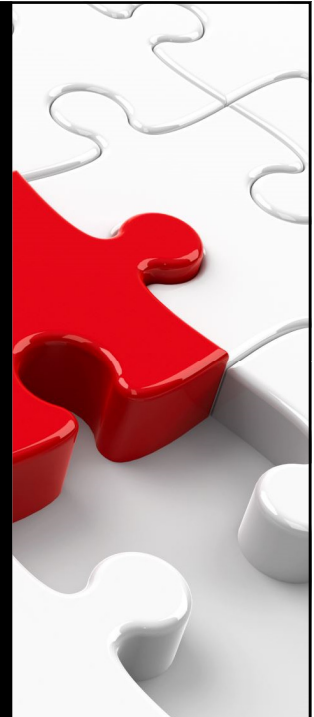


District Development Model

Risk and opportunity for
Risk Management and Internal Audit
Presented by Deon van der Westhuizen
Next Step Academy (Pty) Ltd



1

District Development Model

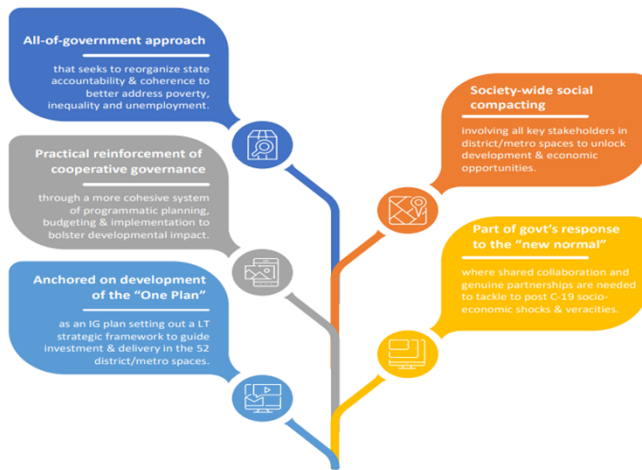
Game changer

- Coordinate government response to poverty/inequality
- Inter-governmental relations and co-operative government
- Government capacity to support municipalities
- Strengthening monitoring and oversight
- Balanced approach between rural and urban

Integrated governance

- Optimal performance by government
- Coherence in planning and budgeting
- Development impact on triple challenge of poverty, inequality and employment
- Ethical state
- Impact oriented, higher performance and accountability

2



- The DDM is an **all-of-government approach** to improve integrated planning and delivery across the three spheres of government with district and metropolitan spaces as focal points of government and private sector investment.
- The DDM is aimed at facilitating **integrated planning, delivery and monitoring** of Government's development programmes through the concept of a joint "One Plan" **in relation to** 52 development spaces / impact zones through the establishment of national technical capacity as well as district hubs that will drive implementation of the programme.
- This approach will not only **accelerate local economic development, urbanization, economic activities but also the provision of basic services** and other tailor-made solutions such as "Covid-19 interventions" at grass roots level.

