

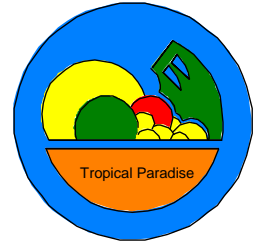


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## **OFFICE OF THE MUNICIPAL MANAGER**

### **RISK AND COMPLIANCE UNIT**

## **RISK PROFILE REPORT**

**2019/2020 FY**

**CONFIDENTIAL**

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## **1. BACKGROUND**

Section 62(1)©(i) and 95©(i) of the MFMA requires the Accounting Officers to ensure that their municipalities and municipal entities have and maintain effective, efficient and transparent systems of risk management. Risk assessment process is conducted in order to identify what could cause the municipality to deviate from its objective, to determine how likely the risk could occur as well as the consequence could be if it does occur. The municipality must determine which risks need to be addressed or prioritized. Risk management processes purely consists of three steps, namely, risk identification, risk analysis and evaluation of risks.

## **2. PURPOSE OF THE REPORT**

The purpose of this report is to provide status on the risk GTM is exposed to and for Audit and Risk Committees to oversee mitigation. Top ten strategic risks faced by the municipality were identified for the year 2019/2020. The risks identified are those that are a threat to the municipality for not being able to meet strategic objectives.

## **3. LEGISLATIVE MANDATE**

- 3.1. Section 62 and 95 of MFMA (No 56 of 2003)
- 3.2. National Treasury Public Sector Management Framework (2008)
- 3.3. King IV Code of Corporate Governance (2017)
- 3.4. Batho Pele principles (1997)
- 3.5. COSO Framework

## **4. STRATEGIC OVERVIEW**

### **4.1. Vision**

*“A green, prosperous and united Municipality that provides quality services to all”.*

### **4.2. Mission**

*“The Greater Tzaneen Municipality is committed to provide quality services to its economy by:*

Promoting social and economic development;

Providing and maintaining sustainable services;

Ensuring efficient and effective utilisation of all available resources;

Ensuring promoting environmental sustainability;

Promoting effective stakeholder and community participation.

#### **4.3. Values**

*Commitment;*

*Integrity;*

*Accountability;*

*Innovation;*

*Professionalism;*

*Transparency;*

*Consultation.*

#### **4.4. Strategic Objectives**

- a. Increase investment in the GTM economy;*
- b. Improve stakeholder satisfaction;*
- c. Increase financial viability;*
- d. Create a stable and an enabling environment by attracting suitable investors;*
- e. Optimize and sustain infrastructure investment and services;*
- f. Improve access to affordable and sustainable basic services;*
- g. Enhance sustainable environmental and social development;*
- h. Enhance integrated developmental planning;*
- i. Develop and build a knowledgeable workforce;*
- j. Effective and efficient administration;*
- k. Attract and retain best human capital to become employer of choice;*
- l. Develop a high performance culture for a changed, diverse, efficient and effective local government.*

## 5. RISK ASSESSMENT PROCESS

### 5.1. Risk assessment methodology

- i. A rapid risk assessment was undertaken by the municipality at the combined management forum. Strategic objectives were confirmed by stakeholders. Significant risks that have an impact on the achievement of the municipality's objectives; including issues taken from the previous audit reports were identified and prioritised.
- ii. Risks were prioritised according to their impact on the achievement of the strategic objectives.
- iii. Management determined the actions that may need to be undertaken to manage the risks as well as the responsible person and the requisite timeframes.

**Table 1: Factors used during the Risk assessment process are as follows:**

**Impact:** The impact is the level at which the risk may affect the objectives of the agency without considering the controls in place to address that risk. The following scale was utilised:

Category	Definition	Factor/ Rating
<b>Critical</b>	Negative outcomes or missed opportunities that are of critical importance to the achievement of objectives	<b>5</b>
<b>Major</b>	Negative outcomes or missed opportunities that are likely to have a relatively substantial impact on the ability to meet objectives	<b>4</b>
<b>Moderate</b>	Negative outcomes or missed opportunities that are likely to have a relatively moderate impact on the ability to meet objectives	<b>3</b>
<b>Minor</b>	Negative outcomes or missed opportunities that are likely to have a relatively low impact on the ability to meet objectives	<b>2</b>
<b>Insignificant</b>	Negative outcomes or missed opportunities that are likely to have a relatively negligible impact on the ability to meet objectives	<b>1</b>

**Table 2: Likelihood.**

The likelihood is the probability that the risk will materialise within the financial year. The likelihood does not consider the controls in place to deal with the risk and is evaluated as follows:

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

**Table 3: Inherent Risk.**

The product of the impact and the likelihood of occurrence before factoring in the controls would then be determined to provide the Inherent Risk of the identified risk and it has been categorised as follows:

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

**Table 4: Control Effectiveness.**

It is reasonable that management would have some controls in place to address some of the risks. The session evaluated effectiveness of these controls based on their experience and observation. Some examples were provided to justify the views of the participants where there was no initial consensus. The effectiveness of the controls were categorised using the following scale:

Category	Definition	Factor/ Rating
<b>Very good</b>	Risk exposure is effectively controlled and managed	20%
<b>Good</b>	Majority of risk exposure is effectively controlled and managed	40%
<b>Satisfactory</b>	There is room for some improvement	65%
<b>Weak</b>	Some risks appear to be controlled but there are major deficiencies	80%
<b>Unsatisfactory</b>	Control measures are ineffective	90%

**Table 5: Residual Risk.**

The Residual Risk is the value of the risk that the municipality is exposed to after considering the effectiveness of the controls that are in place to manage the risk. Residual risk is categorised as follows:

Risk rating	Residual risk magnitude	Response
<b>15 - 25</b>	<b>High</b>	<b>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.</b>
<b>8 – 14</b>	<b>Medium</b>	<b>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.</b>
<b>1 - 7</b>	<b>Low</b>	<b>Mostly acceptable level of residual risk – Requires minimal control improvements.</b>

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### 5.2. RISK CATEGORIES (as per Risk Management Framework)

RISK TYPE	RISK CATEGORIES	RISK FACTORS
Internal	Human Resources	<p>Risks that relate to human resources of a municipality. These risks can have an effect on municipality's human capital with regard to:</p> <ul style="list-style-type: none"> <li>• Integrity and honesty;</li> <li>• Recruitment;</li> <li>• Skills and competence;</li> <li>• Employee wellness;</li> <li>• Employee relations;</li> <li>• Retention; and</li> <li>• Occupational health and safety.</li> </ul>
Internal	Knowledge/Information management	<p>Risks relating to municipality's management of knowledge and information. In identifying the risks consider the following aspects related to knowledge management:</p> <ul style="list-style-type: none"> <li>• Availability of information;</li> <li>• Stability of the information;</li> <li>• Integrity of information data;</li> <li>• Relevance of the information;</li> <li>• Retention; and</li> <li>• Safeguarding.</li> </ul>
Internal	Litigations	<p>Risks that the municipality might suffer losses due to litigation and lawsuits against it. Losses from litigation can possibly emanate from:</p> <ul style="list-style-type: none"> <li>• Claims by employees, the public, service providers and other third party</li> <li>• Failure by municipality to exercise certain right that are to its advantage</li> </ul>
Internal	Loss/theft of asset	<p>Risks that municipality might suffer losses due to either theft or loss of an asset of the municipality.</p>

