance with municipal commitments and obligations

16.3.3 SUPPLY CHAIN MANAGEMENT

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Objective: To ensure implementation of policies, systems and procedures as required by the Municipal Finance Management Act and ensure supply chain management processes minimise fraud and corruption.														
SC 1	- SCM unit might operate without procurement plan.	- Cancellation of orders. - Possible incurrence fruitless and wasteful expenditure. - Financial loss. - Delay in implementation services.	Financial	- Lack of proper procurement planning - Unclear tender specification delays procurement processes.	4	4	16	HIGH	- Internal memo to request procurement of goods or services - Requisition for goods or services to be procured. - Approval of a budget vote where goods or services will be procured. - Sourcing of 3 quotations for suppliers on CSD and internal suppliers database. - Order is generated based on the lowest quotation	3	2	6	LOW	- Development of annual consolidated procurement plan. - Tender specification should be reviewed by the Bid Specification Committee, CFO and MM before a tender is advertised.
SC 2	- No back-up of financial information daily	- Possible loss of information without being recovered.	Financial	- None	5	4	20	HIGH	- Saving of information on the laptop / desktop hard drive. - The municipality is using cloud back-up through services by Inzalo systems	3	2	6	LOW	N/A
SC 3	- Inadequate storage of information	- Possible leakage of information. - Increase in workload to capture lost information	Technological Environment	- None	5	5	25	HIGH	- All old SCM documents are stored at a library and current documents are stored in the SCM Offices and community service secretary offices. - Information is stored on Vodacom cloud system through SLA.	3	2	6	LOW	N/A

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
SC 4	- Inadequate supervision of work performed at SCM	- Possible financial loss- Possible fraud and corruption	Knowledge & Information Management	- Poor delegation and no segregation of duties (No delegation of authority in place).- No SOPs in place	4	5	20	HIGH	- Acting CFO supervises the work performed by juniors- Performance Management System is also used as a tool to monitor performance of officials	3	2	6	LOW	- Implementation of delegation of authority framework.- Development of standard operating procedure manual for SCM unit.- Monitor managers who to supervise work done.
SC 5	Contractors might be appointed without an SLA	- Possible incurrence of irregular expenditure. - Incomplete contract register. - Possible non-adherence to SCM Policy and other Provincial Treasury Circulars / directives	Legislative Environment	- None	5	5	25	HIGH	- SCM policy is in place and is being implemented. - Different bid committees are in place and functional - Contractors are awarded appointment letters and sign SLA before work commences - Contract Register is in place	3	2	6	LOW	N/A

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
SC 6	SCM Officials might source quotations from friends, business partners, etc. (Three quotations might be sourced from the same supplier who uses different company names or friends, family, or business partners, etc.)	<ul style="list-style-type: none"> - Possible financial loss due to poor workmanship - Hiring of undeserving suppliers/contractors - Possible incurrence of irregular, fruitless and wasteful expenditure - Possible financial loss. - Reputational damage. 	Legislative Environment	- None	5	5	25	HIGH	<ul style="list-style-type: none"> - SCM unit rotates service providers on a monthly basis. - CIPC will be used as a platform to inspect for officials doing business with the state. - SCM policy is implemented together with NT circulars. - Quotations are placed on the municipal website with a clear closing date. - General conditions for consideration of written quotations in line with SCM policy are followed. - Declaration of interest by the bid committees and the SCM officials. - Inspection of ID numbers, Bank details, VAT number, Tax Compliance Pin Number and Physical Addresses of the suppliers. - Only suppliers listed on the CSD and have a compliant status are utilised. 	3	2	6	LOW	N/A
SC 7	Collusion between officials to favour a certain service provider	<ul style="list-style-type: none"> - Possible financial loss due to poor workmanship - Hiring of undeserving suppliers/contractors - Officials benefitting from kickbacks - Possible financial loss. - Reputational damage. 	Fraud & Corruption	- None	5	5	25	HIGH	<ul style="list-style-type: none"> - SCM policy is in place and is being implemented. - Internal Audit prioritise audit for SCM - CSD database is strictly used by the municipality to appoint service providers. - Any identified fraud / corruption is reported 	3	2	6	LOW	N/A

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
SC 8	Supplier appointed without following proper procurement process. (Procurement not going through SCM Processes)	<ul style="list-style-type: none"> - Possible financial loss - Noncompliance with procurement prescripts - Incurrence of irregular, fruitless and wasteful expenditure. 	Fraud & Corruption	- None	5	5	25	HIGH	<ul style="list-style-type: none"> - to SAPS. - SCM policy is in place and is being implemented. - Different bid committees are in place and functional - Implementation of contract management - MPAC to investigate any UIFW and motives towards incurrence of such expenditure 	3	2	6	LOW	N/A
SC 9	Tender/Contract Fraud: <ul style="list-style-type: none"> - Tender awarded improperly or in favour of undeserving company. (Abuse of power / Conflict of Interest) - Excessive pressure on bid adjudication committee members to be biased or influenced during or before the meeting. 	<ul style="list-style-type: none"> - Possible hiring of incompetent supplier/contractor - Possible financial loss - Possible favouritism or nepotism - Possible irregular expenditure - Non-compliance with SCM prescripts - Business might be awarded to supplier with no capacity 	Fraud & Corruption	<ul style="list-style-type: none"> - There are no independent evaluation units to observe SCM processes (e.g. internal audit or FBDM technical services) - Inadequate declaration of interest by councillors and officials - False and misleading information provided by supplier. - No formal procedures in place for opening of tender box and register. - Non vetting of SCM Officials - A contractor might claim BBEEE compliant for a tender, when they are not or has bribed officials for it. (Fronting) 	5	5	25	HIGH	<ul style="list-style-type: none"> - SCM policy is in place and is being implemented. - Different bid committees are in place and functional - Implementation of contract management - CIPC website is used to check directorship. - Internal Audit is auditing municipal contract management processes. - Supporting documentation is kept safely at registry and back-up on cloud server 	4	4	16	HIGH	<ul style="list-style-type: none"> - Verify the suppliers against National Treasury list of vendor defaulters and CIPC. - Request FBDM to assist with observation and play an advisory role on tender processes. - Enforce checking of declaration of interest and SCM Policy. - Internal Audit / Risk Management will be requested to be at presenting during the opening of tender. - The acting CFO to select an official who will coordinate receipting of declaration of interest by the suppliers and councillors. - The CIPC website will be utilised for screening of directors and link with official doing business with the state. - SCM Officials will be vetted. - The service providers will be required to

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
														produce SANAS compliant BBEE Certificate or Sworn affidavit. - Introduction of expression of interest through appointing panel of service providers for infrastructure projects.
SC 10	- Emerging incidents of Unauthorised, Irregular, Fruitless and Wasteful expenditure.	- The IDP, Procurement Plan and Contract register won't have any alignment. -The municipality ends up spending capital budgets on operations. -Grants will be offset due to unauthorised expenditure.	Procurement	- Late payment to third parties which result in interest on bulk supplies (e.g. ESKOM, Sedibeng Water, AGSA, SARS, etc.) - Lack of monitoring debt of the municipality	4	5	20	HIGH	- MPAC committee is in place to investigate UIFW expenditure and reports to council. - National Treasury circulars on treatment of UIFW are being implemented. - SCM policy is in place and is being implemented.	3	4	12	MEDIUM	- Payment to be made before or on the 07th of every month to avoid incurrence of interest and penalties. - Develop and monitor debt management plan.
SC 11	Bidders might collude to fraudulently arrange which bidder will win a contract and at what price. (Or several companies competing for a tender might agree to inflate all their tender prices while one remains less inflated and thus more likely to win a tender.)	- Possible financial loss for municipality because of inflated prices	Procurement	None.	5	5	25	HIGH	- SCM policy is in place and is being implemented. - Market prices are being evaluated to determine the correct pricing. - Inspection of supplier's documents such as same address / same signature / etc.	3	2	6	LOW	N/A
SC 12	Splitting of orders to prevent going to tender	- Possible non-compliance to the SCM policy. - Possible incurrence of fruitless and wasteful expenditure - Contravention of SCM policy	Fraud & Corruption	None.	5	5	25	HIGH	- SCM policy is in place and is being implemented. - Inspection of documents and rigorous supervision by the SCM unit on all received purchase orders. - Proper authorisation of purchase requisition. - Compliance checklist is enforced and	3	2	6	LOW	N/A

