



REPORT TO KSDLM COUNCIL ON RISK ASSESSMENT, WORKSHOPING AND LAUNCH OF ANTI-FRAUD & CORRUPTION HOTLINE NUMBER.

1. PURPOSE

- (i) To apprise KSDLM Council about assessment of risks associated with 2023 – 2024 objectives of King Sabata Dalindyebo Local Municipality.
- (ii) To apprise KSDLM Council about workshoping of key members of staff and supervisors on matters of Risk Management, Integrity and Ethics Management, and Anti – Fraud & Corruption management activities.
- (iii) To apprise KSDLM Council about launched King Sabata Dalindyebo Local Municipality`s hotline number and popularization of the number to community`s through members of the Community Safety Forum / security cluster that were invited.
- (iv) The KSDLM Council is required to note the report with its attached risk registers for implementation in the next 2023 – 2024 financial year.

2. LEGISLATIVE REQUIREMENTS

- a) Sections 62(1) (c) (i) and 95(c) (i) of the MFMA, require the Accounting Officers to ensure that their municipalities and municipal entities have and maintain effective, efficient, and transparent systems of risk management.
- b) The Public Sector Risk Management Framework incorporates the requirements of the Batho-Pele principles and King IV insofar as they concern risk management. Chapter 06 paragraph 16 of the Public Sector Risk Management Framework.
- c) In terms of King Code on Corporate Governance for South Africa; Chapter 4 (Governance Functional Areas) 4.1 (Risk and Opportunity Governance)
- d) ISO 31000, Risk management – Guidelines, provides principles, a framework, and a process for managing risk. It can be used by any organization regardless of its size, activity, or sector. Sections 62(1) (c) (i) and 95(c) (i) of the MFMA, which require the Accounting Officers to ensure that their municipalities have and maintain effective, efficient, and transparent systems of risk management.
- e) COSO II Enterprise Risk Management Framework of 2009
- f) King Sabata Dalindyebo Human Resources Management Policy
- g) King Sabata Dalindyebo Risk Management Policy and Strategy

3. BACKGROUND / EXPOSITION OF FACTS

The KSDLM Risk Management Unit has been assisted by various stakeholders within the public (Provincial Treasury, National and Provincial SALGA Offices, and Special Investigation Unit) and private sectors (KSD Community Safety Forum members) to realize the objectives of the risk management programs which were.

- (i) The King Sabata Dalindyebo Local Municipality has conducted Risk Assessment for 2022 – 2023 financial year, complying to the guiding prescripts mentioned on paragraph 2.
- (ii) As part of the highly encouraged continued professional development and capacitation of personnel, workshoping of KSDLM staff were also workshopped.
- (iii) Security cluster stakeholders within KSDLM who form part of the Executive Mayors Joint Operations Committee on Community Safety Forum were also invited to the launch of the KSDLM Hotline number **0800 360 634**.
- (iv) The municipal Intergovernmental Relations Office and Skills Development Offices also played a role in the initiative as key drivers and funders of the initiative.

4. OBJECTIVES OF THE WORKSHOP

At the end of the Risk Management sessions, attendees were to better understand the following combatting fraud and corruption strategic interventions:

- a) Risk Management
- b) Ethical conduct and Leadership (tone at the top)
- c) Implementing Fraud and Prevention Programs / activities
- d) Build Internal Investigation Capacity
- e) Collaborate with other stakeholders.
- f) Consequence Management
- g) Enforce oversight and transparency,
- h) Conduct lifestyle audit,
- i) Secured fraud and corruption reporting channels (whistleblowing)

5. KEY FINDINGS IN THE REPORT

The risk management events were planned and took place over four days as follows.

- a. On the 08 May 2023 the Risk Management Unit with the assistance of Provincial Treasury facilitated Strategic Risk Management Assessment for the incoming 2023 – 2024 financial year.
- b. The exercise experienced challenges with the development of objectives as departments were not owning up to those objectives, citing that they were not properly consulted. The process led to non-completion of the exercise which was later completed after consultation was completed with departments.
- c. On the 29 May 2023 the KSDLM Risk Management Unit with the assistance of Special Investigations Unit conducted Operational (Operations and Fraud) Risk Assessment, the process was completed with minor adjustments still to be made internally by Risk Management Unit.

- d. On the 30 May 2023, the Risk Management Unit with assistance from SALGA, Special Investigations Unit and SAPS Hawks facilitated a workshop on Risk Management, and Anti – Fraud and Corruption for KSDLM Supervisors and key staff.
- e. On the 31 May 2023 the KSDLM Risk Management unit with assistance from SALGA, Special Investigations Unit, Public Protector and SAPS Hawks facilitated launch of the KSDLM Anti – Fraud and Corruption Hotline: **0800360 634**.
- f. Observations on risk assessment are that most of the risks raised by departments on the operational risks are those that were on the 2021 – 2022 financial year.
- g. There is a slight twist on fraud risks raised even though same areas raised were those raised in previous year.
- h. The strategic risks raised have been reduced to twelve, keeping the same structure of all departments contributing to multiple risk areas to eliminate the possibility of non-achievement.

