



RISK MANAGEMENT UNIT: - SHARED SERVICES

GREATER TAUNG LOCAL MUNICIPALITY RISK MANAGEMENT PROGRESS REPORT: FIRST UPDATED REGISTERS 2022/2023

PERIOD: OCTOBER – DECEMBER 2022 (2ND QUARTER)



Prepared by: M.A. Chaka
Risk Management Officer
Dr. Ruth S. Mompoti District Municipality
Risk Management Unit Shared Services



Table of contents

Contents

1.	Introduction	1	
2.	Legislation	2	
3.	Risk Management, Fraud & Anti-Corruption Committee: District Shared Services Oversight Committee Forum		4
4.	Objectives	4	
5.	Risk Management Evaluation & Outcome 2022/2023	6	
5.1	<i>Institutional Strategic Risks</i>	6	
6.	Departmental Risks	10	
6.1	Office of the Municipal Manager	10	
6.2	Budget and Treasury Office	11	
6.3	Corporate Services	13	
6.5	Community Services	14	
6.5	Technical Services	16	
6.6	Spatial Planning and Human Settlement	17	
6.7	Political Office	19	
7.	Risk Management Cycle & Outcomes	21	
8.	Take note	22	



1. Introduction

The Municipality should ensure that it have effective, efficient and transparent systems of financial and risk management and internal controls. In order to assist officials in discharging their risk management responsibilities, the DRSM Risk Management Unit – Shared Services, embarked on a process to facilitate the identification and rating of business risks, in a supporting role as per section 88 of the Municipal System Act. The Shared Service Risk Management Unit rolled out in 2016/2017.

The realisation of the Municipalities within the Dr Ruth S. Mompati District, strategic plan depends on Management being able to take calculated risks in a way that do not jeopardise the direct interest of any stakeholders. Sound management of risk(s) will enable Management to anticipate and respond to changes in the service delivery environment, as well as make informed decisions under conditions of uncertainty.

The adopted Risk Management Framework (as per Council Resolution) addresses key elements to be implemented and maintained by the Municipality, which will allow for the management of risks within defined risk/return parameters, risk appetite and tolerances as well as risk management standards. As such, it provides a framework for the effective identification, evaluation, management, measurement and reporting of the Municipality's risks, timeously & pro-actively.

Risk is often created by:

- *Changes that takes place within the Municipality (i.e. people, systems, processes, technology, legislation and regulations);*
- *External influences (i.e. economics, availability of human resources and damages);*
- *Operations and complexity of processes;*
- *Volume of activities within a Municipality and cross cutting activities;*
- *The nature of the control environment; and*
- *Compliance & Implementation & Reporting of legislation.*



The primary goals of the Risk Management Unit are to support the overall mission of the Municipalities by:

- *Supporting business continuity;*
- *Supporting reputation risk;*
- *Defining risk management roles and responsibilities within the Municipalities and outlining procedures to mitigate risks so as to ensure a dynamic and demonstrable process in which responsibility rests with line management with overall responsibility vested in the Accounting Officers and the Risk Management Unit.*
- *Ensuring pro-active, consistent, integrated and acceptable management of risk throughout the Municipalities;*
- *Defining a reporting framework to ensure regular communication of pre-defined risk management information to the respective Municipalities' Council, Risk Management, Audit and Executive Committees, the Municipalities' senior management and officials engaged in risk management activities;*
- *Remaining flexible to accommodate the changing risk profile and management needs of the Municipalities within the District, while maintaining control of the overall risk position;*
- *Document the approved methodology for risk measurement; and*
- *Providing a system or process to accommodate the central accumulation of risk data such as the development and maintenance of a risk register, which must form part of operational support and procedures.*

2. Legislation

Sections 62(1) (c) (i) and 95(c) (i) of the MFMA requires that the Accounting Officer should ensure that their municipality and municipal entities have and maintain effective, efficient and transparent systems of risk management.

Section 78 of the Municipal Finance Management Act (Act 56 of 2003) is an extension of general responsibilities to all senior managers and other officials within the municipalities. This implies that responsibility for risk management vests at all levels of management and that it is not limited to only the Accounting Officer, Internal Audit, & the Risk Management Unit.

The Risk Management Manual 2022/2023 and the Fraud & Anti-Corruption Manual 2022/2023 have been tabled and adopted at the Risk Management, Fraud & Anti-Corruption Committee. The two respective manuals should be tabled and adopted by the Council and the logistics



of such a Council meeting to be submitted to the Risk Management Unit. The Risk Management Unit is available should the municipality request for any induction on the said manuals.