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
									monitored.					
SC 13	SCM processes are not followed by some of departments within the municipality (e.g. technical, mayor's office, etc.)	<ul style="list-style-type: none"> - Non-compliance with section 217 of the constitution - Non-compliance with SCM policy - Possible incurrence of irregular expenditure 	Financial	<ul style="list-style-type: none"> - SCM is excluded by some departments during procurement process. - Procurement plan is not adhered to. - Lots of deviations. - Lack of implementation of consequence management. 	5	5	25	HIGH	<ul style="list-style-type: none"> - Procurement is done through procurement plan. - Deviations are done and approved by MM. - Trace in of SCM documents from Technical Services and Mayors office after procurement is done. 	4	4	16	HIGH	<ul style="list-style-type: none"> - Enforcement of SCM policies through circular which indicates that only SCM unit oversees procurement. - Regular circulation and discussion of procurement plan during monthly management meetings - MM to assign SCM Manager to assess reasons for deviations before deviations are approved. - Implementation of consequence management through disciplinary process.
SC 14	Inadequate knowledge by officials on capturing stock of water level or reserves in the system	<ul style="list-style-type: none"> - Lack of accountability of assets - Asset register not updated. 	Processes	None.	5	5	25	HIGH	<ul style="list-style-type: none"> - Shumba consultants have been appointed to assist with asset management. - Assets register has been updated. - Municipality received clean audit on assets management. - Skills has been transferred to the municipal officials. 	2	3	6	LOW	N/A

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
SC 15	Deviations from standard procurement processing procedures where service inappropriately declared "emergency" or supplier inappropriately declare sole "supplier"	<ul style="list-style-type: none"> - Possible non-compliance to the SCM policy. - Possible incurrence of irregular expenditure. - Possible collusion between officials and contractors/suppliers 	Processes	<ul style="list-style-type: none"> - The valid reason and description of the deviation not properly articulated. - Lack of proper planning on municipal basic services. 	5	5	25	HIGH	- Deviations are done in accordance with the SCM policy and processes.	3	4	12	MEDIUM	<ul style="list-style-type: none"> - Acting CFO & MM will evaluate reasons for deviation before approving for such deviation. - Proper planning to be developed in line with procurement plan to avoid project delays.

16.3.4 ASSETS MANAGEMENT

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Objective: To ensure implementation of policies, systems and procedures as required by the Municipal Finance Management Act and ensure supply chain management processes minimise fraud and corruption.														
AM 1	Assets might not be physically verified	<ul style="list-style-type: none"> - Loss of assets - Theft of assets - Lack of accountability 	Processes	None.	5	5	25	HIGH	<ul style="list-style-type: none"> - Asset count not conducted monthly. - Shumba consultants have been appointed to assist with asset management. - Assets register has been updated. - Municipality received clean audit on assets management for past 3 consecutive years. 	2	3	6	LOW	N/A
AM 2	No skills to perform unbundling of municipal assets.	<ul style="list-style-type: none"> - Lack of accountability of assets - Updated asset register 	Processes	<ul style="list-style-type: none"> - Reliance on consultants (e.g. engineers, etc.) - Training for unbundling of assets. 	5	5	25	HIGH	<ul style="list-style-type: none"> - Shumba consultants have been appointed to assist with asset management. - Assets register has been updated. - Municipality received clean audit on assets management. 	3	3	9	MEDIUM	<ul style="list-style-type: none"> - Inzalo Consultants will be conducting training on unbundling of assets on the financial management system. - Inzalo Consultants will test the module to be used for unbundling of assets.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
AM 3	Poor safeguarding of municipal assets	<ul style="list-style-type: none"> - Loss of assets without a trace. - Decrease in number of assets will result in financial implication because of budgeting and procurement of lost assets - Possible burglary may occur and assets being easily stolen - Negative audit outcomes because of qualification of municipal assets 	Loss/Theft of Assets	- None	5	5	25	HIGH	<ul style="list-style-type: none"> - Assets are counted twice in a year. - Invoices are traced to locate newly acquired asset and then barcoded with unique number. - Assets Management Policy in place and being implemented. - Assets register has been developed and maintained. - Municipal insurance schedule is maintained. - Monthly reconciliation is done through general ledger and detects purchased assets which are not included in the assets register. - Monthly asset counts for only movement of movable assets. - Assets Management Committee plays an oversight role. - Assets loss register is maintained. 	2	3	6	LOW	N/A

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
AM 4	Possible damage to municipal property and/or assets due to civil/political unrest	<ul style="list-style-type: none"> - State Vehicles, municipality and house of political office bearers might be vandalised or burned down. - Uncontrolled state of turmoil, strikes and public disorder - No vehicles (sanitation trucks) to deliver services to the community. - Loss of money due to payment to insurance for access. 	Service Delivery	<ul style="list-style-type: none"> - Poor quality of service delivery (Projects not completed, Maintenance of water pipes, sewerage pipes, Electricity etc.) - Lack of intervention in respect of assessment of poor quality of service delivery 	5	5	25	HIGH	- FBDM is assisting with project management of infrastructure projects.	4	4	16	HIGH	<ul style="list-style-type: none"> - Monitoring of existing projects and the to put in place the procurement plan (procurement of materials) - Ward councillors' intervention regarding service delivery issues. - Ward councillors will convene quarterly community meetings to engage the community about the service delivery issues. - Development on policy to deal with incidents where councillors properties are damaged through public violence.
AM 5	Municipality might not have an updated asset register.	<ul style="list-style-type: none"> - Non-compliance with GRAP 17 and MFMA act. 	Processes	None.	5	5	25	HIGH	<ul style="list-style-type: none"> Shumba consultants have been appointed to assist with asset management. - Assets register has been updated. - Municipality received clean audit on assets management. 	2	2	4	LOW	N/A