BENEFITS OF THE DDM

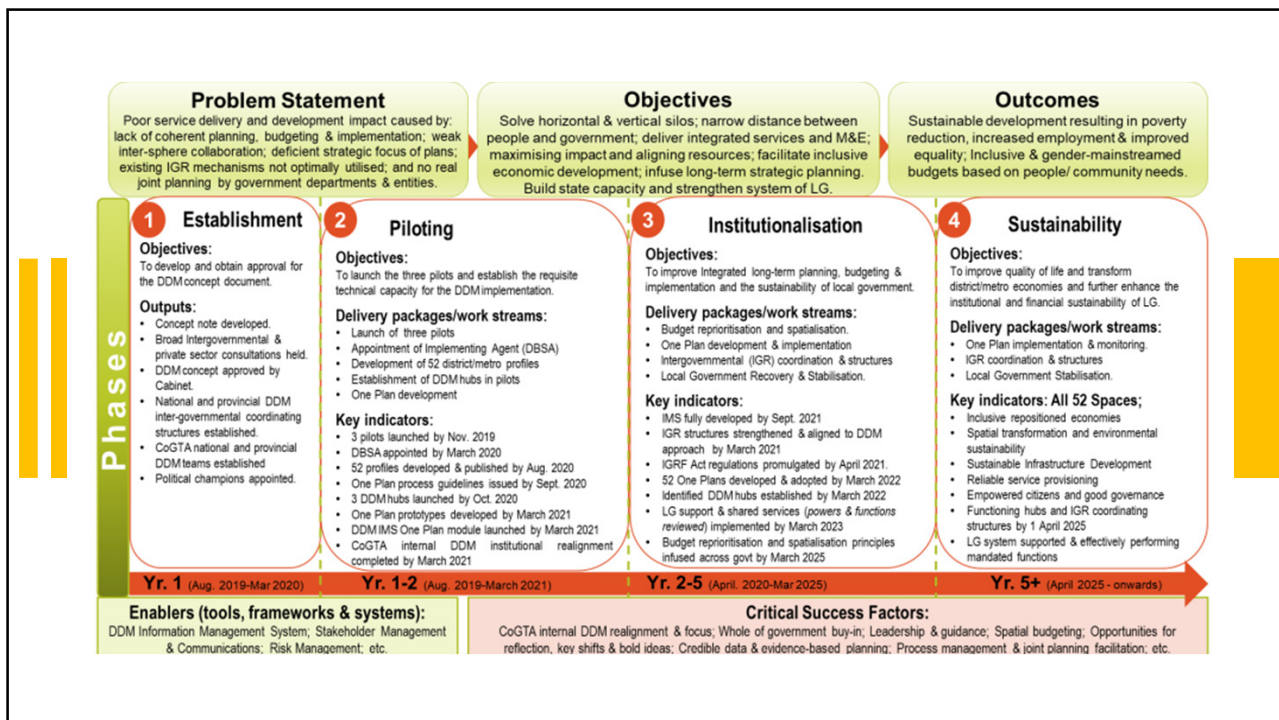
Opportunity for Reflection, Key Shifts and Bold Ideas:

1. Strategic response to socio-economic impact of Covid-19
 - Immediate and Long-Term
 - Economic recovery and Economic resilience
2. Stimulate new thinking, new socio-economic paradigms, new and bold solutions and alternatives
3. Fundamentally change conditions
 - People
 - Economy
 - Space
4. Desired Future, Results and Outcomes
5. Develop resilience and prosperity of the Country
6. Facilitate Responsive Institutions and Change Management
7. Embed Programmatic Approach (Cooperative Governance)