Risk Management Manual consists of the following:

- *Risk Management Framework and Policy.*
- *Risk Management Strategy.*
- *Implementation Plan*
- *Committee Charter*

Fraud and Anti-Corruption Manual consist of the following:

- *Risk Management Fraud & Anti-Corruption Committee Charter.*
- *Fraud & Anti-Corruption Policy.*
- *Fraud Prevention Plan.*
- *Whistle Blowing Policy*
- *Ethics Policy*

Sections within the MFMA framework, need to be consider with the necessary seriousness and importance. Amongst as follows:

- *Section 32 – Unauthorised, irregular or fruitless and wasteful expenditure.*
- *Chapter 6 – Debt (Section 45 – 51)*
- *Chapter 7 – Responsibilities of Mayors (Budget Processes) – Section 52 – 59*
- *Section 77 – Top Management of Municipalities*
- *Section 78- Senior managers and other officials of municipalities*
- *Section 79 – Delegation of authority*

Any contravention of any section and/or part and/ regulation of the MFMA should be dealt with strictly as prescribed by the MFMA Chapter 15 Part1: Disciplinary Hearing and Part 2: Criminal Proceedings read together with Chapter 16: Miscellaneous.



The above is been dealt with in the Fraud and Anti-Corruption Manual which was reviewed by the Risk Management Fraud and Anti-Corruption Committee.

3. Risk Management, Fraud & Anti-Corruption Committee: District Shared Services Oversight Committee Forum

The Dr Ruth S. Mompoti District Municipality Risk Management, Fraud & Anti-Corruption Committee was launch on Thursday 20 August 2015, as a District forum serving all municipalities as a shared service model. The Independent Chairperson appointed in terms of the Adopted DRSM Risk Management Fraud & Anti-Corruption Committee Charter is Mr. S.A.B. Ngobeni. The Committee structure is aligned with the adopted charter and the standing members representing each municipality in the following capacity:

- *Risk Management Unit,*
- *Municipal Manager,*
- *All Section 56 Managers appointed*
- *Office of the Speaker,*
- *IT Unit representative*
- *Legal Unit / Department Representative*
- *IDP Manager,*
- *PMS Manager, and*
- *Risk Champion*

4. Objectives

A risk assessment cannot be seen in isolation. The Committee of Sponsoring Organizations of the Tread Way Commission (COSO) developed a framework that could be used by management to evaluate and improve their organisations' enterprise risk management. This provides key principles and concepts, a common language and clear direction and guidance. The framework is geared to achieving entity objectives.

The risk assessment workshop focused on the following components of the framework:

- *Objective Setting – Objectives must exist before management can identify potential events that may have an impact on the achievement of these objectives.*



- *Event Identification – Internal and external events affecting achievement of an entity’s objectives (distinguishing between risks and opportunities);*
- *Risk Assessment – Risks are rated on their impact, if materialised, and likelihood of materialising.*

The criteria for measuring the impact of a risk materialising and likelihood that a risk may materialise were agreed by the participants of the workshop. Impact was defined as the potential loss to the organisation or the service delivery failure should the risk materialise. Likelihood was defined as the probability that an event, which could have an impact on the organisation achieving its objectives, may occur.

COSO’s enterprise risk management framework is geared to achieving the following entity objectives:

- *Strategic – high-level goals, aligned with and supporting its mission;*
- *Operations – effective and efficient use of its resources;*
- *Reporting – reliability of reporting; and*
- *Compliance – compliance with applicable laws and regulations*

The following risk index is used during the risk assessments when assessing inherent risk:

It is important to note that the results of the risk assessment process represent the participants' interpretation and perception of the nature and quantum of the risks impacting the organisation. The quality of the results therefore depends on the knowledge, experience and quality of input of the participant. In conclusion the participants involved are the Risk Owners and not the Risk Management Unit.

Risk index	Risk magnitude	Acceptability	Proposed actions	Colour Rating
20 – 25	Maximum risk	Unacceptable	<i>Take action to reduce risk with highest priority, accounting officer and executive authority attention.</i>	RED
15 – 19	High risk	Unacceptable		ORANGE
10 – 14	Medium risk	Unacceptable	<i>Take action to reduce risk, inform senior management.</i>	YELLOW
5 – 9	Low risk	Acceptable	<i>No risk reduction - control, monitor, inform management.</i>	GREEN
1-4	Minimum risk	Acceptable	<i>No risk reduction - control, monitor, inform management.</i>	BLUE



5. Risk Management Evaluation & Outcome 2022/2023

The Section 56 Managers and their Unit Managers, in facilitation with the Risk Management Unit conducted and completed the First Updated of the Top Institutional Strategic Risk Register 2022/2023, which consist of the Institution's Top Strategic Risks on 6 September 2022.

