

Annexure C.2

mSCOA Project Risk: Examples

| CATEGORY | DESCRIPTION OF THE RISK |
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| Non-compliance | The possibility of the municipality not achieving full compliance by 1 July 2017, should be the top risk in every mSCOA project risk register. |
| System failure | Although the system vendors are doing their best to support municipalities in achieving compliance with the regulations, there is always the chance that the system might fail and compliance be negatively impacted. This risk should be included in the risk register. |
| Audit outcome | For any municipality, mSCOA project failure or weak project controls could have an adverse impact on the existing audit findings. This risk should be highlighted in the risk register and closely monitored to mitigate the impact. |
| Demarcation impact | The demarcation of municipal borders in view of the coming elections could impact on the mSCOA implementation and affected municipalities should note the risk, and initiate mitigation plans and activities to deal with the risk in a proactive fashion. |
| Requirements | Requirements should be clearly specified. The level of specification determines the level of risk, that is vague specifications increase the risk and very clear specifications reduce the risk. |
| Benefits | Business benefits should be identified and quantified, informing the business case for change or implementation. If there is a very clear business case, it reduces the overall risk, and if the benefits are not clearly articulated and communicated, it poses an increased risk. |
| Schedule | Schedule lists of all activities and tasks with enough time to complete, provide accurate dependencies and assign responsibilities. Detailed schedules reduce the risk, whilst vague and un-assigned schedules of activities increase the risk. |
| Budget | Sufficient budget should be allocated for all the components of the project and accountability therefore assigned. If the budget is sufficient to cover the entire project, the risk is mitigated. Insufficient budget to complete the project should |

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| | be highlighted as a key risk. |
| Deliverables | Clearly defined deliverables with quality and acceptance criteria, reduce the risk whilst vague deliverables, or omission of the quality and acceptance criteria, increase the risk. Deliverables and acceptance criteria form the basis of contracting if vendors are utilised for any part of the project delivery. |
| Scope | Clearly outlined scope reduces the risk and enables containment of scope creep, which in turn impacts on the budget and time line. |
| Issues | The Issue log documents all issues and key decisions on the project, including the information which was considered to make these decisions, who made them, and what the implications of these decisions are. This document is reviewed by auditors and informs future developments and projects. |
| Suppliers | Municipalities may decide to use the services of vendors and suppliers in support of mSCOA implementation. Expectations and reporting lines for suppliers should be clearly defined and the municipality should manage the suppliers, and not the suppliers manage the process or the municipality. Penalty clauses and performance standards should always be included in supplier contracts. |
| Acceptance criteria | Acceptance criteria, quality expectations and the process for acceptance of deliverables should be clearly defined and agreed with all project team members, internal and external. Clearly defined criteria reduce project risk. |
| Communication | Communication is the cornerstone of successful project implementation and should be planned for the duration thereof. Controlled communication to the project team, vendors, affected parties and other stakeholders reduces the risk to the project. |
| Resources | Resources for the project include skilled staff, budget and technology. The oversight committee and project team should be allocated and assigned in writing, including the amendment of their respective performance contracts, to ensure that this project is their priority and reduce the risk of not meeting the compliance requirements. |