

PIXLEY ka SEME DISTRICT MUNICIPALITY

RISK ASSESSMENT

2016/2017

Risk Assessment: Pixley Ka Seme District Municipality

Financial period: 2016/2017

Risk assessment allows the municipality to consider how potential events might affect the achievement of objectives. Management assesses events by analyzing the likelihood and its impact.

The risk assessment process includes 4 steps:

Step 1: Quantifying the parameters (scoring system) of impact and likelihood before the actual assessment (see the table below:)

RATING GUIDE - LIKELIHOOD

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

RATING GUIDE - IMPACT

Rating	Assessment	Definition
1	Insignificant	Negative outcomes or missed opportunities that are likely to have a SLIGHT IMPACT on the ability to meet objectives
2	Minor	Negative outcomes or missed opportunities that are likely to have a RELATIVELY LOW IMPACT on the ability to meet objectives
3	Moderate	Negative outcomes or missed opportunities that are likely to have a RELATIVELY MODERATE IMPACT on the ability to meet objectives
4	Major	Negative outcomes or missed opportunities that are likely to have a SIGNIFICANT IMPACT on the ability to meet objectives
5	Critical	Negative outcomes or missed opportunities that are of CRITICAL IMPORTANCE to the achievement of the objectives

ASSESSMENT CRITERIA

A risk is assessed on the basis on its **IMPACT** and its **LIKELIHOOD**

IMPACT refers to the effect on the risk in the event that it materializes. **(HOW BAD CAN THINGS BE?)**

LIKELIHOOD refers to the probability or frequency of the risk being realized?

HAS THE RISK OCCURRED (IF SO, HOW FREQUENTLY) OR HOW LIKELY IS IT THAT THE RISK COULD OCCUR IN THE FORESEEABLE FUTURE?

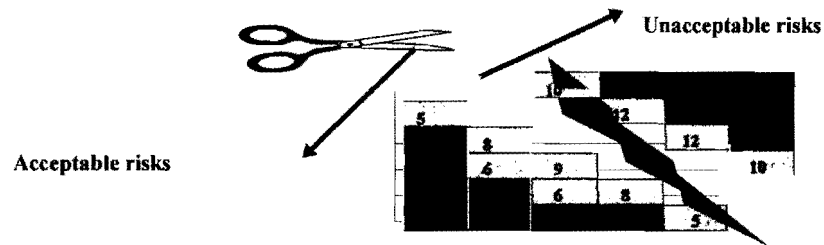
Step 2: Applying the parameters to the risk matrix to indicate what areas of the risk matrix would be regarded as high, medium or low risk (see tables below):

Risk rating = Impact X Likelihood

I M P A C T	5	10			
		8	12		
		6	9	12	
			8	8	10
					5
LIKELIHOOD					
T					

RISK RATING	PRIORITY
15 - 25	
10 - 14	MEDIUM
1 - 9	

Step 3: Determining the risk acceptance criteria by identifying what risks will not be tolerated (see table below):



Step 4: Determine risk acceptability and what action will be proposed to reduce risk (see table below):

Risk Rating	Risk magnitude	Risk acceptability	Proposed actions
		Unacceptable	Take action to reduce risk.
10 - 14	Medium risk	Unacceptable	Take action to reduce risk.
		Acceptable	No risk reduction - control and monitor

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RISK RESPONSE AND CONTROL:

The response to a risk is determined by its assessment

Management is responsible for making appropriate mitigating responses to risk

WHY REPORT ON RISK?

To obtain knowledge and understanding of the status of risk within an organization

To facilitate monitoring and review of the effectiveness of the risk management system

To facilitate the institution of necessary interventions where gaps exist

To entrench accountability for Risk Management

ACCOUNTING OFFICER

Reports to the executive authority on the overall status of Risk Management

INTERNAL AUDIT

Reports to both the accounting officer and the audit committee on its review of the Risk Management and internal control system.

RISK ASSESSMENT 2016/2017 PIXLEY KA SEME DISTRICT MUNICIPALITY:

TOP OPERATIONAL RISKS:

COMPONENT	Key Risks	2016/2017 RATING				H, M, L	CONTROL MEASURES	EFFECTIVENESS OF CONTROLS YES (Y) NO (N)	IR	FR	RISK RESPONSE	ACTION
		RL	RI	RR								
AFS	Annual restatement of corresponding figures	4	5	20	H	Consultants, CFO review as well as AC before submission	Yes	H	M	Unacceptable	Correct vote allocation to be a regular exercise throughout the financial year.	
AFS	Material impairment	5	5	25	H	Debt recovery plan and constant communication	No	H	H	Unacceptable	Political Intervention to be instituted.	
						Prior year: Investigated by mpac and recommended to council for condonation.	Yes	H	L	Acceptable	Control and Monitor	
FINANCE	Irregular expenditure	5	5	25	H	Current Year: SCM to thoroughly check the validity of documentation and correctness of procedures before payments are processed.	No	H	H	Unacceptable	SCM unit to thoroughly investigate requests for payments, before it is processed	
AFS	Going concern	5	5	25	H	Recovery plan in place.	No	H	H	Unacceptable	Recovery plan in place.	
PMS & PDO's	Predetermine Objectives	5	5	25	H	PMS committee functionality, AC, Revised SDBIP alignment, quarterly audits by IA.	No	H	H	Unacceptable	New Service provider has been appointed for assistance in 2016/2017 financial year	
INTERNAL AUDIT & AUDIT COMMITTEES	Audit committee	1	5	5	L	Compliance with Audit committee charter	Yes	L	L	Acceptable	Control and Monitor	
RISK MANAGEMENT	Risk Unit	5	5	25	H	No controls in place.		H	H	Unacceptable	If the financial position of the DM improves will a Risk Unit be established.	
Expanding Key Risks												
FINANCE	Revenue management	5	5	25	H	Debt recovery plan and constant communication	No	H	H	Unacceptable	Political Intervention to be instituted.	
HR	Unpaid leave granted.	5	4	20	H	Collective agreement being implemented	Yes	H	L	Acceptable	Control and monitor.	
PLANNING	Budgeting for KPI's (removal of unfunded items on IDP/PMS)/ unrealistic budgeting, lack of understanding of budgeting	5	5	25	H	No controls in place	No	H	L	Unacceptable	New Service provider has been appointed for assistance in 2016/2017 financial year	

												Seeing that the DM is almost 95% grant dependant are we at the stage only using the DORA as a long-term planning tool - the departmental budget is evindant of it.
FINANCE	Long-term financial planning not in place	5	5	25	H	No controls in place	No	H	H	Unacceptable		
HR/ SKILLS DEVELOPMENT	Not implementing the programmes as per the WSP due to limited funding	5	5	25	H	Trainings are currently implemented as per the availability of funds	No	H	H	Unacceptable		Ensuring that 1% of Salary bill is budgeted for
FINANCE	Non-compliance in the budgeting process with respect to trainings	5	5	25	H	Make the required provision of 1% of the Salary bill for training	No	H	H	Unacceptable		This is subject to the financial position of the municipality
SCM	SCM Processes: Nr. Of deviations	5	5	25	H	Authorisation of deviations. Investigations done by IA.	No	H	H	Unacceptable		Refer to Irregular Expenditure.
ASSET MANAGEMENT	Asset Management (assets moved)	5	3	15	H	Asset register, asset location lists and asset management policy	No	H	H	Unacceptable		Constant request made to all officials not to move assets from their respective offices.
Contract Management	Contract management (lack of supporting documentation)/ implementation of projects	5	5	25	H	Implementation of SCM policy and Internal Controls.	No	H	H	Unacceptable		SCM to improve on their recordkeeping procedures
HR	Policies not reviewed within the prescribed period	5	2	10	M	On a quarterly basis all policies due for review are tabled to LLF and Council	YES	M	L	ACCEPTABLE		Control and monitor
HR	No screening of candidates	5	5	25	H	Municipality entered into an agreement with SAQA and developed reference checks forms directly contacted the Institutions of Higher Learning	YES	H	M	UNACCEPTABLE		Regular follow-ups with SAQA and Institutions of Higher Learning
IT	Weaknesses in IT controls and processes	5	5	25	H	Policies in development. IT Steering committee appointed. IT personnel now receiving the necessary training	NO	H	H	UNACCEPTABLE		Finalise the development of outstanding policies and ensure ongoing training and considering increasing the capacity of the IT department
HR	Organisational structure amendments/ approval	5	5	25	H	Organisational structure has been tabled and approved by Council	YES	H	L	ACCEPTABLE		Control and monitor
PMS	Signing dates of performance agreements	1	5	5	L	Compliance with section 57 of MSA	YES	H	L	ACCEPTABLE		Control and monitor
HR	Job descriptions (Finance Intems)	5	1	5	L	Proper record keeping. Access to original job descriptions are limited to HR only	NO	H	L	ACCEPTABLE		Control and monitor
HR	No proof that Senior posts are advertised nationally	1	5	5	L	Standing arrangement with finance department to provide Registry with the edition of the advert for recordkeeping purposes.	YES	H	L	ACCEPTABLE		Control and monitor

PMS & PDO's	Predetermine Objectives: Absence of performance information	5	5	25	H	Appointed a Service provider to specifically deal with PMS and PDO's and to build capacity	NO	H	H	UNACCEPTABLE	Outcomes of 2015/2016 audit to guide on the effectiveness of the control
PMS & PDO's	Performance information: IDP and SDBIP discrepancies]	5	5	25	H	Appointed a Service provider to specifically deal with PMS and PDO's and to build capacity	NO	H	H	UNACCEPTABLE	Outcomes of 2015/2016 audit to guide on the effectiveness of the control
FINANCE	Revenue: cut-off	5	5	25	H	Review by Finance to ensure that it is recorded in the correct period	Yes	L	L	Acceptable	This will not be an issue anymore as we do not have any rental properties anymore.
AFS	Subsequent events	1	5	5	L	MPAC and investigations	Yes	L	L	Acceptable	Control and monitor.
SUPPORT SERVICES	No risk managemnt and IT committees in place	5	5	25	H	IT Steering Committee appointed but risk management committee not yet appointed	NO	H	H	UNACCEPTABLE	NT Risk Management Framework to be consulted on the appointment of Risk management committee
Contract Management	Consultants - Monitoring	5	5	25	H	Service level agreement, Terms of reference clear with milestones, Monthly progress meetings,	Yes	H	L	Acceptable	Control and monitor.
Contract Management	No policy to address the use of Consultants	5	5	25	H	No controls in place	y	H	H	UNACCEPTABLE	Policy to be developed by Legal Services. Performance of Consultants to be responsibility of Risk Committee
FINANCE	Expenditure - Late payments	5	5	25	H	Payments - Date stamped	Yes	L	L	Acceptable	Date stamp 'exercise' being implemented already.
FINANCE	Revenue - Insufficient documentation (SETA)	5	1	5	L	Filing of supporting documents	Yes	L	L	Acceptable	Corporate service to deal with this mater.

RISK ASSESSMENT 2016/2017 - PIXLEY KA SEME DISTRICT MUNICIPALITY:

STRATEGIC RISKS:

COMPONENT	Risk Title	2016/2017 RATING				CONTROL MEASURES	EFFECTIVENESS OF CONTROLS YES (Y)/ NO (N)	IR	FR	RISK RESPONSE	ACTION
		RISK RATING			H, M, L						
		RL	RI	RR							
INTEGRATED DEVELOPMENT PLAN/STRATEGIC PLAN	IDP/Strategic Plan										
	IDP might not be linked to the strategic plan. Budget not link with priorities of IDP and strategic plan.	5	5	25	H	Coordination between the CFO and the SM: SS exists. IDP steering committee meetings are conducted where the IDP and budget implications are discussed. Within the required timeframes	No - unrealistic targets set during strategic plan for the available budget.	H	H	UNACCEPTABLE	New Service provider has been appointed for assistance in 2016/2017 financial year
	Money budgeted for projects under the IDP might not be utilised	5	5	25	H	Effective and efficient implementation of projects exists. Projects identified in the IDP are regularly discussed in mayoral committee meetings. Political commitment of leadership exist in advancing the interest of the community	No	H	H	UNACCEPTABLE	New Service provider has been appointed for assistance in 2016/2017 financial year
	Allocation of funds are not informed by priority lists	2	5	10	M	IDP engagement sessions with sector departments and also IGR and PIGR meetings are held to deal with this matter	No	H	H	UNACCEPTABLE	New Service provider has been appointed for assistance in 2016/2017 financial year

	Non compliance with legislation	5	5	25	H	Adoption of the process plan, Use of IDP representative forum and submission of IDP to MEC and adoption of IDP by council. Submission of IDP to provincial and national IDP assessment panel.	No	H	H	UNACCEPTABLE	New Service provider has been appointed for assistance in 2016/2017 financial year
	Lack of Public participation in the process	1	5	5	L	District IGR meetings, Districts IDP representative forum and also advertise the IDP for public comments after approval from council, Also send to MEC to ensure legal compliance	YES	L	L	ACCEPTABLE	Control and Monitor
	BUDGET										
BUDGET	Budget might not be aligned to the IDP	5	5	25	H	Coordination between the CFO and the SM: SS exists. IDP steering committee meetings are conducted where the IDP and budget implications are discussed. Within the required timeframes	No	H	H	Unacceptable	New service provider has been appointed to assist with alignment
	Late submission of budget inputs	3	4	12	M	Late issues incorporated in the revised budget of the same financial year.	Yes	H	L	Acceptable	Control and Monitor
	Over/underspending of municipal budget	3	4	12	M	Monthly budget print-outs to section heads and Council. Internal communication on daily basis	Yes	H	L	ACCEPTABLE	Control and Monitor
	Service Delivery and Budget Implementation Plan										
SDBIP	SDBIP not approved by the Mayor within 28 days after the approval of the budget.	4	3	12	M	Monitor the process to comply with the legislative requirement	YES	M	L	ACCEPTABLE	Control and Monitor

PERFORMANCE MANAGEMENT SYSTEM	Non compliance with the PMS Framework	1	5	5	L	PMS Framework is in place	YES	H	L	ACCEPTABLE	Control and Monitor
	Lack of in year monitoring of PMS	4	4	16	H	Systems act is used as guideline	YES	H	L	ACCEPTABLE	Control and Monitor
	Lack of public participation	4	4	16	H	On finalisation of PMS contracts, a notice is placed in the local newspaper to request inputs from the public	YES	H	L	ACCEPTABLE	Control and Monitor
	No money might be budgeted for the payment of performance bonuses	4	3	12	M	Budgetary provision should be made	YES	M	L	ACCEPTABLE	Control and Monitor
	Performance objectives and targets might not be met within the required timeframes	4	3	12	M	Quarterly monitoring done in accordance with PMS regulations and the Framework.	YES	M	M	UNACCEPTABLE	Interventions to be considered eg Training Interventions
	Standards and procedures for evaluating performance and intervals for evaluation might not be done	4	3	12	M	Framework in place	YES	M	M	UNACCEPTABLE	Performance bonuses can be withheld
	Performance Agreements might not be signed in time	2	5	10	M	PMS Framework in place	YES	M	M	UNACCEPTABLE	PMS Framework to be adhered to
	Monitoring and reviewing of performance management system not done	1	5	5	L	PMS Framework reviewed and approved annually by Council	YES	H	L	ACCEPTABLE	Control and Monitor
	ORGANISATIONAL STRUCTURE	Organisational Structure									
	Not all positions on the organisation structure might be filled	4	4	16	H	All identified budgeted and critical positions are filled	YES	H	L	ACCEPTABLE	Control and Monitor

RISK ASSESSMENT 2016/2017 PIXLEY KA SEME DISTRICT MUNICIPALITY:

FINANCE DEPARTMENT:

COMPONENT	Risk Title	2016/2017 RATING				CONTROL MEASURES	EFFECTIVENESS OF CONTROLS YES (Y)/ NO (N)	IR	FR	RISK RESPONSE	ACTION
		RL	RI	RR	H, M, L						
FINANCE INCOME	Other income										
	No interest might be charged for late payments of Rent (according to the contract)	3	4	12	M	Contract management unit has to review existing contracts on a regular basis	Yes	M	L	Acceptable	Control and Monitor
	Income might not be received as per signed agreement.	5	5	25	H	SLA with Local Municipalities in place	No	H	H	Unacceptable	Political Intervention to be instituted.
FINANCE EXPENDITURE	Subsistence and traveling										
	S&T claim forms might be incomplete or incorrectly completed	4	3	12	M	Payments are reviewed by the HOD prior to processing and Deviation processes are in place.	Yes, but further action still needed	M	M	Unacceptable	All S&T claim forms are submitted two officials to confirm completeness before processed for payment
	Unauthorised payments	5	3	15	H	Payments are reviewed by the HOD prior to processing and Deviation processes are in place.	Yes, but further action still needed	M	M	Unacceptable	All S&T claim forms are submitted two officials to confirm completeness before processed for payment
	Payments are made in contravention with the S&T policy	5	5	25	H	Approved S&T policy in place.	No	H	H	Unacceptable	Claims are processed based on unavailable funds
SUPPLY CHAIN MANAGEMENT	Demand										
	No needs analysis	4	4	16	H	All HOD's have to submit needs analysis by January/February to the CFO	Yes	H	L	Acceptable	Control and Monitor
	Delays in staff acquiring requested material (Stationery)	4	4	16	H	SCM policy in place	Yes	H	L	Acceptable	Control and Monitor
	Acquisition										
	The requirements of the Preferential Procurement Policy Framework Act (PPPFA) not considered and met when applicable, e.g. (Telephonic/Formal Written quotations to be obtained)	4	3	12	M	SCM policy is updated and if quotations are not attached payment is not processed, Order book is kept with supply chain accountant.	Yes	M	L	Acceptable	Control and Monitor

Overriding of bid committee recommendations by the accounting officer without due process or cause	4	3	12	M	If accounting officer has to override, he provides the necessary information	Yes	M	L	Acceptable	Control and Monitor
Lack of proper planning resulting in emergency cases, to appoint a supplier not registered as such, or prevent proper procedures from being followed	5	4	20	H	Approved SCM policy in place	Yes	H	L	Acceptable	Control and Monitor
Lack of performing a proper quality check on the performance of the chosen supplier as a result of time pressure	4	3	12	M	Approved SCM policy in place	Yes	M	L	Acceptable	Control and Monitor
Consultants appointed notwithstanding that the required skills are available within the municipality	5	4	20	H	Approved SCM policy in place	Yes	H	L	Acceptable	Control and Monitor
Invoices submitted by the Consultant do not clearly indicate the work that was done or the document that was produced. It indicates "administration" which does not clearly state the type of admin that was done.	5	5	25	H	No controls in place	Yes	H	L	Acceptable	Control and Monitor
Logistics management										
Ordering of unauthorised goods resulting in wasteful expenditure	4	4	16	H	All orders are approved by relevant HOD. Only items required or needed are purchased	Yes	H	L	Acceptable	Control and Monitor
Order forms misused, e.g. for private purchases	4	4	16	H	Order book kept by the SCM	Yes	H	L	Acceptable	Control and Monitor
Items delivered are of inferior quality/ Incorrect quantity delivered or services not rendered	5	5	25	H	No goods received noted attached to the payment vouchers. Delivery notes or goods received notes should be signed by supply chain official for accepting the quantity as per order.	Yes	H	L	Acceptable	Control and Monitor
No checking of goods received i.t.o goods ordered	5	5	25	H	Signature of the official receiving the goods should be reflected on the invoice as proof that goods received were indeed checked	Yes	H	L	Acceptable	Control and Monitor

	Invalid documentation submitted for payment, resulting in irregular expenditure, unauthorised payments etc.	5	5	25	H	Order number should be clearly stated on the invoice and the order itself should be signed by relevant HOD and the official doing the purchase	Yes	H	L	Acceptable	Control and Monitor
	Supporting documentation is not sent timeously to payment section, resulting in wasteful expenditure (Interest)	4	3	12	M	Arrangements are made with potential suppliers not to include invoices with goods but to send them by post	Yes	M	L	Acceptable	Control and Monitor
	No action taken against appointed contractors for performing poorly.	5	5	25	H	No controls in place					
	Appointment of contractors who are not financially stable, who rely on the payments received from the district municipality to purchase material and proceed with the project.	5	5	25	H	No controls in place					
	Unauthorised, irregular and fruitless or wasteful expenditure.	5	5	25	H	No controls in place					
	Double payments to the same supplier for the same goods or services received	5	5	25	H	No controls in place					
	Reporting of awards above R100 000.00 (Inc. VAT)										
	Monthly reporting on awards above R100 000.00 might not be done to National Treasury.	5	5	25	H	No controls in place					
ASSETS MANAGEMENT	New Assets										
	Capitalization not done on a monthly basis	3	4	12	M	Capitalization is processed annually when the asset register is updated.	Yes	H	L	Acceptable	Control and Monitor
	New assets might not be on the asset register	3	4	12	M	All new assets are captured immediately as it is purchased	Yes	H	L	Acceptable	Control and Monitor
	Asset register not updated	3	4	12	M	Asset register is updated annually with the preparations of the AFS	Yes	H	L	Acceptable	Control and Monitor
FINANCE (SCOA)	Mscosa										
	Implementation of SCOA	5	5	25	H	No controls in place.		H	H	Unacceptable	Source extra funding from Provincial Treasury before 30 June 2017

	Regression in Audit opinion	5	5	25	H	No controls in place.		H	H	Unacceptable	Source extra funding from Provincial Treasury before 30 June 2017
	No approved mSCOA resource plan in place	5	5	25	H	No controls in place.		H	H	Unacceptable	Source extra funding from Provincial Treasury before 30 June 2017
	Failure to comply with mSCOA by 01 July 2017	5	5	25	H	No controls in place.		H	H	Unacceptable	Source extra funding from Provincial Treasury before 30 June 2017
	Non-compliance with municipal standard chart of accounts	5	5	25	H	No controls in place.		H	H	Unacceptable	Source extra funding from Provincial Treasury before 30 June 2017
	Hardware requirements (CPU, memory, disk space free) may not be sufficient and /or AD server infrastructure to run web services & SQL for access to system & reporting enable	5	5	25	H	Hardware and operating system redundancy		H	H	Unacceptable	Source extra funding from Provincial Treasury before 30 June 2017

COMPLIANCE WITH DORA	Misappropriation of DoRA	4	3	12	M	DORA evaluated against the budget	Yes	H	L	Acceptable	Control and Monitor
	Withholding of allocation	5	5	25	H	Regular reporting and application for rollover in cases of underspending	Yes	H	L	Acceptable	Control and Monitor
	Unauthorised and irregular expenditure might occur	4	4	16	H	Conditional grants spent in accordance with DoRA and the budget.	Yes	H	L	Acceptable	Control and Monitor

	Control room personnel might misuse telephone	5	5	25	H	All calls are recorded. Manual register in place.	YES	H	M	UNACCEPTABLE	Enforce the implementation of the current manual system whereby private calls are identified and paid for.
	Council vehicles										
	Log sheets not fully completed resulting in unauthorised trips	4	3	12	M	Logsheets must be signed by supervisor before keys are issued by the fleet officer.	YES	M	L	ACCEPTABLE	Control and Monitor
	Vehicles not properly inspected before it is used	4	3	12	M	Inspection sheets in place	YES	M	L	ACCEPTABLE	Control and Monitor
LEGAL SERVICES	Not responding timeously to litigations	3	5	15	H	All correspondence received needs to attended within 7 days(generally accepted practices)	YES	H	L	ACCEPTABLE	Control and Monitor
	Not responding timeously to labour related matters	3	5	15	H	Adhering to timeframes as per the collective agreement on disciplinary hearings	YES	H	L	ACCEPTABLE	Control and Monitor
	Contract management. Contract duplicating tender document	3	5	15	H	Legal department responsible for drafting of contracts with suppliers.	No	H	H	UNACCEPTABLE	Legal Advisor to be consulted with the development of tender documents
DISASTER MANAGEMENT	Disaster Management Framework not reviewed	3	4	12	M	No control	NO	H	H	UNACCEPTABLE	To be reviewed and approved by Council before 31 May 2017
	Disaster Management Plan not reviewed annually	5	3	15	H	Disaster Management Plan was Approved on 10/03/2010	NO	H	H	UNACCEPTABLE	To be reviewed and approved by Council before 31 May 2017
	No policy to address voluntary services and training	4	3	12	M	No control measure in place.	NO	H	H	UNACCEPTABLE	To be reviewed and approved by Council before 31 May 2017
	No register in place of all the volunteers enrolled	1	5	5	L	A register was developed and in place	YES	H	L	ACCEPTABLE	Control and Monitor
	No evacuation plan might exist	5	3	15	H	Evacuation plan was developed and evacuation drills are performed	YES	H	L	ACCEPTABLE	Control and Monitor
	Contingency plan not established	3	4	12	M	Approved plan in place	YES	H	L	ACCEPTABLE	Control and Monitor
	Reporting process not in place	5	4	20	H	No controls	NO	H	H	UNACCEPTABLE	To draft reporting procedures and included in the Disaster management plan. To be approved by Council.

	No Disaster Management advisory forum in place	5	4	20	H	The forum is functional and most stakeholders in the district attend the meetings.	YES	H	L	ACCEPTABLE	Control and Monitor	
	Service level agreements doesn't exist between the district and the local municipalities on Disaster management	5	5	25	H	Disaster management forms part of the current SLA for Shared Services	YES	H	L	ACCEPTABLE	Control and Monitor	
ENVIRONMENTAL HEALTH	No policies and procedures regarding inspection programs	3	4	12	M	Procedure manual based on the National Health act is in place	YES	M	L	ACCEPTABLE	Control and Monitor	
	EHP's not registered with the HPCSA	1	5	5	L	EHP's have to register annually with the council	YES	H	L	ACCEPTABLE	Control and Monitor	
	Authorised powers of entry and issuing of enforcement notices not formally granted to EHP's (Incl. Identification cards to the public)	5	5	25	H	EHP's are only issued with Authorisation powers by the Mayor according to the National Health Act	NO	H	H	UNACCEPTABLE	To issue all EHP's with authorisation cards	
	Database of premises not updated regularly	3	4	12	M	Database is updated on a quarterly basis	YES	H	L	ACCEPTABLE	Control and Monitor	
	No work plan provided to EHP's	3	4	12	M	Quarterly plans are compiled and reviewed on a weekly basis	YES	M	L	ACCEPTABLE	Control and Monitor	
	Waste Management											
	Environmental pollution	5	5	25	H	Clean-up campaigns, awareness campaigns at schools, regular monitoring of landfill site and recommendation done to technical department.	NO	H	H	UNACCEPTABLE	Collaboration with other Stakeholders and advocate for budget allocation	
	Communicable diseases											
	Officials contracting diseases during outbreak investigations	4	5	20	H	Personal Protective Equipment and vaccinated where possible	YES	H	L	ACCEPTABLE	Control and Monitor	
	Outbreak of diseases in community	5	5	25	H	Awareness campaigns within the community and also conduct outbreak investigations.	YES	H	M	UNACCEPTABLE	To collaborate with Department of Health to revive the Disease Outbreak Response Forum	
	Disposal of the dead											
	Unlicensed funeral undertakers	4	5	20	H	Monitoring compliance through Quarterly inspections	NO	H	H	UNACCEPTABLE	Develop Enforcement system	
	Food safety											
Unlicensed food premises	3	4	12	M	Monitoring compliance through Quarterly inspections	NO	H	H	UNACCEPTABLE	Develop Enforcement system		

RISK ASSESSMENT 2016/2017: PIXLEY KA SEME DISTRICT MUNICIPALITY:

INFRASTRUCTURE DEVELOPMENT, HOUSING AND LED

COMPONENT	RISK TITLE	2016/2017 RATING				CONTROL MEASURES	EFFECTIVENESS OF CONTROLS YES (Y)/ NO (N)	IR	FR	RISK RESPONSE	ACTION
		RL	RI	RR	H, M, L						
HOUSING	Approved Housing plan might have expired	5	5	25	H	Housing plan adopted in 2015/16	Yes	H	L	Acceptable	Control and Monitor
	Approved Housing Allocation policy not in place	5	4	20	H	Policy adopted in 2015/16	Yes	H	L	Acceptable	Control and Monitor
	Housing sub-committee might not exist	5	4	20	H	Make use of the Development and Infrastructure sub-committee	Yes	H	L	Acceptable	Control and Monitor
	Housing sector plans might not be prepared	5	4	20	H	No control	No	H	H	Unacceptable	Provincial PMU was appointed
	Financial budget system might not be fully functional	5	4	20	H	Make use of the budget system used by Pixley DM	No	H	H	Unacceptable	Additional funding needed. Department continuously consulted.
	Regular reporting might not be done	4	4	16	H	Monthly reporting is done by manager	Yes	H	L	Acceptable	Control and Monitor
	Spatial Development Framework (SDF) might not exist	3	4	12	M	No - SDF need to be reviewed	No	H	H	Unacceptable	SDF needs to be reviewed
	Performance might not be regularly reviewed by National Department	4	3	12	M	Assessment done once a year	Yes	H	L	Acceptable	Control and Monitor
	Targets dates for delivering of housing projects might not be met	5	5	25	H	Yes - but various roll players which may delay project implementation	No	H	H	Unacceptable	Provincial PMU was appointed
	Administration										
Incomplete application forms	4	4	16	H	Applications will not be registered if not fully completed	Yes	H	L	Acceptable	Control and Monitor	
Incorrect capturing of information on the system	4	3	12	M	After capturing the information is verified by the Department of Housing	Yes	H	L	Acceptable	Control and Monitor	
Application forms might not be safely guarded in a registry	5	5	25	H	No control measure in place.						
Finance											
Separate accounts might not be maintained	1	5	5	L	Investment account exist	Yes	H	L	Acceptable	Control and Monitor	
Grant might not be used for its intended purpose	3	5	15	H	Guided by conditions attached to the Grant allocation	Yes	H	L	Acceptable	Control and Monitor	
Claims by contractors might not be supported with relevant documentation like progress reports	4	4	16	H	All supporting documents need to accompany payment claims for processing.	Yes	H	L	Acceptable	Control and Monitor	

	Contractors might underperform	4	4	16	H	Monthly site meetings, progress reports and payments are in place	No	H	L	Acceptable	Continous monitoring of performance of contractors still needed
LED	Insufficient resources (financial as well as human) available	4	4	16	H	No controls in place	No	H	H	Unacceptable	Needs a dedicated LED budget
	Unavailability of Tourism Officer.	4	4	16	H	No controls in place	No	H	H	Unacceptable	Needs a dedicated LED budget
	Lack of performance on KPI in SDBIP.	4	4	16	H	No controls in place	No	H	H	Unacceptable	Needs a dedicated LED budget
	Shortage of LED capacity and skills.	4	4	16	H	Regular trainings and courses attended	No	H	H	Unacceptable	Needs a dedicated LED budget
	No marketing of the Pixley Ka Seme District, its infrastructure and people to local and international businesses so that businesses can start their operations in the district.	4	4	16	H	No controls in place	No	H	H	Unacceptable	Needs a dedicated LED budget
	Empowering of people and alleviation of poverty not a priority.	4	3	12	M	No controls in place	No	H	H	Unacceptable	Needs a dedicated LED budget
	None involvement of businesses, government, and businesses.	4	4	16	H	No controls in place	No	H	H	Unacceptable	Needs a dedicated LED budget
	The municipality's tender and procurement policies might not accomodate small contractors and emerging businesses.	4	4	16	H	No controls in place	No	H	H	Unacceptable	Needs a dedicated LED budget
	Key performance indicators in the SDBIP not measurable	4	4	16	H	No controls in place	No	H	H	Unacceptable	Needs a dedicated LED budget
	Outdated LED brouchers	5	5	25	H	No control in place	No	H	H	Unacceptable	Needs a dedicated LED budget
	Insufficient funds for the LED functions	4	4	16	H	No control in place	No	H	H	Unacceptable	Needs a dedicated LED budget
	Limited empowering of SMME and alleviation of poverty	3	4	12	M	Workshops conducted for SMME's.	No	H	H	Unacceptable	Needs a dedicated LED budget

RRAMS	Unavailability of Graduates to perform Assessments	3	5	15	H	Source names of graduates from academic institutions	YES	H	M	Unacceptable	Appoint more graduates
	Road Assessment risks due to traffic	4	5	20	H	Protective clothing and safety bibs are given to graduates and traffic numerators.	YES	H	M	Unacceptable	Health and Safety training
	Consultant might underperform	4	4	16	H	Monthly site meetings, progress reports and payments	YES	H	M	Unacceptable	Continuous monitoring needed
	Incorrect capturing of information on the system	4	3	12	M	After capturing the information is verified by graduates	YES	M	L	ACCEPTABLE	Control and Monitor
	Grant might not be used for its intedent purpose	3	5	15	H	Guided by conditions attached to the Grant allocation	YES	H	L	ACCEPTABLE	Control and Monitor
	Regulary reporting might not be done	4	4	16	H	Monthly, Quarterly and Annual reporting is done by manager	YES	H	L	ACCEPTABLE	Control and Monitor

RISK ASSESSMENT 2016/2017: PIXLEY KA SEME DISTRICT MUNICIPALITY:

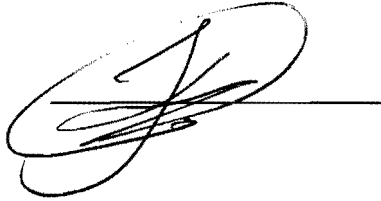
COMPONENT	RISK TITLE	2016/2017 RATING				CONTROL MEASURES	EFFECTIVENESS OF CONTROLS YES (Y)/ NO (N)	IR	FR	RISK RESPONSE	ACTION
		RL	RI	RR	H, M, L						
RISK MANAGEMENT	1 No responsible person appointed for risk management	5	5	25	H	No official appointed but the responsible appears on the Performance Agreement of the CFO	No	H	H	Unacceptable	No Risk Management unit in place
	2 Risk management framework might not be in place and implemented.	5	5	25	H	Risk Management Framework is in place, but not implemented.	No	H	H	Unacceptable	No Risk Management unit in place
	3 The strategy might not address the main elements of risk management	5	5	25	H	The strategy does address the main elements of risk management	No	H	H	Unacceptable	No Risk Management unit in place
	4 Responsible official for risk management might not have the required skills and knowledge of risk management.	5	5	25	H	No controls in place	No	H	H	Unacceptable	No Risk Management unit in place
	5 Too much work load on the official responsible for risk management	4	4	16	H	No controls in place	No	H	H	Unacceptable	No Risk Management unit in place

RISK ASSESSMENT 2016/2017: PIXLEY KA SEME DISTRICT MUNICIPALITY:

		2016/2017 RATING											
IT CONTROLS		RISK RATING			H, M, L								
COMPONENT	RISK TITLE	RL	RI	RR		CONTROL MEASURES	EFFECTIVENESS OF CONTROLS YES (Y)/ NO (N)	IR	FR	RISK RESPONSE	ACTION		
RENDER EFFECTIVE IT SERVICES	IT Controls												
	1	Unauthorised access to server room	4	4	16	H	No controls in place	NO	H	H	UNACCEPTABLE	Consider removing printers from the server room and limit access to IT official only.	
	2	Inadequate monitoring of schedule task. E.g. Backups	1	5	5	L	Schedule in place prescribing the frequency of back-ups	YES	H	L	ACCEPTABLE	Control and monitor	
		Backups done - not tested to confirm whether it was successful or not	5	5	25	H	Currently backups are made but not tested	NO	H	H	UNACCEPTABLE	Request further training from the service provider (BCX) - Venus programme	
	3	Environmental contamination with IT hazardous material.	1	2	2	L	Cartridges are collected by Green Office company on a bi-annual basis. Obsolete computers and laptops are auctioned from time to time	YES	M	L	ACCEPTABLE	Control and monitor	
	4	No disaster recovery plan in place	1	5	5	L	Disaster recovery plan was developed and approved by council	YES	M	L	ACCEPTABLE	Control and monitor	
	5	Back ups not stored off site	5	5	25	H	No controls in place	NO	H	H	UNACCEPTABLE	Obtain a place that is not on the premises to store the backups by end of September 2016	
	6	No monitoring of viruses on both the server and the PC's	5	4	20	H	Servers and all PC's are provided with Anti-viruses and officials report to the IT Support officer when anti-viruses have expired and are then provided with updated programmes	YES	M	L	ACCEPTABLE	Control and monitor	
	8	Slow local area network connection	3	3	9	L	Sites that are not work related were blocked	YES	M	L	ACCEPTABLE	Control and monitor	

ADEQUATE MAINTENANCE OF IT EQUIPMENT											
	9 System server, network downtime/failures	4	4	16	H	Server room is equited with UPS (Uninterrupted powersupply)	YES	H	M	UNACCEPTABLE	The Teammate server still needs to be connected to the UPS
	10 Lack of Active Directory	5	5	25	H	No Control in place.	NO	H	H	UNACCEPTABLE	Update server software and implement the active directory
	11 Lack of Intranet	5	2	10	M	No Control in place.	NO	M	M	UNACCEPTABLE	Develop an Intranet site by June 2016
	12 Lack of training	5	5	25	H	No Control in place.	NO	M	M	UNACCEPTABLE	Make budget provision for IT related trainings

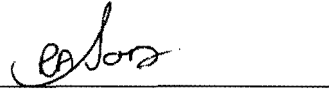
PREPARED BY:



A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a horizontal line extending to the right.

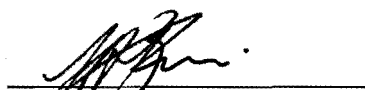
21/10/2016
DATE

APPROVED BY:



A handwritten signature in black ink, appearing to be 'E. Jones', written in a cursive style above a horizontal line.

21/10/2016
DATE



A handwritten signature in black ink, appearing to be 'M. Jones', written in a cursive style above a horizontal line.

CHAIR PERSON
AUDIT COMMITTEE

21/10/2016
DATE