6. CHALLENGES EXPERIENCED.

- a) The level of seriousness at which KSDLM Senior Management take matters of risk management was under scrutiny with grave concern from the Special Investigations Unit.
- b) The reporting lines of risk management to senior management and municipal manager was raised as one leading the frustrations of the office and poor attendance of the risk management programmes by all staff and council members invited.
- c) Absence of prerequisite equipment from ICT Unit and Communications Unit were glaring during the event. Absence of pre-installed projector screens with projectors, absence of cameras and functional laptops for communications were just few of the hindrances experienced.
- d) Lack of capacity and absence of internal branding materials from events office.
- e) Late procurement by Supply Chain Unit to cater for the workshop nearly caused a damage to the program.

7. OVERALL ASSESSMENT

The objectives of the workshop were achieved, and most of the target audience was in attendance, and we hope the results will be reflected in risk performance. The facilitators had a view that engagements between the Municipal Manager and Chief Risk Officer need to improve to ensure improvement on the culture of Risk Management, Integrity and Ethics Management, and Anti – Fraud & Corruption Management.

The assessment produced the draft 12 Strategic Risks, 50 Operational Risks and 21 Fraud Risks and 08 Occupational Health & Safety Registers which are attached to this report. The documents will be presented to KSDLM Mayoral Committee and Municipal Council.

Below is a list of Strategic Risks identified with their rating, controls and strategy planned for implementation.

KING SABATA DALINDYEBO RISK REGISTER 2023 / 2024 FINANCIAL YEAR									
Risk description	Root Cause	Consequence	Current Controls	Rating Control	Residual Risk rating	Risk Owner	Action to improve controls	owner Action	Time Frame
Electricity Loadshedding	Electricity shortage from ESKOM	Negative impact on economic growth within the area of KSD.	Negotiations with Eskom to hand over the hydro generators at Mthatha River in Waterfall Park.	Weak	9,6	Municipal Manager	To source an Old Eskom Plant at Mthatha River in Waterfall Park for alternative electricity generation. To monitor development of Solar Plant for KSDLM by DPSA	DTS	30 Sept 2023
	Disservice municipal bills by customers	Negative impact on municipal revenue the consequence of which is the inability to maintain consistently the existing electricity network or to upgrades.	Credit control policy	20%	Extrema		Electricity working with BTO to ensure compliance with payments of bills by customers and regular inspections of meters, disconnections are to be done monthly. To install KSD bulk electricity meter at Highbury.		Monthly 2023/09/30
	Inability to generate KSDLM electricity	Loss of revenue for the Municipality. Discouragement of new investment and the risk of	Business plan to DBSA for the development of the solar plant				To source funding from DBSA for alternative energy generation.		01-Aug-23

		existing businesses closing down. In adequate provision of water and sanitation in in KSD.								
<p>Non-compliance with key legislations guiding on conducive minimum working environmental requirements (NEMA, OHSA etc.).</p>	Absence of fully functional / non-compliant landfill site and illegal dumping	Loss of investor confidence and negative perceptions from community damaging KSDLM image due to dirty towns / environmental pollution.	KSDLM Waste Management By-Laws are being implemented.	Satisfactory			To monitor construction of Qweqwe Landfill site with constant engagements with stakeholders (DFFE, Qweqwe Traditional Authority & Contractor)	Daily		
	Inadequate planning for provision of services leading to non-adherence to waste collection schedules	Community petitions for non-collection of waste / business utilising alternative means to transport waste.	The National Health Act 61 of 2003 is being implemented.	40%	7.2	High	Rangers/Peace Officers inspecting suspected illegal dumping site and issue spot fines. To rehabilitate the Mthatha and Mqanduli Landfill sites. Appointment of Cooperatives to augment refuse removal services.	Monthly	Monthly	Quarterly
	Longer downtime on Plant repairs, challenges of fuel supply and lack of	Imposing community health risk.	National Environmental Management Waste Act is being implemented.			Municipal Manager	Services Providers to be sourced for assisting municipality with repairs of refuse trucks. To develop a policy on Staff Personal Protective Clothing.	30-Aug-23	Daily	D Com Ser

