

uMzinyathi District Municipality



Section B (ii) - Rated Risk Results per Risk Category

Risk Name	Programme Name	Risk Description	Root cause	Consequences	Inherent Risk	Residual Risk (Current)	Controls Details	Task Details
Cultural Risks								
Business Support: Council Support	Corporate Services	Ineffective secretariat support to Council.	<p>Failure to provide information to the relevant officials.</p> <p>Lack of monitoring of the implementation of Council resolutions.</p>	<p>Failure to implement Council resolutions.</p> <p>Poor service delivery.</p>	80 Critical	64 Critical	<ul style="list-style-type: none"> Resolutions Register. 	<ul style="list-style-type: none"> Monthly reporting to EXCO on implementation of resolutions. <p><i>Risk Owner: Municipal Manager</i></p> <p><i>Action Owner: Executive Manager-Corporate Services</i></p> <p><i>Start Date: 01/10/2011</i></p> <p><i>Due Date: Continuous</i></p>
Business Support: IT Website Management	Corporate Services	Unavailability /inaccurate information on the website.	<p>Failure to provide information to the information technology (IT) unit.</p> <p>Lack of control register on things that should go on the website.</p>	Non compliance with Legislation and Policies.	80 Critical	64 Critical	<ul style="list-style-type: none"> Information Technology Policy. 	

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Risk Name	Programme Name	Risk Description	Root cause	Consequences	Inherent Risk	Residual Risk (Current)	Controls Details	Task Details
								<ul style="list-style-type: none"> ◆ Review the Information Technology Policy. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager-Corporate Services</i> <i>Start Date: 01/10/2011</i> <i>Due Date: 31/12/2011</i> ◆ Establish a Control Register. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager-Corporate Services</i> <i>Start Date: 08/09/2011</i> <i>Due Date: 01/10/2011</i> ◆ Monthly reporting to EXCO. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager-Corporate Services</i> <i>Start Date: 01/10/2011</i> <i>Due Date: Continuous</i>
Economic Development: Tourism	Finance	Inability to attract tourism to the District.	Lack of coordination of stakeholders. Poor infrastructure.	Negative impact on economic development in the area. Migration of investors and residents. High rate of poverty and unemployment.	48 Major	38 Major	<ul style="list-style-type: none"> ◆ Agricultural Strategy. ◆ DEDT Technical Support (Local Economic Development). <i>DEDT: Department of Economic Development Technical.</i> ◆ Local Economic Development Strategy. ◆ Planning and Development Forum. ◆ Tourism Strategy. 	

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								<ul style="list-style-type: none"> ◆ Establishment of a Business Team. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Local Economic Development Specialist.</i> <i>Start Date: 01/10/2011</i> <i>Due Date: 31/12/2011</i> ◆ Establishment of a LED PMU/ Business Agency. <i>LED: Local Economic Development; PMU: Project Management Unit.</i> <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Local Economic Development Specialist</i> <i>Start Date: 01/10/2011</i> <i>Due Date: 30/06/2012</i> ◆ Sourcing of funding to drive development. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Municipal Manager</i> <i>Start Date: 01/01/2012</i> <i>Due Date: Continuous</i>
Environmental Management: Compliance	Development Planning	Failure to comply with Environmental Management Act.	Lack of understanding of the act. Lack of capacity. Lack of Municipal By-Laws.	Environmental degradation. Legal implications.	80 Critical	72 Critical	◆ No controls.	