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
AM 6	Disjuncture between land register, housing register, valuation roll, and deeds office.	- Non-compliance with GRAP 17 and MFMA act.	Processes	<ul style="list-style-type: none"> - No reliance on valuation roll (incomplete and inaccurate - does not include other places) - Deeds information differs with valuation roll - Uncertainty regarding responsibility to manage valuation roll between housing and finance section. - Subdivision of Ervens. - Transfer duty not paid by the landowner or new occupant (e.g. RDP houses). 	5	5	25	HIGH	<ul style="list-style-type: none"> - Verification of land with the assistance of Frances Baard GIS expertise. - Approved valuation roll - Request of information from deeds office and housing section on comparing with valuation roll. - Purchases of land is updated on the Inzalo system - Land audit performed continuously - Transferring of properties not belonging to the municipality to the rightful owner by housing department. - At the end of the year asset management request deeds search and perform reconciliation between asset register, housing register, land register and valuation roll. Discrepancies are noted and investigated for corrections. - Confirmation letters are sent to COGHSTA. 	3	3	9	MEDIUM	<ul style="list-style-type: none"> - The housing unit will ensure that all properties not belonging to the municipality are transferred to the rightful owners. - Ensure that subdivision of Ervens is correctly recorded in the municipal system and valuation roll is updated with correct information. - Housing section should ensure that there is a reconciliation between houses transfer and municipal land. - Valuation roll should be revised and compared to information at deeds office. - Land audit should be performed by Housing Unit. - Purchases of land should be monitored monthly and be updated on the system. - Town planning Unit to inform Asset unit of any transferred land or properties to updated in the asset register. - Request transfer duty to be paid by the property owner.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
AM 7	Misuse/abuse of vehicles	<ul style="list-style-type: none"> - Possible loss of vehicle due to accidents - High mileage due to private trips - High costs for maintenance of vehicles - Financial / asset loss 	Processes	<ul style="list-style-type: none"> - Pre and post check on vehicles not done. - Keys of the municipal vehicles not safeguarded. 	5	5	25	HIGH	- Trip authority in place. All trips are pre-approved before any journey.	3	2	6	LOW	<ul style="list-style-type: none"> - Implementation of vehicle tracking system. - vehicle inspection by fleet management monthly
AM 8	Validation roll might be incomplete and not cover other municipal assets such as farms & commercial properties (disputes with owner of commercial properties / no title deed or property is not registered with deed office.	Possible impact on tax tariffs.	Processes	None.	5	5	25	HIGH	- Valuation register is updated after each 5-year period through a tendering process, and it's published for public comments before being adopted by council.	2	2	4	LOW	N/A

16.3.5 ACCOUNTING SERVICES, EXPENDITURE & PAYROLL

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Objective: To improve overall financial management in the municipality by developing and implementing appropriate financial management policies, procedures, and systems.														
EXPENDITURE & PAYROLL MANAGEMENT														
EP 1	- Creditors might not be paid within 30 days from the receipt of an invoice.	<ul style="list-style-type: none"> - Piling up of payments batches - Possible fruitless and wasteful expenditure because of interest levied by creditors - Possible litigation - Non-compliance with Section 65(s)(e) of MFMA - Possible lawsuits & Court interdicts - Material financial loss - Non-compliance with the MFMA Section 65 (2)(e) 	Financial	<ul style="list-style-type: none"> - Inadequate cashflow (Dependence on Equitable Share) due to poor collection of debts - Invoices are not captured and paid within the prescribed payment period - No consistency in utilising receipt date stamp on invoices to monitor 30 days period. - No expenditure checklist to monitor 30 days period - Poor turnaround strategy on documents submitted to MM's Office for authorisation. - Poor implementation of bylaws 	5	5	25	HIGH	<ul style="list-style-type: none"> - Monthly outstanding creditors list is prepared and submitted to the CFO and the payment will be made according to affordability / cashflow. - Implementation of credit control policy. - All invoices received through registry are stamped. - Receipt date stamp is utilised on invoices received to monitor 30 days payment period. - Implementation standard operational procedures for expenditure - Scrutinising of expenditure batch before processing. - Monthly outstanding creditors list is prepared and submitted to the CFO and the payment will be made according to affordability / cashflow 	3	3	9	MEDIUM	<ul style="list-style-type: none"> - The municipality will developed a debt management plan and monitor payments to creditors. - The finance team will be implementing financial recovery plan - Enforcement of credit control policy through implementation of debt control by handing over debtors to the legal department or third appointed on behalf of the municipality. - Encourage project managers, via writing a memo, to request them to follow up with suppliers on invoices and to submit invoices to expenditure section once received. - Check with Finance Section if there is monies available before advertising for any services. - Enforce adherence to payment arrangements. - Ensure that there is a checklist available to monitor date stamped invoices. - Increase compliance with MFMA and Supply Chain Management Policy on payments of service providers within 30 days.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
EP 2	Poor control of expenditure payment batches.	- Possible loss of information - Possible non-compliance with archiving act - Lack of accountability of information	Financial	None	5	5	25	HIGH	- Control of documents is implemented by registry (records management unit) - Document reconciliation is done monthly. - Monitoring document register for signing in & out for documents.	2	4	8	LOW	N/A
EP 3	Incomplete payment batches.	- Possible incurrence of irregular expenditure. - Possible audit query. - Missing information.	Financial	None	5	5	25	HIGH	- Checklist on expenditure batches before payment is monitored - Capture the payment information on the system for approval.	2	4	8	LOW	N/A
EP 4	- Creditors might not be all captured on the system.	- Possible incorrect calculation of debt owed. - Possible human errors by omitting creditors.	Financial	None	5	5	25	HIGH	- Manuals excel spreadsheet is used for monitoring of creditors. - Creditors list is prepared on weekly list & discussed with CFO & MM. - Payments are prioritised as per payment arrangements with creditors. - Creditors are captured at initial stage by SCM unit	2	4	8	LOW	N/A
EP 5	- Possible failure by the municipality to pay employees' salaries	- Adverse cashflow. - Possible salary strikes. - Low productivity. - Service delivery might be compromised.	Financial	None	5	5	25	HIGH	- Equitable share is used to pay for operational expenditure. - Shift system has been introduced. - Overtimes are pre-approved. - CFO monitors monthly cashflow to ensure that salaries are paid on time.	2	4	8	LOW	N/A
EP 6	- Violation of conditional grants.	- Possible forfeiture of conditional grant due to breach of its conditions. - Possible unfavourable audit opinion - Possible unauthorised expenditure	Financial	None	4	5	20	HIGH	- Once money is received the revenue and expenditure manager inform the relevant units. - The Unit Manager would confirm if the money received is for their projects	2	4	8	LOW	N/A

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
									or not. - Grants are supported by valid confirmations					
EP 7	- Payroll might not be adequate informed for payment made.	- Low productivity - Possible financial loss - Payment of officials who might not be at work	Financial	- Biometric system is not integrated with payroll.	5	5	25	HIGH	- Attendance registers are placed with security at entrance of the municipality where staff must sign it. - Memos from corporate services within the payroll. - Biometric access control in place.	3	3	9	MEDIUM	- Biometric system to be linked with payroll which will also be supported by leave schedules per department.
EP 8	Leave provision might not be correctly calculated	- Overstatement of the leave provision - Financial loss - Leave accrual differences	Processes	None	4	5	20	HIGH	- Leave reconciliation are done annually when AFS are prepared.	2	4	8	LOW	N/A
ACCOUNTING SERVICES														
AC 9	Possible regression in audit outcomes	- Municipality might not improve on its audit outcomes - Audit opinion might not be measured in accordance with/ against the basic services which the municipality is offering the community. - Units may not execute their work resulting in poor performance.	Financial	- Inadequate implementation of recommendations by AGSA - Emerging noncompliance matters from AG's report. - Matters of emphasis might not be given sufficient attention - Inadequate strategy for achievement of clean audit. - Non-compliance to IDP and SDBIP objectives not in line with unit's operations.	4	5	20	HIGH	- Implementation of web enabled audit action plan - Provincial Treasury is monitoring compliance through FMCMM. - Adopted municipal policies are implemented. - Oversight committee meetings in place. - Daily and monthly reconciliations are done. - Approved internal audit plans implemented by FBDM. - Strategic risk register in monitored on a quarterly basis - Checklists have been developed and are being implemented.	3	4	12	MEDIUM	- Enforce implementation of audit action plan and put internal controls measures in place to avoid recurrence of identified findings. - Acting CFO to enforce implementation of financial recovery plan as a strategy to improve revenue and control environment. - Review the strategy for achieving clean audit. - Acting CFO to ensure that recommendations by the internal audit are fully implemented and reported on, in each APRC meeting. - Enforcement internal controls on implementation of improvement plan to correct performance of each quarters and implement performance reports by internal audit.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
AC 10	Poor quality of AFS and late submission to Provincial Treasury & Auditor General.	<ul style="list-style-type: none"> - Submission of AFS which are not credible - Financial statements submission date not within the legislated deadline 	Financial	<ul style="list-style-type: none"> - Reliance on consultants to prepare AFS without skills transfer. - Inadequate interaction with AG Office. - non-adherence to audit implementation plan. - Audit readiness is not adhered. - MFMA calendar is not adhered to. - Inadequate reconciliation processes. - Inadequate training on preparation of AFS. - (Poor municipal capacity building programmes) - Inadequate support from the district municipality - Financial recovery plans are not being implemented. 	4	5	20	HIGH	<ul style="list-style-type: none"> - The AFS and asset management of the municipality has been outsourced to a service provider for preparation. - There are year-end AFS preparation in place to ensure that AFS are submitted timeously. - The Internal Audit of FBDM is assisting the municipality with the review of AFS. - The APRC provide an oversight role on the preparation and high-level review of the AFS. 	3	4	12	MEDIUM	<ul style="list-style-type: none"> - The service provider is in a process of imparting skills to the finance officials. - The Office of the AGSA will be invited for further engagements on the AFS and audit action plan. - The Internal Audit will follow up on the implementation of audit action plan. - Audit readiness implementation checklist will be enforced by the acting CFO. - The Acting CFO to ensure that the reconciliations are performed on a monthly basis. - The district will be consulted to assist where municipality are experiencing challenges. - The acting CFO will re-enforce the implementation plan for financial recovery.
AC 11	Indigent register might not be updated	Poor data purification for billing of services and updating of indigent register.	Financial	None	4	5	20	HIGH	<ul style="list-style-type: none"> - There is an indigent register in place which is being updated regularly. - The municipality is registering more indigents. 	3	2	6	LOW	N/A