	intensive monitoring	Poorly focused planning on construction of Landfill site.	Exposure to litigations from affected, interested stakeholders, regulators and also losing operating license permits	Approved Integrated Waste Management Plan is being implemented.	EHPs serving contravention notices to perpetrators of environmental pollution	Monthly			
	Insufficient budget	Non-compliance fines and litigations against KSDLM	OHS Policy, Plan and Strategy.	To engage management on more budget allocation for OHS activities.	To develop a policy on Staff Personal Protective Clothing Management.	Quarterly	30-Aug-23	Cor Ser	
	Insufficient spacing and inaccessible building structure	Exposure to health and safety hazards	Functional OHS Committee	To motivate for identification of alternative office space accessible to all members of the public.	To engage management on more budget allocation for OHS activities.	30-Aug-23	31-Dec-23		
	Ineffective building Control Management on enforcement of guidelines.	Construction of buildings without proper authorization	Land Invasion Policy, SPLUMA, Gazetted Building Management By-laws.	Hold 2 awareness campaigns in quarter 02 and 03	To engage management on more budget allocation for OHS activities.	30-Aug-23	31-Dec-23	DHS	

land with no affordability for services.	Inability to write off bad debts	Increased debtors collect days affecting balance sheet negatively	Steering Committee.		
Line losses / Illegal connections	Unmetered households in Mthatha West extensions connecting illegally.	Conducting Meter inspections	Developed Revenue Recovery Plan and reporting to Revenue Recovery Committee.	CFO	Monthly
Unfunded mandates	None-payment of third parties	Switching off defaulting customers	Conducting Meter inspections	CFO	June 2024.
Ever increasing litigation costs	Financial strain on budget and revenue collected	Transferring of legal disputes to Legal Service Unit to resolve on.	To intensify meter inspections by having 1200 meters inspected within KSD by June 2024.	COO	30 Sept 2023.
Inward migration of people to municipal land with no affordability for services.	Inability to finance provision of services and operations.	Applying for Court Orders to deter land grabbers and invaders.	To ensure reduction of current contingent liabilities by conducting litigation risk analysis. Reviewed and updated litigation register.	D Com Serv	30-Jun-24
			To ensure implementation of Parking System and Speed Monitoring Cameras.	DPS	30 Sept 2023.

	<p>Municipal grading level is limiting avenues for funding support and also limited revenue base for municipal collection.</p> <p>Lack of clear strategy to address collection of revenue from informal and formal trade</p>	<p>Revenue limits</p> <p>Average collection of revenue from the informal and formal trade</p>	<p>Outsourcing Parking Management Services</p> <p>Issuing of notices to pay.</p>	<p>40%</p> <p>Satisfactory</p>	<p>-5,4</p>	<p>High</p>	<p>Municipal Manager</p>	<p>To ensure the Service Provider is appointed and MOU signed for Parking System by. /</p> <p>To procure implement Parking Management system</p>	<p>DPS</p> <p>D RED</p> <p>D RED</p> <p>D Cor Ser</p> <p>All Dir</p> <p>All Dir</p>	<p>30 Sept 2023.</p> <p>June 2024</p> <p>30-Sep-23</p> <p>30-Dec-23</p> <p>Monthly</p> <p>Monthly</p> <p>30-Dec-23</p>
<p>Non-compliance with SCM laws and regulations</p>	<p>Non-submission of credible procurement plans</p>	<p>Unauthorized, Irregular Fruitless and Expenditure.</p>	<p>Completion of Procurement Plans by user departments for SCM to implement.</p>	<p>40%</p> <p>Satisfactory</p>	<p>-5,4</p>	<p>High</p>	<p>Municipal Manager</p>	<p>To ensure development and submission of Procurement Plans by 31 March each year.</p>	<p>All Dir</p> <p>30-Dec-23</p>	

1d services delivery.	Prolonged cases / Indecision by the Courts on Land claims	Stagnant development within the two prospective Coffee Bay town.	Panel of attorneys appointed.	To facilitate speedily the Land Audits.	DHS	Monthly
				Setting up of traditional leader's forum meetings	DHS	Monthly
	Non-compliance with land use management	Contravention of the SPLUMA By - Law	Land Use Management By-Laws.	Enforcement of By - Laws by municipality and relevant property owner.	DHS	Monthly
	Lack of focused future planning.	Unsustainable development and human settlements that are informal. Poor infrastructure planning	Forward planning manager recruited.	Preparation of forward planning plans and implementation of plans and adoption by council in order to have enforcement of by-laws	DHS	Monthly

High rate of crime and lawlessness within our community's	Lack of proper By-Laws and or enforcement thereof.	Absence of law and order within community's	KSDLM Community Safety Strategy and Plan	Satisfactory	40%	12	High	Municipal Manager	Benchmarking with other municipality's for better By-Laws	DPS	Quarterly
	Lack of coordinated efforts / participation from relevant stakeholder / sector departments / OTRambo DM (SAPS & KSD LM) etc.	Loss of life.	Facilitating Joint Operations Committee (JOC) meetings for safety and security cluster.						Facilitation of JOC forums / Community Safety Forum meetings.	DPS	Quarterly
	Community undermining the rule of law / not making an effort to govern at community level.	Tarnished image of the KSD LM and reluctance to invest in KSD LM by investors.	Revived Community Safety Forum Audits.						Facilitate establishment of Community Safety Forums per village at ward level	DPS	31-Dec-24
Absence of technologically advanced tools to fight crime and lawlessness.	Silo planning not impacting positive to fight against lawlessness and crime	Community Safety Forum Policy.						Implement the concept document for Smart and Safer City by rolling out installation of CCTV cameras in Mthatha Central Business District (CBD).	DPS	31-Dec-24	

