

Annexure C.1

mSCOA: Example Project Risk Register

1. Consequences or impact indicator: This indicator is used to **communicate the consequences should this risk happen, considering that there are no mitigation measures in place.** It indicates the “worst case” scenario and the asset manager should consider the direct consequences, including damage to the asset itself, as well as indirect damages, like business interruption and damage to other assets or humans.

Rating	Consequences	Impact
5	Very serious – business disruption for a period of time	Catastrophic – collapse of business or project
4	Serious - business disruption	Major – critical event
3	Moderate	Moderate
2	Damage	Minor – normal operating conditions
1	Slight damage	Insignificant

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2. **Probability indicator:** This indicator provides an **estimate of the probability that the risk situation might occur**. Even if it does occur, it might not be the “worst case” scenario, but a smaller incident or loss than what was anticipated, but all the same, the chance of a loss situation occurring.

Rating	Probability
1.0	Almost certain – event is expected
0.8	Likely – probability
0.5	Moderate – could occur some time
0.3	Unlikely
0.1	Rare/ remote

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3. Risk exposure indicator: The risk exposure is calculated by multiplying the numeric values for the impact indicator (refer paragraph 1 above) with the numeric value of the probability indicator (refer paragraph 2 above). The municipality, in a formal council policy, should decide what its risk tolerance level is (how much risk the municipality wants to/ is able to tolerate). This risk tolerance policy applies to all risk within the municipality (not only the mSCOA project).

In the example below, the municipality:

- has accepted (will tolerate) all risk below level 1 (green indicator);
- monitors risks with an exposure of 1 and above that are below 2 (yellow indicator); and
- actively manages the risks with an exposure indicator of 2 and above (red indicator).

Risk Rating		PROBABILITY				
		1.0	0.8	0.5	0.3	0.1
IMPACT	5	5.0	4.0	2.5	1.5	0.5
	4	4.0	3.2	2.0	1.2	0.4
	3	3.0	2.4	1.5	0.9	0.3
	2	2.0	1.6	1.0	0.6	0.2
	1	1.0	0.8	0.5	0.3	0.1

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RISK REGISTER

(Example)

Risk Responsible person	Drivers/ Contributing factors	Comments	Assessment			Mitigation measures		
			Consequences	Probability	Risk Exposure	Consequences	Probability	Risk Exposure
1. Power outages/ Load shedding – damage to assets caused by power dips/ spikes. Liability claims from consumers and business. A Ngwenya Technical Dept. Mayor and Councilors	Eskom load shedding; Higher demand than supply; Ageing network; Cable theft and general vandalism.	Consumers may vent frustration and consumers may withhold payment for services	Moderate	Likely	3.8 Significant	Minor damage	Likely	1.6 Moderate
			<ul style="list-style-type: none"> Electricity demand management Maintenance of network infrastructure 			<ul style="list-style-type: none"> Communication of schedules Education regarding saving of electricity and illegal connections Debt/ credit management Pre-paid meters 		
2. Water quality failure – ground water contamination and spread of disease S Kriel Technical Dept. Health Inspectors	Key processes and SOPs; Staff skills shortage; Overcrowding and poor living conditions;	Untreated/ chlorinated water can become contaminated; Untested water should not be released from retention dams	Very serious	Unlikely	1.5 Moderate	Moderate	Rare	0.3 Acceptable/ Low exposure
			<ul style="list-style-type: none"> Chlorination programme in place Skills development and assessment 			<ul style="list-style-type: none"> On-going training and monitoring Replacement of communal taps and boreholes with piped water 		
3. Vandalism – damage and destruction of municipal assets D Khosa Mayor and Councilors Communication and marketing Technical Dept.	Poor service standards, Frustration and political unrest	Consumers in informal settlements and low cost housing protest against lack of services, cost of services and other political issues	Moderate	Moderate	1.5 Moderate	Minor damage	Unlikely	0.6 Acceptable/ Low exposure
			<ul style="list-style-type: none"> Eradication of service and infrastructure backlogs Improvement of service standards 			<ul style="list-style-type: none"> Create jobs and uplift communities Formalise housing arrangements Improve infrastructure and service standards 		