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
AC 12	Usage of conditional grants to fund financial gaps in municipal operations (Grants received & spent without unavailable funds in the bank account)	<ul style="list-style-type: none"> - Service delivery might be compromised - Incurrence of unauthorised expenditure - Non-compliance with grants conditions 	Financial	None	4	5	20	HIGH	<ul style="list-style-type: none"> - Equitable Share is used to pay for business operations. - Arrangement with the banks for an overdraft facility. - Stringent measures in place to enforce implementation of financial recovery plan. - Regular engagement which revenue management unit on implementing additional measures to strengthen revenue collection. - Acting CFO is constantly engaging businesses and provincial departments owing the municipality. 	3	2	6	LOW	N/A
AC 13	GRAP Standards, MFMA and mSCOA might not be complied with.	<ul style="list-style-type: none"> - Poor accountability for sound financial management - Non-compliance with applicable acts, circulars, laws, and regulations 	Compliance /Regulatory	None	4	5	20	HIGH	<ul style="list-style-type: none"> - Preparation and submission of financial reports to Provincial Treasury. - GRAP Standards and mSCOA circulars are being continuous implemented. - Compliance with MFMA calendar to enforce compliances. - Budget Office submits financial reports that are in compliance with mSCOA, challenges experienced are being communicated and solved by service provider. - mSCOA Training was conducted for all finance staff. - FBDM is assistance, as and when, requested by the municipality. 	3	2	6	LOW	N/A
AC 14	- Bulk purchases - Water	- Non-compliance with	Financial	None	4	5	20	HIGH	- GRAP Standards and	3	2	6	LOW	N/A

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
	purchases might not be recognised in line with GRAP 12	Statutory Accounting Frameworks							National Treasury Specimen are used during the compilation of AFS. - Management applied the principles of GRAP 12 on inventory management. - Recognition of bulk purchases is done at the end of the year through correct classification.					
AC 15	Access to municipal confidential financial information by the system vendor.	- Manipulation of the bid/quotation information recorded into the system by the supply chain management	Financial	None	4	5	20	HIGH	- Access to municipal confidential financial information due to 100% control over the financial system. - ICT personnel have been appointed and resume with IT functions	3	2	6	LOW	N/A
AC 16	Audit Performance and Risk Committee (APRC) meetings might not sit quarterly as planned	- Non-compliance with section 166(4)(b) of the MFMA - Significant internal control deficiencies and Non-compliance with section 166(2)(a) and (b) - Delays in preparing an audit pack.	Financial	- Failure to submit required financial information to the internal audit.	4	5	20	HIGH	- FBDM is responsible for meetings as the function is a shared support service.	3	4	12	MEDIUM	- Acting CFO to ensure that requested information reaches the CAE in time at least 7 days before the meeting.

16.4 OFFICE OF THE MUNICIPAL MANAGER

16.4.1 INTEGRATED DEVELOPMENT PLAN (IDP)

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: Promote Innovation Learning and Growth, Achieve Positive Employee Climate, Provide safe and clean environment														
IDP 1	- Misalignment of the IDP and the sector department plans	- Poor public participation which can result in vandalism of properties - Non-compliance with Constitution - Reputational damage. - Incomplete implementation of the IDP. - Inability to deliver on the mandate. - non-achievement of targets. - Lack of having a credible IDP.	Knowledge & Information Management	- Lack of participation by the sector departments. (No representative forum in place)	4	3	12	MEDIUM	- Issue of formal invitation with follow up e-mails to sector departments. - Agenda is attached on the e-mail when follow up is made. - Compilation of IDP and send draft to all stakeholders for inputs. - Publishing a statement on local newspaper that IDP and Budget has been approved and can be viewed on the website. - IDP is published in the local newspaper for inputs. - Annual targets and baseline are aligned to SDBIP and IDP	3	3	9	MEDIUM	- To request COGHSTA and SALGA to follow up (telephonic & e-mail) invitation with sector department. - Announce and reiterate invitation of sector departments on IDP Forums and MUNMEC through notifying the MM to inform them. - Request COGHSTA to send letters to all sector departments who failed to participate and reiterate the importance of attending meetings. - Publish the IDP in the local newspaper.
IDP 2	- No strategic planning session held for development of IDP	- Non-compliance with IDP legislative framework - Non-compliance with Constitution - Inability to deliver on the mandate. - non-achievement of targets. - Lack of having a credible IDP	Processes	None.	5	5	25	HIGH	- FBDM's strategic planning document is used as a baseline for development of IDP. - Assistance by the FBDM's IDP unit. - IDP committee meetings are held on a quarterly basis to discuss process plan and progress of the IDP in LMs. - IDP is aligned to the budget and SDBIP	2	3	6	LOW	- Strategic Plan was held in February 2024.
IDP 3	- Performance agreements might not be published on the municipality website.	- No transparency - Lack of accountability - Poor leadership	Processes	- Performance agreements not yet loaded.	5	4	20	HIGH	- The municipality recently change its domain, and the performance agreements will be published on the website. - Performance Contracts are published in the newspaper	3	3	9	MEDIUM	- Performance agreements will be loaded on the municipal website by IT as soon as received from the Municipal Manager

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
IDP 4	- Disjuncture between annual targets and baseline which results in poor performance.	- Inability to deliver on the mandate. - non-achievement of targets. - Lack of having a credible IDP	Processes	- None.	5	4	20	HIGH	- Annual targets are benchmarked against prior year baselines.	2	4	8	LOW	N/A
IDP 5	- Late submission of performance information to Internal Audit for audit purposes	- Poor quality of PMS report - No thorough verification	Processes	- Incomplete and unreliable POEs - Lack ownership of PMS and inadequate implementation of recommendations for improvement	5	4	20	HIGH	- Information is collated from the unit managers for verification.	3	4	12	MEDIUM	- Information will be collated from the unit managers for verification of POEs and PMS report will be drafted and will be sent to the Internal Audit for final verification.
IDP 6	- Lack of standard PMS operating procedures	- Poor policies and procedures	Processes	- None	5	4	20	HIGH	- PMS Policy in place, which have detailed procedures, to regulate flow of information.	2	4	8	LOW	N/A
IDP 7	- IDP might not be submitted timeously to council for approval.	- Lack of communication hampers service delivery with huge financial implications. - Low economic growth - Service delivery protests, municipality not delivering in accordance with their mandate	Processes	- None.	5	5	25	HIGH	- There is an approved IDP process plan in place for implementation purposes. - Consultative structure in place and IDP is published for comments/inputs in the newspaper. - Alignment of the budget, IDP and the SDBIB - Regular meeting and reports back monthly - Council schedule of date lines for council. - The IDP is submitted timeously to municipal council for approval. - Ward Development plans are discussed with the communities.	2	4	8	LOW	N/A