Absence of coordinated planning and lack of will by other stakeholders, especially sector departments and district municipality.	Disserving of the community needs.	IDP Representative Forums. Public Participations.	30-Sep-23
Poor coordination / packaging of public participation programmes / message in the institution.	Distorted information and accountability.	Petitions and Risk Register	COO COO
Minimal public participation programmes on by-laws	Increasing rate of KSDLM interdicted on implementation of By-Laws due to poor Public Participation.	Quarterly public participation programmes on By-Laws and Public Participation Monitoring Tool	COO and all Dir 4th Quarter 2022/2023 FY
Dysfunctional community governance structures /stakeholders	Community unrests / protests	Ward Committee Sectoral approach on established	COO 2023/2024 FY
Engagements at political level (MEC and Executive Mayor) for prioritization of IGR and IDP forums by Heads of Departments as decision makers			COO
Coordination of Political Office Bearers for programmes affecting service i.e., Imbizo's should focus on addressing hot spot areas.			COO
Increase on frequency of public participation programmes on by-laws and issue summaries of print media information by the relevant departments			COO and all Dir 4th Quarter 2022/2023 FY
Resuscitate the ward committee sectoral structures			COO 2023/2024 FY

	and local SMME's	Negative impact to oceans economy	Maintenance of road infrastructure through SANRAL partnership		
Lack of proper access to the Ocean.			Land audit and business plans continuous update		31 Sept 2023. DRE D
Lack of Public Private Partnerships to promote agriculture.	Undeveloped land due to land claims		Capacity building to youth on agriculture and innovation		31 Sept 2023. DRE D, DHS
Strong barriers of entry into agriculture limiting community members.				Planned engagements and training for youth and with partnership DICLA	31 Sept 2023. DRE D
Strong standards / requirements to access to market with local production.	limited resources and access to funding	Capacity building on famers and access to market		Training programmes for all SMME categories	31 Sept 2023. DRE D
Absence of and / lack of access to agricultural equipment		KSD and DRDAR are working together to identify areas of support		To facilitate an MoU for integration of activities and informed planning	31 Sept 2023. DRE D

	Lack access to funding agricultural activities in local communities.		On a regular basis we call all different funders to disclose opportunity for our SMMEs				31 Sept 2023.
Climate change: Heavy winds and flooding destructing human livelihood.	Road infrastructure network severely damaged.	District Disaster Management strategy.	Satisfactory	40%	9,6	High	30 Sept 2023.
Non-compliance to 8% norm of the budget for repairs and maintenance of infrastructure which is also on enough.	Community protests and complaints for lack of service delivery. Negative impact on economic growth within the area of KSD.	MIS registration	08% norm budget approved				30 Sept 2023.
Insufficient budget for development of Strategy	Drought destructing human livelihood.	Service Level Agreements with Department of Transport for					30 Sept 2023.

SD Area is susceptible to disaster that destroys infrastructure.

	Insufficient budget for ICT infrastructure.	Inability to embrace fully technological advancements within KSD jurisdiction.	Engagements with management motivating for more allocation of budget to support service delivery.	Satisfactory	40%	7.2	High	Municipal Manager	To ensure prioritization of ICT Infrastructure on budgeting and upgraded Servers and Storage Infrastructure by	2024/06/31
Dilapidated ICT infrastructure.	No implementation of ICT Maintenance Plan.	Threat to business continuity of KSD Municipality.	Prepared Business Plans for submission to MISA for funding.	Satisfactory	40%	7.2	High	Municipal Manager	To review ICT Implementation Plan and ensure implementation thereof.	31 July 2024
	No prioritization of ICT infrastructure to address ever changing ICT infrastructure / technology needs.		Partnership with Micro Soft for cloud services and additional skilled transfer						To construct new server room spacing compliant to required and acceptable standards. / Revamped Server room by	30-Jun-24
Lack of data confidentiality, integrity, and availability	Absence of employee Cybersecurity awareness workshops	Employees can fall victim to calculated attacks through social engineering, smishing (SMS texts), social media threats, and phishing emails.	Proposed cybersecurity awareness calendar.	Satisfactory	40%	12	High	Municipal Manager	To conduct cybersecurity awareness workshops for all KSD employees one pre quarter.	31-Aug-23

