Overberg District Municipality

Startegic Risk Register 2019/2020

Community Services - Director: Community Services

Risk Item Risk Typ	e Risk Level	Risk Category	Risk Description	Risk Background	Cause of risk	Consequences	Impact	Impact Rating	Likelihoods	Likelihood Ratings	Inherent risk Exposure	Inherent risk rating	Current Controls	Perceived Control Effectiveness	Control Rating	Residual Risk	Residual Risk exposure
R376 External	Strategic	Environmental	1. Extreme weather conditions/climate change (R309- 2018/2019)	Strategic oversight role of the district municipality to assist administratively and politically in mitigating the drought conditions.	Extreme weather anomalies Global warming	1.Negative impact on local economy, agriculture and tourism 2. Inability to deliver services 3. Increase in cost of service delivery 4. Loss of income and damage to assets	Moderate	6	Potential (50%)	5	Low	30	Disaster Management programme_2. Municipal Health programme_3. Environmental Management programme_4. Climate change strategy for the Western Cape_5. Global Environmental Fund (Fynbos fire protection)_6. Spatial Development Framework_7. Winter and summer readiness plans	Moderately Effective	0.65	Medium	19.5
R377 External	Strategic	[Unspecified]	1. Limited Growth of Regional Economic Development (R314- 2018/2019)	Deteriorating economic conditions	Deteriorating macro- economic conditions globally and and nationally. Downgrade of investment status by rating agencies like Moody's Lingering effect of the drought	Additional strain on B-municipalities which in turn negatively affects ODM Negative impact on service delivery due to increased costs while not being able to recover from the local residents.	Marginal	5	Potential (50%)	5	Low	25	Budget and financial processes_2. Interventions from LED (monitoring progress of B- Municipalities)_3. Conventions and workshops_4. DCF and Shared Service model (collective contribution) which will result in lower costs for the same product	Ineffective	0.8	Medium	20
R422 External	Strategic	Social environment	Service Delivery Protests	Riots occur due to unsatisfied delivery of services to community Possible Politically driven, especially near elections	Dissatisfied community due to lack of service delivery Intimidation of community members by certain factions	Influence the operations of a municipality Damage to infrastructure Decrease in economic activity due to decreased tourism Expenses could increase due to logistical deviations Loss of life/injuries		8	Probable (80%)	8	High	64	Disaster management plan_2. Safety plan for the district_3. Intervention of DOC and SAPS	Moderately Effective	0.65	High	41.6
R423 External	Strategic	Economic Environment	Insufficient supply of electricity (Load- shedding)	The main electricity provider, Eskom cannot provide constant electricity for South Africans.	Lack of maintenance of infrastructure by Eskom	Limited operational ability for the municipality Deteriorating economy Compromise ODM ability to ensure food safety due to lack of electricity to fridges	Significant	7	Expected (70%)	7	Medium	49	Generator only to operate limited equipment	Ineffective	0.8	High	39.2

Corporate Services - Director: Corporate Services

Risk Item	Risk Type	Risk Level	Risk Category	Risk Description	Risk Background	Cause of risk	Consequences	Impact	Impact Rating	Likelihoods	Likelihood Ratings	Inherent risk Exposure	Inherent risk rating	Current Controls	Perceived Control Effectiveness	Control Rating	Residual Risk	Residual Risk exposure
R416	Internal	Strategic	Human Resources	1. The Limitations to	1. Staff structure.	1. Current funding levels	1. High vacancy rate.	Significant	7	Potential	5	Low	35	1. Commitment of current staff_2.	Moderately	0.65	Medium	22.75
				attract and retain skilled		not optimal to pay a				(50%)				Critical posts identified_3. Internship	Effective			
				staff. (R308-2018/2019)		premium								programme4. Grant funding				
					2. Unfunded staff vacancies.	for Employment Equity	2. Possible fines and penalties.							(provincial and National)_5. Consultants				
						candidates.								are used when required_6. Staff				

	3. Employme Candidates.		Employment Equity targets.			recruitment policy and directive7. Employment Equity plan8. District Municipalities have submitted a report on the negative impacts of the grading system		
		ness of Overberg 2. Loss of key personnel. ger municipalities.	4. Inability to deliver services.					
	competent a	on of certain	5. Delivery of services with less staff.					
	seekers. 6. Key individ		6. Management stretched in terms of workload					