16.4.2 PERFORMANCE MANAGEMENT SYSTEMS (PMS)

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Risk Tolerance Level	Actions to improve management of the risk
Strategic Objective: Promote Innovation Learning and Growth, Achieve Positive Employee Climate, Provide safe and clean environment															
PMS 1	Possible non submission of PMS reports to Internal Audit	<ul style="list-style-type: none"> - Non achievement of set targets. - Disclaimer on reporting of performance information - Adverse audit outcomes - Non-compliance with Chapter 6 of Municipal Systems Act. 	Knowledge & Information Management	<ul style="list-style-type: none"> - Delays by the officials to populate the performance information template and to submit to PMS unit - Performance information is submitted to the PMS unit without Portfolio of Evidence. - No monthly PMS plans to monitor performance. - Manual system is not being utilised for PMS reporting 	4	5	20	HIGH	<ul style="list-style-type: none"> - Portfolio of evidence is scrutinised, verified, and filed. - One on one interaction with all sectional managers who submitted performance information - PMS policy is being implemented - Admin Committee assist with the oversight role on monitoring of performance information. - Quarterly performance audit by Internal Audit 	3	3	9	MEDIUM	Unacceptable Level of Risk exposure which requires immediate corrective action to be taken.	<ul style="list-style-type: none"> - PMS unit should have quarterly assessments engagements with the managers to discuss performance information. - Training should be provided to lower-level staff to teach them importance of PMS - PMS unit should ensure that performance information is supported by Portfolio of Evidence. - Managers will submit monthly plans to the MM including the report thereafter. - Utilisation of PMS system

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Risk Tolerance Level	Actions to improve management of the risk
PMS 2	Inadequate reporting of performance information	<ul style="list-style-type: none"> - Disclaimer on reporting of performance information - Adverse audit outcomes - Non-compliance with Chapter 6 of Municipal Systems Act. 	Processes	<ul style="list-style-type: none"> - Delays by the officials to populate the performance information template and to submit to PMS unit - Lack of commitment by officials to prioritise performance information - Resistant from lower level to allow/accept cascading down of PMS - Performance information is submitted to the PMS unit without Portfolio of Evidence - Performance information is not discussed at management meetings 	4	5	20	HIGH	<ul style="list-style-type: none"> - Portfolio of evidence is scrutinised, verified, and filed. - One on one interaction with all sectional managers who submitted performance information - PMS policy is being implemented - Admin Committee assist with the oversight role on monitoring of performance information. - Quarterly performance audit by Internal Audit - Targets and Indicators are SMART - Discussion of SDBIP is held on a quarterly basis by management 	3	3	9	MEDIUM	Unacceptable Level of Risk exposure which requires immediate corrective action to be taken.	<ul style="list-style-type: none"> - PMS unit should have quarterly meetings with managers to discuss performance information - Training should be provided to lower level staff in an effort to teach them importance of PMS - PMS unit should ensure that performance information is supported by Portfolio of Evidence. - PMS Policy will be reviewed - Managers will submit monthly plans to the MM - Managers will submit monthly progress report - Municipal performance information will be aligned with new IDP, SDBIP and Budget. - The following assessments will be performed: <ul style="list-style-type: none"> - Quarterly informal assessment between the MM and sectional managers. - Bi-annual assessment by Corporate Service Committee - Quarterly performance audit by Internal Audit

16.4.3 COMMUNICATIONS

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Goal: Create, strengthen, and maintain favourable a positive opinion of the district through effective channels of communication.														
C1	Public opinion on service delivery might not be promoted and communicated (Possible ineffective communication of government activities and programmes)	<ul style="list-style-type: none"> - Non-compliance with relevant legislation - Community might know challenges experienced by Magareng LM. - Reputational damage - Poor execution of external requests - Dissatisfied communities 	Knowledge & Information Management	<ul style="list-style-type: none"> - Lack of commitment from stakeholders (e.g. LMs, Sector Departments) - Operational Staff might not communicate their service delivery projects to communication - Poor feedback to the communities (issue report to the ward council) - Poor media statements by LMs - Ward councillor not holding their quarterly meeting to give feedback to committees 	4	5	20	HIGH	<ul style="list-style-type: none"> - Summarised the issues raised at public meetings and submit to the MM and Executive Mayor and send respective issued to LMs. - Issue internal and external newsletters - Issuing of project's brochure. - Radio talk shows, media release, media briefing and advertising in newspapers and magazine - Comments & complains books and suggestion box are placed in the reception and are monitored monthly. - District communication forums are convened quarterly. 	3	4	12	MEDIUM	<ul style="list-style-type: none"> - Have a bi-monthly one on one sessions with managers. - LMs which have capacity constraints can be assisted with the drafting of media statements. - Recommend development communication program for LMs which is offered by Wits University. (NQF Level 8) - Feedback will to communities will be published via district newsletter. - Communication officer post has been created and funded; it will be filled during 2025/26 FY
C2	- Media releases that are not factually correct might be forwarded to the media before being edited/approved by MM.	<ul style="list-style-type: none"> - Wrong published information - Reputational damage 	Knowledge & Information Management	<ul style="list-style-type: none"> - Officials might not know the contents of the Media Policy in terms of engagement with the media. - The information not verified before using it in the statements. 	4	4	16	HIGH	<ul style="list-style-type: none"> - All interaction with media is directed through the communication office. - All officials are not allowed to give any media statements or information directly to the media - The main spokespersons of the municipality are the Executive Mayor, MM and then Communication Manager. 	3	4	12	MEDIUM	<ul style="list-style-type: none"> - Development of the media and branding policy - Verify information received with relevant custodian before the media statement is approved and released.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
C3	Poor internal and external communication and poor community participation.	<ul style="list-style-type: none"> - Lost of trust by community at large - Riots, turmoil, and civil unrest. - Breakdown in communication 	Knowledge & Information Management	<ul style="list-style-type: none"> - No integrated communication plan - No dedicated official is responsible for communication and to update the website - Inadequate linkage of information (between councillors, ward committees and Community Development Workers). 	4	5	20	HIGH	<ul style="list-style-type: none"> - Communication strategy is in place and is being implemented. - The municipal council sist quarterly to discuss issues and take resolutions. - Municipality has approved IT technicians - Draft communication in place - Public Participation Policy approved by council. - IT technician develops and maintain municipal website 	3	4	12	MEDIUM	<ul style="list-style-type: none"> - Communication strategy will be reviewed. - Office of the Major/Speaker will prepare a schedule of council meetings, disseminate to councillors and ensure that the council convene meetings as planned. - A dedicated official will be appointed or earmarked for responsibility of handling internal and external communication. - HRD will ensure that training outcomes are implemented. - A dedicated official should be responsible to develop and implement communication plan. - Training of wards committees. - Regular meetings of ward committees
C4	The communication policy and strategy might not be developed, approved, communicated, and implemented.	<ul style="list-style-type: none"> - Non-compliance communication policy, constitution, MTSF and other legislation frameworks. 	Knowledge & Information Management	<ul style="list-style-type: none"> - Communication policy, service charter and strategy not in place. 	4	4	16	HIGH	<ul style="list-style-type: none"> - Draft 5 years communication strategy with includes annual communication plan. 	3	4	12	MEDIUM	<ul style="list-style-type: none"> - Communication policy, service charter and strategy to be developed and forwarded to council for adoption.