<p>Absence of Cybersecurity Vulnerability Assessment Tools</p>	<p>Without vulnerability tool, the municipality is in the dark, unable to see potential threats before a cyber-attack emerges and systems are more prone to performance issues, crashes, and instabilities, resulting in business interruptions and unexpected downtime.</p>	<p>Approved vulnerability management SOP in place.</p>	<p>ICT to procure security vulnerability assessment tool.</p>	<p>30-Oct-23</p>
<p>Expiry of Endpoint Protection solution</p>	<p>The most obvious consequence for poor or non-existent virus protection is lost data. One employee clicking a malicious link can infect your entire computer system with a destructive virus that can shut down your network, wipe</p>	<p>ESET anti-virus in place however expiring in January 2024.</p>	<p>Procure new anti-virus or renew license of the existing anti-virus protection.</p>	<p>28-Feb-24</p>

	<p>Incomplete Job Description preparation process.</p> <p>Non-compliance to start and conclusion period of facilitating Task Grading system.</p>	<p>Interrupted operations online of command.</p> <p>Court cases challenging Task Grading</p>	<p>Organizational Development Unit is in place.</p> <p>Established and functional Local Labour Forum</p>				<p>Monthly</p>
	<p>Electricity shortage from ESKOM</p>	<p>Negative impact on economic growth within the area of KSD.</p>	<p>Negotiations with Eskom to hand over the hydro generators at Mthatha River in Waterfall Park.</p>		Extreme	<p>To ensure conclusion of job evaluations process for all posts or 80 Approved Job Descriptions submitted to Job Evaluation Committee by June 2024</p>	<p>Quarterly</p>
<p>Electricity loadshedding</p>					Extreme	<p>To source an Old Eskom Plant at Mthatha River in Waterfall Park for alternative electricity generation.</p> <p>To monitor development of Solar Plant for KSDLM by DPSA</p>	<p>30 Sept 2023.</p>
	<p>Unserviced municipal bills by customers</p>	<p>Negative impact on municipal revenue the consequence of which is the inability to maintain consistently the existing electricity network or to upgrades.</p>	<p>Credit control policy</p>		Extreme	<p>Electricity working with BTO to ensure compliance with payments of bills by customers and regular inspections of meters, disconnections are to be done monthly.</p> <p>To install KSD bulk electricity meter at Highbury.</p>	<p>Quarterly</p>
					Extreme		<p>Monthly</p> <p>2023/09/30</p>

	Inability to generate KSDLM electricity	Loss of revenue for the Municipality. Discouragement of new investment and the risk of existing businesses closing down. Inadequate provision of water and sanitation in KSD.	Business plan to DBSA for the development of the solar plant				01-Aug-23
Non-compliance with key regulations regarding on productive minimum working environmental requirements (IEMA, OHSA (c.)).	Absence of fully functional / non-compliant landfill site and illegal dumping	Loss of investor confidence and negative perceptions from community damaging KSDLM image due to dirty towns / environmental pollution.	KSDLM Waste Management By-Laws are being implemented.	Satisfactory			
	Inadequate planning for provision of services leading to non-adherence to waste collection schedules	Community petitions for non-collection of waste / business utilizing alternative means to transport waste.	The National Health Act 61 of 2003 is being implemented.	40%	7,2	High	
						Municipal Manager	
						D Com Ser	
							Daily
							Monthly
							Monthly
							Quarterly

Longer downtime on Plant repairs, challenges of fuel supply and lack of intensive monitoring	Imposing community health risk.	National Environmental Management Waste Act is being implemented.	30-Aug-23
Poorly focused planning on construction of Landfill site.	Exposure to litigations from affected, interested stakeholders, regulators and also losing operating license permits	Approved Integrated Waste Management Plan is being implemented.	Daily
Insufficient budget	Non-compliance fines and litigations against KSDLM	OHS Policy, Plan and Strategy.	Monthly
Insufficient spacing and inaccessible building structure	Exposure to health and safety hazards	Functional OHS Committee	Quarterly
Ineffective building Control Management on enforcement	Construction of buildings without proper authorization	Land Invasion Policy, SPLUMA, Gazetted Building	30-Aug-23
Services Providers to be sourced for assisting municipality with repairs of refuse trucks.	To develop a policy on Staff Personal Protective Clothing.	EHPs serving contravention notices to perpetrators of environmental pollution	31-Dec-23
To develop a policy on Staff Personal Protective Clothing Management.	To engage management on more budget allocation for OHS activities.	To motivate for identification of alternative office space accessible to all members of the public.	30-Aug-23
Hold 2 awareness campaigns in quarter 02 and 03	D	Cor Ser	31-Dec-23
Hold 2 awareness campaigns in quarter 02 and 03	DHS		Q2 & Q3

