






















STRATEGIC RISK REGISTER 2023 -2024





Ref	Objective	Risk Description	Root causes/ Risk driver	Consequences/Effects	Inherent risk			Controls in place	Effectiveness	Residual risk			Action plans required to reduce residual risk to an acceptable level	Responsible official	Due Date	Status	Progress 3 <sup>rd</sup> Quarter
					Impact	Likelihood	Rating			Impact	Likelihood	Overall Rating					
SR1	Raise funding for the implementation of infrastructure	Funding not raised on time and in the amount required to implement projects	1.1 Creditworthiness of the projects.	Delay in commencement of construction in projects.  Increase in project costs, which may affect affordability to end-users.	5	5	25	1.1.1 Regular interaction with funders to promote understanding of TCTA credit, compliance with covenants, the project funding model.  1.1.2 Borrowing limit are scrutinised for sustainability by NT (National Treasury) before approval.  1.1.3 Obtain credit rating from reputable credit rating agency to confirm relative credit risk.	Partially effective	2	1	12	1.1.1 Include strong contractual obligations in Implementation Agreements on DWS and the fiscus to transfer risk and increase creditworthiness.  1.1.2 None 1.1.3 None	EM: PF&T	30 Apr 23		1..1.1 <b>Completed in Q2:</b> Done for BRVAS in Q1. Included in draft uMWP-1 for sign-off by DWS





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			1.2 Funding climate in the country, particularly in relation to SOE's		5	5	25	1.2.1 Large number of potential funders.	Partially effective	5	2		1.2.1 Open market sourcing of funding to expand funding pool.	EM: PF&T	Apr 23		1.2.1 Completed in Q1.
								1.2.2 All Projects included in DMTN to increase funding instruments and expand investor base.					1.2.2 Include information in RFP that will enable ESG-loans to access more funding options.		Apr 23		1.2.2 Completed in Q1
			1.3 Inadequate project preparation.		5	5	25	1.2 Institutional arrangements are done in as part of project preparation	Partially effective	5	1		1.3 Legal review of project document, authorisation, capacity as part of project preparation	Head of Legal/ EM: PF&T	Sep 23		1.3 Completed in Q2: Legal is part of project document formulation.
			1.4 MCWAP-2A Delay to reach financial close on agreements.  Delays in concluding Guarantee framework agreement.		5	5	25	1.4 Engagement with National treasury and the funders	Partially effective	5	2		1.4 Follow-up with National Treasury on Guarantee Framework Agreement.	EM: PMID	Oct 23		1.4 (In progress)- This was concluded but there are further follow ups.
SR2	Deliver infrastructure projects within schedule, health and safety, environmental, budget & quality commitments	Infrastructure projects not delivered on schedule, safely, within budget & quality.	2.1.1 Schedule slippage. 2.1.2 MCWAP-2A Delay in obtaining funding in time for to enable the commencement of procurement	Reputational damage. TCTA's sustainability negatively impacted.  Inability to commercialize projects.	5	5	25	2.1.1 Planning and scheduling control procedure. 2.1.2 Procurement strategies, plans, and SCM oversight	Partially effective	5	3		2.1.1 Develop Level 1 &2 Baseline Plans, and Level 3 schedule.  2.1.2 Fast track decision making on whether to	EM: PMID  CEO	May 23  Dec 23	  	2.1.1 Completed in Q2. The level Baseline Plans 1 and 2 are in place for all projects.  2.1.2 Done. Received exemption from NT from complying with Note 3 paragraph 8.4 (a). The loan agreements




[illegible]

