

Overberg District Municipality
Strategic Risk Register 2020/2021

Community Services - Director: Community 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	Residual Risk	Residual Risk exposure
R504	External	Strategic	Environmental	1. Extreme weather conditions/climate change (R376-2019/2020)	1. Strategic oversight role of the district municipality to assist administratively and politically in mitigating the drought extreme weather conditions.	1. Extreme weather anomalies 2. 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	1. 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	Medium	19.5
R505	External	Strategic	Economic Environment	1. Limited Growth of Regional Economic Development (R377-2019/2020)	1. Deteriorating economic conditions	1. Deteriorating macro-economic conditions globally and nationally. 2. Lingering effect of the drought	1. Additional strain on B-municipalities which in turn negatively affects ODM 2. Negative impact on service delivery due to increased costs while not being able to recover from the local residents.	Moderate Marginal	6 5	Expected (70%) Potential (60%)	7 6	Medium	42	1. 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	Medium	33.6
R506	Internal	Strategic	Economic Environment	1. Managing and investing in a property owned by another organ of state (R408-2019/2020)	1. Contracting with Department of Public Works and obtaining ownership of Uilenkraalsmond (R366-2018/2019)	1. ODM does not own the properties on which Uilenkraalsmond resorts are situated. 2. Contract issued to semi-permanent residents, allowing to build top structures at own costs	1. Loss of income. 2. Loss of clients. 3. Dissatisfied clients. 4. Legal consequences. 5. Inhabitant making use of resort contrary to zoning thereof.	Significant	7	Probable (80%)	8	Medium	56	1. High level negotiations between the Director and the Department of Public Works_2. Semi-permanent leases_3. ODM has an agreement with DPW to operate as a resort	Ineffective	High	44.8
R507	Internal	Strategic	Service delivery	Service Delivery Protests	1. Riots occur due to unsatisfied delivery of services to community 2. Possible Politically driven, especially near elections	1. Dissatisfied community due to lack of service delivery 2. Intimidation of community members by certain factions	1. Influence the operations of a municipality 2. Damage to infrastructure 3. Decrease in economic activity due to decreased tourism 4. Expenses could increase due to logistical deviations 5. Loss of life/injuries	Major	8	Probable (80%)	8	High	64	1. Disaster management plan_2. Safety plan for the district_3. Intervention of DOC and SAPS	Moderately Effective	High	41.6
R508	Internal	Strategic	Economic Environment	1. Insufficient supply of electricity (Load-shedding)	1. The main electricity provider, Eskom cannot provide constant electricity for South Africans.	1. Lack of maintenance of infrastructure by Eskom	1. Limited operational ability for the municipality 2. Deteriorating economy 3. Compromise ODM ability to ensure food safety due to lack of electricity to fridges	Significant	7	Expected (70%)	7	Medium	49	1. Generator only to operate limited equipment	Ineffective	High	39.2
R513	Internal	Strategic	Service delivery	1. Escalating Social Ills within the District (R421-2019/2020)	1. Socio economic issues which involves drugs, alcohol, poverty, teen pregnancy, poaching, abuse etc. 2. Both affecting ODM internally as well as externally. 3. Indirect and direct impact on service delivery.	1. Social development insufficient. 2. Lack of work in the region.	1. Continuing cycle of poverty and unemployment. 2. Increase in crime as a result of substance abuse.	Significant	7	Possible (60%)	6	Medium	42	1. LED initiatives - create jobs and opportunities to mitigate unemployment through LED programmes_2. Similar government initiatives aimed at job creation_3. Employee Assistance programme (Internal)	Ineffective	Medium	33.6

Community Services - Emergency 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	Residual Risk	Residual Risk exposure
R446	Internal	Strategic	Human Resources	1. Constrained firefighting (R402-2019/2020)	1. Difficulties and challenges in executing the mandate in accordance to the SANS Code.	1. Financial Constraint 2. Not enough manpower	1. Non compliance to SANS Code. 2. Loss of life and property 3. Increased Claims	Significant	7	Possible (60%)	6	Medium	42	EPWP_Reservist_Working on fire_Appointments as budget allows 2 per year_Agreements with B municipalities_Interaction with Land owners	Moderately Effective	Medium	27.3

Community Services - Municipal Health

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	Residual Risk	Residual Risk exposure
R438	Internal	Strategic	Human Resources	1. Performance Reliance on Local Municipalities to improve Waste Management Activities (R395-2019/2020)	1. Waste Management facilities not managed adequately	Insufficient staff and management capacity to monitor at local municipalities.	1. Serious health issues 2. legal, financial and audit implications reputational damage 3. possible protest action due to poor service delivery	Major	8	Almost Certain (90%)	9	High	72	1. Good Processes and practices in place 2. Quarterly attendance of regional waste forum 3. Legal actions	Ineffective	High	57.6