Finance - Chief Financial Officer

Risk Item Risk Typ	e Risk Level	Risk Category	Risk Description	Risk Background	Cause of risk	Consequences	Impact	Impact Rating	Likelihoods	Likelihood Ratings	Inherent risk Exposure	Inherent risk rating	Current Controls	Perceived Control Effectiveness	Control Rating	Residual Risk	Residual Risk exposure
R369 Internal	Strategic		Non recovery of income in regards to Karwyderskraal	Agreement in place to recover funds from participating local municipalities at the regional landfill site.	Actual dumping not aligned with estimated dumping.	1. Lack of Revenue	Significant	7	Occasional (40%)	4	Low	28	None	Ineffective	0.8	Medium	22.4
				from consulting engineer.	2. ODM is dependent on the payment of fees from the participating local municipalities.	2. Negative impact on financial sustainability											
R373 Internal	Strategic	Financial Environment	Compromise financial sustainability of a municipality	Mainly grant dependent. Grant increases by CPI while expenditure increases more than CPI. Increasing demand of legislative compliance	The increase in expenditure is higher than the increase in revenue/grants	Negative impact on liquidity Non-compliance to norms and standards Lack of maintenance on infrastructure	Catastrophi c	10	Expected (70%)	7	High		Cost containment measures Strict budget control_3. Realistic budget	Ineffective	0.8	High	56
R378 Internal	Strategic		Non recovery of cost for fire brigade services provided to other municipalities/communit y	Fire brigade services are delivered on behalf of local municipalities or residents/businesses in the community with the agreement that the extinguishing of fires will be recouped.	Not aware of sufficient controls in place to recoup costs.	1. Loss of revenue	Moderate	6	Possible (60%)	6	Low	36	1. Not aware of any controls	Moderately Effective	0.65	Medium	23.4

Office of the Municipal Manager - Municipal Manager

Risk Item	Risk Type	Risk Level	Risk Category	Risk Description	Risk Background	Cause of risk	Consequences	Impact	Impact Rating	Likelihoods	Likelihood Ratings	Inherent risk Exposure	Inherent risk rating	Current Controls	Perceived Control Effectiveness	Control Rating	Residual Risk	Residual Risk exposure
R417	Internal	Strategic	Knowledge and	1. Leveraged share	1. Leveraged share service	1. Shared services is only	1. Increased cost	Significant	7	Possible	6	Medium	42	Contract period stipulated according	Effective	0.4	Medium	16.8
			Information	service opportunities	opportunities	on a contract basis and				(60%)				SLA_Shared cost model_Shared service				
			management	(R304-2018/2019)		not permanent institution.	2. Withdrawal of support							charter				
R419	External	Strategic	Economic	1. Loss of Roads Agency	Should the function of Roads be	Non alignment between	Loss of income that is currently	Catastrophi	10	Expected	7	High	70	1. Annual renewable SLA with Provincial	Moderately	0.65	High	45.5
			Environment	function (R312-	transferred back to the	spheres of government	used to fund other services	С		(70%)				Government	Effective			
				2018/2019)	Provincial Department the													
					municipality will then have a									_2Good relationship with Provincial				
					catastrophic financial viability									Government				
R421	External	Strategic	Social	1. Escalating Social Ills	1. Socio economic issues which	Social development	1. Continuing cycle of poverty	Significant	7	Possible	6	Medium	42	1. LED initiatives - create jobs and	Ineffective	0.8	Medium	33.6
			environment	within the District (R302-	involves drugs, alcohol, poverty,	insufficient.	and unemployment.			(60%)				opportunities to mitigate				
				2018/2019)	teen pregnancy, poaching,									unemployment through LED				

	2. Both affecting ODM internally 2.	Lack of work in the	2. Increase in crime as a result			programmes2. Similar government		
	as well as externally.	egion.	of substance abuse.			initiatives aimed at job creation_3.		
						Employee Assistance programme		
	3. Indirect and direct impact on					(Internal)		
	service delivery.							

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