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			2.4 HSE incidents and non-compliances.		5	5	25	2.4.1 Contractual remedies on identified non-compliance by contractors. 2.4.2 Safety Audits. 2.4.3 OHS (Occupational Health and Safety) legislation, policy, and policy statement.	Partially effective	2	1		2.4.1 None. 2.4.2 Establish HSE Operations Committee. 2.4.3 Develop HSE performance indicators. 2.4.4 Develop HSE Risk register.	EM: PMID	Aug 23  Aug 23  Aug 23	  	2.4.1 n/a  2.4.2 – 2.4.4 <b>Completed</b> . HSE Committee is in place and sits on a quarterly basis
SR3	Operate and maintain designated projects to meet DWS (Department of Water and Sanitation) volume targets and specifications”.	Failure to meet volume targets and specifications/standards.	3.1 Unplanned outages.	Reputational damage to TCTA should environmental degradation or ground water contamination occur.  Regulatory non-compliances leading to monetary penalties or legal action against TCTA and DWS.	5	5	25	3.1.1 Preventative maintenance and plant refurbishment plans. 3.1.2 Appointment of a competent operator. 3.1.3 Comprehensive contract conditions and application of contractual remedies	Partially effective	3	3	9	3.1.1 Restore the Eastern Basin AMD plant to achieve design capacity. 3.1.2 Restore the Central Basin AMD plant to achieve design capacity: Pipe capacity and pump upgrade. 3.1.3 Improvement of operations and maintenance strategies and plans.	EM: PMID	Apr 23  Jun 23  Dec 23	  	<b>3.1.1 – 3.1.5 : Complete</b>  All AMD plans are operating within the agreed DWS targets/parameters. 3.1.1 Eastern basin is operating at 97ml per day which is above the 90ml target. 3.1.2 Central basin is operating at 72ml which is above 60ml target.

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								to ensure satisfactory performance. 3.1.4 TCTA staff located on site to monitor operator and plant performance.					3.1.4 Appointment of Operations Manager. 3.1.5 Establish constructive partnerships with operators and key suppliers of equipment		Aug 23  Mar 24	 	
			3.1 High water ingress due to abnormal rain conditions.					3.2 High water ingress due to abnormal rain conditions.	Partially effective				3.2.1 Implement EMP's. 3.2.2 Implement the risk mitigating plan for decanting	EM: PMID	Quarterly  Quarterly	 	3.2.1 <b>Done:</b> The audits are done bi-annually. There have been no issues so far.  3.2.2 <b>Done:</b> The risk mitigation plans have been done for the Central, Eastern and Western basins.
			3.2 Vandalism of infrastructure					3.2.1 Plant security measures and reaction plans in place. 3.2.2 Stakeholder engagement strategy and plan. 3.2.3 Engagements forums	Partially effective				3.3.1 Monitoring implementation of current measures (the arm guards). 3.3.2 Monitoring implementation of engagement plans.	EM: PMID	Daily  Quarterly	 	3.3.1 <b>Completed</b> Arm guards in place, there has not been any incident to date.  3.3.2 <b>Done:</b> Engagements are happening on a quarterly basis
			3.3 Utility supply challenges (Load Shedding)					3.4 None	n/a				3.4 Development of environmental sustainability strategy.	EM: PMID	Mar 24		3.4 <b>Work in progress</b>
SR4	Manage debt within the approved borrowing limit.	Inadequate liquidity to meet project obligations and requirement	4.1 Late payments of tariff revenue by DWS.	Event of default leading to suspension or cancellation of credit facilities and accelerated repayment of	4	4	16	4.1 Proactive engagement with DWS on receivables. 4.2 Follow up is conducted with DWS officials if	Partially effective	4	2	8	4.1 Follow up with DWS Officials if payment is not up to date.	CFO	Mar 24		4.1 <b>Completed in Q2</b>

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					Impact	Likelihood	Rating			Impact	Likelihood	Overall Rating					
				outstanding loans				payment is not made on time.									
			4.1 Slow government processes for approving borrowing limit	Delay in implementing projects				4.1.1 Early submission of borrowing limit requests. TCTA engages DWS and NT before and after making submissions on borrowing limit requests.	Partially effective				4.2 Engage DWS and NT before and after making the submission	EM: PF&T	When a new borrowing limit is required		4.2 Completed IN Q2
			4.2 Event of default (e.g., unqualified audits, late audited statements etc.)					4.2 Bank liquidity in place.	Partially effective				4.2.1 Ensure liquidity facilities are in place to cover possible shortfalls.	EM: PF&T	Sep 23		4.2.1 Completed: No liquidity challenges were experienced during the quarter.
													4.2.2 Renegotiations with the lenders to align submission of audited AFS to the legislated (PFMA (Public Finance Management Act,)).		Sep 23		4.2.2 Completed IN Q2
			4.3 Lack of market interest in TCTA commercial paper					4.3.1 Engage with the Minister through Board when/if required tariffs do not get approved. Projects have committed	Partially effective				4.3 Obtain approval of the DMTN guarantee by NT to enable issuing of JSE-listed commercial paper.	EM: PF&T	Sep 23		4.3 In progress: submission to the Board will be in Q3.









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								ed bank facilities/ target greater than 10% of outstanding debt									
SR5	Ensure organisational positioning for the planned Water Agency	Inability to influence the establishment of the new Agency initiative.	5.1 Political Pressure.	Reputational damage.	5	4	20	5.1 Buy-in at the highest political level, including Ministerial oversight.	Ineffective	5	4	20	5.1-5.4 Implement 90-100% of the TCTA Agency response plan.		Quarterly		5.1-5.4 <b>Completed:</b> Quarterly targets have been achieved and reporting to Board at the end of December.
			5.2 Lack of capacity to undertake the complex change initiative.	Lack of sustainability of TCTA.				5.2 Establish interfaces for initiative, as well as independent specialist assessment	Ineffective								
			5.3 Institutional turf protection and lack of alignment between DWS and TCTA.	Water insecurity across the country.				5.3 Roadmap that is Cabinet approved, including institutional responsibilities.	Ineffective								
			5.4 Poor stakeholder management	Loss of market confidence and impact on funding.				5.4 Stakeholder engagement plan.	Ineffective								
SR6	Maintain the highest standard of corporate governance, the internal control environment, and risk management	Weak control environment and reduced ability to manage risks.	6.1 Lack of accountability.	Non-achievement of organisational goal and objectives.	4	4	16	6.1.1 Reporting structures to Board and EXCO are in place.	Ineffective	2	2	8	6.1 Implement recommended action plans from the Committees.	EXCO	Quarterly		6.1 <b>Completed</b> Quarterly reporting being done to all Committees
				Financial Losses.				6.1.2 Delegation of authority.									
			6.2 Adherence to corporate governance requirements seen as additional initiative.	Qualified Audit Opinion.				6.2.1 Risk Management framework and related policies in place.	Ineffective				6.2.1 Monitor the Implementation of the risk management Policy and Framework.	CRO	Quarterly		6.2.1 <b>Completed</b>
				Reputational damage.				6.2.2 Monitoring is undertaken					6.2.2 Reporting on organizational compliance to corporate	CRO/Cosec	Quarterly		6.2.2 <b>Completed</b>







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								en on compliance with the King IV principles on a quarterly basis. Combined assurance strategy.					6.2.3 governance requirements Monitor the Implementation of the combined assurance model.	CIA	Quarterly		6.2.3 Completed
			6.3 Non-compliance with legislation and regulations.					6.3.1 Submissions are made to the LCC within 30 days to address the backlog of irregular expenditure.	Ineffective				6.3 Monitor implementation of the compliance risk management plan	CRO	Quarterly		6.3 75% of the plan has been implemented. (In progress)
					5	5	25	6.3.2 IFWE procedure manual in place.		4	3						
								6.3.3 Guide to consequence management is in place.									
								6.3.4 Implementation of the Compliance Risk Management Plan is monitored quarterly.									
SR7	Ensure that all IT	Failure to implement IT	7.1 Misalignment between ICT	Security breaches	4	4	16	7.1 Working groups are in place to	Ineffective	3	3	9	7.1 Regular engagement with Divisions and	EM: EWSS	Mar 24		7.1 Completed in Q2



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	systems are implemented to support the business	systems and controls to support the business	and business objectives.	(Internal and External)	4	4	15	ensure buy in and support for programmes.		4	3		Execs, in terms of participating in working groups and committees.				
			7.2 Lack of skills and capacity	Failure of systems and platforms to support the business.				7.2 Integrated resource plan for the Department in place.	Ineffective				7.2 Execute the integrated resource plan for the department.	EM: EWSS	Mar 24		7.3 <b>In progress:</b> Oracle Consultant and system analyst are on hold due to delays in ERP implementation. The outcome of OE study will assist in revising and fast tracking the integrated resource plan
			7.3 Lack of appropriate governance forums.	Inability of the business to implement their strategies.				7.3 ICTGC Committee Board Subcommittee established.	Ineffective				7.4 Regular review and reporting of ICT plan progress and control environment to the oversight structures.	EM: EWSS	Mar 24		7.3 <b>Completed</b> Quarterly IT reports presented to Board Committees
			7.4 Slow response by IT support services to resolve queries					7.4 SLA for all support services with response and resolution times.	Ineffective				7.4 Monitor of suppliers via signed SLAs (Service Level Agreement).	EM: EWSS	Mar 24		7.4 <b>Completed:</b> Conducted on a monthly and quarterly basis depending on Supplier
			7.5 Inability to procure solutions on time.					7.5 Procurement strategies are in place.	Ineffective				7.5.1 Regular engagement with SCM (Supply Chain Manager) regarding fast tracking of procurement.	EM: EWSS	Mar 24		7.5.1 <b>Completed:</b> Monthly engagements being held with SCM.
													7.5.2 Monitor implementation of the digitalisation plan				7.5.2 <b>Completed:</b> Completed, quarterly report submitted to Exco.



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			8.4 Differing and conflicting agendas and interests of various SIP partners.					comparative advantage.					8.4 Engagement with project partners quarterly, together with SIP reporting.	CSO	Quarterly		8.4 <b>Completed:</b> Quarterly report at the end of September, reflecting engagement with Project Partners
								8.4.1 Field interaction and formal quarterly engagement with SIP partners.	Ineffective								
								8.4.2 SIP reports and escalation to Cabinet.									
SR9	Improve performance culture that contributes to the achievement of organisational goals	Inability to shift the culture to one of high performance in TCTA	9.1 Inadequate demonstration of leadership example (individualised approach).	Loss of competitive advantage.  Perception of TCTA in sector.  Reputational damage.  Limitation of SIP value-add.	4	4	16	9.1.1 Leadership coaching and team effectiveness program. 9.1.2 Implement the People Management Capacity Programme (PMCP) through the PMF.	Ineffective	4	3	12	9.1.1 Implement leadership coaching programme modules. 9.1.2 Implement PMCP modules.	EM: HR&OD	Quarterly  Quarterly	  	9.1.1 <b>Completed</b> On target as per plan.  9.1.2 <b>Completed.</b> On target as per plan.
			9.1 Misalignment between employees' expectations with organisational vision, mission, and values.					9.2 Approved transformation plan.	Ineffective				9.1.1 Implement 1 Interventions of the plan. 9.1.2 Implement 2 interventions of the plan. 9.1.3 Implement 3 intervention of the plan. 9.1.4 Implement 4 intervention of the plan.	EM: HR&OD	Jun 23 Sep 23 Dec 23 Mar 24	   	9.2.1 <b>Completed</b> Intervention 1 completed in the second quarter. 9.2.2 <b>Completed:</b> On target as per the plan.  9.2.3 <b>Not yet due.</b>  9.2.4 <b>Not yet due.</b>
SR10	Operation and Maintenance	Disruptions of water supply from LHWP to RSA.	10.1 Delay in executing the planned outage	Water Shortages (Gauteng Province).	5	4	20	10.1 Outage plan is in place		4	2	8	10.1 Appoint the PSP (Professional Service Providers)	EM: PMID	Jul 23		10.1 <b>Completed</b> The PSP contract is in place.

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	e of LHWP (LESOTHO HIGHLANDS WATER PROJECT) within RSA		10.2 Planned outages (delays in completing required maintenance activities).	Reputational Damage.				10.2 Comprehensive tunnel inspection at scheduled intervals.	Ineffective				10.2 Finalise bid closing.	EM: PMID	Mar 24		10.2 <b>In progress:</b> The technical specification for the contract was finalised. The Bid documents will be presented to BSC during December 2023.
SR11		Sustainability of the organisation	11.2 Failure to convert mandates into projects.					11.1 None	n/a	4	3	12	11.1 Engage DWS to finalise institutional arrangements and, National Treasury to seek funding for the projects.	CEO/Board	Mar 24		11.1 <b>In progress</b>
			11.2 Composition of staff cost (fixed and variable cost).	Failure to recover costs.  Increases in staff costs make off-takers reluctant to foot the bill.  Impact on the financial sustainability of the organization in future.				11.2 HR recruitment and remuneration policies	Partially effective				11.2.1 EXCO to optimise the use of current resources. 11.2.2 Monitor recruitment of new staff in relation to project activity and leadership engagement on this risk. 11.2.3 Management to consider the creation of fixed term contracts.	Executive HR/EXCO	March 2024	  	11.2.1 <b>In progress</b>  11.2.2 <b>In progress</b>  11.2.3 <b>In progress</b>
SR12		Potential default on loan covenant	12.1 Migration of TCTA into the Agency	Lenders may not be comfortable committing funds	5	5	25	12.1 Provide assurances and demonstrate		4	3	12	12.1-12.2 Provide lenders with updates and developmen	CEO	Mar 24		12.1- 12.2 Done in Q2.