R442	Internal	Strategic	Service delivery	1. Increasing incidents of consistent sewerage outflow at treatment plants at B-Municipalities (R399-2019/2020)	1. Municipalities do not always comply to the minimum standards / requirements under the Water Acts and Regulations	1. Expansion of Towns and increase in population/ New 2. Deterioration of infrastructure 3. Lack of maintenance to sewerage plants 4. Inadequate monitoring at treatment plants	1. Serious health issues 2. Impact on the Environment (Crop and fish species) 3. Impact on the community related recreational activities	Major	8	Expected (70%)	7	Medium	56	1. Meetings with B-Municipalities_Legal action	Ineffective	High	44.8
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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	Residual Risk	Residual Risk exposure
R509	Internal	Strategic	Human Resources	1. The Limitations to attract and retain skilled staff. (R416-2019/2020)	1. Staff structure. 2. Unfunded staff vacancies. 3. Employment Equity Candidates. 4. Attractiveness of Overberg staff for bigger municipalities. 5. Due to the nature and compensation of certain vacancies advertised, sometimes less attractive for competent and qualified job seekers. 6. Key individuals.	1. Current funding levels not optimal to pay a premium for Employment Equity candidates. 2. Grading of municipality (grade 4) are not aligned with salary structure of its Directors (compensated on grade 2) 2. Loss of key personnel. 3. Lack of transfer of skills. 4. Lack of internal revenue source. 5. Income received from road agency fees "subsidised" other services.	1. High vacancy rate. 2. Possible fines and penalties. 3. Failure to achieve Employment Equity targets. 4. Inability to deliver services. 5. Delivery of services with less staff. 6. Management stretched in terms of workload	Significant	7	Potential (50%)	5	Low	35	1. Commitment of current staff_2. Critical posts identified_3. Internship programme_4. Grant funding (provincial and National)_5. Consultants are used when required_6. Staff recruitment policy and directive_7. Employment Equity plan_8. District Municipalities have submitted a report on the negative impacts of the grading system	Moderately Effective	Medium	22.75

Finance - Chief Financial Officer

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	Residual Risk	Residual Risk exposure
R510	Internal	Strategic	Financial Environment	1. Compromise financial sustainability of a municipality	1. Mainly grant dependent. 2. Grant increases by CPI while expenditure increases more than CPI. 3. Increasing demand of legislative compliance 4. Non payment by B Municipalities for services rendered	1. The increase in expenditure is higher than the increase in revenue/grants	1. Negative impact on liquidity 2. Non-compliance to norms and standards 3. Lack of maintenance on infrastructure	Catastrophic	10	Expected (70%)	7	High	70	1. Cost containment measures_2. Strict budget control_3. Realistic budget	Ineffective	High	56

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	Residual Risk	Residual Risk exposure
R492	External	Strategic	Covid-19 Corona Virus	Constrained ability to respond to disease outbreaks / pandemics	1. Business continuity compromised / or no plan in existence 2. Containment measures ineffective 3. Safe disposal of human remains 4. Ongoing changes in the developments in relation to the outbreak 5. Longer term impact of the pandemic	Rendered ineffective due to nature of risk Time-lag on information on the nature of the outbreak Community not adhering to safety protocols Time-lag on information on the appropriate disposal Time-lag on appropriate resources for safe disposal Information overload and confusing sources Poor communication Prolonged lockdown has significant negative economic and other implications	Inability to deliver on objectives and functions Confusion / lack of direction Panic/non-adherence to rule of law Containment rendered ineffective and disease continues to spread Uninformed community and employees Extended public health risk Confusion. Too much information about a problem makes it difficult to identify a solution. Financial impact on municipalities as the economy is compromise during lockdown Extended lockdown or iterations of lockdown Unrest, vigilanteism or attacks Impact on service delivery (Performance) Financial impact on community members / greater dependency on the state Shutdown due to continued contamination in the operating environment	Catastrophic	10	Possible (60%)	6	Medium	60	Lockdown_Movement restriction between districts and provinces_Provincial and District JOC meetings _SAPS / SANDF	Moderately Effective	Medium	39
R511	Internal	Strategic	Knowledge and Information management	1. Leveraged share service opportunities (R417-2019/2020)	1. Leveraged share service opportunities	1. Shared services is only on a contract basis and not permanent institution.	1. Increased cost 2. Withdrawal of support	Significant	7	Possible (60%)	6	Medium	42	Contract period stipulated according SLA_Shared cost model_Shared service charter	Effective	Medium	16.8

R512	Internal	Strategic	Economic Environment	1. Loss of Roads Agency function (R419-2019/2020)	Should the function of Roads be transferred back to the Provincial Department the municipality will then have a catastrophic financial viability concern.	Non alignment between spheres of government	Loss of income that is currently used to fund other services	Catastrophic	10	Potential (50%) Occasional (40%)	5 4	Medium	50	1. Annual renewable SLA with Provincial Government_2. Good relationship with Provincial Government	Moderately Effective	Medium	32.5
R513	Internal	Strategic	Service delivery	1. Escalating Social Ills within the District (R421-2019/2020)	1. Socio economic issues which involves drugs, alcohol, poverty, teen pregnancy, poaching, abuse etc. 2. Both affecting ODM internally as well as externally. 3. Indirect and direct impact on service delivery.	1. Social development insufficient. 2. Lack of work in the region.	1. Continuing cycle of poverty and unemployment. 2. Increase in crime as a result of substance abuse.	Significant	7	Possible (60%)	6	Medium	42	1. LED initiatives - create jobs and opportunities to mitigate unemployment through LED programmes_2. Similar government initiatives aimed at job creation_3. Employee Assistance programme (Internal)	Ineffective	Medium	33.6