

NDLAMBE MUNICIPALITY

FINANCE DIRECTORATE

ACTION PLAN TO MITIGATE RISK 2008/2009

	<u>RISK</u>	<u>ACTION PLAN</u>	<u>RESPONSIBLE PERSON</u>
1	Insufficient capital budget	<ul style="list-style-type: none"> • Assist directorates to access funds to implement capital projects • Strengthen credit control to bring in money due to Council 	H Dredge A Buys
2	Insufficient operating budget	<ul style="list-style-type: none"> • Strengthen credit control to bring in money due to Council 	A Buys
3	Inability to recover debt owed to Ndlambe	<ul style="list-style-type: none"> • Draft a new credit control policy • Workshop the new policy with all stakeholders • Formulate a policy for casual employees to work on an incentive basis to implement the policy 	H Dredge A Buys H Dredge
4	Reliance on unsustainable funding	<ul style="list-style-type: none"> • Develop forms to be completed before capital items are funded that highlight future running costs 	H Dredge
5	Insufficient funds from National Treasury to support indigents	<ul style="list-style-type: none"> • Audit existing indigents to ensure that they qualify • Employee field workers on an incentive basis to register all indigents that comply with the criteria • Provide National Treasury with correct data 	A Buys A Buys H Dredge
6	Reserves being depleted to combat cash flow problems	<ul style="list-style-type: none"> • Analyse all reserves and trust fund • Make application to Council to write off all reserves and trust fund that are not backed by cash • Open separate investments for funded trust funds and reserves on a basis that the funds cannot be readily transferred to operations 	A Scriven A Scriven A Scriven
7	Inaccurate indigent data base	<ul style="list-style-type: none"> • Apply for funding to update the indigent records • Employ fieldworkers on an incentive basis to cleanse the indigent data base • Audit all indigents 	H Dredge A Buys A Buys

8	Non-adherence to credit control policy	<ul style="list-style-type: none"> Workshops to educate all stakeholders on the credit control policy Ensure staff dealing with credit control are familiar with all provisions thereof. 	A Buys A Buys
9	Tariffs and tariff increases not in line with actual costs of services	<ul style="list-style-type: none"> Ring fence all services to show actual costs in order for tariffs to be set that recover actual expenditure Put a costing system in place that will ensure that all expenditure is debited to the correct vote 	
10	Insufficient control over assets and asset register not updated	<ul style="list-style-type: none"> Develop forms to be completed by each person that purchases, transfers or sells an asset Get interns to do a total audit of all assets and to correct the asset register accordingly 	H Dredge
11	Directorates do not have real time access to expenditure votes	<ul style="list-style-type: none"> Apply for funding for a fully integrated IT system that runs on real time Network the finance system to all employees responsible for procurement 	H Dredge R Gates
12	Non-adherence to supply chain management policy	<ul style="list-style-type: none"> Revisit the policy and amend where necessary Ensure that the supply chain unit operates in strict accordance with the policy 	H Dredge R Gates
13	Lack of financial literacy amongst financial and non-financial staff	<ul style="list-style-type: none"> Undertake a skills audit of all the staff at finance Prepare a training programme from the skill audit Forward training requests to the committee for consideration 	H Dredge H Dredge H Dredge
14	Inaccurate payroll masterfile information	<ul style="list-style-type: none"> Obtain new post descriptions to update masterfile 	A Barkhuizen
15	Old and outdated IT equipment not conducive to effective service delivery	<ul style="list-style-type: none"> Apply for funding to update all computer equipment in the finance directorate Install a dedicated finance network throughout the Ndlambe area 	H Dredge A Buys
16	Outdated financial system that does not meet the requirements of current legislation	<ul style="list-style-type: none"> Apply for funding to install an integrated finance system 	H Dredge
17	Abuse of IT infrastructure i.e. internet and e-mails	<ul style="list-style-type: none"> Put procedures in place to comply with the IT policy 	A Buys
18	Inadequate security of IT systems	<ul style="list-style-type: none"> Develop a recovery plan for the finance It that is to include security of the system and system back-ups 	A Buys

19	Lack of adequate internal controls	<ul style="list-style-type: none"> Workshop finance code of conduct and implications if internal controls are not adhered to 	H Dredge
20	Lack of updated policies and procedures	<ul style="list-style-type: none"> Develop financial procedures for all finance work Update all finance related policies where necessary 	H Dredge H Dredge
21	Non-adherence to existing policies and procedures due to lack of knowledge, understanding and the awareness thereof	<ul style="list-style-type: none"> Ensure that all finance staff have access to all policies and procedures and get them to sign that they understand the implications thereof 	H Dredge
22	By-laws old and outdated	<ul style="list-style-type: none"> Review existing by-laws and update where applicable 	H Dredge
23	Non-compliance with legislation	<ul style="list-style-type: none"> Ensure that all finance staff have access to finance legislation and get them to sign once they understand the content Workshop any legislation the finance staff needs clarity on 	H Dredge H Dredge
24	Lack of productivity due to unmotivated staff	<ul style="list-style-type: none"> Draw up a training plan to be submitted to the training committee Job evaluation to be finalised 	H Dredge
25	Lack of formalized training and development programme for staff	<ul style="list-style-type: none"> Undertake a skills audit of all the staff at finance Prepare a training programme from the skill audit Forward training requests to the committee for consideration 	H Dredge H Dredge H Dredge
26	Lack of adequate number of staff	<ul style="list-style-type: none"> Recommend additional posts during the restructuring exercise 	H Dredge
27	Lack of a cascaded performance management system	<ul style="list-style-type: none"> Interact with corporate services to have the performance system cascaded to all levels 	H Dredge
28	Inadequate storage space for documentation and back-ups	<ul style="list-style-type: none"> Develop a policy on the disposal of financial records and present to council for consideration 	H Dredge
29	Inadequate office space for staff	<ul style="list-style-type: none"> Access funding for the new office block 	H Dredge
30	Bad working conditions and facilities for staff	<ul style="list-style-type: none"> To be looked at with the new office block Identify funds from current budget and get staff to prioritise what should be done in the offices with the funds available 	H Dredge H Dredge
31	Manelec not doing disconnections as required	<ul style="list-style-type: none"> Review contract with Manelec 	A Buys
32	Over dependency on certain individuals in finance	<ul style="list-style-type: none"> Undertake a skills audit of all the staff at finance Prepare a training programme from the skill audit Forward training requests to the committee for consideration 	H Dredge H Dredge H Dredge

33	Lack of cohesion of the entire finance staff	<ul style="list-style-type: none">• Staff training session indicating how each employees job impacts on the others	H Dredge
34	Lack of dedicated staff in the finance directorate	<ul style="list-style-type: none">• Get employees to fill in a questionnaire to gauge the reasons for loss of dedication in the section	H Dredge