The following is the results of the Risk Assessments referred to above:

5.1 Institutional Strategic Risks

<i>Nr.</i>	<i>Identified Risk</i>	<i>Root Cause</i>	<i>In. Risk</i>	<i>Existing Control(s)</i>	<i>Res. Risk</i>	<i>Remedial Actions</i>	<i>Progress up date</i>
1	Ineffective contract management (drafting, monitoring and reporting).	Poor contract development. Poor contract administrations (No proper clarification of duties with regard to contract management). No legal insight on the drafting of appointment letters which becomes a challenge during the drafting of the contract.	25	Contract register.	20	Proper clarification of duties between all applicable stakeholders (SCM, Legal Unit, PMU and/or user department). Development of SOP for contract management. Regular sitting of the Contract Management Committee (establish the terms of reference). Draft effective SLAs and KPIs within a contract. Ensure provision for termination of the contract due to poor performance Legal unit to be involved in the draft of the appointment letter in order to ensure that they in line with the specification and follow contract management till the final stage	Contract Management Committee established.
2	Poor debt/revenue collection.	Reduction in debt collection due to Culture of non-payment. High unemployment Inaccurate debtor's information.	25	Debt collection policy. Indigent Policy and registration. Awareness campaigns led by the Mayor. Data cleansing	20	Timeous sending out of reminders and handing over of debtors for collection. Fast - track the Replacement of default meters new prepaid meters.	In process of finalising data cleansing, 95% complete. In process of replacing of default water meters with new prepaid meters.



				conducted (on going). Handing over of bad debts.		Finalise the process of Data Cleansing. Tabling of Draft Revenue strategy at Council for adoption.	Established debt collection and debt collection task team. DRAFT Revenue Enhancement Strategy Developed.
3	Possible payment duplication for salaries and employee benefits.	Potential human error.	12	Financial system (payroll module). Human Resource and Finance Policies and procedures. Instructions are submitted not later than the 10th working day to BTO.	8	Development of SOP with regard to payment procedure for employee salaries and benefits. Appointment of the Assistant Accountant: Payroll (in process)	Monthly verification and reconciliation of Payroll and/or salary bill. Monthly recons between the system and bank.
4	Waste management – non-compliance with National Environmental Management Act (NEMA).	Landfill sites not compliant Lack of capacity and resources.	20	Integrated waste management plan. Dumping sites utilised. Licence issued for closure and rehabilitation of Pudumoeng, Revilo and Taung landfill sites.	16	Prepare and Item to be tabled at council for approval of Solid waste function as per comments and recommendation by DEDECT. Engagement with tribal authority for utilisation of the identify land for development of regional landfill site.	The IWMP was endorsed by the DEDECT. Applied for funding for specialised vehicles through MIG for next financial year. SP&HS identified land for development of new regional landfill site
5	Delays in implementation and completion of projects.	Late appointment of contractors due to prolonged SCM procedures and processes. Financial incapability of contractors. SMMES interference on project.	16	SDBIP. Schedule of meeting for SCM committees. SCM Policy.	12	Request contractors to provide proof of financial stability before appointment. Investigate the possibility of virtual sitting for SCM Committees.	Engagement with ward Councillors and MMC Infrastructure regarding interference of SMMEs and community on projects.
6	Access to land for development (no proper town planning)	Non adherence to the MOU between to LM and Segosi. The available land is under custodianship of Tribal Authorities.	25	Signed MOU between the LM and Tribal Authorities. Mayor delegated to lead the implementation	23	One on one sessions with tribal authorities on how and where land should be allocated in terms of Land Use Scheme Maps. Quarterly joint sittings with	Meeting held with tribal authorities followed by Workshop on the MOU. In process of accessing land that has been



		Tribal Authorities allocating land without consulting the LM.		of the MOU between the LM and Segosi.		political and tribal authorities Engage communication to translate the MOU into a language (Tswana) that the tribal authorities can understand. Review the MOU to include the SOP on allocation of land.	identified for development.
7	Ineffective supply chain management.	Possible non-adherence to SCM processes. Price inflation by service providers. Possible procurement of stores not needed. Late appointment of service providers and delays in sitting of bid committees.	12	SCM Policy. SCM Checklist. Procurement Plan.	8	Development of SCM manual or SOP. Ensure to check for market related prices before awarding a tender. No services rendered or goods delivered without an order.	Monthly recons between stores and the financial system. Training of bid committees. No payments without order.
8	Ineffective assets management of municipal assets.	Poor assets security. Lack of storage of assets. Delays in disposal of old assets. Poor financial reporting.	25	Assets register. Assets policy. Quarterly verification of assets. Service Provider appointed for infrastructure asset	20	Regular update of the Assets register. Secure office space for storage of assets Disposal of assets through the disposal policy. Skill transfer from service providers.	In process installing cameras to improve security of assets. Item for disposal of assets tabled at the Portfolio committee.
9	Ineffective records management	No proper infrastructure in place. No electronic records management system. No offsite storage of records.	25	File plan Records Management Policy. Records control schedule. Manual electronic filing (scanning of documents).	20	Implementation of the file plan. Finalize the file appraisal and apply for disposal of old records with provincial archives. Benchmarking with progressive municipalities in terms of records management and SALGA to advice on the electronic system through National Archives Services and Records. Develop a programme of Action to ensure that we meet all the requirements of records and	Currently in process of conducting assessment on records management system. Records Management Policy reviewed and adopted.