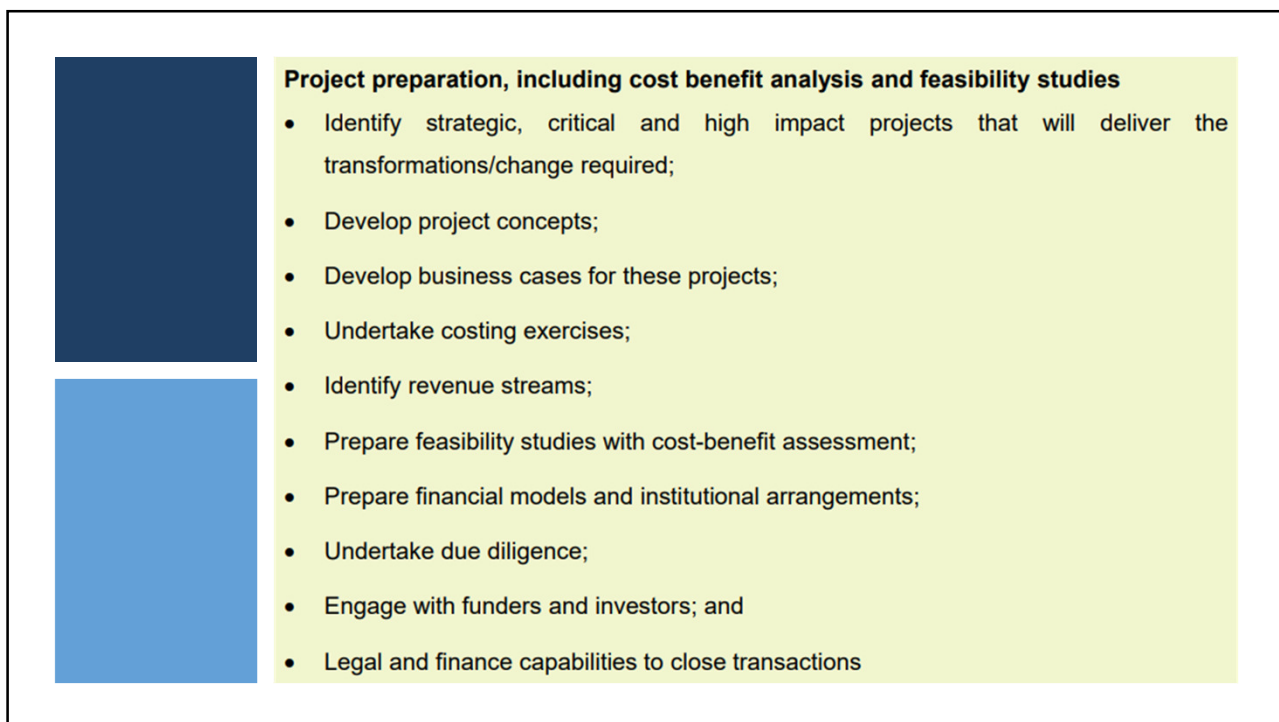
Accelerate and
Improve
Implementation

Strengthen
Accountability

Identify/
Implement
immediate priority
actions/projects



5

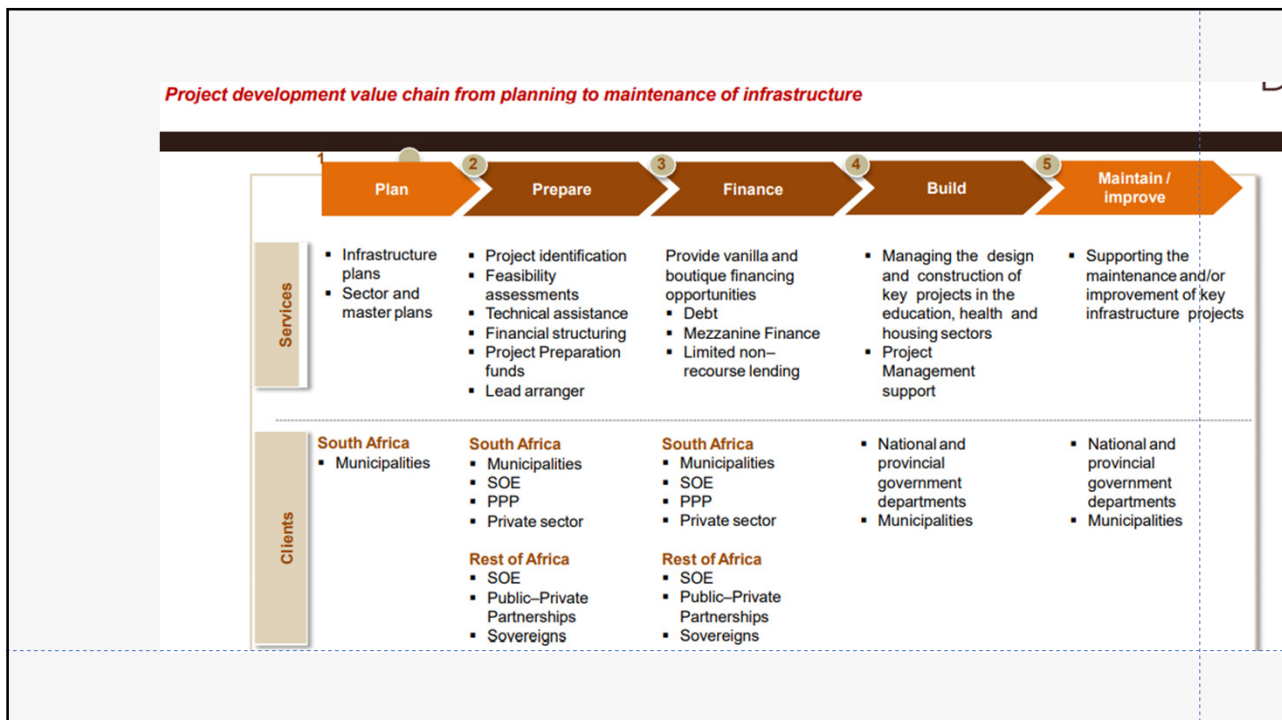


6

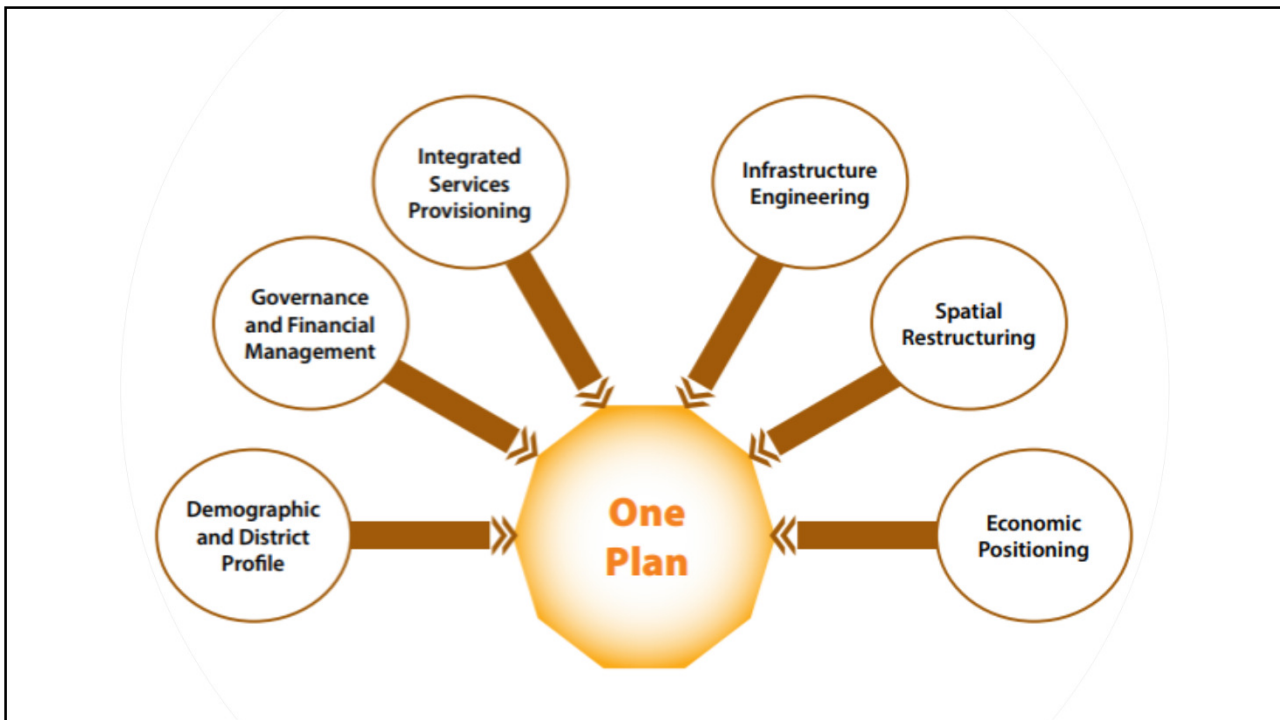
Some of the monitoring and evaluation activities include:

- Develop Long-Term Planning Key Performance Indicators (KPIs);
- Specify performance measures and targets;
- Incorporate into the municipal performance management system;
- Translate into departmental performance measures;
- Translate into individual performance measures;
- Regular monitoring and reporting against institutional, departmental and individual KPIs
- Conduct independent evaluations and ongoing benchmarking exercises;
- Conduct community satisfaction surveys; and
- Identify key issues for updating and reviewing plans and actions.