16.4.4 COUNCIL ADMINISTRATION AND AUXILLIARY SERVICES

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: To promote culture of participatory and good governance.														
CS 1	Ineffective (or partial) or non-implementation of council resolutions	- Non-compliance with local government regulations.	Political	- Poor communication of the council's resolutions.)	4	5	20	HIGH	<ul style="list-style-type: none"> - All council resolutions are communicated to the responsible managers for implementation. - Minutes of council are tabled at council for adoption. - Development of monthly and quarterly reports of council resolution. - Regular follow up on council resolutions. - acting MM responsible to see that resolutions are implemented; progress reports are given at council meeting. - Council resolutions are monitored and reported on. - Resolutions register is a standing item for ordinary council meetings 	3	4	12	MEDIUM	<ul style="list-style-type: none"> - Improve communication of council resolution. - Develop a tracking mechanism to ensure that council resolutions are effectively implemented. - Continuous reporting of challenges and success of implementation of council resolution.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
CS 2	Non sitting of committee and council meetings	- Non-compliance with local government regulations. - Resolutions might not be implemented which affects service delivery	Political	- Postponement and rescheduling of council meetings	4	4	16	HIGH	- Annual Schedule of council and committee meetings and gets adopted by council and communicate it to all staff in the municipality. - Timeously preparation and distribution of council packs. - Enforcement of code of conduct, rules, and procedures for councillors. - Constant follow-ups with committee members	3	4	12	MEDIUM	- Reminder for councillors to attend council meetings. - Communicate the scheduled for Monthly Council meetings monthly as a reminder to council.
CS 3	Inadequate capacity for MPAC to investigate UIFW cases (section 32 expenditures)	- Poor investigative reports - UIFW expenditure condoned without proper investigation	Political	- Inadequate training by stakeholders dealing with council in municipalities. - Backlog on investigation of UIFW	4	4	16	HIGH	- SALGA is conducting training on a yearly basis.	3	4	12	MEDIUM	- Additional training to be arranged with Provincial Treasury to train MPAC on investigations. Provincial Treasury's norms and standards will train councillors on UIFW investigation procedures - Request assistance from FBDM
CS 4	High usage of consultants	- Poor workmanship on services contracted to service providers - Incompetent and inexperienced service providers	Financial	- Dependency on service providers without imparting of knowledge and skills. - No strategy in place to phase-out unnecessary contracted services	4	4	16	HIGH	- Municipal SLA requires that service providers must impart skills to relevant officials.	3	4	12	MEDIUM	- Project Managers to monitor that service providers are imparting skills to capacitate officials before end of the contract. - Development of strategy to be implemented to phase out unnecessary contracted services that can be done in-house.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
CS 5	No establishment of financial misconduct disciplinary committee to deal with the plan concerning financial misconduct.	<ul style="list-style-type: none"> - Financial misconduct cases are not investigated. - Cases are not opened with SAPS and HAWKS not being involved. - SIU is not involved 	Compliance/Regulatory	<ul style="list-style-type: none"> - Ineffective financial misconduct disciplinary board. - Lack of adequate skills to capacitate the board. 	4	4	16	HIGH	- The council has appointed the financial misconduct disciplinary board.	3	4	12	MEDIUM	<ul style="list-style-type: none"> - Request SALGA, GOGTA and Provincial Treasury to capacitate the financial misconduct disciplinary board through a training workshop. - Resolutions from the council indicated that financial misconduct board should be a shared service function with FBDM

16.4.5 TOURISM AND LOCAL ECONOMIC DEVELOPMENT (LED)

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Goal: Create, strengthen, and maintain favourable a positive opinion of the district through effective channels of communication.														
LE 1	Limited assistance to SMME's by LED office	<ul style="list-style-type: none"> - Potential entrepreneurs from the surrounding community will not be identified - Unemployment - Lack of economic empowerment and growth 	Knowledge & Information Management	<ul style="list-style-type: none"> - Lack of consultation during the development of new budget allocations which has resulted in tremendous decrease in budget for the unit. - No plan for real sustainable job opportunities. 	4	5	20	HIGH	<ul style="list-style-type: none"> - LED and tourism strategic plan are developed and implemented. - Approved LED Strategy in place. - EPWP programme through sector departments. - Source support from department of local economic development, environmental and tourism (LEDET) 	3	4	12	MEDIUM	<ul style="list-style-type: none"> - LED officer to submit comment during adjustment budget for consider SMME's request - Prepare SMMEs, through training initiatives, to prepare them for future job opportunities.
LE 2	Limited implementation of LED.	Hampering of service delivery. Effect on achievement of KPI	Knowledge & Information Management	<ul style="list-style-type: none"> - Lack of financial and human resources. 	4	5	20	HIGH	<ul style="list-style-type: none"> - Assistance from District Steering Committee. - LED forum in place. - Consultation with mining sector 	3	4	12	MEDIUM	<ul style="list-style-type: none"> - Appoint additional LED Practitioners / Interns to roll-out LED Implementation plan
LE 3	- Inadequate skills level in the district.	<ul style="list-style-type: none"> - Non-achievement of set targets. - Unskilled or incapacitated SMMEs. 	Human Resource	<ul style="list-style-type: none"> - Retention of skills and market related salaries. (Robust or dynamic environment and geographic location.) - Lack of skills/experts to roll-out programmed (agriculture, mining & marketing project). - No skills audit conducted and lack of training to capacitate officials 	4	5	20	HIGH	<ul style="list-style-type: none"> - Approved workplace skills development plan and attend trainings, workshops, forums, and conferences. - Internship program (YEDP) Youth Entrepreneur Development Program in place which runs for 2 consecutive years. 	3	4	12	MEDIUM	<ul style="list-style-type: none"> - FBDM will conduct workshops with Magareng on incentive policy framework. - The district performs training need analysis at Magareng and then appoint a relevant service provider to conduct/facilitate training workshops.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
LE 4	- Poor infrastructure for business.	- Non-achievement of targets. - Financial losses. - Reputational damage.	Service Delivery	- Poor structures between local and district municipalities. - Lack of participation and commitment from stakeholders. - Lack access to rural areas. - Lack of common vision with the private sector. - Lack of knowledge to ensure overseeing of consultants.	4	4	16	HIGH	- Appointment of service providers to assist with the development of strategies. - LED stakeholder engagement meetings are held as and when required. - Workshops and consultations. - Quarterly reports prepared for various oversight committees. - Approved LED strategies.	3	4	12	MEDIUM	- Develop a work program for the year which will inform the activities that will be undertaken by the municipality and FBDM. Inform the municipal managers and the council regarding implementation of operational plans. - Ensure that there is sufficient buy-in when the meetings are scheduled by extending the invitation to leadership of FBDM to strengthen commitment. - LED Officer to search for a training which will teach LED officials on how to oversee the work done by the service providers.
LE 5	Disinvestment and failure to attract new investment to the municipality	- High unemployment, high crime rate, slow social and poor economic development, - Increase in indigent households and loss of revenue.	Economic Environment	- Inadequate infrastructure, - Inability to offer suitable incentives (outdated incentives policy), - Lack of capacity / ability to attract funders and investors.	5	5	25	HIGH	- Support from Department of Local Economic Development, Environmental and Tourism, - Investment incentive scheme and marketing promotional material - SMME Development Strategy in place	5	5		25	- Develop or review LED strategy, capacitate LED unit, - Review and implement investment incentive scheme, - Effective infrastructure maintenance plans, develop marketing and communication strategy (<i>for communicating robust marketing activities</i>), - Costed SMME development strategy and update SMME database.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
LE 6	- Limited resources to implement LED and tourism projects	- Poor promotion of conducive environment. - non-achievement of targets. - Inability to deliver on the mandate. - Reputational damage. - Non delivery of bulk services.	Financial	- Lack of consultation and alignment by Provincial to National Departments on project on implementing projects. (implementation of projects without consultation)	4	4	16	HIGH	- Available budget for preparatory work. - Planning structures in place. - Approved LED Strategies. - Continuous soliciting of funds from the provincial and national departments. - The department of economic development and tourism is funding FBDM to implement projects on behalf of Magareng - Collaboration with government stakeholders and private sector in implementing tourism and LED projects.	3	4	12	MEDIUM	- Improve the relationships with private sector such that FBDM can stimulate funding opportunities. - Adjustment budget will be submitted to request internal additional funding to implement projects and programmes. - Continuously keeping abreast with the latest funding models and funding initiatives. (establishment of investment help desk for the district, packaging of investment opportunities)