						registry.	
10	ICT risks.	No end user back, or back up for station. Unauthorized access to the strong room.	20	Enviro-rack in place (it assist with; fire suppression, air cooling and raised floor, access control). Virtual machine. Daily back up.	16	Benchmark with DRSM for end user back up. Ensure adequate budget for ICT resources, equipment and projects. Ensure to secure office space for server, where only ICT unit has access to it.	Priority ICT issues were tabled at the Management meeting held 14 th September 2022.
11	Possible regression on the Audit Opinion	No proper filing (records management). Lack of capacity (qualification). Lack of recons and SOPs. No consequence management. Reliance on consultants.	25	Monthly reconciliation reviewed by internal audit, PT and Audit committee. Internal training on ledger and change management	20	Development of SOP. Implementation of consequence management. Development of monthly recons reviewed by internal audit, PT and Audit committee. Training of staff on recons and accounting. Quarterly reports on CASEWARE (AFS templates). Preparation of interim financial statement. Detailed budgeting to avoid misclassification and overspending on votes. Appoint specialist to assist with VAT. Skill transfer from consultants. Adherence to PAAP.	AFS Plan developed. Monthly recons. In process of developing SOPs. Internal training.



6. Departmental Risks

The Section 56 Managers and their Unit Managers, in facilitation with the Risk Management Unit conducted and completed the First Update of the Departmental Risk Registers 2022/2023, which consist of Top Departmental Risks on 6 – 9 September 2022.

The following is the results of the Risk Assessments referred to above:

6.1 Office of the Municipal Manager

<i>Nr</i>	<i>Identified Risk</i>	<i>Root Cause</i>	<i>In. Risk</i>	<i>Existing Control(s)</i>	<i>Res. Risk</i>	<i>Mitigation Factors</i>	<i>Progress up to date</i>
1	Delays in submission reports and POEs. Inadequate / Incorrect POE submitted.	Lack of accountability from Snr Managers. Lack of commitment / adherence to reporting deadlines. Lack of review of POEs and quarterly reports by Senior Managers.	25	PMS Framework & Policy. Prior communication to HODs to submit reports and POEs 7 working days after the end of each quarter. POE Verifications by PMS and validation by Internal Audit.	20	Continuous engagement with management to submit reports on time with POE in line with the SDBIP. Escalate to the MM to implement consequence management. Conduct performance evaluation of senior managers. Finalise the process of cascading PMS to line managers.	All senior managers signed performance agreements 2022/2023. Official responsible for cascading PMS appointed (PMDS), currently in process of cascading PMS. Policy reviewed and tabled at Council to include PMDS.
2	Non/late submission of annual report information by some departments	Lack of accountability from Snr Managers. Lack of commitment / adherence to reporting deadlines.	20	PMS Framework & Policy 2022/2023 adopted. Prior communication of submission deadlines to HODs. Legislation	16	Continuous engagement with management to submit annual report information.	Communication issued to relevant stakeholders for submission of annual report information.
3	Lack of office space	Continuous filling of vacancies as per organisational structure. Covid-19 health	20	Rental of offices. Admin and Political building.	18	Ensure approval design plans. Secure funding for implementation of the	No process.



		regulations.				project. Development of KPI regarding improving office space to be developed for next financial year.	
4	Lack of submission of RFIs.	Lack of accountability from Snr Managers. Lack of commitment / adherence to reporting deadlines. Non implementation of action plan. Lack of consequence management.	25	Internal Audit Charter and internal methodology. Internal Audit Plan.	23	Include a KPI on the performance agreements on implementation of Risk and Internal audit remedial actions. Performance evaluation. Escalate to the MM to implement consequence management.	Continuous engage with management. Follow up audits conducted
5	Lack of provision of root cause and management comments.	Lack of accountability from Snr Managers. Lack of commitment / adherence to reporting deadlines. Lack of consequence management.	25	Internal Audit Charter and internal methodology. Internal Audit Plan.	23	Escalate to the MM to implement consequence management.	Continuous engage with management. Follow up audits conducted
6	Poor implementation of internal audit recommendations.	Lack of accountability from Snr Managers. Lack of commitment / adherence to reporting deadlines. Lack of consequence management.	25	Internal Audit Charter and internal methodology. Internal Audit Plan.	23	Escalate to the MM to implement consequence management.	Continuous engage with management. Follow up audits conducted

6.2 Budget and Treasury Office

<i>Nr</i>	<i>Identified Risk</i>	<i>Root Cause</i>	<i>In. Risk</i>	<i>Existing Control(s)</i>	<i>Res. Risk</i>	<i>Mitigation Factors</i>	<i>Progress up to date</i>
1	Incorrect or unrealistic debtor's database.	Poor working relationship / communication between municipal departments and debtors / property owners.	16	Data cleansing and vetting (verification of debtor's information).	12	Ensure to verify and update debtors' information regularly (on going data cleansing).	In process of finalising data cleansing (95% complete)



						Improve working relationship or communication between municipal departments.	
2	Unauthorised movement of assets.	Ignorance or non-adherence to the assets policy by officials.	20	Assets policy. Assets register. Assets movement form. Inventory list per office. Quarterly Physical verification of assets and quarterly report. Assets movement form. Inventory list per office.	16	Escalate to the municipal manager for consequence management	Memo (communication) issued to prohibit unauthorised movement of assets.
3	Poor collection of electricity tokens by indigents.	Lack of awareness. Ward Councillors not putting effort to ensure that indigent are aware and collect electricity tokens.	20	Indigent policy and register. Awareness campaigns. Indigent policy and register. Communicating through social media for indigent to collect tokens. Collection of tokens through cell phones.	16	Continuous communication through social media. Ward Councillors to ensure that indigent are aware and collect electricity tokens.	Placed machinery in all wards for collection of tokens. Recons with Eskom to confirm the number indigent who collected the electricity tokens.
5	Unrealistic budget assumptions by different department.	Poor budget forecasting or planning by deferent departments.	25	Budget policy. IDP and SDBIP. Procurement plan. Costing done by BTO.	20	Departments to submit to submit business plan or motivation memo for projects the need budget for. Detailed budgeting to avoid misclassification and over spending on votes.	Procurement plan developed.
6	Unfunded mandates	Maintenance of water infrastructure. SLAs not signed.	25	Budget for Maintenance. SLA between DRSM and GTLM. Draft SLA between DRSM and GTLM.	20	Establish a Team consist of Representative from Infrastructure, Legal Unit, BTO/Finance and Office of the MM, to engage the DRSM and address issues	Continuous engagement with DRSM and other relevant stakeholders.



						with regard to signing of the Water SLA.	
--	--	--	--	--	--	--	--

6.3 Corporate Services

<i>Nr</i>	<i>Identified Risk</i>	<i>Root Cause</i>	<i>In. Risk</i>	<i>Existing Control(s)</i>	<i>Res. Risk</i>	<i>Mitigation Factors</i>	<i>Progress up date</i>
1	Limited training and development of employees.	Limited budget to implement training objectives. Limited training scopes are provided therefore employees are unable to further their studies	25	Training budget. WSP. Training and Development Policy.	20	Ensure to adjust the training budget. Ensure to conduct skills audit and incorporate it in the SDBIP on annual basis in order to track the implementation of the WSP. Management to take responsibility to assess and submit training needs for subordinates.	In process of conducting the skills audit. Training needs submitted. WSP developed and submitted to LGSETA for funding. Training and Development Policy.
2	Failure to update the Contract register regularly	Failure of directorate to submit existing and new contracts to the legal unit as custodians of contract management	25	Legal unit is currently assisting in drafting of some contracts.	20	Legal unit to co-sign the contracts and initiate the terms and conditions in line with the appointment letter and specification.	No progress
3	Not being able to hold the MPAC meeting as regulated.	Delays in submission of report as per legislated timeframes to MPAC. Councilors not being able to form a quorum due to other work related commitment.	12	Legislation Schedule of meeting	23	Timeous sitting of MPAC committee to ensure compliance with applicable legislation on submission of reports (eg: tabling of the Annual Report) Ensure Annual Report Public Participation process are followed.	(MPAC meeting scheduled shortly after submission of report to relevant stakeholders). Notice and agenda distributed timeously.
4	Noncompliance with the POPI act.	No / delays in conducting workshop with regard to the POPI act.	25	POPIA guidelines	23	Ensure to conduct workshop or train other officials on the POPI act.	Relevant officials were trained on POPIA.
5	Delays in Employee	Lack of capacity.	25	Budget	23	Appoint a professional	No progress, to be



	Assistance Programme cases.	No qualified social workers,				EAP officer Ensure that we have a panel of medical practitioners/EAP professional for easy referral internally.	implemented after the budget adjustment. Coordinator appointed to assist with arrangement of professional engagement.
--	-----------------------------	------------------------------	--	--	--	--	---

6.5 Community Services

<i>Nr</i>	<i>Identified Risk</i>	<i>Root Cause</i>	<i>In. Risk</i>	<i>Existing Control(s)</i>	<i>Res. Risk</i>	<i>Mitigation Factors</i>	<i>Progress up to date.</i>
1	Use of old waste collection machinery and equipment.	Lack of budget or funds to procure equipment and machinery	25	Budget for operations and maintenance. Fleet Maintenance plan.	23	Recommend for machinery to be repaired and maintained by brand dealers more especially the ones that are still under warranty.	Applied for funding for specialised vehicles through MIG for next financial year. Continuous maintenance of existing machinery and equipment and fleet through technical services department (fleet maintenance plan). Procured TLB and Skip Loader Truck.
2	Illegal dumping.	Negligence and non-adherence to illegal dumping by-laws by community. Lack of enforcement of by-laws	25	By-laws. Awareness campaign conducted. Regular cleaning of dumping sites	20	By-laws to be promulgated and gazetted. Appointment of Environmental inspectors to enforce by-laws. Ensure issuing of fines to transgressors.	Awareness campaign conducted. Regular cleaning of dumping sites
3	Dumping of hot ashes in skip bins.	Ignorance and negligence by street traders.	20	By-laws Awareness campaign.	16	Promulgation and enforcement of by-laws with fines. LED Unit to assist in creating awareness for	Continuous engagement with street vendors to stop dumping hot ashes in skip bins.



						street traders.	
4	Sub-standard work done by the contractors (municipal/community facilities/amenities and projects).	Poor performance by contractors. Poor monitoring of contractors and performance evaluation of contractors. Retention period very short to experience retention. Inadequate budget for maintenance.	25	Monitoring and performance evaluation tool. Maintenance Plan tabled at Management.	23	Establish a team consists of: building inspector, PMU and relevant Director for each construction project. Develop a checklist for each project completed. Recommend for retention fee period to be extended to a year or to only be paid after a specific period if no defects experienced (Maintenance should only take place after a specific period, and that period must be aligned to the retention fee period (to be included on the Maintenance and Renovation Plan/Policy). Implement performance evaluation of contractors. Maintenance Plane to be tabled at portfolio committee	No progress.
5	Vandalism and theft at municipal and community facilities and properties.	No reports or case reported by the security on side regarding the theft and vandalism of municipal facilities and properties	25	None	23	Report monthly to Council on all vandalism and theft occurred on municipal facilities and amenities. Inform the Corporate Service department on all the items stolen and vandalised to ensure that the money can be recovered from the security service provider	In process of claiming from a security company for some of the assets lost/stolen.
6	• Delays in implementation and	Delays in receiving the library conditional grant	25	Library Business Plan submitted on time.	20	Escalate for political intervention.	The library conditional grant only received on the



	<p>completion library programs and projects.</p> <ul style="list-style-type: none"> Closing of the library during the Eskom loading shedding (poor service delivery, possible book theft). 	<p>from Provincial department.</p> <p>No back generator for library.</p>		<p>None.</p>	<p>Budget for library back-up generator for next financial.</p>	<p>13th September 2022</p>
--	---	--	--	--------------	---	---------------------------------------

6.5 Technical Services

<i>Nr</i>	<i>Identified Risk</i>	<i>Root Cause</i>	<i>In. Risk</i>	<i>Existing Control(s)</i>	<i>Res. Risk</i>	<i>Mitigation Factors</i>	<i>Progress up to date</i>
1	<p>Mis-use / abuse of municipal fleet.</p>	<p>Lack of commitment and proper leadership. Ill-discipline, negligence and disobedience by fleet operators. Poor monitoring of fleet and fleet operators. Lack of knowledge of how the mis-use of fleet will impact on other factors. Lack of proper training operators.</p>	20	<p>Fleet management Policy. Detailed job cards. Automated Fleet Management System.</p>	16	<p>Close monitoring of Tracker report and escalate to the MM for implementation of consequence management. Ensure to hold regular meetings with fleet operators and encourage them to reduce speed. Put speed control measures in place (benchmark with other municipalities) (speed governor). Review the Fleet Management Policy to include a clause that for fleet operator to be held liable for excess amount if he was at fault.</p>	<p>Utilisation of tracker to monitor the utilisation of fleet. Submission of weekly reports. Fleet allocation as per job plan. Monitoring of fuel consumptions compared with KMs expected to be travelled. Fleet Checklist developed.</p>
2	<p>Possible water contamination.</p>	<p>Leakages and spillages due aged infrastructure. Oxidation ponds not 100% operational.</p>	25	<p>Requested funding from COGTA and DRSM for rehabilitation of the oxidation ponds and upgrade the outfall sewer</p>	23	<p>Follow up COGTA and DRSM regarding the funding. Development of preventative maintenance</p>	<p>Follow up done during meeting and engagements with COGTA and DRSM. Master Plan Developed.</p>



				line.		plan. Budget for implementation of Master Plan.	
3	Possible power cuts and power failure (Reivilo)	Limited budget for electrical project. Aged electricity infrastructure.	25	Electricity Maintenance Budget. Electricity projects implemented in phases.	23	Budget for development of electrical master plan. Source external funding to ensure. Follow up with BTO and prepare the necessary document for application for funding.	Started the process of upgrading electric line in Reivilo, last phase to be completed next financial year. Targeted worst portions to replace the dilapidated post in the electrical network.
4	Delays in completion of roads projects that are constructed internally (service delivery). Some projects have stopped and material still on site.	Use of old machinery and equipment. Frequent breakage of machinery. Inadequate budget. Unavailability of machinery and equipment.	25	Continuous maintenance and repairs of machinery and equipment.	16	Recommend for budget adjustment for procurement of roads construction machinery and equipment during budget adjustment. Recommend for leasing of machinery to complete existing project (when required). Recommend to council for disposal of old machinery and procurement of new ones.	Borrowing of Grader from DPWRT (1 day per week). Budget for 1 grader (transversal method procurement), SCM process unfolding). Identified one grader that is unproductive to be disposed. Developed a list of machinery and equipment to be scrapped

6.6 Spatial Planning and Human Settlement

<i>Nr</i>	<i>Identified Risk</i>	<i>Root Cause</i>	<i>In Risk</i>	<i>Existing Control(s)</i>	<i>Res Risk</i>	<i>Mitigation Factors</i>	<i>Progress up to date</i>
1	Uncontrolled land allocation by tribal authorities.	The available is under custodian ship of Traditional Authorities. Non adherence to the MOU by tribal authorities.	25	Spatial Planning and Land Use Management Act. Signed MOU between the LM and Tribal Authorities.	16	One on one sessions with tribal authorities on how and where land should be allocated in terms of Land Use Scheme Maps. Quarterly joint sittings with political and tribal	Meeting held with tribal authorities followed by Workshop on the MOU. In process of accessing land that has been identified for development.



						authorities Engage communication to translate the MOU into a language (Tswana) that the tribal authorities can understand. Review the MOU to include the SOP on allocation of land.	
2	Slow or non-performance by housing project contractors.	Third party reliance, housing not the function of the municipality and facilitating.	25	Business plan. Completed the process of updating the business plan and integrating the inputs received from.	20	Two assessment workshop to be held as part of the accreditation process.	Assessment Workshop conducted on accreditation. Engagement between National, Provincial and GTLM to expedite the accreditation process
3	An increase of unregistered street traders.	High unemployment. Poor economic growth. Lack of law enforcement officers.	20	Street trading By-laws.	16	Meeting to be held with street hawkers association.	Identified additional space for street traders. Illegal street traders were removed. In process of training law enforcement officers to assist with implementation of by-laws
4	Poor safety/security measures in place for officials. The building not compliant. Security personnel not wearing uniform (Reville).	Security at the entrance of municipal offices not adequate. Building not compliant. Security personnel not wearing uniform.	25	Visible security officers.	20	Strengthen security personnel at the municipal entrance. Ensure access control at municipal main entrance. Fast track the process of renting of new offices. Alternative offices space.	Recommended to be transferred to corporate services.
5	Non-allocation of vacate sites in Pudumoeng, ext 1.	Lack of bulk infrastructure services (eg: water and sanitation, electricity etc).	25	Appointed service provider to do technical design, for cost estimation for services.	20	Engagement with DRSM and Eskom for provision of bulk infrastructure services.	Appointed service provider to do technical design, for cost estimation for services.

**6.7 Political Office**

Nr	Identified Risk	Root Cause	In Risk	Existing Control(s)	Res Risk	Mitigation Factors	Progress up to date
1	Co-operation between the political Office and administration.	Clarifications of roles and responsibilities between admin and political office. Admin not attending political programs as required.	25	Paper trail.	20	Develop a proper coordinated program between the two stakeholders (admin and political office).	Started with the process to develop a coordinated between the two stakeholders (50% complete).
2	Lack of office space. IT issues	Poor planning.	16	Working in shifts. Council resolution.	12	Procurement and/or hiring of potable container as a temporary solution.	Intervention by LLF
3	Lack of coordinated integrated service delivery implementation.	Lack of Inter-Governmental Relation (IGR). Province and District not communicating its projects through the local municipality. Undermining the local authority. Lack of buy-in of sector department in the IDP.	20	IGR Forum IDP Rep Forum	16	Improve Inter-Governmental Relation (IGR Forum/Meeting) with sector department and the DRSM.	Requested intervention of the Office of the Premier (regional office).
4	Poor implementation of council resolutions.	No proper tracking of council resolution. Delays in sitting of Council Meeting	16	Council resolution	10	Office of the Mayor to attend all Portfolio Committee meeting of all departments to track implementation of Council resolution. Put timelines on Council Resolution. Departments to report on implementation of council resolution and indicate challenges for non-implementation of Council Resolution.	EXCO re-aligned the meeting schedules. Referred to Portfolio committees.
5	Lack of information dissemination and information sharing	Information mostly distributed in English, not translated to Setswana and Afrikaans and	20	None	16	Politicians to mostly use Setswana when they are addressing community.	No progress.



(service delivery information)	most of local municipality residents speak Setswana.				Translation of information communicated Setswana.	
--------------------------------	--	--	--	--	---	--

6.8 INFORMATION COMMUNICATION TECHNOLOGY

<i>Nr</i>	<i>Identified Risk</i>	<i>Root Cause</i>	<i>In Risk</i>	<i>Existing Control(s)</i>	<i>Res Risk</i>	<i>Mitigation Factors</i>	
1	Non-functional website.	Delays by the graphic designer to complete the project.	25	Graphic designer Budget In process of appointing a new services provider.	20	Expedite and monitoring of the website development project.	To be moved to office of the MM (Communication and Marketing)
2	Possible system failure (backup server).	Regular power cuts.	16	Back-up generator. Uninterrupted Power Supply (UPS)	12	Maintenance of the UPS to be included in the contract of the ICT services provider.	UPS in place and fully serviced.
3	Lack of training for IT Unit).	No training provided to IT Official. Training request submitted different department exceed the available budget.	20	Budget. Work Skill Plan. Training needs submitted. Engagement with Vodacom for training on user registration.	16	IT officials to submit their training needs.	SEBATA committed to conduct training on exchange server. Requested IT officials to submit a training needs,
4	Poor ICT governance structures.	No Local ICT Steering committee established.	16	Utilising management meeting as ICT steering committee as ICT is a standing item in Management Meeting.	12	Ensure tabling of ICT reports at management meetings.	Utilising management meeting as ICT steering committee as ICT is a standing item in Management Meeting.
5	No back up for work stations, end-user back. Loss of institutional memory/intellectual property.	No file server procured.	25	External hard drive work station.	20	Spare some memory from main back-up server and create a virtual server for workstations. Officials to utilise the external hard drive as back-up. Request assistance from DRSM ICT Unit with regard to End user back	Discussed at the Management meeting.



						up.	
6	Telephone system	Extension management Not able to transfer calls internally. No call management system Theft of Telkom cable.	25	None.	20	Utilisation of VOIP system.	Discussed at the Management meeting.
7	Lack of safeguarding of assets	Cameras not functional.	25	None	20	Budget for installation / maintenance of cameras.	In process of installing cameras.

7. Risk Management Cycle & Outcomes

- The Risk Management Manual 2022/2023 and the Fraud Prevention Manual 2022/2023 should be tabled at Council for adoption.
- The mSCOA risk registers of all municipalities are not regularly updated and/or submitted to the RMU.
- The municipality should report to the Risk Management, Fraud and Anti-Corruption Committee quarterly on:
 - Any emerging risk;
 - Any incident risk;
 - IT Status Quo report
 - Litigation register / case register.
 - Council logistics and resolution.
 - Adjustment SDBIP and Budget 2021/2022.
 - Mid Term Performance 2021/2022.
- **Dates to be arranged during December 2022 to conduct and facilitate the Second Update of the Risk Register 2022/2023 for the Greater Taung Local Municipality.**
- Kindly take note of the Standing Members of the Risk Management, Fraud and Anti-Corruption Committee. Should any official that is not a member of the Committee be required to attend, the Risk Unit will officially extend an invitation, unless properly delegated.



8. Take note

All Municipalities have the responsibility in terms of the Risk Management Manual, Fraud and Anti-Corruption Manual to invite the RMU as standing members as follows:

- ✓ *mSCOA committee,*
- ✓ *MPAC committee and/or meetings of Council as per legislation*
- ✓ *Disciplinary Panel as Gazette,*
- ✓ *Management & Audit Steering Committee Meetings*
- ✓ *Quarterly, Mid-year and Annual Performance Review.*
- ✓ *Or any other similar session and/or forum*

The content of this Risk Management Progress Report: First Update Registers (October 2022 – December 2022) represent the participant's interpretation and perception of the nature and quantum of the risks impacting their respective Municipality and/or Agency and/or Department and/or Unit. The quality of the results therefore depends on the knowledge, experience and quality of input of the participants (risk owners).

This report should still be tabled at the Risk Management, Fraud and anti-corruption Committee, and the Audit Committee before the Unit can submit it with the necessary recommendations to be tabled at the Municipality's Council for adoption. Therefore, the Risk Management Unit would like to request the Municipality, departments and units to adhere timeously to the Risk Management Cycle which is here within outlined and make appropriate arrangements in time and make sure that it will be suitable for all action owners, referring to all senior managers and unit managers.

The Risk Management Unit wishes to thank every manager and/or official who participated in the First Update: Risk Registers 2022/2023 and their commitment.



S.A.B. NGOBENI
CHAIRPERSON

ADV. A. BAM-SMITH
CHIEF RISK OFFICER

MUNICIPAL MANAGER

**DR. RUTH S. MOMPATI DISTRICT MUNICIPALITY: RISK MANAGEMENT SHARED SERVICES
RISK MANAGEMENT, FRAUD AND ANTI-CORRUPTION COMMITTEE, CHARTER AND UNIT**

053 – 928 4700

bama@bophirima.co.za