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								<ul style="list-style-type: none"> ◆ Appointment of the Environmental Management Practitioner. <p><i>Risk Owner: Municipal Manager</i></p> <p><i>Action Owner: Executive Manager-Planning and Development</i></p> <p><i>Start Date: 01/10/2011</i></p> <p><i>Due Date: 31/01/2012</i></p> <ul style="list-style-type: none"> ◆ Adoption of Municipal By-Laws. <p><i>Risk Owner: Municipal Manager</i></p> <p><i>Action Owner: Executive Manager- Planning and Development</i></p> <p><i>Start Date: 01/10/2011</i></p> <p><i>Due Date: 31/01/2012</i></p>
Financial Management: SCM Tenders	Finance	Delays in procurement of goods and services.	Poor planning. Lack of co-operation from other departments.	Delays in completion of projects. Tarnished image of the Municipality. Financial loss.	80 Critical	24 Moderate	<ul style="list-style-type: none"> ◆ Project Management System. ◆ Service Delivery Budget Implementation Process. ◆ Supply Chain Management Policy. 	<ul style="list-style-type: none"> ◆ Develop and implement a Procurement Plan. <p><i>Risk Owner: Municipal Manager</i></p> <p><i>Action Owner: Chief Financial Officer</i></p> <p><i>Start Date: 08/09/2011</i></p> <p><i>Due Date: 30/06/2012</i></p>

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Risk Name	Programme Name	Risk Description	Root cause	Consequences	Inherent Risk	Residual Risk (Current)	Controls Details	Task Details
Disaster Recovery/Business Continuity Risks								
Community Services: Disaster Management	Development Planning	Inability to respond in the event of a disaster.	<p>Lack of resources.</p> <p>Lack of implementation of a Disaster Recovery Plan.</p> <p>Lack of co-operation between District and Local Municipalities.</p>	<p>Loss of property/life.</p> <p>Tarnished image of the Municipality.</p>	45 Major	13 Minor	<ul style="list-style-type: none"> ◆ Contract with Rural Metro. ◆ Disaster Advisory Forum. ◆ Disaster Co-ordinating Committee. ◆ Disaster Management Centre. ◆ Disaster Management Plan. ◆ Disaster Volunteer Unit. 	<ul style="list-style-type: none"> ◆ Conduct workshop for Councillors / Officials on disaster management. <p><i>Conduct workshop for Councillors / Officials on disaster management at Local and District Levels.</i></p> <p><i>Risk Owner: Municipal Manager</i></p> <p><i>Action Owner: Executive Manager-Development Planning</i></p> <p><i>Start Date: 01/10/2011</i></p> <p><i>Due Date: 31/12/2011</i></p>

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Risk Name	Programme Name	Risk Description	Root cause	Consequences	Inherent Risk	Residual Risk (Current)	Controls Details	Task Details
Financial Risks								
Financial Management: Funding Allocations	Finance	Insufficient funding available for key service delivery areas.	<p>Dependence on the national fiscal allocation.</p> <p>Rural Municipality's difficulty to generate revenue on its own.</p>	Poor service delivery.	45 Major	25 Moderate	<ul style="list-style-type: none"> Budgeting Process. Intergrated Development Plan. 	<ul style="list-style-type: none"> Approach Treasury, DBSA and other financing agents to request more funding. <p><i>Risk Owner : Municipal Manager</i></p> <p><i>Action Owner : Chief Financial Officer</i></p> <p><i>Start Date: 08/09/2011</i></p> <p><i>Due Date: Continuous</i> Approach Treasury, DBSA and other financing agents to request more funding. <p><i>Risk Owner : Municipal Manager</i></p> <p><i>Action Owner : Chief Financial Officer</i></p> <p><i>Start Date: 08/09/2011</i></p> <p><i>Due Date: Continuous</i></p> </p>
Financial Management: Compliance to Legislation	Finance	Non-compliance with Legislation.	<p>Poor planning.</p> <p>Conflict of interest.</p> <p>Gaps in internal controls.</p>	<p>Fraud and corruption.</p> <p>Financial loss.</p> <p>Irregular and / or unauthorised expenditure.</p> <p>Negative Auditor General's opinion.</p>	80 Critical	44 Major	<ul style="list-style-type: none"> Declaration of Interest Register. Fraud Prevention Plan. Internal Audit review. Monitoring and Supervision by Senior Officials. Segregation of duties within Supply Chain Management. Supply Chain Management Policy / Bid Committees. 	