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RISK TYPE	RISK CATEGORIES	RISK FACTORS
Internal	Material resources (procurement)	<p>Risks relating to a municipality's material resources. Possible aspects to consider include:</p> <ul style="list-style-type: none"> <li>• Availability of material;</li> <li>• Costs and means of acquiring \ procuring resources; and</li> <li>• The wastage of material resources</li> </ul>
Internal	Service Delivery	<p>Every municipality exists to provide value for its stakeholders. The risk will arise if the appropriate quality of service is not delivered to the people.</p>
External	Third Party Performance	<p>Risks related to municipality's dependence on the performance of a third party. Risk in this regard could be that there is the likelihood that a service provider might not perform according to the service level agreement entered into with municipality. Non-performance could include:</p> <ul style="list-style-type: none"> <li>• Outright failure to perform;</li> <li>• Not rendering the required service in time;</li> <li>• Not rendering the correct service; and</li> <li>• Inadequate / poor quality of performance.</li> </ul>
Internal	Information Technology	<p>The risks relating specifically to the municipality's IT objectives, infrastructure requirement, etc. Possible considerations could include the following when identifying applicable risks:</p> <ul style="list-style-type: none"> <li>• Security concerns;</li> <li>• Technology availability (uptime);</li> <li>• Applicability of IT infrastructure;</li> <li>• Integration / interface of the systems;</li> <li>• Effectiveness of technology; and</li> </ul>

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<b>RISK TYPE</b>	<b>RISK CATEGORIES</b>	<b>RISK FACTORS</b>
		<ul style="list-style-type: none"> <li>• Obsolescence of technology.</li> </ul>
Internal	Health & Safety	Risks from occupational health and safety issues e.g. injury on duty; outbreak of disease within the municipality.
Internal	Disaster Recovery/Business Continuity	<p>Risks related to municipality's preparedness or absence thereto to disasters that could impact the normal functioning of the municipality e.g. natural disasters, act of terrorism etc. This would lead to the disruption of processes and service delivery and could include the possible disruption of operations at the onset of a crisis to the resumption of critical activities. Factors to consider include:</p> <ul style="list-style-type: none"> <li>• Disaster management procedures; and</li> <li>• Contingency planning.</li> </ul>
Internal	Compliance/Regulatory	<p>Risks related to the compliance requirements that municipality has to meet. Aspects to consider in this regard are:</p> <ul style="list-style-type: none"> <li>• Failure to monitor or enforce compliance</li> <li>• Monitoring and enforcement mechanisms;</li> <li>• Consequences of non-compliance; and</li> <li>• Fines and penalties paid.</li> </ul>
Internal	Fraud and Corruption	These risks relate to illegal or improper acts by employees resulting in a loss of the municipality's assets or resources.
Internal	Financial	Risks encompassing the entire scope of general financial management. Potential factors to consider include:

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RISK TYPE	RISK CATEGORIES	RISK FACTORS
		<ul style="list-style-type: none"><li>• Cash flow adequacy and management thereof;</li><li>• Financial losses;</li><li>• Wasteful expenditure;</li><li>• Budget allocations;</li><li>• Financial statement integrity;</li><li>• Revenue collection; and</li><li>• Increasing operational expenditure.</li></ul>
Internal	Reputation/Cultural	<p>Risks relating to municipality's overall culture and control environment. The various factors related to organizational culture include:</p> <ul style="list-style-type: none"><li>• Communication channels and the effectiveness;</li><li>• Cultural integration;</li><li>• Entrenchment of ethics and values;</li><li>• Goal alignment; and</li><li>• Management style or Governance.</li></ul>

### 6. RISK APPETITE AND TOLERANCE (RAT)

Risk appetite, ISO 31000 definition, is the amount and type of risk that an organisation is prepared to pursue, retain or take. It is basically an overall amount of risk judged appropriate for an organisation to tolerate. COSO ERM Framework defines the risk appetite as the amount of risk, on a broader level, an organisation is willing to accept in pursuit of its values and objectives. The purpose of risk appetite is to indicate the point at which a risk becomes serious enough for the institution to start mitigating and managing the risk.

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### 7. Risk-based projects completed by Internal Audit: 2018/19

ITEM NO	PROJECT NAME	RISK DESCRIPTION	EFFECTIVENESS OF INTERNAL CONTROLS	RISK STATUS
1.	Land Management Audit	<ul style="list-style-type: none"> <li>a) Non-implementation of land availability agreements</li> <li>b) Lack of infrastructure at the acquired land</li> <li>c) Illegal unplanned land settlements at rural areas (state land vested in Traditional Councils)</li> </ul>	<p>The internal control systems are not effective to detect the weaknesses identified during the audit for improvements which are as follows:</p> <ul style="list-style-type: none"> <li>a) Land management policy not adopted by council</li> <li>b) The review of land management policy is not bound by time frame</li> <li>c) Review of the land use scheme not done</li> <li>d) Inconsistency on the lease agreement</li> <li>e) Lease agreement not adhered to by the lessee</li> <li>f) Lease agreement not monitored</li> <li>g) No credit control on the municipal lease accounts</li> <li>h) Rental amount on municipal leased property not adequately calculated</li> <li>i) Land availability agreements not adequately implemented</li> <li>j) Delay in installing services on municipal acquired land</li> </ul>	High: risk not addressed.

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ITEM NO	PROJECT NAME	RISK DESCRIPTION	EFFECTIVENESS OF INTERNAL CONTROLS	RISK STATUS
			k) Municipality has no control over state land entrusted to traditional leaders l) Ongoing illegal settlement m) Insurance claim not submitted on the insured municipal burnt building n) Spatial development framework not adequately implemented	
<b>2.</b>	Human Resources Management Audit	a) Non-compliance with Skills Development Act b) Non-compliance with Municipal Systems Act section 66 (review of organogram annually) c) Non-adherence to the Municipal Training Plan d) Non-adherence to turn around time of	The internal control systems are not effective to detect the weaknesses identified during the audit for improvements which are as follows: <u><b>Training</b></u> a) Training and development policy not reviewed b) Training plan not adequately implemented <u><b>Recruitment</b></u> a) Personnel provisioning policy not reviewed b) Budgeted vacant positions not filled c) Advertised position not filled within three (3) months d) Declaration of interests by municipal staff and councilors not done for 2018/2019 financial	High: risk not addressed.

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ITEM NO	PROJECT NAME	RISK DESCRIPTION	EFFECTIVENESS OF INTERNAL CONTROLS	RISK STATUS
		<p>recruitment processes</p> <p>e) Employment equity barriers not properly addressed</p>	<p>year</p> <p><b><u>Employment Equity</u></b></p> <p>a) Employment plan not adequately implemented</p> <p><b><u>Leave Management</u></b></p> <p>a) Leave policy not adopted by council</p> <p>b) Municipal employees have more than 48 annual leave days</p> <p>c) Leave not applied in advance</p> <p><b>d) Application for leave done after leave is taken</b></p>	
<b>3.</b>	MISS Compliance Audit	<p>a) Poor Management of information security</p> <p>b) Vetting and screening of staff not conducted (Finance, HR and Management)</p> <p>c) Ineffective records management system</p>	<p>The internal control systems are not effective to detect the weaknesses identified during the audit for improvements which are as follows:</p> <p>a) Minimum information security standards not adopted by council</p> <p>b) Municipal confidential/sensitive documents are not classified</p> <p>c) Inadequate controls to transmit municipal confidential/sensitive documents</p>	High: risk not addressed.