16.4.6 TRAFFIC SERVICES

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: Promote Innovation Learning and Growth, Achieve Positive Employee Climate, Provide safe and clean environment														
C1	- Traffic fines might not be paid by offenders of the law.	- Loss of revenue. - Load of work.	Service Delivery	- Newly established traffic department unit	5	5	25	HIGH	- Appointed Chief Traffic Officer and Traffic Officer	4	4	16	HIGH	- Procurement of speed monitoring surveillance cameras - Request FBDM to assist the municipality with an additional two traffic vehicles - Advertise another position for a traffic officer
C2	- Municipality might not have a Vehicle Testing Station (VTS)	- Loss of revenue.	Service Delivery	- No budget to install VTS	5	5	25	HIGH	- No controls in place	5	5	25	HIGH	- Request Public Works to build a Vehicle Testing Station for the municipality. Request Public Works to assist with the procurement of new VTS equipment. - Identify a suitable space for installation of VTS
C3	- No traffic violation cameras installed	- Loss of revenue.	Processes	- No internal capacity to render traffic violation cameras. Increase budget to appoint a service provider who will install and monitor traffic violation cameras	5	5	25	HIGH	- No controls in place.	5	5	25	HIGH	- Advertisement of service to install and monitor traffic cameras
C4	- Traffic Office's might be operating without firearms.	- Possible risk of life because of failure by Traffic Officers to protect themselves during official duty.	Processes	- Inadequate budget in place for procurement of firearms. - No firearm policy in place	5	5	25	HIGH	- No controls in place.	5	5	25	HIGH	- Engagement with the Municipal Manager on procurement of new firearms for all traffic officers.
C5	- Inadequate municipal traffic vehicles.	- Road users might disregard traffic officers. - The municipality reputation might be at stake.	Processes	- No budget to procure traffic vehicles.	5	5	25	HIGH	- One vehicle with blue lamps without signage.	5	5	25	HIGH	- Request the FBDM with the donation of used vehicles that they will be disposing off. - Request FBDM to assist the municipality with an additional two traffic vehicles - Procurement of additional traffic vehicle.

16.4.7 LIBRARY SERVICES

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: Promote Innovation Learning and Growth, Achieve Positive Employee Climate, Provide safe and clean environment														
LS 1	Failure to provide effective library services.	- Poor library service delivery at Delportshoop. - Inadequate study facilities	Knowledge & Information Management	- Lack of coordination between provincial department (Sport, Arts & Culture) and municipality - Limited mobile libraries, - Lack of community support and co-operation. - Contract workers and shortage of staff. - Insufficient funds	4	5	20	HIGH	- The municipality established a new library in town with internet and other needed facilities. - Another library refurbished in Delportshoop	3	4	12	MEDIUM	- Increase budget to cater for mobile libraries. - Establish working relationship between the municipality and department of sports, arts, and culture. - Establish working relations with Public Works to employ EPWP workers to assist
LS 2	Underutilization of library facilities	- Poor library service delivery. - Poor incoming of library users - Limited knowledge by communities - Inadequate support by educators.	Knowledge & Information Management	- Inadequate awareness programs at community and school levels.	4	4	16	HIGH	- No controls in place	4	3	12	MEDIUM	- Embed awareness programmes at schools on the importance of utilising a library.
LS 3	Theft / Loss of library books	- Financials loss - Loss of resources - Non-compliance with library policies and processes	Loss/Theft of Assets	- Poor security measures in place (physical security & surveillance cameras) - Door device detector is not operational	4	4	16	HIGH	- Door device detector	4	3	12	MEDIUM	- Increase library budget to accommodate procurement of 24 Hours CCTV Surveillance Cameras. - Repairs and maintenance of security door device detector - Increase budget to appoint security personnel
LS 4	Outdated library policies and procedures.	- Non-compliance with library policies and processes	Processes	- Inadequate review of library policies	4	4	16	HIGH	- Library policies (old & outdate) in place.	4	3	12	MEDIUM	- Review of library policies to comply with new legislation and security measures for libraries

16.5 OFFICE OF THE EXECUTIVE MAYOR

16.5.1 SPECIAL PROGRAMMES

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: To promote culture of participatory and good governance.														
SP 1	- Non submission of quarterly reports to council on special programmes	- Possible incurrence of fruitless expenditure - Non spending on special programmes	Knowledge & Information Management	- Non-attendance of special programmes workshops. - Budget limitation to expand special programmes activities, and to attract people living with disability and elderly people.	4	3	12	MEDIUM	- Involvement of FBDM in planned special programmes - Programme of Action is developed. - Dissemination of invites to attract youth to attend special programmes - Workshops are held and facilitators presents - Calendar programme has been developed	3	3	9	MEDIUM	- Continuous interaction with young people via meetings and other relevant structures. - Roll-out the awareness of special programmes during ward council meetings. - Draft a memo to motivate increasing the budget to support and expand special programmes to cover people living with disability and elderly people.
SP 2	Non-alignment and coordination of special programmes in the district	- Ineffective workshops, events, and forum - Poor attendance - Uncoordinated special programmes. - Poor coordination and involvement of all relevant stakeholders	Knowledge & Information Management	- No consolidated district plan on special programmes. - Poor inter-governmental relations with state owned entities. - Non-involvement of communication unit to cover forthcoming special programmes activities & reporting good stories. - Short notices are received from FBDM on special programmes aimed for Magareng LM.	4	5	20	HIGH	- FBDM involve Magareng LM on planned special programmes. - FBDM's communication unit is assisting LMs with the district external newsletter.	4	4	16	HIGH	- FBDM to coordinate and consolidate the development of district plan for special programmes. - Special Programmes Coordinator to communicate and discuss the district plan with government state owned entities to get their buy in to be part of special programmes. - The Youth Unit will request FBDM's communication unit to advertise forthcoming youth projects and report on success stories. - FBDM to communicate district plan to Magareng to improve their involvement in special programmes.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
SP 3	Special programmes might not be known by targeted groups.	- Increase in the levels of substance abuse, crime, teenage pregnancy, etc.	Knowledge & Information Management	- No district social media platforms to advertise special programmes at Magareng LM. - Poor marketing due to insufficient budget. - No special programmes helpdesk available in Magareng LM. - Inadequate commitment to recruited more unemployed youth to be part of special programmes.	4	5	20	HIGH	- Special programme district meetings in place. - FBDM is assisting the municipality to coordinate some special programmes. - Advertisement at library and municipal boards. - Word of mouth advertisement. - WhatsApp group has been created by FBDM to communicate opportunities, meetings, and schedules for special programmes.	4	3	12	MEDIUM	- Magareng LM will create the Social Media Platforms for advertisement of the special programmes. - FBDM to assist Magareng with their planned special programmes. - Request FBDM to assist with the marketing of all forthcoming special programmes for Magareng LM. - Establishment of special programmes help desk where special programmes information will be made available. - Spread word of mouth, pamphlets and flyers to attract more unemployed youth to attend events and workshops on special programmes.
SP 4	Special programmes might not have impact in the lives of target focused groups	- Financial loss - Loss of interest by private companies and other stakeholders.	Knowledge & Information Management	- No aftercare services after capacity programmes have been implemented. - Inadequate participation in special programmes. - No dedicated activities on special programmes for elderly and people living with disability.	4	5	20	HIGH	- Planned special programmes aligned to SDBIB and IDP. - Alignment of operational plans within the district.	4	3	12	MEDIUM	- Introduction of after-care services in collaboration with FBDM which will aim at overseeing implementation of special programmes at Magareng LM. - A planned collaboration activities for the district will be developed and implemented. This plan will cover special programmes for elderly and people living with disability. - Rigorous awareness campaigns to encourage participation in special programmes.

16.5.2 YOUTH DEVELOPMENT

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
Strategic Objective: To promote culture of participatory and good governance.														
YD 1	- Non submission of quarterly reports to council on youth development programmes	- Possible incurrence of fruitless expenditure - Non spending on youth development budget	Knowledge & Information Management	- Non-attendance of workshops by the youth or stakeholders. (No commitment of youth structures to attend training.) - Budget limitation to expand youth programmes, capacitate and attract more young people.	4	3	12	MEDIUM	- Youth District Forums structures are in place. - Programme of Action is developed. - Dissemination of invites and other relevant to young people (for employment and business opportunities) - Workshops are held and facilitators presents - Quarterly district report is prepared and submitted to council.	3	3	9	MEDIUM	- Continuous interaction with young people via youth district forums and organised youth structures. - Sensitise youth structures through awareness programmes during ward council meetings at local municipality level. - Draft a memo to motivate increasing the budget to support and expand youth programmes.
YD 2	Non-alignment and coordination of youth training with district skills gap analysis	- Ineffective workshops, events, and forum - Poor attendance - Uncoordinated youth programmes. - Poor coordination and involvement of all relevant stakeholders	Knowledge & Information Management	- No youth district plan in place to consolidate youth programmes. - Poor inter-governmental relations with state owned entities. - No district database for targeted youth including graduates. - Non-involvement of communication unit to cover forthcoming youth activities & reporting good stories.	4	5	20	HIGH	- FBDM facilitates Youth District Forum for the district. - FBDM's communication unit is assisting LMs with the district external newsletter.	4	4	16	HIGH	- FBDM to coordinate youth district forum to assist LMs to develop youth district plan and consolidated yearly activities. - Youth Officials to communicate and discuss the district plan with government state owned entities to get their buy in to be part of youth programmes. - Youth unit to conduct a survey and also to obtain youth database from the department of labour and develop a district database. - The Youth Unit will request FBDM's communication unit to advertise forthcoming youth projects and report on success stories.
YD 3	Youth programmes might not be known by targeted youth groups.	- Youth not being capacitated - High level of unemployment - Increase in the levels of substance abuse, crime,	Knowledge & Information Management	- No district social media platforms to advertise youth opportunities and capacity building programmes. - Poor marketing due to insufficient budget.	4	5	20	HIGH	- Established youth council and youth forums. - FBDM is assisting the municipality to coordinate some youth programmes. - Advertisement at library and municipal boards.	4	3	12	MEDIUM	- Magareng LM will create the Social Media Platforms for advertisement of the youth programmes. - FBDM to resuscitate youth forums and council. - Request FBDM to assist with

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
		teenage pregnancy, etc.		- No youth helpdesk available in Magareng LM. - Inadequate commitment to recruited more unemployed youth.					- Word of mouth advertisement. - WhatsApp group has been created by FBDM to communicate opportunities, capacity building trainings, meetings, and forums					the marketing of all forthcoming youth programs. - Establishment of youth help desk where opportunities and youth programmes will be made available. - Spread word of mouth, pamphlets and flyers to attract more unemployed youth to attend capacity building workshops.
YD 4	Youth programmes might not have impact in the lives of target focused groups	- Financial loss - Loss of interest by private companies and other stakeholders.	Knowledge & Information Management	- No aftercare services after capacity programmes have been implemented. - No incubation programmes to ensure that funded programmes are successful. - Lack of participation in youth programmes.	4	5	20	HIGH	- Planned youth programmes aligned to SDBIB and IDP. - Alignment of operational plans within the district.	4	3	12	MEDIUM	- Introduction of after-care services which will aim at overseeing and assisting the young who were capacitated. This aftercare service will function through an incubation programme. - Rigorous awareness campaigns to encourage youth participation in capacity building programmes.
YD 5	Insufficient youth programmes to address unemployment & social ills (Drugs, alcohol, teenage pregnancy, and substance abuse)	- Disruption of service delivery by unemployed youth. - Youth involved in gangsterism and substance abuse. - Juvenile delinquency. - Possible Gender Based Violence - Teenage pregnancy - High levels of unemployment - Increased levels of substance abuse, crime, teenage pregnancy, etc	Knowledge & Information Management	- Inadequate awareness campaigns for substance abuse. - Lack of awareness to discourage youth to join gangsterism - Youth are not involved in service delivery opportunities and community-based projects. - Inadequate youth development programmes and initiatives. - Inadequate finance to fund more youth initiatives projects. - Poor involvement of all stakeholders including private sector. - District forum not constituted of all relevant stakeholders	4	5	20	HIGH	- Identification of beneficiaries. - FBDM coordinates youth programmes which overlaps to the local municipalities. - There are youth coordinators at local municipalities facilitating youth development.	4	5	20	HIGH	- Introduce youth programmes aim to educate youth against gangsterism, vandalising municipal infrastructure, teenage pregnancy, and substance abuse. - Engage with ward councillors about the importance of involving youth in infrastructure projects. - District Forum to invite all relevant stakeholders to discuss youth opportunities, youth help desk, youth development and training programmes aimed at capacitating youth to establish their companies.

Risk Nr.	Risk Description	Possible Effect (Impact)	Risk Category	Contributing Factor / Root Cause	IL	II	IR	Risk Rating	Key Existing Controls	RL	RI	RR	Risk Rating	Actions to improve management of the risk
YD 7	Drought in the province affecting youth initiative projects such as farming, etc.	<ul style="list-style-type: none"> - Natural disaster such as drought and floods - Damages to municipal building and community houses - Financial loss 	Natural Environment	<ul style="list-style-type: none"> - Climate change - No funding available to implement recommendations by the climate change summit. 	4	5	20	HIGH	- Climate conditions summit recommendations.	4	5	20	HIGH	<ul style="list-style-type: none"> - Soliciting of funding from Provincial Treasury and Department of Agriculture to assist young emerging farmers with installation of boreholes. - To revisit the recommendations of climate change summit and seek ways to implement such recommendations.
YD 8	High rate of unemployment for the youth in the district	<ul style="list-style-type: none"> - Increased levels of substance abuse, crime, teenage pregnancy, etc. 	Social Environment	<ul style="list-style-type: none"> - No awareness campaigns and education of the importance of encouraging youth to establish cooperatives and Non-Profit Organisations - No linked government programmes to address needs of local municipality. (Government entities are working in silo) 	4	5	20	HIGH	- EPWP programmes in place.	4	5	20	HIGH	<ul style="list-style-type: none"> - Awareness campaigns to be conducted to educate and encourage the youth to establish cooperatives and NPOs. - District Forum to invite government entities such as NYDA, SEDA, SEFA, NEF, Social Development, etc., to discuss solutions on youth unemployment.