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Risk Name	Programme Name	Risk Description	Root cause	Consequences	Inherent Risk	Residual Risk (Current)	Controls Details	Task Details
								<ul style="list-style-type: none"> Continuous review of internal controls. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Chief Financial Officer</i> <i>Start Date: 01/01/2012</i> <i>Due Date: Continuous</i> Review of Systems, Procedures and Organogram. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Chief Financial Officer</i> <i>Start Date: 01/01/2012</i> <i>Due Date: Continuous</i>
Governance, Compliance/Regulatory and Reputational								
Business Process: Information Security	Office of the Municipal Manager	Inappropriate disclosure of critical information to outsiders by staff and Councillors.	Lack of ethics and integrity.	Compromised integrity and credibility of the Municipality.	65 Critical	22 Moderate	Code of Conduct.	<ul style="list-style-type: none"> Establishment of Ethics Office. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Manager-Legal Services</i> <i>Start Date: 08/09/2011</i> <i>Due Date: Continuous</i> Establishment of Ethics Office. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Manager-Legal Services</i> <i>Start Date: 08/09/2011</i> <i>Due Date: Continuous</i>



Section B (ii) - Rated Risk Results per Risk Category

Risk Name	Programme Name	Risk Description	Root cause	Consequences	Inherent Risk	Residual Risk (Current)	Controls Details	Task Details
Health and Safety / Security Risks								
People: Employee Assistant Programme	Development Planning	Failure to implement employee assistant programme.	Lack of awareness.	Low staff morale. High rate of absenteeism.	39 Major	35 Moderate	<ul style="list-style-type: none"> No controls. 	<ul style="list-style-type: none"> Establish and implement the Employee Assistance Programme. <p><i>Risk Owner: Municipal Manager</i></p> <p><i>Action Owner: Executive Manager-Corporate Services</i></p> <p><i>Start Date: 01/01/2012</i></p> <p><i>Due Date: 30/06/2012</i></p>
People: Occupational Health and Safety Act	Development Planning	Failure to adhere to Occupational Health and Safety Act.	Lack of understanding by staff.	Injury or death on duty. Loss of or damage to property. Financial loss due to litigations.	39 Major	21 Moderate	<ul style="list-style-type: none"> Evacuation Plan. Fire Extinguishers. Health and Safety Committee. 	

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Risk Name	Programme Name	Risk Description	Root cause	Consequences	Inherent Risk	Residual Risk (Current)	Controls Details	Task Details
								<ul style="list-style-type: none"> ◆ Train Health and Safety Officials. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager: Planning and Development and Corporate Services</i> <i>Start Date: 08/09/2011</i> <i>Due Date: Continuous</i> ◆ Train Health and Safety Officials. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager: Planning and Development and Corporate Services</i> <i>Start Date: 08/09/2011</i> <i>Due Date: Continuous</i> ◆ Train Health and Safety Officials. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager: Planning and Development and Corporate Services</i> <i>Start Date: 08/09/2011</i> <i>Due Date: Continuous</i>



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Risk Name	Programme Name	Risk Description	Root cause	Consequences	Inherent Risk	Residual Risk (Current)	Controls Details	Task Details
								<ul style="list-style-type: none"> ◆ Conduct awareness to the officials on health and safety. <p><i>Risk Owner: Municipal Manager</i></p> <p><i>Action Owner: Executive Manager-Development and Planning</i></p> <p><i>Start Date: 01/10/2011</i></p> <p><i>Due Date: 31/12/2011</i></p>
Human Resources Risks								
People: Attraction and Retention	Corporate Services	Failure to attract and retain scarce/ critical skills.	Geographical location. Unattractive remuneration. Non implementation of the Retention Policy.	Poor service delivery. High staff turnover.	70 Critical	56 Major	<ul style="list-style-type: none"> ◆ Retention Strategy. ◆ Succession Policy. 	<ul style="list-style-type: none"> ◆ Review and implement Retention and Succession Policies. <p><i>Risk Owner: Municipal Manager</i></p> <p><i>Executive Manager-Corporate Services</i></p> <p><i>Start Date: 01/11/2011</i></p> <p><i>Due Date:31/12/2011</i></p>
People: Overtime Management	Corporate Services	Abuse of overtime. Excessive use of overtime.	Poor planning. Lack of accountability by management. Shortage of staff.	Wasteful expenditure. Audit queries. Labour disputes.	63 Critical	37 Major	<ul style="list-style-type: none"> ◆ Leave and Overtime Policy. ◆ Overtime Circular. ◆ Pre - authorisation. ◆ Pre-authorisation of overtime. ◆ Recaping of overtime payments by Finance. 	<ul style="list-style-type: none"> ◆ Overtime in excess of 40 hrs to be reported to the Municipal Manager monthly. <p><i>Risk Owner: Municipal Manager</i></p> <p><i>Action Owner: All Managers</i></p> <p><i>Start Date: 01/10/2011</i></p> <p><i>Due Date: Continuous</i></p>