		Management By-laws.							
Compromised Community Occupational Safety	Developments will not have valid home insurance cover (including fire risk) and will not have certified quality assurance against structural defects	Approved Standard Operation. Public awareness materials (Information Brochures).							
Low levels of revenue collection	Inability to fund KSDLM annual budget / inability to settlement financial obligations.	Public Participation to engage all customers to pay for services.							30 Sept 2023.
Insufficient revenue and Cash Flow		Rolling out data cleansing to ensure accurate customer data is kept on system.		Satisfactory	40%	15	High	Municipal Manager	CFO
	Illegal rezoning of property's	Fair value of rates not being paid by households and businesses.	Buildings inspectors inspecting zoning of property's					To identify all rezoned properties and align to applicable rates and service charges.	DHS
								To monitor on monthly basis Revenue Recovery Plan and enforce consequences for non-implementation.	CFO
								95% Collection on revenue billed on electricity and rates by June 2024	Monthly

Inward migration of people to municipal land with no affordability for services.	Inability to finance provision of services and operations.	Reporting to Budget and Treasury Office Steering Committee.	Expansion of revenue base to Viedgesville and Hole in the Wall	D Com Serv	30 Sept 2023.
Inability to write off bad debts	Increased debtors collect days affecting balance sheet negatively	Developed Revenue Recovery Plan and reporting to Revenue Recovery Committee.			
Line losses / Illegal connections	Unmetered households in Mthatha West extensions connecting illegally.	Conducting Meter inspections	To write off 200 days old and untraceable debtors	CFO	Monthly
Unfunded mandates	None-payment of third parties	Switching off defaulting customers	To intensify meter inspections by having 1200 meters inspected within KSD by June 2024.	CFO	June 2024.
Ever increasing litigation costs	Financial strain on budget and revenue collected	Transferring of legal disputes to Legal Service Unit to resolve on.	To follow up on intergovernmental dispute resolution.	COO	30 Sept 2023.
			To ensure reduction of current contingent liabilities by conducting litigation risk analysis. Reviewed and updated litigation register.	D Com Serv	30-Jun-24

Inward migration of people to municipal land with no affordability for services.	Inability to finance provision of services and operations.	Applying for Court Orders to deter land grabbers and invaders.		To ensure implementation of Parking System and Speed Monitoring Cameras.	DPS	30 Sept 2023.
Municipal grading level is limiting avenues for funding support and also limited revenue base for municipal collection.	Revenue limits	Outsourcing Parking Management Services		To ensure the Service Provider is appointed and MOU signed for Parking System by. / To procure implement Parking Management system	DPS	30 Sept 2023. June 2024
Lack of clear strategy to address collection of revenue from informal and formal trade	Average collection of revenue from the informal and formal trade	Issuing of notices to pay.		Review of the outdated LED Strategy for implementation in quarter two.	DRE D	30-Sep-23
				Development of database for current businesses within our towns.	DRE D	30-Dec-23
				To collect Revenue from Municipal Hall rentals	Dcor Ser	Monthly
				100% Implementation of financial recovery plan targets	All Directors	Monthly

<p>Non-compliance with SCM laws and regulations</p>	<p>Unauthorized, Irregular Fruitless and Expenditure.</p>	<p>Completion of Procurement Plans by user departments for SCM to implement.</p> <p>Ensure submission of needs analysis by departments for use of consultants.</p>	<p>Satisfactory</p> <p>40%</p> <p>-5.4</p>	<p>Municipal Manager</p>	<p>To ensure development and submission of Procurement Plans by 31 March each year.</p>	<p>All Directors</p>	<p>30-Dec-23</p>
<p>Non-compliance with SCM laws and regulations</p>	<p>Non-compliance</p>	<p>Encouraging use of KSD Fraud and Corruption Hotline to report irregular conduct.</p> <p>Opening cases with SAPS and reporting to treasury</p>	<p>High</p>	<p>Municipal Manager</p>	<p>To develop monitoring tool / source automated system to ensure proactive reminder for user departments and consequence Management will be implemented on non-adherence to Procurement Plans.</p>	<p>CFO</p>	<p>31-Dec-23</p>
<p>Non-compliance with SCM laws and regulations</p>	<p>Negative audit outcomes.</p>	<p>Encouraging use of KSD Fraud and Corruption Hotline to report irregular conduct.</p>	<p>High</p>	<p>Municipal Manager</p>	<p>To ensure disclosure of business interests by all councilors and personnel by 31 June each year.</p>	<p>CFO</p>	<p>31 June 2023</p>