7



8



9

Key value drivers

Risk management

- Ongoing challenge to management re achievement of objectives
- Key risk indicators aligned to key performance indicators
- Big data – datamining and the internet of things
- Cyber security
- Project management
- Contract management
- Supply chain management

Internal audit

- Assurance – risk-based audit plan
- Assurance on the effectiveness of governance and risk managements
 - Ethics, structure, capacity, performance, accountability
- Assurance on:
 - Project management
 - Supply chain management
 - Contract management
 - General and application controls
 - Funding and costing of operational and capital budgets
- Combined assurance

10

Risk regarding role in the DDM

Risk management

- Centralised?
- Bigger units?
- New risk universe?
- Different skills sets?
 - Feasibilities and funding
- Big data and datamining?
- Compliance

Internal audit

- Centralised?
- Bigger units?
- New audit universe?
- Different skill sets?
 - ICT auditing
- Big data and datamining?
- Compliance

11

Top ten risks for 2021



12

Internal audit

IT disruption

- Technology change on steroids - technology change management review
- Digitalization of processes
- IT Governance
- Cloud –based infrastructure
- Data integrity

Data compromise

- Cybersecurity
- Incident readiness
- POPIA compliance

13

Internal audit

Resilience risk

- Financial sustainability
 - Long-term financing
 - Effect on rates and tariffs
 - Due diligence
 - Return on investment
- New skills set
- Data and technology
- Disaster recovery
- Business continuity

Theft and fraud

- White collar crime
 - Asset misappropriation
 - Theft of assets/resources
 - Technology
- Artificial intelligence
- Cybercrime
 - Malware
 - Worms
 - Hacking

14

Internal audit

Third-party risk

- Supply chain partners
- Conflict of interest
- Contract management
- Information technology
 - Hardware
 - Applications
 - Support
- Exit cloud contracts
 - Ownership of data
 - Backup processes
 - Business continuity

Human capital and talent management

- Ethical culture
- Remote working and conduct
- Future skill sets
- Qualification and fit for purpose
- Performance management
- Effectiveness of training interventions

15

Internal audit

Regulatory risk

- New legislation and regulations - compliance
- New policy and processes – compliance
- Long-term compliance
- Changes in performance and risk management
- Long term loans
- Financial guarantees

Organizational change

- Remote working and conduct
- Speed of change
- Need to innovate
- Leaner and agile
- Retrenchments
- Different reporting structures
- Key down of current status
- Resistance from successful municipalities

16

Internal audit

Political risk

- Co-operative government pressures
- Political override
- Constitutional status of DDM
- Red-tape reduction
- Cash flow management

Employee well-being

- Stress - restructuring
- Uncertainty about future
- Succession planning

17

Questions?

Linkedin

Continuous learning is the minimum requirement for success
Top Online Courses designed and executed by **Renowned Experts**



Next Step Academy (Pty) Ltd

Certified Online Courses designed and executed by Renowned Experts - Internal Auditing, CPD, MMC and more.
Professional Training & Coaching - Paarl, Western Cape - [843 followers](#)

Facebook



Search Facebook

Manage Page



Next Step Academy Pty Ltd



Deon van der Westhuizen

Technical specialist at Next Step Academy (Pty) Ltd - "NSA"
City of Cape Town, Western Cape, South Africa

Next Step Academy (Pty) Ltd - "NSA"
University of Stellenbosch

18