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Infrastructure Risks								
Water Services: Water Sources	Technical Services	Unreliable and / or scarce raw water source.	Adverse weather conditions. Topography of the Municipality. Low ground water levels (boreholes). High cost of bulk infrastructure.	Poor service delivery. Water borne diseases.	100 Critical	80 Critical	<ul style="list-style-type: none"> ◆ Boreholes. ◆ Water Restriction Measures. ◆ Water Service Development Plan. ◆ Water Tankers. 	<ul style="list-style-type: none"> ◆ Source funding for the construction raw water reservoirs. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager-Technical Services</i> <i>Start Date: 08/09/2011</i> <i>Due Date: 01/07/2012</i> ◆ Development of Local Water Schemes from local rivers. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager-Technical Services</i> <i>Start Date: 01/10/2011</i> <i>Due Date: Continuous</i> ◆ Drilling of boreholes. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager-Technical Services</i> <i>Start Date: 01/10/2011</i> <i>Due Date: Continuous</i>

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Intergovernmental and Interdepartmental Co-ordination								
Business Process: Intergovernmental/Departmental Cooperation	Technical Services	Section 139 intervention.	Poor management at uThukela water.	Delays in implementation of Municipal projects. Poor service delivery.	60 Major	54 Major	◆ No controls.	◆ Management should implement an action plan. <i>Management should implement an action plan to enhance controls.</i>

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Risk Name	Programme Name	Risk Description	Root cause	Consequences	Inherent Risk	Residual Risk (Current)	Controls Details	Task Details
Process/Operational Risks								
Business Process: Council Oversight	Office of the Municipal Manager	Ineffective oversight by Councillors.	Lack of training and capacity.	Poor service delivery.	45 Major	36 Major	<ul style="list-style-type: none"> ◆ Audit Committee. ◆ Councillor Induction/Training. ◆ Portfolio Committee. ◆ SCOMA. 	<ul style="list-style-type: none"> ◆ Training for Portfolio Committees and SCOMA. <p><i>Risk Owner : Municipal Manager</i></p> <p><i>Action Owner : Municipal Manager</i></p> <p><i>Start Date: 01/10/2011</i></p> <p><i>Due Date: 31/12/2011</i></p>
Business Support: Fleet Management	Corporate Services	Inadequate fleet management services.	Poor planning of itinerary/ travelling schedule. Poor management.	High cost of maintenance. Financial loss.	100 Critical	55 Major	<ul style="list-style-type: none"> ◆ Assets Management Policy. ◆ Disciplinary Code. ◆ Fleet Management Policy. ◆ Trip Authorisation. ◆ Vehicles Tracking System. 	