	Lack of focused future planning.	Unsustainable development and human settlements that are informal. Poor infrastructure planning	Forward planning manager recruited.					Preparation of forward planning plans and implementation of plans and adoption by council in order to have enforcement of by-laws	DHS	Monthly
High rate of crime and lawlessness within our community's	Lack of proper By-Laws and or enforcement thereof.	Absence of law and order within community's	KSDLM Community Safety Strategy and Plan					Benchmarking with other municipality's for better By-Laws	DPS	Quarterly
	Lack of coordinated efforts / participation from relevant stakeholder / sector departments / OTRambo DM (SAPS & KSDLM) etc.	Loss of life.	Facilitating Joint Operations Committee (JOC) meetings for safety and security cluster.	Satisfactory	40%	12	High	Facilitation of JOC forums / Community Safety Forum meetings.	DPS	Quarterly

Community undermining the rule of law / not making an effort to govern at community level.	Tarnished image of the KSD LM and reluctance to invest in KSD LM by investors.	Revived Community Safety Forum Audits.	Facilitate establishment of Community Safety Forums per village at ward level	DPS	31-Dec-24
Absence of technologically advanced tools to fight crime and lawlessness.	Silo planning not impacting positive to fight against lawlessness and crime	Community Safety Forum Policy.	Implement the concept document for Smart and Safer City by rolling out installation of CCTV cameras in Mithatha Central Business District (CBD).	DPS	31-Dec-24
Absence of coordinated planning and lack of will by other stakeholders, especially sector departments and district municipality.	Disservice of the community needs.	IDP Representative Forums. Public Participations.	Engagements at political level (MEC and Executive Mayor) for prioritization of IGR and IDP forums by Heads of Departments as decision makers	COO	30-Sep-23
Poor coordination / packaging of public participation programmes /	Distorted information and accountability.	Petitions and Risk Register	Coordination of Political Office Bearers for programmes affecting service i.e., Imbizo`s should focus on addressing hot spot areas.	COO	Quarterly 2023/2024 FY

<p>Explore and invest in agriculture, oceans economy and MME development opportunities</p>	Access to market		<p>31 Sept 2023.</p>		
	Lack of economic activities on KSD oceans	Dilapidated infrastructure		Maintenance of road infrastructure through SANRAL partnership	
	Limited support provided to community / Cooperatives and local SMME's	Demotivated SMMEs		Capacity building on the fishing coops and lifeguards	
	Lack of proper access to the Ocean.	Negative impact to oceans economy		Maintenance of road infrastructure through SANRAL partnership	
	Lack of Public Private Partnerships to promote agriculture.	Undeveloped land due to land claims		Land audit and business plans continuous update	
	Strong barriers of entry into agriculture limiting	limited resources and access to funding		Capacity building to youth on agriculture and innovation	
	<p>Invite partnership with other sector departments and institutions to provide training</p>			D RED	
	<p>Continuous repairs and maintenance of all roads</p>			D RED, DTS	
<p>Assess all fishing coops of their needs.</p>			D RED		
<p>Identify and develop training needs according to the skills gap</p>			D RED		
<p>The two (2) oceans (Coffee Bay and Hole in the wall) will be fully utilized where activities (Training and capacity building of Fishing Coops,) will be planned and linked</p>			D RED		
<p>Land audit to be conducted</p>			D RED, DHS		
<p>Planned engagements and training for youth and with partnership DICLA</p>			D RED		

	community members.	Strong standards / requirements to access to market with local production.	Capacity building on farmers and access to market	Training programmes for all SMME categories	D RED	31 Sept 2023.
		Absence of and / lack of access to agricultural equipment	KSD and DRDAR are working together to identify areas of support			
		Lack access to funding agricultural activities in local communities.	On a regular basis we call all different funders to disclose opportunity for our SMMEs			
(SD Area is susceptible to disaster that destroys infrastructure.	Climate change: Heavy winds and flooding destructing human livelihood.	Road infrastructure network severely damaged.	District Disaster Management strategy.	Insuring assets with third parties need to be explored to transfer the risk in the event of disaster and vandalism	CFO	30 Sept 2023.
		Community protests and complaints for lack of service delivery.	MIS registration			
				Municipal Manager		
				Satisfactory		
				40%		
				9,6		
				High		

<p>Non-compliance to 8% norm of the budget for repairs and maintenance of infrastructure which is also on enough.</p>	<p>Negative impact on economic growth within the area of KSD.</p>	<p>08% norm budget approved</p>	<p>Disaster Management Plan/Implementation Plan must be updated for implementation. Including disaster management centre.</p>	<p>30 Dec 2023.</p>
<p>Insufficient budget for development of Strategy and response plan in the event of disaster.</p>	<p>Drought destructing human livelihood.</p>	<p>Service Level Agreements with Department of Transport for maintenance of roads.</p>	<p>Agreements needs to be entered into with other affected stakeholder like DoT, for performance of services on their behalf.</p>	<p>30 Sept 2023.</p>
<p>Lack of preparedness for and response to disasters.</p>	<p>Disaster interventions are not properly coordinated.</p>	<p>Awareness campaigns on illegal and hazardous settlements</p>	<p>Establishment of the Disaster Management Unit at local level.</p>	<p>30 Sept 2023.</p>
<p>Poor level of climate change awareness and Energy efficiency understanding by communities.</p>	<p>Communities losing hope and trust towards municipality's ability to respond to disaster.</p>		<p>Conduct public awareness campaigns on disaster management response</p>	<p>30 Dec 2023.</p>