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<b>ITEM NO</b>	<b>PROJECT NAME</b>	<b>RISK DESCRIPTION</b>	<b>EFFECTIVENESS OF INTERNAL CONTROLS</b>	<b>RISK STATUS</b>
		d) Circulation of prohibited/ restricted or classified information (violation of ICT policies and processes)	d) Inadequate safe storage for municipal confidential/sensitive documents e) No incoming or outgoing register for municipal confidential/sensitive documents f) No authorized officials who can access or inspect municipal classified documents g) No signed oath of secrecy for officials who have access or inspect municipal classified documents h) Inadequate supply chain management process	
<b>4.</b>	Safety and Security Audit	a) Inadequate safety at Haenertsburg and Letsitele libraries b) Non-compliance with OHS legislation and framework c) Loss of information	The internal control systems are not effective to detect the weaknesses identified during the audit for improvements which are as follows: a) Noncompliance to the service level agreement b) Security personnel not armed c) No identity tag of security guards d) Municipal officials are not scanned when entering the building e) Municipal clients are not given access cards	High: risk not addressed.

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ITEM NO	PROJECT NAME	RISK DESCRIPTION	EFFECTIVENESS OF INTERNAL CONTROLS	RISK STATUS
			<p>when they are to go to a specific office in the municipality</p> <p>f) Municipal officials do not sign in their visitors as they enter the municipal building</p> <p>g) Inadequate safety and security measures in place for the municipality</p> <p>h) Municipal clients are not escorted or directed by the security personnel when visiting the municipal offices</p> <p>i) No regular patrol by the security personnel after official working hours</p> <p>j) The security personnel do not contact the staff members or departments being visited telephonically and obtaining their approval before allowing a visitor to access the ground</p> <p>k) Inadequate supply chain management process</p>	
5.	OHS Audit	a) Lack of access to the Municipal building (disabled officials and clients)	<p>The internal control systems are not effective to detect the weaknesses identified during the audit for improvements which are as follows:</p> <p>a) Occupational health and safety policy not</p>	High: risk not addressed.

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<b>ITEM NO</b>	<b>PROJECT NAME</b>	<b>RISK DESCRIPTION</b>	<b>EFFECTIVENESS OF INTERNAL CONTROLS</b>	<b>RISK STATUS</b>
		<ul style="list-style-type: none"> <li>b) Lack of office space</li> <li>c) Possible fire at libraries including other municipal properties</li> <li>d) Non-compliance with OHS legislation and framework</li> </ul>	<ul style="list-style-type: none"> <li>reviewed</li> <li>b) Medical surveillance not performed</li> <li>c) Findings reported by the OHS office not resolved by management</li> <li>d) OHS risk assessment not conducted</li> <li>e) OHS committee members not appointed in writing</li> <li>f) OHS committee meetings not effective</li> <li>g) Shortage of fire extinguishers in Tzaneen library</li> <li>h) Smoke detectors not functioning</li> <li>i) Emergency exit and assembly points are not clearly demarcated</li> <li>j) Lack of office space</li> </ul>	
<b>6.</b>	Contract Management Audit	<ul style="list-style-type: none"> <li>a) Poor contract management and Third party services</li> <li>b) Non-deliverance of services by the service</li> </ul>	<p>The internal control systems are not effective to detect the weaknesses identified during the audit for improvements which are as follows:</p> <ul style="list-style-type: none"> <li>a) Service level agreement not completed in full</li> <li>b) Incorrect information on service level</li> </ul>	High: risk not addressed.

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<b>ITEM NO</b>	<b>PROJECT NAME</b>	<b>RISK DESCRIPTION</b>	<b>EFFECTIVENESS OF INTERNAL CONTROLS</b>	<b>RISK STATUS</b>
		providers in line with the expectation and requirements in the Municipality	<p>agreement</p> <p>c) No approval letter for extended month to month contract</p> <p>d) Contracts extended on a month to month basis not taken to council</p> <p>e) Capacity for the administration of contracts not established</p> <p>f) None adherence to procurement plan</p>	

**8. PREVIOUS STRATEGIC RISK REGISTER: 2018/2019 FY**

<b>NO</b>	<b>OBJECTIVES</b>	<b>RISKS</b>	<b>ROOT CAUSE</b>	<b>INHERENT RISK EXPOSURE</b>	<b>RESIDUAL RISK EXPOSURE</b>
1.	Optimize and sustain infrastructure investment and services	Failure to provide basic services to communities due to ageing and dilapidated infrastructure (Electrical, , Roads, Buildings, Information Technology)	lack of infrastructure plans; Inadequate repairs and maintenance of electrical infrastructure,	25: High	<b>20: High</b>
2.	Improve access to sustainable and affordable services	High unemployment rate	Industries in Tzaneen domain not revitalized; Non-implementation of LED strategy.	<b>25: High</b>	<b>16: High</b>
3.	Increase financial Viability	Inadequate measures to ensure maximum revenue collection	Insufficient cash flow due to high consumer debtors;  incomplete billing for electricity Own funding not sufficient to	<b>25: High</b>	<b>20: High</b>

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<b>NO</b>	<b>OBJECTIVES</b>	<b>RISKS</b>	<b>ROOT CAUSE</b>	<b>INHERENT RISK EXPOSURE</b>	<b>RESIDUAL RISK EXPOSURE</b>
			cover other projects.		
4.	Improve access to affordable basic services	Non-implementation of land availability agreements	uncoordinated activities; open ended contracts	<b>20: High</b>	<b>16: High</b>
5.	Effective and efficient administration Viability	Challenges with system vendor in implementing mSCOA project.	Delays by system vendor for implementation,	<b>25: High</b>	<b>20: High</b>
6.	Effective and efficient administration	Vulnerability to fraud and corruption	Weak systems of internal control, human factor	<b>20: High</b>	<b>16: High</b>
7.	Improve access to affordable and sustainable basic services	Increasing community Protest	Poor service delivery (water); Non- attendance of resolutions Poor stakeholder relationships (IGR)	<b>15: High</b>	<b>12: Medium</b>
8.	Effective and efficient administration	Non-compliance with SCM Policy and Regulations	Increasing Unauthorized, Irregular, Fruitless and Wasteful	<b>20: High</b>	<b>16: High</b>

**GTM RISK PROFILE REPORT 2019/20 FY**

<b>NO</b>	<b>OBJECTIVES</b>	<b>RISKS</b>	<b>ROOT CAUSE</b>	<b>INHERENT RISK EXPOSURE</b>	<b>RESIDUAL RISK EXPOSURE</b>
			Expenditure (UIF)		
9.	Effective and efficient administration	Inaccurate performance reporting	no quality assurance by directors, inadequate documentation of activities, lack of Consequence Management	<b>20: High</b>	<b>16: High</b>
10.	Efficient and effective administration	Failure to recover Systems data	Non-implementation of DRP (disaster recovery plan) & BCP (Business Continuity Plan)	<b>20: High</b>	<b>16: High</b>

# GTM RISK PROFILE REPORT 2019/20 FY

## 9. CURRENT MUNICIPAL TOP RISKS: 2019/2020 FY

Risk No	Strategic Objective	Risk Name	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
1.	Optimize and sustain infrastructure investment and services	Ageing infrastructure (Electrical, , Roads, Buildings, Information Technology)	Inadequate Provision of basic services	Inadequate repairs and maintenance and resources ;  Insufficient budget for replacement and renewal of infrastructure;  Infrastructure reached its lifespan;	Community unrest;  Claims/litigations;  accidents ;  Fatalities;  Possible collapse of the system per the municipal BCP;  Load shedding by ESKOM	5	5	25: High	Master Plans (Roads);  DBSA loans;  Internal maintenance programs;  Re-active maintenance using pool of contractors for maintenance activities	0.80: Weak	<b>20: High</b>	Implement infrastructure plans;  Approve and implement draft maintenance plan;  Renewal and continuous maintenance of existing infrastructure;  Acquire funding to upgrade water treatment	Director Engineering Services	Managers Roads and Storm, Buildings and Water Services	30 September 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	Risk Name	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												plants.  Implement Electrical master plan;  Develop investment plan informed by the master plan;  Approve and implement maintenance policy;  Develop and approve maintenance plan informed			

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	Risk Name	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												by the master plan;  Recapitalize electrical network;			
2.	Increase investment in the GTM	Unemployment	High unemployment rate amongst young people (48%).	Industries in Tzaneen domain not revitalized (If not revitalized it will catch fire and affect neighbouring farms)  Non-implementation of	increased unemployed communities;  Possible litigations and claims in case of damage to property.	5	5	25	EPWP program  LED strategy  SDF	0.80: Weak	<b>20: High</b>	Revitalize by providing services to the industries within the municipality in order to create an environment for job opportunities for the communities,  Implement	Directors PED, EESD, ESD, CSD	Managers LED, PMU	30 Sept 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	Risk Name	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
				LED strategy.  Lack of proper reporting.								LED strategy,			
3.	Increase financial viability	Inadequate Revenue Collection	Inadequate measures to ensure maximum revenue collection  (Inadequate cash flow management in order to cover operational needs)	Insufficient cash flow due to high consumer debtors;  incomplete billing for electricity  Own funding not sufficient to cover	poor service delivery	5	5	25	Credit control policy;  Credit control by-law;  Debt Collection policy;  Tariff policy;  Cash control policy;	0.80: Weak	<b>20: High</b>	Ensure that all consumers , rate payers and own properties are billed in relation to services rendered;  Develop and implement revenue enhancement	CFO/ Directors: PED/ EES D/CS D/ES D	Managers Revenue, Land & Housing , Buildings, Licensing	Monthly

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	Risk Name	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
				other projects.					Indigent policy;  Cash management policy;  Long term financial policy;  Procedure manuals ;  MFMA,			nt strategy;  Appoint a service provider for debt collection;  Implement policies and relevant legislation and monitoring .			
		Non-compliance mSCOA	Challenges with system vendor in implementing	Delays by system vendor for	Poor performance by service provider	5	5	25	mSCOA project steering committee;	0.80	<b>20: High</b>	Engage all stakeholders regarding system challenges	CFO/ Directors	All Managers	Monthly

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	Risk Name	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
			mSCOA project.	implementation,					Approved process plan; Treasury circulars ;			(stakeholders-National and Provincial Treasury etc)			

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	Risk Name	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
		Compliance with policy and regulations	Non-compliance with SCM Policy and Regulations	Increasing Unauthorized, Irregular, Fruitless and Wasteful Expenditure (UIF)	Negative audit findings, inefficient administration, poor service delivery	5	4	20: High	Deviation registers, SCM policy, MFMA Regulations Monthly reporting to Council,	0.80: Weak	<b>16: High</b>	Implement SCM policy and Regulations  Implement consequence;  Implement recommendations by Financial Misconduct Board.	Directors	All Managers	Quarterly
		Asset Management	Loss of municipal assets (theft of infrastructure	Inconsistent security checks, non-	Financial loss, Loss of critical informati	5	4	20: High	Asset Management Policy, Security	0.80: Weak	<b>16: High</b>	Consequence management to be implement	CFO	Managers: Assets	30 Sept 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	Risk Name	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
			ure)	adherence with asset management policy, Poor monitoring of municipal asset	on/data, Negative audit findings,				policy, Physical security guards			ed Investigations to be thoroughly conducted on reported cases of theft and also report the matter to police.  Installation of CCTV cameras at the main building and other areas,  Coordination and engagements between various		and Security Management	

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	Risk Name	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												users department s (Assets Management/Safety and Security).			
4.	Effective and efficient administration	Fraud and corruption	Vulnerability to fraud and corruption	Weak systems of internal control, human factor	Financial loss,	5	4	20	Anti-corruption policy, Strategy , Fraud prevention plan, anti-corruption hotline, national hotline.	0.80: Weak	<b>16: High</b>	Implement anti-corruption policies,  Conduct awareness workshops,  Develop fraud risk register;  implement consequence management	Directors	Managers Risk , Safety & Security, HR/ Labour Relations	Monthly

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	Risk Name	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												nt,			
		Performance reporting	Inaccurate performance reporting	no quality assurance by directors, inadequate documentation of activities, lack of Consequence Management	Negative audit opinion, Council decisions based on inaccurate information	5	4	20: High	Quarterly auditing of information from PMS system, Verification by Directors	0.80: Weak	<b>16: High</b>	Directors to verify performance information	Directors	All Managers	Monthly
5.	Improve access to affordable	Community Protests	Increasing community Protest	Poor service delivery (water, electricity);	Reputation of Council tarnished	5	3	15	Ward committees, Information sharing	0.80: Weak	<b>12: Medium</b>	Political intervention; Resuscitate rapid response	Directors	Managers: PP Water	30 June 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	Risk Name	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
	and sustainable basic services			Poor coordination and integrated planning;  Limited powers and functions especially with water services (WSA matter)					during Public Participation, MOU with MDM,			task team led by the Speaker of Council;  Develop and implement action plan for issues identified at ward levels;  Application for water service authority function,		Services/Roads	

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	Risk Name	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
		Land agreements	Poor Contract management regarding in relation to land availability agreements	Lack of integration within the municipal departments in the implementation of land availability;	Slow development of land for investment  Revenue enhancement and collection	5	4	20: High	Land agreements  Champion within PED dept. (Director)  Legal firm appointed to look at the agreements  Quarterly reports from develop	0.80: Weak	<b>16: High</b>	Monitor and implement the contracts  Establish a steering committee constituting of all department which will meet on monthly basis.	PED Director (for championing the project)	Manager: Legal, Land & Housing	30 Sept 2019

# **GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	Risk Name	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
									ers						

## 10. DEPARTMENTAL RISK REGISTER

### 10.1. OFFICE OF THE MUNICIPAL MANAGER

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
1	Effective and efficient administration	Good governance	Ineffective implementation of performance management system	lack of understanding of performance system, delays in submitting information for performance system,	poor services, low staff morale,	4	4	16	Performance Management System software, Performance Management Framework,	0.65: Satisfactory	<b>10,4: Medium</b>	Training sessions be conducted to all managers and directors	Directors	PMS Officer	Quarterly
2	Effective and efficient administration	Good governance	Non-adherence to IDP/PMS/ Budget process plan.	Emergency of unplanned meetings	Poor quality planning, Not meeting/adhering to legislated deadlines, non-	5	5	25: High	IDP/Budget process plan,	0.80: Weak	<b>20: High</b>	Accounting Officer to intervene	Directors	PMS/IDP Officers	Monthly

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
					alignment of IDP/Budget/SDBIP										
3	Effective and efficient administration	Good governance	Inaccurate performance reporting	no quality assurance by directors, inadequate documentation of activities, lack of understanding of the KPI's	Negative audit findings; Council decisions based on inaccurate information	5	5	25: High	Quarterly auditing of information from PMS system,	0.80 Weak	<b>20: High</b>	Develop a training program in order to sensitize the KPI's owners about the KPI's.  Continuous follow up with the KPI owners;  Directors to verify performance information.	Directors	Managers	Monthly

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
3	Effective & Efficient administration	Good Governance	Non-alignment of IDP, Budget & SDBIP process plan	Non-adherence to the process plan.	Poor quality planning, Not meeting/adhering to legislated deadlines, non-alignment of IDP/Budget/SDBIP	5	5	25: High	IDP/Budget process plan,	0.80: Weak	<b>20: High</b>	Engage department's prior IDP phases.  Develop a plan on time for implementation	Directors	PMS/IDP Officers and Financial Reporting Manager	During IDP and budget processes
4	Effective & Efficient administration	Good Governance	Non-alignment of IDP, Budget & SDBIP	Adjustments to Budget not reflected in IDP,  Poor integration of programs	Audit queries,  Rollover projects not monitored, Negative findings by	5	3	15:	IDP, Budget & steering committees,	0.65: satisfactory		IDP must precede budget processes,  IDP and budget office must meet after submission of projects,	Directors	PMS/IDP Officers and Financial Reporting Manager	During IDP and budget processes

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
				, No synergy between Budget and IDP steering committees	CoGHSTA during annual assessments, Negative findings by AGSA							Ensuring that IDP, Budget, & PMS process plan is properly followed. Further alignment to be done during adjustment budget,  Implementation of mSCOA project plan which will curb non-alignment.			

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
4	Effective and efficient administration	Good governance	Non-adherence to disaster risk management act (risk assessment, committee internal, external, awareness campaigns, events,	No disaster risk assessment done, Lack of participation in the district risk assessment. Lack of disaster management committee,	Non-alignment of disaster management with the district, people lives in jeopardy	4	3	12: Medium	Approved disaster Relief policy	0.65: Satisfactory	<b>7.8: Medium</b>	Review the disaster relief policy. Review of the disaster response & recovery plan	Disaster Management Officer	Disaster Management Officer	30 Sept 2019
5	Effective and efficient administration	Good governance	Vulnerability to fraud and corruption	Weak systems of control, human factor, manipulation of internal controls, unethical	financial loss, reputational damage, AG negative findings	5	4	20: High	Anti-corruption strategy, Whistle Blowing and Fraud & corruption	0.80: Weak	<b>16: High</b>	Implement controls, queries to be addressed as and when received from hotlines (if any). Implementat	Risk Manager	Risk Manager	Quarterly

# **GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
				behaviour,					Policies, SCM policy and procedure manual,			ion of anti-corruption strategy. Create an enabling and confidential environment for implementation Whistle Blowing Policy.			

## 10.2. BUDGET AND TREASURY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
1	Financial Viability	Good governance	Non-adherence to demand management plan;	Delays in management to respond to the request;  Delays in planning;  Failure to adhere to time frames as stipulated in the plan.	Roll overs, Loss of  Equitable shares,	5	4	20: High	Demand management plan which stipulated time frames	0.65: satisfactory	<b>16: High</b>	User departments to adhere to the plan and also to time frames;  Demand management be reviewed	CFO	Manager SCM	Monthly
2	Effective and efficient administration	Good governance	Non-compliance with legislative prescript regarding drafting of	Non-adherence to IDP/PMS/ Budget process plan;	Non-alignment of IDP/Budget/SDBIP;  Possible	5	5	25: High	IDP/Budget process plan,  Budget process	0.65: Satisfactory	<b>20: High</b>	The matter must be discussed in the executive	CFO	Manager Financial Reporting	During budget processes

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
			budget.		late submission of budget;				plan;  Budget steering committee;			management meetings on weekly basis.			
3	Financial Viability	Expenditure Management	Non-compliance with Section 65: (Payments not made within 30 days)	Cash flow constraints, Poor revenue collection	Financial loss-penalties and interest levied for late payments resulting in fruitless and wasteful expenditure	4	3	12: Medium	Date stamp,  Monthly report to Council,  Invoice tracking register.	0.65: satisfactory	<b>7.8: Medium</b>	Invoices to be paid within 30 days,  Collection of revenue to be enhanced by implementing credit control policy;  Appoint service provider for	CFO	Manager Expenditure	Monthly

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												collection of debt and also sell the municipal debt book in order to enhance cash flow.			
4	Increase Financial Viability	Revenue Collection	Increasing illegal connections	customers are avoiding payments of services to the municipality because of the poor infrastructure/electrical	Cash flow shortages;	4	4	16: High	Appointment of debt collector;  Credit control policy;  Site Inspections	0.65	<b>10.4: Medium</b>	Implement credit control policy,  Meter audit to be done,  Engage electrical & civil departments	CFO	Manager Revenue/ Water Services/ Operations and Maintenance	Monthly

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
				network;								whenever meters are not operating.			
5	Increasing financial viability	Cash flow management	Inadequate cash flow management in order to cover operational needs.	Implementation of projects not in approved budget;	Inability to meet the municipal obligations  Non-compliance with Section 27 (28) of MFMA	5	5	25: High	Monthly reports, variance report monthly, assessment of budget done	0.80: weak	<b>20: High</b>	Spending to be done in line with revenue collected  Ensuring that current spending is in line with approved budget or	CFO	Manager Revenue	During budget adjustment

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												available funds. budget adjustment  Unforeseen circumstance to be adjusted in line with Section 28 of MFMA			
6	Effective and Efficient administration	Good governance	Inadequate control and monitoring of fleet.	Poor implementation of controls in place;  Accidents not	Financial loss,	5	4	25: High	Monthly reports,  Fleet management Steering Commit	0.80 Weak	<b>20: High</b>	Fleet management office to be effective in terms of	CFO	Manager Fleet Management	Monthly

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
				followed up, no fleet management system (reliance on bank statements and manual reports)					tee; Policy			office personnel, Steering committee to take place quarterly. Fleet Management policy be approved and implemented.			
7	Increase financial viability	Asset Management	Non-compliance with asset management policy.	Movement of assets without proper processes and	Financial loss, Negative Audit findings (on the	4	4	16: High	Asset Management Policy, Asset	0.65	<b>16: High</b>	Conduct investigation with the assistance of	CFO	Manager Assets	Monthly

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
	y			procedures followed.	existence of assets)				movement forms, Circulars, Consultants for verification			Consultants to correct any shortcomings			
8	Increase financial viability	Asset Management	Loss of municipal assets	Inconsistent security checks, non-adherence with asset management policy, Poor monitoring of municipal asset	Financial loss, Loss of critical information/data, Negative audit findings,	5	4	20: High	Asset Management Policy, Security policy, Physical security guards	0.80: Weak	<b>16: High</b>	Consequence management to be implemented  Investigations to be thoroughly conducted on reported cases of	CFO	Manager Asset Management/ Safety and Security Acting Manager	Monthly

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												<p>theft and also report the matter to police.</p> <p>Installation of CCTV cameras at the main building and other areas,</p> <p>Coordination and engagements between various users</p>			

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												departments (Assets Management/Safety and Security)			
9	Effective and efficient administration	Good governance	Lack of capacity in the Supply Chain Management	Lack of training and understanding of SCM processes by role players.	Awarding tenders to incompetent bidders,	4	4	16	SCM Policy and Regulations.	0.80: Weak	<b>13: Medium</b>	Provide workshop to SCM role players  Appoint all members of the bid committees in writing aligning to the	CFO	SCM Manager	30 Sept 2019

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												policy.			
10	Effective and efficient administration	Good governance	Poor contract management	Contracts not adequately reviewed prior approval, Extension of contracts, No penalties for incompetent suppliers;	Increasing irregular expenditure	5	5	25	UIF register, SCM Policy and Regulations, Contract management registers ,	0.80	<b>20: High</b>	Coordinate the development of contracts or service level agreement to include SCM, Legal Services and Project Management; End user to monitor projects	CFO	SCM Manager	Monthly

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												and contracts specific to them.  Contract register to be SCM office  SCM to inform end user in writing prior to lapse of the contract.  SCM draft			

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												appointment letter to legal division to draft SLA's.  Approval of all variation orders by Council which is in line with legislation. .			
11	Effective and efficient administration	Good governance	Ineffective demand management plan	Procurement of items not budgeted for (inaccurate)	Roll over of projects, Implementation	5	4	20	Demand management plan	0.80: Weak	<b>16: High</b>	Demand management plan be submitted to	CFO	SCM Manager	Monthly

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
	n			e costing); Wrong choice of procurement strategy;  Abuse of non-competitive procedures;  Inadequate needs assessments	t projects not on IDP							management for review			

### 10.3. ELECTRICAL ENGINEERING SERVICES DEPARTMENT

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
1	Optimise and sustain infrastructure investment and services	Basic Service Delivery	Failure to keep up with technology advances	Outdated and dangerous electrical equipment's; Insufficient recapitalization of electrical network;  Failure to recapitalize over an extended period.	Safety hazard, Loss of lives damage and loss of equipment's power interruptions	5	5	25: High	Resolution Council about the network status	0.90: unsatisfactory	<b>22,5: High</b>	Procurement of new equipments for existing dilapidated network;  Replace network equipments.	Director EESD,	All Managers (Electrical)	30 Sept 2019
2	Optimise and sustain infrastructure investment and services	Basic Service Delivery	Infrastructure theft: Theft of electricity equipment's	Criminal elements, Inadequate physical security,	Poor service delivery, Financial loss,	5	4	16: High	Asset register, Monthly & Quarterly reports on assets	0.80: weak	<b>16: High</b>	Regular monitoring and reporting of municipal infrastructure.  To	Director Electrical Engineering/ CFO [Asset Management	All Managers (Electrical)	30 Sept 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												appoint a service provider to install alarm system and electrical fencing around transformers			
3	Optimise and sustain infrastructure investment and services	Basic Service Delivery	Non-compliance with NERSA requirements	Non-implementation of legislative prescripts and processes,  Insufficient funding for electrical network	Electrical losses (technical and non-technical [non-metering, electrical theft, inaccurate billing system, unaccounted meters],  Financial loss,	5	5	25: High	HAMSA preliminary report,  Electrical master plan,	0.80: Weak		Review the billing system,  Implement NERSA requirements,	Director EESD	All Managers (Electrical)	30 Sept 2019

# **GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
					Negative audit findings,										

## GTM RISK PROFILE REPORT 2019/20 FY

### 10.4. ENGINEERING SERVICES (CIVIL) DEPARTMENT

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
1	Improve access to sustainable and affordable services	Basic service delivery	Inadequate repairs and maintenance of infrastructure	insufficient resources (machinery, budget & staff), poor planning	community unrest, litigations, accidents and claims, Dilapidation of infrastructure.	5	5	25: High	Road master plan	0.80	<b>20: high</b>	Implementation of roads and maintenance plan Allocation of more resources; Prioritization of projects.	Director Engineering Services	Managers: Roads	30 Sept 2019
2	Improve access to sustainable and affordable services	Basic Service Delivery	Water treatment works not upgraded to accommodate the demand within Greater Tzaneen Municipal areas	Developments which were supposed to generate revenue stopped, insufficient capacity to perform the function, SLA of water	Financial loss which emanated from stopping developments which were supposed to generate revenue, community protest, image of	5	5	25: High	MDM leading the processes	.80	<b>20: High</b>	Management Accounting Officer must follow up prioritization of upgrading on water treatment works, The expansion	Director: ESD	Manager: Water services	30 Sept 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
				authority between GTM & MDM not signed as yet.	Council tarnished.							of bulk service provision should be considered by the municipality.  There are constant engagement with Office of the Minister of Water and Sanitation			
3	Improve access to sustainable and affordable services	Basic Service Delivery	<b>Water:</b> Lack of water demand management system	inadequate leak detectors and ageing infrastructure	Wastage  Water shortage	5	5	25	Metered reservoirs	0.80	<b>20: High</b>	Acquire leak detector for usage at the reservoirs,  Acquire and implement	Director Engineering Services	Manager: Water Services	30 Sept 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												water demand management system.			
4	Improve access to affordable and sustainable basic services	Basic Service Delivery	<b>Building and Maintenance:</b> Inadequate repairs, maintenance and replacement of vehicles	inadequate response in the workshop sub division of engineering services	financial loss,	4	5	20: High	Repairs & Maintenance requisition book, daily vehicle checklist , Supply Chain processes	0.80: Weak	<b>16: High</b>	Alignment of functions. The functional placement of workshop to be moved to fleet management division	Director Engineering Services	Manager Fleet Management	30 Sept 2019
5	Improve access to affordable and sustainable basic services	Basic Service Delivery	Inadequate monitoring of fleet, repairs and maintenance	Lack of mechanical workshop management system,  Insufficient controls,	Financial loss	5	4	25: High	Manual monthly reporting	0.80 weak	<b>20: High</b>	Appoint departmental transport officers,  Alignment of functions.	Director Engineering Services	Manager Fleet Management	30 Sept 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
				Accidents not followed up,  No fleet management system used,								The functional placement of workshop to be moved to fleet management division			
6	Improve access to affordable and sustainable basic services	Basic Service Delivery	Poor management of municipal fleet	Non-implementation of fleet monitoring controls  non-functionality of accident committee	Damage and abuse of municipal properties/ vehicles.  Financial loss	5	5	25	Log sheets, K53 done, trip authorization by supervisor, forms for tools, trip inspection form,	0.90	<b>22.5: High</b>	Daily checklist of vehicles by user departments,  Appoint departmental transport officers,  Appointment of accident committee	Director Engineering Services	Manager Fleet Management	30 Sept 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
									Fire extinguishers.						
7	Improve access to affordable and sustainable basic services	Basic Service Delivery	Lack of access to the municipal building (disabled officials and clients)	Non-compliance to building regulations , Inadequate budget allocations	Injuries, Image of Council,	5	5	25	None	0.90	<b>22.5: High</b>	Concept designs by services provider be adopted by Council for implementation. Procurement processes to commence once designs are fully completed.	Director Engineering Services	Manager Fleet Management	30 Sept 2019

**GTM RISK PROFILE REPORT 2019/20 FY**

**10.5. COMMUNITY SERVICES DEPARTMENT**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measures	Risk Owner	Action owner	Time Frame
						Impact	L/H								
1	Effective and efficient administration	Good governance	CCTV's cameras not covering strategic areas Greater Tzaneen Municipality	Budgetary constraints	Theft;  Delays in SCM processes.	5	5	25: High	Physical security	0.80: weak	<b>20: High</b>	Appoint service provider for installation of CCTV cameras in the institution;  Discipline and consequence management to be instituted for theft;  FRAP 19 study be done	Director: Community Services	Acting Manager Safety and Security, Manager: Libraries	30 Sept 2019

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												in order to determine lifespan and volumes of waste as anticipated.			
2	Improve access to affordable and sustainable basic services	Basic Service Delivery	Possible fire at libraries including other municipal properties	No fire detectors at the libraries;  Insufficient fire extinguishers,	Books burn easily. Library buildings and the contents could be lost easily.	5	4	20: High	Fire extinguishers at all libraries except Mulati Library,	0.80: Weak	16: High	Fire detectors to be installed and activated at all libraries;  Engagement with Disaster Management	Director Community Services	Acting Manager Safety and Security, Manager: Librarians	30 Sept 2019

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												office in case of a disaster,			
4		Basic Service Delivery	Non-compliance with Environmental and Occupational Health and Safety legislation.	Inadequate policing mechanism , insufficient resources,	Increase in water borne diseases, Increase in the emission of GHG contributing to global warming; and environmental degradation	4	4	20: High	Monitoring schedules	0.80	<b>16: High</b>	Environmental compliance monitoring and enforcement. Training of EHPs as Peace officers  Purchase mobile air quality monitoring station.	Director Community Services	Manager Environmental management and facility cleaning.	30 Sept 2019
5		Basic Service Delivery	Failure to provide effective	Budget constraints	Increase in environmental	5	4	20: High	Integrated waste manage	0.80	<b>16: High</b>	Continuous engage	Director Comm	Manager Waste	Upon availability

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
			waste management services at rural	non-alignment of IDP/Budget on projects,	hazards;				ment plan in place;  Rural demarcation plan;  CR no: B163 dated: 2015/10/29  Integrated Waste Management policy			ment with Mopani District Municipality in terms of Section 84 of the Municipal Systems Act;  provision of budget to sustain projects in the IDP;	unity Services		of budget
6		Basic Service Delivery	1.Future shortage of Landfill space for waste,  2.Non-	Increase volumes of waste because of increased population,	Degradation, illegal dumping, hazardous pollution,	5	4	20: High	CR no: B163 dated: 2015/10/29	0.80: Weak	<b>16: High</b>	Promote recycling (increase recycling	Accounting Office, Director or Comm	Manager Solid Waste	Upon availability of Budget

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
			compliance with landfill operations 3. Shortage of staff root cause: absence of work study,									activities; Continuous engagement with Mopani District Municipality;  Continuous engagement with Department of Environmental Affairs at the Provincial and National level;	unity Services		

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
7	Effective and efficient administration	Good governance	Poor administration of traffic fines (administration of traffic fines not led by Budget & Treasury Department)	Service provider collecting money on behalf of the Municipality,  Reliance on the service provider with regard to reporting;	financial loss, reputation of Council	5	5	25: High	Monthly reports from service provider	0.80	<b>20: High</b>	The municipality to work closely with the service provider in order to produce credible reports;  Follow up search warrants by the local magistrate;  Acquire own equipments for speed cameras;	Director or Community Services/CF O	Manager: Traffic & Revenue Management	30 Sept 2019

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												Exit planning towards expiry of the contract;			
8	Effective and efficient administration	Good governance	Poor management of information security	Lack of awareness campaigns;	Leakage of critical and confidential information;	4	5	25	Security Policy;  MISS approved by Council;  Control sheets at records management.	0.65: Satisfactory	<b>16,25: High</b>	Implement MISS;  Conduct awareness workshops about classification of documents;  Vetting and screening of staff performing	Director: CSD	Acting Manager: Security & Security	30 Sept 2019

# **GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												critical functions;  Staff members to sign oath of secrecy.			

**GTM RISK PROFILE REPORT 2019/20 FY**

**10.6. CORPORATE SERVICES DEPARTMENT**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
1	Develop and build a skilled and knowledgeable workforce.	Good governance	Partial implementation of SDA	Inadequate budget, (unaffordability)	Possible penalties from Labour  inadequate development of skills	3	5	15:	Skills development budget  WSP	0.65	<b>9.75</b>	Adherence to Skills Development Act,  Plan to achieve 1% contribution in phases (escalation every year)	Director Corporate Services/CF O	Manager HR	30 Sept 2019
2	Develop and build a skilled and knowledgeable workforce.	Good governance	Non-adherence to turn around time of recruitment	inadequate cash flow,	Fruitless and wasteful expenditure due to re-	3	5	15	Personnel provisioning policy,	0.65	<b>9.75</b>	Adherence to personnel provisioning	Director Corporate Services	Manager HR	As and when posts are advertised

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
	degeable workforce.		t processes		advertising,  negative audit findings,  Tarnishing the image of Council.							policy and recruitment process plan.			
3	Develop and build a skilled and knowledgeable workforce.	Good governance	Employment equity barriers not properly addressed.	Insufficient funds allocated to EE matters,  Partial compliance to the EE plan.	Penalties for non-compliance,  potential litigations claims	4	5	20: High	EE plan, EE Act,	0.65 Good	<b>13; medium</b>	Adherence to the EE Plan and the Act. Provision of adequate resources to address EE	Director Corporate Services	Manager HR	30 Sept 2019

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												matters.			
4.	Attract & retain best human capital to become employer of choice	Good governance	Non-compliance with OHS legislation and Framework	non adherence to procedures and processes, non-implementation of inspection findings	Injuries, Penalties for non-compliance by Departments of Labour during annual assessment, Financial loss, Litigations	5	5	25: High	OHS Policy, OHS committees  Standard Operating Procedure in various municipal departments.	0.80: Weak	<b>20: High</b>	Implement OHS policies ,  Resuscitate the OHS committee,  Develop OHS Framework/System; Conduct OHS risk assessment.	Director Corporate Services	Manager HR/OHS Office	30 Sept 2019

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												Continuous training and awareness H&S,			
5	Improve stakeholder satisfaction	Public participation	Limited participation of communities in the affairs of the municipality	Non-adherence to the Municipal Systems Act	Riots (protests)	4	4	20: High	Municipal Systems Act, Municipal Structures Act, Guidelines from CoGTA	0.80		Develop process plan which include Mayoral and Speaker's activities such as Imbizo; Capacitate ward	Director Corporate Services	Manager: Public Participation	30 September 2019

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
												committees; Process issues raised by ward communities through rapid response team;			
6	Improve stakeholder satisfaction	Public Participation	Non-implementation of community feedback meeting resolutions	IDP projects not implemented	Community protest	4	4	16: High	Municipal Systems Act, Municipal Structures Act, Guidelines from CoGTA	0.80	<b>12.8: Medium</b>	Capacitate ward committees and also providing tools of trade; Provide	Director Corporate Services	Public Participation Manager.	30 Sept 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Action owner	Time Frame
						Impact	L/H								
									Establishment Notice reviewed every 5 years,			connectivity and tools of trade at Thusing Centres ;  Develop SMME policy;			

## 10.7. INFORMATION TECHNOLOGY (IT)

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Responsible Person	Time Frame
						Impact	L/H								
1.	Efficient and effective administration	Good Governance	Circulation of prohibited/restricted or classified information	non-adherence to ICT policies, standards and legislative prescripts,  Violation of ICT policies and processes,	Violation of ICT policies and Municipal Communication Strategy	5	5	25: High	ICT Policies and other related legislation such as POPI, MISS,	0.65 satisfactory	<b>16.25 : High</b>	Adherence to ICT policies.  Strengthening controls.  Implement consequence management of those violating ICT policies	Director Corporate Services	IT Manager	30 Sept 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Responsible Person	Time Frame
						Impact	L/H								
												and procedures.  Conduct awareness campaigns on information security			
2.	Efficient and effective administration	Good Governance	Malware attacks and theft.	failure to adhere to ICT policies	Damage of information and disruption of services.	5	5	25: High	Antivirus software ICT policies: Patch management policy, Firewall policy, internet usage policy,	0.65: satisfactory	<b>16.25 : High</b>	Implement security related policies and legislation,  Escalation matters to management	Director Corporate Services	IT Manager	30 Sept 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Responsible Person	Time Frame
						Impact	L/H								
3.	Effective and Efficient administration	Good governance	Unauthorized access to the ICT systems (no access to the financial and other systems such as Payday, Promise, Action assist, mSCOA.	Inadequate integration of systems  Poor account management control	fraudulent transactions, Data loss, Leakage of confidential information	5	5	25: High	ICT Policies, user account management policy,	0.90: unsatisfactory	<b>22.5: High</b>	Accounting Officer to intervene regarding access to financial and other systems;  Involving IT office when implementing new systems,	Director Corporate Services	IT Manager	30 Sept 2019
4.	Effective and Efficient administration	Good governance	Obsolete IT infrastructure	Inappropriate use of Municipal ICT infrastructure	Hampered service delivery Operation	5	4	20: high	ICT policy and strategy plan	0.65: satisfactory	<b>13: Medium</b>	The approval and implementation	Director Corporate Services	IT Manager	31 Dec 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Responsible Person	Time Frame
						Impact	L/H								
	tration			ure  Lack of master systems plan  Lack of proper maintenance on infrastructure	al  inefficiencies							of the MCGIC T policy, Additional funds to replace obsolete IT infrastructure. .			
5.	Efficient and effective administration	Good Governance	Broadband inaccessibility at outlying municipal offices	Insufficient budget	Poor service delivery,  Low morale of employees at outlying offices.	5	4	20	IT strategy plan	0.65: satisfactory	<b>13: Medium</b>	Regular monitoring of outlying offices. Strengthen broadband at outlying offices	Director Corporate Services/ Manager IT	IT Manager	30 Sept 2019
6.	Efficient and effective	Good Governance	Municipal systems procured	negligence by user by user	No compatibility to run	5	5	25	MCGIC T Policy and	0.90	<b>22.5: High</b>	Involve ment of	Director Corp/IT Manager	IT Mana	30 July 2020

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Responsible Person	Time Frame
						Impact	L/H								
	e administration		without IT involvement.	department	the system,  Lack of support by IT office in terms of monitoring and administration.  Lack of systems integrations				framework			IT Office in the procurement of municipal system as required by the ICT policies and regulations.		ger	

### 10.8. PLANNING AND ECONOMIC DEVELOPMENT

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Responsible person	Time Frame
						Impact	L/H								
1	Improve access to sustainable and affordable services	Basic Service Delivery	Lack of infrastructure at the acquired land	Water authority challenge	litigations, illegal connections	5	5	25	SDF Master Plans Housing Sector Plans Integrated transport Map LED strategy	0.65	<b>16.25 :High</b>	integration between all municipal service department to service municipal and acquired through PED processes	Directors	Manager Land & Housing, Water	30 Sept 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Responsible person	Time Frame
						Impact	L/H								
2	Improve access to sustainable and affordable services	Basic Service Delivery	Services provided at illegal and unplanned land settlements (state land vested in Traditional Councils [state land at Bakgaga, Bathlabine, Bankuna areas)	No guidelines on how to administer land vested in Traditional Authorities which impact on budget and IDP	Financial loss (no collection is made at those areas. The projects are not in the IDP & Budget of the municipality). Budget is spend at the dis	4	5	20	SPLUMA  Informal Protection of Land right Act no 3 of 1996 (IPILRA) PAIA SDF (for development)	0.65	<b>13: Medium</b>	Implementation of legislative framework; Continuous Political engagements with Traditional Authorities	PED Director (PED for information to the Accounting Officer & Mayor)		30 June 2019
3	Improve access to sustain	Unemployment	High unemployment rate amongst young	Industries in municipal area are dormant	increased unemployed communi	5	5	25: High	EPWP program  LED	0.80: weak	<b>20: High</b>	Revitalize by providing service	Directors	Manager LED, PMU, Operations &	30 Sept 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Responsible person	Time Frame
						Impact	L/H								
	able and affordable services		people (48%).	not revitalized (If not revitalised it will catch fire and affect neighbouring farms)  non-implementation of Council plans,  no clear targets regarding youth employment through EPWP	ties, Community unrest;  Litigation (in case of fire).				strategy  Internships and Learnership program  SDF			s to the industries within the municipal area in order to create an environment for jobs for the communities,  Implement LED strategy ,		Maintenance	

**GTM RISK PROFILE REPORT 2019/20 FY**

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Responsible person	Time Frame
						Impact	L/H								
4	Improve access to affordable basic services	Land agreements	Poor Contract management regarding in relation to land availability agreements	Lack of integration within the municipal departments in the implementation of land availability;	Slow development of land for investment  Revenue enhancement and collection	5	4	20: High	Land agreements  Champion within PED dept. (Director)  Legal firm appointed to look at the agreements  Quarterly	0.80: Weak	<b>16: High</b>	Monitor and implement the contracts  Establish a steering committee constituting of all department which will meet on monthly basis.	PED Director (for championing the project)	Manager: Land & Housing	30 Sept 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Responsible person	Time Frame
						Impact	L/H								
									reports from developers						
5	Improve access to affordable basic services	Land Management	Failure to establish integration of human settlements	inadequate bulk infrastructure (basic services-sewer, roads, water, electricity) insufficient budget	unable to address housing backlogs	5	5	25:high	Housing Act,	0.80	<b>20: High</b>	Provision of budget for establishment of human settlements (installation of services for the new and existing settlement	Directors: EESD/ESD/PEED	Manager: Land & Housing, Water, Operations&Maintenance	30 Sept 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Responsible person	Time Frame
						Impact	L/H								
												ents).			
6	Improve access to affordable basic services	Land Management	Mushrooming of informal traders	role clarification internally (CSD [law enforcement]/LED [coordinate hawkers to formalise themselves as associations]/BTO [collect revenue]), bi-laws not	Business retention Financial loss Unemployment	5	5	25: High	LED strategy feasibility study report hawker's tariff Council Resolution (site where hawkers are allocated)	0.80: weak	<b>20: High</b>	Establish informal traders steering committee (CSD, PED, BTO, EESD, ESD); Quarterly reports.	Directors: EESD/PED/ESD/BTO	Managers: Land & Housing, LED, Roads, Water, Operations & Maintenance	30 September 2019

# GTM RISK PROFILE REPORT 2019/20 FY

Risk No	Strategic Objective	KPA	Risk Description	Root Cause	Consequence	Inherent Risk		Inherent Risk Exposure	Current Controls	Control Effectiveness	Residual risk exposure	Mitigation Measure	Risk Owner	Responsible person	Time Frame
						Impact	L/H								
				gazetted,											
7	Improve access to affordable basic services	Service Level Agreement	Non-alignment of plans/activities between GTM and GTEDA	roles and responsibilities not clearly defined, SLA not enforced (non-compliance)	implementation of projects outside GTM plans,	5	5	25: High	Quarterly board meetings, B-monthly PIC meetings	0.90: unsatisfactory		Review SLA between GTM and GTEDA; enforcement of SLA; Political intervention.	Director: PED-LED/GTEDA	Manager: LED, Legal	30 Sept 2019

## **11. RISK RESPONSE AND MONITORING**

Management should develop response strategies for all material risks, whether it is within the direct control of the municipality, prioritizing the risks exceeding or nearing risk appetite level. The municipality has fully functional Risk Committee which sits on a quarterly basis and also when the need arises to deal with issues of governance. The Committee is composed of all directors and managers and an independent chairperson as guided by risk management charter.

Compiled by

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GTM Risk and Compliance Manager

APPROVED BY

-----  
ACCOUNTING OFFICER/MM

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12. ADOPTION BY OVERSIGHT COMMITTEES

**Recommended by Risk Committee**

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**Signature**

-----  
**Date**

**RMC Chairperson:**

**Recommended by Audit Committee**

-----  
**Signature**

-----  
**Date**

**Audit Committee Chairperson**

**Adoption by Council**

-----  
**Signature**

Council Resolution No: ----- Date: -----