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Risk Name	Programme Name	Risk Description	Root cause	Consequences	Inherent Risk	Residual Risk (Current)	Controls Details	Task Details
BusinessSupport :Registry/Records Management	Corporate Services	Ineffective records management.	Lack of efficient use of filing system. Lack of accountability.	Loss of important information. Auditor General's queries.	70 Critical	42 Major	<ul style="list-style-type: none"> ◆ Disciplinary procedures against non compliance with the policy. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager- Corporate Services</i> <i>Start Date: 01/10/2011</i> <i>Due Date: Continuous</i> ◆ Conduct Awareness Campaigns on Fleet Management Procedures. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager-Corporate Services</i> <i>Start Date: 08/09/2011</i> <i>Due Date: Bi-annually</i> ◆ Monthly reporting on status of vehicles to the EXCO. <i>Risk Owner: Municipal Manager</i> <i>Action Date: Executive Manager: Corporate Services</i> <i>Start Date: 01/10/2011</i> <i>Due Date: Continuous</i> 	

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			Lack of understanding.	Failure to undertake actions.			<ul style="list-style-type: none"> ◆ Electronic Document Management System. ◆ Filing System Policy. ◆ Registry Procedure Manual. 	<ul style="list-style-type: none"> ◆ Conduct weekly checks on all correspondence. <i>Risk Owner: Muniipal Manager</i> <i>Action Owner: Executive Manager-Corporate Services</i> <i>Start Date: 01/10/2011</i> <i>Due Date: Continuous</i> ◆ Continuous training on filing procedures. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager-Corporate Services</i> <i>Start Date: 01/10/2011</i> <i>Due Date: Continuous</i> ◆ Monthly reporting to EXCO on the status of correspondence. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager-Corporate Services</i> <i>Start Date: 01/10/2011</i> <i>Due Date: Continuous</i> ◆ All internal and external correspondence should be sent to registry for filing. <i>Risk Owner: Municipal Manager</i> <i>Action Date: Executive Manager-Corporate Services</i> <i>Start Date: 01/10/2011</i> <i>Due Start: Continuous</i>

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Project Risks								
Infrastructure: Project Management	Development Planning	Failure to monitor projects effectively.	Lack of proper monitoring.	Failure of projects. Wasteful expenditure. Poor service delivery.	56 Major	44 Major	<ul style="list-style-type: none"> MANCO Meetings. Project Steering Committee. Service Level Agreement. 	<ul style="list-style-type: none"> Conduct training for management on Log Framework and Report Writing. <p><i>Risk Owner: Municipal Manager</i> <i>Action Owner: Municipal Manager</i> <i>Start Date: 01/10/2011</i> <i>Due Date: 30/11/2011</i></p>
Strategic and Service Delivery Risks								
Business Process: Planning and Development Act	Development Planning	Non-compliance with the Planning and Development Act.	Lack of understanding on provision of Planning and Development Act.	Poor service delivery. Financial implications. Legal claims.	48 Major	26 Moderate	<ul style="list-style-type: none"> Memorandum of Understanding with Local Municipalities. PDA System of Delegation. <i>With the Province and Municipality.</i> 	<ul style="list-style-type: none"> Conduct workshop for officials/Councillors on Planning and Development Act. <p><i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager-Development Planning</i> <i>Start Date: 01/10/2011</i> <i>Due Date: 31/03/2012</i></p>

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Risk Name	Programme Name	Risk Description	Root cause	Consequences	Inherent Risk	Residual Risk (Current)	Controls Details	Task Details
Technological and System Risks								
Infrastructure: Municipal Facilities Maintenance	Technical Services	Inability to maintain Municipal facilities (creches, halls, sports fields, libraries).	Lack of implementation of the Maintenance Plan. Insufficient resources.	High maintenance costs. Loss of revenue. Poor service delivery.	80 Critical	44 Major	<ul style="list-style-type: none"> ◆ Maintenance Plan. 	<ul style="list-style-type: none"> ◆ Implement the Maintenance Plan. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager: Technical Services</i> <i>Start Date: 01/07/2012</i> <i>Due Date: 01/10/2012</i> ◆ Conduct verification on the status of infrastructure. <i>Risk Owner: Municipal Manager</i> <i>Action Owner: Executive Manager-Technical Services</i> <i>Start Date: 08/09/2011</i> <i>Due Date: 31/03/2012</i>