Environmental health out brake.	Lack of cash backed provision of services to community.	Absence of costed Business Continuity / Contingency Plans in the event of disruption of services	Massive spending on unplanned provision of service in response to disaster and unfunded mandates.					DTS	30 Dec 2023.
Insufficient budget for ICT infrastructure.	Inability to embrace fully technological advancements within KSD jurisdiction.	Engagements with management motivating for more allocation of budget to support service delivery.	40%	7.2	High	Municipal Manager		2024/06/31	
No implementation of ICT Maintenance Plan.	Threat to business continuity of KSD Municipality.	Prepared Business Plans for submission to MISA for funding.	Satisfactory				D Cor Ser	31 July 2024	
No prioritization of ICT infrastructure to address ever changing		Partnership with Micro Soft for cloud services and additional skilled transfer						30-Jun-24	

Ilapidated ICT infrastructure.

	ICT infrastructure / technology needs.						
Lack of data confidentiality, integrity, and availability	Absence of employee Cybersecurity awareness workshops	Employees can fall victim to calculated attacks through social engineering, smishing (SMS texts), social media threats, and phishing emails.	Proposed cybersecurity awareness calendar.	Satisfactory		To conduct cybersecurity awareness workshops for all KSD employees one pre quarter.	31-Aug-23
	Absence of Cybersecurity Vulnerability Assessment Tools	Without vulnerability tool, the municipality is in the dark, unable to see potential threats before a cyber-attack emerges and systems are more prone to performance issues, crashes, and instabilities, resulting in business interruptions and unexpected downtime.	Approved vulnerability management SOP in place.	40% 12 High	Municipal Manager	ICT to procure security vulnerability assessment tool.	30-Oct-23
D Cor Ser							

	<p>Expiry of Endpoint Protection solution</p>	<p>The most obvious consequence for poor or non-existent virus protection is lost data. One employee clicking a malicious link can infect your entire computer system with a destructive virus that can shut down your network, wipe your hard drives, and spread to other companies and clients through the Internet</p>	<p>ESET anti-virus in place however expiring in January 2024.</p>		<p>Procure new anti-virus or renew license of the existing anti-virus protection.</p>	<p>28-Feb-24</p>
<p>Ineffective Data Loss Prevention Solution</p>	<p>Risk of not having data loss prevention due to more and more systems working digitally, the potential for identity theft or using sensitive information for access to other</p>	<p>CIBECS in place</p>	<p>ICT to educate KSD users on data loss prevention and on the solution, we have on CIBECS then enable the feature.</p>	<p>31-Jul-23</p>		

8. FINANCIAL IMPLECATIONS

- An amount of R100 000.00 was set aside for the workshop.

9. CONCLUSION

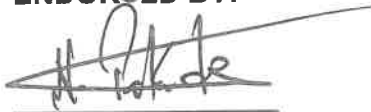
The training will assist the municipality in implementing and achieving Risk Management, Integrity and Ethics Management and Anti – Fraud & Corruption objectives. However, it is **recommended that**.

- (i) KSDLM Council accepts and notes the report.
- (ii) KSDLM Council maintains lines of reporting between the Risk Management Office and the Municipal Manager be not tempered with in line with the recommendations of the King Code on Corporate Governance for South Africa.
- (iii) KSDLM Council monitors directorates as always required to focus on all Strategic Risks raised as each department might have a role to play towards achievement of the objective and elimination of risk identified.
- (iv) KSDLM Council ensures resourcing of the ICT Unit and Communications Unit with relevant working tools to ensure protection and promotion of the KSDLM image.
- (v) KSDLM Council notes minor adjustments on top risks descriptions in the Integrated Development Plan compared to Strategic Risks Register be noted as register is always considered live and ever evolving documents due to its nature.

10. ATTACHMENTS TO THE REPORT:

- a) Attendance register
- b) Risk Registers
- c) Presentation (KSDLM, SIU, HAWKES, SALGA, and Public Protector)

ENDORSED BY:

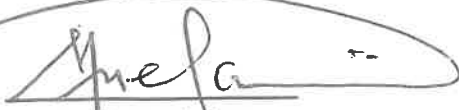


**MR N PAKADE
MUNICIPAL MANAGER**

DATE:

MUNICIPAL MANAGERS COMMENTS

APPROVED BY:



**CLLR GN NELANI
EXECUTIVE MAYOR**

DATE: